SKILLS FOR AN INCLUSIVE ECONOMIC RECOVERY
A Call for Action, Equity, and Accountability
Jobs that require skills training are the backbone of our economy. National Skills Coalition (NSC) fights for a national commitment to inclusive, high-quality skills training so that more people have access to a better life, and more local businesses see sustained growth. Since 2000, through expert analysis and technical assistance, broad-based organizing, targeted advocacy, and cutting-edge communications, NSC has changed hundreds of state and federal skills policies that have changed thousands of lives and grown local businesses and economies.

We build networks representing businesses, workers, colleges, community organizations, public officials, and advocates. We engage these networks to craft policy proposals and mobilize them to win concrete policy change. Our networks include SkillSPAN (twenty state affiliate coalitions), Business Leaders United for Workforce Partnerships (thousands of small and medium-sized business owners and seven state affiliates), and Voices for Skills (tens of thousands of workers and grassroots skills advocates).
JOBS THAT REQUIRE SKILLS TRAINING ARE THE BACKBONE OF OUR ECONOMY.
POLICY NEEDED NOW TO BUILD BACK THE POST-COVID WORKFORCE

Our country faces the most devastating economic crisis since the Great Depression, and NSC stands with the working people and local businesses who have been most impacted by the pandemic’s economic fallout. Our federal and state governments should provide immediate and sustained relief to those who are out of work, out of business, or just barely hanging on. Income support, healthcare assistance, paid leave, and payroll protection to mitigate small business layoffs will be necessary for some time to come.

These immediate responses are essential, but policymakers also need to start investing in our future today, in a way that ensures that every worker and every small business can be part of our nation’s economic recovery. Equitable opportunities for working people and local businesses to participate in and benefit from a rebound and possible expansion are not fated; they are determined by the decisions made (or not made) right now in Washington, D.C. and in state capitals. State and federal officials cannot wait until the worst of the crisis is past before they start to build the post-pandemic economy our country needs.

Unfortunately, our nation has a poor track record when it comes to equitable economic recovery policy. Racial discrimination marked the New Deal programs of the 1930s and the GI Bill of the 1940s, fueling America’s racial wealth gap. The 2009 American Recovery and Reinvestment Act (ARRA) spent much more on college-bound students and long-term unemployed workers with college degrees than it did on re-training workers without a BA for a new career coming out of the Great
Recession. ARRA also picked winners and losers when it chose which industries to target for job creation and re-employment strategies, and in the process left out many local businesses in other sectors that should have been part of that solution.

In their initial response to this recession, policymakers have made the same mistakes. After months of debate and several trillion dollars of federal expenditures, neither Democrats nor Republicans in Washington championed any major investments in worker skills to make sure those most impacted by the COVID-19 Recession can train for jobs created with federal stimulus, can develop new careers in other sectors as their industries permanently downsize, or can gain the new skills required to participate in our now rapidly accelerated digital economy.¹

**In responding to this economic crisis, we can do better.** We have a chance to get it right, to empower workers and businesses failed by our past, so they might shape and benefit from the growth of America’s economic future. A pragmatic, inclusive vision for skills policy is essential to that future. Not only do the businesses, labor-management partnerships, colleges, community organizations, and workforce and education experts of NSC recognize this fact. So do America’s working people. It is no wonder that 84 percent of unemployed voters want policymakers to immediately increase investments in training to support their journey back into the workforce.²
An inclusive economic recovery is an expansion of the U.S. economy in which the workers and businesses who were most impacted by this recession, as well as workers who were previously held back by structural barriers of discrimination or lack of opportunity, are empowered to equitably participate in and benefit from the economy’s expansion and restructuring. We believe a set of expansive, industry- and worker-targeted skills policies at both the federal and state levels, accompanied by the necessary income and social service supports to keep workers and businesses whole during this transition, must be part of the strategy in pursuit of that goal.
In pursuit of this goal, NSC envisions a national commitment to inclusive skills policy that can play an essential role while addressing:

- **The disproportionate impact** of the economic crisis on workers of color, immigrants, and workers with a high school diploma or less

- **The essential role of small businesses** who hire locally and invest in their people but need policymakers to be their partner

- **The moral and economic imperative** to dismantle the structural racism within workforce education and training systems that hold back workers, businesses, and the economy

America cannot train its way out of an economic crisis, nor can skills policy shoulder alone the weight of a more inclusive economy. Inclusive skills policy on its own will not dismantle structural racism, bring economic security to every worker, or ignite sustainable growth for every small business. A web of policies and practices contributes to these goals. But skills policy has an essential role to play and must be part of our nation’s path forward.
INEQUALITY OF PANDEMIC PROPORTIONS

