Recovery for Economic Mobility

Emerging labor market insights based upon the current recession, trends in automation, and lessons from the Great Recession

Presented by:
JFF
December 2020
ABOUT JFF

Our Vision
A society in which economic advancement is attainable for all.

Our Mission
JFF is building a society in which everyone has the skills, resources, and credentials they need to achieve economic advancement. To reach this goal, we drive transformation of the American workforce and education systems.
Recovery for Economic Mobility

*Insights into the current labor market*

The U.S. labor market is in turmoil—and no one knows when it may recover.

Through aggregation of existing research and new analysis of our own, JFF delved into three areas that are shaping the labor market today and will influence it for years to come:

- The impact of the COVID-19 recession
- Emerging trends in automation
- Lessons learned from the Great Recession

**Based on our cross-cutting findings, we offer recommendations about ways Verizon can support a more equitable economic recovery and provide insights that can inform its reskilling and upskilling efforts.**
Key Research Questions

THE COVID-19 RECESSION
- Which occupations and industries have been most affected?
- Which populations have suffered the worst consequences?
- How has employer demand shifted since the beginning of the pandemic?
- What skills and credentials are in demand now?

TRENDS IN AUTOMATION
- What long-term trends in automation have been accelerated by the pandemic?
- How have these trends disproportionately hurt low-wage, low-skill workers?
- What supports do workers need in order to identify and evolve their skills, transition to new jobs, and prepare for jobs that don't yet exist?

THE GREAT RECESSION
- Who was most affected by unemployment?
- What were the pathways and timelines for employment and wage growth?
- What federal and state initiatives aided the recovery?
- How was the labor market transformed?

THE FUTURE
What can we learn from the impact of the current recession, automation, and the Great Recession that can help us transform the labor market to create economic advancement for more Americans?
The Emerging Impact of the COVID-19 Recession

Understanding and responding to the ongoing impact of the pandemic on the U.S. labor market

Sara Lamback, Director
Ray Barbosa, Program Manager
Impact on U.S. Economy

The initial effects arose suddenly in early 2020, but the impact will be felt long after the pandemic is under control. Despite re-openings in many sectors, the economy remains fragile in late 2020.

Unemployment
Spiked in April at 14.7%—a level not seen since the 1930s, as most states shut down their economies.¹
Fell in September to 7.9%—but this is still double the pre-recession rate.²

Small Business Revenue
Fell 23.2% from January through September 2020.³
Nonessential businesses (entertainment, restaurants, personal services) were hit the hardest.
Several sectors that partially reopened in the summer (retail, transportation, hospitality) saw revenue decline again in August.

Food Insecurity
Increased 17% since February, based on participants in the federal Supplemental Nutrition Assistance Program, also known as food stamps. Over 6 million people now receive this assistance.⁴

Household Financial Well-Being
Some 32.2% percent of households reported difficulty paying for usual expenses during the last week of September.⁵
Impact on Industry Sectors & Occupations

Unemployment remains high in areas associated with travel, leisure, discretionary spending, and face-to-face interaction. Health care, IT, and finance have been insulated.

Most Impacted Industry Sectors, by Unemployment Rate

- Transportation and utilities: 9.8%
- Mining, quarrying, oil and gas extraction: 14.9%
- Leisure and hospitality: 19.0%

Least Impacted Industry Sectors, by Unemployment Rate

- Government: 4.1%
- Financial activities: 4.4%
- Education and health services: 5.1%

Most Impacted Occupations, by Unemployment Rate

- Transportation and material moving occupations: 10.7%
- Personal care and service workers: 15.8%
- Food preparation and serving workers: 17.7%

Least Impacted Occupations, by Unemployment Rate

- Legal occupations: 2.0%
- Health care practitioners and technical occupations: 2.7%
- Architectural and engineering occupations: 3.4%
- Computer and mathematical occupations: 3.5%
Impact on Key Populations

Young people, women, and workers in low-wage occupations have been hit hardest because they fill essential frontline jobs and their positions are most affected by pandemic-related shutdowns.

AGE

Young workers (ages 16-19 and 20-24) have the highest unemployment rates of any age group—largely because many do the jobs most impacted by pandemic shutdowns and social distancing.

