

Rapid ReEmployment for a Just and Equitable Recovery in Massachusetts

By Kathie Mainzer, *Workforce Solutions Group*, Tonja Mettlach, *Massachusetts Workforce Association*, and Anne Calef, *Boston Indicators*



THE WORKFORCE SOLUTIONS GROUP

EMPath (Economic Mobility Pathways)
I Have a Future
Massachusetts AFL-CIO
Massachusetts Association for Community Action
Massachusetts Business Roundtable

Massachusetts Communities Action Network
Massachusetts Workforce Association
SkillWorks: Partners for a Productive Workforce
United Way of Mass Bay



MASS WORKFORCE ASSOCIATION
ONE SYSTEM - ONE VOICE

**BOSTON
INDICATORS**
MEASURING WHAT WE VALUE

Rapid ReEmployment for a Just and Equitable Recovery in Massachusetts

ORGANIZATIONS THAT PARTICIPATED IN THE DEVELOPMENT OF THIS REPORT



COVER PHOTO CREDITS: *Top right:* Quinsigamond Community College CNA Training
Lower right: JVS English for Advancement zoom class
Left: JVS Training Class

Rapid ReEmployment

for a Just and Equitable Recovery in Massachusetts

By Kathie Mainzer, *Workforce Solutions Group*, Tonja Mettlach, *Massachusetts Workforce Association*, and Anne Calef, *Boston Indicators*

The COVID crisis has had devastating effects on many workers, particularly those who are younger, female, Black, Latinx, and/or earning low wages. According to the MA Executive Office of Labor and Workforce, more than 1.9 million Massachusetts residents have experienced an employment interruption due to COVID. While it is common for economic downturns to be more severe for the most vulnerable in a society, the specifics of the present crisis have exaggerated that imbalance. During the Great Recession, for instance, the housing market collapse had direct spillover effects that spread quickly across much of the whole economy. The current economic downturn, by contrast, is heavily concentrated in the service sector: The unemployment rate for people working in leisure and hospitality was 16 percent nationwide in January 2021.¹ Rather than employment and incomes dropping uniformly across sectors, many lower-wage workers have been laid off entirely, while middle and higher wage workers have been able to adjust, shifting to remote work.

The current crisis hit a pre-pandemic economy that, while strong in the aggregate, was already rife with racial and economic inequities. Wage increases had been slow to non-existent for low- and moderate-income workers, and racial income and wealth gaps had been increasing. Rising housing costs in

the region meant it took even more income to make ends meet here than in many other parts of the country. According to the MIT Living Wage Calculator and JobsEQ, for instance, the minimum living salary in Boston is \$69,451 per year, yet 59 percent of jobs pay less than \$69,000. In Hampden County (Springfield-Holyoke area), the minimum living salary is \$53,958, while 63 percent of jobs pay less than \$54,000.² Statewide, over 40 percent of families are below the ALICE threshold/survival budget.³ Too many were barely getting by pre-pandemic, working multiple low-wage jobs trying to support themselves and their families. As we think about an equitable recovery and getting people back to work, we cannot forget the disparities that existed before this crisis.

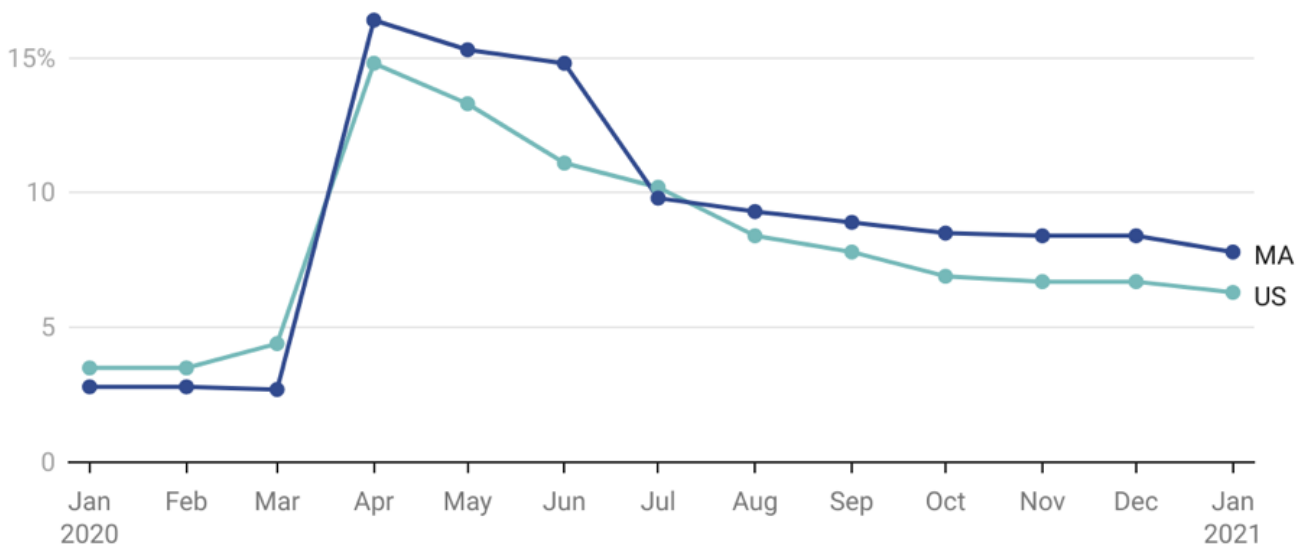
In this brief we review the gaps in the existing workforce system and the effects of the current crisis and outline five focused policy recommendations for ramping up a rapid reemployment strategy. Our recommendations are a call to action to pave the way for an equitable recovery and sustainable economic future for Massachusetts. With a new influx of federal stimulus dollars expected this spring, it is imperative that efforts be targeted to people who have been hurt the most during the pandemic; and ideally, to help them thrive beyond pre-Covid levels.

