Re-Opening the US Economy – Can Balance be Restored?

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And
The Century Foundation
September 2020
Economic Overview

• Pre-March 2020: Economic Expansion (June 2009 to February 2020)
  • 21.2m Private Sector Jobs Created
  • Jobless Rate Below 5.0% for 51 months
  • 61.1% Employment-Population Ratio
  • Untapped Pools of Potential fell to 11.5m

• Post-March 2020: Labor Market Collapse
  • 18.0 Million Private Sector Jobs Lost
  • 14.7% Unemployment Rate
  • 51.3% Employment-Population Ratio
  • Untapped Pools of Potential CLIMBED to 36.3m

• Recovery 2021 and Re-Imagining the Future
  • Our Tactics and Behaviors will:
    • Address structural inequality and insecurity
    • Impact the Direction, Pace, and Inclusiveness of the Recovery
    • Determine the Trajectory of Future Economic Growth
Since 2000, labor share has trended downward.

Source: Bureau of Labor Statistics. Labor share is the share of output accounted for by employees' compensation.
Since the 1980s, earnings growth has lagged productivity growth. (Median weekly earnings growth compared to productivity growth)

Source: Author’s analysis of www.BLS.gov data. Median Usually weekly earnings are for full-time workers.
In the 1980s, income inequality began to expand. (Cumulative Growth by Household Quintile)

Notes: Author’s calculations of U.S. Census Bureau data.
Women and minority men are bearing the brunt of the downturn. (Employment-Population Ratio)

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<th>Great Recession Peak (June-09)</th>
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Share of Civilian Population

Source: Author’s calculations from [www.bls.gov](http://www.bls.gov).
Economic Overview, cont.

- August 2020: COVID-19 Recovery???
  - Since April 2020, 10.6m Private Sector Jobs Added
    - Still 10.7m below February level

- 8.4% Unemployment Rate, down from 14.7%

- 56.5% Employment-Population Ratio
  - Still below the 61.1% February level

Challenges and Tactics: Pre-COVID-19

• Challenges
  • Attract and Retain

  • “Marginal” Populations Hired as Expansion Matured
    • Minorities
    • Ex-Offenders
    • People with Disabilities
    • Youth

• Tactics
  • Increase Wages and Benefits
  • Child Care Assistance
  • Leave Programs
  • Wellness Programs
  • Training
Challenges and Tactics: During the Pandemic

• Challenges
  • Pandemic Shut Workplaces Down
  • Increased Insecurity, especially for Hourly Paid and 1099 Employees
  • Immigration Flows Cut
  • Atrophy in Skills and Competencies, Mental Health Crisis
  • Reduction in Disposable Income and Increased Debt
  • Youth will Face Losses in Lifetime Income

• Women and “Marginal” Populations Got Hit the Hardest
  • “She-cession”, Minorities, Prison Populations and Ex-Offenders
  • People with Disabilities, Senior Citizens, Veterans and Youth

• Relief and Recovery Tactics
  • PPE, PPP and CARES Act (Relief Checks, Unemployment Insurance, Rental Moratorium)
  • Remote Work and Workplace Re-Configuration
  • Wellness Programs
  • Amped Up Corporate Philanthropy
Challenges and Tactics: Relief and Recovery

• Challenges
  • Pandemic Reshaping Workplace – “High Touch” Jobs will Vanish
  • Restoring Employee and Consumer Confidence
  • Prevent Temporary Layoffs Becomes Permanent/Long Term
  • Continued Atrophy in Skills and Competencies
  • Access to Child and Elder Care
  • Access to Mental Health
  • Accumulated Debt
  • Addressing Systemic Racism
  • Restore Immigrant Labor Force

• “Marginal” Populations Slowest to Recover
  • Minorities
  • Ex-Offenders
  • People with Disabilities
  • Youth and Veterans
Challenges and Tactics: Relief and Recovery, cont.

- Tactics
  - PPE and Training for Maintaining Safe Workplaces: Hazard Pay
  - Restore Consumer Confidence with HEROES Act
  - State and Local Support from Federal Government
  - Workers have right to opt out if feel workplace is unsafe
  - Find Reasonable Level of Workplace Liability
  - Small Business Technical Assistance
  - Child and Elder Care
  - Non-Degree Credentials
  - Change Management – Remote Work, Automation and Robotics
  - Corporate Philanthropy (e.g., Health Equity and Workforce Development)
  - Diversify Boards, C-Suites, Managerial Positions
  - Remove Racism and Disparate Impacts from Hiring, Promotion, and Compensation
How has ALICE been doing since February 2020? (Unemployment Rates and Employment-Population Ratios)

How has ALICE been doing since February 2020?
(Industries with a Large Number of ALICE Workers)

Stability for ALICE, Prosperity for All

- Housing – evictions and foreclosure
- Child care and K-12 learning – open safely
- Food – SNAP, food banks
- Transportation – public transport safely
- Health care – Marketplace, Medicaid
- Technology – digital divide
- Income – new and immediate options
Business Actions to Help ALICE

• Study Circles to promote dialogue

• Jobs – now and future
  • Job share, flex hours, rotations
  • Safety measures, new cleaning protocols
  • Work from home
  • Increase in hourly rate for essential workers
  • Provide free back-up care for dependents
  • Continue to pay during closed/suspended service

• Health care
  Paid and unpaid sick leave
  Paid leave for workers in risk groups
  Maintain health insurance
  Flu vaccine campaigns

• Internet companies
  • Access to internet and technology

• Community support
  • Relief funds
  • Food bank support, beverages, meals
  • Supplies for health care profs & EMS
Government Actions to help ALICE

