

Production Transcript for Panel 1.mp4

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>> Raphael Bostic: So, this panel is on Human Capital, Education and Job Training. And it will be moderated by Dr. Estela Bensimon, who is a professor of Higher Education and she co-directs the Center for Urban Education at USC's Rossier School of Education. Her current research is on issues of racial equity in higher education and the perspective of organizational learning and socio-cultural practices-- practice theories. Estela, take it away.

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>> Estela Bensimon: Thank you. Thank you very much and good morning to everyone. And to start off, I'd like to congratulate Raphael and Richard for putting on this very timely conference. And I particularly want to congratulate Richard and Danielle for that wonderful framing presentation. Our panel, the first panel is on human capital, and we have two papers that are in your notebook, one is by Professor Harry Holzer from Georgetown University, and the second one is by Dr. Heather Schwartz from the RAND Corporation. I am not going to read their biographies, but if you turn to pages 205 and 207, you will find them there. Following their presentations-- you can also find their papers in the notebook-- we will have comments from Roy Nash from NeighborWorks at Waco and from Carla Javits from REDF, a nonprofit organization, I believe, in the San Francisco area.

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We will-- The presentations will be brief. We will probably take about 20 or so minutes and then we will have a discussion among the panelists and we will also open it to you. As it has been said repeatedly in the introductions, the purpose of this conference is to come up with innovations and solutions. So, those come not only from the panel but also from all of you here. So with that, I think I'll turn over to you Harry since you're listed first.

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>> Harry Holzer: Thank you to all of you here today. Thank you to Raphael for inviting me, to my old friend and co-author, Jack Knott from many years ago in Michigan, and to everyone else at USC for putting this all together. So, I want to talk a little bit about raising skills of the labor market, both for adults and youth. And just a few minutes to lay out what I see as the current policy situation, which I think is a little discouraging, especially when you look at the evidence. There're two realms of policy in which we try to raise the skills of low-income folks. There's the workforce world. We used to call that job training programs coming out of federal and state Departments of Labor, and then there's the role of the higher ed, which mostly comes out of Departments of Education at the state, local, and federal level, and those are largely distinct realms. Increasingly, there's some interaction over time. I think there should be more. But they are largely separate and they give you very different pictures of what's going on. In terms of workforce programs, including the Workforce Investment Act and other things on the job training side, that world has seen dramatic declines in funding, federal funding, since they peaked around 1980.

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By some measures, some of the workforce investment programs have fallen off by as much as 80 percent. And it was partly because the evidence on their effectiveness has been quite mixed. I read the evidence as being a little more positive than some other folks, but there's no denying that it's mixed. So really, what we're putting most of our national models these days is into higher education, where public funding is approaching 200 billion dollars, including a big chunk of money on Pell Grants. We're sending a lot of low-income folks to college in America today and that's often a good thing except number one, very, very large fractions of them do not finish anything. Well, the non-completion rates, especially community colleges are very, very high, no matter how you cut the data. And secondly, a lot of people who do finish something don't often finish in areas that the labor market tends to reward. So, I think there's a strong need to not only improve those outcomes, but improve the efficiencies which we spend a lot of that public money. So, I'm going to argue for these four approaches, putting more emphasis on high-quality career and technical education, as well as work-based learning, expanding sectoral training programs and career pathways, instituting some reforms in financial aid, as well as how we do remediation, and trying to better integrate those two very separate worlds, those siloed worlds of higher ed and workforce, and making both of them more responsive to what's actually going on in the job market, which I think we can do a better job on.

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So, let me-- I'm going to take each of those one-by-one. And I was told I had seven minutes for my seven slides. So, as I get closer, we got to talk faster and faster. So, I hope folks can keep up. You know, CTE, career technical education is what we used to call voc ed and a lot of people didn't really like voc ed, with good reason. It wasn't very good. It tracked low-income and minority kids-- you're kidding me, two minutes-- away from college. I think the more recent models are much better than that and they can incorporate good academics, preparation for college, as well as preparation for career. We have some very nice models. Some career academies have been rigorously evaluated. But I think also, a subset of those programs are what we call work-based learning, apprenticeships, internships. These low-income folks, low-income young people today not only have trouble getting these postsecondary credentials, they have trouble getting the basic work experience because of the great recession and the slow recovery. This is a set of models that tries to give them both. And I think they have a lot of promise as we'll talk about later. Sectoral training is a set of training programs where you target the training towards specific sectors with high demand and with good-paying jobs, and the education providers work hand in hand with the employers to make sure that training fits.

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Career pathways within that framework tries to prepare people for rewards in those sector or for jobs in those sectors. The evaluation of evidence to date has been quite strong. States are already trying to bring these efforts to scale. There are some limitations, they don't really work very well for the hard-to-employ. Sometimes you've got to get the right mix of general and specific skills but again, I think there's a lot of promise there and we need to move that ahead. Now, remediation and financial aid, I think remediation is a disaster right now. Enormous numbers of low-income people get sent to college, they get stuck in remedial classes. They're told you have to pass Algebra 1 before you can take anything for credit and they can't pass Algebra 1 and that's a big reason we have a lot of the dropout. Whether they need Algebra 1 for those careers is really questionable in a lot of cases. But I think that whole sector needs rethinking. There are some models that seem to work much better, where you actually embed the remediation in job market information and job market training. We have some models there. We can talk about that. I think those hold a lot of promise. And let me get to financial

aid and you got to be honest, you know, we're spending a lot of money these days on Pell Grants and other reforms.