JOB LOSS IN MASSACHUSETTS DURING THE PANDEMIC

The current economic crisis has hit Massachusetts particularly hard, interrupting an unprecedented period of economic prosperity and growth. Massachusetts has a large service sector, which is where many job losses have been concentrated. While we also have a large share of white-collar jobs, a great many of those are being done remotely—with the slightly counterintuitive effect of causing even steeper service sector job losses. Many of these now-remote jobs were in downtown areas that have been largely empty for a year—along with the lunch places, dry cleaners, office maintenance outfits, printers, hair salons and coffee shops that those office workers patronized. Sectors that have traditionally buoyed our economy through tough times, like health care and education, have also been struggling during the pandemic. Together, these dynamics mean that despite having an unemployment rate below the national rate every month from July 2007 to March 2020, the Massachusetts unemployment rate jumped above the national average in April 2020 and continues to exceed the national benchmark. Further, as outlined below, significant racial, gender and age disparities persist within the statewide unemployment figures.

MA unemployment rate has exceeded the U.S. rate for most of the pandemic.

Unemployment rate, seasonally adjusted.



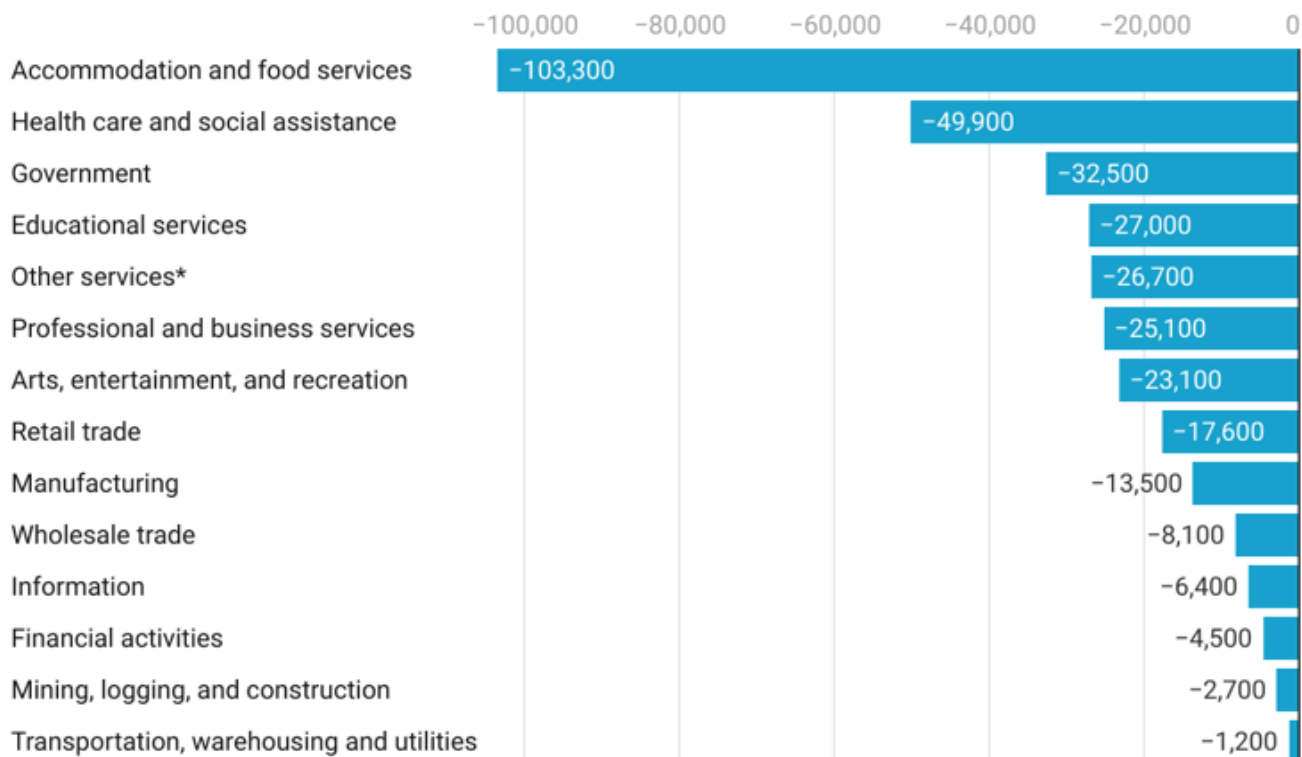
2020 state and national unemployment rates were adjusted by BLS in March 2021.

