



Essential for a Post-COVID Economy: Recommendations for a Fully Funded and Transformed Workforce Development System

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Introduction

Even before the COVID-19 crisis, the United States was overdue for a transformation of its postsecondary education and workforce development systems to meet the vast skill and employment needs of today's workers and employers. The pandemic has exponentially increased this need for change, with millions of Americans permanently out of work and in need of reskilling. We must learn from this crisis and use its momentum to make the kinds of changes that are necessary if our economy is to rebound, our employers are to remain competitive, and our workers are to survive.

It is time to take the following actions:

- **Increase investments in America's workforce** at levels that support the economic needs of U.S. workers and the skill needs of U.S. employers.
- **Make systems changes** to modernize the nation's workforce development system and transform the delivery of education and training in ways that accelerate workers' time in the classroom.
- **Develop a robust career navigation system** that helps students, parents, jobseekers, and workers make well-informed choices about education, career paths, and employment.
- **Create a lifelong learning system** that increases funding for skills development, transforms the structure and delivery of education and skills training, builds out and scales sector-focused and career pathways systems, and creates federal-state partnership grants for postsecondary education.
- **Ensure that U.S. workers are protected in times of transition** by enacting reforms in unemployment insurance that include expanded eligibility for benefits, and evidence-based reforms.
- **Ensure the quality of education and training programs** as the country experiences a significant increase in demand for short-term occupational skills training programs tied to in-demand employment.

- **Encourage employer engagement** in the design and delivery of occupationally focused programs, and in the training and education of their own frontline workers.
- **Target programming to individuals facing barriers to education and employment** to help them succeed in attaining the skills and credentials needed for in-demand, family-supporting careers.
- **Increase investments in and programming for opportunity youth** that creates strong bridges between education and employment, address the need for postsecondary education and training that is high quality and affordable, and offer paid work experiences.

For an expanded range of recommendations aimed at an equitable economic recovery, see [JFF's Blueprint for the Biden Administration](#).

The Need for Investment and Transformation

The Urgency

Even before the onset of COVID-19, roughly 75 million Americans were unemployed, underemployed, or not working but not counted in official unemployment statistics.¹ The pandemic has clearly made this problem even worse, given that many of the individuals who did have jobs—particularly low-paying positions—have now lost them as a result of the crisis. In February 2021, 10 million people in the United States remained unemployed.² Over four times that many Americans lost jobs at some point over the past year as a result of the coronavirus.

Possibly most devastating is the fact that the workers who are suffering the greatest economic hardships as a result of the crisis are low-wage earners and individuals with no postsecondary credentials—many of whom are Black, Latinx, or from other underrepresented populations. These are the same workers who have been historically disenfranchised.

In today's economy, this is a serious disconnect, because the majority of jobs in high demand require at least some postsecondary education and training. Before COVID-19, the United States faced severe shortages of workers with associate's degrees and technical credentials. We expect this trend to continue as new ways of working sparked by technological advancements demand higher-level knowledge, skills, and abilities.

Opportunities for education and economic advancement have not been shared equitably in the United States, and it is critical to close gaps in skills, credentials, employment attainment, and retention associated with race, ethnicity, income, and immigration status. Without focused

efforts to address inequality and promote equity in our postsecondary and workforce development efforts, these gaps will continue to grow.

The United States Needs a High-Quality, Well-Resourced Workforce Development System

It is essential that the United States address the employment and skill needs of its workers and employers to ensure the competitiveness of our nation, and an equitable economic recovery that lifts all Americans. This includes helping workers who lost jobs as the result of the COVID-19 crisis, those who were unemployed or underemployed even before the pandemic, and those whose jobs are in jeopardy due to rapidly changing skill requirements.

The nation has an array of postsecondary education, skills training, and workforce development programs that provide vital education and employment services for America's workers. The operators of these programs have worked hard to adapt in order to continue providing services throughout the pandemic, but they are not adequately funded or agile enough to fully meet the skill needs of America's workforce, especially in today's turbulent economy.

Federal funding for postsecondary education and workforce development efforts total over \$58 billion annually when taking into account Pell Grants, which help low-income students pay for college, and federal programs that provide education and training assistance for U.S. veterans.³ Pell Grants are vital to helping millions of Americans afford postsecondary education, but the program's rules are not flexible enough to help the growing number of people who want to pursue industry-recognized skills and credentials through short-term or accelerated programs. And although the GI Bill and related employment assistance programs are critical in helping former members of the military prepare for new jobs in civilian life, non-veterans must seek out other opportunities.

