

BIDEN INSTITUTE: KEEPING AMERICANS WORKING AND SUCCEEDING IN THE ERA OF AUTOMATION AND GLOBALIZATION

Even as the stock market touches record highs and the unemployment rate hits new lows, many Americans are struggling to make ends meet and get ahead. And, there is anxiety that a future of greater automation and globalization will leave more communities and workers behind. But this isn't the first time our economy has fundamentally changed. The steam engine, Model T Ford, and Internet all revolutionized the way we do business. Through those changes, America adapted and workers thrived. Moving forward, we need to make smart choices to continue to grow our economy and ensure American workers are positioned to benefit from this growth.

Unfortunately, many in Washington have focused on tax cuts for corporations and the wealthiest few instead of focusing on workers. Americans are the best workers in the world, and they deserve leaders who fight for workers first.

Americans don't want a no-strings-attached check from the government, like the universal basic income proposal pushed by some leaders in Silicon Valley. They want work that provides dignity and a sense of community as well as a good paycheck. To deliver on that, we need policies that support work and ensure workers can succeed in a changing economy.

In addition to continued investments to modernize our economy and deliver sustainable growth for generations to come, the foundation of our economy should be built on three core pillars. First, we need to make sure hard-working Americans have the skills and opportunities to obtain and retain good work in a changing economy. Second, we need to make sure people are paid fairly for their work – meaning those who work hard and do their part should share in the benefits from their contributions, allowing them to earn a good living and get ahead. Third, we need policies that allow the middle class to maintain or improve their standard of living by cutting costs – such as housing, health care, and education – which are swallowing up more and more of family budgets.

Today, Vice President Biden is proposing solutions related to the first pillar – making sure hard-working Americans have the skills and opportunities to obtain and retain a good job by:

- Ensuring students enter the workforce ready to succeed,
- Helping workers update their skills along the way,
- Building a bridge back to work for Americans in transition, and
- Breaking down barriers that keep people on the sidelines of our economy.

In a recent speech at Northwestern University, Vice President Biden discussed a number of ideas related to the second pillar, making sure people are paid fairly for their work, such as getting rid of non-compete agreements that prevent some workers from seeking jobs elsewhere, depriving them of their bargaining power; stopping companies from denying workers overtime by mislabeling them as management; and passing laws that allow labor unions to flourish and fight for critical worker protections. In the coming months, the Biden Institute will continue to

examine these and additional solutions related to keep Americans working and succeeding.

MAKING SURE HARD-WORKING AMERICANS HAVE THE SKILLS AND OPPORTUNITIES TO OBTAIN AND RETAIN A GOOD JOB

Ensuring Students Enter the Workforce Ready to Succeed

We need to make sure every student in the United States enters the workforce ready to succeed, whether they do so by earning a four-year college degree, an associate's degree, or another credential or certification.

There are a lot of good-paying jobs available, and not all of them require a bachelor's or graduate degree. A study by Georgetown University found that today, there are 30 million U.S. jobs that don't require a bachelor's degree and have median earnings of \$55,000. Historically, those jobs were in manufacturing; now, they are increasingly in skilled-services industries that often require an associate's degree or some type of training beyond a high school diploma. However, less than half of Americans have completed education beyond high school. To build the educated, trained workforce America needs to compete in a complex global economy, many more Americans must earn college degrees, industry certifications, and other high-quality credentials. To meet these challenges, America should:

