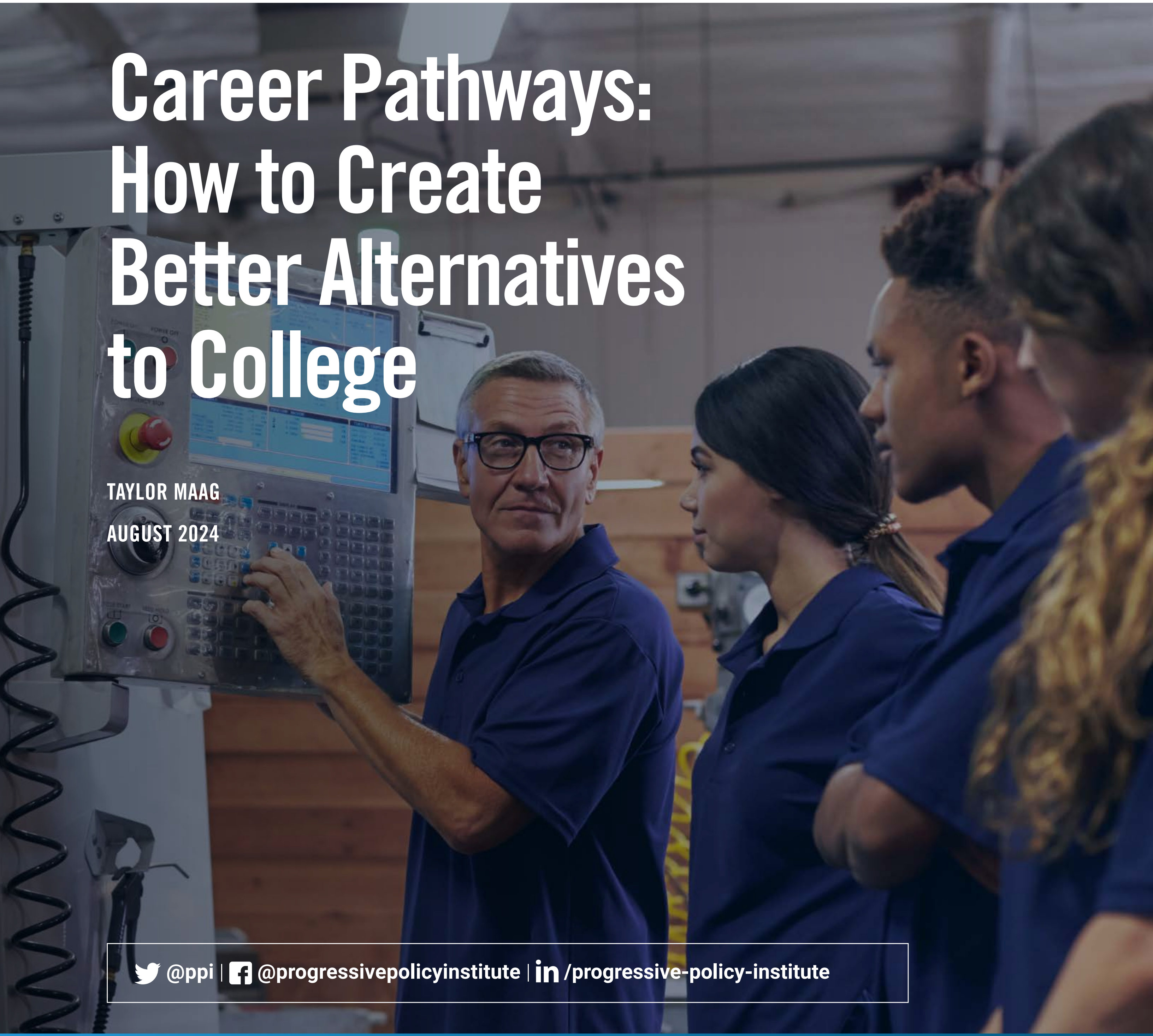
CAMPAIGN FOR WORKING AMERICA



Career Pathways: How to Create Better Alternatives to College

TAYLOR MAAG

AUGUST 2024

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CAMPAIGN FOR WORKING AMERICA

ABOUT PPI'S CAMPAIGN FOR WORKING AMERICA

The Progressive Policy Institute launched its Campaign for Working America in February 2024. Its mission is to develop and test new themes, ideas, and policy proposals that can help Democrats and other center-left leaders make a new economic offer to working Americans, find common ground on polarizing cultural issues like immigration, crime, and education, and rally public support for defending freedom and democracy in a dangerous world. Acting as Senior Adviser to the Campaign is former U.S. Representative Tim Ryan, who represented northeast Ohio in Congress from 2003 to 2023.