Beyond Pell Grants and veterans' programs, the United States invests only \$16 billion annually in programs that provide workforce-focused education, employment, and training assistance for the rest of America's students, jobseekers, and workers. This funding is divided among 17 different education and workforce development programs, including career and technical education, adult education, vocational rehabilitation, and programs authorized under the Workforce Innovation and Opportunity Act (WIOA). In Fiscal Year 2020, funding for WIOA state formula grants—the primary employment and training assistance resource for low-income adults, youth, and dislocated workers—was a scant \$3.6 billion for all 50 states.⁴

It is no surprise that the nation's workforce development system cannot keep up with the immense needs of workers who have been devastated by the COVID-19 crisis, despite the efforts

of many high- quality and innovative state and local systems. A June 2020 report by the previous administration’s White House Council of Economic Advisors noted that the United States would have to spend an additional \$80.4 billion on employment and training annually to match the average spending of other Organization for Economic Cooperation and Development (OECD) member countries (based on percentage of GDP). With millions of Americans out of work and millions of others underemployed, we must do better by adequately funding and transforming workforce development in this country. We must provide high-quality skill development opportunities for Americans who are out of work or are underemployed and do not have the personal finances to pay for these services out of pocket—especially when they have to prioritize housing, food, health care, and child care.

What Do We Need in a U.S. Workforce Development System?

The United States needs a workforce system that is agile, keeps up with the skill needs of in-demand employers, and provides real-time career navigation services for students, jobseekers, and workers. This system must also provide skills training that is easily accessible and, where possible, accelerated to ensure that workers can attain the skills and certifications necessary for in-demand, family-supporting careers as quickly as possible. We need a workforce development system that provides services both in person and virtually; that is successful in meeting the needs of diverse populations, including those who have been underrepresented in years past and who have been exceptionally hard-hit by the pandemic; and that works with existing and new partners to leverage resources, extend capacity, and provide an expanded array of effective services. We must significantly bolster our capacity to provide [tech-enabled career navigation](#) and skills training to meet the changing skill needs of in-demand employers and deliver customer experiences that meet the needs and expectations of modern jobseekers.

Such efforts will require a fundamental rethinking of our current system that incorporates programs authorized under WIOA, but also extends far beyond them. The days of siloed policy development for U.S. workforce, higher education, social safety net, and economic development systems must end. These systems must be considered and transformed as a whole so they can work together to form the critical workforce preparation ecosystem we need today and in the future.

The economic turbulence and changing skill demands that have been accelerated as a result of the COVID-19 pandemic are expected to follow us into the foreseeable future. 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, ensure that our nation’s businesses can thrive as engines of our economy. The following pages lay out overarching changes needed to transform the U.S. workforce development ecosystem.

Needed Changes to Transform the U.S. Workforce Development System

I. Increase Investments in America's Workforce

COVID-19 has greatly increased the need to invest in reskilling and reemployment assistance for workers who have lost jobs in the pandemic. If we are to ensure an equitable future where all Americans have the skills they need to find and progress in good jobs, we must change the way we value and invest in America's workers. For this reason, we strongly support the Biden Administration's [The American Jobs Plan](#), and its proposed funding for workforce development of \$100 billion.

JFF urges policymakers to invest in workforce development at levels that support the economic and skill needs of U.S. workers and employers; allow for needed transformation of workforce programs; and bring workforce investments into parity with those of other OECD countries, by taking the following steps:

- **Recognize career navigation as critical to U.S. education and workforce development efforts.** Increase investments by an additional \$10 billion in comprehensive career navigation services and infrastructure (as described in Section III). This includes a graduated public-private matching requirement for states and regions to encourage resource leveraging and efficiency.
- **Significantly increase investments in skills development.** Policymakers need to recognize the need to support high-quality short-term and stackable credentials as well as longer-term degree pathways.
 - Provide \$50 billion in federal funding for skills accounts, adult education, apprenticeships, and other forms of high-quality work-based learning for adults and youth. This funding level would expand skills training to between 8 million and 10 million jobseekers, dislocated workers, and underemployed workers at investment levels comparable to those afforded to traditional students through Pell Grants.
 - Expand Pell Grant eligibility to include individuals participating in short-term credentialing programs at institutions of higher education.
 - Expand tax-advantaged programs for employers and individuals who invest in education and skills training (e.g., 127 plans, lifelong learning savings accounts, and expansion of the Earned Income Tax Credit (EITC)).
 - Examine the potential of alternative financing mechanisms with guardrails (see Section IV).

