INTRODUCTION

An effective workforce development system is key to New York City’s well-being, and this is true now more than ever. Within the first three months of the coronavirus pandemic, unemployment in the city jumped from 3.5% to 18.2%, dramatically increasing the need for training, upskilling, and job placement support! In 2020, New York City suffered the worst single-year plunge in employment since the 1930s. The Independent Budget Office projects that the city will have lost over 560,000 jobs to the pandemic. Even with the economy rebounding in 2021, New York City’s unemployment rate remained at 10.5% in July 2021, compared to an unemployment rate of only 5.5% in the rest of the state.

When looking at young adults, the employment picture is even more grim, with 27% of young adults out of school and out of work in 2020. On average, young adults are 34% more likely to have lost their jobs during the pandemic than those in other age groups. New Yorkers, especially those aged 16–24, will desperately need new skills and pathways to employment to ensure that they can successfully participate in the post-pandemic economy.

To prepare for the long economic recovery ahead, and to ensure that it is an inclusive process with equitable results for all New Yorkers, the next mayoral administration will first need to know where we currently are. Work is necessary to thrive, and employment is a critical part of people’s health and economic and social well-being. In New York City, a complex workforce development system spanning 21 agencies and 75 publicly funded programs provides a wide range of services, from job counseling and placement to credentialing to subsidized work opportunities. This system is supplemented by approximately $75 million in private funding. Understanding the funds spent on workforce development is a critical first step to recovery. To this end, Invest in Skills NYC conducted research seeking to answer several key questions: How much is New York City invested—literally—in workforce development? What do we know about the operations and results of these investments? This paper explores the answers to these questions and highlights gaps in the data needed to complete the picture.

Employment is a critical part of people’s health and economic and social well-being.
New York City Workforce Development Funding and Programs

The following tables present available data on 75 funding streams administered by 21 city agencies that support workforce development programming. For the purpose of this analysis, workforce development is broadly defined to include job training and placement, career exploration, internships and apprenticeships, adult education and literacy, college access and persistence programs, and wage subsidies. Although many funding streams flow through multiple New York City governmental agencies before they are spent, for simplicity we have presented data based on the last agency to administer a given set of funds.

The data below are based on publicly available records and interviews, including adopted budgets that may not reflect final allocations or spending due to Programs to Eliminate the Gap (PEGs, or mid-year budget reductions) and spending that crosses over fiscal years, among other factors. In some cases, Invest in Skills NYC was unable to access or confirm program-level data, and we recognize this as a limitation of this paper.

We welcome feedback from our public agency partners so that we can amend this report as we continue our effort to compile a comprehensive dataset on the city’s workforce development spending.

FIGURE 1. NYC workforce development ecosystem

Federal government
- Funding
- Regulations / requirements

New York State government (11 agencies + Governor’s Office):
- Flow-through funding from federal government
- State funding
- Regulations / requirements

New York State government (21 agencies + Mayor’s Office of Workforce Development):
- Flow-through funding from federal government
- Flow-through funding from state government
- City tax levy funding
- Regulations / requirements
- Program delivery + data collection

New York City contracted partners:
- Program delivery + data collection

100+ nonprofit and for-profit partners contracted by the city to deliver workforce programs
Figure 1 depicts the agencies involved in the city’s workforce development ecosystem. In addition to a complex web of agencies and contractors charged with administering workforce development programming is a multiplicity of funding streams flowing to and through the city.

Table 1 captures the total spending on workforce development since FY2016, according to the administering agency.

| TABLE 1. NYC workforce development funds by administering agency, FY16–21 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                  | FY16             | FY17             | FY18             | FY19             | FY20             | FY21             |
| CUNY             | $49,582,000      | $116,643,639     | $131,453,639     | $145,262,098     | $146,262,398     | $137,141,792     |
| Department of Education (DOE)* | $30,911,868 | $33,204,518 | $31,978,643 | $30,142,506 | $24,055,718 | $19,710,282*** |
| Department of Youth and Community Development | $152,633,245 | $158,974,000 | $196,214,000 | $216,411,000 | $263,128,799 | $192,449,800 |
| Human Resources Administration | $113,290,073 | $132,848,788 | $139,669,635 | $151,437,219 | $132,504,590 | $143,740,334 |
| NYC Council | $14,522,928 | $13,868,555 | $16,477,871 | $18,460,200 | $19,889,761 | $16,483,045 |
| Small Business Services | $44,992,823 | $49,055,911 | $54,046,568 | $65,342,657 | $67,668,128 | $55,826,751 |
| All other agencies** | $121,546,000 | $137,928,000 | $111,108,000 | $88,665,000 | $74,331,000 | $112,957,400 |
| TOTAL            | $527,478,937     | $642,523,411    | $680,948,356     | $715,720,680     | $727,840,394     | $678,309,404     |
| Percentage of previous year’s budget | 121.81% | 105.98% | 105.11% | 101.69% | 93.19% |