Source: U.S. Bureau of Labor Statistics • Created with Datawrapper

Massachusetts lost 341,600 net jobs between February 2020 and January 2021, roughly a third of which were in “food service and accommodation.” The chart below details where most of the losses have been.

Job loss has been concentrated in accommodation and food services.

Changes in labor force by sector between February 2020 and January 2021. Massachusetts.



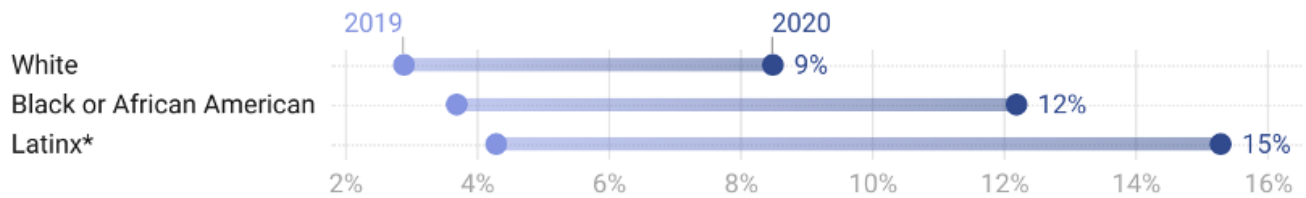
*Other services includes barber shops, beauty salons, personal services, and work in private households. State level labor force and unemployment rates were revised by BLS in March 2021.

Chart: Boston Indicators • Source: BLS Current Employment Statistics • Created with Datawrapper

Job losses have been especially steep for lower-wage workers who are more likely to be women, workers of color, young adults, and to have lower levels of educational attainment. As of November 2020, the employment rate for high-wage workers (>\$60,000) had increased, while the employment rate for low-wage workers (< \$27,000) remained 28 percent below pre pandemic levels.⁴ **Initial estimates of 2020 unemployment rates for Black and Latinx workers were 12 and 15 percent, respectively, while the unemployment rate for white workers was 9 percent.**⁵

Black and Latinx workers experience higher rates of unemployment.

Annual unemployment rate from 2019 and preliminary annual unemployment rate for 2020. Massachusetts.



*Unemployment rates for Asian workers not included in BLS preliminary unemployment rates. BLS does not include rates for other demographic groups due to sample size limitations. *Latinx workers can be of any race.*

Chart: Boston Indicators • Source: [BLS Local Area Unemployment Statistics](#) • Created with [Datawrapper](#)

Official state-level unemployment rates by educational attainment are not yet available for 2020, but using state unemployment claimant data, we extrapolate that unemployed workers without a college degree make up 6 percent of their respective working populations, compared to 2.7 percent of workers with a bachelor's degree or higher.

Workers without a college degree are more likely to face unemployment.

Massachusetts unemployment claimants as a share of their 2019 labor force.

