Virginia Ready Presents

The Insights Report

A snapshot of the workforce development challenges in Virginia – and how we might address them.

Introduction

Virginia Ready is dedicated to strengthening the workforce in Virginia. We focus on upskilling Virginians with the training and credentials needed to succeed in high-demand sectors.

The state of workforce development in Virginia is faced with many challenges. The COVID-19 pandemic shed light on those issues – and many of them persist today. Virginia Ready gained a deeper insight into Virginia's workforce development challenges and we are excited to share our insights with like-minded organizations who are tackling these challenges through innovative programming. This report is intended to strengthen the workforce development ecosystem in Virginia.

By sharing our experiences and the insights we gained, we aim to inspire and guide similar initiatives, enhancing the effectiveness of workforce development efforts across the state.

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Workforce Challenges

There are persistent vulnerabilities that continue to exist in Virginia's workforce, exposing disparities and inadequacies that demand attention:

- 1. **Skills Mismatch**: There are discrepancies between the skills people have and those demanded by key industries. This skill gap is particularly pronounced in high-growth sectors like Healthcare, IT/Technology, and Skilled Trades.
- 2. **Inadequate Access to Training:** Many people who are unemployed or seek to change careers lack access to the necessary training and education that will enable them to transition into in-demand jobs efficiently and effectively.
- 3. **Economic Disparities:** Economic impacts disproportionately affect lower-income communities which were exacerbated by the events of 2020. Inclusive workforce development strategies are needed to create opportunities for underserved populations.
- 4. **Employer-Education Disconnect:** There is a disconnect between educational programs and employer needs. Many existing training programs do not align closely enough with actual industry demands.
- 5. **Lack of Career Readiness:** Beyond technical skills, there is a need to improve 'soft skills' such as communication, problem-solving, and adaptability among the workforce. These are critical for long-term career success and mobility.
- 6. **Need for Rapid Reskilling:** Traditional educational pathways often take several years to complete. Virginia needs a solution that can quickly reskill large numbers of people.

A snapshot from the COVID-19 Pandemic

As businesses grappled with closures and layoffs, and traditional employment avenues dwindled, a new reality emerged—the need for a workforce equipped with adaptable skills aligned with the demands of a rapidly evolving economy. Across sectors such as Healthcare, IT/Technology, and Skilled trades, the demand for specialized talent continued to grow, presenting both an opportunity and a challenge for Virginians seeking to navigate the shifting landscape of employment.

Virginia Ready responded with a comprehensive solution designed to bridge the gap between job seekers and in-demand industries. By leveraging partnerships with leading employers, educational institutions, and community organizations, Virginia Ready embarked on a mission to enable Virginians to acquire the skills and resources they need to succeed in a competitive job market, while uplifting the value of credential-based education.

Addressing the Skills Gap Through Credentialing

Virginia boasts a diverse and vibrant economy, characterized by a blend of traditional industries such as technology/IT, healthcare, and the skilled trades which play a significant role in shaping Virginia's economic landscape, each contributing to the state's prosperity in its own unique way. The events of 2020 triggered awareness of the profound impact on skilled worker availability across the Commonwealth. With over one million Virginians unemployed, how was it possible that three major industries remained persistently undersupplied? What was the disconnect between open roles and availability of existing talent?

With a direct line to major employers in the state, Virginia Ready needed to first understand what problems businesses were facing with regard to filling their open roles. Through the support of McKinsey & Company, Virginia Ready embarked on gathering information to understand the job market conditions, what employers were looking for, and how to connect job seekers to high quality training programs that would meet the needs of business, thus helping Virginians regain control of their lives and prosper.

The data collected helped inform what the in-demand occupations were based on a supply-demand gap. This analysis evaluated where there were the largest supply-demand gaps, particularly where demand estimated five times the existing supply (based on job postings and completions of 1-2 year certifications). From there, an occupation level analysis evaluated which jobs have skills that can be acquired rapidly (6-12 weeks).

Then Virginia Ready sought out a training partner that would allow previously overlooked talent to upskill-effectively and efficiently-and allow them to rejoin the workforce. The training needed to be done quickly without sacrificing quality and most importantly, it needed to be accessible statewide. Naturally, Virginia Ready's founders turned to the community college system, specifically to utilize their FastForward program.

Workforce credential programs create a window of opportunity for high potential talent that have low visibility in the community. These programs serve as a catalyst for economic prosperity in Virginia and offer the following benefits:

1. Enhance Employability and Earning Potential

Credentials validate individuals' skills and expertise, making them more attractive to employers seeking qualified candidates, positioning themselves for higher wages and long-term career advancement.

