THE CENTURY FOUNDATION

A 2023 Plan for Economic Equity and Progress

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Introduction

President Biden took office amid a once-in-a-generation crisis that touched every aspect of American life. In the early months of 2020, the COVID-19 pandemic sent our economy into a tailspin, and we found ourselves on the precipice of another Great Depression. As illness spread and hospitals filled, schools across the country closed their doors, child care centers and small businesses shuttered, and workers lost their jobs by the tens of millions. The world was experiencing an unprecedented disaster—and, as with all disasters, the impacts fell hardest on those who were the most vulnerable to begin with. In the United States, this meant that people of color, disabled people,[1] women, immigrants, underpaid workers, and older adults were at greater risk of not only suffering the health consequences of a deadly virus, but the economic costs that it brought as well.

What happened next was also historic, at least in the context of modern U.S. policy making and political gridlock. Lawmakers from across the aisle came together and passed a series of bills, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the American Rescue Plan Act of 2021, which together delivered trillions of dollars in new investment directly into the hands of the American people and communities nationwide. The policies and programs implemented in response to COVID-19 saved countless lives, helped keep businesses from going under, and put food on the table for millions of families, especially those who needed it most.

The Power of Economic Policy, on Full Display

So what, exactly, was our policy response? For one, it included the largest-ever expansion of unemployment insurance (UI), boosting weekly checks by $600, broadening eligibility, and extending the duration of aid for the one in four workers who relied on UI during the pandemic. The result: 6 million people were kept from falling into poverty. We also responded with historic investments in the nation's caregiving infrastructure, which allowed more than 200,000 child care providers serving some 9.5 million children to stay open. We enacted new health care subsidies, which lowered costs and drove health coverage to its highest level on record; as well as paid leave expansions, which helped to slow the spread of the virus. And, perhaps most remarkable of all, we responded by making changes to the Child Tax Credit (CTC), which cut child poverty by half in just one year. Across each of these (and other) pandemic policies, it was people of color and other historically marginalized groups who benefited the most from government intervention.

This is one of the defining takeaways of the pandemic: progressive economic policy—policy that is rooted in equity and designed to support our country's greatest asset, its people—works.

The last three years are proof positive that our economy suffers when people can't get to their jobs, or if their jobs don't pay enough to provide for their family, or if there isn't a cushion to fall back on when they lose their job. Our policy responses to the pandemic may have been born of necessity, but they nonetheless confirm what TCF and others have long held: that a more equitable economy is a stronger, more dynamic economy. Indeed, thanks in large part to the policies that we enacted during the pandemic, the U.S. economy has recovered remarkably fast, at a speed that far outpaces other comparable nations.

This report can be found online at: https://tcf.org/content/report/a-2023-plan-for-economic-equity-and-progress/

While in office, the Biden administration has continued to build on this progress, most notably through the passage of three key pieces of legislation: (1) the Inflation Reduction Act; (2) the CHIPS and Science Act; and (3) the Infrastructure Investment and Jobs Act (IIJA). These policies will create millions of well-paying jobs, help repair our nation's dilapidated infrastructure, reinvigorate our industrial sector, spur scientific and technological innovation, and make meaningful strides in the fight against climate change. Alongside a number of executive actions and appointments that have also supported workers and organized labor, President Biden has amassed a record of economic policy achievements that will make our people healthier, our environment cleaner, and our economy fairer.

Learning from—and Listening to—the Correct Economic Lessons

Still, the United States is a long way from having a truly equitable and inclusive economy. Our investments in children, families, and workers during the pandemic demonstrated the life-changing and economy-sustaining power of equitable policy. On the other hand, the ease with which many of these policies have since been allowed to sunset, or roll back, or be eliminated altogether shows the extent to which bias, discrimination, and inequity are built into our economic system and structures. We cannot ignore the many opportunities to advance economic justice that have gone unrealized in recent years.

For example, the pandemic underscored the importance of investing in our care infrastructure—it crystallized how caregiving makes all other work possible, and how our failure to treat care as a public good burdens families and stifles our economy. Yet each and every policy that would have led to equitable, sustainable care investment was carved out of the major economic legislation of the past two years, betraying families and belying the economic reality that we all just lived through. Or consider the changes we made to the CTC. With relatively little public debate or media attention, federal policymakers simply let those reforms expire, reverting us to a status quo in which limited and unequal opportunity for children is the accepted norm. And we've taken almost no steps to address the lasting impacts of the mass-disabling event of the COVID-19 pandemic, essentially guaranteeing that many millions of newly disabled people will face challenges in navigating employment and the workplace for decades to come. The list goes on.

The Economic Path Forward

From the devastation of the pandemic grew a new, more broadly shared appreciation of work, its value, and the impact that the economy has on our lives. We've seen a glimpse of what can happen when we make bold investments in our children, our workers, our families, our small businesses, and our communities. The danger now is that we look back and view those investments as temporary, stopgap measures taken during an exigent emergency, rather than the overdue (if still flawed and incomplete) solutions that our economy needs in the long run. The risk to us today is that we don't, in fact, let history guide our future.

The lessons of the past three years—what we've learned from our policy successes, shortcomings, and setbacks alike—all point in the same direction: the urgent need to advance economic policy that is grounded in equity. To that end, The Century Foundation has developed this report, *A 2023 Plan for Economic Equity and Progress*, which both takes stock of what has happened in economic policy since 2020 and its impacts, as well as offers policy recommendations for equitable and inclusive progress moving forward.

Our agenda spans five overlapping areas, each of them critical to building a strong, equitable, and inclusive economy:

1. A Care System Built for Today's Economy
2. An Unemployment Net that Catches Everyone
3. Good Jobs, for Workers with More Power
4. Expanding Opportunity and Raising Wages for Disabled Workers
5. A Vibrant and Inclusive Industrial Sector

A Care System Built for Today's Economy

BY JULIE KASHEN AND LAURA VALLE GUTIERREZ

Key Points

- The historic lack of investment in care infrastructure threatened the nation's economy at the start of the pandemic and deepened its racial- and gender-specific impacts.
- Investments in child care, the Child Tax Credit, paid leave, and home- and community-based services (HCBS) during the height of the pandemic demonstrated the essential value of care in keeping the economy running and offered a preview of what the nation's care infrastructure can and should be.
- While Congressional champions introduce legislation and fight for the resources needed, President Biden can use his megaphone to ensure that care and care policy remain a priority. He can also include in his proposed budgets substantial resources for these vital aspects of the care infrastructure and use executive and regulatory power to enact changes.

Care is at the center of our nation's economy, democracy, and society. The billions of dollars being spent to create millions of new jobs through the Inflation Reduction Act, the CHIPS and Science Act, and the Infrastructure Investment and Jobs Act present both a huge opportunity and a huge risk. Without incorporating care infrastructure into the nation's industrial policy plans, many jobs will remain unfilled and many individuals will face barriers to jobs because they have unmet care responsibilities.

The failure to provide the significant resources necessary for a care infrastructure—a publicly funded system that recognizes care as both an individual and social responsibility, values care workers, and supports family members to both care and provide financially for each other—has exacerbated care challenges across the country and deepened the pandemic's racial- and gender-specific impacts. Millions of women are struggling to both provide care and engage in paid work. Women of color in particular are disproportionately providing care to children, people with disabilities, or aging family members; they comprise the majority of the care workforce, while also either serving as essential workers or losing their jobs and being forced to look for new ones. As highlighted by the recently created "Congressional Dads' Caucus," men are also impacted by the lack of care infrastructure.

