

## **Strategy # 10: Invest in a Skilled Workforce**

The Greater Boston region has traditionally prided itself on its human capital and skilled labor force. In order to achieve the MetroFuture vision the region will have to address a significant shortage of skilled workers that is projected through 2030, and enhance equity in access to the region's economic opportunities. To meet this challenge, we need to aggressively expand the level of education and skills training available to our current and future workforce, and remove the barriers to economic opportunity for those currently underserved in our region.

The Greater Boston region will continue to experience relatively low population growth through 2030, with immigrants accounting for a large portion of that growth. Historically, immigrant, low-income, and minority communities have not had equal access to the region's economic opportunities. Therefore, our ability to provide opportunity and to achieve robust and sustainable economic growth will depend on our ability to increase these communities' access to education, training, and economic opportunities more generally. Public higher education institutions can help meet the region's needs by aligning some of their objectives with the region's economic development objectives, and by being provided with the tools and flexibility they need to expand their enrollment and accessibility. MetroFuture objectives will also be achieved by reforming CORI and enhancing ESOL programs, which will allow large numbers of people who wish to join the labor force to do so.

The composition of student enrollment in public higher education mirrors the region's population trends. According to the Department of Higher Education's 2006 Performance Measurement Report, the majority of state colleges have minority representation comparable to or greater than that of their host regions. In addition, the majority of students graduating from the public higher education system remain in the region to work and live. Consequently, these institutions are uniquely positioned to serve as a critical "connector" in our regional economy, by providing people with the skills and education necessary to access employment opportunities in existing and emerging sectors.

### **A. Increase capacity and sustainability of public higher education**

#### **1) Address the revenue gap for public colleges and universities**

Since the mid-nineties, the annual higher education budget requests to the Governor have been developed utilizing a funding "formula" administered by the Board of Higher Education. Not surprisingly, the public campuses in Massachusetts are currently funded at a level far below what the formula calls for. According to the Department of Higher Education, the public higher education revenue gap (total operating requirement less total revenue) is approximately \$380 million annually. The shortfall has actually widened over the last decade, making funding for student support, faculty growth, physical plant maintenance, and student retention a critical issue at community and state colleges.

Over the last several years the Legislature been working to reduce this shortfall and should now commit to closing the funding gap over a period of five to seven years. This will allow public higher education institutions to strengthen their core academic programs and broaden strategic investments in essential student programs and

services. Once the gap is closed, the cost of maintaining a system of high quality will fall back into a normal and sustainable range, and public education institutions will be capable of making much greater contributions to the life of the Commonwealth. While appropriations for higher education will have to be somewhat higher than they have been in the recent past, and sustained at that level over a somewhat longer period, this “ramping up” strategy should be feasible within current economic parameters.

**1.a The Legislature should increase support for public higher education to the level necessary for success by fully funding the formula over a 5-7 year period**

**2) Coordinate and support capital investments at public colleges and universities**

To increase access to public higher education, colleges and universities must have sufficient and modern classroom and modern laboratory space, as well as appropriate faculty, necessary to accommodate a larger student population. The Administration and Legislature should make ongoing investments in both current facility needs as well as establishing and investing in new emerging priorities.

In 2001, the Board of Higher Education, along with the Division of Capital Asset Management and the colleges, embarked on a multi-phase capital planning initiative to articulate the need for capital investment and provide a more efficient and transparent method of allocating capital resources.

As it is implemented, this capital program should:

- upgrade existing laboratory and science facilities to ensure that students are prepared for the demands of the current workplace; and
- include funding construction of new centers that are focused on emerging technologies in alignment with the state’s economic development plan
- demonstrate consistency with the MetroFuture’s land use plan by funding facilities in accessible locations and population centers

**2.a The Legislature should support bond bills and capital expenditures necessary to implement the Department of Higher Education’s capital plan**

**3) Support non-credit continuing education, workforce development, graduate courses, and ESOL programs**

Current state law distinguishes funding for "day" college programs and continuing education programs, and requires that programs offered through divisions of continuing education or graduate studies operate at no expense to the Commonwealth. The distinction between continuing education and so-called “day” programs might be eliminated for a variety of reasons: it can create barriers to part-time and working students who can’t take advantage of a regular academic schedule; it might complicate faculty workload policies; and it can create pricing and course availability anomalies. This negatively affects both pricing and availability of non-credit, workforce development, ESOL, and graduate programs, particularly at the community colleges. Since these programs must operate with no maintenance funding,

institutions must rely on temporary sources of support and course fees. In addition, non-credit programs do not qualify for financial aid, putting them financially out of reach to the very populations in most need. This particularly hurts the community colleges.