- Provide incentives for employers to engage in workforce efforts and to invest in frontline worker training (see Section VII).
- **Invest \$10 billion in the alignment and modernization of our workforce development ecosystem.**
 - Invest in systems change research.
 - Establish a federal technology fund for states and regions.
 - Make cross-system investments in adult education, community colleges, and workforce development systems that result in increased collaboration, effective programming, and professional development.
 - Scale reforms in the delivery of education and training, such as those tested through the TAACCCT (Trade Adjustment Assistance Community College and Career Training) program, to meet increased pressures for accelerated reskilling and reemployment.
 - Adopt new modes of service delivery, including high-quality private-sector offerings.
 - Expand evidence-based strategies, such as career pathways and sector strategies, that have proved to be effective in helping historically underserved populations, including Black, Latinx, and Indigenous populations, to successfully attain needed credentials and in-demand employment.
- **Invest \$10 billion in funding for comprehensive programs serving opportunity youth** (young adults ages 16 to 24 who are out of school and unemployed) to serve an additional 1 million to 2 million young people annually.
- **Invest in job creation, subsidized employment, and training opportunities in upcoming infrastructure, green energy, and health workforce initiatives**, ensuring that at least 1 percent of funding for these initiatives goes toward job training for unemployed and underemployed individuals, including opportunity youth.

II. Make Systemic Changes in Workforce Development Infrastructure

U.S. workers in every sector of the economy are experiencing the effects of disruption, which have been accelerated by the COVID-19 pandemic. The disproportionate impact on populations who were already underemployed is devastating. Millions of workers must retool for new roles and industries. We need a new era of research, innovation, and policymaking to enable the sort of economic resilience and mobility that an equitable recovery requires.

We must modernize the nation's workforce development systems by aligning disconnected federal employment and training programs; streamlining infrastructure toward a regional

service delivery model with updated governance; directing fragmented funding through a single workforce delivery system that is comprehensive, agile, and meets the skills needs of regional economies; and augmenting and improving service delivery through updates and the use of new digital technology. As part of our comprehensive workforce development efforts, we must also transform the delivery of education and training in ways that accelerate workers' time in the classroom and provide credit for prior learning (see Section IV). JFF urges policymakers to take the following actions:

At the federal level:

- **Establish an innovation arm of the U.S. Department of Labor (DOL)**, modeled after the U.S. Department of Defense's Defense Advanced Research Projects Agency, to build an advanced research capacity and transform the workforce development system. The agency could work with innovators within and outside of government to make investments in breakthrough technologies and other strategies that improve the way workforce development services, including career navigation and skills training, are provided and financed in the United States.
- **Establish a dedicated Office of Workforce Innovation at DOL** with responsibility for carrying out research and the activities described above.
- **Establish the Digital Transformation Fund** to support the above-described federal activities. In addition, it should fund direct work with national employers and employer associations on multistate training and credentialing efforts, and provide funding to states and regional workforce systems to modernize state and regional workforce efforts. This includes the integration of technology into career navigation and skilling services at American Job Centers and related providers.
- **Establish the National Workforce Innovation Advisory Council**, in conjunction with the establishment of the new Office of Workforce Innovation, to act as counsel to the Secretary of Labor and the Office of Workforce Innovation; provide advice on federal, state, and regional investments from the Digital Transformation Fund; and provide recommendations on how to scale evidence-based innovation from this work in support of a transformed workforce development system in the United States.
- **Fully align disconnected federal employment and training activities and funding** at the federal, state, and regional levels, including employment and training activities under WIOA, Employment Service, Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program, and the U.S. Department of Housing and Urban Development, through a streamlined workforce development fund/system.

At state and regional levels:

- **Require regional, systemic approaches in workforce development** that are tied to regional economic development efforts (strengthening provisions already in WIOA). These efforts should recognize that these strategies may include jobs that extend beyond a local region due to technology capabilities and increases in the number of individuals working virtually, especially in rural areas.
 - **Dedicate funding for regional career pathways** system changes in the delivery of education and training, with expectations established in all partner programs (e.g., WIOA, adult education, Higher Education Act, and career and technical education).
 - **Dedicate funding, with expectations, for regional sector strategies**, including the establishment of industry sector partnerships in in-demand industries and occupations.
- **Elevate regional workforce boards** with decision-making authority over comprehensive workforce programming (e.g., digital innovation and automation, career navigation, career pathways, skill development, sector strategies, and youth development strategies), with explicit funding for such activities.
- **Expand the vision of workforce development systems**, accompanied by robust professional development supports, to include new modes of service delivery, including tech-enabled career navigation, training, data analysis, and interoperability with high-quality private-sector offerings.
- **Implement changes in the structure and delivery of education and training** that significantly expand opportunities for accelerated skills and credential attainment that meet the needs of regional economies (discussed in Section IV).