- **Adopt the Tennessee model across the country – allowing all Americans who don't have an advanced degree to enroll in two years of community college tuition-free.** We need a minimum of 14 years of public education available to every American, without means-testing. The Republican Governor of Tennessee, Bill Haslam, has led the nation by making two years of community college tuition-free. This opportunity is available not only for those who are coming straight from high school, but also those who are in the workforce and want to go back to school. We should allow these students to keep existing financial aid, helping them pay for other expenses while in school.
- **Ensure digital literacy for all students.** Getting students ready for success in today's economy doesn't start at high school graduation. There are a number of things we must change in K-12 education. For example, no matter what field they go into, most students will need at least some computational literacy and skills, and they should start learning those skills in elementary school. We should train thousands of more computer science teachers and help every public school make digital literacy and computer science part of the basic curriculum.
- **Streamline the path to community college and beyond.** High schools should streamline their programs to enable students to earn community college credits, and community colleges should make it easier for students to transfer to a four-year degree program. For example, in Maryland, Prince George's Community College teamed up with local high schools and the University of Maryland University College to build a pathway to higher education. Scholarships allow eligible public school students to earn dual credit at community college and ultimately earn a bachelor's degree for \$10,000 or

even for free. We should expand successful models that help students make it all the way through community college and additional post-secondary degree programs.

- **Hold colleges accountable for rising tuition and student debt.** The increase in the cost of college tuition and fees has exceeded inflation for years, and today’s students are often left with mountains of debt. The Biden Institute will continue to examine important issues related to reducing both the cost of higher education and student debt, and improving college completion, as every education institution in America should equip students for success in this economy without debts they can’t pay off.
- **Work with employers to create certifications and credentials that lead to jobs.** Vice President Biden and Dr. Jill Biden, a community college professor, have visited numerous community colleges that have partnered with businesses to develop programs that help all kinds of workers – such as dental hygienists, welders, and machinists – earn certifications and credentials that lead to good-paying jobs. These programs succeed because they engage with employers who can lead the way by charting out a path for integrating workers with new technologies and helping workers understand what skills they should acquire. We should scale up these successful models so they are available to workers in every community and offer credentials that are transferable across communities.

Helping Workers Update Their Skills Along the Way

To keep up with the changes occurring in our economy, workers need to learn new skills. A World Economic Forum study found that, across nearly all industries, technological and other changes in our economy are reducing the shelf-life of employees’ skill sets. Therefore, most workers will need to reskill along the way – whether they are a home health care worker utilizing the latest tools to keep a patient healthy, a lawyer learning how smart contracts will work on the blockchain, or an autoworker needing to understand the intricacies of a driverless car.

To succeed, our workers must be able to constantly update and retool their skills so they can evolve as quickly as the economy. And yet, our education and training systems still reflect a “one-and-done” approach to learning.

We should:

- **Offer tuition breaks for short non-degree programs proven to train workers for better jobs.** There are many proven non-degree programs that give students the skills they need to get better jobs. However, because they don’t come with degrees, individuals who complete these programs often aren’t eligible for grants and loans, making certificates and credentials harder to afford. Financial aid should be available for more short-term programs with proven success in connecting students to good jobs.
- **Help workers reskill while in the workforce.** Since most workers will have to reskill at some point in their work life, we need ways to make reskilling simple, streamlined, and affordable. There are many models that can help, including: 1) expanding evening,

weekend, and online courses and on-the-job training programs, which allow workers to keep their jobs while reskilling; 2) creating continuous education programs – like those in the legal and medical fields – to help workers regularly refresh their skills; and 3) exploring reskilling funds, where employers help workers save for additional training.

- **Shut down training programs that don't offer results for American workers.** Vice President Biden has visited some great training programs that prepare workers for and place them in good-paying jobs. At the same time, there are programs that leave students with too much debt and little improvement in their work prospects. This is not just a waste of taxpayer dollars; it also undermines the confidence that all taxpayers have in these important efforts and wastes the time and energy of those trying to retrain. We should shut down failing programs and instead redirect those funds to community colleges with programs that have a track record of success.

Building a Bridge Back to Work for Workers in Transition

It has always been the case that workers have faced periods of disruption, whether due to an economic downturn or a changing industry. However, automation and technology will make these disruptions increasingly common for more workers. We need a streamlined system that gets Americans who lose their jobs back to work.

Even today, the unemployment rate is low, but workers who are out of work are unemployed for longer periods of time. The average unemployed person is out of work for almost 23 weeks and roughly one in five unemployed Americans has been unemployed for more than 27 weeks. We know there are serious impacts of long-term unemployment, including higher rates of mortality, largely due to suicide and alcohol and drug abuse. The longer unemployment persists, the less likely people are to reenter the workforce.

