In the midst of New York City’s budgetary crisis, as unemployment continues to rise and more than 100,000 New Yorkers remain out of work, one of the city’s great economic engines still rumbles forward virtually unnoticed. Accounting for more than a half billion in training dollars every year, this powerhouse cranks out thousands of productive workers in the public and private sectors. And it’s run by one of New York City’s supposed budgetary bugaboos: organized labor.

While nonprofits funded with public money struggle to achieve even moderate success in job training, unions and labor-management partnerships are running a parallel system that trains and upgrades the skills of over 200,000 people a year, more than the much more visible publicly-run system. Union-based training is focused on real jobs, is geared directly to employers, and is solidly successful in helping people prepare for a better career. But even as government contracts are being doled out in increasing numbers to union-based programs, the architects of both the local and national workforce systems are missing what makes these programs a success—and missing an opportunity to build bridges between nonprofit and union trainers.
KEY FINDINGS

✔ A Massive System: No city has a larger labor-oriented training system than New York. Over a half billion dollars is spent every year on labor training programs that train over 200,000 workers. The network of labor programs dwarfs the traditional public system, and utilizes more resources than many states do for all their workforce training.

✔ Different Focus: Union-backed training programs differ from traditional training in a few specific ways: they tend to focus on workers currently employed instead of the unemployed; funds are generated through collective bargaining agreements instead of major government and foundation grants; the costs are higher; and the duration of training is typically longer.

✔ Under the Radar: As large as the labor-oriented training system is, few recognize it as a key component of the city’s workforce development system. Most of the public spotlight focuses squarely on traditional nonprofit welfare-to-work programs in the context of ongoing debates over poverty; union-oriented programs are generally less controversial and thus attract less attention outside the worlds of organized labor and government.

✔ Cultural Divide: One reason why labor training programs aren’t better integrated into the overall system is the cultural gap between union programs and other nonprofits and foundations. Unions tend to be much more insular and have much different organizational cultures and leadership styles than their nonprofit counterparts.

✔ CWE Looms Large: One labor-trainer, the Consortium for Worker Education (an umbrella organization closely affiliated with the New York City Central Labor Council) is the single largest training outfit in the city. Its $100 million budget allows CWE to train over 100,000 people a year—both incumbent workers and new jobseekers. Systemically, CWE is the most extensive provider in New York, operating a federally mandated one-stop job center, running six career centers, and maintaining seats on the city and state workforce investment board.

✔ Lessons Learned: The strength and breadth of union training programs has led to a great deal of success. These programs have moved thousands up job ladders, helped business fill needed training slots and consistently provided high-quality workers in key economic sectors from health care to construction. Unfortunately, most of the lessons learned by union providers have gone unheeded in the rest of the system. Public officials and nonprofits mainly do not work to link union successes into traditional training programs, and the two remain on parallel tracks.

CREDITS

The Center for an Urban Future is a New York City-based think tank that fuses journalistic reporting techniques with traditional policy analysis to produce in-depth reports and workable policy solutions on the critical issues facing our cities.

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Union-affiliated job-training programs operate nationwide, but in terms of concentration and diversity their capital is New York City. Detroit might boast a comparable amount of training, but it’s all in the automotive industry. In New York, everyone from health care workers to carpenters, schoolteachers, and bakers gets into the act.

After a year of research, and over 100 interviews, conversations and site visits, the Center for an Urban Future presents the first comprehensive study of labor-affiliated job training in New York City. We're very impressed with what we've found. Though the many differences between union and non-union training limit the value of comparisons, state officials who regulate labor’s workforce programs say that union-affiliated training is generally of higher quality than the typical government-funded program. And outcome measurements for labor-based training—number of placements, starting pay, wage gains and total compensation—are consistently superior to non-labor workforce programs.

The union-affiliated training programs described in this report came into being around the same time that the War on Poverty and related federal initiatives helped create the publicly run job-training industry. But where the public systems evolved from a “top-down” model of government largesse, organized labor—guided by the demands of union members looking to move up the ladder in their chosen fields or to improve their basic skills—used collective bargaining and other means to establish its own training and education programs.

“We found that many of our workers didn’t even have high school diplomas,” recalls Kathy Schrier, former education director of DC37 (the District Council of AFSCME, American Federation of State, County and Municipal Employees) of her program’s early days. “We placed an ad for GED training in a little union publication and 400 people responded. So we had to do something.” Sector after unionized sector has a similar story to tell. In some cases, they sought to provide another benefit to membership; in others, they hoped to boost membership with a steady influx of appropriately-skilled workers.

Employers are generally willing participants in these programs—and a crucial component of their success. For example, an unprecedented labor-management partnership called the Garment Industry Development Corporation (GIDC) has been a major asset to New York’s garment industry since the mid-1980s, when it seemed jobs in the trade might disappear from the city altogether (see p. 9). Since then, GIDC has worked to provide technical assistance to employers and better training to workers, and has inspired similar labor-management partnerships across the country.

Viewed as a system, the city’s healthcare workforce offers perhaps the best example of both the reach and effectiveness of union-led training. Local 1199/SEIU (Service Employees International Union), the health care workers’ union, has approximately 200,000 members in the state of New York, about 20,000 of whom seek training each year. On a regular basis, workers with little formal education sign up for educational training such as GED or ESL, computer or foreign language skills, or specialized healthcare training like x-ray machine operation, pharmacology or dental hygiene. Training programs, designed in close collaboration with city and state hospital associations, are offered to fit a wide variety of schedules and learning styles.

Once they’ve mastered those subjects, healthcare workers who began their careers in a support role, such as a housekeeper or certified nurse assistant, can move up the ladder as a licensed practitioner nurse or registered nurse, specializing in a wide range of sub-fields. The whole process can take years and requires that the worker remain dedicated to studying. But the union pays almost all costs (see 1199 case study, p. 4), and helps provide many immigrants and low-income New Yorkers a real path to a well-paying job.