2. Align with Industry Needs

Workforce credential programs are designed in collaboration with industry experts and employers, ensuring that the skills taught are relevant and in-demand.

3. Drive Efficiency and Reduce Costs

Compared to traditional four-year degrees, workforce credential programs are often more cost-effective and time-efficient. Individuals can acquire valuable skills and certifications in a shorter time frame, minimizing financial burdens and enabling quicker entry into the workforce.

The Virginia Ready model was built on the conviction that every Virginian should have the chance to build the skills they need to help them get where they want to go, which meant that training accessibility was more than just about location; it also needed to be affordable. On average, every Virginian lives within 45 minutes of a community college campus and FastForward programs were business backed credential programs for in-demand jobs that also offered financial assistance.

Virginia Ready was positioned to close unemployment gaps across the Commonwealth by aligning training with industry needs and driving Virginians to programs that had the highest chance of employability upon completion. This targeted approach, backed by the labor demand analysis at inception, ensured that Virginians were set up for success. The FastFoward credential programs selected, equipped individuals with the precise skills employers were seeking, thus bridging the skills gap and driving workforce readiness.

Two years into the mission, Virginia Ready repeated its supply-demand analysis to ensure Virginians were still being directed down a career path that would lead to employment. During that time, programs were added and removed if they didn't provide a direct occupational match. This program 'refresh' ensured that Virginia Ready was still honoring its mission to help Virginians gain employment while also answering to the needs of employers.

By encouraging Virginians to enroll in these workforce credential programs, Virginia Ready established a strategic investment in individuals and Virginia's economic future. Since inception, over 6,443 individuals were now equipped with the skills, certifications, and opportunities needed to succeed and 68% of program participants (scholars) gained meaningful employment after completing their credential program.

To see more program results, click here.

The Skills First Mindset

The Skills-First Mindset	The Legacy Mindset
Prioritizes skills, competencies, capabilities	Prioritizes education attainment or specific work experience
Focuses on what an individual might be capable of in the future	Focuses on what an individual has done in the past
Sources candidates proactively in non-traditional ways	Sources candidates passively in traditional ways

A skilled and highly trained workforce is essential for driving economic growth and competitiveness, however the solution would also require a mindset shift in how we approach the skills gap:

1. Recognize there are multiple paths toward success

There needed to be a cultural shift away from the belief that earning a college degree from a four-year institution was the only path to success. Over 50% of Virginians lacked a college education and this eliminated them from over 65% of jobs available in the state. In the same vein, employers place too much weight on a four year degree.

2. Widen the funnel for entry level positions

Employers had unnecessary barriers to entry for their open roles. Applicant tracking systems were built on biases that eliminated quality candidates right from the start. A candidate's resume had to be a near perfect match to even be selected for consideration to interview which didn't make entry level positions accessible.

3. Be on the lookout for untapped potential

Availability of talent appeared limited because the existing talent didn't have the technical skills or lacked workplace readiness that would make them a great match-even with work experience. While someone may not have had the specific, necessary skills, they also might have been poised to develop them.

Skills-first hiring is an approach to recruitment and talent acquisition that prioritizes candidates' skills, competencies, and capabilities over traditional factors such as education level or specific work experience. With a skills-first hiring model, employers focus on the specific skills needed for a particular role, regardless of their background or qualifications.

A credential in a particular field should have an equal weight like that of a typical degree earned at a four year institution. Unlike a bachelor's degree, which may provide a broad education across various disciplines, credentials offer targeted training and certification in a specific area of expertise, making graduates more immediately employable in their chosen field. Someone with a bachelor's degree in IT 10 years ago is now outdated whereas someone earning a credential in cybersecurity today—which is generally required to be renewed—is receiving more up to date knowledge and best practices for the field.

Skills-first hiring is not new, but not common practice. Through the years of working with hiring teams and directors of human resources with various companies, Virginia Ready observed the same challenge: HR teams are tasked with filling open roles with high-quality candidates, but qualified candidates are overlooked due to traditional hiring habits. Being a skills-first hiring partner was not going to happen by utilizing the technology platforms that are supposed to aid the hiring process. These technologies-built with good intentions-are the reason certain talent pools are overlooked. Thousands of resumes that will never be seen due to poorly constructed algorithms built to weed out "unqualified" candidates.

Being skills-first is actually a muscle that needs flexing more often. Virginia Ready would meet monthly with a hiring partner to discuss applicants from the program for their open roles. Oftentimes the applicants from the program were never going to be seen by a hiring manager because the applicant tracking system would bump them out. It was in these meetings that Virginia Ready was able to advocate on behalf of scholars and in turn, provide feedback to the applicant (scholar) that they would normally not get access to during the application process.