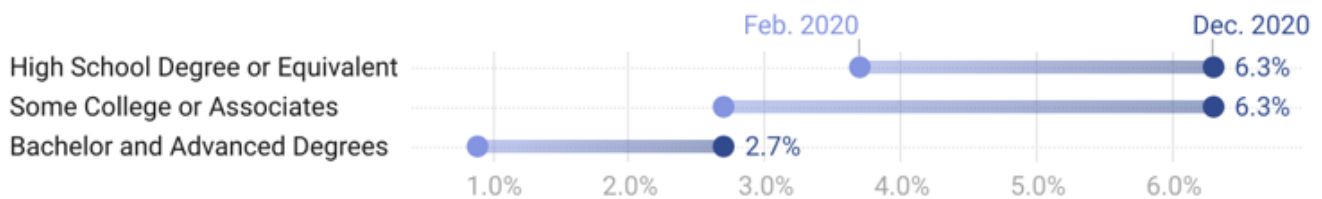


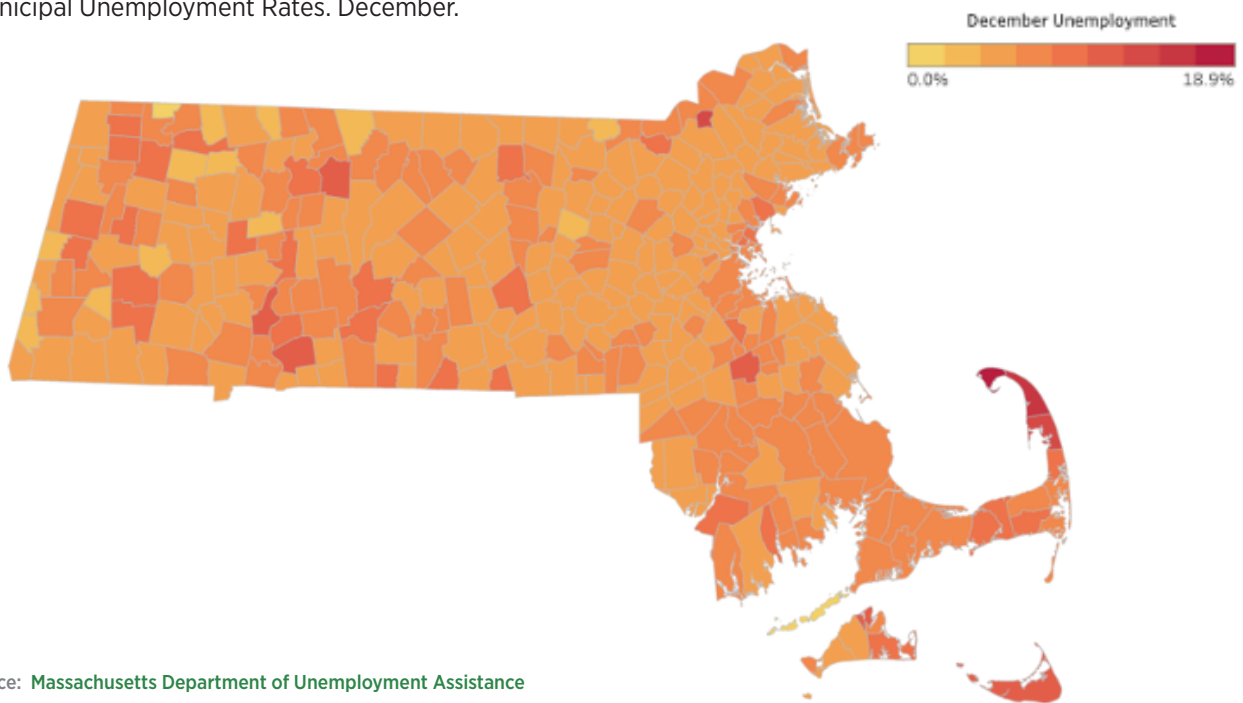
Chart: Boston Indicators • Source: [MA Department of Unemployment Assistance, 2019 Current Population Survey](#) • Created with [Datawrapper](#)

Job loss has been especially pronounced for women and even more so for women of color, because of the sectors they tend to work in, and because they are often the primary caregivers at home. According to a [national study of working parents](#), one out of four women reported becoming unemployed due to school and child care closures, twice the rate among men.⁶ **This translates to a large setback for women in the workforce—as of December 2020, there were roughly 2.1 million fewer women in the labor force than in February 2020.**⁷ Because of their heavy representation in hard-hit sectors and care constraints, women of color have been particularly impacted. [Preliminary unemployment rates](#) for Black and Latina women in Massachusetts were 13.1 and 17.5 percent, respectively, well above the unemployment rate for white women, 8.7 percent.⁸

Patterns of socioeconomic and racial segregation mixed with layoffs concentrated in the service sector have caused disparate unemployment rates across cities and towns. Gateway Cities with higher shares of low income and workers of color had much higher unemployment rates than cities and [towns with more shares of workers who are eligible to work remotely.](#)⁹

Unemployment rates vary widely by city/town.

Municipal Unemployment Rates. December.



Source: Massachusetts Department of Unemployment Assistance

Long-term unemployment continues to rise and some of the industries with the highest number of layoffs are expected to be the slowest to recover, with millions of jobs at risk of vanishing for good. Industries like accommodation and food service, that are dependent on in-person interaction, could suffer a structural decline as white collar workers shift indefinitely to remote work.¹⁰ Combined with the pandemic's expected acceleration of automation, millions of low-wage jobs in retail and food service are expected to disappear.¹¹ Recent reports by the McKinsey Global Institute and Pew Research Foundation estimate that 2/3 of unemployed workers are seriously considering changing their occupation or field of work.¹² As such, significant public investments in workforce development and rapid reemployment strategies will be needed to accommodate and address these dramatic shifts.

RECOMMENDATIONS FOR RAPID REEMPLOYMENT

Since March 2020, the Massachusetts workforce system—including workforce training providers, nonprofits, community colleges and vocational schools—has successfully pivoted to online platforms and services and continues to train and certify workers. Even so, Massachusetts and the rest of the nation are ill-equipped to fully respond to the magnitude of our current crisis.