In April, the unemployment rate for workers ages 16-19 jumped to a staggering 31.9%.\textsuperscript{10}

While the overall rate for ages 16-19 has declined to 15.9%, both Black and Hispanic teens had unemployment rates over 20%.\textsuperscript{11}

GENDER\textsuperscript{12}

Women (8%) face higher unemployment than men (7.7%)—unlike in other modern economic downturns—because women are over-represented in jobs affected by shutdowns and social distancing. Women are also dropping out of the labor force, often to provide childcare and home/hybrid-schooling support.

INCOME\textsuperscript{13}

- Low-wage workers face the greatest job losses.
- 19.7% of low-wage workers are unemployed.
- 5.7% of middle-wage workers are unemployed.
- 0.8 percent of high-wage workers are unemployed.

EDUCATIONAL ATTAINMENT\textsuperscript{14}

- Workers with the lowest levels of education have the highest unemployment rates.
- 10.6% of people who did not complete high school are unemployed.
- 4.8% of people with a bachelor's degree or higher are unemployed.

FAMILIES WITH CHILDREN\textsuperscript{15}

Low-income families with children were the most likely to experience an economic shock related to COVID-19. Three out of five low-income families with children lost a job or lost income. Also, about half of Black and Hispanic families with children faced job or income loss.
Impact on Racial and Ethnic Groups

Despite lower unemployment overall in the third quarter, Black workers and Hispanic and Asian women face significantly higher unemployment than other racial and ethnic groups.

Unemployment, Quarter 3, 2020

- Before the onset of the pandemic, the black-white unemployment gap dropped to 2 points, its narrowest in history.
- By the end of the third quarter of 2020, the gap grew to more than 5 points.
- People of color are over-represented in service industries that are highly vulnerable to economic shocks and were hit hard by layoffs during the pandemic. They are less likely to be in white-collar jobs that allow telework, making recovery more difficult for non-white groups until the public health concerns of the pandemic subside.

Racial inequality in the impact of the recession, systemic barriers Black workers face to getting good jobs: Before the onset of the pandemic, the black-white unemployment gap dropped to 2 points, its narrowest in history.
Employer Demand for Workers

While job postings remain below pre-recession levels, the retail trade sector has seen an uptick.

Beginning of pandemic
Health care, retail trade, and accommodation and food services had steep declines in postings at the onset of the pandemic. In contrast, the IT sector was more insulated.

September 2020
Postings for retail trade have surpassed pre-pandemic levels.
Health care postings have generally increased since March but saw a slight decline from August to September.

Greatest growth in demand
Health care and transportation credentials have seen the greatest increase in demand in job postings between March and September 2020. These include:

- Licensed mental health counselor (+265%)
- Commercial driver's license, Class A (+66%)
- Home health aide (+54%)
- Critical care registered nurse (+36%)
The biggest (industries) and wealthiest (people) have been on a clear path toward recovery. Meanwhile, for most small businesses and those worst off, things have only become worse.$^{19}$

PETER ATWATER
College of William & Mary
## Strategies to Address the Shifting Labor Market

*Connect workers to high-demand, durable pathways*

### LEVERAGE LABOR MARKET INTELLIGENCE

Stay on top of local hiring trends and employer demand using both online job postings and data on job gains from local workforce boards and state labor market agencies. As regions open and close their economies in response to viral spread and surges, the impact of the recession will evolve.

### CONNECT ‘LIFEBOAT JOBS’ TO RESILIENT CAREERS

Build pathways between so-called *lifeboat jobs*, which are growing and require little or no retraining, to jobs that provide decent pay and long-term career opportunities. Leverage parallels between the skills required in lifeboat jobs and those required in higher-paying, more stable roles in IT, health care, or business.

### HELP WORKERS MOVE OUT OF VULNERABLE INDUSTRIES

Jobs in hospitality, retail, and personal care are highly vulnerable, because they have low wages, are unlikely to provide health insurance, and are likely to decline in economic downturns. Help displaced workers pursue more durable career pathways in sectors such as IT. Provide targeted assistance—such as counseling, retraining, job search and placement services—to support transitions.


