THE GREAT RECESSION:

Impacts and Lessons Learned From Recovery

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Impacts of the Great Recession of 2007 to 2009

The Great Recession of 2007 to 2009, which was catalyzed by the crisis in subprime mortgage-backed securities, was the longest recession since the Great Depression (see Figure 1 in the Appendix). JFF’s research into the Great Recession and the federal policies and programs adopted to spur recovery has yielded lessons that point to potential strategies for recovery from the COVID-19 recession. Policymakers and leaders in workforce, education, and training can look to these ideas as they develop strategies to help workers and employers recover from the current recession.

Overview

During the Great Recession, U.S. gross domestic product (GDP) fell by 6 percent, median income fell by 8 percent, and more than 30 million jobs were lost. In addition, more than 450 banks failed and over 16 million homes were foreclosed. In addition to the loss in earnings, researchers also found lasting negative impacts of the recession on health insurance coverage, health outcomes, family formation, and mortality, with people of color experiencing more negative effects than white people. The estimated total cost of the recession—including economic, health, physical, psychological and social impacts—exceeded $20 trillion.

The recovery from the recession was sluggish. It took more than four years to regain the 7.2 million jobs lost in the downturn and more than 10 years for post-recession unemployment to fall to pre-recession levels. Reasons for the protracted recovery included high levels of labor force participation (many people kept looking for jobs rather than stopping their searches due to discouragement), the continued decline of an already weakened manufacturing sector, a drop in the number of middle-income jobs, and an increase in economic insecurity that kept consumer spending and business investment low.

When jobs did start to grow in 2015, underemployment persisted, with many part-time workers unable to find full-time work and others employed in jobs below their skill and education levels. At the peak of the Great Recession, underemployment reached a 50-year high of 22.1 percent of the employed labor force. Another study noted, “Finding a good employment match that paid pre-recession wages was a long and difficult process in the aftermath of the recession.” The rise in underemployment after the recession was likely part of a longer-term economic trend toward a bifurcated economy where the shares of low- and high-skill jobs were growing but the share of middle-skill jobs was shrinking.
A key characteristic of the Great Recession was the rise of long-term unemployment, which is a spell of unemployment that lasts more than 27 weeks (see Figure 2 in the Appendix). At the lowest point of the Great Recession, long-term unemployment hit a rate that was double its historic high. According to the Center for Budget and Policy Priorities, long-term unemployment during the 2007–2009 recession was higher than any previous recession since the 1940s. Significant spells of long-term unemployed persisted to the end of 2017, comprising over one-fifth (22.8 percent) of those who were unemployed 11 years after the start of the recession. Like underemployment, because it leads to lower earnings, long-term unemployment has a more devastating impact on people’s lives than shorter-term spells of unemployment. The lower wages have little to do with individual skill levels or pre-recession occupations but are related primarily to the length of time it takes to find employment.

In addition to underemployment and long-term unemployment, entering the labor market for the first time during a recession also depressed earnings and opportunities across people’s life spans. Economists estimated that there was a 10 percent reduction in earnings in the first year for the average college graduate entering the labor market during a recession with further reductions in earnings that lasted up to 15 years. Wage losses for new entrants during a recession were driven by limited full-time employment opportunities and declines in hourly wage rates. Further heightening the tension of an already challenging employment market for new entrants was an increase in competition from older cohorts of displaced workers who were also trying to get back into the labor market. Due in part to long-term unemployment, underemployment, and the wage-depressing effects of new entrants into the labor market, wages stagnated through the recovery, not keeping up with productivity growth and leading to significant wage losses for 70 percent of displaced workers.

**Race and ethnicity:** The recession of 2007–2009 had the biggest impact on people of color, who experienced higher rates of unemployment (see Figure 3 in the Appendix) and more housing defaults than white people. According to Bureau of Labor Statistics data, at the height of the Great Recession, African Americans had the highest unemployment rate, at 16.6 percent, compared with 12 percent for Hispanic workers, 9.2 percent for white workers, and 8.4 percent for Asian workers. During the recession, white people received job offers at rates similar to rates at which Black people had received job offers before the recession. In addition, Blacks were less likely than whites to receive unemployment benefits for reasons that could not be accounted for by differences in occupations or labor force participation. As a result, unemployed low-wage Black Americans were more likely to face economic stress during the recession than their white counterparts, a hardship made worse by the fact that Black people had fewer wealth assets to help meet financial gaps.
In addition to higher unemployment, people of color also experienced higher underemployment during the Great Recession and the ensuing recovery. By 2017, underemployment was almost twice as high for Black workers as it was for white workers. In urban areas, underemployment was 12.4 percent for whites and 23.1 percent for Blacks, while in rural areas it was 16 percent for whites and 33.6 percent for Blacks. Underemployment was also higher for Hispanic workers than it was for white workers, with 22.5 percent of Hispanics underemployed in urban regions and 20 percent in rural areas.\textsuperscript{22}