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The evidence that this actually increases educational attainment among the poor is really pretty thin. We're not doing a good job. That sector needs some reforms. I was part of a group that wrote a report for the College Board. It involves not only simplifying the process of making it more transparent, having real performance requirements there for maintaining these things and providing self-supports like career guidance. OK folks, I have one more slide and then I think I'm all done. The last thing I want to argue is for a broader strategy of trying to better integrate higher ed, workforce services, and the job market to make both of them more coherent and more responsive. I think we send a lot of people to community college, the students there-- first of all, community colleges are so incredibly unstructured. A lot of people they have no idea what they're doing and what they're aiming for. And they get very little career counseling and guidance about what the job market looks like and how to get from here to there, and the institutional links aren't often very good. But on the institution side, frankly they have no incentives. The public institutions have no incentives right now to be responsive to that job market.

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And I think we need to move in the direction of performance-based subsidies through the community colleges, where the performance measures are not only completion, but also labor market performance. We can talk about how to do that. Colocating more of the labor department one-stop shops and community colleges, I think we need to do more of that. There's a set of competitive grants at the federal level to encourage this process and to move the states in that direction. So, to conclude, I think we can do a lot better with work-based learning and linking higher ed and workforce services to the job market. Let me list some caveats. None of this is going to solve all the problems. Number one, we continue to live in a world with too few jobs, and as long as that's the case, there's only so much that education and training can actually perform. One size doesn't fit all. A lot of these programs don't serve the needs of the hard-to-employ. Replication and scaling of the best models is really hard, as many of you know who have tried to do that. And public funding is going to be very limited and therefore, we have to make better use of all the money running in the system. Having said all that, I think we can do better, I think we can move ahead, and I think it would make a dent to the problems we're talking about today.

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And I'll stop there. Thank you.

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[Applause]

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>> Heather Schwartz: OK, so first of all, thank you so much Raphael for inviting me. And Richard, I want to say I'm on a board-- I'm a board member at a charter school and we could so use you in our school. So, your agitation has much helped. OK, so the topic that I'm discussing today is education. And the gap in average achievement between the lowest income and the highest income children has been steadily growing, rather than shrinking, over the past 60 years. And it's now about twice the size of the Black-White achievement gap. And I had a striking figure at the end of my paper that Sean Reardon put together and painstakingly that shows these trends. Now, among other reasons, the

achievement gap matters because achievement predicts attainment in graduation from high school. And receipt of higher education degrees are important for adult earnings, for their health and for civic participation. So, we need schools to play an equalizing role, and the question is how best can the Federal Department of Education, which is the perspective that I am taking for the purposes of this paper.

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How best can the Federal Department of Education do it? I think first, we have to be realistic about the limitations of schooling to substantially narrow the achievement gap. And the reason I say this is data the Greg Duncan explains in his paper, that children enter kindergarten with large achievement gaps, and those gaps don't appreciably narrow as kids progress through school. In fact, the gaps are essentially just as large as they were once kids are in 8th grade. And to explain the genesis of that gap, researchers pointed to the increased time and resources that higher-income parents are investing in their children in those early years of age zero to five. So, I've been thinking about ways that the Federal Department of Education could reach beyond the four walls of the schools into the family sphere. And accordingly, three out of four of my recommendations relate to expanding school policy, either by going down into earlier years via preschool and by-- or by designing policies that are intended to influence parents.

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The final recommendation takes up the case of lowest performing schools, since these happened to be where highest concentrations of poverty lie. OK, so the first recommendation relates to preschool. Now, this is a topic where there's fairly strong evidence of both short and long-term benefits for children from attending high quality preschool. And so, I'm recommending that the Federal Department of Education continue to make this a primary place for their financial investment. For example, the Department of Ed has already run three rounds of Race to the Top Early Learning Challenge grants and to date, they've given grants to 20 different states, where those grants are ranging from 30 to 75 million dollars per state. So, I'm suggesting that in the next round of early learning challenge grants that they really place extra focus on states improving their quality measures of early childhood education. And the reason I say this is because 41 states now have or are piloting Quality Rating and Improvement Systems, QRISs which are essentially like giving report cards to early childhood education providers as a signal to both the provider and to parents about the quality of that center.

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QRISs are essentially in their first generation, and the time is ripe to move them into the second generation. And in doing so, the early childhood education providers could get clear signals about which elements of quality matter and what to focus on. The second recommendation relates to school choice, which is expanding most rapidly in urban districts, that by the way tend to serve majority low-income students. Now, school choice comes in many forms and I'm referring here to all of them, whether it be charter schools, open enrollment, controlled choice plans, magnet schools, tuition tax credits or school vouchers. It's just not realistic in high choice environments to think that simply posting school report cards online is going to help parents, particularly low-income parents meaningfully navigate their choices. However, the big "however", we really don't know much about how to help parents navigate their school choices. And so therefore, I'm essentially suggesting let a thousand flowers bloom approach through the 13 by setting priority points for pilot ideas to be tested out and then to get a sense of the cost effectiveness of those pilots narrow-- narrow it down to a menu of potentially scalable ideas.

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Third is again using this I3 grant-making vehicle, but here setting aside priority points for pilot programming related to educating parents about schooling. Now, there's a depressing history of ineffective family education programs. So therefore, I'm again only suggesting pilot funding rather than taking individual programs to scale and hopefully in so doing, like an I3 call for applications, would stimulate creative ideas from a really wide variety of applicants, like offices of child care licensing, school districts, school consortia, public housing authorities, healthcare providers or charter management organizations. And the hope here is that to test a wide variety of programs that range from low intensity up to high intensity programs. Low intensity, like information only programs, up to high intensity like case management or home visiting, to see if any of those different types of programs has an effect on parental involvement in their children's schooling.

