

Executive Summary: Building an Equitable Recovery for Workers and Families

CLASP Principles for Subsidized Employment

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The need for a large-scale public employment program was plain even before the pandemic: disproportionate unemployment among youth and young adults, people impacted by the criminal justice system, people of color, and people with disabilities—just to name a few—is proof enough of the structurally racist and exclusionary labor market. The pandemic-driven economic devastation makes this need more pressing.

Subsidized employment uses public funds to create jobs for unemployed or underemployed workers, either through public sector jobs or wage subsidies paid directly to employers. Federally subsidized employment can offer stability to families seeking relief from pandemic-related economic strain and avert the long-term damage of unemployment.

Principles of an Equitable Subsidized Jobs Program

Subsidized employment is a targeted equity tool and can help families achieve economic opportunity through accessible pathways to stable employment in good-quality jobs. In light of the recession and long road to recovery, CLASP has developed five principles to guide the creation of a subsidized jobs program:

1. **Prioritize a subsidized jobs proposal in future economic recovery packages**, including large-scale investments in infrastructure.
2. **Center people of color, youth and young adults, immigrants, people with disabilities, people impacted by the criminal justice system, and other historically marginalized populations** in subsidized employment.
3. **Invest in high-quality career pathways with navigation services and wraparound supports** that connect participants to good jobs with advancement potential, living wages, and benefits.
4. **Target the populations most harmed, providing critical supports and culturally responsive interventions** that allow them to access good jobs in their communities.
5. **Remove obstacles and provide pathways to economic security** for people with structural employment barriers and other historically marginalized people.

1. Prioritize Subsidized Employment in Future Recovery Packages

Congress must also incorporate a federal subsidized employment program into COVID-19 recovery legislation. Such an investment would lay the groundwork for a long-term economic recovery strategy

for workers who have been most harmed by the pandemic, including people of color, immigrants, people with disabilities, and people impacted by the justice system. Any subsidized employment proposal should address and counteract the structurally inequitable effects that economic recession and centuries of disinvestment have had on households of color.

2. Center Racial Equity

Subsidized employment is a potential lifeline to recovery, particularly for communities of color that are disproportionately impacted by the pandemic and its economic aftermath. Without targeted job creation efforts, today's economic crisis will have a lasting negative impact both on workers of color and people facing other structural barriers to employment, including people impacted by the justice system and people with disabilities. Congress can help close that gap by prioritizing these communities in a federal subsidized employment plan that extends immediate access to employment and earnings, work experience, educational opportunities, professional connections, and social capital that help people find good jobs after the subsidized employment ends.

Address Systemic Economic Inequities for Lasting Impact

The pandemic recession is particularly harmful to households still reeling from the Great Recession. Pervasive underemployment, a lack of comprehensive benefits and paid leave, low wages, and inconsistent scheduling left millions of workers vulnerable. While a subsidized employment program could stabilize life for millions of Americans, it must coincide with an expansion of the civil rights and labor protections that insulate workers and families from future disruptions and eliminate the structural inequities leading to economic insecurity in the first place. In the lead up to a federal subsidized employment package, legislators can act now to support vulnerable workers by

- increasing access to paid leave;
- expanding fair workweek laws and access to hours for part-time workers;
- ensuring part- and full-time workers are treated equally on pay rates and benefits accrual; and
- increasing the federal minimum wage.

3. Prioritize Good Jobs

The first goal of subsidized employment should be to connect jobseekers to high-paying occupations with comprehensive benefits and advancement potential. Yet without a commitment to quality, even a robust investment in subsidized employment could perpetuate existing workforce and societal inequities.

Paid Work and Living Wages

First, all federally subsidized jobs must be well paid and provide transferrable work experience for the employee. Unpaid employment directly disadvantages those who cannot afford to work for free, including workers with low incomes or few financial assets and who often most need those connections to work.

Advancement Potential

Subsidized employment must also help workers and jobseekers build economic security. Integrating career pathways within a federal subsidized employment program can provide the opportunity for economic mobility that historically marginalized populations and others experiencing structural

barriers to employment need to flourish economically.

Expanded Worker Protections for a New Era of Work

Congress must extend and expand measures to safeguard workers' health and financial. In addition to expanded health and safety protocols to protect workers from new pandemic-era hazards, all workers, whether engaged in subsidized employment or not, need benefits and protections like expanded telework, paid family and medical leave, paid sick days, fair workweek policies, and others.

Child Care

Child care is an essential service millions of working families depend on. A federal proposal for subsidized employment must include sufficient funding to provide child care services. Because this recession disproportionately affects women, policymakers must meet child care needs so women with caregiving responsibilities can participate in the employment program.

4. Promote Equitable and Culturally Responsive Practices

In the economic fallout of the pandemic, millions of displaced workers could benefit from targeted interventions that help them reconnect to work. However, when the need for employment services is so widespread, determining how to serve people well, and with care to their individual needs and the barriers they experience, is even more important.

Workers who lost their jobs or were struggling prior to the pandemic will need more targeted interventions to transition into good jobs with livable wages and benefits. One way to ensure subsidized employment supports those of highest need is to include a priority of service clause. When paired with significant new federal investment, priority of service could help a subsidized jobs program support those with the greatest need by centering equity, targeting jobseekers with multiple barriers, or both.

5. Remove Population-Specific Barriers and Model Best Practices

All workers and jobseekers served by a subsidized employment program will need connections to work that include living wages; work-enabling support services like case management, child care, and transportation; and pathways for career advancement and economic mobility after the subsidized employment ends. Beyond that baseline, certain populations may benefit from tailored supports and interventions to ensure their success. For example, English language learners may need language instruction or integrated education and training concurrent with their subsidized employment.

Good program design is essential to the success of a federal subsidized jobs program. Luckily, legislators and workforce advocates do not have to start from scratch: numerous existing high-quality programs that excel in serving high-barrier populations can be models for a scalable federal program. Crucially, any subsidized employment proposal must first center equity in both program design and implementation to ensure it does not reinforce or exacerbate existing racial, ethnic, and economic disparities.

Moving Forward

In the face of an unprecedented crisis, we need Congress to meet the moment. Robust investments in workforce development now can transition workers into good jobs with family-sustaining wages and benefits in addition to providing immediate relief. A large-scale subsidized employment program can usher in the strategic and inclusive economic recovery the country so desperately needs.

We urge lawmakers to use these principles as they draft and implement a federal subsidized employment proposal. These principles can guide lawmakers in creating a subsidized employment program that promotes equity and economic security for all rather than perpetuating or exacerbating existing disparities.¹



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¹ References used in this executive summary are available in the full report here: <https://www.clasp.org/publications/report/brief/building-equitable-recovery-workers-and-families>