Since 2016, Democrats have suffered severe erosion among non-college white voters and lately have been losing support from Black, Hispanic, and Asian working-class voters as well. Since these voters account for about three-quarters of registered voters, basic electoral math dictates that the party will have to do better with them to restore its competitiveness outside metro centers and build lasting governing majorities. The party's history and legacy point in the same direction: Democrats do best when they champion the economic aspirations and moral outlook of ordinary working Americans.

To help them relocate this political north star and to inform our work on policy innovation, PPI has commissioned a series of YouGov polls on the beliefs and political attitudes of non-college voters, with a particular focus on the battleground states that have decided the outcome of recent national elections.

This report is the first in a series of Campaign Blueprints detailing new ideas that can help Democrats reach across today's yawning "diploma divide" and reconnect with the working-class voters who have historically been the party's mainstay.

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INTRODUCTION

In the 21st century, education has become America's most significant marker of class privilege. People with bachelor's and advanced degrees have mostly prospered, while wages for those with less education have fallen.[1] This divergence in economic fortunes lies at the heart of our country's present economic and political discontents.[2]

In days past, Americans could get good jobs that paid a family-sustaining wage with just a high school diploma. In today's increasingly intangible and data-driven economy, most jobs require at least some postsecondary education and training due to automation and technological advancements — demanding different knowledge and skills.[3] If we don't act now to prepare our current and future workers for these opportunities, more Americans will experience downward mobility and fall further behind.

Some Washington policymakers think we can solve this with "college for all." It's true that, on average, a bachelor's degree confers higher lifetime earnings on those who have them.[4] But most Americans don't earn degrees. Today, 62% of American adults have no bachelor's degree, and that number rises to 72% for Black adults and 79% for Hispanic adults.[5]

Despite this reality, federal and state policies remain strongly biased in favor of subsidies to Americans who go to college, specifically those who acquire a 4-year degree. In 2018, the federal government spent roughly $149 billion on higher education versus $58 billion for workforce-related education and training.[6] Since the latter figure also includes Pell Grants and veterans' programs, Washington really only spent about

$16 billion, spread across 17 separate federal programs that provide workforce-focused education, employment, and training assistance.[7]

The nation's chronic underinvestment in work-related learning, experiences, and supports isn't just unjust, it's bad economics. It squanders our most precious resource — our workers — and subtracts from U.S. productivity growth and competitiveness.

American workers deserve better than a binary choice between an overpriced college degree program and a patchwork of public and private job training programs of uneven quality. Instead, U.S. leaders should equalize opportunity for workers, regardless of what path they choose. This means building a world-class education system that is inclusive of all options, not just college, to ensure greater upward mobility for American workers.

CREATE CAREER PATHWAYS FOR ALL WORKERS

1. Expand apprenticeship seven-fold

Today our country has almost 600,000 registered apprenticeships, mostly in traditional sectors such as building trades and heavy industry.[8] As a share of their labor force, Great Britain, Australia, and Germany have roughly 10 times more opportunities. It is puzzling that the U.S. hasn't followed its peers in scaling up apprenticeship, a training model that is also a job, allowing people to work and earn while they are learning the critical skills necessary for good jobs and careers. It's an especially relevant model now, when most U.S. jobs require at least some postsecondary education and training,[9] and when employers, even in our tight labor market, report a serious shortage of skilled workers[10] in their fields.

While many progressives have seized on the panacea of "college for all," the reality is that most American adults have no bachelor's degree. Additionally, the college earnings premium appears to be declining for the first time in decades, because of soaring college tuition costs, low completion rates, and heavy debt burdens — further pushing the American public to rethink the value proposition of traditional higher education. This change in public opinion was reinforced by a recent PPI poll, which surveyed ~5,000 workers without four-year degrees. Seventy-four percent believed that public investment in apprenticeship and career pathways to help individuals acquire better skills is the most likely way to help workers get ahead in today's economy.[11]

It's clear that America needs alternatives to a four-year degree that are affordable, trusted by employers, and help people learn the technical and digital skills that today's jobs require — apprenticeship is a viable solution.