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And final recommendation, and I know I'm over time, is the force recommendation gets back to the schools themselves. Now, among other things, the concentration of poverty in schools undermines institutional stability. So, the idea here is to retool school improvement grants, which is yet another federal grant-making vehicle within the Department of Ed, to extend the school-based grants to last for 5, preferably 10 years rather than the current incarnation of 3 years. The crux of the idea is to create an incentive for schools to adopt a reform, to get good at it, to develop expertise, to adapt it based on evidence of implementation, and to be rewarded through escalating annual increments for sticking with the program or the reform, even across the inevitable changes in school leadership and staffing. My major point here is that high poverty schools don't suffer from too little reform, they suffer from too much reform.

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And so the idea is to try to get schools to take something and stick with it and learn from it. A secondary suggestion is that SIG drop the mandate to choose one of four turnaround models and so I think there's weak evidence for those four in the first place. So, in summary, the four recommendations, as I just made, are intended to touch on family influences, on children's educational performance, and to combat instability in low-income families and schools. To increase the likelihood of the success of these recommendations, I've piggybacked on what I think have been very effective grant-making vehicles within the Federal Department of Ed, I'm referring to Race to the Top and the I3 grants, as well as SIG grants. And then finally, I placed the majority of my imaginary funds in two topics where I think the evidence-based is strongest, meaning preschool and comprehensive school reform. But I augment this by suggesting small pilot funding for topics that I think are conceptually important for reducing poverty, but where we lack sufficient evidence to justify significant federal expenditures.

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[Applause]

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>> Roy Nash: I'm Roy Nash. I'm the Executive Director and President of NeighborWorks Waco. We're a nonprofit housing organization that works with low-income families in both the areas of homeownership and rental housing. And what we discovered a few years ago was that folks, when they get to us, low-income families, their credit has already been totally messed up. And so, what we-- our conclusions we came to was we really need to go into the junior highs and high school and help the financial literacy program develop in those schools so that by the time they graduate, they can become productive in the area of homeownership or either quality rental housing and do what they need to do

financially. One of the programs that we have helped developed seven years ago was a program at a local academy high school, inner city high school, low-income kids predominantly, and we developed what's now become the largest VITA, Volunteer Income Tax Assistance program in the country.

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And these are high school students now that are preparing income taxes for local low-income families. This year, the 65 students, the juniors and seniors in this program, will prepare over 2,000 income tax returns and bring back 4 million dollars into the community in the form of income tax returns for these low-income families, primarily through the earned income tax assistance and child tax credits. So, the VITA program at this academy school in Waco is a blossoming program. It's one of 10 academies in this academy school system that now has reached distinction across the country as being one of the five academy programs for high schools in the country and it's a low-income situation, low-income families. I happen to be on their board of advisors for this school. We regularly have internship placements. We regularly have job shadowing.

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We raise money for scholarships for the kids. We interact with these kids throughout all of the various academy programs. This academy program, every kid in the school is in one of the various 10 academies. So, the VITA program, and I believe Harry, your program, this would help to institute some of the-- reinforce some of the theories that you had in your paper. Another program that we've done, bringing the school into the community or bringing the community into the schools, is we have a project, ASPIRE. And with that, we've developed a speakers bureau. You know, a lot of schools have career days. But when is the last time you went out to a junior high or high school for a career day? Well, a lot of them are fairly reluctant to call into the community 'cause teachers sometimes don't know folks in the community. Well, we've taken it on ourselves to develop the speaker bureau and go into the schools. We call them letting them know we want to come to them to present our program.

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We have speakers on virtually every topic you can imagine. So, the community is going to have to involve itself in the schools for the schools to be successful. You know, so many times, we leave all the answers for the school teachers and for the school system to solve our problems. Can the school solve poverty? Not by themselves, not in a long shot. We've got to bring the community into the schools and the schools into the community. Another thing, and possibly one of the things that might be missing in Harry's paper, was there needs to be more networking opportunities for kids, and particularly kids of poverty. You know, you think about it, 80 percent of folks get their jobs through people they know, either they get hired by that person or somebody has referred them. I got my job that way, how about you? Well, where do people of poverty network? Well, I'm going to suggest to you in the wrong places, probably not in places where they can have folks pointing them in the right direction in their life, where they can gain self-esteem, where they can have a vision for their lives of where they want to go.

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And of course, our project, ASPIRE does exactly that when we bring these speakers into the schools. But another program that we've done and we've partnered with the local workforce development board, and where I just happened to be a board member on the workforce development too, and that is a project we call the YES! Expo. We mentioned YES! in your presentation earlier. How many folks hear the word "no" in their life? You know, particularly if you're in poverty. Well, we want these kids to start hearing "yes" at an early age. And so what we've done is created this YES! Expo. There is over

30 high schools in the Central Texas area come to this venue, and we have 122-- last year, 122 employers, colleges, junior colleges, military present and offer to these kids a vision for what their future might look like. So, we try to develop network connections to make it happen for them.

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So, the YES! Expo is a huge success and is now starting to be modeled around the country and we started it right there in Waco, Texas. Lastly, I want to comment on some of Heather's comments. And I might not be really qualified as a nonprofit executive director in housing to comment on some of the education programs. But I have a wife with 34-- who has had 34 years in education, and I had her read Heather's article as well. And we actually came to the same conclusion, and that is the best thing we can do for educating kids in poverty is to lower the student-teacher ratio. In our schools in inner city Waco, you know, you've got a 1 in 25. And we can't cut it with that. You know, these are kids-- my wife's school, elementary school where she's the librarian, we've got kids coming to school and the only meal they'll eat that day is the one they ate at school.

