



# 2014 Legislative Agenda

## MFIP Workforce Education Bill

Unleashing Opportunities for Workers and Families

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### 1. Good for Education

- **Maternal education means better school performance for children** — In 2005, 37% of children between ages 3-5 whose mothers had a bachelor's degree could recognize all letters, compared to 19% of the children of high school graduates<sup>i</sup>
- **Increased education leads to increased earnings** — Between 1975 and 2005, wages for those with college and advanced degrees rose by 22% and 29%. Wages for high school graduates stagnated and those without high school degrees fell by 16%<sup>ii</sup>

### 2. Good for Employers

- **2/3 of employers can't find qualified job applicants**<sup>iii</sup> — Minnesota businesses have a greater need for skilled workers than those in any other state. Additionally, today's workers will still make up nearly 3/4 of Minnesota's workforce in 2030, so it is vital that we strengthen our current workforce<sup>iv</sup>
- **70% of jobs will require some post-secondary education by 2018** — Nearly two million working-age Minnesotans lack a credential beyond a high school diploma<sup>v</sup>

### 3. Good for the Economy

- **Regions with higher levels of education have more productivity growth**<sup>vi</sup>
- **Addresses the racial job gap** — 39% of the MFIP population are African American and the unemployment rate among African American Minnesotans is more than three times higher than that for white Minnesotans<sup>vii</sup>

\*Minnesota Family Investment Program (MFIP), or "Welfare-to-Work" plan

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<sup>i</sup> NCES, *After-School Programs and Activities Survey of the 2005 National Household Education Survey*

<sup>ii</sup> Baum & Ma, *Education Pays: The Benefits of Higher Education for Individuals and Society*, 2007

<sup>iii</sup> McKinsey Global Institute, *An economy that works: Job Creation American's Future*, June 2011

<sup>iv</sup> Carnevale, Smith & Strohl, *Help Wanted: Projections of Jobs and Education Requirements Through 2013*, June 2010

<sup>v</sup> Carnevale, Smith & Strohl, *Help Wanted: Projections of Jobs and Education Requirements Through 2013*, June 2010

<sup>vi</sup> Robert J. Gordon, *National Bureau of Economic Research*, June 2000

<sup>vii</sup> Mn Dept of Human Services, 2011

# What does the MFIP Workforce Education Bill accomplish?

## 1. Allows the freedom to access Adult Basic Education

- ➔ Problem:
  - 37% of adults on MFIP\* lack a high school diploma or GED<sup>viii</sup>
  - The high school achievement gap leads to employment disparities; the Twin Cities metro has the country's largest employment disparity<sup>ix</sup>
- ➔ Solution: Allows MFIP participants to earn GED/diploma as an approved work activity

## 2. Removes roadblocks to post-secondary education

- ➔ Problem:
  - State policy discourages moms and dads from accessing educational opportunities
  - 70% of Minnesotan jobs will require some education beyond high school by 2018<sup>x</sup>
  - Only 1.4% of adults on MFIP have a college degree<sup>xi</sup>
- ➔ Solution: Allows MFIP participants to be enrolled in 4 year post-secondary education programs and requires providers to inform every MFIP participant with a GED/diploma about their right to enroll in post-secondary education as an approved work activity

## 3. Removes outdated barriers that limit self-sufficiency

- ➔ Problem:
  - Nearly 70,000 Minnesotans turn to public assistance when they lose a job<sup>xii</sup>
  - Between 1979 and 2005, wages for those with college and advanced degrees rose 22% and 29%, while wages for high school graduates stagnated and those without high school degrees fell by 16%<sup>xiii</sup>
- ➔ Solution: Gives new graduates the flexibility to job search for 12 weeks rather than 6 and removes barriers to ESL classes for workers who are learning English

*“A focus upon skill acquisition and degree completion [...] will position us well in the decades to come.”*

MN State Demographic Center 2013

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*Prosperity for All is a statewide alliance of organizations working toward a more prosperous Minnesota.*

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<sup>viii</sup> MN Dept. of Human Services, 2011

<sup>ix</sup> Economic Policy Institute, July 2012

<sup>x</sup> Carnevale, Smith & Strohl, “Help Wanted: Projections of Jobs and Education Requirements Through 2013,” June 2010

<sup>xi</sup> MN Dept. of Human Services, 2011

<sup>xii</sup> MN Dept. of Human Services, 2013

<sup>xiii</sup> Baum & Ma, “Education Pays: The Benefits of Higher Education for Individuals and Society,” 2007

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