This historical funding dichotomy has outlived its original purpose and practicality. Providing state funding for continuing education programs and graduate studies that contribute specifically to workforce development goals will directly benefit those students who are currently unprepared or unable to undertake a full-time academic program, including low-skilled incumbent workers and adult learners seeking upward career mobility.

### **3.a The Department of Higher Education and public higher education institutions should develop a proposal for applying state funds to workforce-related continuing education**

#### **4) Reform and modernize administrative procedures in the community college system**

Modern, flexible administrative procedures are necessary if state and community colleges can be expected to meet the needs of the region. For example, community colleges now face a shortage of nursing instructors, in part because the statewide faculty contract does not allow for flexible compensation. Community colleges need not be hindered with inflexible human resource processes that deny senior management the ability to think outside the box when attracting talented personnel. A thorough management audit of community college policies and procedures by a highly qualified and respected outside source will provide policy-makers with the information required to streamline outdated or unnecessary policies and procedures.

The Governor's Readiness Project has recommended that the Commonwealth move to increase the authority of local boards for the state colleges and community colleges to include evaluation of and salary decisions for presidents and oversight of budgets. Institutions should have the flexibility to manage their own resource allocations within broad limits while being held accountable for effective management.

#### **5) Reform DCAM procedures to make it easier for institutions to occupy & improve rental spaces**

Facility leases, property restoration, and joint institution and business occupancy agreements can be important components toward enhancing institutional presence in currently underserved locations. Unfortunately, current state facility lease regulations inhibit a public higher education institution's ability to respond quickly to area businesses seeking on-site, convenient access to structured programs and training. Burdensome state rental procedures overseen by Division of Capital Asset Management (DCAM) should be revised to delegate authority to public higher education institutions to occupy and/or restore temporary space for academic use, particularly in urban centers and other locations consistent with MetroFuture's land use objectives.

## **B. Broaden access to public higher education**

### **6) Reduce financial barriers to attending public institutions of higher education**

The Department of Higher Education's 2006 Task Force on Student Financial Aid put forward several creative recommendations that should be advanced, including dedicating need-based state financial aid to students with family incomes less than the Commonwealth's median income, and providing tuition and fee waivers to qualified Massachusetts high school graduates attending community college.

The Task Force's recommendation to offer loan forgiveness to students with state-funded college loans who are employed in jobs "addressing critical workforce needs" would create a strong link between higher education and economic development needs and priorities, and should be implemented. Additionally, creating a statewide program to help individuals and families learn how to finance a college education, another Task Force recommendation, would empower first generation college students and limited English speaking families to effectively plan for post-secondary education expenses.

Within the broader 10-year proposal developed by the Governor's Readiness Committee, community colleges in Massachusetts would be free to all students within 10 years. Every student's education would extend two years beyond high school, either through vocational training or college. Such opportunities might alleviate problems in the public post-secondary system that include gaps in minority achievement and students who are unprepared for college or the workforce. The state has more than 20,000 unfilled jobs requiring applicants with at least an associate's degree. The support of business, education, political and community leaders is necessary to implement this proposal.

**6.a The legislature should increase need-based financial aid to 1989 levels and extend benefits for part-time students**

**6.b The legislature should provide in-state tuition for all immigrants**

**6.c Industry associations should establish new scholarship program targeted to workforce development**

### **7) Expand distance learning programs and alternative delivery models for public higher education**

Many higher education institutions in the Commonwealth already offer alternative formats for delivering their programs. There are weekend, evening, and compressed time programs; there are semester, quarter, and intensive summer programs; there are on-line programs, blended technology-enabled programs; and competency-based rather than credit options. Institutions offer their programs on campus, at satellite sites in the community, and in workplaces. All of these alternatives are adaptations meant to respond to the change in living and working conditions of students and to acknowledge that there are now many non-traditional, older, working professional students enrolled in higher education.

The Massachusetts's public higher education system already has a strong network of distance education programs offered through Massachusetts Colleges Online, UMass Online, Mass Virtual High School, Salem State College, and other institutions. Online courses provide enhanced flexibility and access to every student. A multi-year, targeted line of funding to expand online certificate/degree programs in selected high-demand fields would increase on-time, on-demand options for students, and allow more students to access the public higher education system.

Massachusetts is behind the curve in distance learning for English for Speakers of Other Languages (ESOL) and Adult Basic Education (ABE). There are models currently in place that have demonstrated success; the Jamaica Plain Community Center Adult Learning Program is one. The ESOL/ABE community in Massachusetts could make this issue a priority within their own research programs, seminars and forums, and professional development activities.

