

THE ENERGY PATHWAYS PROGRAM | A Model for Success

June 2010

As unemployment rises, training people for jobs in growth industries is more critical than ever. At United Way of Greater Los Angeles, our work is focused on job training and placement to strengthen our economy with a skilled workforce. The Energy Pathways Program successfully focuses on energy sector job training and placement for those from disadvantaged communities.

United Way of Greater Los Angeles recently published *A Tale of Two Cities: One Future*. This report on the state of the region showed over the last decade the middle class has declined while the division between the rich and poor is widening. Wages in L.A. County for all but the highest wage earners have fallen or remained stagnant, and jobs that paid well, but required no college education, are disappearing. Too many residents are not able to make ends meet, and issues once thought confined to lower-income households, such as excessive rent burdens, falling wages and uncertain healthcare, are creeping up through the middle of the income distribution. The result has made it nearly impossible for families to move into the middle class.

United Way of Greater Los Angeles believes that in order for L.A.'s economy to prosper and to move the working poor into the middle class, job creation must become a priority. Secondly, opportunities should be made available for people to learn the skills they need to compete in the 21st century workplace, especially in growth industries such as clean energy, technology and healthcare. To build the economy's workforce, we need strategic alliances of "unlikely

suspects" such as business, labor and nonprofit working together to create jobs that move people up the income ladder into financial stability. South Bay's Energy Pathways Program is an example of a very successful cross-sector collaboration which focuses on energy sector job training for those from disadvantaged communities.

ENERGY PATHWAYS PROGRAM, CONCEPTION TO IMPLEMENTATION

The South Bay covers the areas of Lennox, Manhattan Beach, Carson, Inglewood, Torrance, Redondo Beach, Wilmington, San Pedro, and Lawndale, among other communities. As of 2007 the area had a poverty rate of 17.7%, with over a third (36.8%) considered low income (earning less than 200% of the federal poverty level). About 16% of children in the South Bay lived in poverty in 2007 and about 40% lived in low-income households. Surveys showed that between 25% to 50% of the refinery workforce would retire in the next 5 years, creating a need for qualified workers to fill these positions.

“The Energy Pathways Program is a unique public, private and community-based collaboration led by South Bay Center for Counseling that grew from a community need to provide an educated workforce to South Bay refineries and professional careers with benefits to low-income adults.”

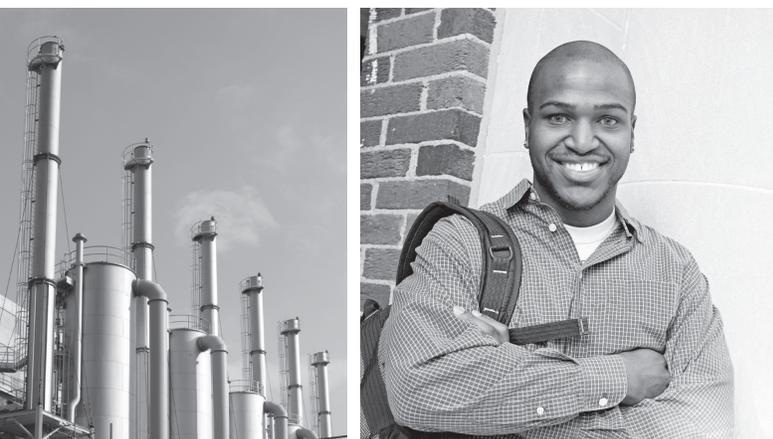
Recognizing the mutual need of low-income residents to obtain well-paying jobs, as well as the need for refineries to fill vacant positions, the South Bay Center for Counseling (SBCC) with the support of United Way of Greater Los Angeles, created a unique public, private and community-based collaboration. The Energy Pathways Program was

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designed to recruit, train and place low-income residents of South Los Angeles and Wilmington into better paying jobs provided by South Bay refineries including BP, Chevron, ConocoPhillips, ExxonMobil and Valero.

Through the collaboration, SBCC partnered with L.A. Harbor Community College, enabling the refineries to work on a customized classroom curriculum that was more practical, with hands-on training to fit their needs. The refineries also partnered with SBCC for their support in case management, job readiness workshops and counseling to help ensure long-term employment.

The SBCC administers the Energy Pathways Program by providing certificates and degree programs in specific energy occupations, such as welder, plant technician, safety attendant, and mechanical helper. Some of these occupations pay as much as \$70,000 a year as a starting salary—almost 3 ½ times more than what the workers were making before entering into the program.



