

INFORM. INSPIRE. DEVELOP CIVIC LEADERS.

# THE POLICY CIRCLE

## CREATING CAREER PATHWAYS



# ➤ THE "GREAT RESIGNATION" AND THE FUTURE OF WORK ◀

WORK HAS BEEN A KEY COMPONENT IN THE FORMULA FOR AMERICAN'S PURSUIT OF HAPPINESS, WHICH IS ONE OF THE PROMISES OUTLINED IN THE DECLARATION OF INDEPENDENCE. WORK PROVIDES IMPORTANT BENEFITS TO AMERICANS' PSYCHOLOGICAL WELL-BEING SUCH AS A SENSE OF EARNED FINANCIAL SUCCESS AND A SENSE OF FULFILLMENT FROM WORK THAT MAKES THE WORLD A BETTER PLACE. MULTIPLE STUDIES HAVE FOUND LINKS BETWEEN UNEMPLOYMENT LEVELS AND THE WELL-BEING OF A POPULATION.

THE NATURE OF WORK IS CHANGING, DUE TO AN ARRAY OF FACTORS FROM THE GIG ECONOMY TO TECHNOLOGICAL INNOVATION. THE CORONAVIRUS PANDEMIC HAS FURTHER COMPLICATED MATTERS. THERE IS A WIDENING GAP BETWEEN THE NUMBER OF JOB OPENINGS AND THOSE QUALIFIED TO FILL THEM, WHICH THREATENS THE SUCCESS OF THE ECONOMY AND DENIES THE OPPORTUNITY FOR INDIVIDUALS TO EXPERIENCE THEIR OWN EARNED SUCCESS.

# ➤ FACTS TO KNOW ◀

THE LABOR FORCE PARTICIPATION RATE IS THE PROPORTION OF WORKING-AGE ADULTS EITHER WORKING OR ACTIVELY LOOKING FOR WORK. THE LABOR FORCE PARTICIPATION RATE HAS RECOVERED SOMEWHAT TO 61.4%, BUT STILL NOT REACHED THE PRE-PANDEMIC LEVEL OF 63.3% THIS MEANS THAT THERE ARE 1.4 MILLION FEWER PEOPLE AGES 25 TO 54 WHO ARE NOT IN THE LABOR FORCE.

A PORTION OF THE GAP BETWEEN JOB OPENINGS AND NEW HIRES IS DUE TO A RISE IN SELF-EMPLOYMENT AND NEW BUSINESS CREATION. THE IRS REPORTS THAT 56% MORE NEW BUSINESSES WERE CREATED FROM JANUARY TO OCTOBER 2021 COMPARED TO THE SAME PERIOD IN 2019. THIS IS THE BIGGEST ABSOLUTE INCREASE IN NEW BUSINESSES CREATION SINCE 2004.

A QUARTER OF AMERICAN ADULTS REPORT SUPPLEMENTING THEIR MAIN JOB OR SOURCES OF INCOME WITH OTHER WAYS OF MAKING MONEY. BROKEN DOWN FURTHER, THIS GROUP INCLUDES 20% OF RETIREES, 38% OF UNEMPLOYED PEOPLE, AND 38% OF PEOPLE WITH PART-TIME JOBS. INTERNAL SURVEYS OF ETSY.COM, A SITE WHERE USERS BUY AND SELL INDEPENDENTLY MADE HOME DECOR AND FASHION ITEMS, SHOW THAT 4 IN 10 SELLERS ON THE SITE STARTED BECAUSE OF THE PANDEMIC.

OLDER WORKERS WHO ARE CONTINUING TO WORK, EITHER BY CHOICE OR OUT OF FINANCIAL NECESSITY, ARE AN INCREASING PORTION OF THE WORKFORCE. THE 8.5% NET INCREASE IN THE TOTAL NUMBER OF PEOPLE EMPLOYED IN THE U.S. BETWEEN 2000 AND 2020 IS DUE ALMOST ENTIRELY TO INCREASE EMPLOYMENT OF PEOPLE AGES 60 AND OVER.