Pandemic Care Resources

The nation's failure to build a robust care infrastructure to support families and businesses alike is particularly frustrating, especially when considering how the emergency measures taken during the pandemic to support caregiving delivered immense benefits and demonstrated the true value of care. In particular, pandemic-era national investments in child care, the Child Tax Credit, paid leave, and home- and community-based services (HCBS) offered a preview (if incomplete) of what care infrastructure in the U.S. can and should look like.

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Child Care

In March 2021, President Biden signed into law the American Rescue Plan Act (ARPA), providing states with $24 billion for child care stabilization, $15 billion to supplement the existing child care program for low-income families, and $1 billion for Head Start. These funds were intended to support children and families and shore up the devastated child care sector in the wake of the pandemic and ensuing economic crisis. They have been a crucial lifeline for child care providers and families alike. The COVID relief spending mitigated much of the disaster that had been predicted for the child care sector. A recent fact sheet from the White House and the U.S. Department of Health and Human Services showed that it helped 200,000 child care providers keep their doors open to as many as 9.5 million children, while employing more than 1 million child care workers. The relief dollars helped, but they were a temporary measure intended to prop up the sector while Congress worked on a long-term, sustainable, and robust child care investment that never came.

Child Tax Credit

Economic inequality—exacerbated by racism, sexism, ableism, and other forms of discrimination—makes it challenging for many families to meet the basic needs of raising children. During the pandemic, the challenges of paying for food, rent, mortgage and other household necessities that are critical for families' and children's wellbeing grew to untenable levels.

Since 1997, the Child Tax Credit (CTC) has provided qualifying families with a partially refundable tax credit if they have children under the age of 17 when they file their taxes. However, millions of the lowest-income families and children have historically been left behind by the CTC due to several limitations in its design—most notably the fact that it is not fully refundable, meaning that there is a minimum income threshold families must meet in order to qualify for the credit. As a result, an estimated 27 million of the nation's poorest children—including half of Black and Latino children, and half of children living in rural communities—received less than the full value of the CTC in 2020, while wealthier families with children received the full amount.

One of the cornerstones of the American Rescue Plan Act was an historic set of improvements to the CTC that, for one year, transformed the credit into a guaranteed monthly cash payment to help families cover the costs of raising children—an idea already woven into the social fabric of many other wealthy nations. Key improvements authorized for one year by ARPA included increasing the amount families were eligible for, from $2,000 per child per year to a maximum of $3,600 per child age 5 or younger and $3,000 for children ages 6–17; making the credit fully refundable so that it reached the families and children most in need, with no minimum earnings requirement; and making it an automatic monthly benefit, in recognition that childrearing often includes ongoing expenses that cannot wait for tax time. Families who received benefits were able to use them for myriad purposes ranging from paying rent and food bills, for holiday gifts or school books, and a range of other needs.

While sadly short-lived (the ARPA expansions of the CTC were allowed to expire after just one year), these improvements brought about the largest single-year drop in U.S. child poverty in recorded history—slashing the nation's child poverty rate nearly in half, and bringing it to its lowest point in history. According to the U.S. Census Bureau, the expanded CTC protected 2.1 million children from poverty in 2021. The largest drops in child poverty were for Hispanic children of any race and Black children, whose poverty rates dropped by 6.3 and 8.8 percentage points, respectively, from 2020 to 2021. All told, the expanded CTC reached roughly 61 million children in 40 million families in 2021. Since its expiration, Congress has failed to pass an expanded and fully refundable Child Tax Credit, leaving millions of families and children without support for essential needs.

Paid Leave

At the height of the pandemic, care policy moved forward in important, but temporary ways. The Families First Response Act, signed into law on March 18, 2020, guaranteed two workweeks of emergency paid sick leave and ten workweeks of emergency paid family leave to people working in businesses with fewer than 500 employees for many pandemic-related purposes, such as quarantines and recovering from the virus. While more limited a policy than was truly needed, for those that were included and able to use it, the results were clear. A study published in Health Affairs found that emergency paid sick days helped flatten the curve of COVID-19 infections in the United States. The emergency paid leave program was discontinued before its impacts could be widely felt by workers, however, and the many gaps from political compromise weakened what it could have done. Still, the emergency program had several tenets that were extremely positive and distinct from existing paid leave policies. Notably, the emergency paid sick leave program was immediately available to covered workers (as opposed to having a waiting period for benefits, often thirty days). Additionally, the program covered part-time workers, which is especially important for women who are more likely to work part-time due to care responsibilities. Unfortunately, Congress allowed these provisions to expire at the end of 2020 rather than extend them.

Home- and Community-Based Services

The American Rescue Plan Act (ARPA) included a temporary ten-percentage-point increase to the federal medical assistance percentage (FMAP) for Medicaid home- and community-based services (HCBS) to address the needs of disabled people, their families, care workers, and older adults made more urgent by the pandemic. This funding for HCBS—approximately $12.7 billion—helped states to increase coverage, expand benefits, improve conditions for the workforce, and improve how funding operates in the state to pay for state Medicaid programs. The funding in ARPA was developed to be a down payment on expanding HCBS with significantly more funding to follow in the Build Back Better agenda (which, unfortunately, has not moved forward). As such, the one-year increase was a drop in the bucket as compared to the total need, and was intended only to supplement existing spending and address more immediate needs. Some states capitalized on the funding with ready to move forward initiatives, while others were slower to develop plans and showed less innovation.

Lessons from Care Infrastructure Progress

The historic lack of investment in care infrastructure means that, on the one hand, even temporary investments make a big difference, and on the other, the chasm between our current reality and what's needed is significant. TCF has outlined how the child care stabilization and supplemental funding has helped families, shored up the child care sector, and improved the equitable distribution of child care funding. TCF has also written about the impact of the ARPA HCBS funding on improving recruitment, retention, and ongoing working conditions; investing in technology and tools to improve services; increasing access to HCBS for beneficiaries; and improving transitions from congregate care into stability in community and independent living. The achievements regarding paid leave policy offered a critical template for what's possible, especially as a blueprint for how to fill gaps and fight back against opposition. Similarly, the expanded Child Tax Credit served families better than previous iterations of the credit, as the majority of parents prefer monthly payments to a one-time payment via a tax return, due to better predictability and consistency meeting basic needs. The vulnerable communities at the center of much of this impact have, in particular, been provided the support they need to participate in the labor force while caring for their loved ones.

Looking Forward

Over the next two years of the 118th Congress, political dynamics will likely stymie significant legislative progress. However, President Biden can prioritize and include in his proposed budgets substantial resources for all of these vital aspects of the care infrastructure. Even if they are more aspirational than feasible, given the current Congress, continuing to drive the agenda in a visionary way helps set the stage for future progress too, demonstrates the Biden administration's commitment to its unfinished business, and can hold Congress accountable for providing resources through the appropriations process.

The Biden administration can also use its executive and regulatory power to enact changes. For example, for HCBS, the administration can put into place measures that improve access to independent living, tie Medicaid payments to adequate wages for home care and other direct care workers, build infrastructure that helps consumers and workers connect, and allow independent home care providers to collectively bargain and access training and other benefits.