A MODEL FOR SUCCESS

The Energy Pathways Program has several unique traits distinguishing it from a traditional workforce development program. The results include higher job placement, retention and employer satisfaction within the refineries.

Placement of Case Manager

Every individual placed in the program is assigned a dedicated case manager who stays with the individual from the time of placement to a year into the job. This allows for the

case manager to follow the individual's progress and be available for support if any conflicts arise that would affect their job performance such as health, childcare, rent, or transportation. The case manager is there to assist and seek out services to remedy the situation and help the individual get back on track. Also, having a case manager assist in their development provides additional support and confidence to succeed in the program.

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Wrap Around Services

The program is heavily integrated in that it attaches not only conventional workforce development training and job placement services, but also other supportive services such as interviewing, resume writing, financial literacy, and counseling for those facing challenges regarding rent, health concerns, and/or childcare.

Sector-Based Approach

Unlike the conventional workforce approach that trains for a broad array of jobs without concern to sector specialty or job availability, the sector-based approach targets industries looking for specific jobs and skill sets. Further examination of sector approaches has shown that not only does job retention hold, but it's especially suited to the needs of low-income job seekers.

Strong Partnerships

Strong and committed partnerships are essential for making the Energy Pathways Program a success in workforce development and job retention. Partners from diverse areas such as oil refineries, city/community colleges, L.A.

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County Department of Child Family Services, United Way of Greater Los Angeles, youth and family centers, municipalities, YMCAs, and other community organizations shows the depth of the program. The partnerships ensure that this is not just a job placement program but one designed to bring people out of poverty and help them stay out of that cycle. Of particular note is the fact that competing businesses have united in a collaboration that helps them all be more successful.

ENERGY PATHWAYS PROGRAM RESULTS

The program's success is demonstrated by both career placement and overall satisfaction with the program. On average 95-100% of individuals who participated in the program completed training. And in the last two years, SBCC trained and placed 366 low-income residents resulting in a 45% average increase in their income.

CONCLUSION

Workforce partnerships that are funded by the public/private sector and foundations such as the Energy Pathways Program are increasingly seen as an effective public policy tool to help ensure that our future economy produces well-paying jobs to move the working poor into the middle class.

Boston, New York, San Francisco, and Austin are all investing in similar partnerships, designed to create jobs with career paths for thousands of workers.

But we cannot ignore our current reality. Unemployment in L.A. County remains in the double digits, wages for all but the highest paid workers have fallen or remained stagnant and jobs that paid well but required no college education are disappearing. That's why United Way of Greater Los Angeles is focusing on workforce development and financial literacy. Our work helps ensure that businesses have the talent they need to make our communities more productive and ultimately more competitive. In order to accomplish this goal, business, labor, education and nonprofit organizations need to work together to move people out of poverty and enable our region to thrive.

GIVE

Visit UnitedWayLA.org or call Donor Services at 866.366.7335 to donate.

ADVOCATE Support the 30/10 Transit Initiative

Nearly \$40 billion has been set aside to fund transportation projects in L.A. County over the next 30 years. But if the work is completed in 10 years, we can save billions in construction costs, create over 500,000 badly needed jobs and significantly reduce both traffic congestion and air pollution. Support L.A. County's 30/10 transit plan by contacting your elected official or go to UnitedWayLA.org to learn more and send a letter to Senator Barbara Boxer thanking her for her support of the initiative.

VOLUNTEER

Volunteer through HIRE LA's Youth program as a job training mentor or mock interviewer in order to train youth in the skills needed to obtain and retain entry-level employment. Go to www.layouthatwork.org for further information or visit VolunteerUnitedLA.org to learn more about other volunteer opportunities in your community that will help build our workforce and boost our local economy.

DID YOU KNOW?

Jobs that moved families into the middle class are on the decline causing a significant increase in L.A. County's working poor.

Nearly 30% of our full-time workers earn less than \$25,000 a year.

Between 2008 and 2009 all job growth from the previous 9 years had been wiped out.

By late 2009, unemployment had climbed to 12.3%, the first double digit unemployment since May 1993.

Over the course of the decade there has been a slow, steady attrition of jobs in several key industries.

These jobs are being replaced by service jobs that typically offer low wages without career ladders.

GIVE. ADVOCATE. VOLUNTEER.
UnitedWayLA.org

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