A higher rate of unemployment among Black people has been a signature of the U.S. economy for four decades. Since the 1960s, the highest level of white unemployment has rarely exceeded the lowest level of Black unemployment.\textsuperscript{23} Recessions tend to exacerbate these differences but are not the causes. As researchers have demonstrated, deeply entrenched structural discrimination against Black workers has led to persistent wage, employment, and opportunity gaps.\textsuperscript{24} For example, in 2017 the share of Black men who did not work because of business conditions or lack of work (20 percent), disability (15 percent), child care or family obligations (11 percent) was larger than the share of white men who did not work for the same reasons (9, 8, and 4 percent, respectively). Higher job losses over time, along with the challenges to reemployment after incarceration, have also led to a lower number of Black men looking for work due to discouragement (see Figure 4 in the Appendix).\textsuperscript{25}

**Gender:** Men were hit harder during the Great Recession than women, mainly due to the fact that the manufacturing and construction sectors suffered high numbers of job losses, as did the professional services and finance sector (see Figure 5 in the Appendix).\textsuperscript{26} Men accounted for 78 percent of the job losses between 2007 and 2009. During the same time period, unemployment for men rose at twice the rate it did for women: 8.9 percent for men compared with 4.9 percent for women.\textsuperscript{27} The Great Recession also saw a rapid rise in male disability claims, which surpassed women’s claims between 2007 and 2013. Higher male unemployment was not unique to the 2008 recession.\textsuperscript{28} According one study, “At least since the 1969 recession, men have borne the brunt of job losses during recessions, and compared with previous recessions, men have actually borne a smaller proportion of job losses in the current recession.” In addition to the higher unemployment rate, men’s labor force participation rate (LFPR) declined while women’s LFPR initially held steady.\textsuperscript{29} Interestingly, the labor force participation rate for women started to decline beginning in the midpoint of the recession; that was unusual because women’s LFPR typically rises during a recession to offset men’s declining incomes.\textsuperscript{30} By the middle of the recession, men’s and women’s LFPRs had returned to parity. Nonetheless, by 2017 there were still almost twice as many discouraged workers—people who had stopped looking for work and were no longer counted as part of the labor force—as there was at the start of the recession.\textsuperscript{31}
During the recovery, men reversed the unemployment trend by gaining jobs much faster than women, as is also consistent with trends seen in prior recessions. Between the end of the recession and 2011, the unemployment rate for men fell by 1.1 percentage points to 9.5 percent while the women’s unemployment rate rose 0.2 percentage points to 8.5 percent. By 2012, men and women had similar unemployment rates. It is not clear why men did so well during the recovery from the recession of 2007 to 2009. Gender differences in industry sectors do not explain the gap. For example, women lost a total of 433,000 jobs in manufacturing, retail trade, and finance during the recovery, while men gained 253,000 jobs in those sectors. While women made large gains in professional and business services and education and health services (691,000 new jobs), men’s job growth surpassed that of women in those sectors (804,000).

During and after the recovery, women remained disadvantaged in the labor market relative to men. In 2015, full-time working women with high school degrees earned 92 percent of what men earned while women with college degrees earned 79 percent of what their male counterparts earned; those earning gaps have been increasing over the past 20 years. Much of the gender wage gap can be attributed to persistent occupational segregation—women working in predominantly female-dominated occupations and men in predominantly male-occupations. In 2012, nontraditional occupations for women, including future-of-work occupations like advanced manufacturing and engineering and information technology, employed only 6 percent of all women compared with 66 percent of all men. Because female-dominated occupations pay less than male-dominated ones—to both men and women—women’s earnings throughout and after the recovery continued to be suppressed due to structural barriers to entering higher-paying male-dominated fields.