Trends in Automation

Clarifying the challenge to better support workers whose jobs are at risk

Felicia M. Sullivan, Associate Research Director
Joe Deegan, Associate Director
Raymond Barbosa, Program Manager
Sara Lamback, Director
About half of all work activities can be automated with technology that is available now.¹

We face an urgent need to rapidly upskill workers who are at risk of being displaced in the next 10 years.²

Low-wage workers are at greatest risk for job loss as are women and people of color.³

The impact of COVID-19 is intensifying these risks.⁴

JFF identified four common misconceptions that must be addressed in order to effectively respond to the challenges automation poses.

We recommend an approach to helping workers adapt that involves three steps: evolve, transition, and prepare.

This approach uses a novel methodology that identifies potential job transitions by evaluating the “skill distance” between a worker’s current occupation and higher-wage opportunities.⁵ (Based on skills shared by occupations, a lower skill distance indicates a smoother transition.)
For **60 percent** of all occupations, almost **one-third** of work activities will be automated.\(^6\)

**Impact of Automation on U.S. Workers**

*Many American workers are standing on an “automation cliff.”*

Workers must respond by gaining new skills that better meet the needs of their current jobs, new jobs, or jobs that don’t yet exist. Some will find jobs that better meet their current skills.

That means:

- 30 percent of the global workforce may be displaced by 2030.
- Another 14 percent will need to shift or change occupations

Those two groups represent almost 1.2 billion workers.

However . . .

- 890 million workers will be needed to meet new labor demands driven by current trends (such as health care for aging population, energy transitions, marketization of unpaid work, etc.).
- Another 2.7 billion will be in completely new jobs that don’t currently exist.\(^7\)

COVID-19 is accelerating many of the trends that are leading to the advance of automation.
Impact of Automation on U.S. Workers

Automation affects people differently, depending on what type of job they have and where they live.

Higher-skilled workers are likely to find that automation makes their work easier and improves productivity.

Low-wage workers and workers without a bachelor’s degree run a greater risk of being displaced by automation if they fail to shift quickly enough to new opportunities.\(^8\)

Workers on the U.S. coasts will likely be more resilient to the impact of automation because their economies typically feature a mix of high-growth industries.

Workers in non-coastal regions will likely be less resilient because their economies have a less diverse mix of industries.\(^9\)

JFF analyzed the automation risk for occupations in the four Verizon Community Initiative pilot metro areas and found that the occupation families most at risk for automation are those in food preparation and service, building and grounds cleaning and maintenance, construction and extraction, production, and transportation, and material moving, as illustrated in the chart at right.\(^10, 11\)

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Number of Sub-Bachelor's Degree Occupations at High Risk for Automation by Metro Area and Grouped by Occupation Family

Source: JFF analysis of Emsi quarterly data run 2020.3
Automation Insight 1

*Misconception: Low-wage workers don’t have the technology skills necessary to thrive in the face of automation.*

But …

Workers at high risk for automation have some technology and other skills that can be a foundation for further training.

Examining occupations in industries at low risk for automation can help identify a possible destination for transition into a new opportunity. Then looking at existing skills and mapping them to needed skills can help indicate what additional training and support may be needed.

<table>
<thead>
<tr>
<th>Technology Skills</th>
<th>Food Preparation Workers</th>
<th>Bartenders</th>
<th>Waiters and Waitresses</th>
<th>Janitors and Cleaners</th>
<th>Maids / Housekeeping</th>
<th>Carpenters</th>
<th>Painters, Construction and Maintenance</th>
<th>Packers and Packers</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS Office / Word Processing / Spreadsheets</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Email / Web</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>MS Windows</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Scheduling/ERP/SAP</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Point of Sale</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>DB User Interface</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Analytical Software</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Graphics / Photo-Imaging / CAD</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Facilities Mgmt / Inventory Tracking / Supply Chain &amp; Logistics</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Planning Logistics and Supply Chain</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Project Management / Time Accounting</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
Automation Insight 2

Misconception: High-risk workers aren’t able to identify a “best bet” transition opportunity.

But…

Workers at high risk for having their jobs automated have skills that may connect to lower-risk occupations.

This table provides a few examples of transitions workers can make from jobs that are at high risk of automation to jobs that are at low risk of automation. People who work in the high-risk jobs in the left-hand column likely have skills that are transferable to any of the low-risk jobs in the right-hand column.