In addition, states will continue to feel the care crisis deeply, innovate where they can, and implement the combination of existing programs and the temporary funding from the COVID-relief packages. As states leverage federal funding to raise compensation, reach more families, lower payments for families, support independent living, and sustain the significant operating costs of running programs in child care, the federal government can learn from states about what's needed, what works, and where improvements could be made. This is especially important as legislators introduce or reintroduce federal legislation reflecting the policy vision for moving forward.

An Unemployment Net that Catches Everyone

BY MICHELE EVERMORE

Key Points

- At the start of 2020, the nation's unemployment system looked bleak—benefit levels, access, and duration were all at historic lows.
- Federal investments in the unemployment system enabled it to to pay more than $870 billion to 53 million people who lost work during the pandemic, allowing the nation's economy to quickly recover from one of the largest, fastest loss of jobs in U.S. history.
- Joint federal–state efforts moving forward will ensure more equitable access to this essential benefit, improve the unemployment system's infrastructure, and reduce fraud.

In the wake of the chaos that the pandemic wrought on state unemployment insurance (UI) programs, it is easy to lose sight of the incredible strides that many states made in response to the crisis, let alone the fact that the UI system as a whole was able to pay more than $870 billion to 53 million people who lost work during one of the most uncertain moments in recent memory. The economic effect of this investment led to a steeply V-shaped recession, with a recovery from job loss so dramatic reported in May of 2020 that many people following the jobs numbers thought that there must be some mistake or they were the result of some sort of manipulation of the numbers—until more-seasoned economists stepped in to explain how rigorous the Bureau of Labor Statistics' process is for producing the report, and that yes, the national economy was indeed rebounding from having lost 20 million jobs in a month.

Certainly, some states demonized the unemployed and reduced access to benefits in the wake of the 2020 crisis, which will be the subject of analysis and reporting for years to come. But the bigger story is how the majority of states learned from the pandemic that by working together with each other, the U.S. Department of Labor and the National Association of State Workforce Agencies (NASWA), they could improve their own efficiencies. And a sad truth is that while millions of people got enough benefits to tide them over during the pandemic lockdown, the people who got through with relative ease typically did not put out press releases or call their representatives to say how well UI had served them, so someone needs to tell that story. Examining the successes of the UI system during the pandemic as well as the critical reasons for having such a system in place is especially important now, as the unemployed are increasingly being scapegoated for some perceived personal failings during an incredibly strong economy, when what's really happening is that the system is currently doing exactly what it is designed to do, serving more than a million people who lost work through no fault of their own.

Pandemic Era Benefits—Lessons Learned

At the start of 2020, the nation's unemployment system looked bleak. Benefit levels, access, and duration were at historic lows. The number of people who would get a benefit and the amount of income it would replace were so low that it meant the system was unable to provide the

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full countercyclical stabilizer effect that unemployment insurance is intended to provide. This was the state of the unemployment system when it became apparent that drastic measures needed to be implemented—including a nationwide workplace lockdown—in order to flatten the curve of the spread of COVID-19 as health care facilities, morgues, and cemeteries were at capacity.

In late March 2020, Congress wisely addressed those shortcomings in UI duration, access, and benefit levels. First, in a step often taken during severe economic downturns, Congress added thirteen additional weeks to regular benefit entitlement, referred to as Pandemic Emergency Unemployment Compensation (PEUC). Second, Congress realized that people outside traditional eligibility for the regular UI program would need access to benefits during the emerging economic disaster caused by the pandemic. Claimants who lost work through no fault of their own due to the pandemic might not qualify for regular UI, because they either were not in covered employment or did not meet other requirements, such as being unable or unavailable for work due to the disaster. In response, Congress added COVID-19-related reasons to the base structure of the longstanding Disaster Unemployment Assistance (DUA) program, creating an entirely new benefit program called Pandemic Unemployment Assistance (PUA). Third, Congress decided that UI's typical partial income replacement would be insufficient to keep people safely at home when necessary, so it tried to make people whole by approximating 100 percent income replacement. However, due to antiquated technology as well as understaffing and an overwhelming number of new claims, states could not calculate how to supplement existing income replacement with a new federal formula to get to 100 percent. In the first quarter of 2020, the average weekly benefit was about $370 per week and the average weekly wage for qualifying applicants was about $970 per week, so Congress simply made up the average difference with $600 per week through the Federal Pandemic Unemployment Compensation (FPUC) program.

As the pandemic wore on, the Continued Assistance to Unemployed Workers Act passed at the end of December 2020 added additional weeks and restored the then-lapsed FPUC at a reduced amount of $300 per week. Further, the American Rescue Plan Act (ARPA) not only added weeks of duration to all programs, but provided the U.S. Department of Labor with $2 billion to improve timely and equitable payment of benefits and reduce fraud. (The next section will cover the Department of Labor's expenditure of these funds and the important improvements that have already been made using this funding.)

The pandemic-related unemployment programs, without a doubt, saved lives, prevented severe economic hardship, and spread economic benefits to businesses in the economy, allowing them to continue operating during the pandemic. The Center on Budget and Policy Priorities estimates that these interventions kept 5 million people out of poverty in 2020, and 6 million in 2021. That analysis also finds that these benefits potentially saved 27,000 lives and prevented other significant negative outcomes, such as food and housing insecurity as well as depression and anxiety.

Usually, when legislators draft changes to UI, experts recommend giving states two years to implement them. In 2020, states were asked to create and jump-start three entirely new programs—and they did so in thirty-eight days, on average. A number of key refinements improved these systems over the life of the programs. For example, the Biden administration added key qualifying factors to PUA to ensure that more workers who deserved the benefit qualified and also clarified that workers who were asked to return to work without reasonable health and safety safeguards in place would be able to refuse unsafe work assignments. Also, after states reasonably made broad mistakes in implementing PUA, the Biden administration allowed for blanket waivers when those mistakes resulted in technical overpayments where the claimants were not at fault.

At risk of breathing life into a myth, there is one so pervasive that it is effectively the elephant in the room during public discussions of unemployment: with benefits so generous reaching so many jobless workers, people casually following the conversation often come to the conclusion that enhanced benefits must have kept people from returning to work. However, no serious study of the issue has found any kind of notable effect. The most recent examination is a Hamilton/Brookings study published at the end of April 2022. Having had time to analyze these programs well after they concluded, this study demonstrated clearly that there was no significant disincentive to work and the net positive impact on low-income workers and the economy as a whole argues for consideration of both extension of these programs either on a permanent basis or in place to trigger during economic downturns, as well as a reason to consider a permanent replacement rate above the 50 percent average replacement that historic UI reform efforts have advocated.

Another critique of unemployment programs during the pandemic is the fact that, early on, antiquated systems were slow to pay benefits. To the extent that this is true, it is a result of the fact that public and government attention on unemployment waxes and wanes in an inverse relationship to the economic performance, so little effort is given to appropriately funding improving UI when unemployment is low and states have more resources and capacity to look to fixing UI. While this troubling trend is repeating itself legislatively, there is also positive news on this front moving forward. For fiscal year 2023, President Biden has requested a major increase in administrative funding for states to run their programs, and Congress provided a significant funding increase. This will hopefully give states more resources to work with the Department of Labor on another bright spot on UI administration, which is the aforementioned $2 billion for system improvements allocated in ARPA.

