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ASK US ANYTHING



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ASK US ANYTHING SERIES

Lessons from the Great Recession

June 17th, 2020

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Fed resources on employment policies and labor market issues



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- ✓ Aim to affect economic mobility and resilience of low- and moderate-income populations
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Workforce Currents: Leading Workforce Resurgence Series



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Reminder on Our Conversational Series:



Share comments, ideas, questions. Use the Q&A button at the bottom of your screen

Full recording with the slide deck and a digest of Q&A will be sent out.





The Importance of Job Quality in Recovery

July 8th at 2 p.m. (ET)

Racial Equity and the Future of Workforce Development

August 5th at 2 p.m. (ET)

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Tell Us a Little About You

Where are you joining
us from?

What's your focus?



Welcome to the Conversation



Jane Oates

President, WorkingNation;
Former Assistant Secretary of the
Department of Labor for Employment
and Training Administration (ETA)



Carl Van Horn

Founding Director, Heldrich Center for
Workforce Development at Rutgers
University; Nonresident Scholar with
Federal Reserve Bank of Atlanta



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Let's Chat



Resource Center

[Federal Reserve Bank of Atlanta COVID-19 Resources](#)

- Includes all Atlanta Fed Publications
- Resources from other Agencies
- Overview of Monetary Policy Actions

Other Atlanta Fed Resources

[Community and Econ Dev Publications and Partners Update](#)

[Human Capital Labor Insights](#)

[EconomyNOW App](#)

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Center for Workforce and Economic Opportunity

[Workforce Currents](#)

[Opportunity Occupations Monitor](#)

[Investing in America's Workforce](#)

[Ask Us Anything Registration](#)

NEXT SESSIONS

***The Importance of Job Quality
in Recovery
July 8th at 2 p.m. (ET)***

***Racial Equity and the Future of
Workforce Development
August 5th at 2 p.m. (ET)***

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Thank You!

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Next Session**



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Q&A Digest



Lessons from the Great Recession Webinar on June 17, 2020, Q&A Digest

The comments included are made by Center for Workforce and Economic Opportunity staff members Sarah Miller and Stuart Andreason, along with our panelists, and do not necessarily represent the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

Overview

This Q&A digest has been derived from the *Ask Us Anything* session on “Lessons from the Great Recession” held June 17, 2020, with Jane Oates of WorkingNation and Carl Van Horn of the John J. Heldrich Center for Workforce Development at Rutgers University. In addition to providing the responses included in this digest, Oates and Van Horn have published an article for our [Leading Workforce Resurgence series](#).

The Atlanta Fed’s Center for Workforce and Economic Opportunity offers a number of data tools and publications to help you track unemployment, reemployment, and other potential policy and practice suggestions while you manage recovery from the pandemic:

[Workforce Currents](#) includes articles on various workforce topics addressing research, policy, and practice.

[Unemployment Claims Monitor](#) provides data on initial and continued claims for unemployment insurance as well as claimants' demographic data.

[Opportunity Occupations Monitor](#) tracks trends in jobs that offer salaries of at least the U.S. annual median wage (adjusted for local cost of living differences) for which employers do not require a bachelor's degree—opportunity occupations—in states and metro areas.

[Center for Workforce and Economic Opportunity Events](#) is a calendar of upcoming events and registration links for upcoming *Ask Us Anything* webinar sessions.

Q&A Digest

Equity in recovery

An equitable recovery should be a priority as the country reopens following COVID-19 lockdowns. How can the workforce system promote an equitable recovery?

The workforce system generally focuses on reemploying people within the sector they left—that is, the system focuses on the occupation rather than the skill. For instance, if a person loses a job at a restaurant, the workforce system finds this person a new position at a different restaurant. This strategy often prevents workers from gaining an increase in pay or skills, which doesn’t lead to equitable solutions because it reinforces systematic equity challenges. Workforce development teams should determine job seekers’ skills and work interests to help them find careers that pay a higher salary.