III. Develop a Robust, Modernized Career Navigation System

The United States lacks a comprehensive career navigation system that can help students, parents, jobseekers, and workers make well-informed choices about education and career paths. The workforce system established under WIOA provides career navigation services to youth and adults who are seeking jobs or making career changes, but these services are in need of modernization, and are not available to secondary or postsecondary students, or to incumbent workers who also need such assistance. JFF urges policymakers to do the following:

- **Establish a robust career navigation system** throughout the United States that has the following characteristics:
 - Is administered by DOL but developed and implemented jointly through an interagency agreement among key federal agencies (DOL, Department of Education,

- Department of Health and Human Services, Department of Commerce) to ensure that it is designed for use across systems.
- Is used by education, workforce, economic development, and human services systems.
 - Is comprehensive, offering real-time labor market information; digital skills assessments, skill matching, and training strategies; access to career pathways and accelerated reskilling services; and access to support and reemployment services.
 - Provides all services virtually and through in-person networks via American Job Centers and affiliated sites (e.g., community-based organizations, libraries, community colleges, and K-12 guidance offices) to increase access for all individuals, especially underserved and underrepresented populations and people in rural locations.
 - Focuses 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.
 - Connects to existing national education and career counseling platforms offered through multiple access points (in person and virtually) and in multiple languages.
- Provide states and regions with funding through the **Digital Transformation Fund** (described in Section I) to identify and integrate new digital technologies, including high-quality private-sector innovations, into publicly funded career navigation efforts.
 - Augment traditional labor market information made available through the Bureau of Labor Statistics with publicly available real-time labor market information currently available only through proprietary platforms.
 - Increase emphasis on and funding for **professional development** to ensure that all staff members focused on career navigation across the workforce system and affiliated sites are well trained in the use of new technologies, especially those for service delivery.
 - Establish a **new Career Advising Corps** through the Corporation for National and Community Service that works with the workforce system's career navigation system and 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 people who are disconnected from work and learning, including corps members who are specially trained to reengage vulnerable youth who are disconnected from school and/or employment. We estimate that there is a need for 25,000 to 50,000 such counselors.

IV. Create a Lifelong Learning System

The United States must invest in the education and training of America's workforce and make changes in how education and training are provided to meet the needs of today's students, jobseekers, and workers and to ensure equitable employment outcomes.

- **Expand skills financing** to increase funding for skills development. The following policies should be incorporated into a workforce transformation strategy, taking into account the differing financial circumstances and skill needs of individuals and employers. JFF recommends that Pell Grants continue to focus on covering tuition costs for individuals from low-income backgrounds in postsecondary education. Skill grants would target individuals who are not eligible for Pell Grants, such as dislocated workers or low-income workers, and would focus on programs and providers not covered by Pell. Alternative financing mechanisms and tax-advantaged financing may serve learners with higher incomes, individuals who have paid into tax-advantaged plans, or workers whose employers offer education benefits. Meanwhile, employer-provided training would serve existing workers. A transformed workforce system would make sense of and build upon these financing options, providing workers with information on and assistance with accessing and using these resources most efficiently. JFF urges policymakers to do the following:
 - **Expand Pell Grants** to include high-quality short-term credentialing programs.
 - **Establish skill grants** to replace Individual Training Accounts under WIOA, providing grants to eligible individuals to pay for high-quality training programs including high quality short-term certificate programs that are not covered by Pell (e.g., non-credit programs, programs offered by non-IHEs, and online offerings) that are on WIOA's Employment Training Providers Lists (ETPLs).
 - **Expand tax advantaged skills training** to encourage individual and employer investments in education and training, including 127 plans, lifelong learning accounts, and Earned Income Tax Credits.
 - Explore potential **alternative financing** options, such as income share agreements, to leverage additional resources for education and training for in-demand industries and occupations, with adequate guardrails to protect consumers.
 - Allow workforce boards to use federal funds to establish **renewable training funds** for workforce system participants.
 - Expand **incentives for employers** to invest in the training of their own front-line workers through the tax code or other mechanisms (see Section VII).