<table>
<thead>
<tr>
<th>FROM HIGH AUTOMATION RISK</th>
<th>TO LOW AUTOMATION RISK</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Food Preparation and Service</td>
<td>• Sales and Related Fields</td>
</tr>
<tr>
<td>• Building/Grounds Cleaning/Maintenance</td>
<td>• Office and Administrative Support</td>
</tr>
<tr>
<td>• Construction and Extraction</td>
<td>• Computer and Mathematical Occupations</td>
</tr>
<tr>
<td>• Production</td>
<td>• Business and Financial Operations</td>
</tr>
<tr>
<td>• Transportation and Material Moving</td>
<td>• Arts, Design, Entertainment, Sports, and Media</td>
</tr>
<tr>
<td></td>
<td>• The Legal Profession</td>
</tr>
<tr>
<td></td>
<td>• Architecture and Engineering</td>
</tr>
</tbody>
</table>

A metric known as skill distance can help workers see connections between high-risk jobs and low-risk jobs that require similar skills.
Using Skill Distance to Chart a New Career Path

Who's in the neighborhood?
Workers in a high-risk occupation (orange text) can use skill distance to understand which low-risk occupations (blue text) might be their best next move—and which path might help them reach their ultimate career goal.¹⁴

How to find a less risky job
Cluster 1: Carpenter to computer user support technician
Cluster 2: Bartender to graphic designer

How to reach a career destination
Cluster 1: Welder to A/V tech to electrical engineering tech
Cluster 2: Wait staff to customer service rep to claims adjuster
But . . .

High-growth skills, like data analysis, are connected to a range of co-occurring skills that include both in-demand technology skills and more durable skills. Skill assessment and training can consider these multiple skill sets.

For example, data analysis is a high-growth skill with almost 30 co-occurring skills that low-wage workers may already have or could be trained for as they prepare for roles that include data analysis.
Automation Insight 4

*Misconception: Training, communicating, and certifying automation-resistant skills is too complicated to do effectively.*

But ...

New technologies and insights into durable skills can enable workers to document and communicate their transferable competencies to prospective employers such as:

- Creating digital portfolios built on blockchain technology can help workers understand their skill development over time and control their skill development data via learning and employment records.
- Supporting education and workforce training providers to develop guides that help workers identify and explore options.
- Building systems, including recommendation platforms, that help workers assess, recognize, and communicate competency in durable skills.
Automation is neither inherently good nor bad. . . . Unfortunately, we are seeing that higher-skilled workers benefit with easier jobs and more productivity, while lower-paid workers are being displaced. Those dynamics are the result of economic and policy decisions, and not purely the ‘effects of automation’. . . .

CHANDRA CHILDERS
Institute for Women’s Policy Research
**Strategies to Confront Impact of Automation**

*Education and training providers should consider these three broad strategies to help low-wage workers whose jobs are at risk for automation.*

<table>
<thead>
<tr>
<th>EVOLVE</th>
<th>TRANSITION</th>
<th>PREPARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(For workers whose jobs are in part at risk for automation)</td>
<td>(For workers displaced by automation)</td>
<td>(For all workers, so they can respond dynamically to emerging jobs)</td>
</tr>
<tr>
<td>Empower workers to understand the need for new skills in their occupations and to identify areas for their own growth</td>
<td>Use digital learning and employment records to help people assess and communicate the skills they already possess that are transferable to new jobs</td>
<td>Train workers for high-growth, automation-resistant skills</td>
</tr>
<tr>
<td>Provide support for workers to see connections between their existing knowledge and experience and the skills they want to learn, so new skills seem attainable</td>
<td>Help workers identify occupations within close skill distance of their former roles that could be &quot;lifeboat jobs&quot; or steppingstones to durable careers</td>
<td>Assess and develop skills that co-occur with high-growth skills</td>
</tr>
<tr>
<td>Work with employers to bolster training for incumbent employees in digital skills and new technologies</td>
<td></td>
<td>Integrate instruction in high-demand tech skills along with more durable skills (such as communication, problem-solving, and collaboration) in training programs.</td>
</tr>
</tbody>
</table>

Cultivate learning agility—the ability to learn new skills throughout one’s lifetime and continuously adapt to labor market needs.

