

Transcription for

THE KEY WITH INSIDE HIGHER ED

EP. 2: WHAT SHOULD A FEDERAL JOBS BILL DO?

APRIL 2020

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April 28, 2020



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THE KEY WITH INSIDE HIGHER ED

EP. 2: WHAT SHOULD A FEDERAL JOBS BILL DO?

PAUL FAIN (HOST)

MARIA FLYNN

MARY ALICE McCARTHY

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NARRATOR: Support for this podcast is provided by the Bill & Melinda Gates Foundation, which is committed to preserving and expanding educational opportunity for today's students. Now more than ever.

PAUL FAIN: Welcome to the Key with IHE. I'm Paul Fain, the host and the news editor at Inside Higher Ed. This podcast is an exploration of the stories we're covering about how higher education is responding to the pandemic and the recession, with a focus on the disproportionate impact on low-income students.

Since the crisis began, 22 million Americans have filed for unemployment, likely an undercount. The national unemployment rate is an estimated 12 to 15 percent, the highest level since the Great Depression. As Washington begins to discuss a federal jobs bill and more stimulus money, I spoke with two experts about what to expect, lessons learned from the last recession, and how such a bill can help displaced workers and students without creating more hoops for them to jump through.

The first interview is with Maria Flynn, president and CEO of Jobs For the Future, a nonprofit focused on America's workforce and education systems. I also spoke with Mary Alice McCarthy, director of the Center on Education and Skills with the education program at New America. Mary Alice formerly worked

at the US Department of Education under the Obama Administration. And both she and Maria worked for the US Department of Labor.

Now on to the conversation...

I'm speaking with Maria Flynn. Maria, thank you so much for making time to talk with us.

MARIA FLYNN: Yeah, it's great to be here. Thank you.

PAUL FAIN: So obviously, tremendous need out there to begin talking about the massive unemployment in the country and how best the federal government can help spark jobs, get people back to work, and, at the same time, make those skills transferrable. Can you talk a little bit about what you see as kind of the foundational, the guiding kind of principles to go into a discussion about a jobs bill?

MARIA FLYNN: Sure, absolutely... And, you know, I think, as we all know, right, these are unprecedented numbers. And I think we need to do a balance of, you know, looking at what has worked before, but also keeping an open mind to try new things, right? Because I think unprecedented challenges call for unprecedented solutions, I think.

In terms of the immediate, you know, one thing that JFF is really pushing for is to get more money out into the systems and the programs that exist. So I think that's really the primary need right now. You know, we saw that, thankfully, with the unemployment insurance provisions that were passed. We are seeing, you know, I think of the states really struggling to implement that and get the money out the door.

But, you know, getting those provisions set I think is the right first thing to do, because the next phase will really be to make sure that we are funding the workforce system at the level it needs to be funded, right? So going from an unprecedented low unemployment rate to an unprecedented high unemployment rate in a matter of four weeks is really something. So making sure that this next stimulus bill, the fourth bill, really includes significant funding for workforce is key.

PAUL FAIN: You'd think that that would be a high priority from everybody. I mean, are you hearing that?

MARIA FLYNN: I wish we were hearing it was a priority for everybody. We are not quite hearing that yet. We're hearing great leadership on that front from the House Democrats in particular. So, calling for something that we support, which would be \$15 billion going into workforce programs that would range from everything from things like, you know, the workforce system to adult basic education. And within that \$15 billion, there would also be \$3 billion for career and technical education, including community colleges. So we think that that would be critical right now. That's about double what was put into those systems under the Recovery Act back in 08-09, but I think that this time calls for that.

PAUL FAIN: You know, I think a recurring theme on this podcast is going to be uncertainty.

MARIA FLYNN: Yeah.

PAUL FAIN: You know, obviously, our listeners--I was going to say readers--are really focused on post-secondary education and training programs. And I wonder, as you fund up those systems, how hard is it to plan for a recovery where we know so little, when that's going to be, what sort of jobs are going to be there...

MARIA FLYNN: Right.

PAUL FAIN: How do you deal with that challenge?

