Paige Shevlin

Director of Policy and National Initiatives | Markle Foundation

The Labor Market Situation Today

1. **Low-wage workers have been hit hardest by the crisis**.
   - Employment rates among workers at the bottom wage quartile (i.e. annual income ≤ $27k) have decreased by nearly 20 percent. At the same time, employment rates for high wage workers (≥ $60k) have essentially returned to pre-recession levels. (Opportunity Insights)
2. **The economy will not meaningfully recover until there is a vaccine and the pandemic is under control**.
   - Even states that have reopened have not seen employment rates for low-wage workers return to prerecession levels. Lack of comfort with in-person services, not policy, is driving reduced demand.
3. **The pandemic has fundamentally changed our economy – from the way businesses operate to consumer demand – which could result in permanent loss of many low-wage jobs.**
   - A recent study estimates that between 32 to 42 percent of COVID-induced layoffs will be permanent. (Barrero et al. 2020)
4. **There are significantly more unemployed people than available jobs.**
   - We are down 10.1 million jobs since February. Not everyone can get a job.

Education and Training for STEMM jobs

Now could be a good time to pursue education and training. But there are significant barriers:

- Education and training programs can be expensive, and many people, especially low-wage workers, cannot afford them.
- People don't have the information and support to make informed decisions about training opportunities and career pathways.
- Other constraints – such as childcare, transportation – create additional barriers.
- Workforce and education services are not delivered equitably, exacerbating disparities along lines of race and gender.
- Virtual and online learning may be the only feasible option for some. However, many programs are only offered in person, and online learning presents unique challenges.

What can be done without policy changes?

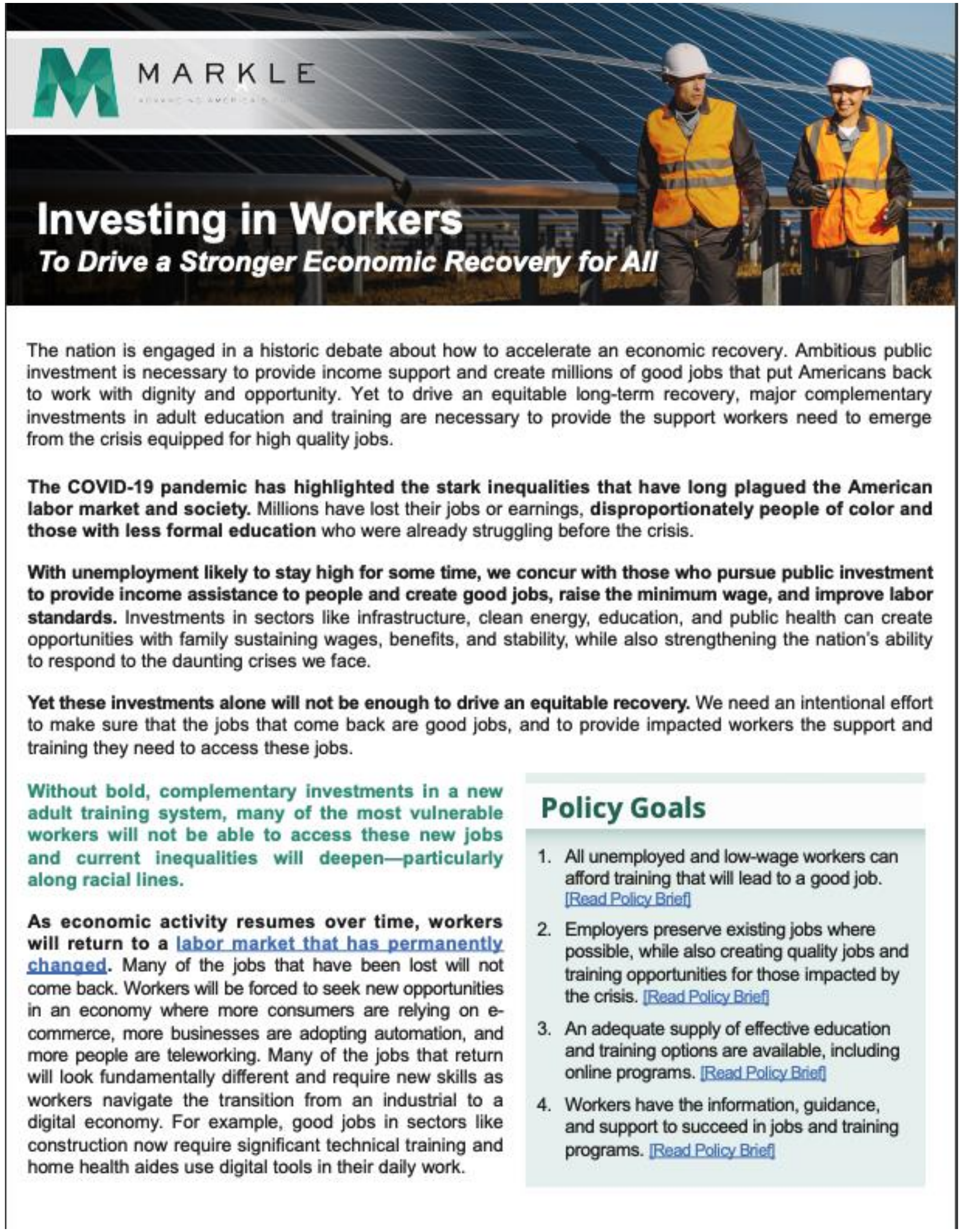
State, regional, and local workforce boards can take several steps without policy intervention to address these problems:

- Identify effective training programs, including virtual options, that help people secure good jobs
- Understand what skills (not degrees) are needed to be successful in training
- Get information about training options to people, leveraging career coaches and case workers
    - During the Great Recession, unemployment insurance recipients were 40 percent more likely to enroll in an education and training program when they were provided with a letter with information on cost, benefits, and guidance on next steps. (Barr and Turner 2018)
- Track program participation and set targets for subpopulations based on local unemployment situation
- The Markle Foundation just launched the Rework America Alliance with 30+ partners, with the goal of delivering information like this to organizations that serve jobseekers.

Policy Proposal for a Stronger Workforce

The Markle Foundation has released a set of policy recommendation aimed at giving workers the tools they need to secure a good job by:

- Create an Opportunity Account, a new funding system that makes effective education and training affordable for all workers
- Provide matching funding to employers that will hire and train for quality jobs
- Expand career coaching to provide workers with the support to navigate the job market, training options, and pathways to economic security
- Scale and create online learning opportunities



MARKLE

Investing in Workers

To Drive a Stronger Economic Recovery for All

The nation is engaged in a historic debate about how to accelerate an economic recovery. Ambitious public investment is necessary to provide income support and create millions of good jobs that put Americans back to work with dignity and opportunity. Yet to drive an equitable long-term recovery, 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.

With unemployment likely to stay high for some time, we concur with those who pursue public investment to provide income assistance to people and create good jobs, raise the minimum wage, and improve labor standards. 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.

Yet these investments alone will not be enough to drive an equitable recovery. We need an intentional effort to make sure that the jobs that come back are good jobs, and to provide impacted workers the support and training they need to access these jobs.

Without bold, complementary investments in a new adult training system, many of the most vulnerable workers will not be able to access these new 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.

Policy Goals

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]

Appendix: Rework America Alliance

A nationwide initiative to help workers emerge from this crisis stronger.

The Alliance aims to help millions of workers move into good jobs, regardless of formal education, by accelerating the development of a new system of worker training aligned to quality jobs that employers need to fill.

- **Action-focused Alliance** led by a core set of anchor partners with distinctive capabilities and networks.
- **Improving capabilities of existing platforms and organizations** to drive systemic change.
- **Committed to workforce equity** and addressing barriers to inclusion in the digital economy for people of color.
- **Aligning market-signaling to training** to provide workers with effective training for good in-demand jobs.
- **Verifying insights by employers, educators, labor organizations, and workers** to make information relevant to current demand.
- **Delivery partners with deep ties to states/communities** to reach workers wherever they may access career support.