*For the purpose of this analysis, only DOE’s adult education and literacy programs are included, though other DOE programs also contribute to students’ career readiness and pathways.

**This category includes the Center for Economic Opportunity, Department for the Aging, Department of Homeless Services, Department of Correction, Department of Health and Mental Hygiene, Department of Parks and Recreation, Department of Probation, Department of Veterans’ Services, Mayor’s Office (Criminal Justice, People with Disabilities, Media and Entertainment), and New York City Housing Authority. While each of the city’s public library systems also offers workforce development programming, budget data for those programs are not available.

***State EPE funding has remained flat, however this drop in funding reflects the City’s estimated participation in EPE funded instruction due to COVID and virtual instruction restrictions.
Table 2 depicts a breakdown of FY21 spending on workforce development according to funding source. These data suggest that New York City pays for about half of the city’s workforce development budget, at approximately $348.4 million.

<table>
<thead>
<tr>
<th>TABLE 2. NYC workforce development spending by source, FY21</th>
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</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>CUNY</td>
</tr>
<tr>
<td>Department of Education</td>
</tr>
<tr>
<td>Department of Youth and Community Development</td>
</tr>
<tr>
<td>Human Resources Administration</td>
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<tr>
<td>NYC Council</td>
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<tr>
<td>Small Business Services</td>
</tr>
<tr>
<td>All other agencies</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>Total FY21 spending</td>
</tr>
</tbody>
</table>

Table 3 lists the largest funding streams for the city’s workforce development programming, detailing those programs that are currently funded at $15 million or more. It is important to note that a large percentage of these funds cover subsidized wages and wraparound services for students in high school and college. This raises an important insight into workforce development spending: while the city’s workforce development budget may seem large, the funding available for job training and placement is a small portion of the overall city budget and may not be sufficient to support equitable economic recovery for all.
## TABLE 3. Largest workforce development funding streams in NYC