**7.a The Department of Higher Education should develop a strategic plan for the expansion of distance learning and technology-infused curriculum**

**8) Locate new public higher education facilities in smart growth locations and improve transit access to public higher education**

As with any infrastructure built with public money, the Commonwealth's public higher education institutions must be located in areas that both take the most advantage of existing infrastructure and allow the greatest amount of access from a variety of transportation modes. Locating these institutions in smart growth locations, largely Regional Urban Centers and downtowns, will help meeting MetroFuture's land use objectives by concentrating development near existing infrastructure. Furthermore, locating these facilities in transit accessible locations will help enhance equity by ensuring that those without cars and private modes of transportation will still have access to higher education opportunities.

**8.a The Division of Capital Asset Management, the Department of Higher Education, and MAPC should form a working partnership to ensure that Sustainable Development Principles inform the location of new satellite facilities**

**C. Coordinate and align public higher education curriculum**

Massachusetts has a highly educated and skilled workforce but not in enough numbers for the occupations projecting the greatest growth (health care, technology, and education).

**9) Establish formal coordination between public higher education curriculum and workforce development needs**

Public institutions of higher education are central to workforce development strategies. In the case of community colleges, virtually all their students enroll to enhance their employment, either directly or by later transferring to four-year colleges. Not all knowledge economy jobs require advanced degrees. Many of the jobs created from research and development in fields such as technology, biotechnology, and

healthcare require preparation in the form of associate degrees and certificates that are provided by community colleges. Additionally, community colleges have a strong record of responding quickly to local needs and can create new programs to meet the demand for “technical” education generated by job growth resulting from research and development.

Such efforts to respond to workforce development needs must be based on labor market projections, and the efforts should be coordinated across campuses to avoid redundancy or omissions. Based on such coordination, community colleges can more effectively invest in the programs, facilities, and faculty necessary to meet workforce needs. A state level workforce development task force could work with community and state college presidents and deans, as well as industry, adult basic education, and community-based organizations to develop certificate and degree programs in high skill, high demand occupations. Such an effort should recognize the existing structures that seek to fill this niche at a smaller scale, as well as the important distinctions and specializations between individual colleges and universities.

**9.a The Department of Higher Education should establish a workforce development task force and coordinator focused on curriculum alignment**

**9.b Workforce investment boards should expand their membership to include community college leaders**

**9.c Major employers should establish “workforce pipeline partnerships” with community colleges**

**10) Facilitate the creation of new programs in high-demand fields at state and community colleges**

Certain high demand fields, including nursing education, occupational therapy, social work, and educational leadership, face a critical and severe shortage of qualified instructors and advanced practitioners. Currently state colleges in Massachusetts are prohibited from granting the doctoral degrees that these instructors and advanced practitioners need, even if the institutions have faculty expertise in these fields and demonstrated student demand.

To help fill the existing gap of qualified practitioners and instructors in high demand fields, the state should give state colleges authority to offer doctoral programs in targeted high demand disciplines. Such expansion should be coordinated with the workforce development coordinating entity described above, in order to prevent redundancy and to ensure that the programs are being created at institutions with appropriate capacity.

Program expansions would also allow state colleges to attract additional funding from grants, foundations, and research programs, while still remaining focused on teaching. With increasing credential requirements in many fields, the institutions must be able to change the way they deliver services in order to meet the requirements of an external environment driven by changing technologies. In addition the state needs to

transition, where appropriate, its state colleges to universities to stay competitive with other industrialized states.

**10.a The Department of Higher Education should develop a process to expand degree granting authority of state colleges**

**10.b The legislature should establish a funding pool to support capacity expansion in high-demand occupations**

### **11) Strengthen coordination within the community college system**

Investments that build capacity in the community college system must make sense as a whole, across the system, and must also be relevant to the region in which the community college is located.

Metro Boston's community colleges operate independently with support, guidance, and oversight from the Massachusetts Department of Higher Education. While there is no formal community college "system," there are several regional consortia of public higher education institutions, such as EdLink in Northeastern Massachusetts and Connect in Southeastern Massachusetts. These collaborations are positioned to link curriculum development at institutions of public higher education with current industry needs provide the institutions with the ability to coordinate their work.

Massachusetts has a much less centralized community college system than do other states. For example, the North Carolina Community College System comprises 58 community colleges operating under the direction of one president. The system has a well-defined mission to provide workforce development, adult basic education, and literacy education, as part of a statewide pre-K-through-university education strategy. The state provides access to \$20 million of funds for workforce training annually.

While a fully centralized system may not be appropriate or feasible for Massachusetts or Metro Boston, greater coordination can be achieved by expanding the reach of existing regional consortia or creating new ones.