The quiet, infrequently told story is that, during the worst days of the pandemic, millions of people did get a benefit relatively easily, and it helped them tremendously. For example, N in California said that his experience using the system was smooth, and the benefits allowed him to take a strategic risk with his career that paid off.[2] Similarly, S from Illinois used the time and money to build a real estate consulting practice and began earning enough to lose UI eligibility within a few months. W from New York was able to save his benefit of 100 percent income replacement to move to a city with better opportunities in his field. This is an important illustration of one of the trends that happened in the pandemic: UI allowing people to find more suitable jobs for themselves. This might have led to some early shifting in the pandemic, but in the long run, this workforce mobility is better for workers, their families and communities, employers, and the economy.

Even for people who had hiccups in getting benefits, they were still a lifeline. For A in California, even though it took a while to get benefits, pandemic unemployment was "the difference between only spending four years of savings and losing our house." Similarly, K in Washington, D.C. had a complicated claim involving both traditional work and independent contracting income in more than one state, but not getting behind early in the pandemic meant that her later cancer diagnosis did not bankrupt her.

Looking Forward: Exciting Initiatives

The pandemic has prompted promising and serious legislative proposals from relevant committees and the Biden administration. Senators Ron Wyden (D-OR), Michael Bennet (D-CO), and Sherrod Brown (D-OH) have proposed comprehensive UI reform, largely based on some of the best ideas included in two historic bipartisan UI reform commissions. Meanwhile, Representative Steven Horsford (D-NV) of the House Ways and Means Committee has introduced legislation to promote equitable administration of UI benefits and fight fraud. Also, the Biden administration has included ambitious principles for broad UI reform in its budget request.

Much of the promising work that will move UI into a better position to respond to historic inequalities, large-scale layoffs, and widespread recession is occurring between state agencies putting forth a concerted effort to do better and the Biden administration, which received funding from ARPA to improve systems. It should be noted that even prior to receiving this funding, the administration had demonstrated a commitment to moving toward a helping posture with states to ensure they are better able to pay benefits to the right people at the right time. Right now, the five most exciting initiatives for strengthening and improving the nation's UI system are:

- ***UI system triage.*** The first and most important UI intervention was to stop the bleeding. This approach requires immediate interventions that could be implemented in weeks to months to speed processes and more accurately identify fraud. The Department of Labor funded six "Tiger Teams" that report to the newly created Central Response Division within the Office of Unemployment Insurance. These teams deploy to states, examine their systems to find inefficiencies and bottlenecks, and provide recommendations to get people through systems equitably and promptly to receive their benefits. After receiving these recommendations, states can apply to receive their share of $200 million set aside to implement these improvements. To date, thirty states have volunteered for this assistance. These teams have helped with bottlenecks to speed claim processing and also to make sure that state systems are accessible to underserved communities by improving access for people with limited English proficiency and people with disabilities.
- ***Fraud prevention funding.*** On top of three allocations of $100 million each for fraud prevention through CARES Act funding, the Department of Labor also allocated $140 million to grants to prevent fraud. This funding is critical, as fraudsters tied systems in knots in 2020, jeopardizing the image and the integrity of the unemployment system as a whole and putting money in the pockets of nefarious entities while slowing benefit delivery to real claimants who needed the money. This fraud prevention funding has resulted in states recovering more than $5.7 billion in both fraud and non-fraud overpaments and preventing billions of dollars from flowing to these criminals.[3]
- ***Equity grants.*** The Department of Labor also allocated $260 million to a new equity grant program. This was a new endeavor for the UI program, as states needed to apply for these grants and specifically make the case for specific improvements and explain how they were going to demonstrate that those efforts actually moved the ball on equity. The most important aspect of these grants was that the Department of Labor began a conversation with states about how a legacy of structural racism in the broader society has created challenges to access that need extra effort to correct.
- ***Navigator program funding.*** The Department of Labor also established a pilot navigator program based on the fact that union members, who typically receive guidance from their shop upon job loss, are far more likely to apply for and receive UI. Seven state applications were approved and awarded just over $18 million in funding. One recipient of navigator funding in Maine, Chris Hastedt with Maine Equal Justice, said that she "has never seen such a valuable reach into the community." They and the Maine AFL–CIO have held large awareness-raising events that have included communities with low access to UI, particularly immigrant workers. This has helped with community building and even helped the state agency by batching concerns that the state could address for claimants more broadly.
- ***Information infrastructure improvements.*** Finally, the Department of Labor is looking into the bigger-picture, long-term technology modernization problem. This is a much more intense, difficult project than it may seem. Fifty-three different systems (the fifty states, District of Columbia, Puerto Rico, and the Virgin Islands) all run entirely different programs with entirely different qualifications and vastly different technology with different intersections between functions. However, so far, the department was able to do a couple of effective pilots in figuring out how to be helpful. In Arkansas, where all ID verification was in person, the Department of Labor, in partnership with the U.S. Digital Service, connected the state UI program to login.gov, saving claimants countless hours commuting to offices. In partnership with New Jersey, the teams made the application process more claimant friendly and optimized it for claimants using mobile devices. This has saved claimants more than twenty minutes each on average in applying for benefits.

Unemployment insurance is our nation's number one automatic stabilizer during economic downturns. The pandemic caused one of the most unusual downturns in U.S. history, so an unusual response was required. Congress came through, and state UI systems were able to perform incredible contortions that helped the people who needed it the most, even with the incredibly limited resources they had to work with. People used the money to improve their prospects. The recent history of unemployment insurance is a success story, and it can be even more effective and equitable in the next downturn—as long as states and the federal government continue their cooperation and commitment to the program.

Good Jobs for Workers with More Power

BY STEVEN GREENHOUSE

Key Points

- The pandemic underscored that the American economy works best when it is equitable and inclusive, with jobs that compensate workers in ways closer to the true value of their labor.
- Legislation and executive orders over the past two years have paved the way for the creation of good infrastructure, manufacturing, high-tech, and clean energy jobs for more workers, as well as better benefits and job protections.
- Moving forward, President Biden can use executive actions and the presidential megaphone to promote things like overtime pay, the removal of mandatory arbitration from work contracts, worker protections from extreme heat, raising the minimum wage, and calling out illegal union-busting by employers.

America thrives when people have access to good jobs, a strong voice in determining their pay and working conditions, and fair opportunities to build economic security and wealth. During President Biden's first two years in office, America's workers benefited from newly enacted policies that helped keep millions of working families afloat during the pandemic and helped the nation weather and rebound from the pandemic-induced recession—policies that often provided much-needed help to the most vulnerable Americans.

In the coming months and years, America's workers will further benefit from other recently enacted laws—the Infrastructure Investment and Jobs Act, Inflation Reduction Act, and the CHIPS and Science Act—that will help rebuild the nation's battered infrastructure and manufacturing base, and move the nation toward cleaner energy, all while creating hundreds of thousands of jobs.

In addition to working with Congress, the Biden administration has turned to executive orders as a way to support workers. The president has issued orders that require federal contractors to pay a minimum of $15 an hour (also eliminating payment of subminimum wages in federal contracts) and require companies that win federal service contracts, such as cleaning companies or cafeteria contractors, to hire the workers of the previous service contractor. The president has also made pro-worker, pro-union appointments at key agencies like the U.S. Department of Labor and the National Labor Relations Board (NLRB). In addition, as mentioned above, to prepare many workers without college degrees to obtain good jobs, the administration has invested in apprenticeships, including by launching the Apprenticeship Ambassador Initiative, a public–private partnership, and a number of other apprenticeship initiatives focused on developing a skilled, diverse workforce ready to fill high-demand jobs.

