ONE AMERICA
With Justice for All

RECOVERY FOR WHOM?

BUILDING A FUTURE OF ECONOMIC STABILITY, QUALITY JOBS & EQUITY

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AN INVITATION:
JOIN THE NORTHWEST PAPERS DIALOGUE

One America is the largest immigrant and refugee organizing, civic engagement, and advocacy organization in Washington. We play an active and leading role in coalitions working on issues of immigrant rights, education, economic and environmental justice, voting rights, and immigrant integration. Supported by the Northwest Area Foundation, One America is publishing a series of papers titled the Northwest Papers, which focus on three inter-connected problems: rising economic instability, the decline of quality jobs in our labor market, and the persistent reproduction of inequality in our institutions.[1]

Our political and economic analysis focuses on the needs and interests of working people and channels the voices of those most impacted by the current crisis. The first paper, Recovery for Whom? Building A Future of Economic Stability, Quality Jobs & Equity, explores the "big-picture" questions of where we are, how we got here, and where we are headed. The paper poses Washington state-specific policy questions to prompt discussion among stakeholders about supporting recovery for working people, rejecting budget-cuts, and enacting progressive taxation. We also pose questions about re-envisioning economic and workforce development to focus on quality jobs, economic stability, and equity. Addressing these questions—particularly in this moment during the COVID-19 pandemic and resulting economic collapse—is critical to restoring economic opportunity for Black, Indigenous, People of Color (BIPOC) and immigrant communities and is in many ways a prerequisite to the necessary systemic strategies necessary to ensure the meaningful inclusion of immigrants and refugees in any recovery.

Subsequent papers will provide specific private and public sector case studies that address our essential workforce, including the grocery retail sector, the early learning and child-care field, and our system and networks of community, human, and social services agencies and organizations.

We invite you to carve out the time and become an active participant in an ongoing spirited dialogue with us and with other leaders and policymakers in our healthcare system; government agencies; workforce entities; businesses; labor unions, advocacy groups and worker centers; community, social, and human service organizations; community colleges and universities; and philanthropic entities.

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AUTHOR'S DEDICATION

I dedicate The Northwest Papers to the following souls:

Mamie Norotsky Greene, my maternal grandmother, who in 1920, a century ago, succumbed to the 1918 Flu Pandemic.

Walter Eli Davis, who passed away in 1943. My fraternal grandfather, Walter was a pacifist, skilled machinist, working class intellectual, labor leader, twice Socialist Party candidate for the U.S. Congress, the father of the worker education movement in New England, founder of the New Haven Labor College, and life-long activist in many causes for worker rights and economic and social justice.

Amina Ahmed, founder, Partners in Employment, colleague and friend, member of the SeaTac City Council, and indefatigable advocate for immigrant and refugee rights, equity, economic stability, and quality jobs.

Tony Lee, friend, mentor, and leader in the struggle for economic stability, quality jobs, and equity in Washington state and improving the wellbeing of low-income families. The cross-generational results of Tony's life's work and leadership is immeasurable in its enduring impact and serves as an inspiration to future generations of advocates.

Glenn Scott Davis
Seattle, Washington
November 2020

RECOVERY FOR WHOM?

BUILDING A FUTURE OF ECONOMIC STABILITY, QUALITY JOBS, AND EQUITY

THE CURRENT CRISIS

In the United States, the COVID-19 pandemic and the unfolding shocks of 2020 have created an unfolding political, economic, and health crisis of unprecedented proportions. The efforts to contain the virus are exacting a staggering toll in countries around the world as economies are in free fall. The rapid decline and upheaval of our economy and the avoidable spread of COVID-19 have shaken the very foundations of our society, our traditional beliefs, and our institutions. As of mid-November, over 240,000 have died of COVID in the United States and the Institute for Health Metrics and Evaluation at the University of Washington estimates over 439,000 deaths by February 1, 2021.

The current crisis is unprecedented both in depth and speed of economic contraction. The federal government, using the tools available to the Federal Reserve, our central bank, has acted quickly to provide fiscal and monetary stimulus to partly stem the immediate devastating economic costs borne by our families and communities through short-term relief.[2]

We do not know the duration and long-term impacts of the pandemic and economic crisis, and the extent of continuing federal workforce supports.[3] Even in the best of scenarios, in which the pandemic is largely controlled over the next year and we move to a full opening of the economy, we can expect a prolonged and drawn out economic recovery.[4] Of immediate concern is the curtailment of supplemental federal small business relief and unemployment benefits as millions of unemployed Americans face delinquent mortgages, eviction, the loss of employer-provided health insurance, utility shut-offs, and the care of children with the start of the new school year.[5] Ending supplementary benefits rather than incenting workers to find jobs will lower income growth and the demand for goods and services, deepen and prolong recessionary pressures, slow recovery, and increase racial inequality.[6] Similar to the 2008 crash, we once again face a two-track recovery in which the wealthiest Americans and high wage sectors are quickly rebounding, even thriving, while most middle- and lower-income workers are not. Long after the immediate COVID pandemic subsides, the long-term effects on our beliefs, economic stability, and well-being will linger for years.

ROOTS OF THE CURRENT CRISIS

Our problems are both economic and political. The economic and political policies of the past four decades have increased income and racial inequality, slowed mobility, raised family debt, and perpetuated acute problems in our health care and public health systems.[7] Well before COVID-19, the structure of our workforce and labor markets had already transformed but our thinking, our policies, and our economic and workforce institutions had not. As policymakers and leaders debated the future of work, our workforce policies and systems remained stuck in the past, designed as they were for a labor market that no longer exists. Now, the current crisis has deepened and brought into stark relief the social and economic inequalities in our economy creating the conditions and impetus to reevaluate and reassess the role and function of government all levels in economic development, wealth generation, and labor markets.

The dominant ideology and policy framework that has served as a blueprint, shaping our economic and political life for the past four decades, Neo-Liberalism,[8] is now profoundly challenged by the convergence of recent events and the growing public recognition that indeed markets are not free and companies should not be run solely in the interests of their owners.[9] The decades long-held belief that markets, once freed from the constraints of government regulation, will produce the best outcomes and solve our society's problems may be losing its legitimacy and influence. But we are nonetheless left with its catastrophic consequences – a chronic economic crisis and the rise in power and influence of anti-democratic political forces attacking and eroding the very idea that political equality is the foundation of democracy and that it is the equal right of all to be heard on matters of public policy.