It sounds like an approach that would appeal to the architects of the publicly run job-training system. However, the road to effective partnerships between unions and other nonprofit providers is scarred with potholes—the biggest of which are notable philosophical and programmatic differences and, more recently, direct competition for government funding.

The chasm between the two systems is explained in large part by the fact that they serve different populations. Generally, community-based or nonprofit providers work with unemployed individuals with low skills or other barriers to finding and keeping work. Most union-affiliated training programs, by contrast, offer services only to union members already on the job. Participants in these programs usually come with higher skills, more of a work track record and fewer barriers to employment.

Funding is another major difference. Typically, union-affiliated education and training programs are paid for through payroll levies and other agreements reached through collective bargaining; non-labor programs depend much more on government funding. This means that labor programs are both better funded, and more independent; their dollars come with fewer strings attached.

Finally, it would be a mistake to discount a significant cultural divide that often alienates each side from
the other. Staff from nonprofits, foundations and, sometimes, city officials recoil from the more in-your-face style of union training officials: even some champions of labor training concede that the environment isn’t always “politically correct.” For their part, union agencies question the efficacy of smaller providers and the foundations that sustain them, and express doubt that their “boutique” operations can ever be brought up to scale.

These two worlds are starting to collide. Increasingly, unions like Local 1199/SEIU and organizations like the Consortium for Worker Education (see “Straddling Two Systems,” page 11), have also begun to win governmental grants and contracts to train membership—often at the expense of smaller and less politically well-positioned nonprofit providers.

Despite the growing presence of union-based providers in publicly funded training (or perhaps because of the perception that the unions are more skilled at political deal-making than training), most government, philanthropic and academic decision makers don’t take what labor does into account when they try to formulate policy. In pursuing this research, the Center hopes to help open a dialogue examining how the publicly run system can learn from techniques and philosophies that inform union-affiliated training. It’s time to consider how unions can form effective partnerships with nonprofit job-training groups, particularly community-based organizations that have struggled for so long with limited resources and the difficult task of making industry connections.

CASE STUDIES

1199/SEIU Profile

The best way to learn about the strengths of union-based training is to take a look at what it has accomplished. The truth is, there is no one model for organized labor’s successful training programs. As befitting a system that has grown from the ground up to fill specific needs in specific sectors of the economy, labor programs come in many different sizes and provide very different services. The programs profiled throughout this report are only a taste of what labor offers workers in education and training, but they present a good overview of what union-based training has accomplished in both “up-skilling” incumbent workers and attracting new ones, including youth, into unionized fields and family-supporting jobs.

For Florence Glay, health career training provided or funded by Local 1199/SEIU helped her gain a professional foothold in the U.S. as a new immigrant. In 1995, three years after arriving from her native Jamaica, Glay found work as a Certified Nurse Assistant (CNA) at Brookdale Hospital. She spent two years there, balancing work responsibilities with training offered by the union in phlebotomy, EKG, and a medical assistant course as well as a college prep class. Her goal was to become a Licensed Practitioner Nurse (LPN). “I took a computer class at the Center for Nursing Education,” Glay says. “They prepare you because you have to take the state licensing exam before you can actually start the LPN program.”

In November 1997, Glay began LPN training part-time—while still working full-time. “I was working at nights and going to school in the daytime,” she recalls. “I worked 11pm to 7am, then went to school from 9 in the morning to 4 in the afternoon.” She maintained this grueling schedule until she graduated LPN school in 1999, adding some coursework at Kingsborough Community College.

When Glay finished her LPN training in 1999, she was still at Brookdale working as a Patient Service Associate in the emergency room, making slightly better money than what she’d earned as a CNA. After passing her boards in spring 2000, she went to Crown Nursing Home in Brooklyn, where she still works today. “I’ve been here for close to two years,” Glay says. “And I’m still at Brookdale on a per diem, working as an LPN.”

With ongoing training opportunities, Glay decided to devote still more time and effort for another step up the career ladder, finishing her Registered Nurse (RN) training in December 2001. “The more you advance, the more you want to go,” she explains. “Being an LPN, you do the same things as RN, but with less pay... from my group of friends, I’m the first one to graduate RN. Now I’m looking forward to starting my bachelor’s.”

Through every step of her professional advancement, Glay has relied upon 1199’s extensive programs to support workers looking to move up. “It’s part-time but it’s an intense program. They paid for us right through. The only things I had to provide for from my pocket were my shoes and stockings—otherwise books and [nurse] uniforms were covered. I didn’t even pay for my boards.”

Glay has become an advocate for others to take advantage of the 1199 programs that were so integral to her success. “There’s money sitting there for people to go to school,” she says. “There’s nowhere else you’re gonna get this for free.”
POLITICALLY VOLATILE AND OFTEN CONTROVERSIAL, welfare-to-work programs are generally both highly visible and widely criticized. Labor-affiliated training, on the other hand, is both low profile and relatively uncontroversial. By most criteria, it’s also dramatically more effective—and at least in absolute terms, it’s much more expensive.

Compared to other providers, union-backed training enjoys robust and reliable support. Publicly run workforce programs are at the mercy of political winds and budgetary constraints on both the size of the overall funding pie and how big each slice will be for specific categories and programs. While many labor programs receive some government contracts, their other funding sources provide greater budgetary certainty from one year to the next. One key source comes from collective bargaining agreements that direct a specified portion of payroll (usually between 0.5 and 1 percent) to go toward training and upgrade costs for union members.

Nonprofit administrators laugh when asked about the relative resources of their organizations and labor-backed programs. “There’s no comparison,” says Martha Baker, former executive director of the nonprofit training organization Nontraditional Employment for Women (NEW). NEW works closely with unions to place participants in apprenticeships in traditionally gender-biased fields like construction. “We aren’t in competition,” she says. “We don’t attempt to be.”

In addition to labor’s employer connections and program expertise, the up-front costs of labor-backed programs are simply beyond what non-labor training providers are able to fund.