The administration has also issued an executive order creating the White House Task Force on Worker Organizing and Empowerment as a way to empower workers. It has sought to further protect workers by proposing rules to make it harder for employers to improperly classify employees as independent contractors, a move that often denies them benefits and legal protections. It has also proposed banning noncompete clauses, which have reduced the mobility and wages of millions of workers.

To strengthen the enforcement of national labor laws, the president worked with Congress and pushed hard to secure a 9 percent funding increase for the National Labor Relations Board, although the administration and labor unions had sought a far larger increase. The NLRB's budget had been frozen since 2014 due to Republican hostility to the board, forcing large-scale layoffs at the NLRB and making it hard for the board to keep up with its rapidly growing workload at a time of increased unionization—and union-busting efforts.

Lessons about Good Jobs and Worker Power

Many economists say the American Rescue Plan Act, the ambitious $1.9 trillion resilience plan to help Americans weather and rebound from the pandemic-induced recession, helped the U.S. economy bounce back faster and unemployment fall faster than they otherwise would have. Over the past two years, the nation has added a very impressive 12 million jobs, and the jobless rate has fallen to 3.45 percent, its lowest rate in fifty-four years. Moreover, even though many experts said manufacturing in the United States was on an irreversible decline, the sector has added 800,000 factory jobs since President Biden took office.

Yet, the recovery has not been felt equally. The unemployment rate has remained far higher for Black workers, and the spike in inflation has hit the poor and working class hardest. Women faced higher unemployment rates than men during the pandemic, due to their overrepresentation in hard-hit industries. Furthermore, care responsibilities forced many women out of the labor force entirely. And as described below, disabled workers still face disproportionately high unemployment and underemployment—though, now three years into remote work and the shifting of job expectations, new opportunities exist for workers with disabilities with workplaces offering more accommodations.

The president and Congress showed that the government can help offset these inequities—and provide a lifeline to the most vulnerable—with policies that included a $300-a-week unemployment supplement, checks of $1,400 per person, and a $3,600-a-year tax credit for families with children under age 6. As discussed above, the $300 weekly unemployment supplement was especially helpful to many laid-off workers of color, who live disproportionately in states with stingy unemployment insurance programs that often shortchange lower-wage workers.

The successes of the past two years show how legislative and executive action can protect and lift workers. In light of the divided makeup of the new Congress, fractiousness and gridlock are likely to stall legislative progress. As a result, the best tools to use to lift workers and build worker power over the next two years will be executive actions and the presidential megaphone. Beyond that, the administration also needs to address the deep resentment that many workers felt over the president's decision to block the threatened national freight rail strike.

Labor unions applauded President Biden for championing the Protecting the Right to Organize Act (PRO Act), legislation that would go far to make it easier for workers to unionize. (Passed by the House in 2021, that legislation didn't stand a chance in the Senate because of a potential GOP filibuster.) But many labor leaders and union members felt that the administration came off as more pro-business than pro-union when it blocked the rail strike in a way that many thought undermined the freight rail workers' demands to include paid sick days in their contract. Not having any paid sick days was a huge issue in that labor dispute. Biden could go far to mend fences by getting his U.S. Department of Transportation to rule that the railroads' rigid attendance policies, with their lack of paid sick days, wear down the industry's overstretched workers to such a degree that those policies undermine rail safety and that the railroads therefore need to give their workers seven paid sick days a year.

Looking Forward: Executive Actions

The Biden administration should lift workers and build worker power by issuing executive orders that address overtime pay, prohibit mandatory arbitration clauses in federal worker contracts, and protect workers of all types in all regions from extreme heat.

Overtime Pay

The Biden administration can continue to use executive actions to support workers. For example, under existing federal rules, many salaried employees who earn less than $40,000 a year and work fifty- or sixty-hour workweeks do not receive any overtime pay. With over 10 million salaried employees not qualifying for overtime pay, many groups are calling on President Biden to increase the overtime threshold to $70,000 so that all workers who earn less than that would qualify. By raising the overtime threshold to $70,000, which can be done through U.S. Department of Labor rulemaking, President Biden would ensure that millions more dedicated, hard-working Americans get the overtime pay they deserve when they work forty-five, fifty, or sixty hours a week.

Mandatory Arbitration

President Biden should also issue an executive order that prohibits federal contractors from requiring their workers to sign mandatory arbitration clauses. (Federal contractors employ about 25 percent of the nation's workforce.) These provisions, often buried deep in the papers workers sign when they're hired, bar employees from taking their employers to court in work-related disputes, whether about sexual harassment, racial discrimination, or failure to pay overtime. These clauses cover more than 60 million workers, more than half of America's private-sector nonunion workers. These clauses relegate workers to having their claims against their employers heard by arbitrators in a secretive procedure that the dean of Cornell's School of Industrial and Labor Relations found "overwhelmingly favors employers." These clauses are more common in low-wage workplaces and in industries that are disproportionately composed of women workers and Black workers. Moreover, it is clear that many corporations and executives would much prefer having any sexual harassment or racial discrimination cases against them heard not in public courts, but in private, secretive procedures. Any step that President Biden can take to reduce the use of mandatory arbitration clauses would be a step toward increased fairness and justice for American workers.

Protecting Workers from Extreme Heat

In addition, executive action can help protect workers from extreme heat, which disproportionately affects workers of color and immigrants, who account for many of the nation's farm workers and construction workers—outdoor jobs that are especially vulnerable to high heat. With global warming worsening, more workers are dying from today's higher temperatures, not just in states like Arizona and Texas, but in northern states like Oregon and New York.

Back in 1972, some prominent workforce experts began calling on president after president to issue a rule or standard that would protect workers from dangerous levels of heat—not just farm workers and construction workers, but also delivery drivers, landscaping workers, and warehouse workers. After previous administrations ignored pleas to create such a standard—which might include requiring rest breaks and access to shade and drinking water—the Biden administration announced a plan in September 2021 to draft workplace heat regulations. But in light of ever-worsening heat waves, such as the scorching 116-degree heat that hit Portland, Oregon in 2021, the sooner the administration issues regulations to protect workers from high heat, the more lives will be saved.

Looking Forward: Using the Megaphone

The Biden administration should also continue to use the president's megaphone to champion unions and workers' rights by pushing to raise the minimum wage and by speaking out against illegal union busting.

Raise the Minimum Wage

Even though most GOP lawmakers in the House and Senate strongly oppose Biden's push for a $15 minimum wage, the president and congressional supporters should keep pushing hard to increase the federal minimum, which has been stuck at a mere $7.25 an hour since 2009. Because of inflation, the federal minimum wage has lost over 30 percent of its value since then. Increasing the federal minimum wage is so popular with the public that it's possible that a confluence of circumstances could move a sizable number of Republicans to support an increase. A 2021 Pew poll found that Americans, by 71 percent to 27 percent, favor raising the federal minimum in general and that the public, by 62 percent to 38 percent, supports a $15 minimum. In relatively conservative Florida, voters overwhelmingly approved—by 61 percent to 39 percent—a ballot initiative to raise the state's minimum wage to $15 an hour by 2026.

