

NOVEMBER 2020



How to Achieve an Equitable Economic Recovery for America

A BLUEPRINT FOR THE BIDEN ADMINISTRATION

Equitable Economic Recovery: Policy Recommendations for the Biden Administration

As the country establishes a path to recovery from the COVID-19 pandemic and the economic crises it caused and exacerbated, the Biden Administration has an unprecedented opportunity to fix systems and policies that were broken well before the novel coronavirus arrived. The COVID-19 crisis has exposed and magnified economic and societal fault lines that have long fractured our nation.

Now is not the time to focus on “getting back to normal.” We need to leapfrog “normal” and aim for something better. We look forward to working with the Biden Administration to create a more resilient, more prosperous, and more equitable future. The following memorandum provides a series of detailed recommendations for policy and regulatory actions which could have a significant, and transformative effect improving the outcomes of systems and institutions that were failing far too many people, even before the pandemic.

Disparities in health, well-being, and opportunity should matter to us all because the plight of vulnerable populations truly affects everyone. Inequality puts a strain on the vitality and competitiveness of metro areas, suburbs, and rural communities alike. But when all people throughout a community can access good jobs, quality education and training opportunities, and a decent standard of living, they all contribute to the growth of a healthy business ecosystem

and an inclusive regional economy. Equitable and attainable workforce participation also contributes to the dynamic economic activity that makes communities prosperous and resilient.

We urge the Biden Administration to think boldly about the nation's future and how best to build human capital—especially how to scale education and workforce development solutions that can achieve an equitable and lasting economic recovery. Our nation's recovery must ensure transformation of outdated education and workforce development systems, foster community revitalization, and provide individuals from all backgrounds with career and educational opportunities and the supports they need to succeed. It should also ensure that businesses have the skilled talent they need to compete in the global economy.

The question now in front of policymakers, as well as business and civic leaders, is how to create the conditions for an economic recovery that everyone can contribute to and benefit from. Experience and evidence tell us that it will take a strong investment in building the nation's human capital—with careful attention to people and communities that have historically been denied opportunity. This requires concerted and consistent action across three policy pillars:

1. **Help all people rebound and advance** by providing immediate aid to equip individuals with the knowledge, tools, and experiences they need to succeed.
2. **Revitalize regional economies** in an inclusive manner to produce sustainable economic growth for all.
3. **Redesign education and workforce development systems** to address the needs of a rapidly changing economy by scaling what works and dismantling inequities to better serve the needs of all workers, learners, and businesses.

Core Policy Design Principles for an Equitable Economic Recovery

- Drive upward mobility by supporting individuals' social and economic advancement
- Close equity gaps by acknowledging current and historic gaps in access to opportunity
- Build on what works by scaling evidence-based strategies while catalyzing innovation
- Integrate and coordinate systems by supporting comprehensive approaches to complex problems

Help All People Rebound and Advance

We will not achieve an equitable economic recovery without focusing on the needs of people and communities that have historically been underserved and left out of opportunity, including people of color and individuals from low-income backgrounds. The goal for a successful recovery should be to ensure that *all* people have the knowledge, tools, and experiences they need to achieve economic advancement—and, in turn, that our nation’s businesses thrive as engines of our economy.

Recommendations:

Support rapid skill building and credential attainment that are aligned to in-demand career paths—especially those involving skills that will prove to be most valuable in the post-COVID-19 era. There should be a particular focus on individuals hardest hit by the current crisis and those most at risk of being left behind in a recovery.

- **Create a Frontline Futures Fund** to provide up to two years of debt-free public college education or alternative high-quality skill development opportunities to workers in low-wage frontline jobs and industries deemed to be part of the nation’s critical infrastructure during the pandemic. Funding should cover costs beyond tuition, such as transportation, housing, child care, and emergency expenses. Education and training opportunities should be focused on in-demand occupations with strong career pathways. This will ensure that we build a resilient talent pipeline for sectors that are essential to our economy while providing those on the front lines with access to career advancement opportunities.
- **Reform the federal unemployment insurance (UI) program to focus on getting people back to work quickly.** This should involve expanding services provided under the Reemployment Services and Eligibility Assessment program and better connecting workers to workforce development services, including accelerated reskilling and career navigation support. Reforms should also encourage innovations in the delivery of wage assistance (such as wage insurance, work sharing, and part-time UI) and a rethinking of the financing of the UI system, building on a strong evidence base of impact.
- **Launch a 21st-century Works Progress Administration** to put individuals to work addressing key national challenges—through both on-site and remote work opportunities—in order to reduce unemployment, build participant skills, and invest in

national infrastructure and other priorities. Focus areas should be targeted based on opportunities for career pathways, earn-and-learn opportunities (like apprenticeships), and stackable credentials and badges.