Virginia Ready had the attention of a large employer's talent acquisition team. This laser focus on the hiring process took a lot of effort from both sides, which can be both challenging and time consuming, but it provided more transparency for candidates, yielding more qualified candidates and had teams looking inward to see how changes could be made to make hiring more equitable.

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View Appendix 3 to see how Virginia Ready and Sentara engaged in skills-first hiring.

Future Actions

According to the <u>2024 Global Skills Report</u>, 60% of workers will require retraining by 2027, yet only 50% of workers have access to training opportunities today. Key actions that will contribute to a healthy workforce development ecosystem in Virginia:

1. Build Industry-Education Partnerships

Bridge the gap between educational institutions and industry demands by forming strategic partnerships. Ensure that training programs are aligned with current market needs, particularly in critical sectors like Healthcare, IT/Technology, and Skilled Trades.

2. Focus on In-Demand Skills

Use data and partnerships to develop skills that are directly tied to employer needs. This will ensure that individuals in the labor pool are developed with the right skills, specific to the requirements of available jobs.

3. Use Data to Inform Decision Making

Tap relevant employment to identify supply-demand gaps and use the data to develop program offerings. The use of data will ensure programs are evidence-based and targeted towards the most critical areas of need.

For Employers:

Though some companies have made great strides with skills-first hiring, there is still much to be done from an employer perspective. Oftentimes, employers will respond once they feel the squeeze of the labor market when really employers need to look five years out and beyond. According to the Demographic Drought by Lightcast, it's not about the employed vs. the unemployed, it's about the unengaged.

Virginia Ready recommends the following:

1. Support Diverse and Non-traditional Participants Through Advocacy Recruiting Develop an inclusive approach to talent outreach, targeting a diverse range of participants, including mid-career professionals seeking new opportunities, and underserved populations. This approach will help address disparities in access to training and career advancement opportunities.

2. Role Model the Importance of Technical Skills

For non-traditional students, gaining work experience can be challenging when entry-level jobs demand years of prior experience. Businesses can become part of the solution to this barrier by creating internship and apprenticeship opportunities. This approach positions companies as leaders in workforce development and benefits both the individual and the organization by supporting Diversity, Equity, and Inclusion (DE&I) goals promised in 2020.

3. Place an Emphasis on Quality of Impact

When working with nonprofits to address change, quality of impact is crucial because it ensures that the services or interventions provided truly benefit an

individual and lead to meaningful, long-lasting change that is sustainable vs. addressing the symptom of a problem and being short term.

For Non-Profit Organizations

1. Create more Longitudinal Relationships rather than Transactional Opportunities
Ensure that your program or service is addressing the root cause of a problem, not a
symptom. By doing so, individuals who benefit from the program positively influence
their communities, leading to broader social and economic improvements. Quality of
program services are just as important, if not more, than quantity of participation.

2. Track Outcomes

By having a deeper relationship with program participants, tracking outcomes won't be as challenging. Completing a credential was only one metric for success at Virginia Ready and tracking employment was another. This is an outcome that is generally hard to do because once a participant 'graduates' from a program, the data tracking stops. Staying close to program alumni validates the effectiveness of the program offered and will benefit future efforts.

3 Lead with the ROI

When engaging a business for philanthropic support it is important to explain how the partnership may benefit them. Specifically in workforce development, not every employer will directly benefit from talent pipeline creation, but more workers in the labor force increase economic participation which all companies then benefit from.

For Virginians & the Future Workforce

1. Proactively Advocate for Your Future

During an economic downturn, ask how you can show up for the economy rather than expecting the economy to show up for you. This concept was discussed at several of Deloitte's Future of Work Institutes held for scholars. Career planning is not something that only younger generations need to be concerned about–all participants in the workforce need to prepare for changes that could impact their employment outcomes.

2. "When things aren't going right, go left"

As mentioned earlier, skills-first hiring is part of a larger cultural shift regarding the idea of what success looks like. Pursuing a four-year degree is not for everyone and it should also not be a way to measure the success of an individual. Credential programs are proven educational programs that can not only put someone to work quickly, but also on a career path that allows for economic mobility.