**Youth and Education:** The impacts of the Great Recession varied significantly by age and education level. Young people aged 16 to 24 had significantly higher rates of unemployment than older workers, as did people with less than a high school diploma (see Figures 6 and 7 in the Appendix). In the influential report *America’s Divided Recovery*, researchers found that when the economy began to recover, 99 percent of the total job growth (11.5 million jobs) went to workers who had some college education. Those lacking some college had far fewer labor market opportunities, and there was no growth in the number of well-paying jobs with benefits they held. The report noted that this trend did not start with the recession of 2007–2009, but rather was part of a longer-term structural shift in the labor market, “towards industries that employ a high share of workers with postsecondary attainment. . . . At worst, these trends result in a jobless growth, a situation in which GDP growth in recoveries proceeds without a corresponding growth in jobs or even higher unemployment.” The report also documents how people with the least education are the first fired and the last hired, with the effects of joblessness now “transcending generations with children whose fathers have been displaced.
from their jobs earning 9 percent lower annual wages as adults compared to similar children whose fathers did not face this challenge.”

Poverty: Poverty increased by 3.2 percent between 2007 and 2011, from 12.5 percent of the population to 15.7 percent.\textsuperscript{37} In 2013, nearly one in every six Americans was receiving government food aid.\textsuperscript{38}

By 2016, the number of people in poverty was still at the recessionary level.\textsuperscript{39} Although the overall poverty rate had fallen to 11.8 percent by 2018, it still remained higher for Black people (20.8 percent) and Hispanic individuals (17.6 percent) than it did for white people. People without a high school diploma had the highest poverty rate in 2018, at 25.9 percent, followed by those with a high school degree (12.7 percent). The poverty rate was 8.4 percent for people with some college education, while college graduates had the lowest rate of poverty (4.4 percent).\textsuperscript{40}

Along with an increase in poverty, the concentration of poverty increased. Poverty concentration measures the share of people living in areas with high poverty rates (defined as areas where 20 to 40 percent of the population lives in poverty). The concentration of poverty matters because the longer people live in a high-poverty area—whether they are poor or not—the lower their economic mobility. While poverty concentration did not start with the recession of 2007–2009, like so many other economic trends, it did accelerate during that downturn, especially in suburbs. According to research, “By 2014, 14 million people lived in extremely poor neighborhoods—5 million more than before the downturn and more than twice as many as in 2000,” After the recession, the number of extremely poor neighborhoods grew by 45 percent.\textsuperscript{41}

The likelihood that one lives in an area with extreme poverty varies by race and ethnicity. By 2014, poor Hispanics were more than three times as likely as their white counterparts to live in an extremely poor neighborhood, while Black people were five times as likely as white people to live in such areas. Moreover, while whites accounted for 44 percent of the nation’s poor, they accounted for only 18 percent of the residents of extremely poor areas. A number of factors—including poorer health outcomes, lower-quality schools, limited job opportunities, and limited access to career networks—make it difficult for people living in extremely poor neighborhoods to move out of poverty.

Contributing to the rise in poverty during the Great Recession was an increase in the ranks of the working poor—people who spent at least 27 weeks in the labor force working or looking for work but whose incomes still fell below the poverty level. In 2007, 5.1 percent of Americans qualified as working poor. The working-poor rate subsequently rose to a high of 7.2 percent in 2010 and did not fall back to pre-recession levels until 2016.\textsuperscript{42} In 2016, working-poor rates for Black and Hispanic workers (8.7 percent and 8.5 percent, respectively) were twice as high as
they were for white workers (4.3 percent). Within all racial and ethnic groups, the working-poor rate was higher for women. In addition, the working-poor rates for people with less than a high school diploma were nearly twice as high as those of high school graduates (13.7 percent, compared to 6.9 percent), while people with some college or a college degree had the lowest rates (5.1 percent and 1.4 percent, respectively). Still, at all education levels, the percentages of women who qualified as working poor were higher than they were for men, and Black and Hispanic workers were more likely than white workers to qualify as working poor.43
Federal Policies and Programs Enacted to Spur Recovery From the Great Recession

American Recovery and Reinvestment Act

Overview: The American Recovery and Reinvestment Act (ARRA) was a fiscal stimulus package signed into law by President Barack Obama in February of 2009. The Recovery Act’s goal was to put money into the pockets of low- and middle-income working families and struggling small businesses. It included five broad categories:

1. Individual income tax cuts
2. Investment incentives
3. Direct aid to people directly hurt by the recession
4. State fiscal relief
5. Direct government investment spending.