Mark Holdbrooks, grants manager at the Labor Training College where the Carpenters and other building trades unions train students, offers another perspective: “It’s more expensive in the short-term, but even in the midrange I think it’s much cheaper.” Holdbrooks estimates that the Carpenters’ youth program costs as much as $25,000 per person—more than six times what New York City generally spends per capita for publicly funded workforce programs. “With welfare-to-work, people get bounced into minimum wage jobs, but [they lose them and] they end up needing some form of training to find work that provides a real income. With that hit and miss, hit and miss’ approach, you pay a lot more.” Union officials argue that when measuring cost per job placement, their programs are usually cheaper than the publicly run alternative.

Unions also bring in-depth knowledge of the fields in which they offer training. Rebecca Lurie, a carpenter by trade who runs the Construction Skills 2000 pre-apprenticeship program (see p. 10) for the Consortium for Worker Education (CWE), has a succinct explanation for why community-based training organizations have never been able to train and place individuals in construction careers: “They don’t know the referral process. Part of what CWE offers is to open the door.”

Employers themselves exercise a direct voice in setting training priorities for union-affiliated training. Bruce McIver of the League of Voluntary Hospitals describes how his organization works with 1199 to determine training priorities: “Our training programs are based on needs assessment,” McIver explains. “If we perceive a need for Licensed Practitioner Nurses [LPNs], we’ll run LPN certification programs. There’s not a lot of formality to the
CASE STUDIES
Pathways to Teaching: UFT Training for Paraprofessionals

In New York City, chronic shortages of qualified teachers are always a concern. But incumbent teachers and administrators have realized that there’s teaching talent right under their noses: the approximately 20,000 paraprofessionals currently working in New York City classrooms.

Since 1995, the United Federation of Teachers (UFT), New York’s branch of the American Federation of Teachers, has trained about 100 paraprofessionals each year to become classroom teachers. At a total program cost of $200,000 per year, “Pathways to Teaching” provides these aspiring educators with an intensive two-week training experience in the summer, followed by three-hour monthly sessions throughout the school year. Participants also receive UFT coaching courses for state certification exams, as well as other workshops and instruction needed for state certification.

In less than a decade, Pathways has become an extremely valuable source of new teaching talent. “We had some wonderful studies last year, outside studies, that indicated the paraprofessional training program was one of the most successful sources of qualified new teachers,” says UFT communications director Naomi Spatz.

Paraprofessionals who participate in Pathways must have at least 90 credits toward a college degree, and many complete their undergraduate education before starting the training. Pathways looks to build on their college classroom experiences by honing participants’ skills in everything from classroom management to literacy instruction and meeting the educational needs of special learners and English language learners.

“What we’re doing is taking a lot of what they’ve gotten in theory in undergraduate classes and making it hands-on applicable practice,” says program coordinator Riva Korashan. A visit to the two-week Pathways Institute last summer showed just how this works: in a full session of all the approximately 90 participants there on that day, facilitators from the UFT Teacher Centers—the professional development arm of UFT that provides instruction for Pathways and funds the program out of a state grant—led the participants through a video of a “Master Teacher” reading to her grade school-age students, stopping the tape frequently to dissect the teacher’s classroom style and pedagogical strategies. The deconstruction of teaching approach was salted with invaluable bits of real-world wisdom from the instructors; one noted, “A lot of teaching is acting. If you’re not surprised, act surprised.” Later, in a breakout session for aspiring high school teachers, facilitator Pat Sutherland-Cohen stressed the importance of always thinking through their actions in the classroom: “Some of our brain researchers have found that teachers make an average of 3,600 decisions a day. That’s why we go home tired.”

Pathways participants were universally positive about the program. “This program has given me strategies,” said Donald
For decades, labor unions have focused their training programs on moving incumbent workers up career ladders, while non-union training under the publicly managed workforce system has emphasized simple job placement for unemployed individuals or displaced workers. Despite some overlap, the distinctions between the two types of training are relatively clear-cut.

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<tr>
<th>Population served</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tbody>
<tr>
<td>Incumbent workers/union members</td>
<td>Collective bargaining; government grants and contracts</td>
<td>Theoretically open to all; in practice, low-skilled/unemployed</td>
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<tr>
<th>Funding</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tbody>
<tr>
<td>Collective bargaining; government grants and contracts</td>
<td>Federal workforce development allocations, philanthropic grants</td>
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<tr>
<th>Who provides training</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tr>
<td>Unions and affiliated groups</td>
<td>Nonprofits, colleges, for-profits</td>
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<tr>
<th>Average length of training</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tr>
<td>Varies; apprenticeships can last for four years; participants can take much shorter terms of training</td>
<td>Varies but has decreased over last 5-10 years as emphasis has shifted from training to quick placement</td>
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<th>Objective of training</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tr>
<td>Career ladder progression; attendant wage gain</td>
<td>Placement; some incentives for providers to place in higher-wage positions</td>
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<tr>
<th>Cost per capita</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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<tr>
<td>Varies; can reach tens of thousands per apprenticeship participant</td>
<td>Varies but New York City rarely spends more than $3,500 per participant</td>
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<tr>
<th>Placement assistance?</th>
<th>Labor-affiliated providers</th>
<th>Other providers</th>
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</thead>
<tbody>
<tr>
<td>Yes—incumbent workers are virtually guaranteed to move up if they complete training successfully</td>
<td>Not formalized: usually depends on relationships of individual providers with employers</td>
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Thomas, who has spent six years as a paraprofessional working in Manhattan. “It’s a chance to bounce ideas off other paras, teachers and trainers. If you prepare yourself, you can really make a difference in the classroom.”

Through the monthly follow-up sessions, Sutherland-Cohen and her colleagues at the Teacher Center reinforce the points they made during the intensive two weeks in August. “The year-long follow up gives them a foundation and insight they may not be exposed to as paras,” she says.