There are important reforms that are needed to make our Unemployment Insurance system work better, but those aren't enough. Whether your job is gone because of trade or automation or some other reason, you need a real plan to help you get back to work. We should:

- **Give Americans tools to transition back to work.** Our unemployment system should encourage people to reenter the workforce by integrating in successful training programs like those discussed above.
- **Establish jobs SWAT teams on call 24/7 to help communities and industries hit hardest by job loss get back to work.** Today, we are experiencing geographic inequality, with some small cities and towns off our coasts experiencing higher rates of unemployment than our big cities. Sometimes entire communities are hit hard by dislocation, for example when a factory closes or an industry is disrupted altogether. In these cases, government, labor, and business should come together and form a jobs SWAT team that focuses on the employment challenges facing the community and works 24/7 to help solve them. Companies like Dick's Sporting Goods and Chobani have found enormous success by reopening shuttered plants and investing in communities where jobs have been lost – success that could be replicated across industries and regions.

- **Offer job opportunities for workers experiencing extreme dislocation.** When particular industries and communities face severe unemployment, it makes sense to have federally-funded employment opportunities that give Americans the dignity of work while improving our communities by providing needed services.

Breaking Down Barriers That Keep Workers on the Sidelines of Our Economy

There are too many Americans who want to work but face barriers keeping them on the sidelines of our economy. We can't get distracted by proposals to add work requirements to programs like Medicaid, a change evidence shows would actually make individuals less likely to return to work. Instead, we should do everything we can to help people get back on the job, which is good for workers and for our economy as a whole.

For example, we should:

- **Give individuals with criminal records a fair shot at rejoining the workforce.** There is a lot we need to do to reform our criminal justice system, and one thing is to make sure that someone who has served their time doesn't end up with a life sentence of joblessness. Many states and cities have already taken steps such as "banning the box," and the next step is a national policy that employers do not ask about criminal records until a conditional job offer has been made. In addition, we should make sure that employers consider only criminal records relevant to the job and give job applicants a chance to explain their histories.
- **Ban the "college box" – get rid of educational requirements that are not necessary for success on the job.** A Harvard Business School study found that more employers have begun to require a bachelor's degree for jobs that traditionally haven't required one. For example, 67% of job postings for production worker supervisors require a bachelor's degree or higher; yet, just 16% of workers already in those positions hold such a degree. Thanks to job search engines, this is a huge and growing problem and it is simply unfair. So, we should ban employers from having educational requirements that are not necessary for success on the job. States also need to take a hard look at their own occupational licensing requirements and eliminate any that don't impact workers' performance.
- **Address the opioid crisis that is devastating American communities.** An estimated one in five working-age individuals currently unemployed use opioids. And roughly 70% of employers report that their workforce is being affected by opioids. This is a national crisis that is damaging many lives and communities – both cities and towns across the country. It's also hindering economic success. We need a national strategy to prevent opioid abuse and treat addiction.
- **Provide people with disabilities who are able to work with the support they need to return to work and stay on the job.** Roughly one in five Americans has a disability. To help fulfill the promise of the Americans with Disabilities Act, we should expand access

to personal and technological assistance necessary to help these workers succeed on the job.

- **Make clear – through changes to our laws and culture – that discrimination, harassment, and assault are unacceptable everywhere, including in the workplace.** Too many people are kept out or forced out of jobs because of their gender, disability, who they love, or the color of their skin. Too many are put in positions where they have to choose between putting up with harassment and assault or losing a job or opportunity for advancement. We need to strengthen and enforce our laws and change the culture so everyone can work in a safe and discrimination-free environment.
- **Help Americans balance family obligations and work.** Many Americans are forced to choose between meeting their family and other caretaking obligations and keeping their jobs. We should pursue a range of policies, including universal pre-K, child care, and more flexible work arrangements that allow people to care for loved ones and remain on the job.