While the Northwest Papers series will primarily focus on economic issues, we also call out the erosion of political equality and the weakening of our democratic institutions and values. This degradation of democracy is a result of policies designed to slash public investment, diminish the social obligations of government, dismantle the so-called "administrative state," politicize the federal judiciary, and replace legislated social justice with traditional moralism. [10]

A PATH TO RECOVERY

Will the political and economic policies at the roots of our current crisis continue or is there an alternative narrative and policy agenda that can replace the free market ideology of the past 40 years? What policy blueprint will shape and dominate political and economic beliefs and policies in the years ahead? What will be the future of work, and what interests and forces will shape it? [11] What conceptual framework will guide us to meaningfully address the problems of economic and racial inequality? How will we solve issues critical for humanity's very survival—environmental degradation and the climate crisis?

On a national scale, the path out of this crisis is to re-envision and redefine our government's role in the economy by greatly expanding—not cutting—investment in infrastructure, clean energy, and a range of public goods. [12] We reject budget cuts, which will slow recovery and increase economic instability. Such cuts will reduce public investments in health, education, housing, and income support for working-class families, the most vulnerable to the impacts of COVID-19 and the economic crisis.

When the Washington state Legislature convenes its 2021 session, state lawmakers will face a reckoning over revenue, state budgets, and public programs. Will they solve the right problems? In our state, reduced economic activity, business closures, and job losses have caused significant declines in state tax revenues as a consequence of the sudden, precipitous drop in incomes and consumption. As of September, Washington's Economic and Revenue Forecast Council projected over a $4.2 billion shortfall through 2023, revised downward from a bleaker $8.8 billion projection released in June. However, the Council's report stated that the $4.2 billion projection is based on a baseline forecast with a "substantial level of uncertainty." The actual amount of the state deficit over the next three years will depend on the impact of a number of economic and health factors that will unfold in the coming months.

> *We are concerned that State lawmakers informed by overly optimistic economic forecasts, will act with less urgency and foresight than is needed in this crisis and will avoid the enactment of more equitable tax alternatives in Washington state – the only long-term revenue solution to sustaining an equitable budget.*

RECOVERY FOR WHOM?

Beyond the acute phase of the COVID epidemic and economic depression, we envision a "new reconstruction" that will transform institutions and systematically dismantle policies, practices, and structures that reproduce economic inequality and perpetuate generational disparities based on race, immigration status, gender, income, and class. We understand that overcoming decades of rising inequality will take a popular, intersectional movement demanding a comprehensive national and state policy agenda. We believe there is no one solution and that instead a broad suite of policies must be pursued nationally and in our state. To that end, this paper poses a number of Washington state-specific policy questions to prompt discussion among stakeholders about supporting recovery, rejecting budget cuts, and enacting progressive taxation. We also pose questions about re-envisioning economic and workforce development to focus on quality jobs, economic stability, and equity.

While we cannot predict the future, there is one thing of which we can be certain: we are truly at a historic crossroad living as we are at a unique time in human history. As nations and people across the world confront the COVID pandemic and economic crisis, we must also solve the major issues critical for humanity's very survival—environmental degradation and the climate crisis.

As much as we may long for a return to our pre-COVID-19 normality, we cannot recreate that past. Such an outcome, given the failures of our current socio-economic system and political culture, is not the goal. But we can certainly learn lessons from our past. Like other transformative moments in human history, the political choices we as a people make in the coming year will shape our collective wellbeing and democratic institutions for years to come.

CREATING A NEW WORKFORCE POLICY FRAMEWORK:

POINTS FOR DISCUSSION

The intent behind the following discussion questions is to spur fresh thinking and strategy to reshape Washington's workforce development system so that it may work for all residents.

RE-SETTING THE SYSTEM

The heart of Recovery for Whom? is an important call to action recognizing the limitations of the existing workforce development system, and how the current recession will exacerbate trends in the workforce—growing economic instability, diminishing good quality jobs, and increasing racial and income inequality—that disadvantaged BIPOC and low-income residents.

1. **What Would a New System Look Like If It Targeted Underemployed and Unemployed Workers** focused on building economic stability and improving job quality, generated new investment, and anticipated and adapted to trends in the low-wage workforce?
2. **How Would the System Function If It Centered the Most Underserved Communities**, and what would allow it to create greater coordination across the disparate and confusing elements of the current workforce development structure?
3. **What Can Be Implemented to Lessen the Impact of Economic Instability for The Low-Wage Workforce?** Examples could include:
    - Portable benefits tied to workers, ensuring that unemployment or non-traditional work does not eliminate access to important benefits and work support.
    - Extension of labor standards, similar to initiatives around domestic workers, to all workers outside of the traditional model of workforce attachment.
    - Subsidized Job and Training programs that put unemployed and under-employed workers in jobs that communities and employers need that don't force workers to choose between working for pay in survival jobs and training and job search.

FUNDING

4. **What Can Washington State Do to Invest in Workforce Development Strategies While Stimulating the Economy** given the challenges facing Washington State because of the COVID-19 pandemic, the resulting recession and the anticipated budget crisis?
5. **Can We Work Together to Prevent Harmful Budget Cuts**, which will slow the recovery, and instead enact progressive tax policies in the next legislative session?
6. **Could a dedicated fund, like a workforce equity trust fund, create reliable funding** for strategies that can reduce reliance on restrictive federal funding streams and support greater innovation?

STRUCTURE

Are the following actions desirable and feasible?

7. **Create Greater Coherence in the Workforce Development System** across the many different funding streams and programs that exist in Washington State, particularly from the perspective of a user (employer, youth, unemployed or under-employed worker)?
8. **Create a Governor's Subcabinet for Workforce Development and Equity,** charging the Subcabinet with aligning workforce strategies and funding streams taking into account government-wide goals and economic trends, including those identified by the Future of Work Task Force
9. **Invest in Models to Create Management-Labor Partnerships**, building on successful models in health care and child-care in Washington State.
10. **Establish Offices of Workforce Development in Cities and Counties** to support their Workforce Development Councils and expand the scope of the WDC strategies and plans to incorporate funding streams and strategies beyond what is available through federal funding streams, like WIOA. [35]
11. **Immigrants & Refugees.** The questions above, if implemented effectively, would make the workforce system more accessible to underserved populations, including immigrants and refugees who face additional barriers, like language access and lack of English proficiency, barriers to credentialing, immigration status, and lack networks of human capital that may allow them to pursue employment. Similar to a successful model used in California, establish a State Director of Immigrant Workforce Development in the Governor's Office to work with labor and community partners to advocate for strategies that address the unique needs of immigrant and refugee communities.
12. **Invest in Private/Public Partnerships**, including business liaisons to strengthen coordination among employers and workforce agencies, including community colleges, to support successful models, like Welcome Back Centers, that connect underemployed immigrants to employment opportunities in their chosen professions.
13. **Create Complementary Strategies**—like entrepreneurship—that can support unemployed and under-employed immigrants to gain employment, while also providing training and supports to manage uneven power-dynamics to protect them from exploitive employers.

