



Recover, Renew, Rebuild: Workforce Policies for a Strong and Fair Economy

Executive Summary

On January 20, 2009 President-Elect Obama will take office and assume leadership over a nation in economic crisis. The new administration will face many urgent needs—both new and long deferred. None will be more imperative than bolstering economic security and strengthening the economy. Since the beginning of the year, the American economy has shed 1.2 million jobs and unemployment has risen to 6.5 percent. One in nine workers is unemployed and looking for work, discouraged from job search or working part-time because full-time hours are not available.ⁱ Many economists predict that this recession is likely to be longer and deeper than any in decades.

While shoring up the economy will be job one, the administration also must address a less visible crisis—the ability to achieve the “American Dream.” For too many people, our nation’s promise of prosperity and opportunity for upward mobility is broken. In 2007, even before the current recession, one in eight Americansⁱⁱ and close to one in four African-Americansⁱⁱⁱ lived in poverty, and more than 90 million people—close to one-third of all Americans—had incomes below 200 percent of federal poverty thresholds.^{iv} Too many workers are stuck in low-wage jobs, and most low-wage workers experience little or no earnings growth over time.

Restoring the “American Dream” will require new policies informed by a new vision—a vision of an America where everyone has equal access to good jobs; where young people and adults can obtain the education, training and supports necessary to contribute to society and the economy; where employers are able to find workers with the skills necessary to fill the jobs of tomorrow; where jobs provide decent wages and benefits, and work conditions support workers’ responsibilities at home; and where strong safety nets and work supports are widely available to those who need them.

President-Elect Obama and the new Congress will face the urgent need to respond to the immediate economic crisis. However, short-term challenges should not divert them from making progress toward the vision of a stronger and more equitable U.S. economy. CLASP recommends that the nation's leaders take the following actions in 2009, guided by three principles, to revitalize workforce policy and make a down payment on the longer term agenda:

1. **Help workers and families recover from economic distress**
2. **Renew the nation's commitment to prosperity and upward mobility for all**
3. **Rebuild middle class jobs**

Recover

- ❖ **Invest in America's workforce to promote economic recovery.** Extend and modernize unemployment insurance, assist youth and adults facing barriers to employment enter the labor market and increase support for education and training during the downturn.

Renew

- ❖ **Reinvest in and revitalize workforce development and adult education programs.** Revamp workforce development and adult education services to ensure that lower-skilled people get the education, training, and supports they need to gain the skills and credentials required to access good jobs with family-sustaining wages.
- ❖ **Connect youth in distressed communities to economic opportunity.** Activate the Federal Youth Development Council to provide federal leadership, enhance the capacity of the youth service delivery system, and expand opportunities for youth engagement.
- ❖ **Create Career Pathways to Good Jobs.** Support innovation in states by aligning federal workforce education and training policies, redesigning performance accountability systems across programs, and providing incentive funding to encourage partnerships and fill gaps in services for low-income and low-skilled individuals.
- ❖ **Expand Transitional Jobs.** Provide dedicated funding and eliminate legislative and regulatory barriers to implementation of such programs to help individuals with barriers to employment enter and succeed in the labor market.
- ❖ **Increase access to postsecondary education and support student success.** Fully-fund Pell Grants, make higher education tax credits more responsive to the needs of low-income youth and adults and fund Student Success grants.

Rebuild

- ❖ **Grow good jobs through government leadership.** Make good jobs a national priority and provide federal policy leadership and assistance to improve job quality.
- ❖ **Ensure that jobs created through federal investments in energy and infrastructure offer opportunity for all.** Fully fund the Green Jobs Act, include targeted hiring and training requirements in reauthorized transportation legislation and devote a portion of revenue generated from legislation to curb global warming to training for jobs in the Green Economy.

During his campaign, President-Elect Obama signaled strong support for many of the proposals discussed above to rebuild the American economy, fight poverty and create a bridge to the middle class. We call upon the new administration and Congress to act now to begin the process of creating a stronger and fairer economy that truly provides opportunity for all to achieve the American dream.

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CLASP: Policy Solutions That Work for Low-Income People

CLASP develops and advocates for policies at the federal, state and local levels that improve the lives of low income people. We focus on policies that strengthen families and create pathways to education and work. Through careful research and analysis and effective advocacy, we develop and promote new ideas, mobilize others, and directly assist governments and advocates to put in place successful strategies that deliver results that matter to people across America.

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ⁱ Bureau of Labor Statistics <http://www.bls.gov/news.release/empsit.t01.htm>

ⁱⁱ US Census, Current Population Survey, 2007
http://pubdb3.census.gov/macro/032008/pov/new01_200_01.htm

ⁱⁱⁱ US Census, Current Population Survey, 2007
http://pubdb3.census.gov/macro/032008/pov/new01_100_05.htm

^{iv} US Census, Current Population Survey, 2007
http://pubdb3.census.gov/macro/032008/pov/new01_200_01.htm