



# Investing in Workers

## *To Drive a Stronger Economic Recovery for All*

As the nation debates stimulus legislation to help the economy recover, it is critical to put in place policies that will create an equitable recovery. Raising overall economic activity will not equally distribute opportunity nor provide the relief needed for communities hit hardest by the crisis. The jobs that are created must be good jobs, and workers need support to secure those jobs, including increased access to effective education and training. To position the economy for an equitable long-term recovery, ambitious public investments are needed to create jobs with good wages and benefits, and major complementary investments in adult education and training are necessary to provide the support workers need to emerge from the crisis equipped for high quality jobs.

**The COVID-19 pandemic has highlighted the stark inequalities that have long plagued the American labor market and society.** Millions have lost their jobs or earnings, disproportionately people of color and those with less formal education who were already struggling before the crisis. In 2019, earnings for Black and Latinx workers had just returned to pre-Great Recession levels.

**While the unemployment rate has declined since the peak of the current crisis, it remains highly elevated especially for Black and Latinx populations and for workers without a college degree.** At present, recovery is already starting to slow with fewer and fewer jobs added to the economy each month.

To achieve economic security for those most impacted by the downturn, we need to take the following steps:

- **First**, we need to support those who cannot find jobs with unemployment insurance and income assistance.
- **Second**, we concur with those calling to raise the minimum wage and improve labor standards. This will raise the floor for all workers which will particularly benefit women and workers of color.
- **Third**, investments in sectors like infrastructure, clean energy, education, and public health can create opportunities with family sustaining wages, benefits, and stability, while also strengthening the nation's ability to respond to the daunting crises we face.
- **Fourth**, we need to provide impacted workers the support and training they need to access jobs that provide family sustaining wages.

**Without bold, complementary investments in a new adult training system, many of the most vulnerable workers will not be able to access good jobs and current inequalities will deepen—particularly along racial lines.**

**As economic activity resumes over time, workers will return to a labor market that has permanently changed.** Many of the jobs that have been lost will not come back. Workers will be forced to seek new opportunities in an economy where more consumers are relying on e-commerce, more businesses are adopting automation, and more people are teleworking. Many of the jobs that return will look fundamentally different and 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 home health aides use digital tools in their daily work.

## Our current systems of education and training cannot meet the need.

The current systems of training for adults are designed for the industrial economy of the 20th century. They are not prepared to meet the challenge before us. Key problems we need to address are:

- ◇ Many unemployed and low-income workers cannot access or afford rapid and effective career-oriented education and training programs that would help them succeed in good jobs in the economy that emerges. Community colleges and other training providers are struggling to maintain operations in the face of huge budget cuts 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.
- ◇ Public funding dedicated to helping employers meet their talent needs is not sufficiently tied to employers' commitments to creating good quality jobs, instead spending taxpayer dollars to help employers train people for low wage work. Policy is 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.
- ◇ The public workforce coaching system only has the resources to serve a fraction of those who need help. Those who do receive support will encounter a system that prioritizes immediate placement into any job, rather than providing the information, resources, and support to access quality jobs and the training needed that will provide economic security and mobility over the course of their career.

## Policy Goals

**Adult workers need a fundamentally new approach to education and training policy,** one which meets four objectives:

1. All unemployed and low-wage workers can afford training that will lead to a good job. [\[Read Policy Brief\]](#)
2. Employers preserve existing jobs where possible, while also creating quality jobs and training opportunities for those impacted by the crisis. [\[Read Policy Brief\]](#)
3. An adequate supply of effective education and training options are available, including online programs. [\[Read Policy Brief\]](#)
4. Workers have the information, guidance, and support to succeed in jobs and training programs. [\[Read Policy Brief\]](#)

## Recommendations

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

We need a system of rapid, accessible and affordable training programs that lead to a good career. All effective programs, regardless of length of the program or whether it is online or in person, must be eligible for public support and people need guidance on which options will help them achieve their goals. Federal investment should make adequate funding to pursue these programs broadly available for all unemployed and low wage workers. The focus on funding programs that are effective in getting people higher wage jobs will lead to an expansion of programs with features known to improve employment and wages, including apprenticeships, work-based learning, coaching, and supportive services.

## Policy Recommendations

[\[Read Policy Brief\]](#)

- ◇ Create a new Opportunity Account—A new education and training funding stream dedicated to providing funding for unemployed and low-wage workers to pursue programs that will help them get higher wage jobs. Workers would be given sufficient public funds to pursue effective job training programs of their choosing. The specific amount available to workers would depend on the expected impact of the program they choose on wages and long-term economic security. To make sure everyone can participate successfully, people would be empowered to use available funding flexibly to cover both tuition and some supportive services like childcare, housing, transportation, and other basic needs.
- ◇ 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.

## 2. Employers preserve jobs where possible and quickly create opportunities for good jobs for those who were impacted by the crisis.

Policy should focus on preserving jobs and promoting rapid access to high quality jobs for unemployed and low-wage workers. This should include support for employers and unions to promote inclusive hiring practices that remove barriers for people of color and those without formal education, improve job quality, and provide meaningful on the job training opportunities, including apprenticeship.

## Policy Recommendations

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- ◇ Provide funding to discourage further layoffs and instead encourage employers to train and redeploy workers. This can be achieved by increasing support for states to expand work sharing programs, and by providing additional matching funds for employers who train incumbent workers, workers who are furloughed, and workers participating in work sharing programs.
- ◇ Help businesses and union training programs with the costs of developing training programs and paying workers while participating in training. Only offer this benefit to employers offering good jobs as a way to promote job quality.
- ◇ Provide funding to organizations that work with groups of employers in a sector or a region to create effective training, improve the quality of existing jobs, and reduce bias in hiring. Funding would go to a range of organizations like community-based organizations, labor-management partnerships, and workforce boards as long as the focus is on quality jobs.

## 3. An adequate supply of effective education and training options are available, including online programs.

Public investment should support effective training providers to make sure anyone who wants to pursue education and training during the crisis is able to do so. This includes support for community colleges and other rapid and effective training programs that deliver services both in person and online.

## Policy Recommendations

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- ◇ Create federal grants to increase the availability of effective online education that prepares people for good jobs.
- ◇ Provide meaningful fiscal support to states to help training providers like community colleges supply effective, career-oriented training programs that prepare people for high-quality jobs.
- ◇ Adopt complementary proposals that make necessary investments in broadband, devices, and digital skills to enable everyone to successfully learn online.

## 4. Workers have the information, guidance, and support to succeed in jobs and training programs.

People impacted by the crisis need support to understand their career options, choose the training that is right for them, and access the supportive services they need. Career coaching is proven to help people succeed in training and jobs. Significant new investments should provide every person who seeks it with access to the support of a well-trained coach at an institution they trust— either in the publicly funded workforce system, a community college, or a local community-based organization. It should also include investments in accurate real-time labor market information that coaches and counselors need to help people achieve their goals.

## Policy Recommendations

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- ◇ Expand federal funding to hire and train more career coaches in the federal workforce system.
- ◇ 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.
- ◇ Invest in state data infrastructure to improve insights into labor market information and measure the impact of training programs on employment and wages.

When taken together, these ideas represent an important piece of an inclusive economic recovery plan. They are critical to creating a stronger, more equitable labor market in which workers can thrive in a digital economy.