14. **Invest in Models That Support Contextualized Language Learning** in worksites, schools and other systems.

STATE WORKFORCE BOARD RECOMMENDATIONS

15. **Consider Establishing an Office of Employee Ownership within the Department of Commerce** to facilitate in-community business transfers and maintain employment in distressed communities. Our state does not have a public support network for business conversion to employee ownership, yet both federal and state statutes provide preferential tax treatment for such businesses. Washington's Department of Commerce had funding to create a support structure, but that funding was cut during the last recession. [36]

16. **Reimagine and Re-charter the WA Workforce Board's Subcommittee on Barrier and Access Solutions**
    - Focus the Board and workforce system on truly addressing economic disparities.
    - Define how to measure "inclusive economic recovery" and measure systemic success at closing economic disparity gaps via data dash-boarding.
    - Bring underrepresented voices to the table with industry and decision-makers to discuss job quality, access, equity, and anti-racism. [37]

17. **Reimagine and re-establish the Future of Work Task Force in light of the impacts of COVID 19 and economic crisis**

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INTRODUCTION

"Coronavirus has made the mighty kneel and brought the world to a halt like nothing else could. Our minds are still racing back and forth, longing for a return to 'normality,' trying to stitch our future to our past and refusing to acknowledge the rupture. But the rupture exists. And in the midst of this terrible despair, it offers us a chance to rethink the doomsday machine we have built for ourselves. Nothing could be worse than a return to normality. Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next. We can choose to walk through it, dragging the carcasses of our prejudice and hatred, our avarice, our data banks and dead ideas, our dead rivers and smoky skies behind us. Or we can walk through lightly, with little luggage, ready to imagine another world. And ready to fight for it."

Arundhati Roy, Financial Times, April 3, 2020

The world as we knew it has dramatically changed. The confluence of COVID-19 and economic depression has created an unfolding crisis of unprecedented proportions. The efforts to contain the virus are exacting a staggering economic toll in countries around the world as economies are in free fall. In the United States, the ongoing pandemic has overwhelmed and put enormous stress on our economy and our public health and healthcare systems. As of early November, over 240,000 have died of COVID in the United States and the Institute for Health Metrics and Evaluation at the University of Washington estimates over 439,000 deaths by February 1, 2021. [16]

The federal government, using the tools available to the Federal Reserve, our central bank, has acted quickly to provide fiscal and monetary stimulus to partly stem the immediate devastating costs borne by our families and communities. These efforts include $2.2 trillion in expanded unemployment insurance and direct payments to households, in addition to $5.5 trillion in broad-based Federal Reserve lending, asset-purchases, and other measures to increase liquidity and encourage financial and economic activity *(Federal Reserve Bank of St. Louis, 2020; Committee for a Responsible Federal Budget, 2020; Jeffrey*

Cheng, 2020). (See also Appendix A.) For example, the Federal Reserve is now buying corporate bonds in secondary markets, which in effect means that our government—with public funds—is now standing behind the entire credit structure of the United States.

While these interventions have provided short-term relief, the amount, nature, and duration of continuing federal support are unknown. [17] We simply do not know with any certainty the long-term impacts of the pandemic and economic crisis and the extent of continuing federal workforce supports. Of immediate concern is the ending of supplemental federal unemployment benefits as millions of unemployed Americans face utility shut-offs, delinquent mortgages and rent payments, eviction, and the loss of employer-provided health insurance. Even if the pandemic is largely controlled within the next year and we move to a full opening of the economy, we can still expect a very long and drawn out economic recovery in which the wealthiest Americans are quickly rebounding, even thriving, while middle- and lower-income workers are not. Long after the immediate COVID pandemic subsides, the long-term effects on our beliefs, economic stability, and well-being will last for years.

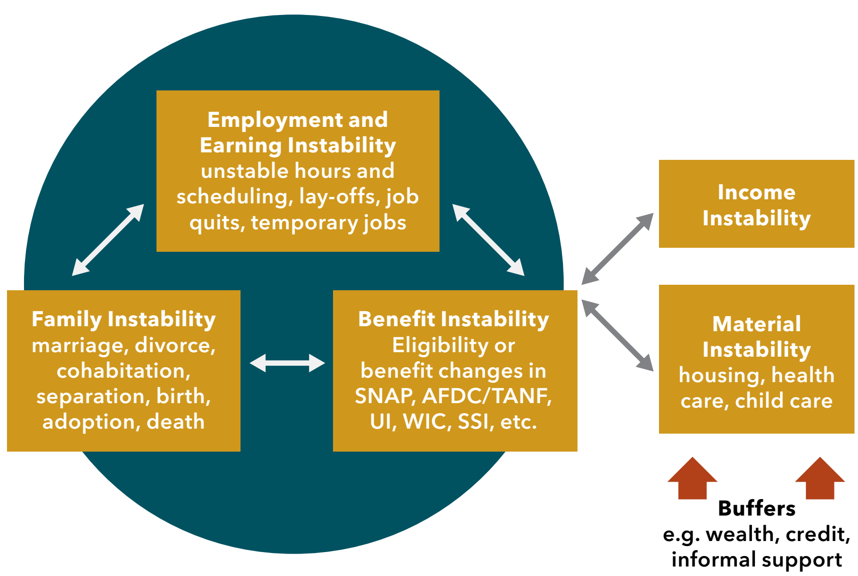
Before the current crisis, the political and economic policies of the past four decades have increased income and racial inequality, slowed mobility, raised family debt, and perpetuated acute problems in our health care and public health systems. [18] We are deeply concerned about the continuing erosion of wellbeing in working class life. [19] In past generations, employment and education served as a reliable path to economic stability, social mobility, and the American Dream for a wide range of workers—but this is no longer the case for the majority of workers. These problems, pernicious and well-documented in the years preceding the current crisis, are now fully exposed and have gained wide attention, since the families most impacted by social distancing and business closures are low income and work in low-paying, service-sector jobs. Immigrant and refugee workers, over-represented as they are in low-wage jobs, will experience increased economic instability.