2. Manyika et al., Jobs Lost, Jobs Gained.

3. Chandra Childers, study director at the Institute for Women’s Policy Research, interview with the authors, August 2020.


6. Manyika et al., Jobs Lost, Jobs Gained.

7. Manyika et al., Jobs Lost, Jobs Gained.

8. Childers, interview with the authors.


10. Occupations included were those with an automation risk index of 120 or higher, and where the typical educational requirement was less than a bachelor’s degree. Additionally, only those occupations that were in the top 20 most workers in each occupation in at least three of the four cities were included. Cooks in fast food and cooks in restaurants were combined.


12. JFF analysis of O*NET Online Skills.

13. JFF analysis of Emsi quarterly data run 2020.3.

14. JFF skill distance analysis of O*NET skill requirement data. This method takes O*NET skill requirements data for individual occupations. The importance score on 35 base and cross-functional skills for each of these occupations was compiled, and a dissimilarity distance matrix was calculated using the Euclidean distance formula. The lowest skill distance possible is a 0, and the higher the score, the less of a skill match between two occupations. The method is further detailed in Blair et al., Searching for STARs. The data were then visualized using Gelphi, a social network graphing tool, using multidimensional scaling tools developed by Wouter Spekkink, https://www.wouterspekkink.org/r/mds/gephi/2015/12/15/a-simple-example-of-mds-using-r-and-gephi.html.

15. JFF analysis of Labor Insights, Burning Glass Technologies.


17. Childers, interview with the authors.
Lessons Learned from the Great Recession

Understanding strategies that can help transform the current labor market

Lois Joy, Research Director

Dristi Adhikari, Research Associate
Immense impact

• Jobs lost = more than 30 million people lost jobs¹
• Homes foreclosed = more than 16 million²
• GDP fell 6 percent³
• Median income fell 8 percent⁴

Recovery sluggish

• Took more than four years (2016) to regain the 7.2 million jobs eliminated in the downturn⁵
• Took more than 10 years for post-recession unemployment to fall to pre-recession levels⁶
• Long-term unemployment was significant problem⁷

Impact on U.S. Economy

The Great Recession (2007-2009) was the longest and deepest downturn since the Great Depression. The effects persisted through 2019.
Impact on Key Populations

Unemployment at its height in 2010 most affected Black workers, young people, men, and workers without a college degree.

**RACE AND ETHNICITY**
- Black workers faced the highest unemployment rate (17%)
- Hispanic workers (12%)
- White workers (9%)
- Asian workers (8%)

**AGE**
- Young people ages 16 to 24 faced the highest unemployment rate (18%) during the recession and recovery.
- People ages 25-54 (8%)

**GENDER**
- Men faced higher unemployment (9%), rising to nearly twice the rate for women (4.9%).
- Men accounted for 78% of job losses between 2007 and 2009.

**EDUCATION**
- People with less than a postsecondary degree had the highest rates of unemployment.
  - 16% for people with less than a high school diploma
  - 11% for people lacking a postsecondary degree
When the economy began to recover, 99% of the total job growth (11.5 million jobs) went to workers who had some college education.\textsuperscript{12}

ANTHONY CARNEVALE
Georgetown University Center on Education and the Workforce
The Long Recovery

Federal investments and research-based practices that helped the United States recover.

FEDERAL INVESTMENTS

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
Put money into the pockets of low- and middle-income working families and struggling small businesses.\(^{13}\)

TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING PROGRAM
Promoted the upskilling and retraining of dislocated workers.\(^{14}\)

Identified which regional industries were growing, collected and used outcomes data, provided academic and non-academic supports, and strengthened the relationships between training providers and employers.\(^{15}\)

RESEARCH-BASED PRACTICES

WORK-BASED LEARNING
Provided on-the-job training—sometimes with pay to people taking related college courses. Recruited and supported more women and people of color into work-based learning programs for higher-paying occupations.\(^{16}\)

INTEGRATED EDUCATION AND TRAINING
Assisted low-skilled adults to obtain and sustain rewarding careers.\(^{17}\)
Built and leveraged partnerships, provided localized technical assistance, and included support services.\(^{18}\)

CAREER PATHWAYS
Delivered intentionally structured curriculum and student-focused supports that enabled learners to pursue technical and occupational postsecondary education and workforce training that supports job entry and career advancement.\(^{19}\)

Participants earned higher wages, were more likely to complete training related to a credential, developed more basic skills, and earned more college credits and vocational certificates.\(^{20}\)


3. Carnevale, Jayasundera, and Gulish, America’s Divided Recovery.


15. Jennifer Freeman of JFF, email to the authors, August 7, 2020.


Comparing the Impacts of the Great Recession, the Covid-19 Recession, and Automation

Who and what were hardest hit?