The Recovery Act had an initial fiscal impact of $787 billion, but that figure was later revised to a total of $831 billion. See Table 1 in the Appendix for a look at the Recovery Act’s spending on workforce systems, workforce and education programs, and immediate relief for families.

Effectiveness: In the first year after the passage of the Recovery Act, it was estimated that the stimulus had saved or created between 1.6 million and 1.8 million jobs, and projections forecast that a total of 2.5 million jobs would be saved by the time the stimulus was complete. In 2014, the Congressional Budget Office stated that it considered these estimates to be conservative. An evaluation by the Council of Economic Advisors (CEA) five years after the anniversary of ARRA found that the Recovery Act, by itself, saved or created about 6 million job-years—with a job-year is defined as one full-time job for one year. This translates to an average of 1.6 million jobs a year for four years through the end of 2012. In addition, the Recovery Act alone raised the level of GDP by 2 to 3 percent from late 2009 through mid-2011.

Additionally, the Recovery Act and subsequent job measures contained many provisions that were aimed at strengthening long-run growth, providing for substantial investment in areas such as physical and technological infrastructure, education and job training, scientific research, and clean energy. Here are examples of some of the accomplishments that can be attributed to the Recovery Act:

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• More than 15,000 transportation projects

• The largest-ever investment in the American high-speed rail

• The launch of the Race to the Top Program, which offered states incentives for implementing education reforms designed to close achievement gaps.

• Additions or improvements to more than 110,000 miles of broadband infrastructure, making high-speed internet service available to about 20,000 community institutions.

One of the most significant of job measures undertaken as a result of the Recovery Act was another federal initiative designed to help the country recover from the Great Recession—the congressionally mandated Trade Adjustment Assistance Community College and Career Training Program (TAACCT).

Trade Adjustment Assistance Community College and Career Training Program

Overview: Developed by the U.S. Department of Labor (DOL), the TAACCT program was created to promote the upskilling and retraining of workers who had been dislocated during the Great Recession. To achieve that goal, TAACCT awarded grants to increase the capacity of postsecondary institutions to meet local and regional demand for skilled labor and prepare dislocated adults for employment in growing industry sectors.49 From October 2011 through September 2018, 256 TAACCT grants worth a total of $1.9 billion were awarded to 729 colleges and universities, 85 percent of which were community colleges.50

The DOL called on the grantees to enroll workers who “had lost their jobs” or “were threatened with job loss as a result of foreign trade.”51 The mandatory core elements of program implementation and design were 1) developing career pathways or stacked and latticed credentials, 2) strengthening online and technology-enabled learning, and 3) enabling evidence-based learning. When developing grant projects, the grantees used real-time labor market information to identify and target growing industry sectors. Based on the North American Industry Classification System (NAICS), the top three industries across all grantees were manufacturing, professional, scientific and technical service; health care; and social assistance.52

Effectiveness: The effectiveness of the TAACCT grant program on employment outcomes was modest. A meta-analysis of 36 quasi-experimental studies found that people who participated in TAACCCCT-funded programs were about 25 percent more likely to be employed with a wage increase compared to non-TAACCT students.53 An evaluation by the Urban Institute found that 43 percent of participants who were not employed at the time they enrolled in a TAACCT
program and who completed the program of study began employment within or before the end of the first quarter after completing the program and leaving college. For the 1.07 million TAACCCT participants who were employed at the time they enrolled in their programs, 32 percent across all four rounds of grants experienced a wage increase at some point after starting a grant-funded program. At least 59 percent of the people who completed programs and were employed before or during the first three months after they left college retained their jobs. It should be noted that lack of data hampered efforts to break down outcomes by demographic groups.

According to TAACCCT program evaluators, a positive employment outcome was not dependent solely on finding work in a growing industry, but also on how the training was delivered, how outcomes data was collected and used, what academic and non-academic support was offered, and the strength of the relationships between providers and employers. See Tables 2, 3, and 4 in the Appendix for examples of effective program implementations and outcomes.

In addition to the TAACCCT program, work-based learning initiatives expanded during the recovery from the 2008 recession and proved to be an effective means of helping dislocated workers enter and advance in high-paying careers.