During the first four months of the pandemic, nearly 50 million Americans – almost 30 percent of the U.S. workforce – filed for unemployment. Unfortunately, these immense pains have not been borne equally. More than 40 percent of that job loss has been concentrated among workers earning less than $40,000 a year. Workers with a high school degree or less have been displaced at nearly three times the rate as those with a bachelor’s degree. Across the labor market, workers of color and immigrants, particularly women, have shouldered the greatest job loss impacts and are overrepresented in jobs hit hard by the economic downturn, such as low-wage service sector jobs. Black, Latino, Pacific Islander, and Indigenous workers are overrepresented in occupations likely to take longer to return to the economy.6

The disparate economic impacts of the pandemic on workers of color, immigrants, and people with a high school degree or less is not an accident. Generations of prior public policy decisions, including those that limited access to high quality skills training and higher education for workers of color, helped fuel decades of structural racism.7 For workers with a high school degree or less, policymakers have been eager to invest in them if they want to go to college. But there has been significantly less help for people who want to learn a skill or a trade,
effectively invalidating the aspirations of millions of people seeking skilled careers and deepening economic disparity for those who cannot afford skills training.

But the inequitable economic impact of the pandemic on workers is not solely about lost jobs and wages. It is also about the working people who are in essential jobs that are keeping our country safe, fed, cared for, and running throughout the pandemic. Jobs that put their health and lives at risk, pay low wages, and do not provide the conditions necessary to care for themselves or their families. Due to generations of public policy decisions, workers of color, immigrants, and people with a high school degree or less – particularly women – are also overrepresented in these low paying, high risk, frontline, essential jobs.

For small business, the pandemic has likewise levied disparate impact compared to large corporations. Before the pandemic, small businesses provided nearly half of all private sector jobs, employing close to 59 million people. Without interventions, the disruption caused by just the first four months of the pandemic could cause 1.4 million to 2.1 million small businesses to close permanently. Small businesses owned by people of color (which employ more than 8.7 million workers) are disproportionately represented in the sectors most likely to be immediately impacted by the pandemic and most likely to see permanent closures.
Since 2000, NSC has advocated for a greater and more equitable public investment in the skills of all of America’s workers. Our member businesses, labor-management partnerships, community organizations, community colleges, education and workforce experts know firsthand how to invest in and help people effectively adapt to an increasingly skilled and volatile economy. Those local experts have banded together to develop and advocate for skills policies that would bring those real-world lessons to scale to better serve millions of U.S. workers and businesses. At a critical time like the COVID-19 Recession, these local stakeholders know what it takes to bring together a range of workers and businesses to be part of a community’s future economic strategy.
In laying out this skills agenda for an inclusive economic recovery, NSC is not just issuing a report. This is a call to action. As we have done for the past twenty years, we will bring stakeholders from across our national network to Washington, D.C. to inform a range of workforce, education and support service policies with Congress and with the next Presidential administration. Through our Skills State Policy and Advocacy Network (SkillSPAN), we will continue to support twenty affiliate coalitions as they fight to win and implement policy change at the state level. Through Business Leaders United for Workforce Partnerships (BLU), we will support thousands of small- and medium-sized businesses in direct advocacy with federal policymakers, and support seven state BLU affiliates to win state policy change. And through Voices for Skills we will engage tens of thousands of grassroots advocates and work with our other networks to bring workers into conversations with policymakers.

But this is also a call to reflection, to all of NSC’s members and allies, to consider how we might expand our alliances and policy goals in light of this historic moment. The current national reckoning with the racialized impact of state violence and the pandemic have sparked a national urgency to address generations of policies and practices that have taken the lives and livelihoods of Black Americans, people of color, and immigrants. While our coalition has shaped hundreds of skills policies over the last two decades, we recognize this moment calls for intentional efforts to realize the moral and economic mandate to dismantle structural racism in skills policy.

We have already laid a foundation for achieving this goal in *The Roadmap for Racial Equity: An imperative for workforce development advocates.* Now, as we prepare to advocate over the next two years for a set of policies that we feel will not only help workers and businesses alike, but will better position workers of color to be part of that economic recovery, we want to hold ourselves accountable to those goals. This includes bringing a more intentional racial equity lens to NSC’s organizing, policy development, and advocacy efforts.

**LISTENING TO NEW ALLIES:** We are committed to listening to advocates and partners leading racial and economic justice efforts as well as leaders of color in the workforce development world as we continue to build a coalition committed to investing in people. And we are committed to more intentionally building racially inclusive business and worker networks to shape the skills policy proposals advocated by our coalition.