Provide universal career navigation services that are tech-enabled, place-based, and advancement-driven and available to workers and learners in real time so they can make informed decisions about employment and education pathways. Navigation services should focus on both regional opportunities and the increasing proportion of jobs that can be performed remotely as a result of new technologies and companies' increased willingness to support virtual work arrangements.

- **Create a national career navigation system** administered by the U.S. Department of Labor but cocreated and implemented with other key federal agencies for use across education, workforce development, economic development, and human service systems. This system should connect existing national education and career counseling platforms and ensure that services are offered both virtually and in person, through multiple touch points and in multiple languages. As part of this system, the federal government should consider augmenting traditional labor market information made available through the U.S. Bureau of Labor Statistics with publicly available real-time labor market information currently available only through proprietary platforms.

Innovation in Action

Corporate Action Platform

JFF's [Corporate Action Platform](#) equips companies with evidence-based strategies they can use to boost economic mobility among frontline, entry-level, and low- and middle-skilled workers who are at risk of being displaced by artificial intelligence and automation. Corporate leaders learn how to make strategic investments in inclusive talent management practices related to corporate culture, workforce planning, talent acquisition and development, offboarding, and total rewards, which are innovative ways to support workers and help them achieve a better work-life balance.

- **Launch a new Career Advising Corps** through the Corporation for National and Community Service that leverages [emerging technology platforms](#). The new program should use a corps of trained career advisors to provide high-quality career counseling to high school students, college students, workers, and those disconnected from work and learning.
- **Establish a Digital Transformation Fund** for states and regions to modernize American Job Centers and service delivery points for career navigation. This fund should focus on integrating technology into career navigation services, updating data systems,

providing professional development to support workforce development leaders, and making labor market information accessible and easy to understand for an array of users.

- **Champion an interagency data connectivity and transparency initiative** to improve data availability and promote its use by consumers who are making education, training, or employment decisions. This initiative should promote effective data privacy while building on current efforts, such as the College Scorecard and the Workforce Innovation and Opportunity Act (WIOA) Employment and Training Provider List. Through this initiative, all federally funded education and workforce training programs should report on the education and labor market outcomes of students and participants across their programs.

Offer innovative financing options that enable workers and learners facing economic insecurities to pay for high-quality education and training and thereby open new opportunities for employment or reemployment and strengthen their financial stability.

- **Expand access to existing financial supports for federal education and training** to better meet the needs of today’s students. This should include the creation of student emergency aid grants, the expansion of the federal Pell Grant program to cover high-quality short-term credentialing programs, an increase in available funding for workforce training, and the expansion of Pay for Success initiatives to encourage a focus on strong results for students.
- **Create new skills accounts** to significantly expand funding for skill development not covered by federal financial aid. These accounts would be accessed upon the receipt of career navigation services through the workforce development system and used for training from qualified education and training providers for the attainment of skills and certifications. Pair this with broader increases to workforce funding for reskilling, reemployment, and UI assistance.
- **Encourage innovation in financing** by creating a regulatory framework for innovative finance models, such as income share

Innovation in Action

MyBestBets

[MyBestBets](#) is an online career pathway exploration and decision-making platform that helps young adults create an actionable plan to earn a credential that employers value and then enter into a career. Through the platform, young adults learn how to leverage labor market information and employer engagement strategies to identify their “best bet” postsecondary college or training program. JFF has partnered with the U.S. Department of Labor’s Office of Job Corps to design and develop MyPACE (My Pathway to Achieving Career Excellence), a customized version of the MyBestBets platform.

agreements, to support their use for programs not eligible for federal financial aid while protecting students with necessary guardrails.

- **Promote employer spending and investment on human capital** by expanding tax benefits for employers when they invest in training that leads to portable skills and credentials. In addition, expand and enhance tax-advantaged training accounts by encouraging employer and personal investments.