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The clothes they're wearing today are the same clothes they've been wearing all week. Now, what-- how does that work for developing self-esteem? We've got to develop a program where these teachers can also become mentors. And if there's not enough money in the system to do that, well then we've got to bring in volunteers. We've got to bring the community into the school to help make that happen so that it can happen. We've got to lower that ratio. These are kids who have problems at home, the home has problems. You know, we've talked about some of those issues at home. They can't come to school and be in a learning situation. And the other part of that is low-income folks move around a lot. You know, they get evicted from their rental situation. They move in with a relative, a friend and that it's in a whole 'nother school district, so they change schools. So, they can't-- they can't be educated in that situation. We've got to give them some stability.

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My time is up. I'll pass on to my next colleague. Thank you.

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[Applause]

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>> Carla Javits: Thank you. It's an honor, it's a pleasure to be here today. I'm Carla Javits. I lead an organization called REDF. We invest in double bottom line businesses that employ people coming out of prison, out of homelessness, people who can't get jobs, so sort of innovation in one of the areas Harry points out where we need a lot of innovation for, you know, kind of people who face significant barriers to the workforce. And I just wanted to really appreciate Professor Bostic for putting on this conference and for framing it around innovation. I think some of us in the room have been in several conferences lately about the topic of the war on poverty and I don't think we're hearing a lot about innovation or how we might do things differently. So, I think it's really important topic and very much appreciate bringing the photos into the room. So, we're really bringing kind of the people who we're all about here with us. So, I just wanted to-- I have some comments on sort of what I found feasible, maybe less feasible and more challenging in some of the papers.

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I really have appreciated Harry Holzer's scholarship. He writes very clearly, which I really appreciate, not always true for some academics. So, those of us on the ground can really benefit from a lot of his work. He talks about tying workplace experience to classroom schooling. You know, we know vocational training is supposed to connect people to the labor market. So obviously, we need to weave work experience into the classroom. He talks about learning while earning. You know, obviously for adults, for people with dependents, it's very hard to devote even one or two years to schooling without an income. But that's, you know, very easy to say and very hard to do. So, I wondered if there are some examples that you might share of places where that's been done, certainly in the context of social enterprise. We're trying to do that but it's not easy to integrate the two. You also talk about, you know, two and four-year completion rates are very low for disadvantaged people.

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They're not getting degrees in the most promising fields for employment. You know, there's a need for guidance to community college students. Again, is this being done well somewhere? Have you seen-- also, you talked about sort of embedding remediation into work settings or, you know, more closely tying it to work. Is anybody doing that? Is anybody-- you know, a lot of these questions are where do we see this really happening? It's one thing to talk about these things, but how do we do them? You talk about partnerships with companies, apprenticeships leading to jobs. And I think this is something that's happening internationally. Many of us know that, not happening as much as we'd like to see it in the U.S. It's an attractive proposition, obviously, for workforce organizations and for corporations, they can ensure they're giving the right kinds of training, you know, that have direct relevance to them, et cetera. And you note that we need to make sort of vocational programs, in general, more attractive in the public mind.

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And I was wondering if that might be tied to demonstrating solid earnings and workforce attachment for people who get through those vocational programs. So, we make them more attractive by, you know, lifting up kind of the successes. So, I just wanted to raise that. And then I want to raise maybe a more challenging question which is, you know, if programs are tailored too specifically to the demands and needs of one particular employer, they may not deliver the transferability of skills that's required given a changing labor market. And I think this is a huge challenge. I think for a lot of workforce organizations and then the people, the people we see on these pictures, you know, they've been promised, "Oh, take this class and you're going to be able to get a job here 'cause we know that's there." By the time they took the class and trying to get the job, the-- you know, the market's moved on and we're always lagging the market. One thing we've been thinking about is can we think more about, and educate more about, how to translate specific skills into sort of occupational clusters if you will, so that, "OK, I've learned to be, you know, a desk clerk in an affordable housing building.

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Could I be a security guard? And, you know, somewhere else. How do my skills transfer into other places?" I was just wondering you've seen that work. And then, you know, you noted that we have fairly weak evidence on sectoral initiatives, which I thought was fascinating and yet states, localities are romping ahead with these initiatives. I just-- I mean, that's a centerpiece. So, I just wondered is there evidence? Is there not, you know, what really works there? I might have read that wrong. You talk about credentials that are portable and stackable across sectors, the need for sort of pre-apprenticeship programs for people to prepare them with just the basic skills that people need. And I know the Secretary of Labor has been trying to use the word "essential skills" instead of "soft skills"

which sound, you know, kind of fuzzy and confusing, and so, essential skills. And there are a couple of essential skill credentialing sort of programs that are out there in the market.

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I was just wondering if you know anything about those and whether or not they-- there's any efficacy there or they're getting any traction in the marketplace. And then lastly, you talk about the integration of workforce development in higher ed. You say there aren't a lot of incentives for community colleges to really address work-- you know, placement issues, workforce issues. I think that's really true. And the wrong incentives could have bad consequences. So, I was wondering if you just say a little more about that. What are those unintended negative consequences and where are there some good performance incentives again, you know, that have been put in place? One thing that I thought might be missing or again, is sort of back to this issue of the changing nature of the workplace, where are there examples where stakeholders kind of-- or workforce programs, communities have done things that have modified their workforce programs, that have shown that they can be nimble in relation to changes in the marketplace?

