



Building a
Future
That Works



Roughly 75 million Americans **don't have the work or wages they need to get by**. They either lack the skills employers seek or can't access jobs with sufficient pay. These are **America's untapped workers**—people who are unemployed or underemployed, but who can succeed in our rapidly changing economy if offered the right education, training, and supports. But the United States is not keeping up with the demand for career training, even with billions in federal dollars spent annually on education and workforce development. A growing number of employers identify difficulty hiring highly qualified workers as a top competitive challenge. At the same time, automation and artificial intelligence are radically altering the way America works. These changes are expected to create economic growth and new jobs, but only for people with in-demand skills.

To maximize national economic growth, meet employers' talent needs, and eliminate the widening wage gap, we must do better at helping individuals gain the competencies and credentials required for in-demand, family-supporting careers.

Who are America's untapped workers?

Roughly 75 million people who are unemployed, underemployed, or not working but not counted in unemployment figures¹

6.5 million unemployed (including 1.3 million long-term unemployed)²

1.6 million not working but not counted in unemployment figures³

~ 68 million earning less than \$15 per hour⁴

They include:

Adults without a postsecondary credential

Adults living in poverty

Individuals with some college but no credential

Young people ages 16-24 not in school or working

All of these population groups are overrepresented by people of color.

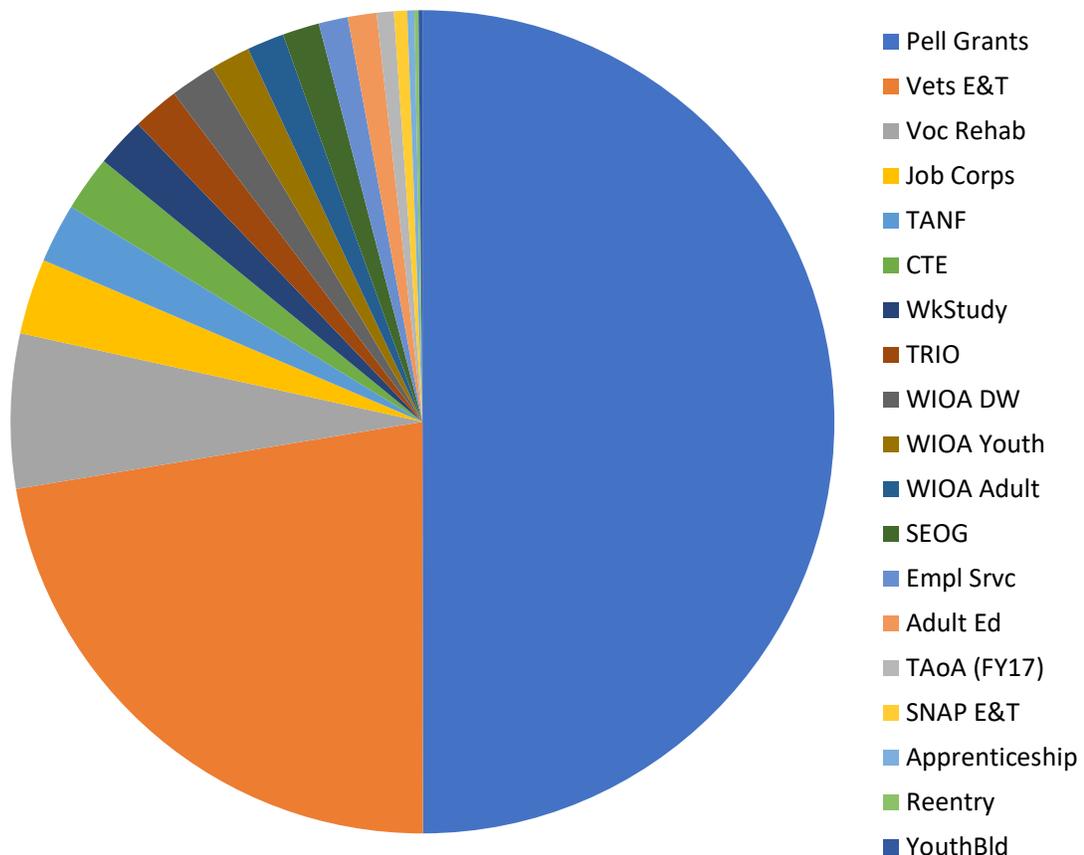
FEDERAL FUNDING TO MEET DEMAND FOR NEW SKILLS

The United States has an array of federally funded programs, totaling over \$58 billion, that are designed to provide skills development, job search assistance, and support services for America's workers.⁵ These programs are essential to helping millions of Americans in their pursuit of education and jobs, but they are neither adequate nor agile enough to fully meet the needs of America's untapped workforce.