THE PROBLEM:
RISING ECONOMIC INSTABILITY

We define "economic stability" as consistency and security in employment, income, and financial wellbeing over time, as well as resiliency in the face of unintentional or unpredictable events and disruptions and the ability to withstand a shock *(Exhibit 1)*. The term "instability" captures the experience of a pattern of multiple changes that contribute to stress, hardship, and the disruption of family routines *(Hill, Romich, Mattingly, & Wething, 2017)*.

Economic instability, while most severely impacting low-wage workers, effects workers and professionals across sectors and wage levels, particularly those working as independent contractors or those working involuntary part-time hours.

EXHIBIT 1. ECONOMIC INSTABILITY CONCEPTUAL FRAMEWORK



Source: Hill et al. (2017).

THE PROBLEM:
DECLINING SUPPLY OF QUALITY JOBS

The declining supply of quality jobs is a key driver of economic instability and inequality. Before the massive job losses triggered by the current crisis, our labor market was already in declining health despite its low official rates of unemployment. In the decade preceding the arrival of COVID-19, the lack of public and private investment in the creation of quality jobs created great economic instability for working-class families as the number of available good, quality jobs decreased and the number of workers who gave up actively pursuing work or worked only intermittently increased. Most workers faced low or stagnant wages, increased household debt, inadequate work hours in involuntary part-time jobs, and underemployment. An increasing proportion of our workforce earned their income as independent contractors in precarious "alternative work arrangements" with little or no benefits, and fewer protections and labor standards *(Katz, Poo, & Waxman, 2018)*. The number of available quality jobs has steadily declined.

WHAT IS A QUALITY JOB?

We define a quality job as one that includes the following elements. *(Insight at Pacific Community Ventures, 2016)*

- **A living wage** sufficient to support a decent standard of living.
- **Basic Benefits** that increase economic security, improve health, and promote work-life balance among workers. These include paid leave, health insurance, childcare, and a retirement savings plan.
- **Career-building opportunities** that help employees develop the skills, networks, and experiences necessary to launch a career or advance along a career path. These opportunities can include training and mentorship—both formal and informal—and avenues for advancement.
- **Wealth-building opportunities** that enable and incentivize an employee to build the assets they need to manage financial emergencies and achieve long-term financial security for themselves and their families.
- **A fair and engaging workplace** that balances the priorities and wellbeing of employees with the needs of the business. Examples include offering flexible and predictable schedules, treating all staff with respect and dignity, actively soliciting

employees' ideas to improve the business, and helping staff understand how their work contributes to the business's success.

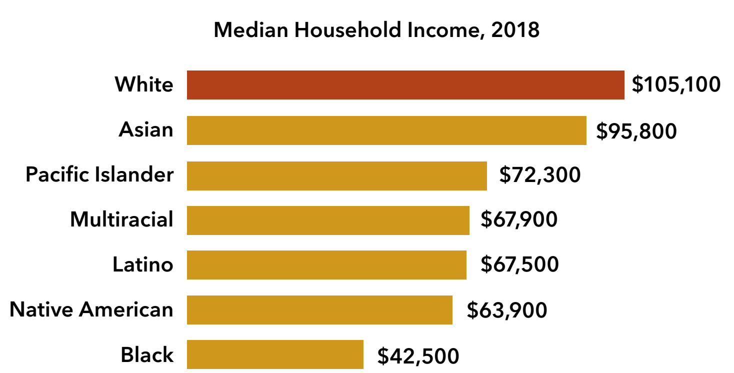
THE PROBLEM:
RACISM AND INEQUALITY

In our society, economic stability, wealth, employment in quality jobs, economic opportunity, and access to public goods are disproportionally distributed by race, class, gender, educational attainment, and geography.[20] Below, we focus on both racial and geographic inequality and the deep inequities they produce.[21] Racism reproduces inequality in our institutions and results in both unequal access to opportunity and in severe disparities in wellbeing.

The impacts of the COVID-19 pandemic and the economic crisis have exposed deep inequities in Washington's labor market and health systems. The Black Lives Matter movement has focused the attention of our nation and the world on the devastating impacts of racism on people of color. The reaction to the murder of George Floyd represents a tipping point in the movement for racial justice and ending police violence as the symbols of slavery fall and governments act to reform policing in cities across the nation. Awareness is growing about how racist policing, like the disparate racial impacts of the pandemic and economic crisis, is deeply rooted in historical injustices and the perpetuation of inequality in our institutions. At the same time, white nationalist attacks on the Black Lives Matter movement increase. This effort is encouraged by a politics of revenge and resentment and denials of historical and institutional racism trumpeted by white male political leaders.

Today, people of color are more susceptible to the effects of the COVID-19 virus—both economically and physically—due to persistent racial disparities in education,[22] health status, access to health care, wealth, employment, wages, housing, income, and poverty *(Gould & Wilson, 2020)*. In Seattle, recent data by race shows that White households have a median income nearly two and a half times that of Black households *(Exhibit 2)*.

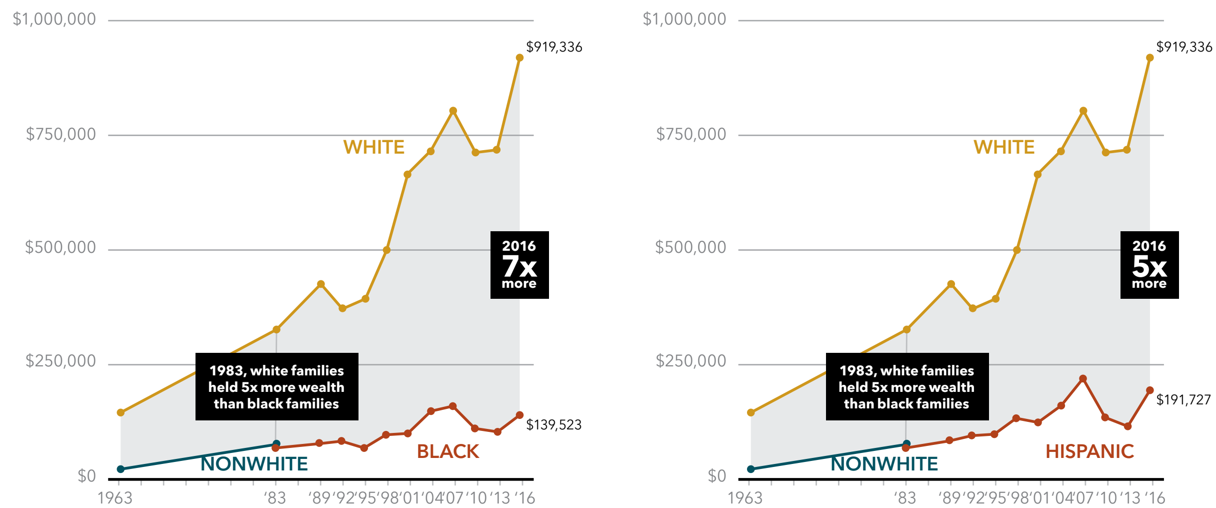
EXHIBIT 2. SEATTLE HOUSEHOLD INCOME BY RACE