MARIA FLYNN: Yeah, I think it is going to be extremely difficult, right? And what I worry about, though, is that we fall into what I feel a real shortcoming has been the past couple of years, where there's been so much dialog around the future of work, and the what-if questions, right? What if X million jobs disappear because of automation, or what if it's Y number? And my concern with that has always been that we spend too much time on the what-ifs and not enough time on the action that's needed, right? And so I worry that we could fall into this same trend around the recovery if we spend too much time really thinking, you know, exactly in what quarter of what year is the hospitality sector going to rebound, then I think we're going to lose time and traction. So I would really rather kind of the field congregate around what are those no-regret actions that we should be taking now... What are those no-regret investments, what are those no-regret initiatives that, regardless of exactly what the recovery

looks like, we know that we will be creating that foundation for an equitable recovery and one that will be getting folks back to work quickly.

PAUL FAIN: You mentioned the 08 experience. I wonder how much of what we learned about what works, what doesn't, can be applied in that really short-term window, and I understand that you can't really wait around here and be perfect.

MARIA FLYNN: Yeah, so I think one is to be really careful, and I think Congress has a role in this in terms of what they put in statute. I think the federal agencies also will have a role in terms of guidance and regulations, but really building upon evidence-based practices. So we think back to the TAACCCT program, the community college program that was part of the earlier recovery--\$2 billion going out to the field, tons of great, you know, evaluation reports that have come out of that, you know, sharing of curriculum and models, and other things that don't have to be duplicated, right? We don't have to be reinventing the wheel. We need to be really building upon what has come before.

And I think that too often we don't do that well, right? [LAUGH] Too often we think we have to start from scratch. And so I think it's really looking to see, you know, how do we kind of draw a new starting line around some of these models, build from what we know works coming out the Recovery Act, and, you know, from there.

I think we want to avoid kind of regressing. Secretary Perez in the last administration used to talk about moving away from a train-and-pray model, so meaning that, you know, putting folks in training and pray that when they get out, they'll get a job. And I think that, you know, over the years the good news is that, you know, there has been movement away from that, right? I think we have seen more alignment between education and the labor market in many areas.

But we need to be sure that we don't move backwards on that in a time of high unemployment, it's not, you know, that's not going help folks. We don't want folks taking on more debt to get trainings in jobs that don't exist. We don't programs wasting time and resources creating curriculum for jobs that aren't going to be there. So I think more than ever, really, finding how to have close, close alignment between that supply and demand factor, and how to keep that kind of feedback loop, and that being very agile and tight will be really important.

PAUL FAIN: Now, I'm glad you brought that up when you mentioned the \$2 billion TAACCCT program.

The TAACCCT was always my favorite acronym...

MARIA FLYNN: [LAUGH] Yeah!

PAUL FAIN: It's a very long acronym. You know, I know that goal was to have really robust relationships between employers and colleges, and other post-secondary providers, lasting relationships, real learn-and-earn opportunities, you know. And before this all happened, we were really interested in what J.P. Morgan was doing what seemed to be similar programs, you know, 600-plus million around the country. I mean, are those sort of... I guess the question I wanted to ask is, I think a lot of people are worried about a jobs bill that might create more hurdles for folks to jump through to get jobs. Do those experiences help inform us to not do that, to make sure that these things can work together?

MARIA FLYNN: Absolutely. I agree with you. The last thing we want is to create hurdles. I think, instead, what we want to be doing is reducing the friction that's in the system and create the most kind of simple and agile way for folks who are looking for work to get connected with the employers who want to hire them, right? And I think there are things that we have...

Again, like I think that where the field has made great progress in the past couple of years around things like skills-based hiring, so hiring on the basis of skills and signaling around skills versus degrees is one of those things. Making sure that in what's being offered in the community colleges and other training providers is closely aligned with that real-time labor market demand is key.

Some of these things sound easy, but, you know, in some ways there have also been decades of conversations about this, so I think it's, I think now's the time, I think, just to make sure that we keep pushing forward and that we don't kind of fall back on bad habits.

PAUL FAIN: Maria, thanks so much for your time and expertise. We appreciate it.

MARIA FLYNN: Yeah, good to talk to you. Thank you.

PAUL FAIN: Keep in touch.

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Mary Alice, thank so much for coming on the podcast.

MARY ALICE McCARTHY: Thank you for having me.

PAUL FAIN: So you wrote a very interesting piece, I believe it was last week, but I'm losing track of time, but about the emerging discussion on a federal jobs bill and what it should be. And I thought I'd maybe just start off with what are the overarching goals that you think a federal intervention here with this unprecedented unemployment should have? Where should the conversation start?