Currently, federal investment in training equates to just \$574 for each American seeking services from their regional workforce boards, earning the United States the second-to-last rank among 29 developed nations in investing in taxpayer-funded training.¹³ In the Commonwealth, federal funding for the public workforce system has declined almost 28 percent over the past six years, with some regions of the state experiencing much greater decreases.¹⁴

Robust workforce development programs are needed to help individuals who cannot go back to old jobs move into vacancies in technical trades and other in-demand industries. **Investing in workforce development and helping people get back to work is a key component of a full, equitable and sustainable recovery.** Using the five recommendations outlined below, we can ensure that investments target those with the greatest need, including individuals affected by systemic inequities and long-term barriers to employment, and those who have been set back by the current crisis, especially women, workers of color, and young adults.

Recommendation 1

Expand Technical Training and Work-Based Learning

Many unemployed workers will need to pivot to new occupations but lack access to the training required for such jobs. The new Career Technical Institutes (CTI) in Massachusetts are currently gearing up to use vocational technical high schools during off hours to train adults. Innovative partnership-driven strategies like this can help meet this urgent need. Massachusetts also has a network of sector-based training partnerships in high-demand fields, like health care and manufacturing, which can be leveraged to upskill people quickly.

- **Scale up effective job training** programs immediately to move people who are unemployed and underemployed into in-demand jobs with career ladders that offer improved economic mobility.

- **Fund and expand training in sectors with high employer demand** using existing organizations and networks to identify talent needs and develop joint training ventures. Some of these entities include the [Workforce Competitiveness Trust Fund](#) and [Learn to Earn](#) administered by [Commonwealth Corporation](#), as well as community colleges, nonprofit training providers, and vocational technical schools. The new [Partnerships for Recovery](#) grants recently announced by the Workforce Skills Cabinet aim to ramp up these efforts.
- **Identify career pathways and offer on-the-job paid training** to move incumbent workers into higher level positions, using resources such as the [Workforce Training Fund](#).
- **Identify strategies and funding for recruiting and retaining instructors.** Finding instructors for adult training programs from technical industries and the trades is difficult due to the labor shortage and competitive wages in their fields. We must incentivize instructors to teach adult learners and recruit additional instructors from industry by skilling up instructional best practices.

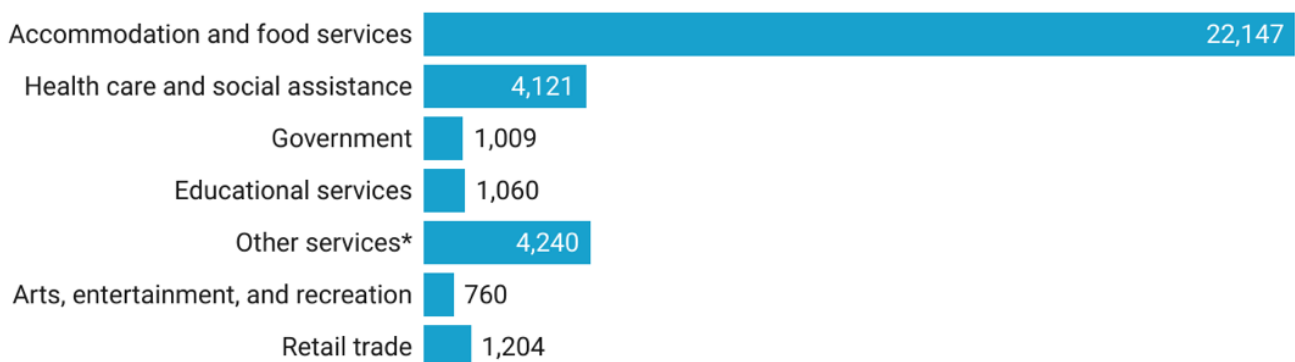
Recommendation 2

Expand Programs for Speakers of Other Languages

Workers who have been hardest hit by the unemployment crisis are more likely to have limited English proficiency,¹⁵ particularly those working in the food and accommodation industries. Across all industries, roughly 9 percent of workers reported limited English proficiency. Workers in industries with the highest number of unemployment claims had a higher rate of limited English proficiency (11 percent) and the share jumps to 21 percent for workers in the decimated food and accommodation industry.

Thousands of workers who lost job have limited English proficiency.

Estimate of Massachusetts unemployed workers with limited English proficiency (LEP) by industry.



Share of workers in each industry with LEP was found using ACS 2015-2019 PUMS data and applied to change in labor force from Feb. 2020 to Jan. 2021 by industry (BLS CES).

*Other services includes barber shops, beauty salons, personal services, and work in private households.