Korashan notes that about half the program participants become certified teachers, passing all state exams and completing other requirements, within two years of completing Pathways. Often, the commitment of these teachers—to their students and to the communities in which they work—is stronger as a result of the longer road they took to the blackboard. “Our paras have a real investment in the school system,” Korashan says. “Many of them live in the neighborhoods where they teach and have their own kids in school.”
INSIDE MOVES:
Labor, Politics and Job Training

How unions leverage political relationships to support job training—and why other providers should get in the game.

IT’S NO SECRET THAT ORGANIZED LABOR KNOWS how to play the game of turning political power into tangible gains. In New York City, as in Albany, as in Washington, D.C., those gains can translate into not just high wages and generous employment terms for union workers, but hundreds of millions in public funds to support job-training programs. The political heft of organized labor—its capacity to donate money and provide votes through electoral endorsements—frequently comes to bear when officials make decisions about whether and how to support workforce development.

That unions use their political muscle effectively to garner public sector support for training programs is most clearly evident at the state level. The most striking example of this came last winter. On January 17, 2002, voting in the dead of night on a bill many members later admitted they hadn’t read, the New York state legislature ratified a deal between Governor George Pataki and SEIU/Local 1199 president Dennis Rivera to provide more than $1.8 billion in raises and training opportunities for union members working at hospitals, nursing homes, and in home care positions. A few months later, 1199’s Executive Council voted unanimously to endorse the two-term governor’s re-election bid, despite working to defeat Pataki in his first gubernatorial campaign in 1994 and clashing with him since.

“In one’s most cynical moment, one would say, ‘That deal was made to ensure an endorsement.’ The endorsement did follow pretty quickly. A lot of deals are made like that,” says Karen Schimke, president of the Albany-based Schuyler Center for Analysis and Advocacy and a 35-year veteran in social services who has worked both in and out of government. With 1199’s 200,000 members statewide, few in either house of the state legislature felt inclined to question the arrangement. “Nobody in the legislature wanted it very much,” Schimke says of the 1199 deal, “but they were hardly in a position to cross the unions.”

Other actors in the state’s social services community reacted to 1199’s coup with disbelief and anger. “We’d been meeting with the governor and his representatives to discuss pay increases for human services workers for a two-and-a-half-year period. Some of the workers we were talking about do the exact same work and just weren’t in the union,” says Darwin Davis, president of the New York Urban League and former executive director of the Human Services Council (HSC) when the deal was struck. “In late 2001 we were told it didn’t look good [for pay raises] with budget problems and so on. In January we and everybody else found out about the billion-dollar deal cut with 1199.” Motivated by the news, HSC lobbied hard and eventually secured an $86 million package from state government, an amount Davis characterizes as “the tip of the proverbial iceberg in terms of the whole need.”

Ira Rubinstein is president of HRST Inc., an environmental consulting firm that advocates on behalf of small businesses. A veteran of Albany politicking and policymaking, Rubinstein states, “A lot of training dollars have direct or indirect support for labor… It might be hard for companies that have workers that aren’t organized to access these kinds of programs.”

More often than not, Rubinstein contends, the seemingly custom-made crafting of programs isn’t an accident. “In dealing with players in Albany and D.C., the response we get is… that these programs are felt to be ‘owned’ by people. The programs are created for specific purposes—politics and political design of programs happens all the time, and it’s true here.”

That sense of ownership usually means that once a major union taps into a funding stream, it’s resistant to any outside pressure to change. For example, a 1994 report for the New York State Department of Health (DOH) found that a program run by Local 1199 to increase the number of health professionals was substantially less cost effective than other, easily implemented options. “We did meet with the commissioner and gave an ever so brief report,” recalls Christine Kovner, a New York University researcher who led the report team. “But as far as I know, our evaluation in no way affected wherever they put training money.”

Edward Salsberg, director of the Center for Health Workforce Studies at SUNY-Albany’s School of Public Health, is closely involved in 1199’s internal program assessment to ensure employers’ needs are still being met. But he concedes that there has been very little outside assessment of the union’s programs. “I don’t think there have been any major [evaluations],” he says. “It’s pretty amazing how much money they and the state are investing in this without doing more sys-
The best-known incursion of organized labor into job training in New York is also arguably the most successful. With the city’s long-established apparel industry at risk of a complete meltdown in the early 1980s, industry employers joined forces with the International Ladies Garment Workers Union (now the Union of Needletrades, Industrial and Textile Employees, or UNITE) in 1984 to form the Garment Industry Development Corporation (GIDC) to provide needed training to industry workers and technical assistance to the small shops. Local government quickly got onboard, and all three parties have enjoyed equal representation within GIDC ever since. Monies from federal, state and local government account for roughly 70 percent of the funding for GIDC’s activities, with labor chipping in about 12 percent and employers providing the rest.

Working within an industry universally regarded as in decline, GIDC can’t boast statistics that dramatically illustrate a turnaround. But in terms of outcomes for individual workers who have received training, as well as specific small firms that remain the backbone of the garment sector, the tripartite partnership has delivered for its constituents. During the 2001-2002 fiscal year, GIDC provided classroom training to over 400 individuals from both management and labor, and provided a range of technical assistance services to 32 employers in the garment industry.

A 1999 evaluation by the Aspen Institute found that among the partners, “the union has had the most consistent involvement in the association over time.” UNITE promotes GIDC’s training offerings to its members; most participants in the Super Sewers training program were referred into the program by the union. UNITE also identifies and refers struggling employers to GIDC for technical assistance needs from ensuring safe working conditions to implementing production efficiencies. UNITE typically offers ESL training and instruction relating to the union; GIDC’s programs are generally more skill-oriented. “We’re trying to help the industry stay competitive, so our training goes to making workers more flexible in the workplace and better trained,” says GIDC executive director Linda Dworak.

Dworak is often asked how her organization contends with such a strong union presence. “It’s as though they expect it to be an obstacle,” she says. “But the union has been one of the real driving forces in GIDC’s success. They understand that if they don’t help keep employers competitive, their members lose their jobs.”