- **Transform the structure and delivery of education and skills training** provided through workforce systems, community colleges, and other providers, to ensure that skill development programs have the following characteristics:
 - Are more **innovative, agile, invested in the use of technology**, and responsive to the skill needs of workers, in-demand employers, and rapidly changing national and regional economies.
 - **Are available through in-person, online, and hybrid formats, and open to an expanded array of high-quality providers and delivery structures** with strong participant outcomes.
 - **Are skills-focused**, offering multiple entry and exit points, competency-based and accelerated learning platforms, credit for prior learning, and in-demand credentials, including stackable credentials.
 - **Are augmented with expanded earn-and-learn opportunities**, including apprenticeships and other high-quality work-based learning strategies.
- **Build out and scale sector-focused and career pathways systems with dedicated funding** to ensure that these strategies are fully developed and responsive to the rapidly changing needs of a diverse array of learners, workers, and employers. Populations that have historically been underserved and underrepresented, including Black, Latinx, and Indigenous workers, in particular, should be supported.
- **Create [federal-state partnership grants](#) for postsecondary education** that fund states and consortia of institutions to scale evidence-based practices and innovations that transform the nation’s community college systems. These initiatives should support students’ progression through postsecondary education, increase completion rates, and effectively connect postsecondary programs to careers.

V. Ensure That U.S. Workers Are Protected in Times of Transition

The nation’s response in helping workers who have lost jobs as a result of the COVID-19 crisis has been mixed at best. As the crisis continues, it is clear that state unemployment insurance (UI) systems are overwhelmed. While certain shortcomings in UI eligibility have been addressed through COVID-19 relief legislation, too many workers remain unemployed without adequate reskilling and reemployment assistance, and essential benefits have been delayed in too many cases. Because worker disruptions are expected to continue beyond COVID-19 as we confront the future of work, this country needs significantly expanded and improved transition assistance for workers who need to make career changes. To do this, policymakers should take the following actions:

- **Make needed technology upgrades to state UI systems** to ensure that dislocated workers receive the resources and services they need to prepare for and find reemployment as soon as possible.
- **Enact systemic reforms in the UI system** that retain CARES Act expanded eligibility provisions, provide incentives for shared work and part-time UI, and adopt other system innovations that expand flexibility and depth in coverage.
- **Ensure that federal infrastructure, green economy, health workforce, and other job initiatives make investments not only in job creation but also in the expansion of high-quality skill development and subsidized employment assistance.** Subsidized employment opportunities are especially important for opportunity youth and individuals who face long-term unemployment, so they can move into in-demand, family-supporting careers more easily.
- **Ensure greater connectivity and collaboration across the UI and workforce development systems.**
- **Expand reemployment assistance** that builds upon services provided under the Reemployment Services and Eligibility Assessment program. It should include worker profiling, robust career navigation, and skills training services to help UI recipients prepare for accelerated reemployment in in-demand, family-supporting careers.

VI. Ensure the Quality of Education and Training Programs

In today's economy, we are seeing a significant increase in demand for short-term occupational skills training programs. Individuals who are looking to quickly reenter the labor market, as well as secondary and postsecondary students, are increasingly pursuing education that is tied to in-demand employment. This makes our ability to determine the quality of short-term and other occupational skills training programs more important than ever, especially as we consider public funding for such programs. The following are efforts policymakers can take to ensure program quality:

- **Implement a universally accepted quality control mechanism** to ensure that programs and providers that receive federal workforce funding meet accepted levels of performance based on participant outcomes.
- **Champion an interagency data connectivity and transparency initiative** to improve data availability and promote its use by consumers making education, training, and employment decisions. This initiative should promote effective data privacy while building upon current efforts, such as the College Scorecard and the WIOA Employment and Training Provider List.

- **Establish a national reporting process** whereby all federally funded education and workforce training programs must provide data on the labor market outcomes of students and participants, based on standards established by DOL and the Department of Education.
- To address equity concerns, require that participant data related to the services provided and to program outcomes be **disaggregated for each subpopulation by race, ethnicity, sex, age, and socioeconomic status**. Policies should build in **performance incentives** for providers based on outcomes for the subpopulations served.
- **Require states to update their Eligible Training Provider Lists quarterly**. Such updates should consider access to services (e.g., whether there are sufficient distance learning providers) and response to ongoing economic shifts to ensure that training options are relevant to current and emerging in-demand industries and occupations. Consideration should also be given to the establishment of a national level ETPL for high quality training providers that operate at the national level.
- **Extend WIOA measures** to other education and training programs included in system alignment efforts.