MARY ALICE McCARTHY: Yeah, it's a great question, and, you know, again, thank you having me. I mean, everything is changing so fast, you know, it's with great trepidation that I think that we make big predictions about what we should be doing. But I think seeing 17 million people become unemployed in a period of three weeks means we're in a completely different sort of economic crisis than we've had in the most recent past. We are in a sort of categorically different place. And while we do, I think there are some reasons to believe that certain jobs will come back quickly, the longer that this period of sort of closure and businesses not being able to sort of ramp up to where they were, the more this, the people that are unemployed today are going to struggle to get back into the labor market. So even though the level and scale of unemployment that we're seeing right now is just nothing we've seen in our lifetimes, I do think we know some things about how people will struggle moving forward and how we start to think about what are the first priority needs.

And what I would say is that the way I would put those in order is the first priority after addressing our healthcare, you know, after addressing sort of the healthcare crisis itself, is trying to keep people connected to work. And whatever we can do, either through sort of wage subsidies or support through compensation to keep people, you know, subsidized furloughs, things like that, to keep people from becoming unemployed, the better. But for, obviously, with 17 million people already unemployed, there's limits to what we're going to be able to do on that front.

So the next thing is to get people reemployed as quickly as possible. During the last recession, which also generated historic levels of job loss, which actually pale by comparison with what we're seeing today, we also know that we had historic levels of long-term unemployment, and that the longer people went without being able to be reemployed, the harder it was for them to ever get back into the labor market.

So our second priority after keeping people connected to work is to make sure that there are new jobs out there so that people can become reemployed quickly. That was great sort of missing element of the recovery from the Great Recession, of the stimulus bills, is that there was not jobs bill. So it took us six years to get back to the unemployment rate we had at the pre-recession level. And that was six years of high unemployment and that caused a lot of pain, a lot of dislocation, and it also did all sorts of things that undermined the quality of jobs and the sort of leverage of workers in the labor market.

So we want to get new jobs there as quickly as we can, so that people can become reemployed. And there's really only one actor that can do that, and that is the federal government. States can't just sort of spend, you know, they can't do deficit spending. The federal government can. It has the power to make large investments in things like infrastructure, which will have long-term payoffs and are big job generators. I do think that that's what we should be looking at right now.

PAUL FAIN: Stating the obvious here, but, you know, having covered the last recession, it's just daunting beyond belief to think about how many magnitudes worse this one is and how difficult that was. You know, and we're obviously talking about, you know, not just workers who lose their jobs, but also students who can't find jobs, and students who are working and maybe having to stop out of college programs as well--so a jobs bill, obviously talking about younger Americans who are the type that higher education was and is and should be serving going forward.

MARY ALICE McCARTHY: Right. We are going to have a jobs deficit for a long time, I mean. In the previous recession, we relied entirely on the private sector to generate new jobs. And that took a long time. We did eventually get there, and, you know, eventually replaced all of the jobs that were lost, but as I said, it took six years. In this case, the private sector could potentially take even longer to generate jobs than it did during the Great Recession just because of all of this uncertainty around what's happening with COVID-19. And young people who are graduating from high school and graduating from college these days, just, you know, to have them go back out into a job market where there aren't enough jobs to go around is just a tragedy. We need for our own long-term stability and health, economic and other, and social, to make sure that they have jobs to move into.

PAUL FAIN: You know, I know you've been working on these issues for a while. It wasn't like there was no concern about our post-secondary system's ability to move fast enough to train folks to find well paying jobs before this, but now what sort of specific challenges do you see in terms of colleges and other providers being able to plan for a fall, or beyond, to make sure that they have the right programs in place to help people?

MARY ALICE McCARTHY: Yeah, well, I think that's very difficult and I don't envy any sort of higher education administrator, community college president, university president right now, I'm thinking. But I think probably the best way for those folks to be thinking about the near future is sort of, again, at the very macrolevel, what we know is still true, which is that Americans who complete a college education, particularly a bachelor degree, are better positioned than Americans, are better positioned in the labor market than Americans who do not. And so that we should still be focused on helping students complete their degree programs in whatever way we can. And that's just paramount, I mean.