While few labor market policies offer a "win-win" for businesses and workers, apprenticeships in the U.S. do just that. Workers learn an occupation while earning a paycheck from their employer. Those who complete apprenticeships earn an average of $77,000 annually, with a 94% employment rate.[12] For employers, every dollar invested yields an average return of $1.44, thanks to reduced turnover, increased loyalty among apprentices, and improved company culture.[13]

Yet even with this impact, there are not nearly enough of them, especially in new and emerging industries. To scale this model that works to ensure more businesses and Americans can participate, PPI and Apprenticeships for America (AFA) propose an innovative solution: Mobilize networks of intermediaries, including nonprofits, job placement and business service firms, industry associations, and unions to work with U.S. employers to create roughly one million new apprenticeships per year until reaching the scale that is seen in comparable countries — getting our nation to roughly 4 million apprentices.

To reach this goal policymakers must:

- **Increase investment for apprenticeship in the U.S.**: Data collected from grantees of the American Apprenticeship Initiative show it takes roughly $4,000 in startup costs per apprentice in a registered program. Using this rule of thumb, a program of one million new apprenticeships a year would cost $4 billion. This is a modest public investment, especially compared to the hundreds of billions Washington has spent on loan forgiveness for college graduates. To pay for it, PPI's new report, *Cutting Costs and Boosting Growth: A Visionary Blueprint for a Fairer and More Prosperous America* contains a host of proposals for spending restraint that would create fiscal space for this public investment.
- **Change the way we fund apprenticeship**: But more money isn't the only solution. To ensure increased resources go to effective programs, the nation needs to adopt a new pay-for-performance architecture to fund apprenticeship. Programs would no longer be funded through one-off grant programs but instead would be through formula dollars. These dollars would flow to public, nonprofit, and private intermediaries that place individuals in apprenticeship programs. This model would ensure public resources are being used effectively while also supporting new apprenticeships across a wider array of industries.
- **Reduce burdens for industry participation**: Industry leaders often cite the upfront costs and time of establishing and maintaining an apprenticeship program as a significant deterrent.[14] This proposal addresses the cost conundrum but also wants to see federal and state registration streamlined. While registered apprenticeship is the gold standard of skill development in our nation, the process can be bifurcated, complex, and slow. In addition, program requirements of a registered program, related to the time and length, can be difficult for employers to grasp, creating a barrier to industry participation. While this proposal should maintain the registered apprenticeship framework, policymakers should continue to consider ways to update the registration process, as well as the program requirements, to ensure registered apprenticeships are more agile and responsive to the changing needs of employers while still ensuring quality for participating apprentices.

2. Enlist public, nonprofit, and private intermediaries in work-based learning

To build a system of career pathways as robust and varied as our world-leading higher education system, we need an all-hands-on-deck approach that brings together leaders in K-12, postsecondary education, workforce organizations, industry, and government to build equitable pathways to in-demand careers. Intermediaries — for-profit, nonprofit, religious organizations, and unions — can play a central role in standing up apprenticeship, other earn and learn programs (i.e., internships and co-ops), and workforce development programs generally.

The growth of intermediaries is part of a broader trend within our economy and society toward fluid, networked, distributed and interactive systems. Intermediaries have become increasingly crucial actors that convene necessary partners, handle processes, and even provide training. From nonprofits like CareerWise[15] and YearUp,[16] to for-profit apprenticeship service providers like Multiverse,[17] to industry associations like Apprenti[18] and Wireless Infrastructure Association,[19] to Hire-Train-Deploy[20] companies like Optimum Healthcare IT,[21] Cloud for Good,[22] and Helios.[23] These organizations help sell employers on skill development programs and help them organize these programs.[24] Crucially, they encourage industry participation in talent development by lowering the cost of recruiting and training individuals and matching them to relevant employers.

Ryan Craig, a Senior Fellow at PPI and co-founder of Apprenticeships for America[25] (AFA) a national nonprofit dedicated to scaling apprenticeships across the U.S. economy, states, "Intermediaries are essential for the expansion of industry-aligned education and training, including apprenticeship. They are critical because models like apprenticeship are expensive: it costs a lot to transform an untrained, unproductive resource into a productive one."