The GIDC model of labor-management cooperation is on its way to leaving a legacy that should stretch well beyond the garment sector. Bruce Herman, GIDC’s president from 1991 to 1998 and currently head of the Center for Workforce and Economic Development at the Consortium for Worker Education, cites initiatives in Wisconsin, Silicon Valley and Las Vegas, among others, that drew inspiration from GIDC’s example. “GIDC served as a model for the labor community, but because of the Aspen report and others it’s a model for sector intervention in general,” Herman says. “It tied [skills training] to real employment opportunities. You do that because you’re embedded in the sector, in and of the sector. You can look for demand-side interventions and build programs accordingly.”
New York City’s construction industry in 2003 isn’t your father’s construction industry. As the practice of sons following fathers into their trades declined through the second half of the 20th century, officials within the industry grasped that the disappearance of traditional nepotism to fill building jobs could lead to a major labor shortage—in a field for which skilled labor is often at a premium. The stage was set in New York City for Construction Skills 2000.

“For the construction workforce in the city, the average age is in the high 40s or low 50s, so a pretty fair number of people are getting near retirement,” says Paul Fernandes of the Building and Construction Trades Council of Greater New York, an umbrella group of approximately 60 unions. Since the industry itself is cyclical, Fernandes explains, it doesn’t work to simply bring in workers for busy periods only to have them sit idle when fewer projects are underway. “We want to make sure new workers in the field have not just a job but a career.” With wages that averaged over $31 per hour in 2001, construction remains an unusually lucrative career option for individuals without college degrees.

To get their program going, the Council and its longstanding partner on the employer side, the Building Trades Employer Association, formed a nonprofit training entity called Construction Skills 2000 (CS2K). With both labor and management in place, the nascent CS2K went in search of partnership opportunities with New York City, and eventually both the Port Authority and the Schools Construction Authority got onboard. Both entities agreed to contract solely with groups that ran state-approved apprenticeship programs—an innocuous-sounding limitation that really ensured they would work solely with unions. In return, the Council and Association agreed to reserve approximately 10 percent of Council member unions’ apprenticeship slots for students recruited into CS2K through city public schools.

CS2K was based in part on an older pre-apprenticeship program known as Project Pathways, which had operated in the early to mid 1990s. But Pathways had several significant limitations, including too-weak ties to the construction unions themselves, limited contact with real workers in the field who could give participants a sense of what the work entailed, and a lack of quality control.

“When it had been Pathways, there was a disconnect with the unions and the contractors,” says CS2K executive director Diane Springer, who briefly worked with Pathways. “The kids were going through a program, but what do you do with them after completion? When it came time to do placement after they completed the program, I placed a few kids but it was really blind luck. I had no idea as far as when the recruitments were, or what it even entailed.” By contrast, Springer says, the unions’ affiliate directors call CS2K two months in advance to provide all the needed information for apprenticeship candidates.

CS2K offers pre-apprenticeship training for teenagers, many of whom come from city vocational schools where they have acquired a basic familiarity with hands-on work and many of the tools used in the field. Upon completion of the program, participants apply for admission into the apprenticeship program of their choice, among the Council’s member unions.

The labor-backed Consortium for Worker Education (CWE) provides the actual training. CWE applied for and received funding through the Built on Pride program of the New York State Department of Labor; the instructors are CWE employees. The independent, nonprofit CS2K does its work at the beginning and the end of the program, handling recruitment and placement responsibilities.

The overwhelmingly African-American and Latino composition of the CS2K classes meets the long-held goal of diversity pursued by progressive labor leaders like Fernandes, who are sensitive to the historical charge that workers in the industry have been overwhelmingly white. But gender diversity remains elusive: training director Rebecca Lurie estimates that less than five percent of students are female.

Currently, CS2K trains about 150 participants per year, holding after-school and weekend classes. The 16-week program is divided into two eight-week segments. In the first part, held in classrooms at CWE’s Artisan Baking Center in Long Island City, the students learn about the construction industry as a whole and the specific unions to which they can apply for apprenticeship, and prepare for rigorous state-mandated testing. Along the way, instructors guide students in choosing a trade, how to market themselves, self-advocacy, and general job readiness and professional conduct. In the second eight-week segment, participants spend 30 hours each week in workshops and work sites, and are trained in the use of tools and other equipment.

The program is more effective, Lurie believes, because of the real-world credibility the instructors bring. “We have seven teachers whom I’ve hired as tradespeople to be instructors,” she says. “Six are union and they do this after work. They teach a course called Introduction to the Building Trades. One day a week for eight weeks, the kids in the program are sitting with someone from trades who can act as mentor as much as teacher. They’re still in their work clothes. The curriculum is just an organized way to talk about the industry—how unions work, how apprenticeship works.”

The participants themselves seem to agree. Omar Rowe, a George Westinghouse High graduate looking to go into elevator construction, says, “This program teaches us how to be safe on the job, what’s expected from you, and helps us with the tests.” Fitzroy Fennell, a Co-Op Tech student deciding between being an electrician or a plumber, adds, “CS2K gives you an edge. It goes straight to the point. Different locals come in and tell us what they’re about. The choice we make is better because of the information you get here.”
The city’s largest provider of employment services wants to bring the highest principles of labor—skill development, good wages, upward mobility—to its universal training programs. But it faces daunting challenges in turning “bigger” into “better.”

More than any other entity in the city, the Consortium for Worker Education is changing the face of worker training in New York City, building on a model that combines the strengths of union-based programs and the broader social mission of community-based organizations and non-labor nonprofit providers. Less than 20 years after its creation, CWE has ridden a wave of sustained growth to become one of the largest providers of training and employment services in the state of New York. With 500 employees—more than double the number it had just three years ago—and a yearly budget that ranges between $80 million and $110 million, the Consortium offers a wider range of services to a more diverse set of clients than any other player in the city. “CWE’s operations are probably bigger than what a lot of states do under federal training programs,” says Don Menzi, director of CUNY’s Workforce Development Center and administrator of the city’s training vouchers program.

