

Middle-Skill Credentials and Immigrant Workers: Indiana's Untapped Assets

A FACT SHEET

The Indiana Economy Has Robust Demand for Middle-Skill Workers. More than half of all jobs in Indiana (58 percent) are middle-skill occupations that require more than a high school diploma, but not a four-year degree. Yet only 47 percent of Indiana workers have been educated to the middle-skill level.¹

Middle-skill positions include jobs as varied as truck drivers, machinists, customer service representatives, and construction laborers.² Individuals prepare for these occupations through a variety of pathways, including career and technical education programs; apprenticeships and other work-based learning opportunities; community colleges; and nonprofit or other private job training providers.

Demand for workers with middle-skill credentials is anticipated to remain high in Indiana, with 55 percent of new job openings between 2014-2024 expected to be at the middle-skill level.³

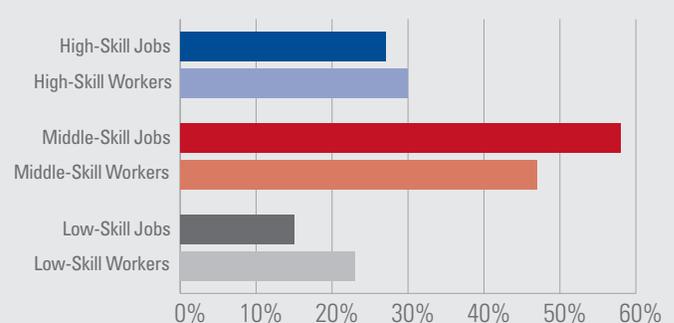
The data is clear that investing in skill building can ensure Indiana's ability to meet that demand. Such an investment makes economic sense: A report from the Organization for Economic Cooperation and Development (OECD) calculates that each year of postsecondary education leads to an increased per capita output of between 4 and 7 percent.⁴

Recently, the state has established an ambitious goal for postsecondary credential attainment: By 2025, Indiana aims to increase the percentage of state residents who have attained higher education to 60 percent.⁵ This rigorous goal will help focus state policy and spending decisions on middle-skill opportunities and ensure a strong return on investment.

Immigrants Are Part of Indiana's Middle-Skill Solution

Indiana is home to approximately 349,000 immigrants, who comprise approximately 5 percent of the state's population.⁶ Foreign-born Hoosiers are much more likely to be of working age: approximately 81 percent are between the ages of eighteen to sixty-four, compared to just 60 percent of native-born state residents. In addition, Indiana immigrants have a higher labor-force participation rate, at 65.0 percent compared to 63.54 percent of native-born adults.

Indiana Jobs and Workers by Skill Level



Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015.

As a result, immigrants play an essential role in the Indiana labor market. Their impact is expected to continue growing; already, the share of immigrants in the state's population has more than doubled from 2 percent in 1990 to 5 percent today.⁷

However, immigrant workers also have lower educational attainment, on average, than native-born workers. In order for Indiana to capitalize on the full talents and abilities of immigrant residents, the state will need to facilitate their skill-building.

Immigrants Could Contribute More if Indiana Invested in Their Skills

While one third of adult immigrants in Indiana hold a bachelor's degree or higher, the majority of Indiana immigrants have lower levels of formal education. In particular, 23 percent have a high school diploma or equivalent, and 29 percent have not finished high school.⁸

In addition, while a robust number of immigrant Hoosiers are fluent in English, others are still building their English language skills. Overall, approximately 159,000 working-age Indiana residents have limited English proficiency.⁹

As the OECD analysis demonstrates, investments in Hoosiers' skills can have a catalytic effect on individual and statewide economic strength.

Key Policy Levers Can Help Indiana Boost Middle-Skill Attainment for Immigrants

There are a number of federal and state policies that can foster effective skill-building in Indiana. On the federal side, these policies, if implemented effectively at the state level, can boost middle-skill credential attainment. They include:

- **The Workforce Innovation and Opportunity Act (WIOA)**, reauthorized by Congress in 2014, which represents a powerful federal investment in workforce development and adult education. Indiana is currently in the process of implementing WIOA. WIOA offers important opportunities for states to better align federal skill-building programs to better serve workers and businesses, including those programs outlined below.
- **The Carl D. Perkins Career and Technical Education (CTE) Act**, which provides key support for both secondary and postsecondary CTE programs.
- **The Supplemental Nutrition Assistance Program (SNAP) Employment and Training program**, which helps individuals who are receiving food stamps to find employment and move off of public assistance.

At the state level, there are a range of innovative policies that can help close Indiana's middle-skill gap, and achieve the postsecondary outcomes that are needed to foster economic security for the state's workforce and drive economic growth. These policies fall into four major categories:

- **Skills Equity:** Policies that increase the number and diversity of individuals (including immigrants) who are on learning pathways toward skilled careers.
- **Industry Engagement:** Policies that ensure local businesses, including small and medium-sized companies, are partners in a community's workforce training and education strategies.
- **Accountability:** Policies that ensure everyone has actionable data to assess and improve the effectiveness of education and workforce programs.
- **Job-Driven Investments:** Policies that re-align a state's investment priorities with the career aspirations of its people and the workforce needs of its economy.

These policies can be adopted through legislation, executive orders, or other administrative actions, such as state grant programs or agency directives or guidance. To support states in establishing or strengthening such policies, National Skills Coalition has published toolkits that provide examples of existing state policies in these areas, and model language for enacting new policies. Toolkits are available at: www.nationalskillscoalition.org/state-policy

Essential Partners for Closing Indiana's Middle-Skills Gap

Indiana has a wealth of valuable partners that can be tapped to support middle-skill credential attainment efforts. In addition to the state's workforce development department and higher education system (both four-year universities and community colleges), potential partners include businesses, chambers of commerce, and industry associations; career and technical education programs; nonprofit community-based organizations; private education and training providers; workforce, adult education, and immigrant advocates; and influential civic and political leaders.

To learn more about state policies that can increase middle-skill credential attainment for immigrant and native-born workers in Indiana, contact Amanda Bergson-Shilcock at amandabs@nationalskillscoalition.org.

ENDNOTES

- 1 Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015, and American Community Survey data, 2015.
- 2 *WIOA STATE PLAN FOR THE STATE OF INDIANA*, Jan 2017. Viewable at: http://www.in.gov/dwd/files/WIOA_State_Plan_2017.pdf
- 3 Source: NSC analysis of long-term labor projections from state labor/employment agency.
- 4 *The Well-Being of Nations: The Role of Human and Social Capital*. (Organization for Economic Co-operation and Development, 2001). Viewable at: www.oecd.org/site/worldforum/33703702.pdf

- 5 *Reaching Higher, Achieving More* (Indiana Commission for Higher Education [2012] Viewable at: http://www.in.gov/che/files/2012_RHAM_8_23_12.pdf
- 6 All data in this paragraph is drawn from the Migration Policy Institute analysis of 2016 US Census/American Community Survey data.
- 7 *Ibid.*
- 8 *Ibid.*
- 9 *Ibid.* Also note: It can be assumed that most of these individuals are immigrants. Nationwide, many adult, US-born individuals with limited English skills are from the US territory of Puerto Rico, and the Puerto Rican population in Indiana is extremely small.