And apprenticeships are just one model that these entities can help scale. Policymakers must understand the value of intermediaries and commit to supporting these organizations while also expanding the definition of intermediaries to include not only public organizations (i.e., community colleges and workforce boards) but also nonprofits and for-profit service providers, with eligibility being determined based on the intermediary's outcomes, not their organization's status. This will allow for more entities to scale workforce development programs that are working — reaching more individuals and helping employers get the talent they need to remain competitive.

3. Expand the Pell Grant for workforce development

Today, most workers need at least some postsecondary education or specified skill set to succeed in our economy. According to an analysis from the National Skills Coalition, 52% of jobs today require more education and training than high schools provide, but less than typically included with a four-year college degree.[26] Unfortunately, only 43% of workers have access to the skills training needed to fill those jobs.[27] Public policy has not kept up with these changing demands. While dramatically expanding financial support for college students, Washington has chronically underinvested in workforce development and the ability of non-degree workers and learners to acquire in-demand skills. Left in the lurch are individuals who need and want workforce training that does not require two- or four-year degrees, as well as U.S. employers trying to fill skills gaps. In essence, federal policy has opened a chasm between the educational establishment and the nation's labor market. What's more is in a comprehensive survey of working-class voters from PPI, it found that when asked what respondents believe would help most when it comes to having a good job and career, roughly 50% said affordable, short-term training programs that combine work and learning.[28] Only 9% said they viewed college as the best way for them to get ahead.[29]

To address the federal funding gap and the increased demand from the American public, PPI believes lawmakers should expand the Pell grant program, which helps students from low-income families pay for college, to the young Americans who don't attend college acquire valuable in-demand skills.[30]

This idea builds off a 2014 proposal from PPI's Paul Weinstein, which reforms Pell to establish a single higher education grant that would be more generous, easier to access, and financed by folding the myriad of existing tax incentives and higher education spending programs into one offering. This updated proposal not only ensures more Americans can draw down on this aid but also includes high-quality workforce programs — giving America's current and future workers the opportunity to use federal aid for educational opportunities best poised to meet their needs and the needs of the labor market.[31]

To do this, PPI proposes getting rid of federal support for higher education that is reliant on regressive tax subsidies. One clear example is the 529 plan, an investment account that exempts investments from taxes on capital gains or dividends so long as the returns are used to pay for education expenses. 529 plans provide little to no benefit at all to those with low incomes, with roughly 70% of the tax benefit accruing to households making over $200,000.[32] Similarly, other tax benefits, such as the exclusion of student loan interest, will primarily accrue to wealthier households as well since those with the highest debt and interest balances tend to be advanced degree holders such as doctors and lawyers.[33]

PPI proposes to eliminate these regressive tax subsidies and redirect the savings to fund an expanded Pell Grant or "Super Pell." This action would nearly double annual funding for Pell, allowing the program to support up to two-thirds of undergraduate students in the United States with higher grants than the current average Pell award. This approach removes the unnecessary complexity of miscellaneous tax subsidies while directly supporting more students from lower- and middle-income backgrounds. PPI would also expand the range of programs eligible for Super Pell funding to include shorter-term workforce-oriented programs that meet certain quality standards.

It's clear there are serious problems with how our nation finances and designs post-secondary education. "Super Pell," would allow federal financial aid to be more generous and used for an array of postsecondary programs. Going forward, America's future workers need a more affordable and agile higher education system, one that is not so reliant on the traditional four-year degree and ensures individuals are able to learn the job skills needed to advance in our economy.

4. Base hiring on skills, not degrees

While expanding postsecondary education and training options is critically important, U.S. policymakers and business leaders also need to better understand the value of skills workers currently have. The paper ceiling is the invisible barrier that comes at every turn for workers without a bachelor's degree.[34] Early in the 2000s, many employers began adding degree requirements to job descriptions, whether they needed them or not — using the degree as a proxy for job preparedness. As a result, workers without a bachelor's degree were screened out of opportunities.