The JFF team
Comparing the Impacts of the Great Recession, the COVID-19 Recession, and Automation

**Who and what were hardest hit?**

<table>
<thead>
<tr>
<th>AREA OF IMPACT</th>
<th>GREAT RECESSION</th>
<th>COVID-19 RECESSION</th>
<th>AUTOMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries</td>
<td>Construction Manufacturing</td>
<td>Leisure &amp; Hospitality</td>
<td>Food Service and Preparation Building, Groundskeeping, Maintenance, Cleaning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mining, Quarrying, Oil &amp; Gas Transportation &amp; Utilities</td>
<td>Construction and Extraction</td>
</tr>
<tr>
<td>Gender</td>
<td>Men</td>
<td>Women</td>
<td>Greater impact on women</td>
</tr>
<tr>
<td>Race/ethnicity</td>
<td>Black and Hispanic people</td>
<td>Black, Hispanic, and Asian people</td>
<td>Black and Hispanic people</td>
</tr>
<tr>
<td>Education level</td>
<td>People with no postsecondary credential</td>
<td>People with no postsecondary credential</td>
<td>People with no postsecondary credential</td>
</tr>
<tr>
<td>Age</td>
<td>Young people ages 16-19</td>
<td>Young people ages 16-19</td>
<td>N/A</td>
</tr>
<tr>
<td>Income</td>
<td>Initial shock hit across multiple income levels</td>
<td>Initial shock hit low-wage workers</td>
<td>Low-wage workers</td>
</tr>
<tr>
<td>Society and the overall economy</td>
<td>Jobless recovery</td>
<td>Physical distancing, remote work</td>
<td>Coastal areas have more resilient economies with a mix of industries than</td>
</tr>
<tr>
<td></td>
<td>Wage stagnation</td>
<td>Health risks for essential workers</td>
<td>non-coastal areas</td>
</tr>
<tr>
<td></td>
<td>Housing insecurity and food insecurity</td>
<td>Lack of child care</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Economy recovered slowly; effects lasted through 2019</td>
<td>Housing and food insecurity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economy opening and closing in fits and starts with</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>regional variations, uncertain path to recovery</td>
<td></td>
</tr>
</tbody>
</table>

**Similar conditions in both recessions**
Key Findings

Those hit hardest by the Great Recession—Black and Hispanic workers, people living in poverty, young people, and those lacking a postsecondary degree—were just getting back on their feet when COVID-19 hit. The pandemic sent millions back into joblessness and poverty.

Reducing long-term unemployment is critical to individuals and the economy overall.

The effects of long-term unemployment (being out of work for more than 27 weeks) can last long into the future, making it more difficult to find employment for many years. So, helping people find jobs in the short term—even if they do not pay high wages or offer opportunity for advancement—could set the stage for stronger wage growth and greater opportunity in the future.

By providing work experience, work-based-learning opportunities can help new high school and college graduates make in-roads into employment during a recession.

Newer entrants to the labor market may be at a disadvantage because they lack labor market experience that employers value even more when business is declining.

Reducing structural barriers that people of color face entering higher wage career pathways is critical for equitable economic recovery.

People of color, who currently face the highest joblessness and poverty levels along with labor market discrimination, will require targeted interventions to prevent their continual marginalization from economic growth.
Key Strategies to Support Upskilling

_Closing the digital divide, meeting the need for family care, and addressing food and housing insecurity are key ways to help people survive economic downturns._

**Provide technology and training**

Expanding digital access is critical to helping people adapt to the growth in remote work and online learning, training, job search, and support services in the face of health concerns that come with in-person interaction. Find ways to provide affordable broadband internet, Wi-Fi, and computers.

