

Talent Finance

October 14, 2021

TALENT **FINANCE**



U.S. CHAMBER OF COMMERCE FOUNDATION



SHORT-TERM WORKFORCE TRENDS AND CHALLENGES

- Over 1/3 of the global workforce has lost their employment or experienced reduced hours because of the pandemic
- Multiple factors play into why a return to work is proving difficult
- Labor market bottlenecks will constrain supply
- A significantly higher quit rate and elevated interest in retraining for new careers will make retention more challenging
- Workplace flexibility, compensation and overall value proposition will be major factors for workers
- DEI goals will reshape goals, culture, and talent strategy

LONG-TERM WORKFORCE TRENDS AND CHALLENGES

- Labor markets will be in a state of decline (i.e., working age population)
- We will compete on innovation and talent like never before
- Labor markets will become more dynamic, not less
- Skills gaps persist and will be exasperated by technology and innovation
- The half-life of skills and skill obsolescence will be a permanent risk
- The need for authentic employer leadership and engagement
- Employers will become the new educators and registrars
- DEI and economic recovery will be long-term efforts
- Technology will not only change work, but workforce development

COMPETING ON TALENT: THE AGILITY IMPERATIVE

- **Agility** is the key to success: partnerships, data, and investment
- **Agile Partnerships:** Authentically employer-led partnerships that create shared value and a shared ROI; and provide learners with early exposure to careers and ample opportunities for experiential learning and networking
- **Agile Data:** Data empowerment and dynamic signaling of in-demand skills by both employers and learners/workers
- **Agile Investment:** Flexible, public-private financing instruments for learners and workers that provide better access to training, are more affordable, with less debt, and result in better outcomes

AGILE PARTNERSHIPS



- A supply chain approach for sourcing and developing talent
- Authentically employer-led and focused on ROI



AGILE PARTNERSHIPS



Strategy 1:

Organize for Employer Leadership and Collaboration



Strategy 2:

Project Critical Job Demand



Strategy 3:

Align and Communicate Job Requirements



Strategy 4:

Analyze Talent Supply



Strategy 5:

Build Talent Supply Chains



Strategy 6:

Engage in Continuous Improvement and Resiliency Planning

AGILE DATA



- A public-private approach for collecting and using standards-based data on jobs and employment
- To (1) improve government reporting, (2) support workforce analytics, and (3) make possible verifiable employment records for hiring and determining benefit eligibility
- Supporting a growing public-private data and technology infrastructure for a more equitable talent marketplace
- (1) Making all learning count, (2) skills the new currency, and (3) empowering learners and workers with their data

AGILE INVESTMENT

TALENT FINANCE

- A more public-private approach for how we finance and invest in talent
- Talent Finance refers to the development and use of public and private instruments for aligning investments in talent development and in managing employment and income risks.
- To make education, training, and credentialing more affordable, with less debt, and to achieve better outcomes for learners and workers.

OUR FUNDERS AND PARTNERS

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TALENT **FINANCE** 



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MILESTONES MET AND WHAT COMES NEXT

Guiding principles

1. Public and Private
2. Shared Value and Risk
3. Expands Choice
4. Affordable and Fair
5. Data-Driven and Outcomes-Based
6. Transparent and Accountable
7. Empowers Workers
8. Accessible
9. Equity-Based

Milestones Met

- White paper released
- Forum series held
- Digital magazine launched
- SHRM survey data released
- Pilot Design Workshop held
- Launched the Talent Finance Innovation Network (TFIN)

What Comes Next

- Future design workshops to be held
- Growing the TFIN
- Launching national work groups focused on state policy alignment, underwriting, quality assurance, enhanced employee benefits, and investing in state and local solutions

EXAMPLE TALENT FINANCE INNOVATIONS

- **Joint Procurement:** Employer collaboratives negotiating more affordable financing options or terms for learners and workers as well as providing shared employee benefits.
- **Shared Benefits:** Employers using tuition reimbursement investments to pay down student loan debt and to retain workers that stay within their collaborative.
- **Income Tax Deferral:** Employer direct investment in talent development reimbursed – in full or in part – through state income tax deferrals.
- **Skills Savings Accounts:** Work with employers to provide HSA-style savings accounts to use for more flexible, skills-based training and credentialing and align with tax policy.
- **Outcomes-Based Financing:** Income Share Agreements (ISAs), social impact bonds, credential insurance, and other innovations that reward outcomes and reduce risk.
- **Capacity Building:** Building new talent finance capabilities in business associations, economic development organizations, and student assistance commissions.

MY QUESTIONS FOR YOU

1. For your organizations, which short-term and long-term workforce challenges carry the greatest risk?
2. Which characteristics of a competitive workforce system resonate with you and what, if anything, is missing?
3. How might risk and value be better shared across business, government, and workers?
4. What new approaches to financing talent are most appealing and where would you start (and who with)?
5. What resources and support does your region need to recover economically and prepare for the future of work?

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