<table>
<thead>
<tr>
<th>Agency</th>
<th>Program name</th>
<th>Total FY21 funding</th>
<th>Program type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Youth and Community Development</td>
<td>Summer Youth Employment Program (SYEP)                                                                                                                                                                     $129,000,000       Workforce program for young adults</td>
<td>Provides workshops on job readiness, career exploration, financial literacy, and opportunities to continue education and social growth; participants between the ages of 14 and 24 are connected to paid summer employment for up to six weeks in July and August through schools, New York City Housing Authority facilities, and community organizations.</td>
<td></td>
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</tr>
<tr>
<td>CUNY</td>
<td>Accelerated Study in Associate Programs (ASAP)                                                                                                                                                              $67,500,000        College access</td>
<td>Helps community college students earn their degrees as quickly as possible by offering comprehensive advisement and career development services and financial incentives such as tuition waivers for financial aid-eligible students, free use of textbooks, and monthly MetroCards.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Parks and Recreation (in partnership with the Human Resources Administration)</td>
<td>Parks Opportunity Program (POP)                                                                                                                                                                           $61,282,000        Workforce program for public assistance clients</td>
<td>Provides parks trainees with comprehensive employment services and career coaching, as well as the opportunity to attend weekly on-site classes to prepare for high-school equivalency tests, build computer skills, earn certifications, and learn to conduct successful job searches. A significant portion funds wages.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources Administration</td>
<td>Job Training Program                                                                                                                                                                                       $59,756,500        Workforce program for public assistance clients</td>
<td>Provides six-month temporary paid employment and job search activities for individuals receiving public assistance; participants perform custodial duties at Department of Sanitation garages five days a week (four days working at the worksite and one day receiving in-house job search and retention training).</td>
<td></td>
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</tr>
<tr>
<td>Human Resources Administration</td>
<td>Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) Vocational Rehabilitation                                                                                                       $56,280,000        Workforce program for adults with medical and mental health challenges</td>
<td>Helps public assistance clients overcome medical and mental health barriers to employment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business Services</td>
<td>Workforce1: One-Stop Centers                                                                                                                                                                               $30,339,183        Workforce program for adults</td>
<td>Provides job readiness programming (e.g. resume and interviewing workshops) and training in growing fields, as well as connections to employment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUNY</td>
<td>Search for Education, Elevation, and Knowledge (SEEK)                                                                                                                                                      $28,077,000        College access</td>
<td>Provides students with comprehensive supports that allow them to succeed in college, including financial support, academic support, and college success counseling.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Corrections</td>
<td>Post-Incarceration Community-Based Transitional Services                                                                                                                                                   $19,400,000        Workforce program for formerly-incarcerated adults</td>
<td>Provides paid transitional employment and connections to permanent employment, job training, and career certifications.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business Services</td>
<td>Construction Safety Training (LL196)                                                                                                                                                                        $16,724,000        Workforce program for small construction firms and day laborers</td>
<td>Provides funding for mandated construction training.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Youth and Community Development</td>
<td>Train and Earn                                                                                                                                                                                             $16,098,000        Workforce program for young adults</td>
<td>Provides comprehensive job training and employment services, along with support services to help participants find a permanent job, obtain their high school equivalency (if applicable), and access postsecondary education and training; serves young adults aged 16–24 who are not working and not in school and who meet certain eligibility requirements.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Since FY16, the city has seen a reduction of approximately $4 million in WIOA funding.

Funds from the Workforce Innovations and Opportunities Act (WIOA, formerly WIA) support many of the programs represented in table 1 above. Table 4 presents the New York City allocation from New York State’s share of these federal funds. Since FY16, the city has seen a reduction of approximately $4 million in WIOA funding.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total WIA/ WIOA</th>
<th>Adult</th>
<th>Youth</th>
<th>Dislocated</th>
<th>Year-to-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total $</td>
<td>Annual change (%)</td>
<td>Total $</td>
<td>Annual change (%)</td>
<td>Total $</td>
</tr>
<tr>
<td>2016</td>
<td>$65,391,016</td>
<td>-1.3%</td>
<td>$24,646,723</td>
<td>-1.3%</td>
<td>$16,564,794</td>
</tr>
<tr>
<td>2017</td>
<td>$57,263,930</td>
<td>-11.7%</td>
<td>$21,760,320</td>
<td>-12.1%</td>
<td>$14,247,494</td>
</tr>
<tr>
<td>2018</td>
<td>$54,393,846</td>
<td>-3.2%</td>
<td>$21,056,399</td>
<td>-5.1%</td>
<td>$13,170,138</td>
</tr>
<tr>
<td>2019</td>
<td>$60,068,802</td>
<td>14.4%</td>
<td>$24,098,657</td>
<td>15.7%</td>
<td>$12,643,002</td>
</tr>
<tr>
<td>2020</td>
<td>$61,457,647</td>
<td>1.9%</td>
<td>$24,557,467</td>
<td>2.4%</td>
<td>$13,004,325</td>
</tr>
</tbody>
</table>


FIGURE 2. Investment trends in job training and placement in NYC

While funding for WIOA’s Adult and Youth Programs has bounced back to FY16 levels, the Dislocated Worker Program has seen a significant decrease. This is important in the context of COVID-19 recovery, as these funds are designed to help workers overcome barriers to employment and quickly reconnect to work.
As described above, some of the city’s most well-funded programs categorized as workforce development are not focused on job placement. Programs such as the Department of Youth and Community Development’s Summer Youth Employment Program offer paid work experiences, but funds go primarily to wages, not job counseling or long-term placement. Similarly, CUNY’s Accelerated Study in Associate Programs (ASAP) and its Search for Education, Elevation, and Knowledge (SEEK) program are focused on college access. Moreover, adult literacy programs—while critical to preparing people for job training—do not typically focus on or track job placements. Although these programs are critically important, they represent a disproportionate share of workforce development funding. Indeed, when college access, adult education, and wage subsidy programs are removed from the equation, it becomes clear that the components of the workforce system that explicitly support New Yorkers in immediately connecting to work are not nearly as well funded as one might think and that job training and placement programs are funded largely by federal sources.

