



Investing in High Quality Career Coaching

As the nation debates stimulus legislation to help the economy recover, it is critical to put in place policies that will create an equitable recovery. Raising overall economic activity will not equally distribute opportunity nor provide the relief needed for communities hit hardest by the crisis. The jobs that are created must be good jobs, and workers need support to secure those jobs, including increased access to effective education and training. To position the economy for an equitable long-term recovery, ambitious public investments are needed to create jobs with good wages and benefits, and major complementary investments in adult education and training are necessary to provide the support workers need to emerge from the crisis equipped for high quality jobs.

Investing in High Quality Career Coaching is a Critical Component of an Equitable Recovery

Millions of people have lost their jobs or earnings, disproportionately people of color and people without post-secondary education. These workers will be faced with complex decisions to navigate the crisis and emerge better positioned to secure good jobs. People need information and support to identify available supportive services, determine the careers that will help them meet their goals, and pick the training that is right for them.

Career coaching can be a critical source of support proven to improve people's success in jobs and training. Yet across the workforce system, community colleges, and community-based organizations that deliver coaching, there are not enough coaches to serve all those who need support. The quality of services varies widely depending on where someone seeks support; and many coaches are not given resources and incentives to most effectively serve the long-term needs of their clients. Challenges include:

- ◇ **A shortage of coaches:** For example, in 2009, during the peak of the last recession, only 1.7 million people received reemployment counseling through the workforce system while an average of 15 million were unemployed that year.
- ◇ **Systems that promote short-term job placement over long-term career success:** Coaches in the workforce system are measured by the number of people they place into jobs. This rewards coaches for encouraging jobseekers to take the first available offer—regardless of what it pays or its long-term impact. This also creates the incentive to serve clients with fewest barriers to employment, leading to inequitable outcomes by race.
- ◇ **Little public investment in tools and training:** There is virtually no dedicated public funding to train coaches. Many coaches cannot access the data or technology tools that could free up time to serve more clients.

Investments that expand and strengthen coaching that is specifically dedicated to helping clients secure good jobs is a critical ingredient to an equitable recovery.

*The ideas presented here are still in development and are designed to generate feedback and inform the discussion of how America might build a strong and inclusive recovery. We will continue to refine the proposals based on feedback.

Policy Recommendations

The Idea

Provide about \$4 billion annually in new federal funding to make coaching available to unemployed and low-wage workers wherever people seek guidance, including the workforce system, community colleges, and community-based organizations. Provide each coach with the tools and support to improve their clients' long-term career outcomes.

Key Elements

- ◇ **Hire more coaches.** Provide sufficient funding to increase the number of coaches—both within the federally funded workforce system and in community colleges, unions, and non-profits like Goodwill or the National Urban League—so that every unemployed and low-wage worker has access to career coaching services at an institution they know and trust. Funding should be sufficient enough to ensure manageable caseloads and each coach is paid a family-sustaining wage and benefits so that these coaching jobs created are good jobs.
- ◇ **Provide training and tools to coaches.** Dedicated funding should be available to provide every coach—regardless of where they work—a foundational set of skills, labor market information, and tools to successfully support their clients. This training should include racial bias training and training necessary to provide coaching in a culturally competent way.
- ◇ **Align coaching services to focus on long-term economic success.** People should receive coaching dedicated to long-term economic success, regardless of where they seek support. States should be incentivized to align common incentives and processes for coaches across the systems where coaching is delivered, while preserving the flexibility to adapt specific programs to meet the needs of their clients.
- ◇ **Ensure that all populations are served.** A concerted effort should be made to support coaching delivered by organizations that have historically reached underserved and low-income communities as well as communities of color that are hardest hit by the crisis. Explicit efforts should also be taken to recruit, hire, and retain more coaches of color who reflect the communities they serve.

Costs and Benefits

A \$4.1 billion investment in the first year would provide coaching services to the 20 million unemployed and low-wage workers looking for advice on advancing. This is a small cost of about \$204 per person served. Evaluations of coaching programs show benefits from \$1,000 to \$3,000 for participants. The five-year cost, accounting for an improving labor market, would be \$18 billion.

Implementation Recommendations

Below are specific ways to implement the recommendations above. The recommended \$4.1B should be split among the three objectives below depending on how much policymakers want to expand coaching within the current workforce system and how much control is desired to give states.

1. Expand coaching in the federal workforce system and increase the focus of coaches on long-term success of clients.

To increase coaching within the federal workforce system, the following programs need additional funding.