The Economic Policy Institute (EPI) says that raising the federal minimum to $15 would help workers of color most, increasing pay for nearly one in three Black workers (31 percent) and for one in four Hispanic workers (26 percent), compared with about one in five white workers. With a $15 minimum, EPI said, yearly pay would rise by at least $3,500 for Black and Hispanic workers who work year round. The institute's report also said that most (59 percent) of the workers who would benefit are women, even though men are a majority of the nation's workers. Although it might be an uphill battle at the moment, the president should keep pushing to raise the minimum wage and keep the issue in the public eye because at $7.25, the federal minimum has been far too low for far too long.

Speak Out for Workers

Unions have cheered President Biden for backing Amazon workers' effort to unionize and repeatedly talking about how unions have built the middle class. But many labor leaders say the president should go further in speaking out on behalf of unions, especially since he and Congress failed to enact labor's top legislative priority, the Protecting the Right to Organize Act.

The president and his administration should speak out loudly against the many illegal tactics that the National Labor Relations Board says Starbucks has used to try to stifle its baristas' unionization drive. The NLRB has accused Starbucks of illegally firing pro-union workers, closing stores that had recently unionized, and refusing to bargain in order to sabotage its workers' union drive. Fierce employer opposition to unions is the biggest obstacle to the growth of labor unions, and President Biden should be willing to speak out when companies repeatedly violate federal law in their efforts to quash unionization.

The president has repeatedly boasted about how pro-worker and pro-union he is, and notwithstanding the obstacles he faces in Congress, he can still do a lot more over the next two years to help lift America's 159 million workers.

Expanding Opportunity and Raising Wages for Disabled Workers

BY KIMBERLY KNACKSTEDT

Key Points

- The traditional employment model for many workers with disabilities has been segregated employment at wages lower than the minimum wage, trapping them in poverty and in meaningless jobs without a career ladder or future opportunities.
- The Biden administration has pursued a multi-agency approach to advancing competitive integrated employment and appropriated funds to help states achieve goals such as eliminating the subminimum wage for disabled workers.
- While the Transformation to Competitive Integrated Employment Act waits for action in the 118th Congress, executive agency actions will allow states to take meaningful steps to transition workers to competitive integrated employment.

The first two years of the Biden administration has brought about a historic increase and expansion of competitive integrated employment for disabled workers. Put simply, competitive integrated employment is part-time or full-time employment for disabled workers, compensated at comparable rates as non-disabled workers for similar tasks, and in integrated settings.[4] Competitive integrated employment is critical, as traditionally the model for workers with disabilities has been segregated employment at wages lower than the minimum wage, trapping them in poverty and in meaningless jobs without a career ladder or future opportunities. Early in his presidency, President Biden called for the elimination of the subminimum wage, and although Section 14(c) has yet to be eliminated from the Fair Labor Standards Act (FLSA), Congress took action through appropriations providing states millions of dollars to eliminate the discriminatory practice. More equitable employment practices have been a cornerstone of the Biden administration and they have tallied significant wins. The following section outlines these wins, congressional action, and the future for competitive integrated employment.

Administrative Wins

Prior to the Biden administration, there was growing consensus for the need to improve opportunities for workforce participation for disabled workers. The reauthorization of the Workforce Innovation and Opportunity Act in 2014 laid the groundwork for more equitable access to employment for workers with disabilities establishing the definition of competitive, integrated employment. However, despite an invigoration of the fight for equitable jobs for disabled workers, the overall workforce system changed very little from 2014 to 2020. The workforce participation rate increased slowly although steadily, but the exceptionally high unemployment rate remained hard to chip away at, despite reports that increasing people with disabilities in the workplace would actually grow the overall U.S. economy.

In the 2020 election cycle, every democratic candidate put forward a disability policy platform, the first time in history. In addition, both the Democratic Party and Republican Party platforms called for elimination of subminimum wages through enacting legislation. The actions drew significant attention to the need for equitable job creation and access for disabled workers, even in the midst of a pandemic that was already beginning a pendulum swing that would open doors to more job accommodations.

The Biden administration began 2021 with renewed energy from unprecedented attention on disabled workers in the 2020 election cycle. While phasing out subminimum wage requires congressional action, the administration began a multi-agency approach to advancing competitive integrated employment. On the thirty-first anniversary of the Americans with Disabilities Act, four agencies released a fact sheet detailing how states can leverage funding opportunities to expand access to competitive integrated employment. During the following year, the same agencies (Departments of Labor, Education, Health and Human Services, and the Social Security Administration), released multiple other documents advancing competitive integrated employment in a historic fashion. The multi-agency efforts included:

- a document detailing the evidence base for competitive integrated employment and how it leads to greater independence and self-sufficiency (Administration for Community Living);
- federal joint communication to state and local governments on resource leveraging and service coordination to increase competitive integrated employment (Departments of Labor, Education, and Health and Human Services, and the Social Security Administration);
- a framework for community engagement to support competitive integrated employment (Departments of Education, Labor, and Health and Human Services); and
- webinars to further support blending, braiding and sequencing of funding at the state and local level to expand competitive integrated employment (Department of Labor).

The speed at which the administration acted to advance competitive integrated employment, coordinate across large agencies with multiple components, and quickly disseminate information to the public is unprecedented. Although the full impact on job creation for disabled workers who were unemployed or underemployed is as yet unknown as the efforts will be reflected in the data in the coming years, the labor force participation rate for people with disabilities reached a historic high in 2022—37.8 percent, soaring over pre-pandemic levels (the 2019 rate was 33.6 percent). While unemployment rates are still too high and Long COVID has had a significant impact on access to work, these increased labor force participation rates are encouraging.

Legislative Advancements

While noted earlier that the administration cannot make legislative changes to eliminate subminimum wage, the Rehabilitative Services Administration is carrying out a large grant called the Disability Innovation Fund that is supporting state-by-state voluntary elimination of subminimum wage. Fourteen states are currently carrying out activities with grants ranging from $3.7 million to $13.9 million to support innovative projects to transition individuals out of subminimum wage to competitive integrated employment.

Looking Forward

The significant amount in the Disability Innovation Fund sets up enormous opportunities for states in the coming years. While a bill, the Transformation to Competitive Integrated Employment Act, waits for action in the 118th Congress, the influx of funds allows states to take meaningful steps to transition workers to competitive integrated employment. Paired with the multi-agency efforts to support blending, braiding, and sequencing of federal, state, and local funding and technical assistance, these efforts enable employers and workers to move to a more modernized and inclusive workplace. Thus, the future of work for people with disabilities is promising.

A Vibrant and Inclusive Industrial Sector

BY MICHELLE BURRIS

Key Points

- Once the centerpiece of the postwar American economy, the industrial sector suffered decades of decline, and manufacturing in particular became exclusionary and discriminatory for workers of color.
- The passage of the CHIPS and Science Act, the Infrastructure Investment and Jobs Act (IIJA), and the Inflation Reduction Act, which pair industrial policy with community development, will lead to the creation of millions of well-paying industrial jobs, but these jobs will not be filled without decisive steps to build—and adequately reward—a workforce that mirrors the country's racial demographics.
- Moving forward, efforts must be made to provide employers and communities the technical assistance needed so that reinvestment in America's industrial sector benefits everyone.