Provide strong financial and social supports for individuals and families currently experiencing poverty or financial distress that seamlessly integrate education, workforce development, and human and social services to align incentives for participant success and economic advancement.

- **Reform existing laws to eliminate the “cliff effect”** that sharply reduces income supports and makes achieving self-sufficiency more challenging. Federal laws should be updated to include gradual benefit reductions, income disregards, and other strategies that allow public assistance recipients who progress into employment to experience a fair and positive transition to work.
- **Eliminate barriers in poverty alleviation programs that discourage participation in education and training programs** that lead to economic advancement. Such efforts should provide funding and incentives to states for public assistance recipients’ participation in skill development programs that result in credential attainment and employment in family-supporting careers.
- **Issue an interagency directive to identify conflicting program requirements and make recommendations to remove barriers** to successful transitions from public assistance to economic self-sufficiency across Temporary Assistance for Needy Families, the Supplemental Nutrition Assistance Program, Medicaid, child care, housing, education, and training programs.
- **Ensure that people of color are supported to economically advance by creating White House-sponsored initiatives** designed to highlight systemic barriers standing in the way of economic prosperity for people of color experiencing poverty. This should include building on the current [White House Hispanic Prosperity Initiative](#) to address other populations facing systemic barriers to success.

Revitalize Regional Economies

Inequality puts a strain on the health and competitiveness of communities and regional economies. This strain has been particularly acute for communities suffering from the loss of major employers, high unemployment, and population loss. The effects are felt most intensely by historically underserved populations living in these communities. An equitable economic recovery must be inclusive, increasing opportunity for economic advancement in every community and producing sustainable economic growth for all.

Recommendations:

Make job-generating investments in projects such as broadband deployments, public health initiatives, and infrastructure improvements that integrate financing to distressed communities with family-supporting employment and skill development opportunities.

- **Bolster diverse entrepreneurship efforts** by increasing the mandate and lending capacity of the Small Business Administration and the Minority Business Development Agency to provide financial resources to women and minority business owners with a priority on industry sectors with strong career pathways opportunities. Further, these agencies should be tasked to consider novel practices to incubate and accelerate the growth of entrepreneurs and small businesses while bringing them capital—in addition to low-cost debt—to help rebuild local and regional economies.
- **Require all large-scale infrastructure projects to carry a community benefit agreement for all future infrastructure investments**, including local hiring provisions, funding for job training, and supports for job placement.
- **Bridge the digital divide by revitalizing and updating the [National Broadband Plan](#)** to make broadband internet service more affordable and accessible to the nearly 20 million American households that currently lack broadband internet access. By leveraging public-private partnerships to build this critical 21st-century infrastructure in innovative ways, the Biden Administration can bolster employment and spur economic growth and opportunity in regions where the need is greatest.

Increase alignment between regional workforce and economic development efforts to strengthen place-based approaches to talent development and economic recovery. These efforts should build talent pipelines, align skills training to in-demand careers, close skill gaps, expand opportunities for underserved and underrepresented populations while increasing

economic mobility, and limit workforce shortages in industries and occupations critical to regional economic recovery and resilience.

- **Provide funding to establish and scale regional workforce and economic development strategies, including sector initiatives**, that are implemented through regional partnerships and incorporate career pathway strategies to improve opportunities for underrepresented populations. These efforts should focus on industry research and development, rapid upskilling and reskilling for displaced workers, and the development of longer-term strategies for meeting the real-time skill needs of the labor market.
- **Provide incentives for inclusive outreach, recruiting, support, and hiring practices** that are designed to ensure that underrepresented populations have access to and succeed in in-demand industry sector initiatives—thus strengthening regional economies through inclusive economic development.

Innovation in Action

Inland Economic Growth & Opportunity

The [Inland Economic Growth & Opportunity](#) campaign unites a diverse set of community leaders from the combined metropolitan area of California’s Riverside and San Bernardino Counties—a region of 4.5 million residents that is also known as the Inland Empire. Private- and public-sector leaders are developing a strategic agenda for advancing inclusive growth and opportunity that will lift thousands of people out of poverty and broaden local access to opportunity while putting the region on the path to a more prosperous and secure future. JFF supports the region’s pursuit of an equitable and resilient economy, with a particular focus on developing work-based learning opportunities for the region’s advanced manufacturing, green tech, and cyber/IT industries.