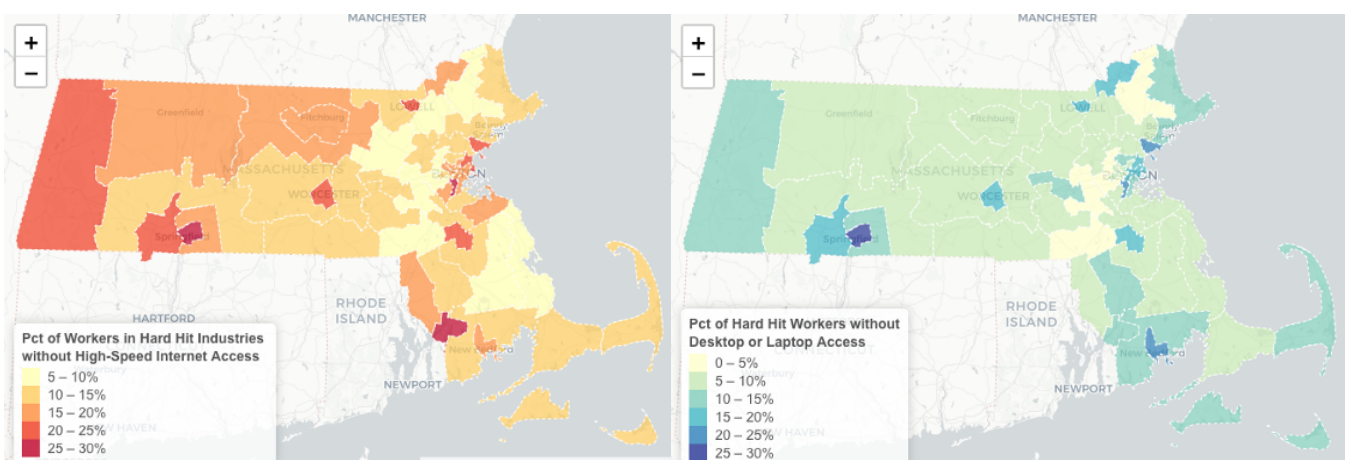
Chart: Boston Indicators • Source: ACS 2015-2019 PUMS; BLS Current Employment Statistics • Created with Datawrapper

- **Increase funding for English for Speakers of Other Languages (ESOL) for Work** and language learning that is contextualized for the workplace. A 2020 study by Economic Mobility documented significant wage gains and job retention increases from the JVS English for Advancement (EfA) program, which engaged more than 1,000 residents in Boston, Lynn, Lowell and Lawrence.
- **Make ESOL for Work available to laid off/furloughed workers expecting to return to their jobs**, so they return at a higher skill level and are more versatile for new job demands. The time that workers are furloughed may allow them to participate in online learning to increase their English proficiency and develop other vocational skills that will help them advance in career pathways. We must expand existing programs and add new offerings to truly meet this need.

Recommendation 3

Invest in Digital Access, Proficiency and Capacity

Access to online learning is one of the largest equity gaps that separate some populations from opportunity and prosperity. Every child and adult needs reliable, affordable internet and technology to participate in basic education, upskilling and career preparation/ongoing learning. **As seen below, Massachusetts workers in Gateway Cities such as Springfield, New Bedford and Lynn working in industries with the highest number of unemployment claims (Food & Accommodation, Healthcare & Social Assistance) are less likely to have a desktop or laptop at home.** They are also less likely to have access to high-speed internet (broadband, cable, fiber optic or DSL service). While roughly 16 percent of workers statewide in hard-hit industries lack access to high-speed internet, that rate jumps to 26 percent in communities like Fall River and Springfield.



Source: ACS 2015-2019 Public Use Microdata Sample

To ensure that all unemployed or underemployed workers can access training programs and utilize technology on-the-job and in increasingly remote environments, we must invest in digital access, proficiency and capacity-building.

- **Expand digital inclusion investments to tackle all three “legs of the stool”:**
 - **Broadband internet access:** Invest in statewide internet infrastructure to rapidly extend internet access to underserved communities.
 - **Digital devices:** Ensure digital device access to all job seekers through laptop loan programs, technology access programs, and safe, accessible public technology centers.¹⁶
 - **Digital skills:** Invest and create more opportunities for digital literacy programming so that in an increasingly technology-dependent labor market and world, everyone has an opportunity to succeed.
- **Invest in high-quality professional development and technical assistance** to help workforce and education providers improve their own digital skills.
- **Support federal legislation and efforts to create dedicated public investments in digital access and online readiness training.** Legislation such as the [Digital Equity Act](#) would establish grant programs to promote digital equity nationwide by creating (1) an annual grant program to all states to fund the creation and implementation of comprehensive digital equity plans; and (2) a competitive grant program to support digital equity projects undertaken by individual groups, coalitions and other communities of interest. It would also direct the National Telecommunications and Information Administration to support research and promotion of evidence-based policymaking at the local, state and federal levels.