Educational Institutions

1. **Support the cultural shift on what educational success looks like**When you look up "what is a community college" one of the first definitions is that it "prepares individuals to transition to a four-year institution". This is disappointing

because it feeds the misconception that a bachelor's degree is the "right" path toward success. Additionally, workforce credential programs are often described as "non-credit" because they don't support the path to a four year degree. We saw this shift taking place as many college campuses were adopting the "single door" concept that would put enrollment burdens on the college and not the student. This is encouraging because it means that students will be provided intentional coaching into the right path for them.

- 2. Marketing
- 3. Point Three

Continuing the Spirit of Virginia Ready:

Since 2020, Virginia Ready's efforts highlighted the critical role of focusing on in-demand skills that were directly tied to employer needs. This approach helped to ensure that participants in the program were ready to meet the specific requirements of available jobs for today and the future.

Virginia Ready emphasized the importance of rapid credentialing programs that allowed individuals to quickly gain certifications necessary for immediate entry into the workforce. These programs were particularly effective in addressing the urgent need for skilled labor in undersupplied industries such as IT/Technology, healthcare, and skilled trades.

Virginia Ready successfully bridged the gap between educational institutions and industry demands by forming strategic partnerships. This collaboration ensured that training programs were aligned with current market needs which ultimately set up Virginians for success.

The initiative demonstrated that upskilling not only benefits individuals by enhancing employability and earnings potential, but also contributes to broader economic growth and competitiveness by developing a more skilled workforce in Virginia.

We launched an initiative at precisely the time it was needed and it turned into a movement.

Virginia Ready has always been a nimble, data responsive organization. We launched an initiative at precisely the time it was needed: we credentialed 709 scholars in the first year, 1,868 in year two, and then 2,838 in year three. As employers were finding their footing in this new labor market, their ideal candidate needs were evolving. The emphasis on workplace readiness was a priority and Virginia Ready wanted to focus on quality over quantity served.

This shift in the model proved that each scholar needed more dedicated attention. It was now required that each scholar not only complete their career readiness modules through VTOP, but to submit their career plan to Virginia Ready which would then be used as a tool to support each participant's goals. This high touch model was proven to be successful as the scholars who completed the program with these new requirements had a higher

employment rate. 48.22% of scholars were employed within the year whereas in 2021 and 2022, employment was merely 33% at completion.

We believe that our efforts have catalyzed a statewide movement, igniting a powerful network of organizations, employers, and skills-first allies dedicated to Virginia's workforce development. Along the way, we have convened some of the largest employers and educational partners around the state bringing awareness to the skills gap in Virginia and what it might take to close it.

We are proud of the progress that we have made. And we recognize that it is going to take many organizations to meet the scale of the need in Virginia. Our vision has always been large – to provide an equitable talent journey for Virginians who have high potential, but low visibility in the current job market. To achieve the scale of that vision, we believe we can go further together than we can alone.

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Appendix 1

Why Virginia Ready?

How were all these challenges to be solved? As its core, Virginia Ready was not created to reinvent the wheel or duplicate services. Its vision was to creatively take advantage of existing infrastructure to support the immediate needs of displaced workers. Unemployment was high, but the demand for talent was equally as dire. How could an organization connect the dots for job seekers and employers?

With that goal in mind, a talent development ecosystem emerged with Virginians at its center to advocate, convene, and drive results that would support economic mobility by creating career pathways with family sustaining wages. Virginia Ready was established as a business-led organization, bringing together a coalition of visionary leaders deeply committed to the welfare of Virginians' economic mobility.

With the workplace disrupted by the pandemic and social unrest rippling across the country, employers needed a solution to fill their open positions while also supporting their local communities.

Financial Incentives: A Springboard for Economic Mobility

Something unique about Virginia Ready's model was the \$1,000 Credential Achievement Award that was paid upon successfully earning their credential. The incentive created motivation for unemployed workers to enroll in high demand FastForward programs which was effective in removing financial barriers to pursue secondary education, investing in future success, and aligning with broader economic goals. This win-win proposition empowered job seekers to take control of their career pathways while contributing to economic recovery and prosperity and here's why:

1. Lowers the Financial Barriers

Many unemployed individuals may face financial barriers that prevent them from enrolling in training programs, such as tuition costs, transportation expenses, and childcare needs. Offering the award helped mitigate these barriers by providing financial support to cover expenses associated with program participation, making training programs more accessible and affordable.

2. Offering Meaningful Motivation

The prospect of receiving a \$1,000 incentive award serves as a powerful motivator for unemployed workers to take action and enroll in training programs. The award served as an immediate reward for their commitment to self-improvement and career advancement, which provided tangible recognition of their efforts and encouraged them to stay engaged throughout the program.