Source: U.S. Census *James Abundis / The Seattle Times*

Looking beyond income disparities, the wealth gap between White and Black is stunning. Whites in the United States hold ten times the wealth of Black households. Wealth in this country is unequally distributed by race—and particularly between White and Black households *(Hanks, Solomon, & Weller, 2018)*.[23] African American families have a fraction of the wealth of White families, creating economic insecurity with far fewer opportunities for economic mobility *(Exhibit 3)*. Less wealth translates into fewer opportunities for upward mobility, an effect compounded by lower income levels and fewer chances to build wealth or pass accumulated wealth down to future generations.

EXHIBIT 3. AVERAGE FAMILY WEALTH BY RACE AND ETHNICITY, 1963-2016



Source: Urban Institute calculation from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2016.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within non-white population available only in 1983 and later.

> *Throughout our history, access to the American Dream, to full citizenship, and to paths of social mobility and political participation have been shaped and regulated by deep, class and social divisions, racism, nativism, and sexism—all deeply woven into the fabric of our American experience. Historically, laws and public policies were instituted to determine who and what groups would gain access to what kinds of jobs.*

Race and gender discrimination in the labor market evolved in ways that regulated access to both citizenship and to the ladders of upward mobility, thus distributing opportunities to certain groups, while denying it to others, a pattern that has continued in various forms and is deepened by the current crisis *(Jones, 1998)*.

GEOGRAPHIC AND REGIONALLY INEQUALITY: SUBURBAN AND RURAL WASHINGTON

In addition to inequities based on race, gender, and class there are also deep inequities in family wellbeing and economic stability based on residence—where one lives in Washington and in the U.S. Historically, redlining in the City of Seattle limited where people of color could settle, which is why the Central Area neighborhood became home to African Americans. Today, gentrification has spread beyond Seattle and into parts of South King County.

Today, we find striking differences between the City of Seattle and South King County, as more than two-thirds of all people at or below the federal poverty level in King County live in the suburbs, many concentrated in South King County. Policies dictating where transit goes and where social services are located determine to a great degree how well our region works for people of all income levels *(Quinn, 2017)*.

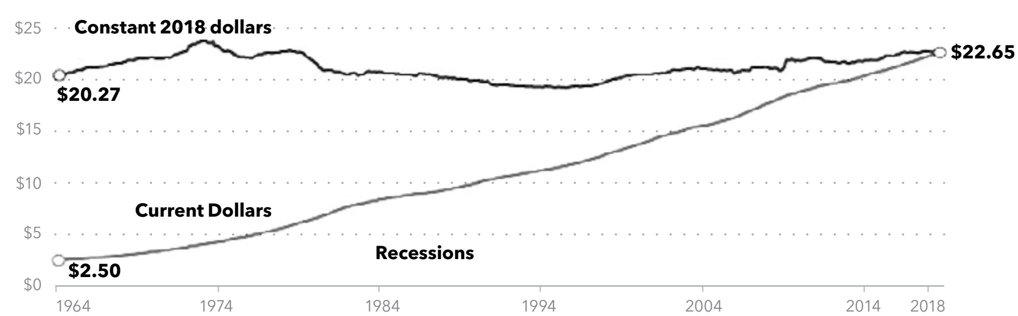
Suburban and rural counties throughout the state suffer from high poverty, unemployment, and chronic disease—a result in part from the job losses in the forestry and wood products industries and the ensuing downward mobility. Today, the poverty rate in Pacific and Grays Harbor counties exceeds that of Washington state by 33%—almost double that of King County. Many people in these counties have given up looking for work, and the labor force participation rate is significantly lower than in the state as a whole. This has resulted in growing economic instability, increasing chronic health issues, and an escalating mortality rate among men in these two counties *(Nafziger, 2020)*.

ROOTS OF THE CURRENT CRISIS
IN THE GREAT RECESSION AND PRE-COVID ECONOMY

Conditions existing long before the current crisis shaped an economy and workforce ill-prepared for the shocks unleashed by COVID-19. Almost all of the gains of the past 40 years have gone to the top 30 percent of workers, increasing inequality between low- to middle- and high-wage workers, with the top 1 percent benefiting the most. Adjusted for inflation, today's average hourly wage has about as much purchasing power as it did in 1978 *(Exhibit 4)*.

EXHIBIT 4. AVERAGE HOURLY WAGE

Americans' paychecks are bigger than 40 years ago, but their purchasing power has hardly budged
Average hourly wages in the U.S., seasonally adjusted



Note: Data for wages of production and non-supervisory employees on private non-farm payrolls. "Constant 2018 dollars' describes wages adjusted for inflation. "Current dollars" describes wages reported in the value of the currency when received. "Purchasing power' refers to the amount of goods or services that can be bought per unit of currency.
Source: U.S. Bureau of Labor Statistics.