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Do we have any good examples of that? And you know, kind of referencing the comments that were just made. For workers themselves, how do we create those networks or supports so that they themselves know how to be nimble, given a very changing labor marketplace that even low wage workers are always facing? And then lastly, just on the notion of innovation, you talk a lot about the fact that, you know, we have-- we don't have enough, you know, public money coming into these systems, we don't have evidence on things that really work for people who face some of the biggest challenges. We have a lot of problems, so we need innovation. You call for innovation. So, I wanted to just suggest a few things, see what you thought. One is the potential role of Pay for Success, social-- also sometimes referred to as social impact bonds, where government pays for outcomes of workforce programs that might reduce cost for incarceration, homelessness, welfare. And then I was wondering about sort of this whole area of incentives for job creation.

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There's a whole field that's beginning to emerge of impact investing. Could this be done in companies that are interested in a mix of job creation and profit? And so, they're-- you know, they're more focused on job creation. Could there be more incentives for not-for-profits social enterprises to create more jobs for people who are facing barriers like eligibility, for example small business administration programs which nonprofits are by and large excluded from, perhaps credit under the Community Reinvestment Act, maybe a capitalized pool of federal money to invest in these kinds of companies? My time is up and I haven't said anything about Heather's paper and I did just maybe want to-- I did maybe want to just reference one thing in there. You talk about educating parents about, you know, what schools their children might go to and I wanted to just raise two questions about that.

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One, how to make sure that parents are getting quality information and not just sales pitches? When they're in an environment where they're getting, you know, relatively limited information, how are they not just getting marketed to and how do they really know that they can rely on the information? And then I was wondering if maybe there's more we could do to tie education also for parents on what the connection is between the education that their children are getting and the workforce of the future because a lot-- you know, we're working-- I'm a parent, you know, I'm working in a relatively old economy compared to where my kids are going to be. How do we help educate parents so we

understand how to help our kids get the right kinds of education for the economy of tomorrow? Thank you.

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[Applause]

[00:33:55]

>> Estela Bensimon: Our discussants have raised very important questions for the two panelists. So, what I like to do first is give both Heather and Harry the chance to perhaps comment on what they have heard from Roy and from Carla. Heather, would you like-- and since Carla, you did not get a chance to give all of your comments to Heather, if you would like to just direct questions to her at this point, that would be OK too.

[00:34:27]

>> Heather Schwartz: Roy, well, you talked about the smaller class sizes and well, I completely agree that smaller class sizes are desirable and there is evidence that smaller class sizes have benefits in the earliest grades. It's a very, very expensive policy to enact and I'm not convinced that the costs outweigh the benefits-- I mean, that the benefits outweigh the costs I should say. And the cautionary tale is California who after evidence is-- of benefits from small class sizes from Tennessee, adopted legislation requiring smaller classes here, it caused a huge wave of teacher hires in very short order. And then there was a scramble and it actually kind of turned into a debacle of low quality teachers in front of small classrooms. And so that was ultimately scrapped. So, I guess what I'm saying is while I think small class sizes make sense and are probably worth it in the lower grade levels, like anything in a third grade and below, I'm not convinced that small class sizes are worth the expense at higher grade levels.

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Even though for teachers, I completely agree, it's way, way better to have 17 than 25.

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>> Roy Nash: Remember, my wife is an elementary librarian so, we're talking those early formative years of primarily kindergarten through three.

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>> Heather Schwartz: Yeah. OK. So, then you asked about how do you know that parents aren't getting gimmicks in marketing like, "Hey, I go to KIPP, because I'm a KIPP representative." So, first of all, this is all imaginary obviously. But if I were writing the I3 call for applications, I would mandate that any applicant provide me proof that they would be providing information about-- across all sectors and that they're not allowed to or permit to promote, you know, one thing, only go to traditional public schools, only go to charter schools, only go to private schools or the use of school vouchers. But the point is they would have to show materials that described the entire educational market in the region. So, not perfect but hopefully it would prevent that marketing. And then the relationship of education to future earnings and to employment, I totally agree-- I would think that that would be a natural opening motivation for, "Hey parents, here's why you should really care about schooling."

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It would make sense to have that and that sort of initial pitch in terms of coaching parents about school choice. But that is also something I was imagining would be developed in my third recommendation about educating parents to support their student-- children in schools.

[00:37:02]

>> Carla Javits: Great. Great. Yeah, one-- there's one-- maybe one other question if I could. I was wondering, you talked about, you know, kind of providing schools with more time to absorb information about what does work or what doesn't-- essentially making schools into learning organizations themselves about what works and what doesn't. And again, I just wondered are there one or two factors you've actually seen out there in the marketplace that have made a difference in allowing schools to be that kind of learning organization 'cause we've certainly found in our work, it's hard for busy institutions--

[00:37:34]

>> Heather Schwartz: Yeah.

[00:37:34]

>> Carla Javits: -- to really-- you know, to be learning organizations themselves.

[00:37:39]

>> Heather Schwartz: Well, so, there are proven comprehensive school reform models. They've been researched, they've been put to the test, they've shown positive effects in multiple different types of settings, et cetera. So, I think there are things out there that one could choose from. But in terms of implementing it well, I personally think the key ingredient is time and I keep harping on stability. So, the idea that I know I have not just three years to try this out and I'm supposed to be done after three years. This is really going to take me five, six years to get good at it 'cause you don't just take a curriculum off the shelf, open it for the first time, teach it perfectly and bang, you're done. It takes years of learning how to modify, tweak, learn from the curriculum and adopt it and then you get good at it. But usually, by the time that happens in high poverty schools, that's long gone and there's a new thing. Or the principal has changed or the teachers have changed or the-- you name it. There's this constant flux in high poverty schools.