# ➤ GOVERNMENT INVOLVEMENT ◀

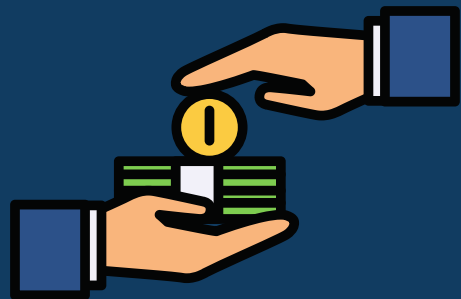


IN 2015 ALONE, 39 DIFFERENT STATES INSTITUTED MORE THAN 100 NEW LAWS RELATED TO EXPANDING CAREER AND TECHNICAL EDUCATION PROGRAMS.

THE 2018 FIRST STEP ACT INCLUDES SKILL DEVELOPMENT AND VOCATIONAL SUPPORT FOR PEOPLE LEAVING THE PRISON SYSTEM. BEFORE THE PANDEMIC, FORMERLY INCARCERATED PEOPLE HAD A 27% UNEMPLOYMENT RATE.

AT THE FEDERAL LEVEL, THE EXECUTIVE BRANCH'S DEPARTMENT OF LABOR IS RESPONSIBLE FOR ENFORCING MINIMUM WAGE AND WORKPLACE SAFETY LAWS, AS WELL AS SETTING THE GUIDELINES FOR STATE UNEMPLOYMENT PROGRAMS.

UNDERSTANDING THE FUTURE OF JOB TRAINING AND THE LABOR FORCE MEANS UNDERSTANDING THE ROLE THAT THE FEDERAL GOVERNMENT, THE STATES, AND PRIVATE EMPLOYERS PLAY. FOR INSTANCE, THE FEDERAL GOVERNMENT SETS A MINIMUM WAGE, BUT UNEMPLOYMENT INSURANCE IS DESIGNED AND ADMINISTERED BY YOUR STATE'S DEPARTMENT OF LABOR WITHIN BROAD FEDERAL GUIDELINES.



# ➤ FRAMING THE ISSUE ◀

OVER THE PAST THREE DECADES, THE PROPORTION OF WORKERS WITH "GOOD NON-COLLEGE JOBS", WITH AN AVERAGE ANNUAL SALARY OF AT LEAST \$45K, HAS STEADILY DECLINED. TODAY, 40% OF RECENT GRADUATES ARE EMPLOYED IN POSITIONS WHERE A DEGREE IS NOT NECESSARY. HALF OF HIRING MANAGERS BELIEVE THAT RECENT GRADUATES ARE NOT ADEQUATELY PREPARED FOR THE WORKFORCE, MAINLY BECAUSE OF A LACK OF SOFT SKILLS.

IN THE SECOND HALF OF 2021, A RECORD NUMBER OF WORKERS LEFT THEIR JOBS VOLUNTARILY. THIS AMOUNTS TO A 3% "QUIT RATE" ACROSS ALL INDUSTRIES. THE QUIT RATE IS HIGHEST IN INDUSTRIES SUCH AS FOOD SERVICES (10.1%) AND LEISURE AND HOSPITALITY (10.2%). SCHOOL REOPENINGS AND THE END OF EXPANDED UNEMPLOYMENT BENEFITS HAVE NOT EFFECTED THE LABOR MARKET, LEADING ECONOMISTS TO CONCLUDE THAT THE MILLIONS OF JOBS AVAILABLE ARE NOT ALWAYS THE JOBS PEOPLE WANT IN TERMS OF BENEFITS, SALARY, AND FLEXIBILITY.

OCCUPATIONAL LICENSING, REGULATIONS THAT REQUIRE FORMAL TRAINING OR CERTIFICATION, NOW COVER AROUND 30% OF ALL JOBS, AS OPPOSED TO 5% IN 1950. THESE REQUIREMENTS ARE MEANT TO ENSURE ONLY INDIVIDUALS CAPABLE OF PERFORMING CERTAIN TASKS HOLD THOSE SKILLED POSITIONS. THEY ALSO FORM MAJOR BARRIERS FOR YOUNGER AND LOWER-INCOME WORKERS.

TECHNOLOGY HAS SUBSTANTIAL IMPACTS ON THE WORKFORCE. FLEXIBILITY DURING THE CORONAVIRUS PANDEMIC CAME IN THE FORM OF TELEWORK, ALTHOUGH THIS WAS NOT WIDESPREAD ACROSS THE WORKFORCE. A TECHNOLOGICAL CONCERN IS THAT SMART MACHINES AND AI COULD REPLACE EXISTING HUMAN JOBS. SOME ARGUE THIS WOULD MAKE WORKPLACES SAFER FOR HUMANS, WHILE OTHERS MAINTAIN LOW-SKILLED WORKERS WOULD BE DISPLACED.