## **D. Adopt new strategies to improve student performance, graduation rates, and employment outcomes**

### **12) Implement comprehensive measurement and assessment systems for community colleges**

As with all public institutions, the performance of public colleges must be assessed and evaluated. Building a "culture of evidence" is central to improving the community college system. Careful assessment can document successes and pinpoints failures; it also supports accountability and evidence-based decision-making. It is widely recognized that the commonly-used three-year graduation rate is not a sufficient measure of success for community colleges. While this rate is often correlated with other positive outcomes such as student retention and credit accumulation, it cannot document the success of students who enroll for specific classes, complete their degree after three years, or transfer to another institution.

All public campuses in Massachusetts are required by law to report annually on a wide variety of measures related to their success in achieving their missions, including student achievement, research and scholarship, affordability and access, and fiscal strength. However, these performance data are so varied and extensive that it can be difficult to sift through them for meaning and true understanding.

More effective assessment measures are necessary to support improvement and compare performance across institutions. An effective set performance measures will include a variety of outcome measures, including employment outcomes and overall economic impact; and it should recognize the many ways in which students use the community college system. That said, the focus of such a program should be on establishing benchmarks for comparison and assessment, so that administrators and state officials can make evidence-based decisions about programming and funding.

**12.a Community colleges should identify and document mission-related outcome measures**

**12.b The Department of Higher Education should lead an effort to develop new performance assessment systems for community colleges**

### **13) Increase coaching, counseling, and mentoring**

Coaching, counseling, tutoring, career advice and other student support services are necessary to help college students transition their hard work and effort into professional success. Academic and personal support services can have a significant impact on improving first-year retention. Some students require more transitional assistance, including English language learners, students whose parents do not speak English, adults seeking basic education, and people transitioning from the workplace to post-secondary education. Expanded access to counselors, tutors, and other college and university support staff is necessary to ensure that students have access to the help they need to integrate into the college environment, particularly in their first year.

**13.a The Department of Higher Education should commission a report on the transition from Adult Basic Education to post-secondary education**

**13.b The region's academic institutions should make recommendations for creating culturally appropriate transition programs**

### **14) Facilitate transfers across the entire public higher education system**

The Commonwealth's public higher education system should provide students an unimpeded pathway to the highest level of education that the student desires to attain. This requires a coordinated credit transfer system between community colleges, state colleges, and UMass that is clear and understandable. In some instances, this may also result in institutions coordinating their curriculum in a specific program in order to facilitate a clear pathway to a more advanced degree. Students need to know in advance whether their course credits will transfer.

The Department of Higher Education established the Commonwealth Transfer Advisory Group to evaluate the Commonwealth's current policies and practices, diagnose barriers associated with transfer, compare and assess policies and practices enacted in other states, recommend policies and practices to remedy transfer barriers, and identify costs associated with proposed solutions.

**14.a The Department of Higher Education should develop recommended policies and practices to remedy transfer barriers across the public higher education system**

**15) Align secondary and post-secondary curriculum**

At some public colleges and universities nearly 50% of incoming freshmen must take remedial courses in reading, writing, or math before they can qualify for college credit courses. A new school-to-college study from the Department of Education and the Board of Education on the class of 2005 concludes that 37% of public high school graduates entering public higher education may not be ready for college level courses. The Massachusetts Comprehensive Assessment System (MCAS) is not a measurement of the academic skills and abilities that will be required of a student entering post secondary education.

Early assessment allows students to evaluate their college readiness while still in high school, allowing them to do more in high school to prepare for college-level coursework. The Accuplacer is a college placement exam that provides information about student skill levels and abilities. Currently, all first-year students at Massachusetts public colleges are required to take the Accuplacer assessment prior to enrollment. Many students are unable to meet reading and math requirements and must take developmental courses. Offering the assessment earlier—during the 11th grade—would provide students with improved knowledge of what it takes to succeed in college and enable them to make better decisions concerning how to prepare for college in their final years of high school. Some students may find out that they already qualify for college credit courses – facilitating dual enrollment, motivating college planning, and even serving as a recruitment strategy for community colleges. Dual enrollment provides students with the opportunity to take college-level courses for both high school and college credit and is offered nationally to increase college access.

**15.a The Department of Higher Education should implement a pilot program to offer the Accuplacer test to high school juniors**

**E. Remove barriers to labor force participation**

**16) Reform the Criminal Offender Records Information (CORI) system**

The Criminal Offender Record Information (CORI) system was initially launched as a way to more easily collect and disseminate criminal justice-related information for use within the criminal justice system, while protecting the privacy of those with criminal records. However, its use has now expanded to employers, who use CORI

information to screen potential employees. Unfortunately a lack of clarity and understanding of the CORI system stands as an impediment for many ex-offenders seeking work. Consequently, CORI reports “can have the effect of creating a class of unemployable ex-offenders.” CORI stands as a major challenge to economic development, particularly in communities where residents are disproportionately involved with the criminal justice system. CORI disproportionately affects low-income and immigrant communities and communities of color who have historically been denied full access to the region’s economic opportunities.