**Work-Based Learning**

**Overview and Impact:** Work-based learning (WBL) is an approach to training wherein people are taught new skills on the job—sometimes getting paid while they participate in the program—while also taking courses at a nonprofit training center, boot camp, high school or community college. The various forms of WBL are internships, on-the-job training programs, pre-apprenticeships and apprenticeships, and co-ops. In an April 2020 blog post, JFF Senior Advisor Eric M. Seleznov pointed out that WBL positions are often the first to go during an economic downturn. For example, during the Great Recession, the United States lost 86,000 apprentices from 2009 to 2011 (a drop of 20 percent). Beginning in 2012, apprenticeship reemerged as a strategy to assist millions of Americans begin training for good job opportunities (see Figure 8 in the Appendix). During the long economic recovery period, workers required “retraining, transferable skills, fresh work experiences, and industry-recognized credentials to keep their skills current and advance to better careers,” and in many cases participants worked full time, cared for their families, or both while taking part in training programs. Employers in a wide mix of industries, from health care and information technology to manufacturing, insurance, and hospitality instituted WBL opportunities to meet growing demand for skilled labor. In the past two years, more than 700 apprenticeship programs have been created in fields such as cybersecurity, financial services, information technology, and health care.
Effectiveness: Multiple studies on apprenticeships have documented that they lead to wage increases for workers, productivity improvements for employers, and significant savings in government spending. According to the U.S. Department of Labor, people who complete an apprenticeship program can expect to earn an average annual starting salary of $70,000. That’s about 10 percent above the 2018 national median household income. Despite the positive earning potential, however, only a small percentage of women and people of color are enrolled in apprenticeships. According to the DOL, approximately, 58 percent of all apprentices in 2019 were white, and women made up only 10 percent of all apprentices that year. In addition, wages among women and Black apprentices are much lower than those of other apprentices. JFF’s analysis of data from the Registered Apprenticeship Partners Information Management Data System (RAPIDS) showed that in 2017, electrician, a top occupation for male apprentices, offered a median journey worker wage of $23 per hour. In contrast, child care development specialist, a top occupation for female apprentices, had a median journey worker wage of approximately $10 per hour. JFF’s analysis also showed that, regardless of occupation, Black apprentices had the lowest exit wages of all racial and ethnic groups, approximately $14 per hour in 2017—50 percent lower than the average wage of white apprentices.

For the country to achieve an equitable economic recovery from the recession brought on by the COVID-19 pandemic, it is crucial to recruit and support more women and people of color into apprenticeships for higher-paying occupations. A JFF evaluation of four software engineering apprenticeship programs found that it’s possible to broaden the participation of women and people of color in high-paying technology occupations through apprenticeship programs that have strong leadership support, focus on recruiting a diverse group of participants, provide mentorship programs and other supports, and offer training that’s sensitive to the needs of people from underrepresented groups.

New JFF research sponsored by the National Science Foundation on the impacts of work-based-learning on community college technology education and career outcomes showed that engineering and technology students benefited from participating in credit-bearing internships. Specifically, the students gained important hands-on experience that brought the technical skills they learned in the classroom to life, helped them develop confidence in their ability to meet their educational and career goals, and offered the work experience that employers seek when hiring people to fill middle-skill technology positions. Although women and students of color remain underrepresented in both community college technology programs and IT occupations, these internship outcomes did not vary by gender, race, or ethnicity.
Findings and Recommendations

Only five years after unemployment rates began to fall back to pre-2008 levels, the widespread economic shutdowns necessitated by the COVID-19 pandemic wiped out most of the job gains of the previous 10 years. Our research shows that there are some significant similarities between the Great Recession and the current recession. In both cases, low-income, frontline workers of color were hardest hit. These similarities suggest that, at least in some respects, what worked to drive recovery in 2008 can work again today. However, there are significant differences as well, most notably that the industries and jobs most heavily impacted are quite different, and there may be significantly different demographic impacts as well, particularly for women and Asian people.

This table offers a look at the similarities and differences in the ways the Great Recession of 2007–2009 and the current pandemic-driven downturn have affected specific industries and people from various demographic groups, as well as society and the overall economy.