[00:38:32]

>> Carla Javits: Yeah.

[00:38:32]

>> Heather Schwartz: And a lot of them symbolic reform, you know. So, "Oh we're really doing this." But in reality, in the-- behind classroom doors, we're doing a different thing.

[00:38:42]

>> Carla Javits: Yeah. Thank you.

[00:38:44]

>> Heather Schwartz: So--

[00:38:44]

>> Estela Bensimon: You know, on the issue of learning organizations, my work is in colleges and universities and it is framed by theories of organizational learning and what I would say is, at least in colleges and universities, they really lack the capacity to be learning organizations and how to use data, for instance, for problem solving. Is it five minutes for the whole session?

[00:39:06]

>> No, for--

[00:39:07]

>> Estela Bensimon: For-- OK. Harry, I will give you now an opportunity to respond.

[00:39:11]

>> Harry Holzer: OK. Well, thank you. And thank you both to Ron and Carla for the comments and I told Ron before, it's always you breathe a sigh of relief when you hear the people in the real world actually think that when you're writing some academic that's sensible and you're doing some of it. So that's good reality check. It was nice to get it once in a while. Carla raised a lot of questions and issues and, you know, where are the models and I tried to put a lot of the models in the paper. But I think in some places we have rather "proven" models and that have been rigorously evaluated, random assignment kinds of things. In other cases, we have promising, they look good, the outcomes look good, they've achieved some scale, but you haven't really rigorously-- and so I would say that about some of the career pathway programs, things like that. Then there are some things like the performance-based subsidies for community colleges, we really don't know. A lot of states were already moving in this direction, but we have-- that's going to be a learning process and I think we'll have to go through. And even in the things like "proven", a lot of questions remain. So, just to clarify in the sectoral programs, we have-- those are proven.

[00:40:12]

We've had very rigorous analysis of several programs with really large impacts, impacts that you almost never see in this literature. And yet they're short term, you know, so the big issue-- do they persist overtime? If people have to move to another sector and then how broad is their skill range, that we don't know that. Can their efforts be scaled and replicated? The states are trying to do this. The states all over the country are trying to build these sectoral systems. You know, but-- and you always pick out these model programs to evaluate and my fear is always-- I'm a big supporter of rigorous evaluation. Sometimes we do it too much and too early. In other words, I don't think we should ever do a random assignment study on a program that hasn't had at least 10 years to really get its feet on the ground and figure out how to do things. You always just get a lot of failures and as I think we all know, often it's not about the model, it's about the implementation, the quality of the implementation that can make or break a program. And that's something you don't want to rush. I want to say apprenticeship and we do have some pretty good evidence on apprenticeship.

[00:41:12]

And there're some places in the country, actually German companies that do a lot of advance manufacturing or coming to America in large numbers, and there are certain places like Chattanooga, Tennessee and some parts of North Carolina, where they're doing a lot of this and it's seeping into the state and local workforce programs. The nice thing about apprenticeship, that's what-- out of all these things, that's important. It's actually a job creation program. It-- Because you go and you convince the employer to create a slot. You don't have to take maybe a small amount of technical assistance and a

small amount of public money. Like, South Carolina is spending about a thousand dollars of tax credits on the employers that create-- and we don't know if that works or not, but the argument is that it doesn't really take a lot of public money. You convince these employers and the employers are paying the people. They are often paid below market rates because there was a-- in the beginning, the workers aren't productive enough to merit a full market rate. But then-- And then the worker gets the investment, the employer gets value added and that's a form of job creation. And given that it's young people today more than anyone else who are really, really struggling to gain any work experience to complement whatever credentials they're getting.

[00:42:20]

I just think that's-- and part-- and apprenticeships are not these old fashion with all these images from our childhood of an apprentice carpenter or something. You know, it's-- a lot of them today involve simultaneously work experience but also going to community college to get a certificate or an associate's degree. So those are credentials as well as the work experience.

[00:42:39]

>> Estela Bensimon: I want to ask you a question, Harry. So, Richard had a slide showed and he showed the poverty income and he shows for a family of four, a 24,000 dollar income. The kinds of jobs that these apprenticeships or vocational certificate programs, would they pay more than 24,000?

[00:43:00]

>> Harry Holzer: Some. I mean, you know, not right away and in some-- I mean, they are-- if you look at-- so, let's take health technology which, you know, is the most growing area because of all the baby boomers that are going to need this kind of medical care. Phlebotomists, all kinds of other health techs do sometimes, of course with minimum work experience make that kind of money. In advance manufacturing if you can become a-- not a machinist, that requires fairly higher skills, but a precision welder in some cases. Some of these STEM jobs, even below the BA level, pay quite well. Can we promise everybody that they'll earn over 24,000 dollars here? Not always and not right off the bat.

[00:43:40]

>> Estela Bensimon: So I think that in terms of policy related to workforce development encouraging more students to go into certificate programs, we probably need to exercise some caution that it does not perpetuate the inequality in income. I mean, that's one of my concerns particularly in regards to community colleges. Now, are we ending the session? No, you want me to turn to the audience? OK, I am-- you know, OK, I am actually-- I am pioneering the format for the rest of you.

[00:44:11]

[Laughter] So, I will turn it over. The only-- The one thing I did want to say is that we talked a lot about the war in poverty, that was 50 years ago. And 50 years ago, also Lyndon Johnson signed the Civil Rights Act, which we will commemorate in July. And in signing the Civil Rights Act, Lyndon Johnson said the purpose of this act is not only about equality theory but it's about equity and results and in fact-- and so, we need to ask ourselves, how could it be that 50 years have gone by and things may be-- maybe more low-income students and minority students are going to higher education, but the results we're not necessarily seeing in terms of equity and outcomes. So, how could it be and to what extent might that have to do with ways in which we frame problems and the ways in which we come up with solutions.