Thoughtful and balanced CORI reform that meets the needs of employers and employees, while maintaining public safety, is therefore a critical component of MetroFuture implementation. Recognizing the challenge that CORI presents, legislators and the Patrick Administration have been hard at work developing ideas on how to reform the CORI system. A recent Executive Order and legislation issued by Governor Patrick represent important progress on CORI, and it is expected that significant progress will continue to be made on this issue over the coming months and years.

In January 2008, Governor Patrick issued Executive Order 495, which implements many necessary revisions to CORI. Among other modifications, EO495 makes CORI reports easier to read, and requires that people using them in hiring situations be more completely trained in their use. Critically, EO495 directs the Executive Office of Health and Human Services to revise its hiring guidelines for human service providers. This item will broaden access to individuals with CORIs to jobs in high demand fields that are expected to see significant growth through 2030. Legislation filed by Governor Patrick also proposes reforming the CORI system by changing the time frames for sealing of records and increasing the penalties for abuse of CORI information. Passage of this legislation, coupled with EO495, could represent a significant and positive step forward in reforming the CORI system. Additional reforms are also needed: banning the use of job applications that permit employers to exclude job seekers who truthfully disclose the existence of their criminal history; strengthening laws that will protect people with CORI from exclusion in job training programs and employment; and limiting the dissemination of records that ended in a dismissal or a finding of not guilty.

In addition to reforming CORI, incentives for employers to hire ex-offenders should be expanded and better utilized. The largely underutilized Work Opportunity Tax Credit provides incentives to employers in Massachusetts to hire ex-offenders. It gives \$1,500 to employers hiring an ex-offender for at least six months of work within one year of release from supervision or custody. Many employers do not know it exists, and others are under the misconception that the program involves significant paperwork. The Federal Bonding Program covers employers for any losses due to theft or embezzlement by the bonded employee for six months and can be extended upon request, and may be obtained through the One Stop Career Centers. The bonding program is also underutilized in Massachusetts.

#### **16.a The Legislature should adopt a CORI reform package**

**16.b The Executive Office of Public Safety and Security should establish a program to educate employers about the Work Opportunity Tax Credit and the Federal Bonding Program**

**F. Position immigrants as key assets to the region's economy**

Immigrants are a critical and growing segment of the region's population and workforce. Between 1990 and 2000, the foreign born population rose 34.7 percent and now accounts for 9.5 percent of total population in Massachusetts. By 2030, MAPC projects that nearly a quarter of the region's population will be foreign-born. Without new immigrants to the Commonwealth, our population and workforce would have suffered a significant decline.

From an economic perspective, immigrants are a diverse group. A quarter of recent immigrants arrive with a college degree or more, attracted by the region's higher education institutions and cutting-edge businesses. Many other immigrants arrive seeking opportunity, but they lack English language skills or need additional education to fully participate in those opportunities.

Policies and programs are needed to leverage the brainpower and labor of recent immigrants to support economic growth. Immigrant entrepreneurs have already emerged as key engines of economic growth and community change in the older urban cities of Massachusetts. Relatively modest investments in education, training, and technical assistance will yield tremendous benefits in the form of a skilled workforce, a growing immigrant middle class, and reduced dependency on social programs.

**17) Expand funding for the adult basic education, including English for Speakers of Other Languages**

Working-age immigrants with limited English skills account for 6% of the state's workforce, and a third of Massachusetts adults have been found to be below the lowest literacy skill level. Adult Basic Education (ABE) includes basic literacy services for adults, General Educational Development (GED), and English for Speakers of Other Languages (ESOL). Most such programs are administered by the Massachusetts Department of Education. According to the Department, in May of 2008, there were nearly 19,000 people on the waitlist for ABE classes. Of this number, nearly 14,000 are waiting for ESOL classes.

The current state spending on ABE is \$32.5 million, and 2/3 of these funds are currently used for ESOL instruction. Doubling the allocations for ABE in the state budget is a critical first step in developing a skilled workforce that is both native-language literate and English proficient. Increased availability and accessibility should be monitored and reported by organizations with strong community roots and regional credibility.

**17.a The Legislature should double the spending on Adult Basic Education**

**18) Evaluate and adopt innovative service delivery models for Adult Basic Education and English language classes**

Funding is not the only issue to consider when striving for equitable provision of Adult Basic Education and English language classes. New and innovative service delivery systems may be necessary.

