## BREAKING

JUSTICE STEPHEN BREYER WILL RETIRE, GIVING JOE BIDEN THE FIRST SUPREME COURT PICK OF HIS PRESIDENCY, AP SOURCES SAY BREAKING: JUSTICE STEPHEN BREYER WILL RETIRE, GIVING JOE BIDEN THE FIRST SUPREME COURT PICK OF HIS PRESIDENCY, AP SOURCES SAY

## THE BIG REBOOT

## Our job-training system is stuck in the 1960s. American workers deserve better

Workers who lost jobs amid the pandemic see the tides of economic change quite clearly. Will we be able to deliver better vessels to ride out the waves?

By Rachel Lipson Updated August 17, 2021, 9:30 a.m.



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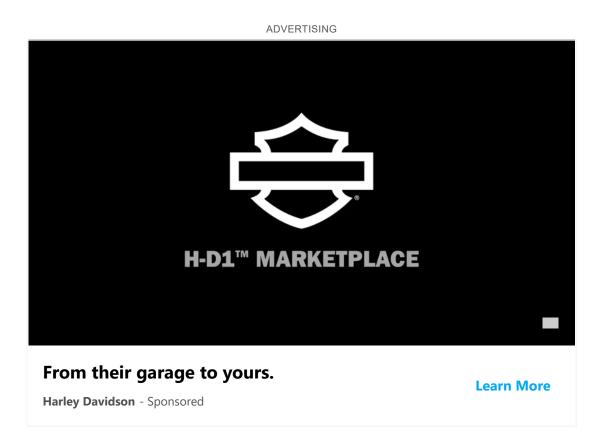
atience. Urgency. How to balance the two is perhaps one of the biggest challenges as we climb out of an economic shock spawned by a pandemic.

Job losses in a crisis are often sudden, and almost always disruptive and painful. Recovery, meanwhile, can stretch months and years. Facing this reality, workers need both short-term safety nets and long-term transition paths. In times of crisis, the shortterm often takes precedence. We invest in temporary patches to try to stop the leaks. But we lack the stamina to tackle the underlying structural problems, which have built up over decades.

Will the COVID recovery be the turning point? Workers this time are not looking to return to the before. They see the tides of economic change quite clearly. And they are asking for better vessels to ride out the waves. Will we able to deliver? How did we get here and how do we move forward?

Starting in the 1970s, the Digital Revolution and the broader shift to a service economy transformed the US labor market. The share of American workers employed in manufacturing, for example, shrank by 15 percent between 1970 and 2018, and sectors like health care and information technology are now responsible for a growing percentage of net new job creation. While workers in the 55 to 64 age bracket still average 10 years with their employers, younger workers ages 25 to 34 are <u>moving</u> between organizations every two to three years. The shock of the COVID-19 pandemic only accelerated the pace of work transitions. Unemployment remains persistently high, but also, more US workers are quitting their jobs than at any time since at least 2000.

This is a moment when a well-functioning national system could help workers, both young and old, to make smooth pivots between jobs, companies, and careers. Unfortunately, though, we entered this crisis ill prepared for the challenge. Over the past four decades, the United States has systematically underinvested in worker transitions. Before the pandemic, the <u>United States ranked second-to-last</u> in the group of developed economies in spending on "active labor market policies" — programs that aim to stimulate employment and help people get back to work, according to the Organisation for Economic Co-operation and Development. Only Mexico spent a lower share of its gross domestic product. It didn't have to be this way.



Since 1984, federal government spending on employment services — supporting job search assistance, coaching, and job matching — has <u>declined by half</u> in real terms. America's community colleges, the most significant national source of short-term job training, are under-resourced. Even though community colleges disproportionately serve the majority of the highest-need students, they receive <u>about \$8,800 less</u> in revenue per full-time student than public four-year institutions.