# POTENTIAL SOLUTIONS

## APPRENTICESHIP PROGRAMS AND EMPLOYER-SPONSORED VOCATIONAL TRAINING

EMPLOYERS CAN WORK WITH COMMUNITY COLLEGES, VOCATIONAL SCHOOLS TO CREATE OPPORTUNITIES FOR HIGH SCHOOL STUDENTS TO MOVE DIRECTLY INTO A SKILLED TRADE. GROUPS LIKE THE GERMAN-AMERICAN CHAMBER OF COMMERCE HAVE BUILT ON GERMANY'S APPRENTICESHIP MODEL, WITH 70 US-BASED COMPANIES DESIGNING TECHNICAL CERTIFICATION AND SKILLS TRAINING PROGRAMS.

## A MORE FLEXIBLE WORK ENVIRONMENT

SURVEY RESPONDENTS RATED "HAVING FLEXIBILITY TO BALANCE WORKPLACE AND FAMILY NEEDS" AS AMERICANS' BIGGEST CONCERNS WHEN CHOOSING A JOB. REMOTE WORK FOR AT LEAST A PART OF THE WORKWEEK COULD BECOME MORE WIDESPREAD ACROSS THE ECONOMY, AND REDUCE DEMAND FOR OFFICE SPACE IN MAJOR METRO AREAS.

## OCCUPATIONAL LICENSING REFORM

ELIMINATING OCCUPATIONAL LICENSING LIKE LOUISIANA'S REQUIRED HOURS OF TRAINING TO BECOME A LICENSED HAIR BRAIDER CAN HELP EXPAND ECONOMIC OPPORTUNITY. INTERSTATE COMPACTS CAN ALSO ALLOW SKILLED WORKERS LIKE NURSES TO SEEK OUT JOBS ACROSS STATE LINE MORE EASILY WITHOUT PROHIBITIVE RECERTIFICATION COSTS.

# ➤ WHAT YOU CAN DO ◀

## MEASURE -

FIND OUT WHAT YOUR STATE AND DISTRICT ARE DOING ABOUT CREATING CAREER PATHWAYS.

DO YOU KNOW THE STATE OF THE LABOR MARKET IN YOUR STATE OR MUNICIPALITY? WHAT OCCUPATIONAL LICENSING LAWS DOES YOUR STATE HAVE? ARE THERE WORKFORCE DEVELOPMENT PROGRAMS IN YOUR STATE?



## IDENTIFY -

WHO ARE THE LABOR MARKET INFORMATION CONTACTS IN YOUR STATE?

WHO IS IN CHARGE OF WORKER COMPENSATION IN YOUR STATE? WHAT STEPS HAVE YOUR STATE'S OR COMMUNITY'S ELECTED OR APPOINTED OFFICIAL TAKEN?



## REACH OUT -

FOSTER COLLABORATIVE RELATIONSHIPS WITH HEALTHCARE PROFESSIONALS, YOUR LOCAL AND STATE LEVEL REPRESENTATIVES AND LOCAL ORGANIZATIONS.



## PLAN -

SET MILESTONES BASED ON YOUR STATE'S LEGISLATIVE CALENDAR OR LOCAL COMMUNITY CALENDAR.



## EXECUTE -

GIVE IT YOUR BEST SHOT. YOU CAN ATTEND A LOCAL SCHOOL BOARD MEETING AND VOICE THE NEEDS OF BUSINESSES IN THE AREA, WORK WITH LOCAL SCHOOLS TO IDENTIFY SKILLS AND JOBS NEEDS, SET UP CAREER EXPLORATION DAY FOR STUDENTS TO VISIT LOCAL BUSINESSES, OR BUSINESSES TO COME TO A SCHOOL. OTHER OPTIONS INCLUDE EXPLORING INTERNSHIP MATCHING OPPORTUNITIES, REACHING OUT TO EDUCATION NONPROFITS OR MENTORING PROGRAMS TO OFFER YOUR SERVICES, AND IDENTIFYING A SCHOOL OR DISTRICT TO OPEN A DIALOGUE