Take an inclusive approach to economic development that builds diversified and resilient regional economies through strategies that are intentionally designed to benefit vulnerable, disadvantaged communities and encourage investments in small businesses, entrepreneurs, and emerging industries.

- **Update the Opportunity Zone program** to incorporate a greater focus on the needs and input of the target community. These updates should focus on providing incentives for the equitable use of capital and offering funding for community-focused intermediaries to coordinate planning and projects. They should also consider using criteria developed under the Promise Zones initiative to increase the transparency and use of evidence-based investment strategies that incorporate the needs of the community.

- **Increase support for and coordination with Community Development Financial Institutions (CDFIs)** by updating and strengthening the Community Reinvestment Act. This would help bolster partnerships between large conventional financial institutions and CDFIs, which serve as critical intermediaries for traditionally underserved and underinvested communities.
- **Support community empowerment through federal investments** by prioritizing grant applications that centralize the inclusion of diverse representation across community members and economic development boards. These efforts should also ensure federally funded projects target job creation, support career pathways, drive innovation and entrepreneurship, and build resilient regional economies.

Expand the availability of quality jobs by spurring employers to establish jobs that satisfy employees' basic and higher-level needs. This would help create the conditions for an agile workforce that is prepared for the shifting demands of our labor economy, meets employer needs, and drives economic growth.

- **Champion a national Impact Employer Campaign focused on spurring and expanding awareness and action among employers** to prioritize talent management practices that place the economic mobility of their workers at the forefront of their business agendas. Specifically, these employers would invest in proven practices such as skills-based hiring and promotion practices; upskilling, reskilling, and outskilling; and other skill development and educational opportunities for their employees. This campaign would inspire employers to adopt best-in-class investments across the talent management cycle.

Innovation in Action

TechHire

The [TechHire Partnership grant program](#) is a multisector initiative to empower and train workers with IT skills and prepare them for high-growth jobs across a diverse range of industries. TechHire promotes inclusive economic development efforts by piloting and scaling public-private partnerships across workforce investment systems, education and training providers, and business-related nonprofit organizations to provide training and supportive services to populations with barriers to employment and training. JFF supports TechHire grantees to help ensure participant completion and that graduates are placed in high-growth, middle-skill tech jobs.

- **Create a Commission on Quality Jobs** to identify a set of recommendations for how the federal government can better support equitable access to, placement into, and advancement within quality jobs for all American workers and learners. The commission

should include workers and learners, as well as representatives across employers, labor unions, workforce development entities, and civil rights organizations. To inform the commission's work, the heads of key agencies should be tasked with identifying perverse incentives that stand in the way of greater employer commitments to equitable economic opportunity and mobility among their workers.

- **Provide tax incentives to employers to invest in upskilling, reskilling, and ethical offboarding** for workers in low-wage, entry-level positions and at risk of dislocation due to the changing economy and rising automation. These services can support workers continuing in their current industries or shifting to a new industry or career path and should be easy for employees to understand and navigate.

Redesign Education and Workforce Development Systems

To meet the needs of our new era, education and workforce systems must make transformative changes or risk becoming irrelevant and unresponsive to the needs of workers, learners, and businesses. An equitable recovery requires accelerated innovation to reimagine education and the future of work.

Recommendations:

Establish a skills-based education and employment infrastructure that embraces outcome-focused innovation and recognizes individuals' skills—no matter where or how they are acquired—as the principal measure of how much they have learned, the credentials they are qualified to receive, and their ability to do a job.

- **Create a new Reimagining Higher Education grant program** to invest in the development, validation, and scaling of innovative approaches that can transform postsecondary education to better support strong outcomes for historically underrepresented populations. Grants should focus on evidence-based innovations that colleges, nonprofits, and other postsecondary education providers can implement, using a model that provides seed funding to build evidence for promising innovations and more funding to scale the most effective interventions.