<table>
<thead>
<tr>
<th>Area of Impact</th>
<th>Great Recession</th>
<th>COVID-19 Recession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries</td>
<td>Construction, manufacturing</td>
<td>Leisure and hospitality; mining, quarrying, oil and gas; transportation and utilities</td>
</tr>
<tr>
<td>Gender</td>
<td>Men</td>
<td>Women&lt;sup&gt;87&lt;/sup&gt;</td>
</tr>
<tr>
<td>Race and ethnicity</td>
<td>Black and Hispanic people</td>
<td>Black, Hispanic, and Asian people</td>
</tr>
<tr>
<td>Education level</td>
<td>People with no postsecondary credential</td>
<td>People with no postsecondary credential</td>
</tr>
<tr>
<td>Society and the overall economy</td>
<td>Jobless recovery, wage stagnation</td>
<td>Physical distancing requirements; lack of childcare; housing and food insecurity; remote work; tentative, on-again/off-again economic reopenings, with regional variations</td>
</tr>
</tbody>
</table>
Based on our research, JFF is able to make the following observations and recommendations:

• Those who were hardest hit by the Great Recession—people of color, people living in poverty, youth, and individuals without a postsecondary credential—were just getting back on their feet when the labor market collapsed again, sending them back into joblessness and poverty. Although the data is still forthcoming on the current recession, we believe that there may be a significant overlap between the individuals and families hit hardest today and during the Great Recession. For example, many people who lost manufacturing jobs during the recession of 2007 to 2009 found work in retail or hospitality or ended up in temp jobs—all areas with high unemployment during the current recession. Similarly, many low-skilled women who entered the labor market for the first time during or after the Great Recession ended up in industries that have been hit hard during the pandemic. For these families, the legacy of the two recessions will compound: They could experience a decade or more of lost productivity and wage growth. And the people in this group will face the longest and most difficult road to recovery and will therefore need specially tailored supports to get them back to work and into growing careers.

• It’s important to get people back to work as soon as possible. Because long-term unemployment can have a lasting detrimental impact on people’s prospects for economic advancement, providing displaced workers with pathways to short-term jobs—even jobs that may not pay very well or offer career opportunities—could help reduce the negative impacts of being out of work for an extended period of time and set the stage for a stronger wage growth in the future. It is therefore critical to develop training programs that have the greatest likelihood of leading to employment, and to do so as quickly as possible.

• Young people between the ages of 16 to 24, along with high school and college graduates entering the labor market for the first time, may require specific supports to help them prepare for and find employment. These newer entrants to the labor market are at a disadvantage because they lack the work experience that employers are always seeking—and value especially highly when business is declining.

• People from underrepresented communities who currently are experiencing the highest rates of joblessness and poverty and face labor market discrimination—and who were only just beginning to recover from losses suffered during the Great Recession—will require targeted interventions to prevent their ongoing marginalization and lack of opportunity to achieve economic growth. Lessons from 2008 suggest a number of
strategies that may improve success rates, including mentorship, targeted outreach and recruitment, and employer partnerships.

- Because of massive layoffs in the hospitality, retail, and low-skills care sectors, it may be necessary to create more on-ramps to training and apprenticeship programs in order to connect people who lack basic technology skills with advanced training opportunities so they can prepare for the future of work. These people will need programs that help them achieve digital literacy, and they also may need basic math and English instruction.

- Recovering from the current recession will also require new strategies, such as the following to address the unique challenges of the COVID-19 pandemic:
  
  • Efforts to close gaps in access to broadband service, computers, and the other IT systems that people need in order to use the remote education, training, and job search platforms that are so important at this time when work and learning have moved online.

  • Programs that fulfill the need for child and elder care and other family services that have been drastically reduced during the pandemic. In addition, parents whose children are attending school from home will require flexible work and training schedules.

  • Initiatives to address food and housing insecurity. Such efforts will become particularly important as federal stimulus dollars run out, and time-limited unemployment services come to an end for many families in late 2020.
Guiding Questions

Because the current health and economic crises are still unfolding, there are still many unknowns about what we can learn from the Great Recession that can inform our response to the challenges we face today. Additional research is required, and we need better and more timely data on what is happening today. To help facilitate further investigation, we have identified the following guiding questions:

- **What are the implications for “double recession” workers?** How likely are they to be among the long-term unemployed or nonvoluntary part-time worker populations, or to opt out of the labor market entirely? What strategies are needed to get them reengaged?

- **What job-to-job transition strategies will work best in the face of permanent job loss in the most heavily impacted industries?** Accelerated, competency-based training is certainly one approach, but there are a number of other areas to consider as well, like effective outreach, career guidance, and job placement services, which people will need to make transitions from retail, food service, leisure and hospitality, and other hard-hit sectors and occupations.