Research from Opportunity@Work, which leveraged public datasets, the Occupational Information Network (O*NET) and the Current Population Survey (CPS), found there is an overlooked talent pool of skilled workers in our economy — uncovering more information about workers without degrees, their occupations, and skill sets.[35] This data showed that Americans skilled through alternative routes other than a bachelor's degree represent

50% of the U.S. workforce.[36] Many of them possess skills that should qualify them for jobs with salaries at least 50% higher than their current job. In other words, our current hiring practices systematically underutilize the skills of millions of U.S. workers, deepening the economic divide between those with and without college degrees.

Fortunately, employers are starting to move away from degree requirements.[37] In one recent survey, 81% of employers said they are looking increasingly at skills rather than degrees as they struggle to fill open positions with U.S. unemployment at a record low.[38]

Even government is moving towards skills-based hiring practices. In June 2020, former President Trump signed an executive order that modernized the assessment and hiring of federal job candidates based on skills and competencies instead of degree attainment.[39] The executive order was continued by the Biden administration, demonstrating the bipartisan nature of this issue. This bipartisanship is playing out in states as well - 17 blue and red states enact policies to remove degree requirements from jobs that don't need them and push for a more merit-based hiring system.

The federal and state momentum is encouraging, but there are still kinks that need to be worked out. First, there needs to be a greater commitment from employers across the private and public sector to scale up skills-based hiring. What's more, organizational leaders who commit to skills-based hiring are not always the ones in charge of executing it. Many HR professionals and hiring managers may not understand how to assess job applicants' skills in the absence of formal credentials.

This is why job descriptions are also critically important. As employers reduce their reliance on degree-based hiring, they must think more carefully about what capabilities they are truly looking for and describe them more explicitly. This not only helps the applicant better convey their relevant skills, it helps the employer match the skills to the internal need more effectively, while also encouraging skill providers to consider how they can update their curriculum to respond to in-demand opportunities.

In addition to shifts in employer practice, the move toward skills-based hiring will require overhauling our nation's workforce development system. This means a greater emphasis on industry-responsive education, training, and experience, like career and technical education and work-based learning, across K-12 and postsecondary education. Policies that promote competency-based education, offer prior-learning assessments, and expand career pathways will also be increasingly important so individuals can have more stackable, skills-based learning opportunities while also understanding changing labor market demands. Additionally, innovation around learning and employment records, which provide a digital repository of information about a person's academic and industry achievements, will be important to design and scale so individuals can more easily demonstrate their accumulated skills, knowledge, and experiences.[40]

Dropping degree requirements and moving toward skills-based hiring practices has strong potential to even the playing field for degree and non-degree workers. Employers and policymakers alike should lead by example, by removing degree requirements from job descriptions that don't need them. The private and public sector must also better work together to promote industry-responsive education and training opportunities that ensure people are learning the skills needed for in-demand careers while also supporting assessments and new tools that ensure individual's skills are effectively translated, demonstrated, and understood in the job market.

Reforming hiring practices to consider jobseekers' actual skills and competencies, not just formal credentials, will narrow economic inequality and boost U.S. productivity. Previously overlooked workers will be able to pursue attractive career pathways even without a four-year degree and employers will be better able to fill jobs that need filling. It is a win-win.

5. Reinvent high school to expose students to work

Before our nation moves to a skills-based economy, policymakers must address the issue that most young people in our country still don't have access to high-quality career learning experiences, because our K-12 schools over-emphasize college prep coursework, while career preparation is overlooked and under-resourced.

While we know that college — specifically a bachelor's degree — often leads to higher long-term earnings, most Americans still do not earn degrees, with many forgoing college altogether — 39 million — enroll in college but don't complete a degree.[41] They are left with student debt and without a credential employers value. This trend is expected to worsen as young people increasingly question the career and financial benefits of traditional higher education.[42] As a result, students aren't attending, or are postponing their college plans altogether, which is apparent in the sharp declines in college enrollment among recent high school graduates. Many K-12 students are looking for ways to infuse career relevance into their education. For example, Career and Technical Education (CTE) programs are highly effective in preparing students for the workforce and producing graduates who earn more than their peers. Research shows that students who have completed at least two CTE courses in a career pathway have a 94% high school graduation rate, 8 points higher than the national average.[43] They also are more likely to be employed full-time and earn more non-CTE students.

