

# SUBSIDIZED EMPLOYMENT

A PROVEN STRATEGY FOR SUPPORTING RAPID ECONOMIC RECOVERY



**Workers across the United States are suffering.** The [labor market is much weaker than it appears](#), and adults and youth of color—especially women—are hurting the most. To promote an **inclusive economic recovery**, we need **bold, large-scale, and transformative jobs solutions** that can quickly get people back to work and intentionally reach those most harmed by the recession. Congress must enact an **equity-centered national subsidized employment program** in [any recovery legislation](#).

## WHAT IS SUBSIDIZED EMPLOYMENT?

Subsidized employment means the government partially or fully pays for workers' wages, which encourages hiring of all kinds of workers and helps **redress deep-seated economic inequities**. Whether it supports those displaced due to economic downturns or people who face chronic unemployment [even when the economy is growing](#), **subsidized employment has helped people get to work since the Great Depression. During the [Great Recession](#), federal investments in subsidized employment **connected more than a quarter-million jobseekers with low incomes to work**.**

## WHY NOW?

11M

The United States has a shortfall of [11 million jobs](#). This deficit, if left unchecked, could take [more than a year to reverse](#).



**Workers of color, women, young people,** and other economically marginalized people have [borne the brunt](#) of COVID's economic devastation.

22M

The official unemployment rate is just part of the story. In total, over [22 million workers](#) have been economically harmed by the COVID-19 recession.



Many of the job losses resulting from the COVID-19 pandemic [are likely permanent](#).

## WE HAVE TO ACT

More than [9 in 10 Americans \(93%\)](#) favor a national initiative that creates paid work and job training **opportunities** as part of recovery efforts. Moreover, subsidized employment is the only workforce intervention [proven](#) to put large numbers of unemployed people to work rapidly and put income in the pockets of those who need it most.

An [equity-centered and permanent national subsidized employment program](#) can support an inclusive COVID-19 economic recovery; [increase job quality](#); expand access to [green-economy jobs](#); bolster investments in traditional and [caregiving infrastructure](#); and lay the groundwork for a more fair, just, and prosperous economy.



NATIONAL  
YOUTH  
EMPLOYMENT  
COALITION

CLASP  
The Center for Law and Social Policy

HEARTLAND  
ALLIANCE

Over 20 million workers need the opportunity a subsidized job provides.

An investment of \$45 billion in federally subsidized employment would serve as a down payment on that need and begin to redress longstanding inequities.

## A PROVEN RECOVERY STRATEGY

Through [wide implementation and rigorous evaluation](#), we know that subsidized jobs programs work because they:

- [Rapidly connect](#) discouraged workers and chronically unemployed people to jobs;
- [Significantly raise](#) individual and family earnings;
- Help families pay for the basics like food and rent;
- [Improve](#) the lives of children;
- Contribute to [reducing further criminal legal system involvement](#) among people with records;
- [Benefit business](#) - and especially small business - by improving growth, productivity, financial health, and customer satisfaction;
- Have [positive economic ripple effects](#) in communities; and
- Are cost-effective in a variety of contexts.



## SUCCESS STORIES



An evaluation of [Michigan's Earn and Learn program](#) found that the program **increased participant earnings by nearly 300%** and led to greater rates of employment after completion.



For every \$1 spent by employment social enterprises offering subsidized jobs to economically marginalized workers, society sees **a return of \$2.23**.



Center for Economic Opportunity's [Young Adult Internship Program](#) targets opportunity youth, offering 10-12 weeks of subsidized employment at 20 hours per week, more than doubling participants' earnings.



Safer Foundation [offers a subsidized employment program](#) connecting Illinoisans impacted by the criminal legal system to career pathways and wages, even during the pandemic.

The United States needs **bold, large-scale, and transformative jobs solutions**. An equity-centered national subsidized employment program can support a COVID-19 economic recovery, **open doors to economic opportunity for all jobseekers**, and must be a part of [any recovery legislation](#).