**ASSESSING THE POTENTIAL RACIAL IMPACTS OF OUR POLICIES:** We are developing a racial equity policy impact tool to assess our policy proposals and reforms. The tool will rely on public data and qualitative information gathered from stakeholders in communities of color, including workers and students of color themselves, as well as local businesses.
NEW RESEARCH ON WHO IS / IS NOT BENEFITTING FROM SKILLS POLICIES:
We have anecdotal data about the impact of our skills policies on workers’ lives and business' workforce productivity and diversity. However, we will develop scalable quantitative analyses of how many workers and local businesses have been impacted by our agenda, to monitor if they are improving economic outcomes for those most in need in the context of the economic recovery. If such research demonstrates that skills policies are not effectively helping those for whom they were targeted, NSC will adjust its policy development, technical assistance, and advocacy accordingly.

To support these assessments, NSC will embark on a set of research efforts and capacity building in collaboration with other partners who are tracking the economic recovery overall. With their help, we hope to assess:

FOR WORKERS: if skills policies are helping to close equity gaps between workers of color (Black, Latino, Indigenous, and under-represented Asian and white workers), between men and women, and between younger and older workers; or whether those workers who lost employment during the recession are enjoying any better wages, credentials, or long-term advancement prospects after the pandemic due to skills investments.

FOR BUSINESSES: the extent to which smaller companies are included in regional workforce partnerships; the flows of newly skilled workers between contracting and expanding industries; or the ability of small companies to access public workforce supports.
GUIDING POLICY PRINCIPLES

An inclusive economic recovery is an expansion of the U.S. economy in which the workers and businesses who were most impacted by the recession, as well as workers who were previously held back by structural barriers of racism or lack of opportunity, are empowered to equitably participate in and benefit from the economy’s expansion over the next two years. We believe skills policy has a role to play in pursuit of this goal. NSC is calling for a set of expansive, industry- and worker-targeted skills policies at both the federal and state levels, accompanied by the necessary income and social service supports to keep workers and businesses whole during this transition.

In developing our recommendations for the skills policies that we think can help achieve this goal, we have been driven by a baseline set of principles.

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**INVEST IN THOSE FIRST WHO HAVE BEEN HURT THE MOST**

Workers and businesses who have been most impacted by the economic effects of the pandemic – including workers who’ve lost their jobs and those who have risked their lives in essential jobs that pay low wages – should be prioritized by skills and re-employment policies intended to support the recovery.

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**ELIMINATE STRUCTURAL RACISM IN SKILLS POLICIES**

Those most impacted by the COVID-19 Recession have been lower-income people of color and immigrants. Structural racism has shaped labor market policies, including skills policies, that contributed to those inequities before and during the pandemic. Skills and re-employment policies should purposefully improve both opportunities and outcomes for workers of color coming out of this recession.
INDUSTRY-SPECIFIC PARTNERSHIPS WITH SMALL BUSINESSES AT THE TABLE

Just as the impacts of the pandemic have been felt differently between different sectors, and even on different size businesses within each sector, our workforce responses need to be just as industry specific. As we develop forward-looking workforce strategies, policies should invest in and empower sector partnerships that are driven by industry stakeholders, including smaller businesses that are often the primary employer in local communities. These partnerships, in addition to addressing local training needs, should also support the diversity and inclusion efforts of local employers.

MEASURE THE IMPACTS OF OUR INTERVENTIONS AND HOLD OURSELVES ACCOUNTABLE

An inclusive economic recovery is not just one in which the national unemployment rate goes down or the overall GDP goes up. Across all our skills and re-employment policies, we need to commit to digging into which workers, businesses, and industries have been effectively helped by those policies, and which if any may have (again) been left behind. When we find the latter, we need to commit to adjust those policies to address inequities.

SUSTAINABLE CAREERS VS. JUST A JOB

Job creation programs or related re-employment policies that focus only on getting the unemployed to their next job may reduce the assistance rolls in the short term. But for workers facing economic challenges before the pandemic, long-term financial sustainability will require long-term, career-focused solutions that continue to invest in workers’ skills even after they are back in the labor market. Success should be measured not by the first job, but by the career pathway developed over several years.