[00:45:13]

I mean the solutions we come up with depend in the ways in which we see-- or we frame problems. But I'll turn it over now to the audience and see if you have comments and questions. But also think about the theme. This is about innovation and how will this lead, this-- what we have just discussed, lead us to innovations? And would you introduce yourself?

[00:45:36]

>> Marge Turner: Marge Turner, Urban Institute. Harry, I think--

[00:45:39]

Oops, sorry. I've been learning a little bit from folks, many of whom learned at your knee about workforce development, and people are saying, "We need to get employers more involved." And so that seems like an important innovation. This is not just about public sector programs, it's about really having the employers take the lead on some of this, apprenticeships clearly one of those models. What else is sort of on the horizon? What incentives can get employers really at the table without shifting us into a mode where we're just doing the training--

[00:46:22]

>> Heather Schwartz: Right.

[00:46:22]

>> Marge Turner: -- on the public dime that employers should be doing themselves.

[00:46:26]

>> Harry Holzer: Well, thanks for your question Marge. Almost every one of the models I talked about have a heavy reliance on employers. I mean, not just the apprenticeship, but a lot of it, CTE models, the sectoral models, you know, the training provider was really working hand in hand with the employer to make sure that the training fits the job slots. And those models really start working well when an intermediary gains the confidence of the employer so that they know that they're not going to send them-- not going to send them anybody. But they have to-- the employer has to trust that they're going to send them-- and then the employer starts working more heavily. All around the country, states are trying to set up these partnerships, sector-specific, you know, partnerships with the health-- healthcare field or with advanced manufacturers and within the context of those partnerships, you know, the sectoral and career pathway training models as well. But then you said, well, what are the incentives? Now, the incentive ought to be there anyway, right? 'Cause the employers need the skilled workers and especially with the baby boomers retiring, a lot of employers on some of these sectors are really worried, you know, how they're going to find-- in a more heavy immigrant-based population, are they going to find people with the right skills?

[00:47:32]

But for a lot of reasons that economists have talked about for a long time, the employers are reluctant to spend their own money on it, you know, especially the more general the training, how do you-- you're going to train somebody today, they leave tomorrow. So, it does involve some-- I mean, training a little bit is what we call public good and then we'll often require at least some public spending. But you're right, I mean, sometimes they develop these customized programs that are so customized to deal with one employer's needs that it does become look like a little bit of a windfall. So, we don't want that either and you want to make sure that when public monies are spent, at a

minimum you're providing training that wouldn't otherwise have occurred or at least targeted towards the populations that are less likely to get them. And I think if you keep your eye on that, you can set those up in a way that it's not just the windfall. It's net social gain.

[00:48:14]

>> Estela Bensimon: So, I would turn it over to Roy.

[00:48:16]

>> Roy Nash: Yeah. We have a good example of just that in Waco, Texas. And this year, a group of manufacturers came together, one of the lead manufacturers was Caterpillar Corporation. And what they said was, "We want to put a manufacturing school together, of high school students." And this year, the first year, we've got over 200 kids coming from 20 different school districts in Central Texas who are going through a curriculum. One of the trades they're learning is welding. I mentioned welding. We're 100,000 welders short in our country today. That business is going overseas if we don't hire welders. Those kids are guaranteed a good-paying job when they get out of high school. The technical college in Waco is also saying, "Hey, if you want to get dual credit with our curriculum for advanced welding, you can be taking that at the same time you're in high school." So, good partnerships going on. We need that in today's society.

[00:49:11]

>> Harry Holzer: But that's an important point because it's not old fashion welding, right? It's precision welding.

[00:49:17]

>> Estela Bensimon: I'm going to exercise the authority of the moderator and I'm going to go to the audience. I have a gentleman over there. Yes-- no, you, yes, gentleman.

[00:49:28]

>> Phil Tegeler: I don't know if I'm a gentleman but--

[00:49:30]

>> Estela Bensimon: And you are?

[00:49:31]

>> Phil Tegeler: Phil Tegeler from Poverty and Race Research Action Council. Here's a question for Heather. You know, I'm familiar with your-- some other research you've done Heather that shows that low-income children do better educationally in lower poverty schools and it seemed to me listening to your-- I haven't read your paper yet, but listening to your presentation that your recommendations for the Department of Education on investing in innovation, Race to the Top, turnaround schools, all sort of presume that we're going to keep separate schools for low-income kids and try to address interventions to those schools. And it seems to me if we're talking about innovation here, given your other findings on school integration and the benefits which confirm strong evidence from three decades of research, why aren't we kind of pushing the Department of Ed to go to the next level on innovation so were not just keeping low-income kids in separate poverty-concentrated schools?

[00:50:26]

>> Heather Schwartz: That's a good question. And I did think of that 'cause I thought, "Oh that's interesting. I'm not saying much of anything about the paper that you're talking about." So I snuck it

in backdoor through that third recommendation-- second recommendation about school choice counseling or coaching. The idea-- So the idea was to inject that kind of coaching at key time points, one, residential moves and two, when parents have children who are making structural moves, meaning they're entering preschool, they're moving from preschool to elementary, they're moving from elementary to middle, from middle to high. And so the idea would be to educate parents about the broader world of schools not just the ones that happen to be geographically, you know, 0.2 miles from home. So that was one way. But then secondly, I was thinking about this from the purview of the Federal Department of Education, not state, not school district. And it's really not been in the realm of the Federal Department of Education to say to school ABC, we think you should change your attendance zone boundary or, you know, school district 1, 2, 3.