3. Aligns with Economic Goals

Incentivizing unemployed workers to enroll in training programs aligns with broader economic goals of workforce development, job creation, and economic recovery. By equipping individuals with the skills and credentials needed for in-demand jobs, the incentive program helps stimulate economic growth, reduce unemployment rates, and build a more resilient workforce.

Offering the \$1,000 Credential Achievement Award represented a relatively modest investment with significant returns. By helping unemployed workers acquire new skills and qualifications, the program increased their employability, earnings potential, and long-term career goals, ultimately leading to positive outcomes for both individuals and the economy as a whole.

Appendix 3

Soft Skills & Career Readiness

Virginia Ready leveraged collective strengths, enhancing programmatic effectiveness, and achieved scale and sustainability by forging strategic alliances, sharing resources, and pooling expertise from its stakeholders. What was intended to be a two year initiative ended up being a catalyst for a statewide movement of organizations and employers who are dedicated to workforce development.

From recruitment of an individual to employment, employer involvement was proven to be essential for the success of the program. The key partnerships established with business partners provided program participants (scholars) an incentive to earn a credential in an in-demand field because a job opportunity was at the end of the journey. The training provided was business backed which meant a trust was built from the start that the scholar was earning the essential skills that employers were looking for.

Furthermore, Virginia Ready's model invited business partners to lead career readiness workshops which helped train scholars beyond the technical skills they were learning in the classroom. Scholars were given the opportunity to participate in mock interviews led by actual recruiters with partners, learn essential tactics for negotiation, and hear directly from employers about the soft skills needed in the workplace.

Career readiness skills, better known as soft skills, are essential in the workplace. While technical skills and qualifications are important, career readiness skills often play a more critical role because they will show an employer how a candidate will interact with others, solve problems, adapt to change, and navigate the complexities of the modern work environment.

- 1. **Communication:** Effective communication skills are essential for conveying ideas, information, and feedback clearly and concisely. Strong communication skills enable individuals to collaborate effectively with colleagues, build relationships with clients and stakeholders, and resolve conflicts constructively.
- 2. **Problem-Solving:** The ability to identify, analyze, and solve problems is a fundamental skill in the workplace. Strong problem-solving skills enable individuals to think critically, generate innovative solutions, and overcome challenges effectively, contributing to organizational success and resilience.
- 3. **Teamwork and Collaboration:** Many workplaces require individuals to collaborate with others in teams to achieve common goals and objectives. Effective teamwork enhances productivity, fosters creativity, and builds a positive work culture.
- 4. **Time Management and Organization:** Strong time management and organizational skills are crucial for prioritizing tasks, meeting deadlines, and managing workload effectively.
- 5. **Leadership and Initiative**: Leadership skills involve taking initiative, inspiring others, and guiding teams towards achieving common goals. Individuals who demonstrate

leadership qualities can motivate their peers, make informed decisions, and drive positive change within organizations, regardless of their formal position or title.

A significant insight from Virginia Ready's work was the importance of integrating soft skills training with technical education. This holistic approach to career readiness equipped individuals with the necessary interpersonal and professional skills to succeed in the modern workplace and adapt to the evolving demands of the economy.

<u>According to a study conducted by Deloitte</u>, skills shortages are the second most commonly cited barrier to business performance as the human skills shortage means that businesses are often unable to efficiently employ the best matched individual for the job.

In 2023, Virginia Ready enlisted the Virginia Talent Opportunity Partnership to bolster the career readiness services already available through business partner led workshops on topics such as "understanding total compensation" and "interview skills development", among other industry specific webinars. Through VTOP, scholars were now required to complete all 8 career readiness modules (developed by business leaders). These modules also required each scholar to create and submit a career plan which Virginia Ready would then use to support each scholar's goals in the program.

Exit survey data showed that 83% of scholars who completed the program valued the career readiness and employment support more than the \$1,000 Credential Achievement Award offered at the end of the program.

Appendix 4

Employment & Partner Case Studies

In 2022 Virginia Ready did a second labor market analysis to ensure the programs supported were continuing to answer industry needs while also creating equitable career opportunities for scholars. Using <u>JobsEQ</u>, it was discovered that the labor needs of 2020 were not the same two years later. For example, healthcare scholars made up XX% of the program participants, yet two of the most popular credential programs had the lowest employment outcomes in that industry. Virginia Ready was constantly tracking outcomes and shifting its program to ensure scholar success.