GUIDING POLICY PRINCIPLES (CONTINUED)

BETTER JOBS THAN BEFORE THE PANDEMIC

The pandemic has shown that working people are essential to keeping our country running, yet it has also put a spotlight on the fact that not every job values their essential contributions and aspirations. If our federal and state governments are going to make a once-in-generation investment in this recovery, we should not miss the opportunity to ensure those who were struggling before the pandemic have a better job when it ends; a job that allows them to be safe, to support and care for themselves and their families, and to advance in their career.
A SKILLS POLICY AGENDA
IN SUPPORT OF AN INCLUSIVE ECONOMIC RECOVERY

Guided by these principles, NSC has developed an eight-part skills policy agenda that federal and state policymakers should enact now to help more U.S. workers and businesses be part of an inclusive economic recovery. Not only are these proposals good policy, validated by the real-world expertise of our members, but according to a national poll, every proposal is supported by more than 70 percent of voters.13
A SAFETY NET THAT SUPPORTS WORKERS’ LONG-TERM PATHWAY TO A SKILLED CAREER.
Remove barriers to our nation’s safety net for all workers, including those impacted by the pandemic, and make it a foundation for new career pathways.

The COVID-19 crisis has underscored the need for a better safety net, to cushion people from immediate hardship as well as to give them time to get on what might be an extended pathway back into the labor market. Millions of workers have lost their paychecks, putting their basic needs like healthcare, food, and housing in jeopardy. And what was clear before the pandemic is clearer now: Forcing people into low wage jobs as a condition of safety net programs hurts workers and limits their access to education and training, stymies businesses looking to hire trained workers, and hurts local economies.

A COMPREHENSIVE APPROACH TO RE-TRAINING AND RE-EMPLOYMENT FOR ALL DISPLACED WORKERS.
 Guarantee income, healthcare, training, and re-employment support for any worker who loses a job due to economic disruptions such as pandemics, automation, or trade.

COVID-19 has shown that we need a different approach to supporting displaced workers as they get ready for their next job. When the pandemic subsides, workers who lost their jobs will not all be able to return to the same companies or even the same occupations. Instead, many workers will need re-training to get a new job, along with income, health care, and other supportive services while they re-train. We can align different programs to provide a more comprehensive re-employment response.

AMERICA AGREES
85% OF VOTERS
want it to be easier for people receiving safety net assistance to train for a new career.

75% OF VOTERS
want the U.S. to expand support for unemployed workers to include not just income replacement but also automatic health care coverage, training, and re-employment services.
PUBLICLY FUNDED JOB CREATION THAT INCLUDES TRAINING FOR THOSE IN NEED OF A NEW CAREER.
Ensure job creation efforts, such as those around infrastructure or an expanded public health workforce to fight the pandemic, include investments in skills that expand access to long-term careers for local workers.

State and federal investments in physical, digital, and clean energy infrastructure, as well as in public health capacity for new contact tracers and testers, could create millions of good jobs. We must ensure that these and any other job creation efforts include dedicated, comprehensive training and support service investments with a focus on inclusion of local workers most impacted by the pandemic, including people of color, immigrants, and women.

SUPPORT TO LOCAL BUSINESSES TO AVERT LAYOFFS AND ENCOURAGE UPGSKILLING.
Subsidize small and mid-sized businesses to avert layoffs, keep their employees paid, and support their re-training during down time.

COVID-19 has affected key industries in very different ways but has disproportionately impacted small and mid-sized businesses across industries. To reduce ongoing economic hardship for businesses and workers and to work toward recovery, we must support small and mid-sized businesses - which represent the majority of businesses - in averting layoffs, keeping their employees paid, and supporting employee re-training during down-time.

89% of voters want any infrastructure plan to include investments in training so that local residents can access these jobs. Likewise, 67 percent of voters want any investment in a contact tracing workforce to include investments in training.

82% of voters believe the government should offer incentives for businesses to use down time for training instead of laying off workers.
SECTOR PARTNERSHIPS TO DRIVE INDUSTRY-SPECIFIC TRAINING AND HIRING STRATEGIES.
Support the partnerships that communities need to develop training strategies targeting the specific needs of individual industries and the local workforce.

COVID-19 has brought certain industries to a halt, while dramatically increasing demand for workers trained with specific skills in other industries. As the economy recovers, demand for trained workers will increase, but that demand will be uneven and will vary by sector. We need to invest in industry-based training models to develop locally specific, industry targeted strategies that will help workers, businesses, and communities adapt to a changing economy. We should take steps to make sure that these training models are accessible to workers who have been disproportionately impacted by COVID-19, including workers of color, immigrants, and women. Public investments in sector partnerships should include resources, technical assistance, and policy guidance that support advancing racial equity and inclusion in local companies.

DIGITAL ACCESS AND LEARNING FOR ALL WORKING PEOPLE AT HOME AND ON THE JOB.
Eliminate barriers by making high-quality digital learning available to all workers.