Formed in 1985, CWE was originally designed to serve as a nonprofit conduit for money from the New York State Department of Education to flow to the city’s unions for training purposes. The organization has enjoyed considerable success in this original mission, collaborating closely with dozens of New York City-based unions to design effective programs, such as working with Local 1199/SEIU to quickly train thousands of workers for high-demand healthcare jobs and providing computer training to more than 10,000 members of SEIU 32BJ, the maintenance workers’ union.

But it is CWE’s services for jobseekers outside the world of organized labor that has brought it to the forefront of city workforce development. Since 1989, when the city’s Department of Employment (DOE) awarded the Consortium its first contract to serve dislocated workers, CWE has aggressively expanded its operations. In all, the Consortium now serves more than 110,000 New Yorkers each year. Today, the organization has the biggest dislocated worker contract of the 17 awarded by DOE, and a contract worth up to $7.5 million over three years with the city’s Human Resources Administration to train and place current and former welfare recipients and other low-income individuals.

As part of these and other contracts, CWE’s program offerings now include the five Worker Service Centers—CWE’s central career counseling and job placement programs—serving 12,000 individuals per year. Additionally, the Consortium operates a federally mandated one-stop career center—which until December 2002 was the city’s lone one-stop facility—to handle all jobseekers covered by the federal Workforce Investment Act. CWE’s Health Care Institute serves about 2,500 participants a year, mostly incumbent healthcare workers, offering a wide array of classes such as ESL and GED prep as well as specific training courses in the healthcare field. Its Satellite Child Care Program trains welfare mothers as childcare practitioners.

Since September 11, CWE’s prominence, vision and ambition have increased. Within just a few days of the collapse of the World Trade Center, executive director Joseph McDermott and his top staff members began to meet with city workforce officials, union leaders and employer groups to attempt a coordinated response—and to examine whether the city’s workforce system was structurally up to the challenge ahead.

On September 25, the charismatic McDermott delivered a stirring speech to the city’s Workforce Investment Board announcing CWE’s newly launched Emergency Employer Clearinghouse (EEC) to find temporary work for tens of thousands of those displaced from their jobs by the attack, an initiative the city quickly pledged to support. Working with the Central Labor Council and the New York City Partnership, a pro-business group that serves as the city’s de facto chamber of commerce, CWE pledged to both offer services to displaced workers and to reach out to employers with requests for short-term positions. To support this work, CWE won $32.5 million in federal money in a Department of Defense appropriation to provide training and employment services, as well as approximately $8 million through the National Emergency Grant to serve displaced workers. New York City Central Labor Council president Brian McLaughlin helped land the $32.5 million for the...
recovery effort through a series of high-level meetings with members of Congress.

Working in close collaboration with the Fiscal Policy Institute, a think tank that had already produced several useful studies on the economic impact of the disaster, the organization attempted to identify areas within the local economy that offered real growth potential. But with the city’s economy in bad shape even before 9/11, the EEC faced an uphill climb in the year after the attacks. The Clearinghouse reported to the House of Representatives Ways and Means Committee that it had placed 4,100 dislocated workers into new jobs, preserved 2,500 jobs through wage-subsidy activities, and helped more than 5,000 others receive training either through CWE courses or the issuance of individual training account vouchers. Even so, CWE staff from McDermott on down have expressed frustration publicly and privately at the difficulty and slow pace of the recovery efforts.

As groups like Safe Horizon began to offer short-term services for the thousands of surviving victims who lost jobs, CWE broadened its approach to include demand-side solutions—strategies to help employers prosper sufficiently that they might create new jobs—via a new entity, the Center for Workforce and Economic Development (CWED). Approximately half of the $32.5 million federal allocation is earmarked for wage-subsidy and other initiatives to support businesses still struggling in the aftermath of the attack, and CWED is designed to complement the Emergency Employment Clearinghouse by managing that portion of the funding. Ultimately, however, CWED will be charged with leading the Consortium into sector-based development strategies of the type director Bruce Herman helped implement with the Garment Industry Development Corporation.

The idea of sector-based workforce development approaches has been around for years (championed by the Center for an Urban Future, among others), and CWE itself has pursued sectoral initiatives in the past. But Herman believes that institutionalizing the close connection with unions, with their commitment to supporting education and training, can make sector-based planning more effective than ever before. “We need the sector approach,” he argues. “You see real business involvement in sector-based work…. Despite the rhetoric, the current workforce system fails to bring businesses in. One way to do that is through labor-management partnerships—[unions] work with employers every day in a problem-solving manner.”

Adam Friedman, executive director of the New York Industrial Retention Network, has worked extensively with CWE on sector analyses both before and after September 11, an approach that served as a precursor to the work of CWED. “Under our relationship, we provide business services for employers and that would lead to employment opportunities,” Friedman explains. “That’s really a very enlightened way to integrate workforce development and economic development—help companies to grow, and as their employment needs develop, there’s the partnership with CWE to address them.”

Through the EEC, CWE has begun to identify suitable employers in key sectors of the New York City economy such as culture/entertainment and manufacturing for wage subsidy assistance. With $18.5 million out of the $32.5 million Department of Defense grant available, the organization is paying 50 to 60 percent of base wages up to $25 an hour, for 90 days per contract. “We have over 160 contracts in place, typically with small and medium sized firms,” Herman explains. “We’ve been able not just to stabilize a lot of these businesses, but to turn them around… We prevent layoffs and accelerate re-hiring.” Herman estimates that the federal money will be spent by September 2003. Then CWED likely will become a separate nonprofit organization, facilitating sector-based labor-management partnerships and helping to expand programs like Built on Pride/Construction Skills 2000 (see p. 10).