Yet even with these outcomes, career preparation is often overlooked and under-resourced. One in four high schools don't offer CTE at all, and only 3 million of the roughly 15 million public high school students nationwide completed at least three CTE course credits.[44] Additionally, the federal government spends over $57 billion annually on our nation's secondary schools. Of all that, only $600 million of total CTE funds goes toward K-12 to support career learning and experiences.[45]

Funding constraints, however, aren't the only challenge.[46] Inconsistent state support and the stigma that often attaches to career-oriented coursework and its students result in programs of widely varying quality and accessibility. Additionally, logistical hurdles, like recruiting and retaining qualified instructors, inflexible scheduling of programming, and finding willing employers make it especially hard to offer a critical element of CTE: work-based learning. This can include apprenticeships, pre-apprenticeships, internships, and on-the-job training or other opportunities that help young people gain the experience, skills, and credentials needed to launch careers.

PPI believes it's time to reinvent America's public high schools by placing as much emphasis on career readiness as college prep. That is essential to fulfill our national promise of equal opportunity for all. To achieve this goal, we urge the nation's political leaders to adopt three radically pragmatic policy goals:

- **Give every high school student a chance to participate in high-quality work-based learning**: Incorporating work-based learning across high schools enables students to hone job-readiness skills, both social and technical; expand their professional networks; and learn how labor markets work. Schools must work to ensure that rigorous work-based learning experiences are available to all students regardless of geographic region, and present a wide variety of activities, rather than a one-size-fits-all approach. To do this effectively, work-based learning experiences must require students are compensated — this financial support reduces barriers to entry and evens the playing field for students across socio-economic backgrounds. In addition to pay, work-based learning opportunities must align with local labor-market needs. And every student should have access to career counseling to help them make informed choices about work-based learning opportunities that best match their talents and interests.

- **Boost public investment and make it more effective**. Adequate funding is a big challenge of this work, acknowledging that youth career development efforts take extensive time and resources. It doesn't help that the one designated source of federal funding for these efforts, CTE is a fraction of overall K-12 spending. To reform our education system in a way that is truly impactful we need to boost public investment. PPI proposes investing $37 billion over the next ten years, paid for in the same way as "Super Pell" — through redirecting higher education tax expenditures (i.e., 529 savings plan) which disproportionately benefit affluent individuals to support these efforts. While this proposal recommends increasing federal spending, PPI also wants to see existing state and local resources used in a more effective way. This can be done through better leveraging existing public dollars, repurposing unspent recovery dollars, and creating strong public-private partnerships to encourage employers to have skin in the game.

- **Build strong cross-sector partnerships**. Successful youth career development programs (i.e., youth apprenticeships, pre-apprenticeships, internships, co-ops) show us that efforts to redesign high school require an all-hands-on-deck approach. Education (K-12 and postsecondary), workforce development, economic development, industry, and other key stakeholders must work together to design and deliver programs that support students' career learning and experiences so they can transition more seamlessly into their postsecondary path. This is exactly where the role of an intermediary is helpful: to convene these partners, translate different languages, and work toward a collective goal of ensuring more young people have access to high-quality career education and experiences. A strong example is CareerWise, a non-profit focused on scaling youth apprenticeship, which started in Denver, Colorado.[47] CareerWise has now helped launch affiliate programs, including MAP in Indianapolis, Horizons Education Alliance in Elkhart, CityWorks in Washington D.C., and

CareerWise New York City — demonstrating the importance of having an organization operating as an intermediary that can convene the necessary partners to replicate a successful program while meeting the unique needs of the region.

REWARD WORK AND INDIVIDUAL INITIATIVE

While skill-based education, experience, and hiring are all important, policy must also incentivize work and economic advancement. In addition to policies that support a more robust career pathways system for youth and adult learners, our nation needs policies that remove barriers to work — making it easier for workers throughout their lifetime to stay attached to the labor market. To do this, PPI recommends:

1. Adopt a living wage credit

Too many Americans are working hard yet still have trouble making ends meet. The Bureau of Labor Statistics (BLS) reports that 6.4 million Americans were working poor in 2021.[48] They are officially defined as people who spent at least 27 weeks in the labor force but whose incomes fell below the official poverty level.

The working poor are concentrated in 10 occupation groups. The occupation employing the lowest wage workers is retail sales, accounting for 4.5 million people, or 8% of all low-wage workers.[49] Other occupations that are dominated by low-wage workers, including cooks and food preparation workers, building cleaning workers, food and beverage serving workers, and personal care and service workers (such as child care workers and patient care assistants). There are also clear occupational differences by gender. Male low-wage workers are much more likely to work in the construction trades and operate motor vehicles, while low-wage female workers are much more likely to work in administrative occupations and as nursing assistants.