- **How can more detailed research into the impacts that the Great Recession had on people in certain demographic subgroups—people of color, immigrants, men (and women), the long-term unemployed, etc.—help us build tailored strategies for the same groups during the current crisis?**

- **Knowing that it can take years for jobs to return, what short-term options are available to displaced workers while they wait for longer-term career opportunities?** What would short-term or part-time employment strategies look like? What role could gig employment play?
Appendix

Figure 1. 1-Year Average GDP Growth

![Graph showing 1-Year Average GDP Growth from 1992 to 2016](image)

Data Courtesy: St. Louis Federal Reserve (FRED)

Figures 2 through 7 are taken from the September 2020 Monthly Labor Report from the U.S. Bureau of Labor Statistics.69

Figure 2. Unemployed people, by duration of unemployment, seasonally adjusted, 1992–2017

![Graph showing unemployed people by duration of unemployment from 1992 to 2016](image)

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research.
Figure 3. Unemployment rates, by major race and ethnicity group, seasonally adjusted, 1992–2017

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research. People of Hispanic or Latino ethnicity can be of any race.

Figure 4. Labor force participation rates, by race and ethnicity, seasonally adjusted, 1992–2017

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research. People of Hispanic or Latino ethnicity can be of any race. Data for Asians from 2000 to 2002 are not seasonally adjusted.
Figure 5. Unemployment rates, by gender, seasonally adjusted, 1992–2017

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

Figure 6. Unemployment rates, by age group, seasonally adjusted, 1992–2017

Shaded areas represent recessions as determined by the National Bureau of Economic Research.
Figure 7. Unemployment rates of people 25 years and over, by educational attainment, seasonally adjusted, 1992–2017

Percent

- Less than a high school diploma
- Some college or associate’s degree
- High school graduates, no college
- Bachelor’s degree or higher

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

Figure 8. USDOL Apprenticeship Statistics, National Registered Apprenticeship Results
Table 1: ARRA Funding Breakdown

<table>
<thead>
<tr>
<th>Immediate Relief for Families</th>
<th>The American Recovery and Reinvestment Act</th>
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<tbody>
<tr>
<td></td>
<td>• Provided immediate relief for families through tax cuts, tax credits, and unemployment benefits.</td>
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<td></td>
<td>• Payroll tax credit of $400 per worker and $800 per couple in 2009 and 2010. Phaseout began at household incomes of $75,000 for individuals and $150,000 for joint filers.</td>
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| Funding for Workforce and Education | • Expanded the American Opportunity Tax Credit to $2,500—an education tax benefit for students and their families. |
|-------------------------------------|• Allocated $70.6 billion in funding for K-12 education, of which $68.8 billion was awarded to states through a combination of newly created and existing grant programs, including the State Fiscal Stabilization Fund, Race to the Top discretionary grants, and additional funding for School Improvement Grants. |

| Funding for Workforce Systems | • Provided funds to several existing workforce development programs administered by the U.S. Department of Labor, including programs authorized by the Workforce Investment Act (WIA). For example, funds were allocated to workforce activities as follows: |
|------------------------------|• $3.45 billion for job training |
|                              |• $3.2 billion in temporary welfare payments (TANF and WIC) |
|                              |• $500 million for vocational training for the disabled |
|                              |• $400 million for employment services |

Table 2: IT Pathway Spotlight

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Cyber Technology Pathways Across Maryland</th>
</tr>
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<tbody>
<tr>
<td>Populations served</td>
<td>• People eligible for benefits through the Trade Adjustment Assistance (TAA) for Workers program</td>
</tr>
<tr>
<td></td>
<td>• Veterans</td>
</tr>
<tr>
<td></td>
<td>• Underemployed and unemployed low-skilled workers</td>
</tr>
</tbody>
</table>

Pathway Highlights | • Hands-on learning experience |
|                  | • Accelerated six-month training program structured to help students pass certificates and credentials in the industry |
|                  | • Employer interactions, including open houses, workshops and tours |
|                  | • Soft skills training |
|                  | • Utilized employers’ recommendations in areas such as test preparation, textbook selection, coursework development, and lab design |

Outcomes | • More than 50% of participants reported “feeling” that they had more employment options than they had before taking part in the program |
|         | • 30% reported statistically significant increases in wages |
|         | • 71% reported positive employment outcomes |
**Table 3: Data Pathway Spotlight**

