State Workforce Policy Opportunities

Leveraging Crisis for Systemic Change

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The United States is in the midst of a crisis. We are experiencing the convergence of the COVID-19 pandemic, record job loss and unemployment, and a heightened awareness of the consequences of systemic racism. Separately, each of these forces raises major workforce development challenges for states. In combination, they create a reality of rapidly accelerating change, pain, and risk that goes beyond the capabilities of traditional programs to solve.

State policymakers must assume we will not return to the employment landscape of the pre-COVID-19 days. Large industries are being forced to transform or vanish, resulting in millions of jobs unlikely to come back. Even when unemployment was at historic lows last winter, that data point masked the reality of record underemployment, low wages for too many, and persistent record levels of long-term unemployment. The consequences of systemic racism, gender bias, jobs not paying family-sustaining wages, and low educational attainment have been seen anew; disproportionate numbers of people of color and women are working in jobs deemed essential, yet pay low wages, such as child care providers, nursing home aides, and grocery clerks.

Recognizing the New Reality

The current crisis has shaken businesses and altered ways of working. Certain industries and occupations are more vulnerable than others to closures and unemployment in the wake of COVID-19.[1] As a result, many workers will find they do not have the option to go back to a job similar to the one they left and will need to find a way to transition into a different industry or occupation, while gaining new skills.

Before the pandemic, our nation had a clear two-tier economic reality for workers: 56% had good paying jobs, degrees, and advancement opportunities and 44% had lower-wage jobs, lower educational attainment, and little economic mobilty.[2] Every indication is that the pandemic in the United States is worsening employability for those already stuck in lower-wage jobs. Most of those who can work from home now are likely to come out of this crisis with a job, income, and reserves. Most who cannot work from home (often frontline workers in low-paying jobs) are likely to be worse off than before. Those at risk are disproportionately people of color. As an example, in Michigan, even before the pandemic, the income gap between white and Black workers had grown, fueled by a 15%–20% decline in average earnings for Black workers.[3]

Prior to COVID-19, the disruptions—positive and negative—of technology in the workplace had already reshaped much of how people communicate, market, produce, and deliver work, even how they find employment. This has required workers to adapt

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and learn new skills, often quickly. Technology will continue to exert influence on how work gets done; businesses and employees will need to continue to act in response to those changes to maintain their economic relevancy.

Another manifestation of technology in work, automation—in the form of robotics, artifical intelligence, and other computer-based tools—is estimated to cause up to 30% of U.S. workers by 2030 to change occupations.[4] People of color overall are overrepresented in jobs at risk of change or elimination from these technology-based changes to work.Hispanic/Latinx (47%), American Indian (45%), and Black (44%) workers are the most vulnerable to task-level automation.[5] Displacement by technology could be countered by new job development as societal needs change, but workers need to be prepared to deliver the skills those roles will demand.

As noted by the National Governors Association Center for Best Practices, "the future of work is here,"[6] and this work context requires lifelong learning through postsecondary education, on-the-job training, and stackable credentials. Every worker needs to acquire and be able to document new skills in short order and use them to maintain employment and wage growth.

The 2020 challenge for state workforce development policy is to rethink strategies and investments and develop new approaches that can make a scalable impact on the lives of the millions of workers at risk.

Increasing Mobility – Rapid Response and Systemic Change

As states consider actions to respond to the new reality, they face a dual imperative: crisis response and addressing systemic challenges that impede success in workforce development. To arrive at a new normal that is effective, states need to address both. Beyond expanding eligibility for unemployment benefits and launching targeted reemployment efforts where opportunities occur, it is imperative that states also consider the types and scale of changes that will be required to rebuild their economies, lower unemployment, close racial and gender educational and income gaps, and increase economic mobility for those out of work or stuck in low-wage jobs.

States face uncharted workforce challenges in the 2020s with tools that were designed decades ago. Overhauling workforce development strategies and systems to effectively meet the new world realities will require states to reimagine current programs and how services are delivered.

Key Questions to Consider

Questions each state should answer in redefining its strategy and systems include:

Lifelong Learning

- What options for financing adult learning at large scale are available to the state and workforce partner organizations?
- How can states, workforce agencies, colleges, and businesses expand work-and-learn approaches that support both worker entry and continued upskilling after hiring?

Educational Attainment

- What state policies and system changes are needed to substantially increase postsecondary credential attainment?
- What learning models accelerate quality credential attainment?
- How can workers with basic skill gaps fill them efficiently and increase their employability?

Career Navigation

- How can workers, especially those with low incomes, obtain high-quality career coaching to understand and navigate all the choices they have for employment and education?
- How can the state improve career pathways into better paying jobs, and advancement within and across sectors?

Economic Mobility

- How can workforce agencies help increase economic stability for those in low-wage jobs or who are unemployed?

- How can workforce agencies aid workers in making career transitions across industries and occupations?

- How can workforce agencies contribute to improved job quality for women, people of color, and low-wage earners?

Employment Supports

- How can access to affordable quality child care and early childhood education be assured for all, especially low-income families?

- How can all workers and learners more readily obtain supports crucial to their ability to work and learn?

Systems Change

- How can colleges, workforce agencies, and other service providers modify and align their practices to make lifelong learning and speedy reemployment a reality?

- What strategies will enable affordable broadband access across the state?

- How can resources across systems be better applied to facilitate economic mobility and economic recovery?

- What state policy levers support data access and sharing for decision-making?

- Where can policies and processes be made more agile to respond to changing workforce needs?

References

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