Recommendation 4

Fully Fund Existing Workforce System Capacity

Federal funding for workforce development in Massachusetts has stagnated and at its current level is insufficient to meet the needs of the system. Despite having one of the highest unemployment rates during the pandemic, Massachusetts is still being funded as though our unemployment rate were 3 percent.¹⁷ For the workforce development system to jump into action, the first step must be to fully fund existing programs and services at the levels this crisis demands. This requires sufficient investment in capacity and workforce infrastructure to ensure adequate staffing for case management, career counseling and job placement assistance.

- **Fully fund MassHire Career Centers and invest in technology solutions** to ensure career centers can provide high quality, sustainable remote and (when feasible) in-person services. Maintaining both offerings will require substantial upgrades to technological capacity and infrastructure.
- **Invest in an integrated data system** that enables workforce professionals to effectively share and manage programs and performance with partners and stakeholders, and that supports job matching capabilities across the Commonwealth, such as the system designed in our neighboring state, Back to Work Rhode Island.¹⁸ Being able to better track, measure and evaluate data will ensure not only that we are meeting the needs of job seekers and businesses, but that the workforce system is also producing a return on investment for the Commonwealth and its taxpayers.

- **Expand short-term, high-touch workforce development services** via the MassHire network and local nonprofit organizations to help skilled workers successfully pivot to in-demand jobs. Many individuals who have lost their jobs during the pandemic will not need or want to enter longer training and educational programs and could benefit from quick, high quality support and job matching to help them move into jobs that are in demand by local employers.
- **Designate and maximize employment and training funds** to leverage federal SNAP Employment and Training reimbursements. Annually, Massachusetts leaves millions of dollars on the table by not leveraging these reimbursements which would supplement state funding of workforce development.
- **Invest in training for workforce professionals** that incorporates and promotes trauma-informed and other evidence-based practices in their work with jobseekers and businesses.

Recommendation 5

Prioritize and Fund “Work Supports” To Ensure People Can Enter and Successfully Complete Training Programs

- **Massachusetts must implement policies and programs to make childcare and early education more readily available, accessible and affordable, with a focus on advancing equitable solutions.** High quality childcare is a crucial component of the workforce infrastructure but has long been inaccessible to many due to cost and availability. The public health crisis has dealt devastating financial blows to the system, further narrowing options. We support efforts by the [Common Start Coalition](#) and the [Business Coalition for Early Childhood Education](#) in advocating for those changes.
- **Increase the availability of flexible workforce funding for “work supports”** to address transportation, housing, food security, childcare, financial and career coaching, and the technology needs of those accessing training and career services.

Conclusion

In addition to the rapid reemployment recommendations above, we also need to start tackling some of the bigger policy concerns facing our region's workforce system, employers and policymakers. One of these issues is to find **real, lasting solutions to increase wages and create opportunities for career advancement for those in the care sector**. Many of the highest demand occupations in the Commonwealth are in low-paying, care jobs (i.e., home health, certified nursing assistants (CNAs), early education/childcare and youth development). These jobs, while essential, often pay poverty level wages and have very little opportunity for career advancement. They are also filled disproportionately by women, Black or Latinx individuals, and immigrants. The pandemic has highlighted the importance of these workers and we must find solutions that ensure workers in these essential industries have access to livable, sustainable wages, schedules and benefits.

The economic crisis caused by COVID-related shutdowns has been devastating for hundreds of thousands of Massachusetts workers. As our state takes steps to rebuild the economy and get people back to work, we must ensure that policies and investments are targeted at those who have been hurt the most by the pandemic and for whom the economy was not working long before this crisis. **We face a multifactor problem that calls for overlapping solutions**—from infrastructure improvement to accessible childcare, and robust education and training covering language learning, tech upskilling and training the trainers. This will take greater collaboration, coordination and willingness to adopt systems change as necessary. It will also require resources. The federal relief coming from the recently passed stimulus bill and any future stimulus can support these critical investments, as well as continued investments by the Commonwealth. Together, we can create opportunities for residents to get back to work and ensure a better economic and more equitable future for the entire Commonwealth.

¹ Bureau of Labor Statistics. (2021). Table A-14. *Unemployed persons by industry and class of worker, not seasonally adjusted*. Retrieved from <https://www.bls.gov/iag/tgs/iag70.htm>

² Glasmeier, Amy K. Living Wage Calculator. (2020). Massachusetts Institute of Technology. Retried from livingwage.mit.edu.; Chmura. (2020). Labor Market Software for Economic Development. Retrieved from <https://www.chmura.com/jobseq-economic-development>

³ The ALICE Threshold represents the minimum income level necessary for survival for a household. Derived from the Household Survival Budget, the ALICE Threshold is rounded to the nearest American Community Survey income category and adjusted for household size and composition for each county.