• Safely reopen the economy
  • Investment in testing, tracing, ICUs
  • Changes to mass transport system

• Support for workers in formal businesses
  • Subsidizing payroll costs
  • Health - insurance, gear, paid sick leave
  • Targeted industry bailouts

• Health care
  • Paid sick leave
  • Coverage for health expenses
  • Flu vaccine campaigns

• Housing
  • Rent/mortgage freezes
  • Moratoria on evictions and foreclosures

• Immediate income to offset ongoing bills
  • Unemployment
  • Cash payments
  • Student loans

• Create new jobs
  • Infrastructure projects – physical and digital
  • Shore up and expand education institutions
Our Choices and Tactics are Keys to Inclusive Prosperity

• Tactics will impact Type and Pace of Recovery in 2021
  • PPE and Training for “New” Normal
  • Federal Support of State and Local Government Budgets
  • Continued UI, mortgage and rental support
  • Restoration of Consumer and Employer Confidence

• Tactics will Determine Whether the Recovery 2021 is Inclusive
  • 360 Degree Inventory of hiring, promotion and wage setting practices
  • Corporate Philanthropy to address health equity can improve productivity
  • Private, Public and Third Sector Investments Increase Share Going to Employees

• Tactics will Determine Long-Term Trajectory of the Economy
  • Productivity Growth and the Population’s Health are Ingredients to Economic Growth
  • Ending Racism will Raise National Income
  • Increasing Worker Share will Reduce Debt and Increase Consumption
  • Outcome of November Elections
Ensuring Equity of Non-degree Credentials in Precarious Economic Times

Michelle Van Noy, Rutgers University

National Council on Workforce Education
2020 Annual Conference - Keynote
Skills as the Solution

• Skills development in the context of a larger system

• What skills development can and cannot do
Approaching skills with equity in mind

- College as an intermediary
- Strategies to promote equity
- Quality is essential to equity
Exploding growth in non-degree credentials

• Close to 500,000 non-degree credentials, according to Credential Engine estimates.

• NDCs include:
  – Certificates
  – Industry certifications
  – Occupational licensure
  – Apprenticeship
  – Badges
Exploding interest in non-degree credentials

According to recent Strada survey, 62% of Americans prefer non-degree and skills training.

Why?

1. Better value
2. Better fit for my personal needs
3. More benefit to my job and career advancement
Questions about non-degree credentials

• So many, what do they mean?
• How do learners know what’s good?
• How do colleges ensure quality?
What do we know about quality?

• Industry makes all the difference

• Move to count industry certifications in attainment goals

• Evidence to back quality
  – Association with employment and earnings
  – Included on job postings

• Yet, much is unknown
How to ensure quality?

• A holistic framework includes:
  – Credential design
  – Competencies
  – Market translation
  – Outcomes

Non-Degree Credential Quality: A Conceptual Framework to Guide Measurement [link](https://smlr.rutgers.edu/NDCQuality)
Delivering the promise

• Perilous times especially for ALICE families

• Significant investments by learners

• Need for systems to ensure quality and value
Contact Information

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Ensuring Equity of Non-degree Credentials in Precarious Economic Times

National Council on Workforce Education
2020 Annual Conference

Amy Ellen Duke-Benfield
National Skills Coalition
SKILLS FOR AN INCLUSIVE ECONOMIC RECOVERY

A Call for Action, Equity, and Accountability
Importance of Quality Assurance

• Significant due to the role NDCs play in providing opportunities for people of color who have been historically underserved by postsecondary education and training

• Blacks and Latinos more likely than Whites to report certificates as highest level of education
  • Reflects inequities in access to more advanced education
  • But shorter-term NDCs can be a valuable option for people facing financial or other barriers in accessing education and training
Findings From One Study of Credentials: Ohio

• Industry matters: rates of stacking varied by industry

• Stacking difficult for underrepresented students: Despite being represented at higher percentages among certificate-earners relative to degree-earners, black students and adult learners (aged 25+) were less likely to stack additional credentials relative to white students and younger students

• Among students who stacked 1+ additional credentials within four years of completing a certificate, 71% had stacked to the associate's degree level and 9% had stacked to the bachelor's degree level
Defining Quality with States

• Developed consensus definition of quality non-degree credentials with states

• Explored how states are using employment, earnings, and competencies to set quality standards
  • Developed initial definition with AL, IA, NJ, TN, VA, WA
  • Vetted definition with CO, FL, LA, OR, RI, WV
A Consensus Definition of Quality Non-Degree Credentials

- Evidence of substantial job opportunities (*required*)
- Transparent evidence of the competencies mastered by credential holders (*required*)
- Evidence of the employment and earnings outcomes of individuals after obtaining the credential (*required*)
- Stackable to additional education and training (*strongly preferred*)
Quality Postsecondary Credential State Policy Academy

Goals

• Adopt consensus quality definition for non-degree credentials
• Develop state policies to support quality credential attainment
If We Care about Equity, Policy Matters

- Expand state financial aid and other training funds
- Expand non-tuition supportive services
- Expand career counseling & advising capacity
- Support development of industry partnerships
- Expand apprenticeship and other work-based learning models
- Support stackable credentials
- Invest in integrated education and training programs
State Data Policy Recommendations

- Collect broad data about all postsecondary programs
- Collect and use demographic data
- Match education and employment data across state lines
- Develop and/or utilize a state longitudinal data system
- Produce a consumer education tool
Thank you!

For more information, contact Amy Ellen Duke-Benfield, amyellendb@nationalskillscoalition.org