With this in mind, several programs were dropped from the support list to include, CDL, phlebotomy, and IT Fundamentals for varying reasons:

- 1. The credential alone would not lead to employment as originally suspected, but worked better within a 'stack of credentials". For example, IT Fundamentals was not enough, but if paired with one of the CompTIA certifications, was a resume boost.
- 2. Medical Billing and Coding was still a high demand position to be filled, yet all job postings required additional credentials or years of experience. This challenge persisted for years and was discussed by many recruitment partners during Q&A sessions.
- 3. Only 41% of scholars earning their Commercial Driver's License had found employment as a truck driver. This was a growing concern because at the time, not

only was there a truck driver shortage, but 40% were unemployed after earning their credential and 19% had to find employment elsewhere. Click here to read more.

During the first year, only 33% of scholars were finding employment after earning their credential and completing the Virginia Ready program. By the 4th year, this doubled to 68% of scholars finding meaningful employment.

While some programs were dropped, others were added: customer service and Grow with Google's Cyber Security and Project Management courses. Now Virginia Ready had three education partners: the Virginia Community College System, Sentara's College of Health & Science, and Grow with Google.

While some Virginia Ready partners were involved to create a talent pipeline, others were involved to be part of the solution. Below are two partner case studies that serve as examples of skills-first hiring in action:

Employer Brightspot: SAIC - Removing Barriers to Access Qualified Talent

"If we think about the really innovative way that Virginia Ready is providing access to education and job opportunities, it actually aligns perfectly with SAIC's business strategy, which is focused on diversity, equity, and inclusion, and bringing more skilled talent into the workforce." – Michelle O'Hara, Executive Vice-President and Chief Human Resources Officer at SAIC.

In Fall of 2021, SAIC approached Virginia Ready with a talent need for their newest contract with the Navy SMIT Program. Over the next seven years, SAIC would need to fill several IT Help Desk Analyst positions, which would require a security clearance — a significant barrier to the application process. Knowing how long it can take to fill these open roles, and with a narrow talent pipeline, SAIC partnered with Virginia Ready to identify Scholars who were enrolled in CompTIA A+, Network+, and Security+ courses leading to their credential. Scholars were given the opportunity to apply while still taking their course so that the security clearance process could be initiated. At the conclusion of their course and with their newly earned credential in hand, Scholars were able to start work right away instead of waiting to start the application process.

Donald Harlow spent 12 years as an occupational therapy assistant, Harlow found himself disenchanted by the profession and wanted a career change. Through the Work Education Program at Blue Ridge Community College, he began studying network security with the support of Virginia Ready.

While taking online classes in the evenings, Harlow was able to continue working his day job while he pursued his true passion in IT. He earned his CompTIA Security+ credential in 2021 and was able to secure a job with SAIC through the partnership.

By challenging employers to help qualify a candidate instead of disqualifying them, this led to greater employment opportunities for scholars. The partnership helped 8 scholars find employment with SAIC because they decided to help scholars earn their clearance which is generally a step that prevents someone from entering this competitive field. SAIC was able

to do this without changing the integrity of their workforce expectations. They simply just became part of the path to success.

The workplace was changing and hiring practices were changing as well. It takes everyone in the talent development ecosystem to test and pivot to ensure job seekers are given an equal opportunity to achieve economic mobility.

Skills-first partners are critical to the ecosystem and play an active role with Virginia Ready by helping scholars gain access to a network that will ultimately help propel them to advance their careers and embark on career pathways leading to family sustaining wages.

Employer Brightspot: Credentials to Careers - Sentara Health System

In the fall of 2020, Virginia Ready established a partnership with Sentara Health Systems-Virginia's largest employer in the state. Through their College of Health Sciences, Sentara was able to create their own workforce pipeline through credentialing and connect them directly to openings at their hospitals across the state. With strategic collaboration of Virginia Ready, the Hampton Roads Workforce Council, and the Local Initiatives Support Coalition (LISC), Virginians had the opportunity to retrain as medical assistants and patient care technicians with financial assistance and career support.

Students not only had access to high quality training, but they also had an employment opportunity at the end of their journey. Employment was not a guarantee. Participants were guaranteed an opportunity to interview, and with support of Virginia Ready, scholars were able to hone their workplace readiness skills to truly make them an ideal candidate.

Through this partnership, 66 scholars were placed into jobs with Sentara.

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Corporate social responsibility inspired some major players to be involved in the talent development ecosystem that was created, such as Dominion Energy, Genworth Financial and others. For them it was not about having a direct return on investment. They saw the value of creating opportunity and being a catalyst for change:

An Executive Perspective

Tom McInerney, President & CEO of Genworth and Chair of Virginia Ready

Genworth's commitment to enriching the communities in which we live and work is core to who we are. So when we were asked to support Virginia Ready at its founding in 2020, it was yet another way that we could help our neighbors as we all were trying to figure out life in a pandemic. As a board member and then Chair of the organization, I quickly learned, though, that the workforce development challenges we were working to solve were not rooted in the COVID-19 pandemic— it just made them worse.

