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## NC's Back to Work Program:

Connecting People Facing Long-Term Unemployment  
with Credential Attainment Opportunities

BY ALEXANDRA FORTER SIROTA

### KEY FINDINGS

- The North Carolina Back to Work program is a skills training program designed to provide credential attainment in high-growth industries to people facing long-term unemployment that was funded by the General Assembly with \$5 million in one-time money. That funding was subsequently supplemented by \$2.5 million in Workforce Investment Act funds through the Commission on Workforce Development.
- This training program was designed to target people who have been unemployed for 26 weeks or more and those who have exhausted their unemployment benefits. In 2011, 46 percent of the state's unemployed have been out of work for 26 weeks or more.
- Sixteen community colleges applied to be Back to Work sites and met the criteria for acceptance. The criteria included the following: 1) the number of long-term unemployed individuals in the college's service area, 2) the percentage of long-term unemployed individuals in the college's service area, 3) the availability of jobs for which the NC Back to Work program could prepare students, and 4) the college's demonstrated willingness and ability to successfully implement the program.

#### CONTACT:

ALEXANDRA FORTER  
SIROTA

Project Director  
919/861-1468  
[alexandra@ncjustice.org](mailto:alexandra@ncjustice.org)

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### Introduction

During its 2012 session, the NC General Assembly created the North Carolina Back to Work program, a skills training program designed to provide credential attainment in high-growth industries to people facing long-term unemployment.

The program began in August 2012 and although it is in its early stages of implementation, its design holds much promise for addressing the challenges facing workers who have been out of work for long periods. Critical to its long-term success, however, will be providing sustainable funding over time to institutionalize

the program, expand the target population to include unemployed & underemployed and build the capacity of more community colleges in high-need communities to deliver skills training that leads to competency-based and industry recognized credentials.

## Training and Re-employment for Those Who are Long-Term Unemployed

Long-term unemployment is a pressing issue in North Carolina that requires a range of responses, including maintaining a strong unemployment insurance system, connecting those who exhaust their unemployment benefits to other supports, and connecting individuals to skills training that will lead to re-employment.

In 2011 in North Carolina, 46 percent of those out of work had been so for 26 weeks or more.<sup>1</sup> With long-term unemployment comes a host of negative outcomes for workers, including financial strains, poor health, and the potential of being discriminated against in hiring decisions.<sup>2</sup> For the economy as a whole, high long-term unemployment reduces consumer spending and places demands on a host of public services.

Driving long-term unemployment in North Carolina is the lack of available jobs. The jobs deficit in North Carolina has remained persistently high through the official recovery period—North Carolina needs half a million jobs to reach pre-recession employment levels, which includes both making up for the jobs lost and providing jobs for the growing working-age population.<sup>3</sup> However, many workers need to retool and retrain for the jobs of the future. National data shows that manufacturing workers were most likely to experience long-term unemployment, but due to the nature of the current recession, information and financial services have accounted for a greater share of long-term unemployment than all other industries.<sup>4</sup> Moreover, even when workers in long-term unemployment find job opportunities in their fields, they have the challenge of demonstrating that their skills remain up to date.

Skills training and credential attainment can provide long-term-unemployed workers with an advantage in a difficult labor market. Specifically, the attainment of industry-recognized credentials that are based on the assessment of a worker's competency can deliver returns in earnings and opportunities for career mobility. Furthermore, there will be increasing demand for credentialed workers in the next decade when nearly 61 percent of North Carolina jobs will require some kind of post-secondary training.<sup>5</sup>

## The Merits of Back to Work Program Design

The North Carolina legislature created the Back to Work Program in 2012 with \$5 million in one-time money. That funding was subsequently supplemented by \$2.5 million in Workforce Investment Act funds through the Commission on Workforce Development.

This training program was designed to target people who have been unemployed for 26 weeks or more and those who have exhausted their unemployment benefits.<sup>6</sup> The program provides full funding for a long-term unemployed worker to receive training and covers the costs of tuition, equipment fees, and third-party certification. All workers who complete the program are prepared to sit for the credential exam or receive a credential directly from the institution. Credentialing institutions include the National Institute of Metalworking Skills (NIMS), Microsoft, and the Project Management Institute (PMI).<sup>7</sup>

Sixteen community colleges applied to be Back to Work sites and met the criteria for acceptance. The criteria included the following: 1) the number of long-term unemployed individuals in the college's service area, 2) the percentage of long-term unemployed individuals in the college's service area, 3) the availability of jobs for which the NC Back

