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Wisconsin Regional Training Partnership: Hooking Community Residents up to Jobs

Providing jobs that pay family-supporting wages will be a major theme at NFG's annual conference in Detroit this September. One program to make that happen is well underway – the Wisconsin Regional Training Partnership, which is spearheading the transformation of a city's entire workforce development system.

By Eric Parker

Like many other major cities, Milwaukee was devastated by the severe contraction of manufacturing during the 1980s. Milwaukee County lost a third of its traditional industrial base to greener pastures in rural areas, right-to-work states, and overseas where wages and benefits were lower. Union membership sharply declined, and poverty and joblessness soared. Manufacturing no longer seemed to offer much of a future. But once the value of the dollar came back down and the trade deficit bottomed out, business and labor leaders began to discuss a strategy for reviving the sector.

The Wisconsin Regional Training Partnership (WRTP) was formed in 1992 to support the development of family-supporting jobs in the new business climate. It started with a handful of union shops under the leadership of a prominent Republican civic leader and the president of the Wisconsin State AFL-CIO. They convened a series of meetings with the Center on Wisconsin Strategy (COWS) at the University of Wisconsin-Madison to discuss the idea with their peers in the business community and labor movement. COWS brokered an agreement between the parties to form a steering committee to guide the development of the organization and the recruitment of new members.

Since then, the WRTP has formed partnerships with an array of agencies and institutions to create successful programs for the sector. These programs help develop family-supporting jobs, improve the skills of current employees, and recruit unemployed and low-income workers and youth into the sector. The partnership now has 63 member firms and unions accounting for 60,000 industrial jobs in the area – more than one-fourth the total. They make lawn mowers, motorcycles, outboard motors, heavy machinery, automation controls, medical equipment, and the like. Taken together, WRTP members have contributed about 6,000 additional jobs to the regional economy over the last five years. They currently invest more than \$20 million a year in education and training for nearly 6,000 workers, including roughly 1,500 people of color.

The renewal of manufacturing and the retirement of a highly age-compressed workforce has presented an enormous opportunity to provide family-supporting jobs for central city residents. The challenge of recruiting and retaining thousands of qualified workers a year has coincided with a welfare reform program that compels recipients to latch on to the lowest rungs of the job ladder. Wisconsin has experienced the sharpest reduction in caseloads in the country over the last couple of years. The moment was ripe by the late 1990s for a program that could unite the employment and training needs of central city residents with the workforce needs of employers and unions.

The Annie E. Casey Foundation entered the picture three years ago at just the right time. The foundation selected Milwaukee as one of six sites for multi-year initiatives that link central city residents to family-supporting jobs. The Milwaukee Jobs Initiative brought together a unique coalition of business, labor, and community organizations with assistance once again from COWS. The Jobs Initiative invested in the WRTP to establish an employment and training program that hooks residents up with industrial jobs. Nearly 500 central city residents have been placed since the summer of 1997. Their average starting wage has exceeded \$10/hour, plus health care, pension, tuition reimbursement, and other benefits. Almost 70 percent have retained their employment thus far. Successful participants have increased their average individual earnings from about \$9,000 to \$23,000/year in their first year on the job.

Participants are primarily unemployed and low-income residents of central city neighborhoods. Member firms and unions select candidates for immediate placement or employment based upon their successful completion of standard training programs. Nine out of ten are people of color, with an average household income of approximately \$12,000 per year. Half receive TANF, Medicaid, or food stamps. Half also lack high school diplomas. Participants typically have two or more children. Their demographic and economic profiles generally reflect the impoverished central city population as a whole.

The challenge now is to reach scale. The WRTP launched a Jobs 2000 campaign at the beginning of the year to double the cumulative number of placements by the end of the year. Having achieved 42 placements in a single month for the first time, the program is on track to reach a goal of 500 for the year. Yet the needs of employers, unions, and the community are far greater than the current capacity of the workforce development system to deliver. The only way to get to scale is to overcome the barriers encountered during the program's start-up phase. The WRTP is implementing a strategy to renovate the workforce development system with technical assistance from COWS and financial support from the Jobs Initiative.