Many of these jobs are frontline work — critical for regional economies to remain vital and thrive. Yet the people who hold these jobs often get caught in a low-wage trap, with scant prospects for climbing the economic ladder. While many progressives would like to see the federal minimum wage raised, it's difficult to agree on exactly where it should be set because economic conditions and living costs vary widely across the country.

PPI proposes a novel approach to help workers escape the low-wage trap: build on the proven success of the Earned Income Tax Credit (EITC) to give more low-wage workers a raise.[50] Specifically, we call for creating a new Living Wage Tax Credit (LWTC) that would essentially extend the EITC up the income scale.

The LWTC would function similarly to the EITC, which provides a credit to low-income workers that grows with earnings and family size up to a certain threshold. The LWTC, however, would provide far greater benefits that stretch further up the income distribution, particularly to childless adults who, since they face tax liabilities at even very low incomes, are currently the only group that the tax code pushes into poverty.[51]

While the EITC is only available to workers up to age 65, workers up to age 70 could receive the LWTC to encourage older Americans to remain in the workforce and delay claiming Social Security benefits. Like the EITC, the LWTC would be fully refundable, meaning that eligible workers can receive a payment from the government if the tax credit reduces their tax liability below zero. PPI would also give workers the option to reduce their income tax withholding by up to the full value of their expected LWTC throughout the year to help pay their monthly expenses.

The EITC's structure has proven to be an effective tool for promoting work and reducing poverty.[52] By expanding upon its pro-work design, the LWTC can make work pay for low-income workers while keeping costs down for consumers. An example where this can have a profound impact is for workers in different care industries (childcare, health care, etc.). Despite their societal importance, wages in these industries can often be quite low, creating weak incentives to stay in the labor market.[53] This dynamic leads to chronic staffing shortages, contributing to the higher prices consumers pay for these services.[54] The LWTC makes work in lower-wage industries like this pay better than poverty wages, incentivizing people to enter and stay in the labor market. This, in turn, can lead to lower prices for consumers, who would otherwise bear the brunt of any staff shortages or large wage increases.

Like the EITC, the new credit would grow with earnings and family size up to a certain threshold. The Living Wage Credit would incentivize and reward work and create a new foundation of economic security for Americans working to rise into the middle class.

2. Lower occupational licensing barriers

In addition to low pay, the proliferation of occupational licensing requirements makes earning a living more difficult than it should be for many working Americans. Over the past sixty years, however, the number of licensed workers in the U.S. has skyrocketed. Economists Morris Kleiner and Alan Krueger estimate that 29% of American workers today are licensed, up from only 5% of the workforce in the early 1950s.[55]

Licensure laws make sense for professions that demand precise and specialized skills. Who would want to be operated on by an unlicensed doctor, work in a building designed by an unlicensed architect, or fly with an unlicensed pilot? But it's not clear why the government should insist on licensing movie projector operators, shampoo assistants, massage therapists, or librarians. Indiscriminate licensing poses a particularly significant barrier to low-income entrepreneurs who have marketable skills but can't afford the time and expense of acquiring a license.

Researchers who study this note that broad licensing restricts the supply of labor, thereby reducing competition, driving up the wages of licensed workers, and increasing the cost of their services to consumers. Additionally, licensing limits geographic mobility because most states don't recognize licenses issued by other states. People working in licensed professions have been found to be 36% less likely to move.

This creates a serious challenge for families, especially those that must be geographically mobile. For example, 35 percent of military spouses are employed in fields that require licensure, primarily in health- and education-related fields, and 22% of military spouses report that their greatest challenge for employment is the inability to transfer professional licenses to another location.[56]

Another problem with licensing: it restricts scope of how people use their skills. For example, nurses could do a lot more things that doctors do in hospitals but are constrained because they aren't specifically licensed to do so.