Meanwhile, public funding has stagnated or declined for programs spanning from career centers to language classes for non-native speakers. Workers who lose jobs due to increased imports and production abroad <u>are eligible</u> for special, more comprehensive supports and funding from government, but workers in jobs at risk of automation or other structural changes are excluded. While futurists sing the praises of lifelong Our job-training system is stuck in the 1960s. American workers deserve better - The Boston Globe

learning, the reality is that public dollars for education in the United States <u>fall</u> <u>precipitously after age 22</u>. And much of our adult training infrastructure was built and designed for manual labor and trades of an earlier era.

The most significant social and economic disruption in generations is bringing new light to a jobs infrastructure stuck in a 1960s version of the American economy. As the country looks to move forward, however gingerly, from the pandemic, many are rethinking what will be required for the United States to build for the jobs of the future. How can we ensure this time is different? What will it take to build infrastructure made to last?

The past 17 months brought arguably the most rapid changes to employment-focused organizations in decades. The state of Massachusetts alone received over 2 million unemployment claims between March and December 2020. Institutions had to adapt in real time. Workforce programs such as job centers, training providers, and community-based organizations moved online, almost overnight. They scrambled to set up laptop-lending libraries and digital literacy coaches.

Many of these investments were long overdue. Valerie Roberson, president of Roxbury Community College, says that the past 17 months have made leadership "even more conscious of the basic needs that our students were struggling with."

For some workers, the flexibility to access training and services remotely opened up new opportunities. Care responsibilities at home and commuting costs have always posed significant hurdles to access, especially for families with cash constraints. Some of the unemployed are better able to attend classes and seminars or talk with a job coach from home, rather than travel to a government office.

And yet for others, online options are intimidating or completely inaccessible. Some lack quiet space or fast Internet access at home. Many have not used technology in prior jobs, and struggle with digital literacy. Some take comfort in a human presence. As time passes, government agencies and service providers face increasing pressure to fully reopen physical spaces — yet many who will implement these changes on the ground doubt that sufficient resources will be available to do both in-person and online services well.

The creative opportunity in this moment is to leverage economies of scale and customize strategies for individuals according to their particular needs. For instance, the MassHire Lowell Career Center is making investments in new webinar broadcasting facilities, while also <u>hiring Spanish-speaking career advisers</u> to work with job seekers. Blending local and national approaches will yield the best results. By aggregating the best online models across borders, we can expand access to high-quality digital resources. Organizations with a local footprint can then focus on the services best delivered in person and on specific populations and resources where they have community-level expertise.

https://www.bostonglobe.com/2021/08/17/magazine/our-job-training-system-is-stuck-1960s-american-workers-deserve-better/?p1=BGSearch\_Overla... 5/12

