

Middle-Skill Credentials and Immigrant Workers: California's Untapped Assets

A FACT SHEET

California's Economy Has Robust Demand for Middle-Skill Workers. Half of all jobs in California (50%) are middle-skill occupations that require more than a high school diploma, but not a four-year degree. Yet only 40% of California workers have been educated to the middle-skill level.¹ A statewide middle-skill attainment goal and a focus on immigrant workers are essential to the state's economic future.

Middle-skill positions include jobs as varied as customer service representatives, dental hygienists, and paramedics.² Individuals prepare for these occupations through a variety of pathways, including career and technical education programs; apprenticeships and other work-based learning opportunities; community colleges; and nonprofit or other private job training providers.

Demand for workers with middle-skill credentials is anticipated to remain high in California, with up to 1 million new middle-skill jobs expected to be created between 2014-2024, and 1.4 million replacement jobs opening up during the same period.³

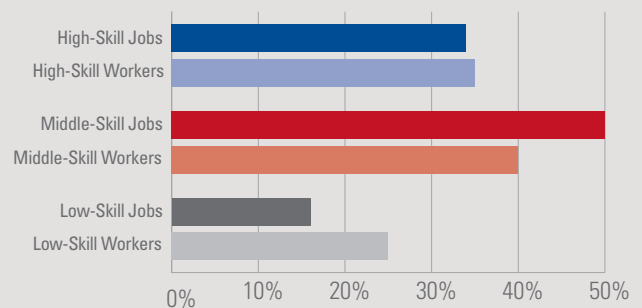
The data is clear that investing in skill-building can ensure California's ability to meet that demand. Such an investment makes economic sense: A report from the Organization for Economic Cooperation and Development (OECD) calculates that each year of postsecondary education leads to an increased per capita output of between 4 and 7 percent.⁴

California has long led the nation in such investments: the state's 1960 Master Plan for Higher Education is landmark legislation that has shaped the postsecondary environment for generations. More recently, the state has established an ambitious goal for middle-skill credential attainment: **Between 2017 and 2027, California aims to produce 1 million middle-skill, industry-valued and recognized postsecondary credentials.**⁵ **This clear, rigorous postsecondary attainment goal will help focus state policy and spending decisions on middle-skill opportunities and ensure a strong return on investment.**

Immigrants Are Part of California's Middle-Skill Solution

California is home to approximately 10.5 million immigrants, who comprise more than 27% of the state's population.⁶ Foreign-born Californians are much more likely to be of working age; a full 80% are between the ages of 18-64, compared to just 58% of native-born state residents. In addition, California immigrants have a higher

California Jobs and Workers by Skill Level



Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2012 and American Community Survey data, 2012.

labor-force participation rate, at 64.6% compared to 61.9% of native-born adults.

Immigrants play an essential role in the California labor market. Their impact is expected to continue growing; already, the share of immigrants in the state's population has increased from 22% in 1990 to 27% today.

However, immigrant workers also have lower educational attainment, on average, than native-born workers. In order for California to capitalize on the full talents and abilities of immigrant residents, the state will need to facilitate their skill building.

Immigrants Could Contribute More if California Invested Further in Their Skills

While 1 in 4 adult immigrants in California hold a bachelor's degree or higher, the majority of California immigrants have lower levels of formal education. In particular, 20% have a high school diploma or equivalent, and 35% have not finished high school.⁷

In addition, while a robust number of California immigrants are fluent in English, others are still building their English language skills. Overall, approximately 5 million working-age California residents have limited English proficiency.⁸

As the OECD analysis demonstrates, investments in Californians' skills can have a catalytic effect on individual and statewide economic strength.

Key Policy Levers Can Help California Boost Middle-Skill Attainment for Immigrants

There are a range of federal and state policies that can foster effective skill building in California. On the federal side, these policies, if implemented effectively at the state level, can boost middle-skill credential attainment. They include:

- The **Workforce Innovation and Opportunity Act**, reauthorized by Congress in 2014, which represents a powerful federal investment in workforce development and adult education. California is currently in the process of implementing WIOA. WIOA offers important opportunities for states to better align federal skill-building programs to better serve workers and businesses, including those programs outlined below.
- The **Carl D. Perkins Career and Technical Education (CTE) Act**, which provides key support for both secondary and postsecondary CTE programs.
- The **Supplemental Nutrition Assistance Program (SNAP) Employment and Training program**, which helps individuals who are receiving food stamps to find employment and move off of public assistance. In 2016, California was one of 10 states selected to receive technical assistance via the federal SNAP to Skills program.⁹ In addition, Fresno County received a 2015 federal pilot grant to expand its SNAP E&T program.¹⁰

At the state level, there are a range of innovative policies that can help close California's middle-skill gap, and achieve the

postsecondary outcomes that are needed to foster economic security for the state's workforce and drive economic growth. These policies fall into four major categories:

- **Skills Equity:** Policies that increase the number and diversity of individuals (including immigrants) who are on learning pathways toward skilled careers.
- **Industry Engagement:** Policies that ensure local businesses, including small and medium-sized companies, are partners in a community's workforce training and education strategies.
- **Accountability:** Policies that ensure everyone has actionable data to assess and improve the effectiveness of education and workforce programs.
- **Job-Driven Investments:** Policies that re-align a state's investment priorities with the career aspirations of its people and the workforce needs of its economy.

These policies can be adopted through legislation, executive orders, or other administrative actions, such as state grant programs or agency directives or guidance.

Essential Partners for Closing California's Middle-Skills Gap

California has a wealth of valuable partners that can be tapped to support middle-skill credential attainment efforts. In addition to the state's robust higher education system (both four-year universities and community colleges), potential partners include businesses, workforce development boards, chambers of commerce, and industry associations; career and technical education programs; adult schools; nonprofit community-based organizations; private education and training providers; workforce, adult education, and immigrant advocates; and influential civic and political leaders.

To learn more about state policies that can increase middle-skill credential attainment for immigrant and native-born workers in California, contact Amanda Bergson-Shilcock at amandabs@nationalskillscoalition.org.

ENDNOTES

- 1 Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2012, and American Community Survey data, 2012.
- 2 *Focus on 2025: A 10-Year Middle Skill Occupational Outlook for California*. Viewable at: http://doingwhatmatters.cccco.edu/portals/6/docs/California%20Trends_15-25.pdf
- 3 *Ibid.*
- 4 *The Well-Being of Nations: The Role of Human and Social Capital*. (Organization for Economic Co-operation and Development, 2001), cited in California's Forgotten Middle-Skill Jobs. Viewable at: http://www.connectedcalifornia.org/direct/files/FORGOTTENJOBS_CA_FINAL.PDF
- 5 *California's Strategic Workforce Development Plan: Skills Attainment for Upward Mobility; Aligned Services for Shared Prosperity*. (2016) Viewable at: www.cwdb.ca.gov/WIOA_Unified_Strategic_Workforce_Development%20Plan.htm
- 6 All data in this paragraph is drawn from the Migration Policy Institute analysis of 2014 US Census/American Community Survey data.
- 7 *Ibid.*
- 8 *Ibid.* Also note: It can be assumed that most of these individuals are immigrants. Nationwide, the most sizeable number of adult, US-born individuals with limited English skills are from the US territory of Puerto Rico, and California's Puerto Rican population is modest in size.
- 9 Learn more: www.nationalskillscoalition.org/news/blog/10-states-to-participate-in-snap-to-skills-technical-assistance-project
- 10 Learn more: www.nationalskillscoalition.org/news/blog/ten-states-receive-snap-et-pilot-grants