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Oregon Credentials, Acceleration, and Support for Employment (CASE)</th>
</tr>
</thead>
</table>
| **Populations served** | • TAA eligible  
• Pell eligible  
• Low income  
• Food stamp recipients |
| **Pathway Highlights** | • Employer engagement  
• Work-based learning programs (cooperative work experience, industry tours, and internships)  
• Developed certificates tied to industry-driven competencies that took less than one year to earn  
• Collected and reported outcomes by race |
| **Outcomes** | • Participants of color (59%) and white participants (58%) were employed at the same rate.  
• 61% of people of color retained employment—a somewhat lower rate than that of the white participants (67%) |
Table 4: Career Pathway Spotlight\textsuperscript{73}

<table>
<thead>
<tr>
<th>Grantee</th>
<th>National Information Security, Geospatial Technologies Consortium (NISGTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Populations served</strong></td>
<td>• Pell eligible</td>
</tr>
<tr>
<td></td>
<td>• TAA eligible</td>
</tr>
<tr>
<td><strong>Pathway Highlights</strong></td>
<td>• Hybrid in-person and online course offerings</td>
</tr>
<tr>
<td></td>
<td>• Virtual paid internship/externship capstone courses; 131 students participated (n = 6,201)</td>
</tr>
<tr>
<td></td>
<td>• Virtual lab accessible 24 hours a day from any location with an internet connection</td>
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<tr>
<td></td>
<td>• One-on-one mentoring with faculty and staff members to provide ongoing career guidance to individual students</td>
</tr>
<tr>
<td></td>
<td>• A LinkedIn group with IT employers to facilitate the workforce entry of IT students in the NIGSTC programs</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>• People who completed the NIGSTC program were significantly more likely to attain credentials and have higher quarterly earnings</td>
</tr>
<tr>
<td></td>
<td>• Employment outcome analysis is inconclusive because of insufficient data availability</td>
</tr>
</tbody>
</table>
Endnotes


5 Carnevale, Jayasundera, and Gulish, America’s Divided Recovery; Kalleberg, “The U.S. Labor Market During and After the Great Recession.”


11 Kalleberg, “The U.S. Labor Market During and After the Great Recession."
Center on Budget and Policy Priorities, “Chart Book: The Legacy of the Great Recession.”


Center on Budget and Policy Priorities, “Chart Book: The Legacy of the Great Recession.”

Kalleberg, “The U.S. Labor Market During and After the Great Recession.”


Immigrants also experienced higher unemployment rates during the 2008 recession. In October 2009, immigrant unemployment was 11.5 percent compared to 9.5 percent for those born in the United States. According to the Migration Policy Institute, almost 50 percent of the unemployed immigrants were from Mexico and Central America, and had been employed in the hard-hit construction sector. See: “The Recession’s Impact on Immigrants, Migration Policy Institute, December 2, 2009, https://www.migrationpolicy.org/article/recessions-impact-immigrants.


Cunningham, “Great Recession, Great Recovery?”


36 Carnevale, Jayasundera, and Gulish, *America’s Divided Recovery*.

37 The Census Bureau determines poverty status by using an official poverty measure (OPM) that compares pre-tax cash income against a threshold that is set at three times the cost of a minimum food diet in 1963 and adjusted for family size. It should be noted that middle-class households also were hit hard during the Great Recession. According to a report by the Washington Post, real inflation-adjusted middle-class incomes in 2017 remained lower than in the late 1990s. See: Heather Long, “The Trump vs. Obama economy—in 16 charts,” *The Washington Post*, September 5, 2020, https://www.washingtonpost.com/business/2020/09/05/trump-obama-economy/.

38 Long, “The Trump vs. Obama economy.”


41 Holmes and Kneebone, “U.S. Concentrated Poverty in the Wake of the Great Recession.”


48 Amadeo, “AARA, Its Details, With Pros and Cons.”

49 Christin Durhan et al., *Early Results of the TAACCCT Grants*, (U.S. Department of Labor, 2017)


55 Jennifer Freeman, email to author, August 7, 2020.


64 Authors’ calculation from the U.S. Department of Labor, “Registered Apprenticeship Partners Information Data System (RAPIDS),” January 26, 2019, data on file with authors.


Evan Cunningham, “Great Recession, Great Recovery?”

Amadeo, “AARA, Its Details, With Pros and Cons.”