**FIGURE 3. A comparison of broad and narrow definitions of workforce funding in NYC**

*Workforce funding narrowly defined does not include college access, adult literacy and education, or subsidized wage programs.
Analysis

1. **Workforce development funding and programs are complex, decentralized, and siloed, and data on outputs and outcomes are opaque.**

   There are currently 21 city agencies responsible for providing workforce development services (not including the Mayor’s Office of Workforce Development), in addition to 11 state agencies that also administer funds and services. The city’s workforce system represents 75 workforce programs and a wide range of models, quality standards, and performance metrics. By comparison, in FY10, there were 32 workforce development funding streams and programs administered by 13 city agencies. There is no central repository for data on the workforce development system’s financing or outcomes, nor can this information be compiled from publicly available sources.

2. **Cost per participant varies wildly, even for similar programs and those achieving similar results.**

   Public data suggest that the cost per participant across programs ranges from under $200 (e.g., job search assistance through public libraries and the Human Resource Administration’s STEP program) to $6,600–$8,400 (e.g., the NYC Department of Youth and Community Development’s Advance and Earn program) to around $13,000 (e.g., CUNY’s Fatherhood Academy and the NYC Department of Corrections’ Next Steps program). Even within the same program type, costs vary. For example, each library has a different cost per participant for English for speakers of other languages (ESOL) programs. Moreover, while these library-based programs cost $400–$800 per person, ESOL programs run by CUNY, the NYC Department of Education, and the Department of Youth and Community Development cost more than $1,200 per person.

3. **Not all workforce development dollars are created equally.**

   While there are many programs and agencies supporting workforce development, many funding streams are earmarked for certain uses due to federal and state requirements. Other funds are tied up in long-term contracts. This underscores the need for investments that can be used proactively and as part of a rapid response to immediate needs.

4. **Similar types of programs are spread across multiple agencies.**

   The diffusion of programs serving the same populations across multiple agencies may lead to inefficiencies and a failure to serve clients effectively. For example, programs for young adults are spread across CUNY; the Departments of Correction, Education, Parks, Probation, and Youth and Community Development; the Housing Authority; the Human Resources Administration; and the Mayor’s Office for Economic Opportunity. There is a need for increased collaboration to serve specific populations, particularly historically marginalized communities and New Yorkers struggling the most.
Private philanthropy has filled the gap left by reduced federal funding.

Between 2007 and 2018, private philanthropic investments in the city’s workforce programs grew from $40.4 million to over $77 million, while federal funding from the WIOA was reduced by nearly $40 million during the same period. However, with many foundations now pivoting to COVID-19 relief, their support may not be as readily available in the near future for helping the city fill the gap in federal funding. For those funders who do continue to invest in workforce development, the need to backfill government funds constricts their role to meeting basic needs rather than focusing on innovative investments that build a stronger workforce development system.

Key Questions for the Next Mayoral Administration

1. How can New York City reallocate existing federal, state, and city resources to meet the growing and changing needs of its workforce, particularly in response to the impact of COVID-19?

2. What new funding is necessary to ensure that New Yorkers are adequately accessing job training, skills development, support services, and quality employment?

3. Under the next mayoral administration, what agency coordination, consolidation, and programmatic alignment should be undertaken to increase efficiency and reach?

4. How will the city track and measure its return on investment?

Invest in Skills NYC is a citywide coalition under the statewide Invest in Skills umbrella that understands the economic imperative of investing in a skilled workforce for New York State and New York City. It aims to make workforce development an economic priority and achieve policy change that streamlines and improves the workforce development system.

Invest in Skills NYC thanks our colleagues in government who supported the development of this report.
Appendix A: Works Cited and Consulted


Acknowledgments

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Endnotes

4. JobsFirstNYC, 1 in 4 Young Adults in New York City Were Out of School and Out of Work in 2020: Highlights of Recently Released Data (New York: Chmura and JobsFirstNYC, 2021).