VII. Encourage Employer Engagement

Employer engagement is key to the success of workforce development efforts. Employers must help inform the development and implementation of workforce development programs to ensure that the skills and credentials offered are of value to regional economies. Employers can also implement new practices that better serve jobseekers and workers, such as adopting skills-based hiring practices. To encourage these behaviors, as well as increased employer investments in their own frontline workers, policymakers can take the following actions:

- **Enhance business services provided through the workforce system** that reflect regional economic priorities and that are relevant to the needs of in-demand industries and occupations, including the following:
 - Investments in workforce intermediaries (e.g., workforce boards, community colleges, or other entities) to support the development of education and workforce programs, including sector strategies, that meet the needs of in-demand industries and occupations.
 - Continued funding for the expansion of apprenticeships in traditional and nontraditional fields that allow individuals to develop the skills employers need while working and earning a wage.

- Funding of professional development and other human resources activities for midsize and small employers, through which workforce professionals can provide guidance and training on using career navigation tools and understanding labor market information and provide information and assistance on skills-based hiring to develop of strong talent pipelines.
- **Provide economic incentives to employers for investing in their current and future workers.** This could be done through increased federal and state support for business services specifically targeted to in-demand industries and occupations, including for the establishment of industry sector partnerships. It should also involve monetary incentives for small and midsize businesses, such as tax credits, and subsidized employment and loan forgiveness programs to support regional businesses' investments in the skill development of frontline workers, including high-quality work-based learning opportunities such as apprenticeships.
- **Support efforts, such as those being led by the [Open Skills Network](#), to accelerate the shift to skills-based hiring** through the development and implementation of a common skills language used by employers, learners, jobseekers, and education providers. This also includes the development of skill “passports” that are recognized across education systems, workforce systems, and employers that document people’s skills and credentials to facilitate seamless transitions across learning and employment opportunities. Federal support for these efforts may include funding pilots that use innovative technologies, such as blockchain, to ensure portability and verification; convening key stakeholders; and supporting research and development.
- **Support states that establish workforce trust funds** that are funded with employer contributions to pay for frontline worker training. A modern workforce system must not only be well resourced but should underscore the shared responsibility between government and the private sector to support the development of a competitive workforce. Federal policymakers could provide incentives to states for the establishment of workforce trust funds that are resourced through dedicated revenue from employers that do not already invest in their own frontline workers.

VIII. Target Programming to Individuals Facing Barriers to Education and Employment

The individuals that have been most adversely affected by COVID-19 are the same populations that have been historically underserved by the nation’s education, employment, and economic systems. To ensure that populations with barriers to employment—including opportunity youth, individuals with disabilities, populations of color, individuals with low incomes, people with criminal records, immigrants, and others—are successful in attaining the skills and credentials

needed for in-demand, family-supporting careers, policymakers must provide the following to these populations:

- **Access to high-quality skill development opportunities** as well as on-ramps to career pathways. Federal policy needs to promote skill development as an economic mobility strategy by providing funding and expanding evidence-based strategies, such as sector-focused career pathways. A good example of such an initiative is the Health Profession Opportunity Grants program, which trains low-income individuals, including TANF recipients, for well-paying jobs in the health care field.
- **Support services that address their unique needs** and help them persist in education and work. Access to education and training alone is not enough to get someone on a path to economic advancement. Individuals and families also need to receive coordinated support services that help them persist and complete skill development programs and obtain jobs.
- **Expanded opportunities to gain employment** through strategies that may include transitional jobs, subsidized employment, earn-and-learn strategies, and other models that result in skills and credential attainment and family-supporting careers.

IX. Increase Investments in and Programming for Opportunity Youth

Even before COVID-19, young people, especially young people of color and from low-income backgrounds were facing [declining economic prospects](#).⁵ Youth unemployment rates were and continue to be twice as high as the national average; 4.6 million young adults ages 16 to 24 were out of school and unemployed; and more than one-third of these young people were living in poverty. Since last year, this population known as opportunity youth has grown—with more and more youth disconnected from education (both at high school and college levels) and losing their jobs as a result of the pandemic. The impact of COVID-19 has devastated this population with [roughly 10 million young people](#) now out of school and work.⁶ For these individuals, building skills and gaining work experience are key to upward mobility, however the pandemic has all but shut off opportunities for employment.