Workplace ESOL programs provide on-site education that builds targeted skills and abilities while fostering English language proficiency. Additionally, workplace-based adult education and ESOL leverage substantial employer investment, thus supplementing otherwise limited public funding and expanding potential services. Lack of funding presents a big challenge for adult workers trying to access and utilize existing workplace education resources. Currently, less than 5% of the Commonwealth's ABE/ESOL resources are available for workplace education. The Workforce Training Fund (WTF), administered by the Executive Office of Labor and Workforce Development, provides business and labor with matching grants of up to \$250,000 to finance incumbent worker training.

**18.a The MA Department of Education should conduct feasibility studies to consider new management science planning models to that may identify needed changes in the location and delivery of ESOL services**

**18.b The Department of Education and the Massachusetts Association of Community Colleges should develop a state-wide strategic plan to specify public post-secondary roles**

**18.c The Commonwealth should evaluate outcomes from the Workforce Training Fund, and maintain a budgetary commitment if the program remains successful**

**18.d The Legislature should establish a coordinating body headed by the Massachusetts Workforce Investment Board to recommend and coordinate policies on Adult Basic Education in the**

**19) Reform visa and green card systems to support immigrant entrepreneurs and skilled workers**

Foreign-born immigrants who study and then remain in the United States drive innovation, create jobs, and help keep the economy strong. Highly educated immigrants are likely to be trained in high-demand fields such as computer science, mathematics, architecture, engineering and life and physical sciences. Although qualified, many immigrants cannot attain the credentials they need to practice their occupations in the United States because of outmoded regulations.

More than half of the foreign-born founders of U.S. technology and engineering businesses initially came to the United States to study. Temporary H-1B visas and permanent employment-based (EB) green cards allow these highly educated foreign professionals to be hired by American companies when they graduate from U.S. universities and then to remain here in the United States so that they can continue contributing to our nation's strength and prosperity. Unfortunately, these programs

are highly restricted, with applications exceeding the national quota of 65,000 on the first day the program is opened each year. Reforming both the H-1B visa and EB green card systems will help employers meet workforce demands in the 21st century.

Reunification of families who are separated by international borders, and the resultant reunification of the family structure, is foundational to success in small businesses that are family-run. Family reunification is a visa issue, and an economic development issue. Just as the immigration system should be structured to attract or retain highly skilled professional workers, it should also be used to reunite families as a precursor to educational and economic success. Immigrant entrepreneurs and immigrant students will be more successful if they maintain close ties with their family, and through them, to the larger community; isolated students and entrepreneurs are more vulnerable to isolation and failure. The Office for Refugees and Immigrants, a division within the Massachusetts Executive Office of Health and Human Services, is the correct agency within Massachusetts state government to develop a strategy to align reunification of immigrant families through targeted issuance of visas as an economic development issue.

**19.a The Federal Government should increase H1-B visa quota to allow more highly educated foreign workers**

**19.b The New England Board of Higher Education and the Massachusetts Department of Higher Education should document the impact of foreign students to support reform of student visa restrictions**

**19.c Immigrant researchers, advocacy organizations, and allied organizations should develop research documenting the positive economic and educational value of family reunification visas**

**20) Develop a better understanding of immigrants and economic development to inform public policy**

Immigrant entrepreneurs should be meaningfully incorporated into overall economic development strategies at the state and local levels. Industry associations and community based economic development organizations must find ways to effectively connect with immigrant communities that are often out of the mainstream economy.

The entrepreneurial spirit has always accompanied the immigrant population in the United States. Recent research from the Immigrant Learning Center notes that US Census data going back to the 1880s indicate that immigrants were more likely to be self-employed than native-born U.S. citizens. There is a wealth of university and institute research in Massachusetts exploring the correlation between economic success in immigrant communities and regional economic well-being. Both the economic growth and community change should be baselined and tracked longitudinally to support public policy.

The larger body of research exploring the relationships between immigrant communities, economic opportunity, and regional economic competitiveness would benefit from a level of coordination that encourages the development of an

immigration research agenda that informs foundations and others in their support of immigrant research, and informs policy. This would be an ongoing facilitated dialogue between academic, institute, and practitioner researchers that would deepen the information stream by the exchange of information and by identifying gaps in research regarding regional economic competitiveness and immigrant communities. Such research would inform a variety of other policies, including the provision of culturally appropriate technical assistance to small businesses, support for immigrant students, and curriculum at colleges and adult basic education programs.