The social distancing requirements of COVID-19, along with rapid industry changes, have accelerated the need for high-quality, accessible digital learning. COVID-19 has also put a spotlight on the dramatic digital divide facing students and workers, and the racially inequitable financial consequences of that divide. We must expand digital learning – both at home, as well as to workers on the job where training resources are not immediately available - while also ensuring that it is high quality, equitable, and inclusive.
HIGH QUALITY, JOB-READY EDUCATION FOR THOSE WHO NEED TO RE-ENTER THE LABOR MARKET, INCLUDING MAKING COLLEGE WORK FOR WORKING PEOPLE.

Increase system capacity and expand access to high quality, industry driven education and training that prepares workers for good jobs.

As with past major economic disruptions, the demand for training will significantly increase as workers try to return to the workforce, putting strain on systems and organizations that are already in a vulnerable economic position. We must invest in capacity now to respond to increased demand. In addition, the pandemic has put a spotlight on the need for our workforce education and training systems to be nimble in responding to rapid industry shifts and to the needs of workers juggling family responsibilities and financial challenges. We must address these needs across postsecondary education to help drive the recovery.

PUBLIC DATA AND ACCOUNTABILITY REGARDING WHO IS BEING INCLUDED IN THIS RECOVERY.

Report data on how different workers and businesses are faring in the recovery and hold policies accountable to equitable outcomes for those most impacted.

COVID-19’s impacts have been unequal across workers and industries. We must have public, disaggregated data on the impact of recovery investments to ensure that everyone is a full and equal participant in our country’s economic future. That includes publicly reporting on the economic outcomes (e.g., types of jobs, wages, credentials with labor market value, long-term career progression) enjoyed not just by workers who lost their jobs, but specifically by workers of color, immigrants, women, older workers, workers without a college degree, and others who have been most impacted by the recession. It also includes assessing how smaller businesses within particularly hardhit industries have fared, the extent to which policies have engaged smaller companies in regional industry workforce strategies, and how effectively their workforces have been restored and reskilled to ensure future company competitiveness.

82% OF VOTERS support immediate increased public investment in skills training to help people laid off in industries hit hard by Coronavirus and 81 percent support continuing to increase investment in skills training long term. In addition, 75 percent of voters want to see more nimble, short-term higher education options so that people can quickly retrain.

71% OF VOTERS support collecting and publicly reporting data on which groups of people are and are not benefiting from stimulus and recovery efforts, including investments in skills training.
The policy goals described in this agenda are not new for NSC. We’ve worked with our coalition over the last twenty years to reshape workforce, education, economic, immigration, infrastructure, and anti-poverty policies because we believe that by working across a broad range of policies we can reach the broadest range of workers and industries.

We also recognize that the scale of the economic challenge before our nation - and the moral and economic imperative to dismantle structural racism in America - require us to operate with greater intentionality and accountability. And with that knowledge, we put forward this agenda with the understanding that it will evolve and change in response to what we learn in partnership with our networks.

We do know one thing for sure: In response to the recession, America needs a set of generation-defining investments in our workforce. We cannot train our way out of a recession, nor can we dismantle economic and racial inequality through skills policy alone. But inclusive investments in the skills of America’s workers can contribute to empowering more workers and businesses to drive and thrive in the post-pandemic economy.
INCLUSIVE INVESTMENTS IN THE SKILLS OF AMERICA’S WORKERS CAN CONTRIBUTE TO EMPOWERING MORE WORKERS AND BUSINESSES TO DRIVE AND THRIVE IN THE POST-PANDEMIC ECONOMY.
ENDNOTES

   Molly Bashay and Leticia Lewis, “Digital fluency for a resilient economy,” Medium, April 2020. Available at: https://medium.com/national-skills-coalition/digital-fluency-for-a-resilient-economy-3bb4a4a9e569c
2. In addition, 82 percent of voters overall and 83 percent of voters who have suffered financially from the pandemic support this proposal. On behalf of NSC, ALG research conducted a nationwide online survey of N=800 likely 2020 general election voters between May 21-25, 2020.
5. Ibid.
8. According to an Associated Press analysis, essential, frontline workers in the pandemic are mostly women, people of color, are more likely to be immigrants, and are more likely to be earning wages that put them near or below the poverty line. See: https://www.nbcnews.com/news/nbcblk/people-color-women-shoulder-front-line-work-during-pandemic-n1199291
12. Johnson, Bashay, and Bergson-Shilcock, National Skills Coalition.
EVERY WORKER. EVERY INDUSTRY. A STRONG ECONOMY.