Unfortunately, funding for programs helping low-income, disconnected youth has declined precipitously since its peak in the late 1970s.⁷ Today, the primary federal program serving opportunity youth is authorized under the Workforce Innovation and Opportunity Act (WIOA)—providing formula funding for state and local programs. In FY 2020, funding for WIOA Youth totaled only \$913 million, serving just over 150,000 young people.

In today's volatile economy, we can no longer afford to underinvest in America's youth. The costs of ignoring opportunity youth are too high. We need big and bold solutions that create

strong bridges between education and employment, that: address the need for postsecondary education and training that is high quality and affordable; and offer paid work experiences and holistic supports to ensure youth get the services they need to access and persist in education, training and work. Taxpayers save, communities thrive, and businesses gain critical workers when opportunity youth make strong connections to education and the labor market.

Policymakers have an important role in addressing the issues faced by vulnerable youth and young adults. Federal policy must target solutions to meet the needs and provide appropriate opportunities for young people. To accomplish this, JFF urges policymakers to:

- **Increase Funding for Programs Serving Opportunity Youth**
 - **Increase investments in programs serving opportunity youth by \$10 billion**, estimated to serve an additional 1 million to 1.5 million young people in need of assistance (based on investment levels comparable to those for traditional students under the Pell Grant program).
 - **Continue to prioritize out-of-school youth in WIOA youth programs.** WIOA's formula grant programs for youth are currently required to spend at least 75% of funding on out-of-school youth. We urge that WIOA youth programs continue to prioritize out-of-school youth. However, we recognize the need to serve young people who are still technically enrolled in school, but who are at risk of disconnection. We strongly recommend that the nation's K-12 education system devote adequate funding and attention to youth who are at risk of disengaging from high school. We urge the expansion of policies that support reengagement of these young people through evidence-based strategies such as pathways approaches (e.g., [Back on Track](#)), and other models with proven success. We also urge expansion of our nation's career navigation efforts, including establishment of a career navigation corps (described in section III), with corps members dedicated to reengaging young people who are at risk of disconnection from school.
 - **Establish a new competitive grant program to serve local areas with high concentrations of opportunity youth** that: aligns multiple programs and partners through collective impact strategies for serving in-school and out-of-school youth who are at risk of disconnection; expands evidence-based strategies for helping opportunity youth succeed; and focuses on solutions that address the education and employment needs of underrepresented youth, including Black, Latinx, and Indigenous populations, who have been historically underserved, with special attention to racial equity. These grants should be awarded to partnerships of workforce systems, secondary schools, community colleges, community-based organizations, employers, and other key stakeholders with flexibilities similar to those provided in Performance Partnership Pilots for Disconnected Youth (P3

- grants), allowing for creative solutions to the complex challenges faced by opportunity youth and other vulnerable youth populations.
- **Expand access to more flexible student aid** through skill accounts, short-term Pell and other financing mechanisms to remove cost as a barrier to postsecondary credentials and allow individuals to access more modern postsecondary options that meet their career and personal needs.
 - **Increase Program Quality and Expand Services for Opportunity Youth**
 - **Ensure that youth programs build upon evidence-based models and service delivery strategies proven successful in serving opportunity youth, including:**
 - Expanding and improving career navigation services for opportunity youth, including access to innovative tools such as [MyBestBets](#).
 - Expanding the use of technology for improved data and enhanced service delivery.
 - Emphasizing career pathways approaches that include multiple on-ramps to postsecondary education and training opportunities and end with the attainment of valued credentials and in-demand careers.
 - Expanding opportunities for work-based learning, including pre-apprenticeships and apprenticeships; and emphasizing wrap around supports, mentoring, mental health services and trauma informed counseling as well as other critical supports.
 - **Expand Access to Work-based Learning and Good Jobs**
 - **Champion a national initiative to expand work-based learning opportunities for vulnerable and opportunity youth.** This initiative should include the development of national principles for high-quality work-based learning, including pre-apprenticeship and apprenticeship programs, and encourage employer commitments to expand work- based learning participation.
 - **Focus job creation and subsidized employment opportunities on opportunity youth.** In upcoming job creation initiatives including infrastructure, green energy, and health workforce initiatives, ensure that opportunity youth have access to such opportunities, and that skills training for these jobs is a priority with not less than 1 percent of funding for these initiatives dedicated to job training for unemployed and underemployed individuals, including opportunity youth.
 - **Launch a new national youth service corps, and ensure that opportunity youth have access to high-quality service experiences,** that combined with education, training, and on-the-job experience, will prepare them for further

education and in-demand careers. New national youth service corps members could be trained to augment the efforts of frontline workers responding to the pandemic, including in roles as career navigators that would work with public career navigation efforts to help affected students and workers to reconnect to education and jobs (consistent with recommendations under section III). Reengagement crews could begin an all-out effort this summer to help the many young people who are at risk of disconnection or who have already left high school to reengage in education and skills training programs.