**20.a Research institutions, advocacy organizations, and MAPC should establish and implement an immigrant research agenda, with a focus on labor force development**

**G. Support older workers and lifelong productivity**

The aging of the regions' population will bring profound changes over the coming years. The over-55 population in Metro Boston is expected to increase by 75% from 2000 to 2030. If current patterns of labor force participation continue, the retirement of Baby Boomers will deplete the region's workforce, resulting in labor shortages. Many older workers are also highly skilled and possess "institutional memory" valuable to their organizations. As described elsewhere in this strategy, efforts to develop a skilled workforce and increase labor force participation rates will help to mitigate this change. There are also many things that can be done to support and retain retirement-age workers who wish to keep working.

The success of public and corporate practices to employ and retain older workers is contingent on a comprehensive understanding of the assets and needs of older workers. Many older people prefer part-time work so they can enjoy more relaxed lifestyles and pursue leisure activities. Others need flexible schedules to accommodate family care responsibilities or their own physical limitations. Many older people can afford to cut back their work hours only if they have access to employer retirement benefits. Policies that prevent part-time workers from collecting retirement benefits from their current employer often force older workers to leave their career job and work reduced schedules elsewhere, squandering firm-specific skills accumulated over long careers.

Low employment rates at older ages may also result from difficulties matching older job applicants with appropriate employers, or from employer perceptions—real or imagined—that older Americans cannot meet their workforce needs. Some older people may lack the proper mix of skills required in high-growth industries. Some employers may be reluctant to hire older workers because they fear they are too costly or because employers do not appreciate the attributes many older workers embody, including maturity, experience, and dependability. Many employers cite both compensation—including the rising cost of health insurance—and training costs as obstacles to hiring and retaining older workers. As a result, many employers have not learned to place a high value on their experienced workers, instead gearing their succession planning toward replacing older workers with younger ones.

In addition to improving the economic outlook, working longer can enhance individual well-being. Those who delay retirement can raise their own retirement incomes by avoiding early retirement reductions to their Social Security and defined benefit (DB) pension benefits,

accumulating more Social Security and pension credits and other savings, and reducing the number of retirement years that they must fund.

Governments, nonprofit organizations, and educational institutions can promote employment at older ages by training older people, helping them find employment, and combating negative stereotypes about older workers.

There is a wealth of existing research and expertise in Metropolitan Boston to address this issue: the University of Massachusetts Boston, The AgeLab at the Massachusetts Institute of Technology, US Department of Health and Human Services/Administration on Aging, the Massachusetts Executive Office of Elder Affairs (EOEA), and the Massachusetts Association Of Older Americans, Inc. With support and encouragement from MAPC, EOEA could take a lead role in organizing these entities into an ad hoc group that will identify and collate existing research and identify research specific to metropolitan Boston that is still required.

### **21) Develop flexible approaches to part-time work and phased retirement**

Employers must adopt new practices to help retain older workers. Flexible work arrangements may appeal to older adults who no longer wish to work traditional full-time schedules, either because of additional personal obligations (such as the need to care for aging parents or spouses or to help with grandchildren), worsening health, declining physical energy or stamina, or a preference to sacrifice some income for more control over their time without giving up paid employment entirely. Some older workers with enough savings or access to pension benefits can maintain their living standards with lower earnings. Flexible work arrangements include part time employment, flex time, job sharing, and telecommuting.

Many workers prefer to phase into retirement gradually with their current employers instead of changing employers or moving directly from full-time work to full retirement. However, pension policies, union regulations, Social Security guidelines, tax policies, federal regulations, internal public sector procedures, HMO regulations, and other existing conditions may limit older workers ability to remain productive in the workplace. For example, many older employees cannot afford to reduce their work hours unless they can draw on their retirement benefits, but federal law restricts employers' ability to pay benefits from defined benefit plans to workers who remain on their payrolls.

**21.a The Executive Office of Elder Affairs should lead a multi-agency initiative to increase training opportunities and disseminate best practices for retention of older workers**

**21.b Business and industry should develop a major initiative to promote phased retirement and flexible schedules**

**21.c Employers should adopt Deferred Retirement Option Plans**

### **22) Re-tool workforce development programs to meet the needs of older workers**

Employers are often unaware of how to accommodate and leverage the capacity of an older workforce. Older workers with lengthy professional resumes will enter post-

retirement jobs with significant skills and abilities that can add value to most work environments. However, they often need to be re-trained in certain skill sets (such as computer software), and their knowledge base does not necessarily qualify them for certification in sectors such as education and child-care where standards are increasing. As a result, the state's job training and postsecondary education programs must adapt to meet the needs of older workers. Workforce development programs could play a bigger role in helping older workers attain the skills they need to be competitive in the job market. Workforce Investment Boards, in particular must be equipped to manage employer relations, placement, training, and support for older, post-retirement jobseekers that are tech savvy, well-educated, and looking for interesting and meaningful work that may be only tangentially related to their professional career.