**Help families obtain child care, elder care, and other supports**

The availability of child care, elder care, and other family supports has been drastically reduced as a result of the pandemic. Parents whose children are attending school from home will require flexible work and training schedules. Training programs should develop strong partnerships with supportive service providers and assess participants’ needs for supports so that they can be referred appropriately.

**Increase food and housing security**

Addressing the widespread need for food and housing will only grow in importance as federal stimulus funding runs out and time-limited unemployment benefits end for many families in late 2020. Increase partnerships and referrals to for child care, elder care, and other supports as well as food and housing security.
How to Build an Equitable Recovery

Cross-cutting insights and recommendations for the Verizon Foundation
Prompt labor market reattachment is critical to support workers who have lost their jobs or who are underemployed due to the recession, or whose jobs are at risk because of automation.

Focus on avoiding long-term unemployment, whose effects linger for years on individuals and the economy overall.

Target training and supports to specific populations that have been disproportionately affected by economic downturns and automation, largely due to their overrepresentation in vulnerable jobs: women, low-wage workers, people lacking a postsecondary credential, Black workers, Hispanic workers, and young people.

Develop personalized interventions that address the specific work experiences and backgrounds of individuals.
Actively Support Technology Access and Integration

Provide support to close technology gaps. Enable people who lack affordable broadband, Wi-Fi, and computers to access online education, training, job search services, and other supports.

Build technology skills that can enable more workers to access high-demand, high-wage occupations that can be done remotely.

Couple the expansion of tech access with robust support services, such as child care, housing, stipends, and transportation.

Evolve current occupations at high risk of automation in a manner that allows them to adapt to and integrate technology as it enters the workplace.
Proactively support workers to move out of hospitality, retail, and personal care—sectors that are vulnerable both to economic shocks and to automation—and into more insulated jobs in areas such as IT and health care.

Identify transferable skills that can support these transitions. Leverage “lifeboat” opportunities that can help individuals reconnect to the labor market while building skills aligned with roles in in-demand jobs and sectors.

Ensure that workers engage in career exploration activities to understand career opportunities and environments of modern workplaces.
Prepare People for Emerging and Unknown Occupations

Continue to leverage labor market intelligence to understand emerging opportunities and the skills and credentials aligned with new and evolving occupations.

Position workers for occupations that don't yet exist by helping them to build a set of durable, cross-cutting, foundational skills in areas such as data analysis, cybersecurity, and project management.

Support the adoption of skills-based training and hiring to help ensure that workers can more easily move into emerging opportunities.
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Appendix

Additional labor market insights
COVID-19 Recession: Unemployment of Key Racial and Ethnic Groups

Table A1. Unemployment Rate by Race/Ethnicity and Gender

<table>
<thead>
<tr>
<th>Racial/Ethnic Group and Gender</th>
<th>Unemployment Rate: Q1 2020</th>
<th>Unemployment Rate: Q2 2020</th>
<th>Unemployment Rate: Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Workers</td>
<td>4.1%</td>
<td>12.9%</td>
<td>8.9%</td>
</tr>
<tr>
<td>White, Overall</td>
<td>3.6%</td>
<td>12.0%</td>
<td>7.9%</td>
</tr>
<tr>
<td>White men</td>
<td>4.0%</td>
<td>10.9%</td>
<td>7.4%</td>
</tr>
<tr>
<td>White women</td>
<td>3.3%</td>
<td>13.3%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Black or African American, Overall</td>
<td>6.6%</td>
<td>16.1%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Black men</td>
<td>7.4%</td>
<td>16.2%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Black women</td>
<td>5.9%</td>
<td>16.1%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Asian, Overall</td>
<td>3.3%</td>
<td>14.3%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Asian men</td>
<td>2.9%</td>
<td>13.0%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Asian women</td>
<td>3.7%</td>
<td>15.8%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Hispanic or Latino, Overall</td>
<td>5.4%</td>
<td>16.7%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Hispanic Men</td>
<td>5.1%</td>
<td>15.2%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Hispanic Women</td>
<td>5.8%</td>
<td>18.7%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Labor, Bureau of Labor Statistics
COVID-19 Recession: Emerging Demand for Credentials

*Insights From Job Posting Data*

The credentials that were most in demand in March and September 2020, and those that saw the greatest increases in demand from March to September, are unsurprisingly concentrated in the fields of health care and transportation, distribution, and logistics.