- ◇ **Wagner-Peyser funding for Employer Services staff:** adding funding here would expand the number counselors available to provide personalized guidance to those experiencing job loss. Having a well-staffed employment service will mean that more UI claimants can receive career coaching and be referred to additional services if needed.
- ◇ **WIOA programs providing more intensive services:** Some funding should also be provided to expand WIOA programs—Adult, Dislocated Worker, and Youth funding streams (Title I), Adult Basic Education (Title II), and Vocational Rehabilitation (Title IV). This would provide local workforce boards and other local agencies with more funding to create coaching positions at American Job Centers and other workforce providers and in programs for specific priority populations including people with limited English proficiency, people with disabilities, and low-income populations.

- ◇ **Reemployment Services and Eligibility Assessment (RESEA) program:** Not all unemployment claimants register for the Employment Service or would be referred to WIOA. Another way to get services to people who are having a hard time finding a job is to put more funding into the Reemployment Services and Eligibility Assessment (RESEA) program, which provides assessment of unemployment eligibility and some reemployment counseling. This should be done in combination with changes to the program. RESEA, as authorized in 2018, does not require states to provide more career services that are critical to high quality career coaching like helping clients understand the job market or help with a resume.

Shift to focus on long-term success. The Department of Labor should provide guidance to states on (a) how to use current WIOA performance measures to reduce the focus on employment alone and increase the focus on skill building and higher-wage job opportunities and (b) how to reduce the amount of time spent by coaches on compliance and reporting.

2. **Provide additional funding for states to expand coaching beyond the workforce system.**

Federal funding can be provided to states to provide grants to local organizations that will offer coaching to people who are unemployed and low-wage workers. Organizations eligible would include community-based organizations, labor-management partnerships, and community colleges. In exchange for this funding, states should be required to develop common performance measures and processes to promote long term economic success across all systems where coaching is delivered. To address equity goals, states would also be required to allocate funding in a way that make sure that coaching reaches underserved populations and services should be tracked and data disaggregated by race and other demographic factors. States could be held accountable for serving certain groups or additional funding could be provided based on performance as an incentive.

3. **National grants for coaching.**

To mitigate against concerns that funding to states will not adequately reach urban areas and communities of color, national grants should also be provided to expand coaches, particularly in underserved communities. These could go to national organizations like YMCA, National Urban League, Goodwill, or others. Alternatively, grants could be directed to cities or directly to smaller community-based organizations. Grants should have a focus on serving populations with the highest unemployment rates in their communities. These could be administered separately or could be a strong addition to a set of national grants focused on expanding access to training.

Frequently Asked Questions

Where is "coaching" delivered today?

Today, coaching can be delivered in a diverse set of systems by professionals serving different clients. Coaches include:

- ◇ Federally funded workforce staff supporting unemployed job seekers at an American Job Center
- ◇ Career advisors at community colleges or other training providers helping students navigate into employment
- ◇ Staff at local community-based organizations that help their clients find a job or access a better job.
- ◇ Staff employed by unions or labor management partnerships focused on helping workers succeed in training and jobs

What does a career coach do?

Career coaches provide strategic support to clients with the goal of improving their career outcomes. Coaches empower their clients to make complex, high-stakes decisions—often in moments of acute stress along their career journey. Coaches can help their clients understand how their skills translate to good jobs in industries that are hiring in their community; determine whether education and training will put them in a better position to succeed; compare the available education and training options to determine which programs will best meet their needs; and identify support services during times of transition.

Does coaching work?

Research shows that career coaching helps workers find jobs faster and earn more over time. [The Workforce Investment Act Gold Standard](#) evaluation found that people who use staff-supported services (e.g. counseling) have higher wages and employment rates than those who have access to only self-service resources. In the study, those that received intensive services, which included career counseling, earned on average between \$3,000 to \$7,000 more annually than those who only received core services, which only included access to online tools and general career information. A separate [study](#) has shown that workers who lose their jobs due to trade are more likely to benefit from retraining when they consult with a counselor before choosing which program to pursue. Additionally, education and training programs that incorporate career counseling into their models see better participant outcomes including in [community college settings](#) and in programs like as [YearUp](#) and [Project Quest](#).

What kind of coaching programs would be supported through this proposal?

The goal of this proposal is to make quality coaching available to anyone who needs it at an organization they know and trust. It accomplishes this in two complementary ways:

- ◇ First, it proposes expanded funding to hire more career coaches in programs that deliver career services today. It proposes expanding coaching in the federally funded workforce system, including programs for people receiving unemployment insurance, unemployed youth, and people with disabilities, as well as grants to states to distribute to local community colleges or community-based organizations.
- ◇ Second, it focuses on empowering coaches to provide high quality support for their clients—wherever they seek assistance. It does so by proposing new public funding to provide training and tools for coaches. It also realigns incentives and processes across coaching systems to prioritize clients' long-term economic gains over immediate job placement.