- **Provide incentives for inclusive outreach, recruiting, support, and hiring practices** that are designed to ensure that underrepresented populations, including opportunity youth, have access to and succeed in in-demand, family supporting careers.
- **Align Youth Programs and Investments**
 - **Appoint a cabinet-level youth official and establish an interagency task force on youth policy** that reestablishes federal policymakers' commitment to youth populations, coordinates efforts across youth serving programs, and finds key solutions that can help opportunity youth attain needed credentials and in-demand, family supporting careers, including the establishment of common performance metrics across youth programs, building on performance measures in WIOA.
 - **Reestablish Youth Councils** as subcommittees of regional workforce boards, serving as the primary strategic planning, oversight, and coordinating body for youth programming under WIOA youth programs. Such councils should include stakeholders with expertise in the field of youth policy and practice including leadership from key education and youth serving systems, employers, and a strong youth membership -- to advise on programs, strategies and cross-system alignment needed to best serve the comprehensive needs of vulnerable youth in the community.

Conclusion

Before the onset of COVID-19, the United States was already facing labor market disruption that was pushing policymakers, systems leaders, and practitioners to rethink the status quo and design modern approaches to address the skill needs of today's jobseekers, workers, and employers. The pandemic exacerbated these shifts, and more and more people, businesses, and local economies are struggling. Now is the time to transform our nation's workforce development system—working across secondary and postsecondary education, adult education, the workforce development system, economic development systems, and other critical partners to ensure that our economy rebounds and thrives. By increasing resources for skill development, modernizing career navigation, assisting individuals along their career pathways, providing necessary transition assistance, and ensuring that our nation's most underserved populations are able to succeed, we can not only recover but build back better. JFF urges our leaders in Congress and the Biden Administration to take action and create a workforce system that works.

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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. www.jff.org

Endnotes

¹ This is how JFF quantified the population of working-aged adults in the United States who did not have the work or wages they needed to get by before the COVID-19 pandemic: The wage threshold was \$15 per hour. The number of workers earning less than \$15 per hour was a JFF calculation based on Bureau of Labor Statistics data. Unemployment figures come from the Bureau of Labor Statistics, “The Employment Situation—January 2019,” February 5, 2020.

² U.S. Department of Labor, Bureau of Labor Statistics, “The Employment Situation — February 2021,” news release no. USDL-21-0365, March 5, 2021, <https://www.bls.gov/news.release/pdf/empisit.pdf>.

³ JFF, *America’s Untapped Workforce: Federal Programs to Help Develop a Critical Talent Pipeline* (Boston, MA: JFF, March 2019), <https://jfforg-prod-new.s3.amazonaws.com/media/documents/BRF-DC-Untapped-Workforce-Federal-Programs-030719-FINAL.pdf>.

⁴ JFF, *America’s Untapped Workforce*, <https://jfforg-prod-new.s3.amazonaws.com/media/documents/BRF-DC-Untapped-Workforce-Federal-Programs-030719-FINAL.pdf>.

⁵ JFF, *Investments in Opportunity Youth Fuel Prosperity* (Boston, MA: JFF, December 4, 2018), https://jfforg-prod-new.s3.amazonaws.com/media/documents/BudgetBrief_1203184.pdf.

⁶ Richard Fry and Amanda Barroso, “Amid Coronavirus Outbreak, Nearly 3 in 10 Young People Are ‘Disconnected,’” *State Legislature Magazine* (Washington, DC: National Conference of State Legislatures, August 6, 2020), <https://www.ncsl.org/bookstore/state-legislatures-magazine/covid-19-nearly-3-in-10-young-people-are-disconnected-magazine2020.aspx>.

⁷ JFF, *Investments in Opportunity Youth*, https://jfforg-prod-new.s3.amazonaws.com/media/documents/BudgetBrief_1203184.pdf.