But the licensing regulatory environment is starting to shift. Many states have passed licensing reform bills or have created inter-state compacts, which allow them to recognize other states' licenses, so people don't have to go back to square one when they move. An example of successful reform is in Ohio. With more than 300 occupational licenses accompanied by nearly 247,000 regulations, Ohio was considered one of the most heavily regulated states.[57] Since 2016, the Buckeye Institute and economists, policymakers, and other organizations have been pushing commonsense reforms aimed at hacking through this regulatory thicket. As a result, Ohio lawmakers have eliminated 19 occupational licenses and trimmed the rules surrounding 36 licenses.[58]

To continue this momentum across the country PPI recommends the following: tailored approaches for licensure reform, including focusing on industries with extreme shortages and populations who are un or underemployed; look at federal and state regulatory structures that present challenges to implement licensing policy reforms and lastly enhance support at the federal level — incentivizing states to uptake this effort, whether through capacity building investments or funding for states to analyze their licensing landscape and regulatory environment to find fixes.

It's clear more must be done to remove unnecessary licensing requirements on jobs, create some uniformity across states and develop more state collaboratives and compacts that allow workers to move more freely. This action will ensure more people can access work, can stay in work, and will also ensure consumers benefit from a more efficient distribution of services and increased availability of qualified practitioners.

3. Create post-bureaucratic social assistance (HOPE)

PPI believes America's anti-poverty programs should enable citizens in need to acquire skills and social supports — especially child care — that enable them to work, earn a decent income and become economically self-sufficient. Our guiding principle is that no family in America with a full-time worker should live in poverty.

But the major federal programs providing these critical supports were developed independently, with their own eligibility, service delivery, administrative rules, and requirements. This siloed approach makes it difficult for recipients to know where to turn for help and for staff to provide comprehensive services.

"While it's true that government safety net programs help tens of millions of Americans avoid starvation, homelessness, and other outcomes even more dreadful than everyday poverty, it is also true that, even in 'normal times,' government aid for non-wealthy people is generally a major hassle to obtain and to keep," notes Joel Berg, CEO of Hunger Free America.[59]

"Put yourself in the places of aid applicants for a moment," Berg added. "You will need to go to one government office or web portal to apply for SNAP, a different government office to apply for housing assistance or UI, a separate WIC clinic to obtain WIC benefits, and a variety of other government offices to apply for other types of help — sometimes traveling long distances by public transportation or on foot to get there — and then once you've walked through the door, you are often forced to wait for hours at each office to be served. These administrative burdens fall the greatest on the least wealthy Americans."

A survey of low-income households by Hunger Free America found that 42% said it was "time-consuming and/or difficult to apply" for Unemployment Insurance, and nearly a quarter said the same about applying for SNAP. In addition, "40 percent of respondents said they had problems reaching government offices while applying for SNAP, with 36 percent stating that they never received a call back after leaving a message."[60]

To reduce the high "opportunity costs" of being poor in America, the federal and state governments should adopt modern digital technologies that help low-income families apply once for public benefits without having to run a bureaucratic gauntlet of siloed programs for nutrition, housing, unemployment, job training, mental health services, and more. Specifically, as Berg proposed in a 2016 report for PPI, governments at all levels should cooperate to create online accounts from which families can apply remotely for all the benefits they qualify for, and into which they can deposit their public assistance.

This proposal has made its way to Congress with a bill being introduced in 2021 by U.S. Reps. Joe Morelle (D-N.Y.) and Jim McGovern (D-Mass.) as well as Senator Kirsten Gillibrand (D-N.Y.). The Health, Opportunity, and Personal Empowerment (HOPE Act) would fund state and local pilot projects setting up online HOPE accounts to make it easier for low-income people to apply for multiple benefits programs with their computer or mobile phone.[61] In addition to saving them time, money, and aggravation, HOPE accounts enable people to manage their benefits — effectively becoming their own "case manager" — and easing their dependence on often inefficient and unresponsive social welfare bureaucracies.

While this bill remains stagnant in Congress, it doesn't mean the issue is any less important. Expanding critical services and aid, while deploying digital technology to give low-income Americans more control over their economic security, can help us weave a stronger and more resilient social safety net, rather than simply plugging holes in the old one.

ABOUT THE AUTHOR

Taylor Maag was director of PPI's Project on New Skills for the New Economy for two years before her departure this month to join a new position at Jobs for the Future.

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PROGRESSIVE POLICY INSTITUTE
1919 M Street NW,
Suite 300,
Washington, DC 20036

Tel 202.525.3926
Fax 202.525.3941

info@ppionline.org
progressivepolicy.org