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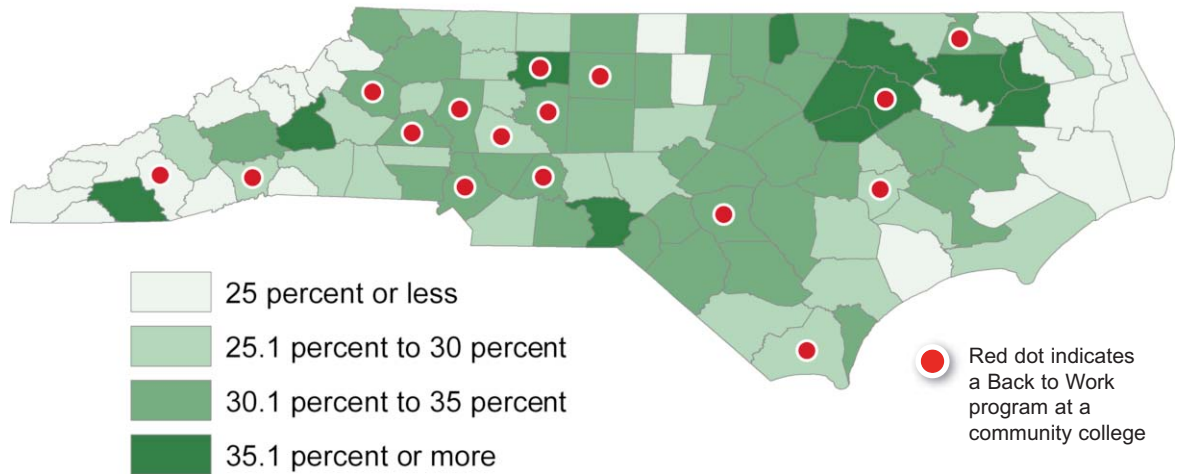
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**FIGURE 1: Unemployed for 19 Weeks or More as Percent of Total Unemployed in the County**



SOURCE: Special Data Request to NC Division of Employment Security and NC Community College System, 2012.

to Work program could prepare students, and 4) the college’s demonstrated willingness and ability to successfully implement the program.

A review of the community colleges participating in the Back to Work program shows some but not complete alignment with high community need (**Figure 1**). In part this can be explained by the short turn-around required to get the funds out the door before classes started for the year and the need for community colleges to already have in place training programs that would prepare workers for certification. The lack of alignment also could be driven by the challenges of identifying job opportunities in these communities, which continue to struggle to make up for job losses and identify new industry opportunities.

### Need for Sustained Funding and Capacity Building

Two aspects of the program design that are problematic for achieving long-term impact on long-term unemployment are the short funding commitment and the reliance on existing capacity at community colleges. Investment to build the capacity at all community colleges is critical to effectively reaching areas where long-term unemployment and high unemployment are affecting the prospects of local economic recovery. Such investments will require funding for equipment, professional development, and the implementation of skills training courses that are oriented toward credentials. Moreover, workers enrolled in the program may need additional student supports to ensure success, such as child care subsidies, transportation support, and career mentoring.

Designing a strong program intended to make a difference for the long-term unemployment challenge in North Carolina will require multiple years of funding. The benefits of such an investment are clear given the potential earnings gains of workers and their purchasing power in the economy. It will also provide industry with the workforce that can support competition and innovation in the long term.

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## Conclusion

The NC General Assembly's passage of the NC Back to Work program was a critical first step to not only addressing the long-term unemployment challenge in North Carolina but to further building a pathway to credentials for workers across the state. Such an approach that focuses on credential attainment is a prudent investment that will generate returns for workers, business and communities alike.

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- 1 Economic Policy Institute Analysis of Current Population Survey, 2011.
  - 2 Congressional Budget Office, October 2007. Long Term Unemployment and CBO, February 2012: Understanding and Responding to Persistently High Unemployment.
  - 3 Jobs Watch, 2013. Published in Prosperity Watch, Issue 22, No 2.
  - 4 Congressional Research Service, December 2010: Trend in Long-Term Unemployment and Characteristics of Workers.
  - 5 Carnevale, Anthony P. and Nicole Smith, July 2012. A Decade Behind: Breaking out of the low-skill trap in the southern economy. Center on Education and the Workforce: Georgetown University, Washington DC.
  - 6 With the passage of HB4 in the 2013 legislative session, it will be necessary to revise program guidelines to reflect the new maximum weeks of unemployment insurance benefits is 20 weeks and to ensure those exhausting at that point can participate in this program.
  - 7 Special data request, November 2012, NC Community College System.

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