Offering job seekers digital literacy helps level the playing field and opens opportunities in the digital world. Cybersecurity and data analytics are two fields that could be cultivated at the technical college level. Barriers to entry to digital jobs need to be addressed to promote an inclusive economy. During this crisis, the importance of high-speed broadband access has been amplified. Without addressing the availability of high-speed broadband and access to technology, particularly in the home, it will be hard to create a market for consistent growth.

What are some strategies used during the Great Recession that were successful in advancing equity by providing job training and additional support?

Focusing on job quality is integral to a successful recovery. During the Great Recession, the workforce system helped job seekers find and start jobs as quickly as possible so they could pay their bills and take care of their families. Programs such as the U.S. Labor Department's [Trade Adjustment Assistance](#) (TAA) can serve as models for other workforce programs. TAA provided classroom and on-the-job training programs that enabled the system to work with job seekers even after they had secured a position. The program also helped workers pay for new supplies and provided up to 18 months of additional support that included housing assistance and other services.

Another policy used during the Great Recession helped expand access to college. Although the policy was successful in increasing enrollments across the board, many students still were not able to complete their degree. These students, who are now in the workforce, earned no college credential but are likely to have student debt. Providing the support students need to complete their education should be an added priority as we enter the COVID-19 economic recovery.

How can workforce boards balance engaging young workers while also helping older workers return to work?

Some older workers (55 and over) may be able to retire early if they have defined-benefit plans, which have been traditionally offered in education and government services jobs. Such an option might help this population maintain a living wage. However, if it's not an option, we suggest looking at transferable skills as a starting point to determine how these workers can quickly transition to new areas of employment.

Younger workers, even high school students, are most at risk for long-term employment impacts because of COVID-19. Many young people use summer jobs not only to put money in their pocket but also to learn new skills and help build a résumé so they can land better jobs in the future. Colleges should focus on work-based learning and promote paid internships that help students both to earn college or training course credits and rebound from the loss of summer jobs.

It should not go unmentioned that some employers have been able to transition internships to an online or remote program as a way to build skills and engage our younger workforce.

How can workforce boards support women who are disproportionately leaving their jobs to take care of their children as a result of COVID?

Childcare is consistently a topic of conversation in workforce development. Addressing this issue involves a two-generation solution, ideally helping the parents go to work and allowing the children to focus on learning in a structured environment, an important step in early childhood development. [Dollars and Sense: Affordability of Childcare](#) is an Atlanta Fed report that provides an in-depth look at this subject that disproportionately affects women's careers.

Progress in workforce development

Is the transition to remote work as a result of COVID-19 a permanent change? How can workforce policies and practices apply virtually and still be effective?

While the full extension of remote work will likely fade, the labor and job market could change drastically as a result of COVID-19. Workforce boards should expect a shift to more remote and online training as the recovery continues. However, having the technological infrastructure, particularly access to broadband, is a big step in promoting an inclusive economy.

Beyond online training offerings, we are interested in gathering insights on effective virtual service delivery models and will host a future *Ask Us Anything* webinar on this very topic. That session will address digital proficiency training to participants, new ways of promoting available services virtually, platforms that have been effectively used at the

American Job Centers, and more. If there are good examples under way in your communities, please contact [Sarah Miller](#) or [Stuart Andreason](#).

What can workforce development professionals do to create pathways to career opportunities that may not yet exist?

Since the Great Recession, half of the jobs that were created have new occupational titles. Workforce systems recognize that while making people more effective at their jobs is beneficial, helping workers learn new skills in career paths that will be more stable could improve economic resilience for their families in the longer term.

Many training programs have become outdated. Workforce development boards need to regularly assess training programs to ensure they are still relevant to workplace needs. Using labor market data to identify jobs that are growing in demand is a good way to start these assessments. The CWEO's [Opportunity Occupations Monitor](#) can provide this information at the state and metro level.

What is the role of technology in facilitating and creating jobs beyond so-called lifeboat jobs?