- **Expand competency-based education (CBE) programs** by supporting state initiatives to implement and scale CBE programs, updating federal higher education accreditation and financial aid requirements that limit the growth of CBE delivery, and allowing federal financial aid to be used for prior-learning assessments.
- **Support efforts to accelerate the shift to skills-based hiring, such as those being led by the [Open Skills Network](#)**, through the development and implementation of a common skills language used by employers, learners, jobseekers, and education providers. This includes the development of skill “passports” that are recognized across education, workforce systems, and employers. Such passports would create a unified way for individuals to carry with them a record of all of their skills and credentials to enable seamless transitions across learning and employment opportunities. Federal support for these efforts should include funding pilot initiatives that use innovative technologies like blockchain to ensure portability and verification, convening key stakeholders, and supporting research and development.
- **Modernize and reform federal employment by focusing on skills- and competency-based hiring approaches** rather than an overreliance on college degrees for federal hiring and extend such approaches to cover federal contractors. The Administration should also provide guidance to states and private-sector employers on how to implement similar hiring practices.

Innovation in Action

Pathways to Prosperity

In 2012, JFF and the Harvard Graduate School of Education launched the [Pathways to Prosperity Network](#) to reimagine how our education system—from K-12 through college—partners with employers and prepares our young people for success. The network develops, implements, and scales college and career pathways to expand economic opportunities for all young people and meet regional talent needs. This forward-looking approach depends on strong cross-sector partnerships among K-12 and postsecondary education leaders, policymakers, and employers, bringing together diverse stakeholders to build a future that works.

Develop accelerated and efficient pathways that provide all learners, especially underserved and underrepresented populations, with opportunities to acquire skills and credentials that are valued in the labor market.

- **Modernize the nation’s workforce development system** by aligning disconnected federal employment and training programs; streamlining infrastructure toward a regional service delivery model with updated governance; and directing fragmented funding

through a single workforce delivery system that is comprehensive, agile, and meets the skill needs of regional economies.

- **Create federal-state partnership grants for postsecondary education** that fund states and consortia of institutions to scale evidence-based practices and innovations. Funded efforts should be designed to transform the nation’s community colleges in ways that support students’ progression through postsecondary education, increase completion, and effectively connect postsecondary programs to careers.
- **Launch an innovation arm of the U.S. Department of Labor**, modeled after the Defense Advanced Research Projects Agency program, to work with innovators inside and outside of government to make pivotal investments in breakthrough technologies and strategies that could dramatically accelerate career advancement, credentialing, and employment efforts. An advisory council of experts should examine and make recommendations on how to scale these innovations in support of transformed workforce development in the United States.
- **Establish an Office of Postsecondary Transitions** at the U.S. Department of Education to focus on the critical transition points between secondary and postsecondary education (including both traditional and alternative models). The new office should promote best practices such as expanded college in high school opportunities, strong college and career advising, and models that allow immediate entry into credit-bearing courses. The office would also focus on bridging students from adult education programs, the WIOA Youth Program, and other postsecondary routes.

Innovation in Action

Advanced Workforce Analytics and Knowledge Exchange

JFF and the National Association of Workforce Boards developed the Advanced Workforce Analytics and Knowledge Exchange ([AWAKE](#)) to identify future-focused workforce boards that are adapting their operations, strategies, technologies, and investments to the changing world of work through strategic partnerships committed to making an impact in their communities. AWAKE is designed to share best practices, programmatic innovations, and strategies on the use of data and technology from these innovators with the 550 workforce development boards and 2,500 American Job Centers across the country that impact more than 15 million Americans each year.

Integrate learning and work to provide individuals with real-world opportunities to apply the lessons learned in classroom settings, earn money while they learn, and get a head start on the road to a career.

- **Champion a national initiative to expand work-based learning opportunities for every high school and college student.** This initiative should include the development of national principles for high-quality work-based learning and the prioritization of work-based learning in existing grant competitions. It should also highlight national exemplars and encourage employer commitments to expand work-based learning participation.
- **Reauthorize the National Apprenticeship Act to expand apprenticeship programs** in high-growth fields and occupations and to grow pre-apprenticeships and youth apprenticeships. An updated National Apprenticeship Act should also create more opportunities for diverse and underrepresented populations, including women, people of color, and disconnected or opportunity youth.
- **Reform the Federal Work-Study Program** so it reaches more students from low-income backgrounds—particularly those at community colleges, historically black colleges and universities, and minority-serving institutions—to help them access on- and off-campus work experiences that align with their career path while building social capital.

About JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For more than 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works. www.jff.org