The strategy stems from a needs assessment survey of 448 union shops that we conducted in 1998 to document employment and advancement opportunities in manufacturing. The number one barrier to job growth was overwhelmingly the difficulty finding qualified workers. Over half the shops needed help recruiting and retaining new employees. WRTP sponsored a forum for managers and labor leaders to discuss the results with state and local officials, and called for a task force to come up with effective responses to the skills shortage. The governor appointed WRTP's co-presidents to lead the Task Force on the Future of Technical Education and Training. Most of their final report was implemented in the current biennial state budget. It includes a \$20 million training fund for low-income workers to achieve upward mobility, a \$13 million scholarship fund for youth to attend local technical colleges, a \$7 million expansion of school-to-work programs for disadvantaged students, and other policy initiatives.

Now the WRTP is carrying out a series of agreements and understandings with its local partners. The workforce development board plans to target federal and state resources to sectoral employment and training projects like the WRTP. The local community college plans to reorient its business and community outreach division to support the expansion and replication of sectoral projects. A network of recruitment agencies in the central city is being built to fill a much larger number of job openings and training slots. WRTP works closely with the Milwaukee Job Center Network and a variety of other organizations, such as the YWCA, Goodwill, UMOS (United Migrant Opportunity Services), HIRE (Help In Reemployment) Milwaukee Center, Milwaukee Trade and Technical High School, Lisbon Avenue Neighborhood Development, Northeast Milwaukee Industrial Development Corp., Milwaukee Community Services Corps, and Central City Workers Center.

Finally, the WRTP is developing a business model for the sustainability of the program in manufacturing and other sectors. We are beginning to recover a portion of our costs through contracts with the workforce development board, welfare-to-work agencies, and employers. Employers are paying a heavy price for using staffing service agencies to recruit candidates for their job openings. Our program offers a cost-effective alternative. Savings on billing rates, finder fees and other costs associated with high turnover staffing arrangements offset the cost of a union wage and benefit package. The ability to capture even a tiny fraction of the revenues currently

going to temp agencies would go a long way toward sustaining our model.

Milwaukee is now on the verge of having an entirely renovated workforce development system. The WRTP is paving the way for expansion in manufacturing and replication in other sectors. Its nonprofit sponsor, the Wisconsin Modernization Institute, is already assisting or incubating new partnerships in the construction, data networking, health care, hospitality, and transportation sectors. The Milwaukee Jobs Initiative has four more years of funding left from the Annie E. Casey Foundation to seed partnerships encompassing a large majority of the regional labor market. The public and nonprofit sectors now have real partners in the business community and labor movement to help low-income families in the central city access family-supporting jobs and career opportunities in a rapidly changing economy.

The Milwaukee experience highlights the potential of the labor movement to contribute to community and workforce development. There are roughly two-dozen other major metro areas with tens of millions of working families that have a higher level of union organization than Milwaukee. The current leadership of the AFL-CIO is actively building the capacity of state labor federations, local labor councils, and affiliated unions to forge new partnerships in their communities. Grantmakers may visit the Working for America Institute, a nonprofit arm of the AFL-CIO, to obtain more information about these initiatives at www.workingforamerica.org.

Ongoing changes in the labor movement present many new opportunities for foundations concerned about the quality of employment and advancement opportunities for low-income families. Our success in Milwaukee offers three lessons for the future. A multi-year funding program at the Annie E. Casey Foundation enables the Jobs Initiative to invest in real partnerships between business, labor, and the community. The WRTP and its nonprofit Institute bring together business and labor leaders as equal partners to reach consensus on a comprehensive agenda for their respective sectors. And technical assistance from COWS provides a compelling vision for what the new workforce development system should look like and how to get there.

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