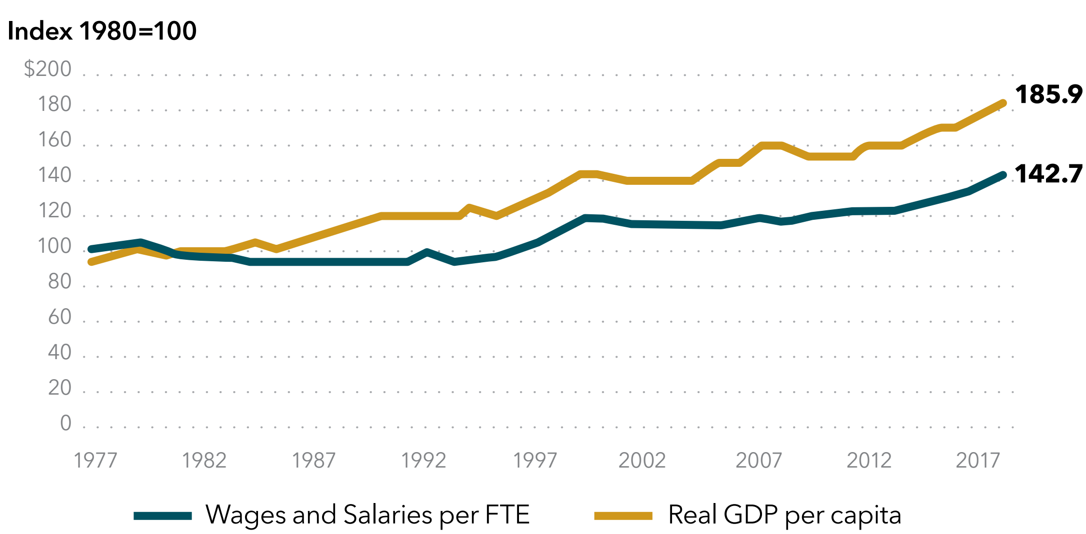
PEW RESEARCH CENTER

Beginning around 1980, real wages and productivity began to diverge, both nationwide and to a lesser extent in Washington as wage shares decreased and profits increased. By 2018, real wages per worker grew by 43 percent compared with levels in 1980, whereas real Gross National Product per capita increased by nearly 86 percent *(Exhibit 5).*[24] Similarly, labor compensation—including wages, salaries, and supplemental benefits—fell as a share of economy-wide personal income in Washington state from nearly 70 percent in 1980 to just 63 percent in 2019. This echoes a similar trend in the U.S. overall *(Exhibit 6).*

Over the years, among the wealthiest American households, a growing share of wealth has been earned through non-wage means, such as stocks and other financial assets. The rates of return on financial assets have far surpassed the rates of return on labor, further accentuating wealth disparities.

This is also apparent in the divergence between real GDP per capita and real average wages, both adjusted for inflation. This reality also explains how and why the stock market is rising during this time of economic crisis.[25]

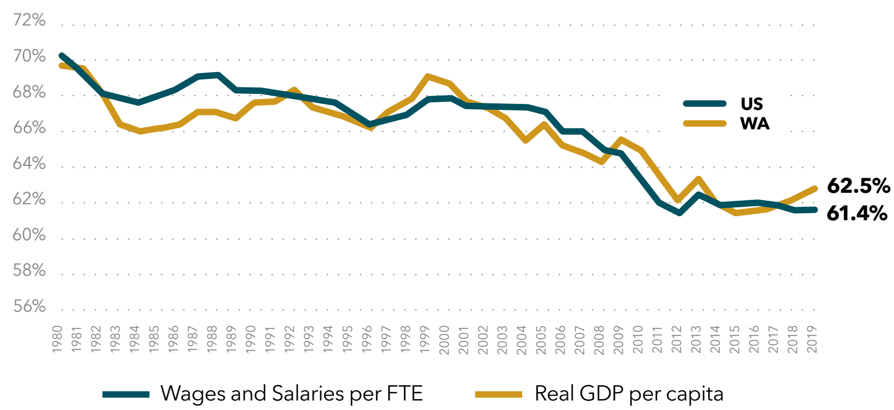
EXHIBIT 5. REAL WAGE AND SALARY COMPENSATION PER WORKER AND REAL GDP PER CAPITA, WASHINGTON STATE



Source: U.S. Bureau of Economic Analysis, 2020

Over the past 40 years, the depression of wages and the eroding bargaining power of workers has served as the primary driver of inequality and cannot be understood as an inevitable result of market forces. Trade, technology, and outsourcing all contributed to wage depression but decades of economic policies and court rulings were shaped by business interests, and decades of anti-labor policies and beliefs led to federal inaction and regression on labor issues. [26]

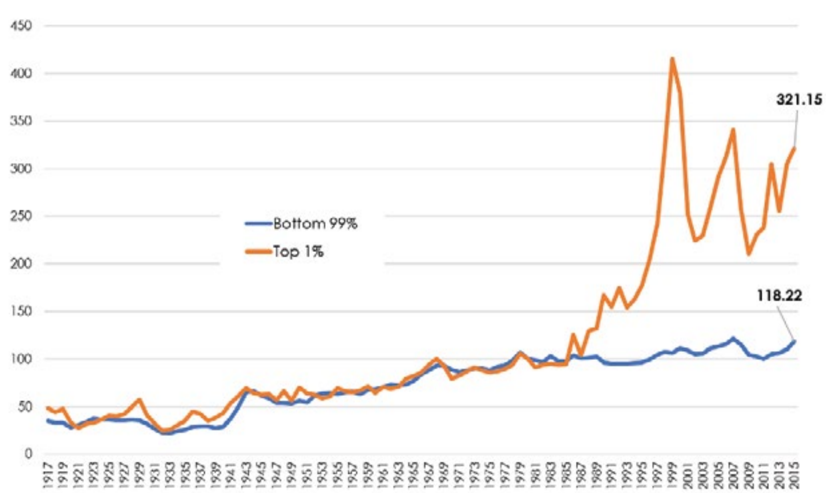
EXHIBIT 6. LABOR COMPENSATION (WAGE & SALARY PLUS BENEFITS) AS SHARE OF TOTAL U.S. AND WASHINGTON STATE PERSONAL INCOME, 1980-2019



Source: U.S. Bureau of Economic Analysis, 2020

These trends depict the declining share of income from wages and benefits in Washington state and rising income inequality. Since 1980, the average real income of the top 1% of households increased more than 200%, compared with just an 18% increase among the bottom 99% *(Exhibit 7)*.

EXHIBIT 7. AVERAGE HOUSEHOLD INCOME OF TOP 1% VS. BOTTOM 99%, WASHINGTON (1980 = 100)



Source: Economic Opportunity Institute (2019); authors' indexing. Interpreting indexing: a value of 100 implies no change, whereas a value of 200 is a doubling of income, or a 100% increase.

THE 2010s:
CONSEQUENCES OF THE GREAT RECESSION

The economic crash of 2020 ushered in by COVID-19 is not a new crisis but is rather a continuation of an on-going chronic crisis of economic system and a result of economic policies and trends set in motion in 2008.

> *The question "Recovery for Whom"? is not new in 2020 but rather a recurring theme. In the recovery from the Great Recession, the greatest global economic and financial crisis in 80 years, 20% of the entire world's money supply ($17 trillion+) was infused by government bailouts of our financial institutions, amounting to the greatest wealth transfer of private into public debt in history. Throughout the last decade, increasing liquidity channeled cash to corporations, leading not to public investment but rather to large-scale stock buybacks as share prices increased, further increasing the concentration of wealth.*

Meanwhile, the "real economy" suffered as the wake of the Great recession rippled through the 2010s, bringing rising inequality and racial disparities, stagnating wages, and increasing debt in the form of mortgages, healthcare, and student loans. Since the Great Recession, despite low official inflation rates, the costs for rent, child-care, and higher education far outpaced increases in median family income. By 2015, almost a quarter of working Americans were earning poverty-level wages, defined as equal to or less than the hourly wage that a full-time, year-round worker must earn to sustain a family of four with two children at the official poverty threshold *(Katz, Poo, & Waxman, 2018)*.