President Biden's signing remarks of the CHIPS and Science Act, the Infrastructure Investment and Jobs Act (IIJA), and the Inflation Reduction Act, firmly stated his administration's bold commitment to job creation for all Americans, with sustainable wages and a stewardship of community development. And indeed, these three acts provide a historic investment in industrial policy and job creation for workers of diverse educational and demographic backgrounds. But for Americans who can only secure jobs that result in stagnant wages, occupational segregation, and employment bias, this historic commitment will not prevail without taking an equity-centered approach. While these issues disproportionately impact women, disabled people, and immigrants, among others, the below section will focus on issues specific to race.

It is anticipated that the three acts will create millions of industrial jobs in the manufacturing and the trades, in environmental cleanup, and in science and technology. In order to ensure that all Americans can benefit from this investment, implementation must include active and sustainable steps to dismantle racism as well as all forms of prejudice in hiring and in the workplace—and in fact these equity considerations were explicitly included in the CHIPS and Science Act. To eliminate these barriers for hiring and retaining workers, there must be an acknowledgment of the legacy and ongoing racism that attributes to the underrepresentation of communities of color in manufacturing and the trades as well as community-level efforts to recruit and train workers.

The projected job creation from recent legislation will make a transformative impact on the economic outcomes of prospective workers and the regions where they live. But revitalizing the industrial sector on this scale will need a workforce that mirrors the country's racial demographics, which will require rebuilding trust, inclusive talent acquisition, and community partnerships.

Addressing Current Racial Inequities in Manufacturing and Trade Jobs

Although manufacturing is the second-highest paying industry in the United States, the sector has a ways to go in closing racial pay gaps, which can only be done through targeted recruitment, mitigating bias, and equal pay, with paths to career mobility. Addressing the racial inequities in this sector also requires examining the root causes beginning in K–12 education, such as the underrepresentation of students of color in career and technical programs, a promising training pipeline for students pursuing trades careers. Recently, school districts have restored vocational programs, but students of color are less likely to choose STEM-related training programs. The Hechinger Report has highlighted the enrollment racial disparities across the country. They found for example that in South Carolina, although Black and Latino students comprised 43 percent of the overall student body, they made up only 25 percent of students in STEM-related courses. Meanwhile, Black and Brown students in the state comprised 60 percent of enrollees in hospitality and human services, industries that pay significantly lower than manufacturing and the trades. These racial disparities in enrollment were attributed to students of color choosing sectors based on familiarity and people in the industry who looked like them, thereby perceiving a higher likelihood of being employed.

Racial inequities exist within the manufacturing sector itself, as well. A TCF report highlighted the occupational segregation by race in manufacturing. Black and Brown workers make up more than half of production jobs, the lowest paying positions, and 25 percent of Black workers in manufacturing make less than $30,000 a year, compared to only 15 percent of white workers who make less than $30,000 a year. While Black workers tend to occupy jobs in the bottom of the manufacturing pay scale, white workers are nearly three times as likely to be in management.

The problems of the manufacturing sector being exclusionary and discriminatory for workers of color puts the country's most marginalized communities at an economic disadvantage and leaves millions of jobs unfilled, which holds back the nation's supply chains, production, and innovation. For example, MIT's study "The Lost Einsteins" reiterates that American innovation can quadruple if women, people of color, and economically disadvantaged communities can innovate at the rate of Americans from high-income households.

America has long been missing out on the opportunity to tap the full potential of its workforce. Thankfully, the three acts will help change that—most notably through the support of registered apprenticeships and requirements for prevailing wages.

Registered Apprenticeships

Registered apprenticeships embrace an "earn while you learn" paradigm, meaning that prospective workers can participate in an industry-driven and high-quality career model while receiving classroom instruction, a mentor, and on-the-job training. Apprenticeships broaden the recruitment pool by providing employers with a diverse pool of graduates who are entering the workforce with an industry certification, sectoral skills, and the knowledge of workplace safety and culture. Registered apprenticeships are proven to promote workforce diversity when programs are required to serve and recruit from the community in which the employer operates. This is significant because youth and young adults often remain under/unemployed because they are unaware of the opportunities manufacturing and trade apprenticeships present, with starting wages of nearly $20 an hour, and annual average starting salary of nearly $77,000, nearly double the compensation in the retail and hospitality industries. Apprenticeships have a 93 percent placement rate, which means most apprentices move on to full employment. For many workers, whether they're a single mom of color, or someone reentering society from incarceration, such as manufacturing advocate Andrew Crowe, apprenticeships and the trades can be life-changing.

Prevailing Wages

All three acts also require participating employers to pay prevailing wages, defined under the Davis Bacon Act as combined basic hourly wages based on specific classification of workers, consistent with the local labor market, particularly on federally funded and construction projects. This ensuresthat construction workers are not paid lower wages than the average wages of local workers. Registered apprentices also receive prevailing wages and this creates equitable job creation through mitigating the racial pay parities in the trades sector.

The CHIPS and Science Act, Inflation Reduction Act, and IIJA support registered apprenticeship programs with extensive investments and requirements. For example, in the Inflation Reduction Act, employers must comply with prevailing wages and registered apprenticeship requirements, meaning that a construction employer is mandated to set a certain minimum of hours to be performed by a registered apprentice. These requirements also ensure an apprentice is paired with a mentor or journeyworker to increase retention in the sector. Similarly, the CHIPs and Science Act expands and funds apprenticeship training in the microelectronics and semiconductor workforce, industries underrepresented of workers of color. Initiatives from these acts have already been implemented, such as commitments from the North American Building Trades Union to train 250,000 new apprentices across the country, including a nonprofit organization, TradesFuture, that will offer wraparound services and construction training for people of color. (Provisions in the CHIPS and Science Act also allocate $200 million for the RECOMPETE pilot program for job creations in economically distressed communities through a home-grown approach.)

The three acts present a window of opportunity for prospective workers so that they no longer have to work jobs that have no upward path for career mobility and wages. Apprenticeships are the best starting point for ensuring diverse workers enter the workforce with competitive skills on an equal footing. The racial demographics of apprenticeship programs show the need for change, with white apprentices comprising nearly 76 percent of participants, compared to 17 percent of Black in 2020. Although this is an increase from 13 percent Black in 2020, more awareness of apprenticeships among communities of color can ensure the implementation of these three acts are not only worker centered, but equity centered, as intended.

Climate Jobs and Environmental Justice

From a higher likelihood of being exposed to and dying from air pollutants to lower reinvestments after natural disasters, research has well documented that communities of color suffer the brunt of environmental injustice, or what activists call environmental racism. Unfortunately, across the country, disaster risk and disaster recovery both are racially inequitable. For example, studies conducted by Rice University and University of Pittsburgh found that in communities that suffered $10 billion in disaster damage, recovery efforts led to a wealth increase of nearly $126,000 for white families, while Black families saw a wealth decrease of only $27,000.

Thankfully, these three acts will address some of these historic funding inequities through initiatives such as the $60 billion invested in environmental justice in the Inflation Reduction Act as well as a historic $16 billion in the IIJA dedicated to orphan oil and gas wellsite plugging and reclaiming abandoned wells, particularly on Tribal lands.