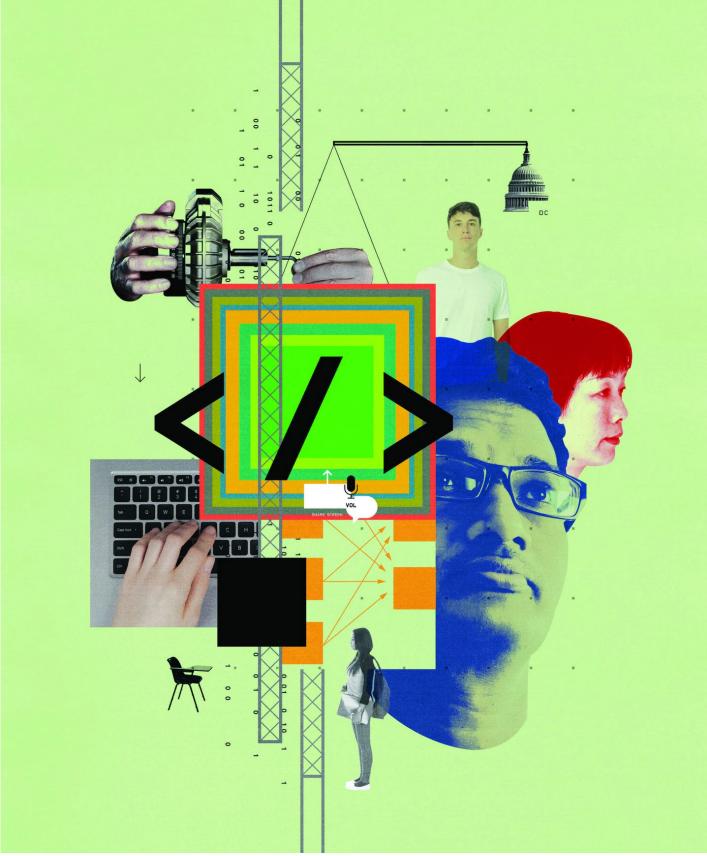


ILLUSTRATION BY STUART BRADFORD FOR THE BOSTON GLOBE

Historically, policy makers, educators, and employers have all embraced a hyperlocalized approach to the labor market. The standard advice for workers thinking about career changes has been to align with demand in their areas. But as we began to see by summer 2020, an entirely regional frame of mind may not serve either workers or businesses well.

Now, workers are able to consider jobs in a much larger geographic radius. A recent <u>McKinsey study</u> finds that 32 percent of Massachusetts workers could potentially work remote or hybrid schedules. During the pandemic, Massachusetts had the <u>third-highest</u> <u>share</u> of households with an adult working remotely, behind only Washington, D.C., and Maryland. For hybrid workers, the ability to work from home multiple days a week is prompting a rethinking of commuting zones.

Cape Cod and Western Massachusetts are two likely beneficiaries of this evolution. According to US Postal Service <u>mailing address data</u>, Barnstable and Pittsfield ranked among the top 10 metro areas nationally in net inflow of residents during 2020. Meanwhile, the volume of fully remote postings nationally has skyrocketed — up 457 percent from May 2020 to May 2021, according to LinkedIn.

Research to date indicates that higher-wage, highly educated workers are the most likely to work in <u>remote-eligible roles</u>. But for the same reasons many community college students and adult learners express continued preference for distance learning — to care for family, to reduce commuting costs, to minimize health risks — remote work appears to have broad appeal. Remote postings made up about 10 percent of job listings in May, but <u>attracted almost a quarter</u> of all applications. And the rate of <u>increase in remote</u> <u>postings</u> is trending higher as of May for jobs that don't require college degrees than those for that do, LinkedIn reports.

Technology is likely to be one industry where these changes come quickly. "In the last cohort that graduated, we had Philadelphia and New York-based companies hire Bostonians to work remotely," says David Delmar Sentíes, who founded and is chief executive of Resilient Coders, a Boston-based coding bootcamp that equips people of color without college degrees to become software engineers. Delmar Sentíes believes that as remote work starts to be normalized, the tech industry will start to see more leveling out of salaries across regions and states.

Applying a broader national lens to jobs goes against most of the practices embedded in our systems, laws, and training of workforce professionals. Under federal statute, states and regions are given responsibility to create their own "in-demand occupations lists" that determine where federal funds can flow for training within their borders. This heavily localized system is showing its age; preparing for the jobs of the future requires rethinking the geography of work.

The disruption wrought by COVID-19 also caused many workers to question whether their prior employers or industries will become increasingly vulnerable to future downsizing, especially in a time of rising automation.

For workers looking for stability and higher wages in the face of technological change, the answer may be less intimidating than they think. Research from Harvard economist David Deming highlights that the fastest-growing jobs of the past four decades increasingly require social skills like teamwork, leadership, and communication. Lumina Foundation president and chief executive Jamie Merisotis calls this "<u>human work</u>," built on the abilities like empathy and ethics that humans alone possess.

Ironically, the pandemic's acceleration of technology may present an obstacle in the short run. Evidence is still nascent, but it seems human relationships may be more challenging to cultivate in remote settings than the more technical know-how. Yet research finds that <u>social connections and networks</u> provide important ways to find that next job and tend to decrease the length of unemployment.

Doreen Treacy, director of the MassHire Downtown Boston Career Center, which typically serves over 8,000 Massachusetts residents and job seekers each year, sees the

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challenge quite starkly: "When you're running a long-term cohort, like a class, there is more opportunity to build camaraderie and relationships over time."