During the 2010s, constricted mobility, automation, the growth of precarious work, and shortages of quality jobs accelerated the rising inequality between skilled and underemployed workers, immigrants, and the native-born, lowered growth and shrunk our workforce as many people had given up looking for work lowering the percentage of working age adults participating in the workforce.

The decade of the 2010s, with is continuing growing instability and declining economic well-being also contributed to political and social consequences nationally and here in Washington *(Nafziger, 2020)*. As Nafziger demonstrates, in 2016, mirroring a national trend that contributed to the election of President Trump, disenchanted white working-class voters in several Washington counties that had voted democratic for generations rejected the democratic establishment.

Even before the impacts of the current crisis were felt, rising anger, resentment and mistrust of government, society, and our democratic institutions had grown, particularly among white male Americans, contributing to negative social trends such as the rise of neo-nationalism, racism, nativism and anti-immigrant sentiment in Washington state, the U.S., and abroad. One alarming result is the willingness of significant numbers of Americans to support anti-democratic measures that limit political equality and democratic freedoms. [27]

WASHINGTON ECONOMY
LOW-WAGE WORK & COVID-19

In Washington state, our economy is driven by several sectors, including aerospace, agriculture and food manufacturing, clean technology, information and communication technology, forest products, life science and global health, maritime, and military and defense sectors. The main sources of capital inflow into our state are outside investments such as bank loans and direct investment, income earned from outside the region, and exports to other parts of the U.S. and foreign markets. Traditional economic thinking segments activities between those that generate income flows from outside the region.

High-wage sectors—all prominent in our regional economy—have seen robust wage growth in recent years: professional, scientific, and technical services; information technology (IT); financial services and insurance; and management of companies and enterprises. The IT sector has created many high-paying jobs over the past 20 years, and there are now more programmers than cashiers in Seattle *(Courtney, 2020)*.

The information technology and aerospace industries are major drivers of our regional economy, wealth creation, and rising levels of median income. Major firms such as Boeing, Microsoft, and Amazon are the most visible high-wage employers, supported by significant networks of subcontractors and contract agencies, and provide a large supply of quality, high-wage jobs. While acknowledging the value of high-profit services sectors such as business and information services, workforce professionals, educators, economists and media often neglect and under-value how low-wage services jobs are essential to the functioning of our economy. These essential service jobs include retail workers, office clerks, cooks and food workers, building and maintenance workers, food and beverage servicing workers, construction laborers, distribution and warehouse workers, and motor vehicle operators.

In this time of crisis, the ways in which private- and public-sector working-class jobs are "essential" to our economy has gained greater public attention and appreciation. Low-wage workers comprise a substantial share of the American workforce. Forty-four percent of all workers ages 18 to 64 in the U.S.—more than 53 million people—earn low hourly wages, and more than half (56 percent) are in their prime working years of 25 to 50—the age group also most likely to be raising children (43 percent). *(Ross & Bateman, 2019)*

According to the Brookings Institution, nationally, nearly half of all low-wage workers are in just ten occupational groups: retail sales; information and records clerks; cooks and food preparation; building cleaning and pest control; material moving; food and beverage serving; construction trades; material recording, scheduling, dispatching, and distributing; motor vehicle operators; and other personal care and service workers *(Ross & Bateman, 2019)*.

Workers without a college degree, people of color, and immigrant and refugee workers and professionals are overrepresented in low-wage jobs. In the City of Seattle, six out of the top 10 jobs held by naturalized citizens and non-citizens are low-wage, compared to only one job among the top 10 for U.S.-born citizens. The picture is similar in King County for U.S.-born and naturalized citizens; however, it is worse for non-citizens. Six out of the top 10 jobs employing non-citizens in King County are low wage. *(Davis, 2017)*.

COVID-19 IMPACTS
IN WASHINGTON STATE

Three main groups of workers have been impacted in the "COVID-19 economy." These are workers who have lost their jobs and face economic insecurity; workers who are classified as essential workers and face health insecurity as a result[28]; and workers who are able to continue working from the safety of their homes. The majority of those most directly impacted by the pandemic are workers in low-wage occupations and industries, such as restaurants, non-essential retail, and healthcare workers—sectors that depend on household expenditures as the primary source of demand.

According to a recent report by the Washington State Labor Education and Research Center, in Washington state there are more than 900,000 workers employed in occupations deemed "hazardous and economically precarious," defined as occupations that combine low wages or inadequate benefits with high risk exposure to SARS-CoV-2 *(Mulcahy, West, & Baker, 2020)*. According to the study, two-thirds of these workers are women and about 35% are people of color. The Economic Policy Institute reported that Latinx Americans are nine times as likely to die from COVID as white Americans. Nationally, the Occupational Safety and Health Administration has failed to enforce the OSHA Act or issue required measures to protect workers from the virus.

Washington state and our regional economy are deeply impacted by the COVID-19 pandemic. Official unemployment in April climbed to 16.3%, surpassing the most difficult period of the Great Recession *(Washington State Employment Security Department, 2020)*, though it has since come down.

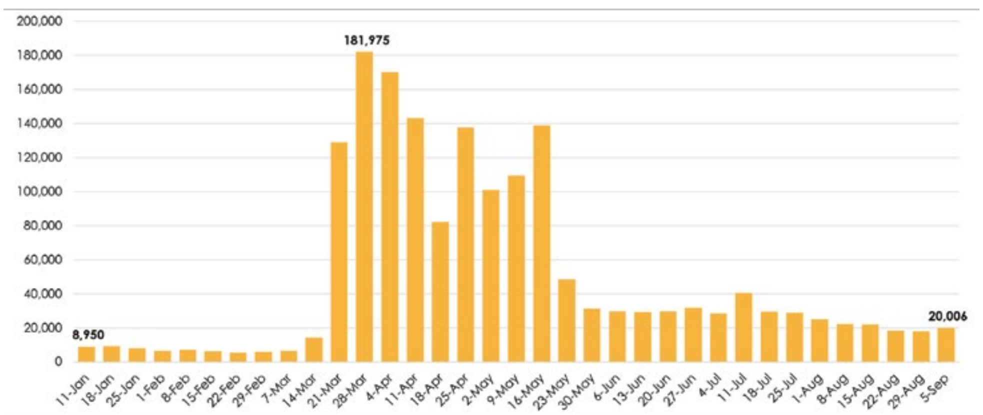
More than 1.2 million Washington workers have filed for unemployment insurance claims, of which more than half are residents of the Seattle region, including King, Pierce, and Snohomish counties *(Exhibit 8)*. Through early September 2020, nearly two-thirds of cumulative initial claims since the onset of the pandemic have been in low-wage services, such as wait staff, cashiers, and bartenders. One-quarter of all initial claims have been from workers in consumer-facing industries, more than one third have no more than a high school education or GED, and more than a third are at or above the age of 45 *(Washington State Employment Security Department, 2020)*.