The chart below shows the distribution of funds for 19 federal programs. Half, or about \$29 billion, comes as [Pell grants](#) that help income-eligible students pay college tuition for eligible higher education programs. While Pell grants are vital to the ability of millions of Americans to afford postsecondary education, their rules are not flexible enough to help the growing number of people pursuing industry-recognized skills and credentials through short-term or accelerated programs.

Of the remaining funding, \$13 billion provides education and training for veterans and their family members, while \$16 billion is divided among 17 other education and workforce development programs.

FY19 Federal Funding for Workforce-Related Education and Training Programs



PRIORITIES FOR A COMPREHENSIVE SKILLS DEVELOPMENT SYSTEM

To fully prepare America's untapped workforce, it is essential that policymakers adequately fund postsecondary education and workforce development. We must also work to transform our current collection of programs into a comprehensive skills development system built around the following key elements:



An Enhanced Career Navigation System: Make it easier for people using the nation's postsecondary education and workforce systems to: identify their career goals, get accurate information about in-demand careers, find accelerated routes to credentials that lead to careers of interest, and access services that help them find family-supporting work and launch careers.



Adequate and Flexible Funding for Education and Training: Provide adequate funding to expand the skills of America's workforce. This must include sufficient funds for education and training programs not currently covered by Pell grants.



A Restructured, Innovative Delivery System: Redesign postsecondary education to become more innovative, flexible, and responsive to the needs of individuals and the rapidly changing skill demands of the U.S. economy.



Sector-Focused Career Pathways for Accelerated Routes to Credentials: Establish regional industry and education partnerships to develop sector-focused career pathways that offer accelerated routes to in-demand credentials. These would yield high returns on investment.



Expansion of Work-Based Learning Opportunities: Offer more opportunities for work-based learning, including apprenticeships. These activities augment coursework with relevant technical training and skill development through meaningful work experiences.



A Reformed Dislocated-Worker Assistance System: Improve our nation's dislocated worker programs, including unemployment insurance, to accelerate attainment of new skills and transitions to new careers in our rapidly changing economy.



Poverty Alleviation Policy that Prioritizes Skill Development and Economic Self-Sufficiency: Refocus the nation's poverty alleviation efforts to help public assistance recipients identify the careers they want to pursue and attain the skills and credentials they need to secure family-supporting careers.

CONCLUSION

As states and regions strive to harness the potential of the untapped workforce, federal and state programs that provide education and skills development must be updated and aligned in ways that leverage limited resources and encourage expansion of evidence-based strategies.

At the federal level, Congress must ensure that these workforce development programs are adequately funded. All Americans, especially those in the untapped workforce, need access and supports to succeed in postsecondary programs that result in industry-recognized postsecondary credentials and family-supporting careers.

ENDNOTES

¹ JFF defines the “untapped workforce” as the population of working-aged adults in the United States who do not have the work or wages they need to get by. Unemployment figures come from “The Employment Situation—January 2019,” U.S. Bureau of Labor Statistics, <https://www.bls.gov/news.release/pdf/empst.pdf>. The number of workers earning less than \$15 per hour is a JFF calculation using BLS data; see endnote #5.

² The “long-term unemployed” are individuals who have been unemployed for 27 or more weeks.

³ The U.S. Bureau of Labor Statistics does not count these people as unemployed because they had not searched for work in the four weeks preceding the survey. However, they are individuals who are not in the labor force, who wanted and were available for work, and who had looked for a job sometime in the prior 12 months.

⁴ JFF calculated the number of workers earning less than \$15 per hour based on a National Employment Law Project report stating the total comprised 42 percent of the U.S. labor force: Irene Tung, Yannet Lathrop, and Paul Sonn, *The Growing Movement for \$15* (New York: National Employment Law Project, 2015), <https://www.nelp.org/wp-content/uploads/Growing-Movement-for-15-Dollars.pdf>. The total labor force figure used in the calculation is the seasonally adjusted civilian labor force from: “The Employment Situation—January 2019. Household Data Table A-1, Employment status of the civilian population by sex and age,” U.S. Bureau of Labor Statistics, U.S. Department of Labor, <https://www.bls.gov/news.release/empst.t01.htm>.

⁵ JFF research from U.S. government reports and legislation.