[00:51:30]

I mean, you know, there's court cases on this topic. But the point is I didn't really think that this was the best lever for changing the residential assignment zones or to set up metropolitan inter-district choice plans. So it was-- I was silent on it for that reason primarily. But then I thought, the second recommendation might be an effective way to get parents more educated about the broader school community in their region.

[00:51:59]

>> Estela Bensimon: Yes. You're next.

[00:52:03]

>> Sheldon Danziger: Sheldon Danziger, this is a question for--

[00:52:05]

>> Estela Bensimon: And let's-- sorry. Let's make it as brief as possible because we only have five minutes left and I have three more people. Go ahead. No, no, no. No, no, no. Go ahead.

[00:52:15]

>> Sheldon Danziger: What struck me is the focus is often schools are failing, they're not doing what employers want. We've got a link. The other side is, a lot of employers don't want, they've got labor saving technological change, you know. I suspect Walmart is perfectly happy paying the wages it's doing. So, you know, in some sense, how much of the problem comes from the employer side and the changes in employer practices that make the community college programs look like a failure, because it's the employers who don't want to pay the wages?

[00:52:59]

>> Harry Holzer: Sheldon, that's true in technology and globalization. But what are you going to do about that? You know. We're not going to tell, you know, Walmart, well, you should live with a lower profit and you should do right-- you know, that ain't going to fly. It ain't going to happen as far as I can tell. The best we can do is that there are a set of employers who do want middle-skilled employees. The numbers grow weaker sometimes, you know, when you're in a recession. And that's where we can start to hang our hopes I think, and there are enough of them. We have German companies who could set up these plants anywhere in the world and they decide to set them up here, and Siemens is the best known example, comes in North Carolina. Before they come, they make deals with the local community colleges and the UNC system to train people. If they don't have the right training, they won't create the jobs. So it's a little more-- you know, the causation does go both ways. But we're not

going to get those companies to change their practices if they can do better. You know, we can try to incent them to want to have skilled employees or then help them get them.

[00:53:58]

>> Estela Bensimon: Thank you very much [inaudible].

[00:54:00]

>> Steve Adler: Hi, I'm Steve Adler. I work for IBM and I guess we're an employer. And I guess I have two comments about this, one is I would say, I'm a little bit concerned-- I really appreciate the attention to data. I thought the data-driven presentation this morning was excellent. I loved it. But I often get really concerned when I hear all the language that we use to describe ending urban poverty, the Race to the Top, performance driven metrics, KPIs. And it seems so intolerant of failure. It seems so driven towards, "let's make sure everybody succeeds and if you don't succeed, you're out." And I really am concerned that we're never going to overcome this if we don't have a greater tolerance for failure. That's something we've certainly learned at IBM, that we need to learn how to fail fast and get over it and move on, let them fail again, let them fail again and keep failing until they succeed. That's one. Two, we know today, as a company that's driving innovation, that innovation doesn't come from specialized resources.

[00:55:00]

It comes from a diversity of talent. And we're interested in a diversity of skills, not just your vocational skills, but your liberal arts skills, your economic skills. I've been in IBM for 20 years and I studied history. And I work with computer scientists and politicians and labor people all over the world, and so do my peers. So don't just hand us your computer science people. Don't just focus on vocational skills. Give us everything and let people fail.

[00:55:26]

>> Estela Bensimon: Great comment.

[00:55:30]

>> Harry Holzer: The second part of your question. I don't think we have a shortage of failure. I think we need to learn more from it. And so-- but on the second point, my whole argument is that we don't want to just train people really narrowly. They have to bring a broad skill set and a portable skill set and a wide range of skills for exactly the point you raise and I think that's being built into these programs.

[00:55:52]

>>Cherry Short: I think that we're talking about the cycle of deprivation here. It is a cycle and everything here is actually linked, as we can see, to poverty and inequality. And I think that government has a responsibility to ensure that, you know, these communities are dealt with in an equal way, in an adequate way. And I don't think that this is happening. And you know, you can tackle one issue, but there's another issue involved. And there are several other issues and we talk about parents' responsibilities. And I see this all the time. It's not that-- you know, as a social worker, it's not that people don't want to be responsible. But they have so many other needs and so many other things to readdress. And, you know, it's just one of the many things that they have to do. And I think all these issues are, you know, something that we should be looking at how we can resolve them rather than-sort of setting up for failure, really.

[00:56:54]

>> Estela Bensimon: Thank you.

[00:56:55]

>>Cherry Short: Thank you.

[00:56:55]

>> Estela Bensimon: Any comments?

[00:56:57]

>> Cherry Short: I'm sorry it's not really a question. It's just that I am a social worker.

[00:57:04]

>> Estela Bensimon: I would like to actually-- oh, it's the end. I do-- I think that what Richard mentioned about him being a parent here in this community, I think that that's the kind of "education" that-- it's not education, it's working with parents as partners and actually becoming empowered to take action. And I think that that's what we need to think about in terms-- in relation to what you just said. I will just close. This has been a really good session. I want to thank the panelists for the very provocative papers as well as commentary.

[00:57:43]

>> Raphael Bostic: And I would like to thank Estela for test driving the moderator role. You did a masterful job. This was a great panel, as is evidenced from all the hands that were still up when we ended. There's a lot to be said here. That will be true for all of our panels.

[00:58:00]

[Silence]