Through its community-based initiatives like the Parent Resource Centers, and more recently its 9/11 efforts, CWE has worked in partnership with training providers of all sizes and specialties, in neighborhoods across the city. The contractual relationships CWE has developed with other providers large and small partially explain why almost none of those who criticize the organization are willing to go public with their grievances. But behind the scenes many grumble about how CWE operates. Nonprofit providers, former staff, and even a few public officials say in low tones that the Consortium is

A cultural gulf, manifesting itself in various political and programmatic differences, seems to separate mission-driven community-based training providers and their sponsors from the more rough and tumble labor leaders of CWE.

 Continued on next page
better at designing elegant program models and using its political relationships to secure funding than at actually running programs and serving participants.

About the political relationships, at least, there’s little doubt: State Assemblyman Jim Brennan, a Democrat from Brooklyn’s Park Slope neighborhood, produced a study in 1999 that found that some $10 million in “member items”—those appropriations each member of the legislature gets to control in the overall state budget—was granted to CWE. And the Consortium saw its position within the city workforce system grow stronger even as appointees under Mayor Rudolph Giuliani pursued extreme “work first” policies that pushed most training providers to downsize and cut staff.

CWE’s leaders argue, with considerable merit, that their organizational strength and political relationships insulated CWE’s programs from Giuliani’s harmful policies. They also point out that CWE’s political relationships meant that the city was able to win federal funding after 9/11, despite the ruinous state of the workforce system after seven years of Giuliani’s mayoralty.

Some competing providers say that CWE’s political connections mean that the system is in danger of becoming overly dependent on one behemoth. For example, when CWE was charged with administering New York’s lone one-stop job services center in Queens, in addition to the sizable contracts for training dislocated workers and jobseekers coming off public assistance, critics grew incensed. “They boxed out everyone else and used their political relationships,” says one workforce consultant who has been in and out of city government over the last decade. “They’ve cut off the oxygen to other providers that could have taken a big role.”

Though CWE has earned universal praise for stepping up to the plate with the EEC immediately after 9/11, some charge that shoddy record-keeping and a failure to provide counseling or other non-economic services to dislocated workers who came to EEC for assistance has hampered the response. The critics claim that this isn’t the first instance of mismanagement: Satellite Child Care, an ambitious program to train welfare mothers as daycare providers operating out of their own homes, has been another lightning rod for criticism. Unanticipated obstacles with city and state agencies contributed to endemic payment delays to the neighborhood-based childcare agencies with which CWE had contracted and eventually led to a major overhaul of the program.

“Our programs haven’t always worked out,” concedes Eric Shtob, director of CWE’s Parent Resource Centers, another program often characterized as a “great idea” that has suffered from an insufficient cur-riculum and sub-par standards. “Satellite Child Care was a great program that’s difficult to mount. It was very expensive and very time-consuming, but it was worth doing because it served a need.”

Underneath the surface of these political and program issues is a cultural gulf that often seems to separate community-based organizations and the philanthropic organizations that help fund them from the more rough-and-tumble labor leaders that helm CWE. “PC culture doesn’t exist at labor,” explains one former CWE employee. “That’s one reason those guys sometimes have trouble connecting with foundation people and the nonprofit folks.”

It’s difficult to determine how much of this critique is valid and how much is fueled by the jealousy of less well-heeled providers in the system. For every critic who wouldn’t go on the record, we spoke with another who praised CWE’s focus, performance and commitment—and even the naysayers acknowledged CWE’s tremendous potential to serve New York’s working people and its notable successes.

For their part, CWE’s leaders point to their impressive performance outcomes as proof that they’re serving New Yorkers with quality training—and turn the issue around by implicitly asking why other providers haven’t stepped up. “People say that CWE is this 800 pound gorilla, and we happen to agree—but we can’t do it alone,” says associate executive director Saul Rosen. “The city is just too big. Some of the other big groups have a role to play and they can do it.”

Regardless of specific concerns, as CWE continues to grow and evolve, it will need to continue to strengthen its capacities. With the unprecedented size of its federal contracts in the aftermath of 9/11, CWE must comply with federal reporting requirements—a prospect that organizational leaders claim they welcome. The organization will have to develop a stronger research capacity, forge partnerships with business intermediaries, smaller and more specialized training providers—and, in all likelihood, change its own culture. “CWE is definitely on the right track,” says a former employee who retains ties with the organization. “But decisions are still too often... not communicated to everyone in the organization. In that sense, it’s still run like a ten-person organization.” Other sympathetic outsiders express concerns about whether CWE’s management practices are equal to the challenge of running such a large and operationally diverse enterprise.

If CWE emerges from this process of transformation stronger and more effective, the prospects for positive change in New York City’s workforce development system might suddenly look much brighter."
This chart presents a handful of New York City’s most prominent union supporters of job training and employment services. It is not intended to be comprehensive (for example, the impressive programs of the Communications Workers of America are missing). But the breadth and depth of training seen here illustrates how union-affiliated programs have a positive impact on hundreds of thousands of New Yorkers each year—and play a vital, if overlooked, role in supporting the city’s economy by ensuring a steady flow of skilled workers in key fields.