But the publicly funded MassHire Career Centers also house more informal networking groups to connect people with others seeking work. Before COVID, Treacy says, the drop-in sessions served as "part networking, part support group." It has been harder to replicate those functions in a virtual environment.

Research evidence validates that support from peer groups <u>helps reduce the pessimism</u> <u>and depression</u> associated with job loss. If we want to prepare for economic resiliency, we must invest in learning how to build community online.

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'We missed a huge opportunity when unemployment was at historic lows and we did not rebuild for future disruption.'

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In a country where economic outcomes are highly unequal across race, class, and ZIP code, job search support and training only begin to scratch the surface of deep-rooted inequities. The pandemic's outsized toll on communities of color and the murder of George Floyd activated a much-needed reconsideration of what will be needed to create true pathways to opportunity.

Eighty percent of Roxbury Community College's students are eligible for the highest levels of financial aid, and 90 percent are students of color. During the pandemic, the college rolled out a wave of new initiatives to support students whose lives had been ravaged by the pandemic, including many who were caregivers or primary breadwinners for their families. The school expanded and built new partnerships with social service providers in the city. They created free access to telehealth mental health services for the first time. They also provided food-insecure students with electronic gift cards to grocery stores.

A few miles down the turnpike, MassBay Community College announced a new fund in July designed to help students who are single mothers cover nontuition expenses such as child care and housing, which can pose significant barriers to would-be students.

As training providers around the country debate what it will take to attract students back, these offerings may become the new normal. Roberson anticipates wraparound services will become a regular part of Roxbury Community College's budget moving forward.

And yet, they might not be enough. For millions of Americans, short-term budgetary struggles distort the choice between education and work. At Roxbury Community College, the pandemic context has provided new proof points. Early in the crisis, the college received funding through the federal CARES Act, which enabled more financial aid grants to students. High-need students received one-time awards ranging from \$500 to \$1,200. The results from this pandemic-era experiment have longer-run implications. Students who received this additional support were 10 percent more likely to stay enrolled than their peers.

"Simply put, this relatively small amount can be the difference between someone persisting or not," Roberson says. "As we learn these things, it's almost impossible to unlearn them, or to not address this with future students." Policies that address basic human needs can help reduce the short-term and long-term conflict between learning and earning.

As Congress weighs its priorities, many are looking to the previous downturn for lessons. During the Great Recession, there was a one-time influx in funding for the workforce system through the American Recovery and Reinvestment Act of 2009. By the end of 2010, even as the number of long-term unemployed remained historically high, the supplemental funding had been completely exhausted. While unemployment benefits were extended, no new federal resources were dedicated toward helping people get into jobs. Instead, many states cut services, reduced head count, and shifted resources away from retraining and toward less-costly options. Similarly, in higher education, state-level spending on public two- and four-year colleges fell sharply after 2008. By 2018, 41 states still spent less per student than they had before the recession, after accounting for inflation.

We missed a huge opportunity when unemployment was at historic lows and we did not rebuild for future disruption. Amy Nishman, senior vice president of strategy at JVS, the largest workforce development organization in Boston, connects these past decisions to our current challenges. "Had we been investing in more job training programs back then, there would be more proven models that we could scale immediately two times or three times in size right now."

This time around, we can't lose sight of the urgency of the now. During the recovery from the Great Recession, <u>11.5 million of the 11.6 million</u> new jobs created went to workers with at least some college education. Every day we stand by idle to monitor the trends is a day when another community college student loses hope in their future prospects, another older worker drops out of the labor force because of the health risks of their current job, another immigrant misses a promotion opportunity because they can't get into an English course.

Ultimately, it's a question of infrastructure. Will we invest in the bridges to help people transition to better jobs on the other side, or will we leave them alone to face the currents?

Rachel Lipson is the inaugural project director of the Project on Workforce at Harvard. Send comments to <u>magazine@globe.com</u>.

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