How does this proposal better equip coaches to get people into good jobs--not just any job?

This proposal aims to empower coaches to shift from a case management approach to a human-centered coaching approach that is focused on helping clients improve their wages over time and reach their highest professional aspirations.

- ◇ The proposal would realign incentives for coaches to reward personalized support dedicated to long term career success. Today, coaches in the workforce system are measured primarily by the number of people they place into jobs. This rewards coaches for encouraging jobseekers to take the first available offer—regardless of what it pays, its chances for long term advancement, or its ability to meet the workers personal goals. This also creates the incentive to serve clients with fewest barriers to employment, leading to inequitable outcomes by race. In exchange for additional funding, the proposal states should be required to develop common performance measures and processes to promote long-term economic success across all systems where coaching is delivered.
- ◇ The proposal would also provide coaches the skills training and tools to forge a personal relationship with their clients to understand their unique goals and aspirations, understand and communicate labor market trends, determine effective training programs and help people succeed in jobs.
- ◇ By hiring more coaches, investing in new technology tools, and reducing compliance burdens on coaches, the proposal would free up coaches time to spend more time on each client, allowing for more personalized support.

Do states have the flexibility to change performance metrics to encourage a focus on long term outcomes?

The federal government sets the types of metrics that states should use to measure the success of the federal workforce system. However, states have the flexibility to set the specific numerical targets that workforce boards use to drive decision-making and assess performance. Many states set high goals for the overall number of people placed into jobs, creating an incentive to serve those who can be placed quickly. On the other hand, many states de-emphasize higher wage levels and measurable skills gain. States also do not disaggregate performance by race and other demographic factors enough in order to understand which populations are being underserved and where performance is lagging.

Reorienting these targets would give coaches the flexibility to spend time with people who have a longer way to go to get a good job and be more open to suggesting longer term education pathways for clients who would benefit from them. The Federal government should provide clarifying guidance to states to set targets accordingly and explore other ways to further empower states to create targets that support a focus on long term career success.

How does this proposal address racial inequities in the workforce system?

Any coaching proposal must take affirmative steps to ensure that coaching can effectively support black and brown communities that have been hit hardest by the economic crisis and that have been historically underserved in the workforce system. The proposal seeks to promote equitable coaching delivery by in the following ways:

- ◇ States should also be required to set aside funding to support coaching at community-based organizations or other groups with experience effectively serving communities of color. This will help ensure that people of color can access coaching services in their communities at institutions they know and trust.
- ◇ Funding to states should be contingent on efforts to recruit and retain more coaches of color so that coaches are representative of the communities that they serve.
- ◇ All coaches should be required to receive racial bias and cultural competency training. These trainings should be standardized across all programs where coaching is delivered. This will help address inequitable service delivery that could result from biased assumptions about clients.
- ◇ Coaches should be incentivized to focus on the long-term economic success of their clients rather than simply placing them in a job. This removes a disincentive to support people that need greater support in order to succeed in a job.
- ◇ Organizations that receive funding should be required to report disaggregated data on the population they serve and who they help succeed in good jobs. Performance should be assessed how these outcomes compare to the demographic composition of the total unemployed population in their area.

How can we make sure these coaching jobs are good jobs?

Coaches' compensation should reflect the critical role they play for workers they serve and their community. Any proposal to expand coaching should ensure that each coach is paid a family sustaining wage with benefits and access to on-the-job training. Our proposal assumes coaches should making \$50,000 per year. Moreover, by providing funding to the federally funded workforce system and states, many of the new coaching positions will be public sector jobs that provide economic security, stability, and worker voice.

Why distribute should funding for coaching be distributed through the federally funded workforce system, state governments, and national grants? Why not one or the other?

People should be able to access high quality coaching at an organization they know and trust.

- ◇ In the short term, increasing funding for the federal workforce system is the fastest way to hire and train more coaches at scale to accommodate the significant increase in demand caused by the current crisis.
- ◇ Yet states have insight into the organizations that are most effectively meeting the needs of their communities, including low-wage workers, many of whom are not eligible for coaching services delivered at the American Job Centers. Funding for states also provides monetary incentive to align incentives and processes across coaching systems focused on long term economic outcomes.
- ◇ To mitigate against concerns that funding to states might not adequately reach urban areas and communities of color, national grants should also be provided to expand coaches, particularly in underserved communities. These could go to national organizations like YMCA, National Urban League, Goodwill, or others.