Four years later, I'm very proud of the more than 6,000 Virginia Ready scholars that the organization helped to earn new credentials in high-need industries. I'm also proud of the role Genworth played in supporting both those scholars and broader awareness of the challenges facing workforce development in Virginia through our leadership level of funding each year. This important work is far from complete, and I'm disappointed that the broader business community has decided to step back from their support of this program.

I'm surprised at the overall lack of commitment to general economic development and community support that I've heard in our conversations with business leaders, even beyond their support for Virginia Ready. Issues like skills mismatch, employer-education disconnect, and inadequate access to training existed long before 2020 and they continue to persist. I believe that, as one of the most business-friendly states in the US, Virginia business leaders have an even greater obligation to support our citizens' ability to participate in and benefit from that strength.

While it unfortunately won't be driven by Virginia Ready, as the organization will sunset later this year, my hope— and my charge— for my business leader peers is to be more intentional about your company's commitment to workforce development. Whether that's through investments in modernizing your own hiring practices to include skills-first hiring and advocacy recruiting or partnerships with educational institutions that create talent pipelines to meet your most pressing hiring needs, we all have a role to play in supporting not just the continued success of our Virginia business community, but also the millions of people that rely on that community every day.

Thank you very much. Tom McInerney

Appendix 5

Virginia Ready by the Numbers

<Insert map with industry totals>

Participation Demographics

A quick look at the participants (scholars) who completed the Virginia Ready program between September 2020 and June 2024.

Gender

According to <u>Global Industrial</u>, only 4% of tradesmen are women and 96% of the workforce are men. At Virginia Ready, 18% of skilled trades scholars were women, supporting the trend that women in trades is at an all time high.

Overall program participation for women was 47% and for men was 51%. While more women actually entered the program, more men ended up completing the program. While there is no clear reason to report, based on national data trends, it can be concluded that most women were unable to finish the program due to the pandemic's disproportionate impacts on women's employment.

Education Level

38% of program participants only had a high school diploma, 28% had some college experience, and 10% had earned a bachelor's degree. In 2020 in Virginia, 68% of jobs required a college degree, which eliminated a significant portion of the population from obtaining these jobs. This disparity in education and employment inspired one of the leading objectives to provide equal access to training and employment opportunities for all Virginians, regardless of their background or previous experiences leading to a more equitable job market.

Race & Ethnicity

43% of scholars who completed the program identified as black, 38% as white, and 6% as hispanic/latino. Though there is no hard data for support, it is assumed that the hispanic and latino populations were not successful in completing the program due to lack of translation support services.

Age

In 2020, over 1 million Virginians found themselves unemployed and Virginia Ready created an opportunity for those to re-enter the workforce and switch careers. 29% of Virginia Ready participants were between 26 and 35 years of age which indicates that participants had work experience, but were seeking a more stable career that could sometimes be referred to as 'recession proof careers'.

To view all program data, click here.

Additional Data Insights

College Participation

Scholars not completing the program

Like any program, not everyone will be successful in completing the needed requirements. While Virginia Ready is able to celebrate the credentialing of over 6,000 Virginians, it is important to also discuss what happened to the other 6,000 applicants who either didn't qualify for the program, or didn't finish after enrolling.

At inception, eligibility was limited to those domiciled in Virginia, unemployed due to the pandemic, enrolled in any one of the 34 supported credential programs by one of our educational partners and successfully signing up with Virginia Ready within the first 5 calendar days of the first day of class. From there, completing and obtaining the credential from the national accrediting body and submitting this to Virginia Ready within the 150 day deadline from the last day of class was the final step to earning the \$1,000 Credential Achievement Award.

While some thought the requirements were too rigid, Virginia Ready was not willing to compromise the value of services provided and due to the competitive nature of the program, maintained the requirements throughout its tenure to ensure that scholars enrolled received quality support. These requirements were in place for several reasons and not meant to create barriers. In fact, Virginia Ready team members spent time with each application to ensure its correctness, and help any applicants that were having difficulty applying.

Once enrolled, Virginia Ready continually reached out to participants to ensure they completed the program successfully: this meant completing the class in which they were enrolled, earning their credential, and then sharing that information back to Virginia Ready to earn the award. Though this support process was in place, it was up to the scholar to complete.