Table A2. Highest-Demand Credentials, Based upon Job Postings

<table>
<thead>
<tr>
<th>Certifications With the Highest Demand</th>
<th>March 2020 Job Postings</th>
<th>September 2020 Job Postings</th>
<th>Change</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver’s license</td>
<td>361,827</td>
<td>358,610</td>
<td>(3,217)</td>
<td>-1%</td>
</tr>
<tr>
<td>Registered nurse</td>
<td>146,968</td>
<td>138,563</td>
<td>(8,405)</td>
<td>-6%</td>
</tr>
<tr>
<td>Commercial driver’s license, Class A</td>
<td>49,716</td>
<td>82,630</td>
<td>32,914</td>
<td>66%</td>
</tr>
<tr>
<td>Advanced cardiac life support certification</td>
<td>65,241</td>
<td>65,529</td>
<td>288</td>
<td>0%</td>
</tr>
<tr>
<td>Certification in first aid, CPR, or use of automated external defibrillator</td>
<td>69,225</td>
<td>61,763</td>
<td>(7,462)</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Source: Burning Glass Technologies

Table A3. Credentials with Increased Demand, Based upon Job Postings

<table>
<thead>
<tr>
<th>Certifications With the Biggest Increases in Demand</th>
<th>March 2020 Job Postings</th>
<th>September 2020 Job Postings</th>
<th>Change</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial driver’s license, Class A</td>
<td>49,716</td>
<td>82,630</td>
<td>32,914</td>
<td>66%</td>
</tr>
<tr>
<td>Critical care registered nurse</td>
<td>22,456</td>
<td>30,590</td>
<td>8,134</td>
<td>36%</td>
</tr>
<tr>
<td>Licensed mental health counselor</td>
<td>1,981</td>
<td>7,235</td>
<td>5,254</td>
<td>265%</td>
</tr>
<tr>
<td>Home health aide</td>
<td>7,590</td>
<td>11,664</td>
<td>4,074</td>
<td>54%</td>
</tr>
<tr>
<td>Licensed marriage and family therapist</td>
<td>1,638</td>
<td>5,336</td>
<td>3,698</td>
<td>226%</td>
</tr>
</tbody>
</table>

Source: Burning Glass Technologies
• While the national unemployment rate and the unemployment rates in these 14 metro areas generally follow a similar trend from April to August 2020, there were more pronounced shifts in some regions. Las Vegas is an especially clear example.

• In contrast, the unemployment rate in Washington, DC, decreased much more gradually—by about 1% in each month.

• Each local unemployment rate reflected the specific circumstances in that region, including major industries, COVID-19 impact, share of jobs in vulnerable industries, and the ability of people in the workforce to transition to remote work.

Source: U.S. Department of Labor, Bureau of Labor Statistics
# COVID-19 Recession: Geographic Impact

Table A4. Detailed Unemployment Rates by Region: April to August 2020

<table>
<thead>
<tr>
<th>Region</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL</td>
<td>15%</td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>22%</td>
<td>17%</td>
<td>14%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Houston</td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Portland</td>
<td>14%</td>
<td>14%</td>
<td>12%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>14%</td>
<td>11%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Dallas</td>
<td>13%</td>
<td>12%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>34%</td>
<td>29%</td>
<td>18%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Memphis, Tennessee</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Miami</td>
<td>13%</td>
<td>13%</td>
<td>11%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>19%</td>
<td>17%</td>
<td>13%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Seattle</td>
<td>17%</td>
<td>15%</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Tampa</td>
<td>13%</td>
<td>12%</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Wilson, North Carolina</td>
<td>13%</td>
<td>14%</td>
<td>10%</td>
<td>11%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Labor, Bureau of Labor Statistics
Figure 6. Unemployment rates, by age group, seasonally adjusted, 1992-2017

Shaded areas represent recessions as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics
Figure 7. Unemployment rates of people 25 years and over, by educational attainment, seasonally adjusted, 1992-2017

Shaded areas represent recessions as determined by the National Bureau of Economic Research.