The term “lifeboat job” refers to positions that are immediately available and require little to no retraining. The term was coined by Matt Sigelman of Burning Glass Technologies, an analytics software company, in the report [Filling the Lifeboats: Getting America Back to Work after the Pandemic](#). The report explains that these jobs can “serve as ‘lifeboats’ for those out of work” and help unemployed people gain skills that could lead to higher-paying positions in the future. Examples of some of these jobs are shipping clerks and personal care aides.

In 2008-2009, the Labor Department’s Employment and Training Administration (ETA) began building digital tools to help clients identify viable career pathways. Some of these tools include the websites [My Next Move](#) and [My Skills, My Future](#). Many other tools have been developed, and workforce development systems should integrate them.

What are the roles of nondegree certificates, apprenticeships, technical education, and traditional higher education in preparing job seekers for long-term careers?

Education is important, but a lesson from the Great Recession is that an educational program must be of high quality. Information on career benefits of an educational program should be available. The outcomes need to be transparent and should consider the costs of education (explicit costs such as fees as well as implicit costs such as sacrificed time and earnings) and the potential financial gain for job seekers based on those costs. Federal and state funding should also be tied to the effectiveness of different programs.

How can workforce systems foster the desire for continual learning and growth in individuals?

The ability to pay for housing, food, and other bills drives many career decisions, particularly for low- to moderate-income workers. As a workforce system, we need to recognize the importance of the leap from minimum-wage employment to a career pathway that provides higher wages that can sustain families. Providing human-centered support through the workforce system, both for their mental health and to defray financial burden through safety net support, throughout the job-seeking and skill development process will encourage workers to stick with their efforts to gain economic stability.

Related policy objectives

What changes could COVID-19 and the CARES Act bring to the unemployment insurance system?

Technology has brought opportunities and complications to the labor market. Many policies have not been updated since they began in 1932. Additionally, the computer systems that process unemployment benefits in many states use old programming languages. Many problems could be solved by making some policies implemented during the COVID-19 crisis permanent, including providing unemployment insurance eligibility to nontraditional workers and gig workers.

We should rely on research from the current moment to create more equitable short-term emergency policies which then become more permanent.

How does access to high-speed broadband impact a community's economic mobility and growth?

The COVID-19 crisis has illustrated the importance of high-speed broadband. The *Ask Us Anything* webinar series is made possible through high-speed, reliable internet. Workers with the most job security at the moment are those who are able to work from home. A community that does not have access to high-speed internet will offer fewer jobs with the capability to work remotely, a situation that could affect job security and wages for its workers.

The technology infrastructure of the unemployment insurance system needs to be updated. The dramatic increase in unemployment applications in March and April crashed old computer systems that could not handle the load. The technological challenges frustrated state workers trying to process applications and those seeking unemployment benefits. Updating these systems would also reduce the amount of fraud we have seen during the COVID-19 crisis. Though upgrades are expensive, we don't want to look back at this moment when the next crisis hits and regret not updating these systems.

How might universal basic income or income support affect labor policies in the future?

Congressional passage of income support (the \$1,200 relief checks) this year was a big help to workers. Income support could become a more common labor policy option in the future. However, recipients of income support need to understand whether such aid could affect future eligibility for any existing benefits they receive. Many times, families and workers are not aware of the impact a new job could have on their benefits, or they are aware and decide not to pursue higher-paying employment because the increase would result in a larger loss in social service benefits. The Federal Reserve Bank of Atlanta is doing work to address this "benefits cliff" through its [Advancing Careers](#) program.

What impact do you expect COVID-19 to have on labor force participation?

The labor force participation rate is important to watch, and it can signal that some people have given up on finding a new job. Looking at continued claims for unemployment insurance is helpful and provides real-time information.

Currently, roughly 75 percent of workers idled in wake of the pandemic think they will return to their old job. All of those workers may not be called back. As time passes, employers become wary of workers who have been unemployed for an extended period, making jobs harder to secure for this group. As we transition to a new economy, we should focus on making sure people have opportunities to pursue different jobs that offer the promise of lasting longer. If that does not happen, there will likely be a decline in the labor force participation rate.