⁴ Chetty, Friedman, Stepner & the Opportunity Insights Team. (2020). Opportunity Insights Economic Tracker. Retrieved from <https://tracktherecovery.org/>

⁵ Preliminary unemployment rates for Asian workers were not calculated by the Bureau of Labor Statistics. BLS does not include rates for other demographic groups due to sample size limitations; Bureau of Labor Statistics. (2021). *Local Area Unemployment Statistics Preliminary Table 14*. Retrieved from <https://www.bls.gov/lau/ptable14full2020.htm>

⁶ Modestino, A. S. (2020, July 9). Coronavirus child-care crisis will set women back a generation. *Washington Post*. <https://www.washingtonpost.com/us-policy/2020/07/29/childcare-remote-learning-women-employment/>

⁷ Ewing-Nelson, C. (2020). *All of the Jobs Lost in December Were Women's Jobs*. National Women's Law Center. <https://nwlc.org/wp-content/uploads/2021/01/December-Jobs-Day.pdf>

⁸ Preliminary unemployment rates for Asian workers were not calculated by the Bureau of Labor Statistics. BLS does not include rates for other demographic groups due to sample size limitations. Bureau of Labor Statistics. (2021). *Local Area Unemployment Statistics Preliminary Table 14*. Retrieved from <https://www.bls.gov/lau/ptable14full2020.htm>

- ⁹ Calef, Anne & Schuster Luc. (2021). *Disparate Regional Impacts of the COVID Crisis*. Boston Indicators. https://www.bostonindicators.org/reports/report-website-pages/covid_indicators-x2/2021/january/regional-impacts
- ¹⁰ Ember, S. & Casselman, B. (2021, February 5). Anemic Jobs Report Reaffirms Pandemic's Grip on Economy. *The New York Times*. <https://www.nytimes.com/2021/02/05/business/economy/january-2021-jobs-report.html>
- ¹¹ Long, H. (2021, February 17). Millions of jobs aren't coming back after the pandemic ends, spurring a need for retraining. *Washington Post*. <https://www.washingtonpost.com/road-to-recovery/2021/02/17/unemployed-workers-retraining/>
- ¹² Parker, Kim, Igielnik, Ruth & Kochhar, Rakesh. (2021, February 10). Unemployed Americans are feeling the emotional strain of job loss; most have considered changing occupations. *Pew Research Center*. <https://www.pewresearch.org/fact-tank/2021/02/10/unemployed-americans-are-feeling-the-emotional-strain-of-job-loss-most-have-considered-changing-occupations/>
- ¹³ Weise, Michelle R. (2021, February 4). As new labor secretary, Walsh can unstick the future of work. *Boston Business Journal*. <https://www.bizjournals.com/boston/news/2021/02/04/weise-as-new-labor-secretary-walsh-can-unstick-t.html>
- ¹⁴ MassHire Department of Career Services, Commonwealth of Massachusetts Comparison of Fiscal Year Allocations to Local MassHire Workforce Areas (Wagner-Peyser 10 percent and 90 percent Funds and WIOA Title I Adult, Dislocated Worker, and Youth Funds) FY2015 – FY2020, Local Operating Plan Guidance, Local Allocations Compared: <https://www.mass.gov/service-details/massworkforce-wioa-local-plan-guidance-policy-issuances>
- ¹⁵ The Census Bureau defines individuals with limited English proficiency as those who speak a language other than English at home and who identify as speaking English less than “very well.”
- ¹⁶ Such as Mass Broadband Institute's programs, including [Mass Internet Connect](#).
- ¹⁷ Bureau of Labor Statistics. (2021). *Local Area Unemployment Statistics Unemployment Rates for States*. Retrieved from <https://www.bls.gov/web/laus/laumstrk.htm>
- ¹⁸ Gagosz, Alexa. (2021, March 1). R.I., Google Cloud unveil first-in-the-nation virtual career center powered by artificial intelligence—The Boston Globe. *Boston Globe*. <https://www.bostonglobe.com/2021/03/01/metro/ri-google-cloud-unveil-first-in-the-nation-virtual-career-center-powered-by-artificial-intelligence/>

REPORT AUTHORS

Anne Calef

Research Fellow

Boston Indicators

anne.calef@bostonindicators.org

617-338-4147

www.bostonindicators.org

@BosIndicators

Katherine Mainzer

Executive Director

Workforce Solutions Group

kmainzer@strategygroupinc.com

617-592-9275

workforcesolutionsgrp.org

@WSG_40

Tonja Mettlach

Executive Director

Massachusetts Workforce Association

TMettlach@massworkforce.com

617-263-3388

www.massworkforce.com

@MAWorkforce

THE WORKFORCE SOLUTIONS GROUP

EMPath (Economic Mobility Pathways)
Massachusetts AFL-CIO
Massachusetts Association for Community Action
Massachusetts Business Roundtable

Massachusetts Communities Action Network
Massachusetts Workforce Association
SkillWorks: Partners for a Productive Workforce
United Way of Mass Bay