And over the course of the Great Recession and the long recovery, the college premium only increased. It did not decrease. So as we go into a period of long, potentially high unemployment for a period of time, I think we need to make sure that we remember that the longer unemployment is high, the more that it is likely that employers are going to switching and increasing their educational requirements for jobs, because they can, because there will be a large surplus of people who all want to have the same job. And, of course, we saw that in the Great Recession, that long period of high unemployment when we really did see some changes in the educational requirements for jobs that really had less to do with the underlying skill requirements of the job and more to do with just the surplus of workers who were competing for that job.

So that that's a reason why we really want to compress the timeframe here of high unemployment, because that does sort of make it harder. It does potentially over time sort of erode the availability of jobs that don't require higher levels of education.

But moving back with what to do in the near term, again, everything that was true a month ago still holds moving forward, which is that college-educated workers are better positioned in our labor market, and as jobs are destroyed, the new ones that come back, you know, some will come back... In this case, I think more jobs will come back from this recession as what they were than probably from the last recession. But as new jobs are created, they're likely to require higher levels of education and we should be preparing workers for those...and students, students and workers.

PAUL FAIN: So as the federal government begins its next stimulus plan discussions around a job bill, jobs bill, have already begun, what components related to kind of learn-and-earn opportunities, apprenticeships, etc., would you like to see in that effort?

MARY ALICE McCARTHY: I think the first thing the federal government needs to do is develop a sort of a large-scale infrastructure investment, broadly defined, you know, with infrastructure including things like public health and social services, and broadband technology, very broadly defined, and then find ways to channel that investment through states, and most importantly, through cities and local governments, in ways that allow those states and local governments to shape the types of jobs, and put requirements around access to that funding that relate to the quality of the job that is there.

And it's through that process that we can see where education and training requirements, and subsidies, sort of come through that process. Rather than just having a stand-alone sort of here's a bunch of money for training, you want the training dollars to go through the job generation bill and be, you know, integrally connected to it and a part of it.

I want to step back, though, to say that I don't think it means that all of the money, all of the sort of stimulus and relief that we should provide to higher education should all come through this infrastructure bill, we also need to have a separate pot, you know, separate dollars to just make sure that our public institutions of higher education, our community colleges and our public universities, can remain solvent during this time period. We need these institutions to be strong. I mean, they are critical to our sort of future, to our economic recovery, to our social recovery. So we just... I think the government needs to think about sort of the strength and resiliency and solvency of these institutions.

But then it needs to think about training very much in connection with an infrastructure investment and a job-generation investment. What we don't want to see is a lot of dollars going directly to institutions for training without sort of there being any way for those dollars in turn to influence the types of jobs that employers generate, and in particular, the pay levels, and the benefits that come with those jobs. So that's why it's important to sort of channel that money a little bit differently and have it go through, first through a job-generation strategy.

And so what does that look like? I mean, we see that already. Cities do this. A number of cities do this through things called community workforce agreements or community benefits agreements. It's not uncommon in big public works projects in cities like Los Angeles and New York and Chicago to have these sorts of things. This is a chance to really spread those practices by using federal dollars and making

sure that the job's better funded, that the work that is funded and the jobs that are generated during an infrastructure bill actually, you know, provide people with access to training and education that is directly related to what they're doing.

Ideally, we want people to be able to start working while they're being trained. I mean, I just can't overstate the importance of getting people reconnected to work, to earning, you know, a weekly income or monthly income, bringing money in. That doesn't mean that they can't learn at the same time and they we can't subsidize training, which I think we should. But we should subsidize training, as much as possible, once people are already employed.

PAUL FAIN: The way you describe that, it feels to me, we'll be building on lessons learned from the previous recession to really, to focus on an integrated system where you're not just making people jump through hoops to get a job. You know, the training and the work works together so that, you know, ideally, you could even have stackable credentials in a process like that, where folks could work up to the degree that will still be quite valuable.

MARY ALICE McCARTHY: This is a chance to sort of address some of those real precarious jobs on the frontlines and make sure that we don't put money into sort of business as usual, then sort of maintaining that cycle, but rather kind of break it by really getting in there and changing the quality of that job.

PAUL FAIN: Well, it will be an interesting few weeks and months. We'll be watching as this all develops. And I really appreciate your time here and, hopefully, we can have you on again.

MARY ALICE McCARTHY: Great! Thank you, thank you. I appreciate it.

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