The Workforce Innovation and Opportunity Act (WIOA or The Act) was signed by President Obama on July 22, 2014. WIOA dramatically enhances the collaboration between employers and education/training services across federal agencies; supports cooperation with state and local partners; and promotes increasing postsecondary education. The significance of WIOA is demonstrated by the fact that it has been more than 15 years since the last legislative reform of the public workforce system. Effective July 1, 2015, WIOA replaces the Workforce Investment Act of 1998, reboots the Adult Education and Family Literacy Act, and updates the Wagner-Peyser Act and the Rehabilitation Act of 1973.

It is widely accepted that in order to be competitive in today’s labor market, a worker needs postsecondary education. Workers with higher levels of education consistently experience lower rates and shorter periods of unemployment, and earn higher incomes. The unemployment rate is approximately 5.4 percent for adults with some college experience and 3.2 percent for workers with a bachelor’s degree. And for adults with less than a high school diploma, the unemployment rate is a startling 9.1 percent. Even more significant for colleges and universities, it is estimated that by 2020, two-thirds of jobs will require postsecondary education.

Although good jobs can be hard to find, it’s not only due to a lack of opportunities that the unemployment rate is as high as it is. Jobs today are extremely complex and specialized, matching the rate of technological growth. While it is true that more than 10 million Americans are unemployed, the other side of the story is that 4 million jobs sit unfilled due to a “skills gap”—the void between the skills job seekers currently have and the skills employers need to fill their open positions. Staying competitive in today’s economy requires a workforce that is smarter and more skilled than in the past.

WIOA is focused on unleashing the full potential of the American labor market. Created to help job seekers gain the skills and tools they need to get a job, WIOA provides Americans with the education, job training programs, and support services needed to succeed in the global economy and in their professional careers:

**Employer Driven**

WIOA provides assistance to employers who want to find workers with the necessary skills. By including employers across the workforce system, WIOA understands the critical connection between training for needed skills and qualified
workers. The Act adds flexibility at the local level to provide incumbent worker training and transitional jobs as allowable activities, and promotes work-based training, for example, by increasing on-the-job training reimbursement rates to 75 percent. The Act also emphasizes training that leads to industry-recognized post-secondary credentials.

**Adult Education**

WIOA includes new requirements for state and local adult education providers to ensure services are provided to individuals with the lowest skill levels. Federal funding for adult education is required for services to adults (16 and over) with limited basic skills. The Act encourages the use of innovative instructional models that prepare adult learners for postsecondary education while also requiring states to consider how well providers will serve learners at the lowest skill levels prior to awarding local grants.

**STEM Targeted**

In taking a deeper look at what jobs will be in high-demand in the future, science, technology, engineering and mathematics (STEM) occupations are expected to continually grow in the coming years; these fields have become increasingly important to U.S. economic competitiveness. STEM occupations are focused in state-of-the-art industries such as computer systems design, scientific research and development, and high-tech manufacturing industries. According to a study from 2004, the STEM workforce accounts for more than 50 percent of the nation’s sustained economic growth, despite only 5 percent of the U.S. workforce being employed in STEM fields.

**Youth Focus**

Not only is there a need to prepare the workforce of today, but there is a greater responsibility to align youth with the skills that will allow them to succeed as adults. Therefore, it’s fitting that America’s students also have a major role within WIOA’s plan. The Act recognizes the need for deep knowledge and skills that will prepare young minds for college and the jobs of the future. Although educational requirements vary, most of these occupations require a bachelor’s degree or higher. Unfortunately, too many American students feel they are not meaningfully engaged or motivated in their academic experience while in high school. Trends in K-12 and higher education science and math preparation, paired with demographic and labor supply indicators, reveal a serious challenge: America needs to increase the supply and quality of “knowledge workers” whose specialized skills allow them to work successfully within the STEM industries and occupations. The Act aims to confront that challenge head-on. WIOA’s Youth Program includes strategies for financial literacy, entrepreneurial skills training, and education—offered within the same context as workforce preparation activities and training for a specific occupation. By providing step-by-step assistance to young people, the obstacle of increasing the number of “knowledge workers” is managed at the root.

The Department of Labor, among other federal agencies, has been vital in investing millions of dollars into developing the STEM workforce. Now with the support of WIOA, and its targeted workforce development plans, the economy is positioned to thrive.

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