The job creation anticipated from these initiatives is historic, with placements in communities most impacted by air quality, gas emissions, and natural disasters. Recently, the Biden administration released the availability of $100 million in environmental justice grants through the Inflation Reduction Act, the largest amount of environmental justice grant funding by the Environmental Protection Agency (EPA). This coincides with President Biden's Justice40 Initiative goal of ensuring that 40 percent of directed funds be dedicated to communities that face the most pronounced adverse health and environmental disparities. The Bluegreen Alliance foresees nearly 30,000 jobs from grants and community-centered projects and more than 5,000 jobs to reduce air pollution in schools. Similarly, implementation of the IIJA includes $1.5 billion over five years for new workers to help clean contaminated and dangerous brownfield properties, areas where researchers found that 55 percent of surrounding residents are communities of color. A community and bottom-up approach is a proven strategy for restoring trust, and ensuring that minoritized Americans have a stake in their local revitalizations.

Universal Broadband and Inclusive Innovation

The COVID-19 pandemic, particularly the accessibility of telehealth, underscored that universal broadband should no longer be framed as a luxury, but as a civil right. Yet, 42 million Americans still do not have access to broadband Internet. Rural communities, low-wage workers, and people of color are the most disconnected from broadband—and they are also the most likely to be shut out from jobs in the high-paying information technology sector. This is an educational and economic tragedy for these communities, as technology professionals have an average salary of around $100,000. Closer attention must be paid to who is shut out from research, technology, and innovation related jobs—partly due to the lack of broadband infrastructure—as wealthier and more privileged communities continue to thrive.

The three acts all have components that will work in tandem to ensure that more communities live in a high-tech America. For example, the IIJA is delivering $65 billion in deploying universal broadband, with a focus on affordable Internet services in underserved communities, such as rural and Tribal land. Universal broadband is the first step, and with its deployment, economic development and jobs will come through a worker-centered implementation. The CHIPS and Science Act complements this through the regional technology hubs and provisions for inclusive innovation. Appropriated at $500 million for planning grants, regional technology hubs seek to spur place-based job creation and economic development through forming ecosystems. This includes a public–private consortium of community-based organizations, industries, and higher education institutions (including minority serving) to focus on job creation and expanding the regional diversity of innovation. One third of the hubs must advance small and rural communities. The CHIPS and Science Act will also create more research jobs by requiring the National Science Foundation to engage more with Historically Black Colleges and all minority serving institutions, and requiring the Government Accountability Office (GAO) to publish a report on the participation, outreach, and competitiveness of these institutions for federal research funding compared to tier-one (R1) research universities.

Looking Ahead

The reasons why community-based organizations in Black and Brown communities feel disempowered to apply for federal opportunities that can create job opportunities include the absence of grant officers, the lack of administrative capacity, and/or the lack of technical assistance in these communities. The initiatives funded through these three acts will go a long way to address these problems so that the massive investment the nation is making in industrial policy and job creation is achieved more equitably.

In partnership with Manufacturing Renaissance, TCF has been working to lend technical assistance through regular public webinars for community-based organizations to learn coaching and empowerment on securing federal employment. Recently, for example, TCF presented on the Department of Labor's Building Pathways to Infrastructure Jobs Grant Program, as a result of the IIJA.

The CHIPS and Science Act has a required report on the level of participation of communities of color, particularly HBCUs, in securing federal funding. The Inflation Reduction Act and IIJA should also require similar studies and fund the provision of real-time technical assistance to organizations and higher education institutions primarily serving communities of color. Researchers at the Center for American Progress have also highlighted that the Inflation Reduction Act does not include workforce development funding or incentives for a diverse workforce.

The good news is that community-embedded workforce programs are unique and thriving. Recently, Secretary of the Treasury Janet Yellen visited TCF's Industry and Inclusion

Cohort Member, MAGNET, on the opening of their new facility in Cleveland, Ohio. Transformed from a former elementary school and directly adjacent to a public housing community, the new center has 3-D printers, advanced technologies, and ultimately, job training for the next generation of workers in the K–12 educational system. During her visit, Secretary Yellen touted all three acts for spurring manufacturing investments in Ohio, such as bringing jobs through industries such as Intel. The new MAGNET facility is projected to bring 30,000 jobs by 2032, and grow the local economy by $40 billion.

Through these three acts, MAGNET and the greater Cleveland area does not have to be the only region in reversing industrial decline and creating jobs. Every community has an opportunity, but that starts with a holistic implementation of ensuring communities of every size and demographic are fully equipped to positively transform the economic trajectories of their residents through federal dollars and America's promises.

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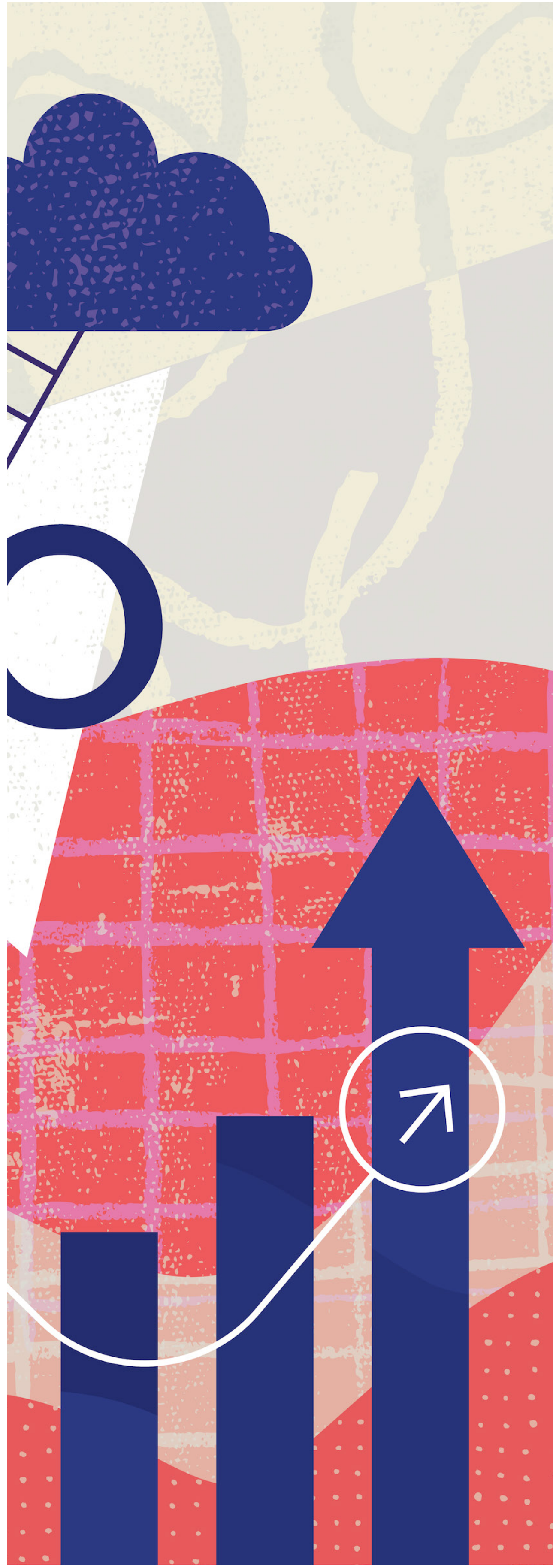

Notes

1 This report uses person-first and identity-first language throughout. The intentionality behind this choice is to honor the preferences, cultures, and identities within the disability community.
2 These personal stories were collected by the author from the individuals through social media. To preserve anonymity, only the first letter of the first name is used.
3 Author communication with the House Ways and Means Committee.
4 Defined by section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705), as amended by the Workforce Innovation and Opportunity Act PL 113-138; and § 361.5(c)(9).