**22.a Stakeholders should seek federal funding for research on workforce development for older workers**

**23) Support financial literacy so workers are prepared for retirement**

If older workers are to have more options available at retirement age, they must begin planning and saving for retirement. There are a variety of employer-driven opportunities to increase participation in retirement saving programs.

**23.a The Office of the State Treasurer and Executive Office of Elder Affairs should develop a new initiative to increase financial literacy for older workers**

**23.b Employers should increase access to voluntary retirement saving programs**

**24) Re-Tool Councils on Aging**

Nearly every community in Metro Boston is served by a Council on Aging. The mission of these volunteer, municipally appointed agencies is to link seniors with resources through service delivery or coordination, and community education and advocacy. Each council focuses on a specific municipality and, most offer information and referral, transportation, outreach, meals (congregate and home delivered), health screening, and fitness and recreation programs.

The infrastructure of these Councils must be strengthened to accommodate the needs of the growing senior population. Many Councils are not fully resourced, and are often undervalued by their community. The resources of these organizations will be considerably strained as the senior population grows. Furthermore, the leading edge of the Baby Boomer generation has already demonstrated that it will age quite differently than previous seniors, and will be looking for services quite different from those needed by existing seniors. Boomers will live longer, and fewer will be looking for traditional retirement and senior living models. Many will want to work part time, either to supplement their retirement income or simply to stay active. This generation also has different housing preferences; many will avoid isolated over-55 developments in favor of housing choices integrated into town centers where they will help contribute to the economic vitality of those town centers.

In order to respond to the magnitude of the demographic change and the shifting preferences of generations, Councils on Aging need to be re-tooled to meet larger and more diverse needs. Councils need to diversify their services, sharpen their public policy agenda, and develop regional service delivery strategies. With this re-tooling, they will be on the cutting edge of program development that meets the needs of older Americans living in the 21st century.

**24.a MBTA and allied organizations should research the potential for Councils on Aging to utilize regional service delivery**

**H. Support Individual Asset Building and Financial Literacy**

**25) Bring unbanked individuals into the mainstream banking sector**

For a variety of reasons, many immigrants do not use conventional financial institutions. They may lack a social security number, be unfamiliar with institutions, or face language barriers. There are immediate and quantifiable costs to being “unbanked”: unbanked individuals pay more for basic financial transactions such as cashing a check and paying bills. Unbanked individuals are not building a credit history. Unbanked individuals frequently lack sufficient credit histories to satisfy the requirements of traditional lenders and may turn to high-cost, subprime loan products. For individuals who are unbanked, the initial steps towards creation of wealth (accumulation of resources) remain impassable barriers.

**25.a Financial institutions should lead an effort to develop new programs for the unbanked**

**26) Encourage asset building and provide incentives to save**

Most Americans working in low-wage jobs do not have access to the investment opportunities that help them move out of poverty and towards financial security. Homeownership, the largest investment most of us will ever make, is out of reach to many poorer families due to high down payments and strict credit requirements. A college education and job training are increasingly necessary in the region’s high-skill economy, but these are frequently priced out of reach of the working poor — despite the recent attempts to make it more affordable. Small business start-up, a traditional path to economic prosperity, requires both capital and capacity to for the owner to succeed. Asset development programs can bridge these gaps.

These programs can take several forms. Individual Development Accounts (IDAs) are the most supportive type of asset development program. These programs are usually run by Community Development Corporations or other community-based nonprofits, and feature a combination of financial literacy and skills training with matching funds for individual savings. Beginning in Fiscal Year 2007, the Commonwealth has provided grants to support a IDA programs at few community-based organizations. This work is expensive and time-consuming, but is an incredibly

effective way to ensure that individuals have access to the opportunities of education, homeownership, or small business development.

Another program designed to support saving is the Section 529 College Savings plan, known as the U. Fund in Massachusetts and administered by the Massachusetts Educational Financing Authority. This program provides the opportunity to save with the benefit that earnings grow tax deferred and qualified withdrawals are free from federal and Massachusetts state-income taxes. This program is utilized primarily by families with higher earnings, and needs to be both more worthwhile and better marketed to lower-income families. A tax deduction for contributing to a 529 account, particularly one that provided greater savings for lower-income families who utilized the program, would encourage greater use of this savings tool.

**26.a The Legislature should continue to increase the amount of funding for the Individual Development Account Program**

**26.b Allow for an in-state tax deduction for contributions to 529 plans, with a substantially larger deduction available to low-income families**