

# Executive Summary

In 2022, Governor Kathy Hochul announced a historic investment of \$350 million for strategic workforce development (since supplemented by \$180 million in additional funds in 2023), and the creation of the Office of Strategic Workforce Development (OSWD) within Empire State Development (ESD). The announcement marked a shift toward a statewide workforce strategy committed to connecting New Yorkers to high-quality, in-demand jobs in priority industries, a commitment that continues today. There was continued economic recovery from the global COVID-19 pandemic in 2023, creating opportunities to increase economic prosperity across the state by training workers for positions in high growth industries.

This report – OSWD’s second progress update and first formal annual report to the State Legislature – summarizes OSWD’s activities from its launch in fall 2022 through 2023, including achievements and lessons learned that can inform a coordinated statewide workforce strategy going forward. It also summarizes the status of all funding programs launched or expanded through New York State’s \$530 million investment across seven agencies, the tracking and reporting of which is a core function of OSWD.

## OSWD’s Strategic Approach & Recent Progress

Since its inception, OSWD has been guided by its mission to align the State’s workforce efforts with the needs and priorities of employers and workers to ensure that New Yorkers have the skills needed to power economic growth and improve their livelihoods. With direct oversight over \$150 million in grant funding, OSWD prioritizes training programs that are developed with employers, lead to good jobs within high-growth target industry sectors, address the needs of historically marginalized New Yorkers, and measure impact in line with other New York State programs. OSWD also serves a broader role in connecting industry-aligned workforce efforts across regions, sectors, and the State.



Participants of MACNY’s Real-Life Rosies™ Program.

### THE OFFICE’S THREE CORE FUNCTIONS ARE:



Drive innovative, high-impact  
workforce programming



Establish strategic priorities for  
workforce investment



Connect the dots across regions,  
industries, and agencies

# Program Outcomes to Date

OSWD operates two competitive multi-year grant programs that have awarded over \$35 million to date to 52 projects across the state. Collectively, these grants will:

- **Train more than 12,000 New Yorkers** with the skills and credentials necessary to obtain in-demand jobs in priority industries.
- **Leverage \$38 million in matching funds** from the public and private sector including business, philanthropy, and other government partners to generate a total of more than \$73 million invested in New York's workforce.
- **Partner with over 400 business and industry organizations** to ensure curricula is consistent with industry standards, provide on-site training and exposure to local businesses, and interview program graduates for fulltime well-paying roles.
- **Offer critical wraparound support for 100% of invested programs**, including transportation assistance, childcare subsidies, stipends, career coaching, and mentorship. All grantees provide critical support services, allowing programs to reach communities that would otherwise be unable to participate in training, thereby expanding economic prosperity for more New Yorkers.
- **Diversify representation in statewide target industries**, with almost 50% of program participants identifying as Black or African American and 40% of program participants identifying as female - both significant increases over existing gender and racial diversity ratios in target industries.

## Notable Trends in Statewide Target Industries

In 2022, OSWD identified seven industry sectors to prioritize for statewide workforce development investment based on their size and projected growth, the quality and accessibility of jobs, and the hiring needs of employers across the state. These "statewide target industries" are critical to the overall economy, employing 1 in every 8 workers in New York and adding 51,000 new jobs to the economy in 2022.

They also make up nearly 1 in 10 accessible jobs in the state (jobs that pay above a living wage and do not typically require a four-year degree), indicating their importance in providing economic mobility to all New Yorkers. All target industries experienced job growth from 2021-2022, with most industries outpacing overall state employment growth.

**Core to OSWD's mission and strategy is a recognition that past investment in our economy has not benefited all New Yorkers equitably.** While target

industries were chosen based on their potential to provide high-wage jobs to all New Yorkers, some industries have historically been male-dominated and there is work to do to increase racial diversity. Progress has been made from 2021 to 2022, as female representation did grow marginally across all target industries. However, average female representation across the target industries is still only 29%, lagging the average of 51% for all industries in the state. Representation of non-white workers also grew but continues to lag the statewide average, especially among Black workers. **OSWD is investing in innovative programs working to diversify representation in these high-opportunity industries, and grantees from the first four rounds are making meaningful progress – work that will continue with future grantmaking.**

## Update on Statewide Workforce Development Investments

Governor Hochul and the New York State Legislature have made an unprecedented investment in workforce development across the state investing a total of \$530 million - including \$350 million in the Fiscal Year 2023 budget and an additional \$180 million allocated in the Fiscal Year 2024 budget - toward new and expanded programs that directly address critical workforce needs.

**New York's investments are made across five initiatives that involve seven state agencies:**

Investing in Statewide Target Industries (ESD, OSWD); Health Care Workforce Investment (DOH, SUNY); Education Workforce Investment (DOL, SUNY); Expanding Opportunities for SUNY and CUNY Students (SUNY, CUNY); Advancing Workforce Skills for All Abilities (OPWDD, OMH)

Together, these investments support a wide range of workforce development needs throughout the state. They ensure a wholistic approach to support all New Yorkers in securing access to good jobs.