It is important to note that during the peak of the pandemic, the 150 day deadline was extended to 240 days after the class ended to allow more flexibility for scholars to sit for their test because testing sites were causing delays due to pandemic related restrictions. Later, in June of 2021 Virginia Ready adjusted its eligibility to be for any Virginian interested in reskilling or upskilling to enroll regardless of the pandemic impacting their employment. All other eligibility requirements remained in place and the 240 day deadline returned to 150 days.

Though 150 days were still a generous amount of time to meet the rapid reskilling ideology to get Virginians back into the workforce, this deadline was a large reason for program

participants to be withdrawn. 61.6% of scholars were withdrawn for missing this deadline and through the process of exit interviews, the following reasons were reported:

- 1. After enrolling with Virginia Ready, they never completed their class
- 2. After completing their class, they never sat for the exam or passed the exam
 - a. Scholars (particularly those in the skilled trades) received job offers and didn't feel the need to earn their credential
 - b. IT scholars presented a 30% pass rate to earn their credential which raised concerns for the success of this particular group of scholars.

Another significant drop off was the Commercial Driver's License (Class A) Scholars with a 21.3% withdrawal rate. While third party vendors were successful in heavily marketing the Virginia Ready program, this demographic of scholars had the hardest time earning their credential within the deadline or had a poor driving record which would prevent them from enrolling with Virginia Ready. Due to these reasons, among others, 1,278 CDL Scholars were withdrawn. Despite this high dropout rate, Virginia Ready successfully credentialed over 2,400 drivers. Read more below to take a deeper dive into this program.

To see the full report, click here.

The challenges with CDL

The pandemic created a job market unfamiliar to both job seekers and employers and one of the objectives for Virginia Ready was to connect Virginians (scholars) to high-quality, industry-specific training programs that provide the skills they need to obtain and sustain in-demand jobs. In just two years, Virginia Ready supported 2,571 Virginians by helping them obtain their credential, but the employment numbers were not matching the boastful volume of those benefiting from the program. Only 30% of participants were finding jobs with their credentials—why was there such a large gap?

As a data driven organization, Virginia Ready looked inward to better understand what was going on programmatically. Every decision made was backed by data that was either acquired through pilot programs and participant information surveys, or through talent task force meetings with business partners or labor market research software such as JobsEQ.

So why were roughly 70% of scholars not finding jobs with their credential? Enter a truckload full of problems...

100 Drivers in 100 Days

Virginia Ready & the Virginia Trucking Association (VTA) embarked on a pilot program to train 100 drivers in 100 days and connect them to jobs with trucking companies across the state. Through this partnership, Virginia Ready learned more about the intricacies of the trucking industry. Trucking is one of the most highly regulated industries in the country and it also had one of the largest needs during the pandemic. With everyone housebound,

consumers were buying goods that needed to be delivered and there were not enough drivers on the road to meet the demand.

With a spotlight on this particular credential, Virginia Ready found that over half of the total scholar population were enrolled to earn their commercial driver's license (CDL). This was significant because they also had one of the lowest employment rates after completing their program. During the pilot in particular, over 300 scholars earned their CDL, but the employment outcomes continued to be poor.

The partnership with VTA allowed Virginia Ready to have a direct line to half a dozen trucking companies—one being the largest employer in the state—who were providing feedback on the type of applications they were getting: too many drivers from the program had poor driving records.

How was it possible that you could have a poor driving record and be allowed to earn your Commercial Driver's License? It was discovered that not enough career coaching was being done before someone picked a class they believed was going to be their golden ticket to employment If a student had a poor driving record, there was nothing stopping them from being trained and certified, but they were not going to find quality employment due to insurance costs and other liabilities and rightfully so, companies were not willing to hire them. What could Virginia Ready offer to help educate someone on what to expect before they enrolled in their course?

With the unique ability to test ideas through pilot programming, Virginia Ready was able to evaluate the effectiveness of any given initiative on a smaller scale before implementing them more broadly. Through support of the VTA and their employer members, Virginia Ready kick-started another pilot program that would require CDL applicants to pull their own driving record to see if they had any history that could prevent them from finding employment. If they did, they would not be accepted into the Virginia Ready program.

This example of scholar advocacy was not widely supported, but Virginia Ready was investing in individuals' careers by providing them with the career readiness they needed to succeed and employers appreciated that.

At the two year mark of the initiative it was found that over 50% of scholars were in the CDL program. While the trucking industry was hit very hard with driver shortages, Virginia Ready also recognized that the program's focus needed to shift to diversify the scholars in the program to meet all industry needs. This analysis led to the refresh of the program support list and the Scholar program changes in 2023.