### Major Union Training Providers

<table>
<thead>
<tr>
<th>UNION</th>
<th>NUMBER SERVED ANNUALLY</th>
<th>FUNDING SOURCE</th>
<th>ANNUAL TRAINING BUDGET</th>
<th>CAREER UPGRADE / GENERAL EDUCATION</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consortium for Worker Education</td>
<td>Approx. 110,000</td>
<td>City contracts; state education funding; state workforce funding; federal grants</td>
<td>Total budget: $80-110 million</td>
<td>Both. CWE works with unions to train incumbent workers and serves general public through city contracts</td>
<td>Between $30-$50 million is passed through to other training providers, budget includes individual training accounts and wage subsidy</td>
</tr>
<tr>
<td>Local 1199/SEIU (healthcare workers)</td>
<td>Approx. 20,000</td>
<td>Education, Training and Job Security Program (labor/mgmt fund); 0.5 percent of payroll from employers; plus extensive public grants</td>
<td>$40-45 million</td>
<td>Both, but most pursue courses of instruction directly relating to career upgrade</td>
<td>Programs are developed and run in close collaboration with employer groups through joint labor/management program</td>
</tr>
<tr>
<td>DC37 (District Council of AFSCME: American Federation of State, County and Municipal Employees)</td>
<td>Approx. 10-12,000</td>
<td>Education Fund supported thru collective bargaining. DC37 members are eligible for various fund benefits based on employment classification</td>
<td>Over $3 million</td>
<td>Both; many education. Started as general education, now majority of the courses are career upgrade</td>
<td>City civil service exams partially dictate program offerings</td>
</tr>
<tr>
<td>Building and Construction Trades Council</td>
<td>1,500 new apprentices per year; approx. 6,000 apprentices at any given time</td>
<td>Labor/mgmt funds established in collective bargaining; varies by trade</td>
<td>N/a (each union funds its apprenticeship programs separately)</td>
<td>Career upgrade</td>
<td>Construction Skills 2000, a pre-apprenticeship program run by CWE, feeds into unions’ apprenticeship programs</td>
</tr>
<tr>
<td>SEIU 32BJ (building and maintenance workers)</td>
<td>7,000 in courses; another 14,000 in computer classes</td>
<td>Labor/mgmt fund; only workers whose employers contributed are eligible</td>
<td>Approx. $5 million</td>
<td>Both: officials claim upgrade is more popular, but many members needed ESL to access classes</td>
<td>Many members displaced after 9/11; some placed in similar hospitality or health jobs</td>
</tr>
<tr>
<td>United Federation of Teachers</td>
<td>6-10,000</td>
<td>State grants to UFT, Board of Education support</td>
<td>Not available</td>
<td>Both: Pathways to Teaching helps para-professionals gain certification as teachers</td>
<td>Instruction for Pathways is provided by UFT Teacher Center, a training arm within UFT</td>
</tr>
<tr>
<td>HERE (Hotel Employees and Restaurant Employees)/Hotel Trades Council</td>
<td>700-1,000</td>
<td>Employer contributions as written into the contract; CWE grants</td>
<td>$600,000</td>
<td>Both: courses are available for plumbing, boiler, banquet server, general computer skills, others</td>
<td>Doesn’t cover all local branches of HERE in NYC; HERE 100, a restaurant/food services branch, is separate</td>
</tr>
<tr>
<td>Garment Industry Development Corporation</td>
<td>Approx. 300</td>
<td>Public monies—city and state contracts and a CWE grant</td>
<td>Not available</td>
<td>Career upgrade</td>
<td>Also provides training and services to employers in garment industry</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

New York remains a union town. More than 70 percent of city employees belong to unions; 15 percent of privately employed New Yorkers do as well. Labor’s public perception is more favorable here than virtually anywhere else in America, and is diversified across a wide range of fields rather than concentrated in any one industry.

Though labor-affiliated training efforts typically haven’t garnered the attention they merit, union-backed training and education has played a valuable role in New York’s economy. But city policy, and the policy of training focused unions as well, must address concerns over accountability and the potential that competition with union-affiliated programs could cripple other, smaller nonprofits already struggling with the consequences of welfare reform, performance-based contracting and a generally bleak budgetary landscape. Below are several specific recommendations regarding the role of labor in the job training system:

**FIRST, nonprofit and union-based training programs should find ways to work together.** The city should match funds from unions, nonprofits or foundations for labor-management and labor-CBO partnerships around workforce development, and issue requests for proposal (RFPs) to support these partnerships.

Stakeholders in labor and philanthropy should convene a permanent working group of city agency officials, Workforce Investment Board (WIB) members and/or staff, nonprofit providers, and labor providers to facilitate cooperation on programmatic and organizational levels, and to keep the lines of communication open on a permanent basis. This entity, which could be independent or a subcommittee of the Board, should serve as both think tank and troubleshooting group, and can provide a specific point of entry for labor to play a more active role in city workforce policy.

**SECOND, nonprofit training providers need a fairer playing field for contracts.** The system will benefit from greater accountability in how these funds are allocated, which will ensure that the best provider is being used and that New York City has a robust collection of trainers. City, state and federal entities issuing RFPs and disbursing grant monies should implement greater transparency in grant-making and contract awards.

City workforce officials should also consider the benefits of placing limits on how large a role any provider—nonprofit, union-affiliated or otherwise—can play in the system. Policymakers should pay greater heed to the challenge of determining which provider matches which set of needs in the system.

**THIRD, public policymakers and nonprofit administrators should learn from the labor-training world.** Connections to businesses and “real jobs” are a chronic problem for the publicly funded and managed system. Agency staff and the Workforce Investment Board should take note of how labor achieved their close ties and redirect policy, including RFPs and existing contracts, to reward longer-term relationships between providers and employers.

Career progression and wage gains should be built into workforce development programs. Through rewriting city contracts and disseminating best practices, policymakers should promote:

- greater flexibility in working with individual clients
- constant tracking and study of what skills are most relevant to jobs in sectors with vacancies

Union training carries a high overall price tag, but it appears that the costs per placement actually compare favorably to those of non-union vendors. Better yet, the placements for this kind of training are much more likely to lead to a well-paying career. Policymakers should consider the long-term value of each placement when deliberating workforce development RFPs, and emphasize the value of outcomes like those of quality labor-backed programs by offering performance-based incentives to those providers that best approximate these outcomes.

Finally, union-affiliated training is generally larger in terms of class sizes, allowing for economies of scale. By sizing up training programs, the public system could realize similar savings. ✧
The Center for an Urban Future thanks the many individuals and organizations we spoke with in researching this report. Conversations, site visits and internal documents provide the basis for most of the findings herein, as well as the sources listed below.

**Print resources:**


**Online resources:**

Consortium for Worker Education: [www.cwe.org](http://www.cwe.org)

Garment Industry Development Corporation: [www.gidc.org](http://www.gidc.org)

Working for America Institute: [www.workingforamerica.org](http://www.workingforamerica.org)