



Invest in Worker Retraining, too

BY JACK MARKELL

THE NEXT FEDERAL STIMULUS PACKAGE should protect today's workers while also preparing them for the future.

In an era of unprecedented partisan discord, it's striking that President Donald Trump and House Speaker Nancy Pelosi have both called for massive additional stimulus investments to address the economic impacts of the coronavirus pandemic.

They're both right. As governor of Delaware in the aftermath of the Great Recession, I saw how federal investments delivered an immediate jolt to our economy in the form of good-paying jobs. Years later, the Congressional Budget Office found that the stimulus package passed at the time, the American Reinvestment and Recovery Act, created millions of jobs that would not have existed without federal action.

[This past March], in the face of the COVID-19 pandemic, Congress passed a historic \$2 trillion economic stimulus program. But any further investments will be much more effective if they focus on building the skills of America's workforce. In particular, a portion of the next stimulus should be set aside to include investing in America's talent needs, by helping low-wage workers develop the skills necessary for in-demand careers and helping them get good jobs.

This is especially timely: Low-wage workers are already among the most impacted by the COVID-19 crisis. Macy's has already furloughed tens of thousands of workers, and hospitality jobs are evaporating overnight, to name just a few examples. History indicates that lower-earning workers without postsecondary education will face the longest road to recovery: Workers with a high school diploma or less lost 5.6 million jobs in the Great Recession out of 7.2 million total jobs erased. After the recession, those individuals recovered only 80,000 of those jobs lost between 2010 and 2016.

The signs suggest that it could be worse this time. As experts from the Brookings Institution have noted, the COVID-19 pandemic may well accelerate the trend toward workforce automation, which would disproportionately impact low-wage earners. Even before the current crisis, almost half of American adults without degrees believed they needed additional education and training to advance in their careers.

Workers given new opportunities to develop skills for in-demand careers will be the best-positioned when the economic recovery begins. For example, demand for information technology support roles remained strong even throughout the last recession, with only a small 1% dip in 2009.

What should a stimulus plan that prioritizes talent development and placement look like? One job training approach has been proposed by the bipartisan duo of Virginia Sen. Tim Kaine and Ohio Sen. Rob Portman. They have suggested expanding federal Pell Grants, awarded to those with exceptional financial need who are seeking further education, while also increasing the amount of funding available and lowering the barriers to access. Under current law, Pell grants are limited to programs of at least 600 hours or 15 weeks in length, which means workers in other short-term training programs for jobs such as nurse's aides, emergency medical technicians or advanced manufacturing roles are ineligible for aid.

Investing in America's talent needs should also significantly expand workers' ability to afford developing new skills. For example, Congress should increase the existing Lifetime Learning Credit, now capped at \$2,000, and make it refundable to benefit low-income Americans who would most benefit from such an educational opportunity.

In addition, a future-oriented skills agenda should include creating and funding new vehicles like the Lifelong Learning and Training Accounts proposed by Virginia Sen. Mark Warner and the Aspen Institute. Such a program would allow individuals to contribute up to \$2,000 per year into government- and employer-matched savings accounts for ongoing skill development.

In Washington, D.C., nonprofits focused on training for in-demand fields like Merit America (where I serve as an adviser) are proving that this strategy can work. Consider the case of Carlos Flores, a resident of the nation's capital region who just this month went from working in a front-line retail job to becoming a data center technician at Amazon, boosting his salary by more than \$24,000 annually. Policy changes and investments to support successes like these would allow many more learning programs aligned with in-demand careers to rapidly scale their work nationwide.

Moving millions of Americans from low-wage work to careers with the most in-demand skills would generate billions of dollars in increased wages for hard-working individuals while also reducing their dependency on government benefits and their vulnerability to future economic shocks. Let's make sure this next round of government support helps build the bench of talent that employers will need in the months and years to come, while providing a path for our most at-risk workers into stable careers. ■

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