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Creating a Just Recovery through Advancing Effective Training and Quality Jobs

Investments and policy changes are needed to create a widely shared recovery and a labor market that realizes economic security for the displaced and low-wage workers most impacted by this recession.

To do this, we need to take the following steps:

- Direct resources and solutions to alleviate immediate economic suffering: This includes continuing to provide income support and working to meet basic needs, such as housing and healthcare.
- Raise the minimum wage and improve labor standards: This will raise the floor for all workers and will address poverty-level wages, disproportionately earned by women and workers of color.
- Spur the creation of good jobs: Investments in sectors like infrastructure, clean energy, education, and public health can create career opportunities with family-sustaining wages, benefits, and stability, while also strengthening the nation's ability to respond to the daunting crises we face.

Crucially, we also need to prioritize building a workforce, higher education and training system that ensure displaced and low-wage workers—disproportionately people of color and those without bachelor's degrees—have real pathways to gain the skills needed to obtain good quality jobs of today and the future.

Workers are returning to a labor market that has permanently changed, with accelerating change in skills-demand that pre-dated the recession. More consumers are relying on e-commerce, more businesses are adopting automation, and more people are teleworking. Some of the jobs lost will not come back, and many more will require new skills as workers navigate the transition from an industrial to a digital economy. For example, good jobs in sectors like construction now require significant technical training and some of the most rapidly growing jobs require advanced computer skills.

Our current workforce, higher education, and training system cannot meet the demand to prepare and connect enough displaced and low-wage workers to good quality jobs. This system is also not designed to improve job quality or address longstanding racial, gendered, ableist, and other injustices engrained in the labor market.

Our current workforce system serves only a fraction of those who need access to education and training. Community colleges and other training providers are struggling to maintain operations, and effective training providers do not have the support needed to scale to serve more of the workers who could benefit. Our current system prioritizes immediate placement into jobs, regardless of job quality. This system is also doing far too little to combat systemic injustices in the labor market, such as labor market discrimination and occupational segregation.

Without additional funding and critical reforms, many people will be steered into low-quality, low-wage jobs, unable to navigate and access the programs that develop skills needed to get good quality jobs. This will result, as with the last recession, in certain populations, particularly Black and Latinx workers, seeing

painfully slow recoveries, with higher unemployment rates and longer periods before their earnings recover.

Policy Goals for an Equitable Workforce, Higher Education, and Training System

To address the current challenges, a new framework for education and training policy would meet three objectives**.**

1. All unemployed and low-wage workers can afford effective training that will lead to a good job.
2. Employers, labor, and community partners receive support to collaborate on three areas: create effective training programs, improve job quality, and reduce bias in hiring that prevents qualified candidates from accessing jobs.
3. Workers have the information, guidance, and support needed to navigate training options and pathways to economic security.

These objectives should be considered A) indispensable complements to numerous major federal investments that are being considered, particularly with respect to the creation of infrastructure jobs and a strong bolstering of the nation's community college systems; and B) vital towards ensuring workers can secure good jobs in the labor market given the significant change in skill requirements for family-wage sustaining jobs.

The remainder of this brief details the challenges that would be addressed by each of these objectives and outlines broad solutions.

Goal 1: All unemployed and low-wage workers can afford effective training that will lead to a good job.

<u>Challenge</u>
Many unemployed and low-income workers cannot access or afford effective education and training programs that would put them on a path to secure good jobs in the future. Community colleges and other training providers are struggling to maintain operations in the face of huge budget cuts, declining enrollment, and social distancing restrictions. Effective programs—including those delivered online—are unaffordable or inaccessible to too many workers, while many available training programs are ineffective and do not lead to good jobs.

Potential Solutions

- Create a new dedicated funding stream for unemployed and low-wage workers to pursue education and training programs that will put them on a path to accessing higher wage jobs. Workers should be given sufficient funds to pursue effective job training programs of their choosing, where effective is defined by employment outcomes and wage growth.
    - To make sure everyone can participate successfully, funding should be flexible enough to cover both tuition and supportive services like childcare, housing, transportation, and other basic needs.
- Invest in state data infrastructure to improve insights into labor market information and measure the impact of training programs on employment and wages.
- Provide a basic small stipend to all unemployed and low-wage workers to pursue any online career-oriented training they choose, without meeting the above criteria, including digital skills training and prerequisites for more advanced training, such as apprenticeship readiness programs.

Goal 2: Employers, labor, and community partners receive support to collaborate on three areas: create effective training programs, improve job quality, and reduce bias in hiring that prevents qualified candidates from accessing jobs.

Challenge

Public funding dedicated to helping employers meet their talent needs is not sufficiently tied to employers' commitments to create good quality jobs. Instead, we often spend taxpayer dollars to help employers train people for low-wage work. We also do not have an adequate supply of highly effective workforce training programs and pipelines into those programs, particularly in areas that we can expect significant increases in demand (e.g. infrastructure sectors). Current programs are not designed to address the bias or discrimination in the education system or labor market that makes it harder for people of color to access good jobs.

Potential Solutions

- Provide funding to organizations – including labor-management partnerships, community-based organizations, and workforce boards – that work with groups of employers in a sector or a region to create effective training, improve the quality of existing and new jobs, and reduce bias in hiring, particularly with skills-based hiring practices.
- Support employers and unions in providing meaningful training opportunities to new and incumbent workers for quality jobs.
- Support organizations that provide successful on-ramps to effective programs, such as bridge programs and apprenticeship-readiness programs.

Goal 3: Workers have the information, guidance, and support needed to navigate training options and pathways to economic security.

Challenge

The public workforce coaching system only has the resources to serve a fraction of those who would benefit from career counseling and training navigation assistance. Those who do receive support encounter a system that prioritizes immediate placement into any job, rather than critical information, resources, and support to access training and good quality jobs that provide economic security and mobility.

Potential Solutions

- Expand federal funding to hire and train more career coaches in the federal workforce system.
- Create a new federal funding stream to support community-based organizations and other entities that provide career services that show good results for communities of color, low-income communities, and other populations that historically have limited access to these services.
- Provide funds to states to expand coaching in other organizations used by jobseekers including community colleges, community-based organizations, and labor-management partnerships, and provide training to career coaches in the state so that they can help clients get into higher-wage jobs.
- Improve the access to and integration of information on the outcomes of workforce and education programs.