The largest industry sector source of cumulative initial unemployment insurance claims through early September in Washington state was accommodation and food services, with 186,400 worker claims (Exhibit 9). The overall unemployment rate in July was 10.3%, though down from 16.3% in April—a level well above the peak rate during the Great Recession *(Exhibit 10)*.

However, the total number of displaced workers is clearly greater than those captured in the unemployment rate. Unfortunately, official definitions of unemployment, official reports and media coverage of the rate of unemployment and the number of benefits claims significantly understate the actual number of unemployed workers.

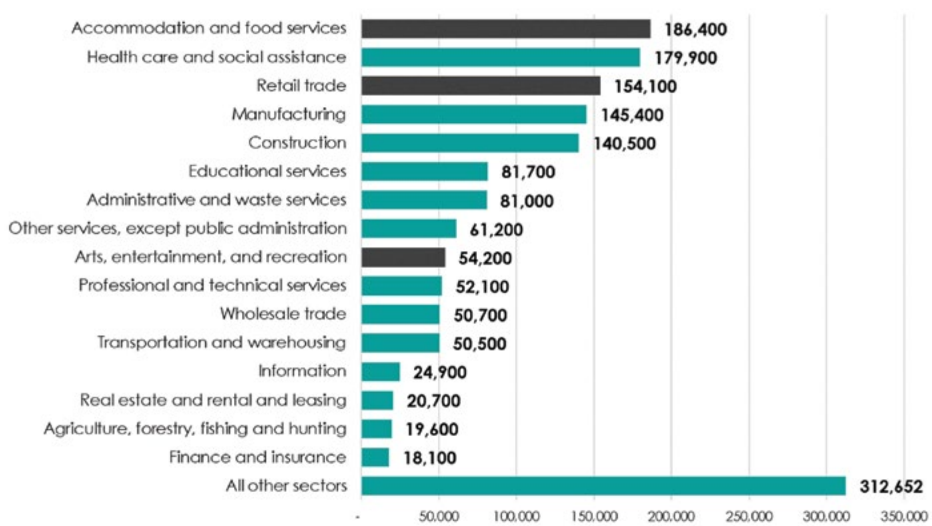
Relying solely on this official data produces a distorted measure of worker displacement, labor market health, and the pace of economic recovery.[29] Such reliance on official unemployment rates by policymakers and economists also obscures increased levels of economic instability produced by low wages, underemployment, involuntary part-time work, and the growth of precarious and gig work.

EXHIBIT 8. INITIAL UNEMPLOYMENT CLAIMS, WASHINGTON STATE, THROUGH SEPTEMBER 5, 2020



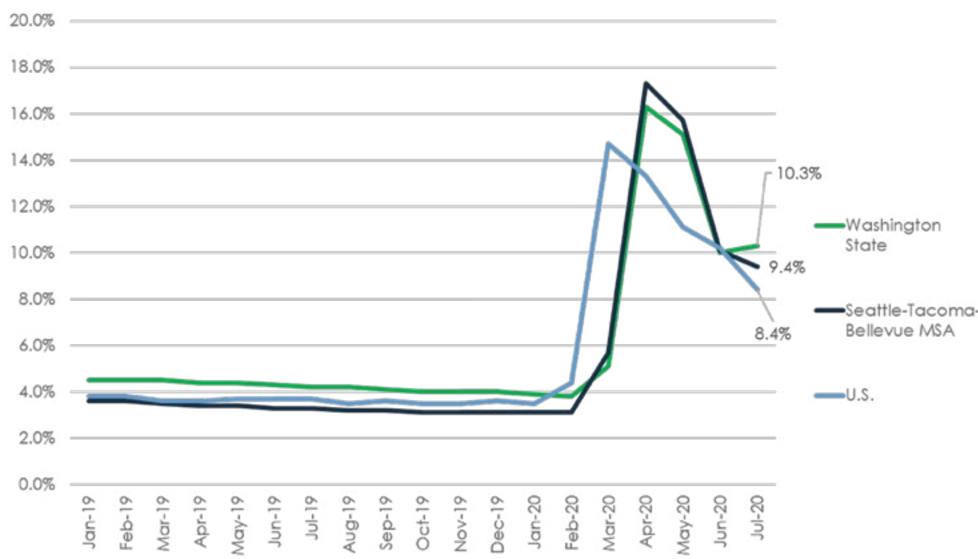
Source: Washington State Employment Security Department, 2020

EXHIBIT 9. INITIAL UNEMPLOYMENT CLAIMS BY SECTOR, WASHINGTON STATE THROUGH SEPTEMBER 5, 2020



Source: Washington State Employment Security Department, 2020.
Note: Dark bars indicate primarily consumer-facing industries.

EXHIBIT 10. UNEMPLOYMENT RATES (%), SEATTLE MSA, WASHINGTON STATE, AND U.S.



Source: Washington State Employment Security Department, 2020.
Note: unemployment rates in May were subject to review and discovery of errors that undercounted the actual number of unemployed workers.

Most Americans are not well prepared to deal with unexpected expenses. In 2019, 63% of U.S. adults reported that they were able to cover a hypothetical expense of $400 using cash, savings, or a credit card paid off at the next statement. The other 37% would have to resort to some sort of borrowing to meet the expense, and 12% said they would be unable to come up with $400 by any means *(Federal Reserve Board of Governors, 2020).*

This lack of savings means that many Americans have little or no financial cushion against the economic effects of the pandemic. In addition, job losses in March, April, and May 2020 were most severe among workers with lower incomes. According to the Federal Reserve, 39% of people working in February with a household income below $40,000 reported a job loss in March *(Federal Reserve Board of Governors, 2020).*

The Washington Workforce Education & Training Coordinating Board reported the impact of the current crisis on regional inequity, small businesses and the extent to which it has caused numerous businesses across the state to close either partially or fully. "Small business owners, especially, were unprepared and without resources to help them make informed decisions.

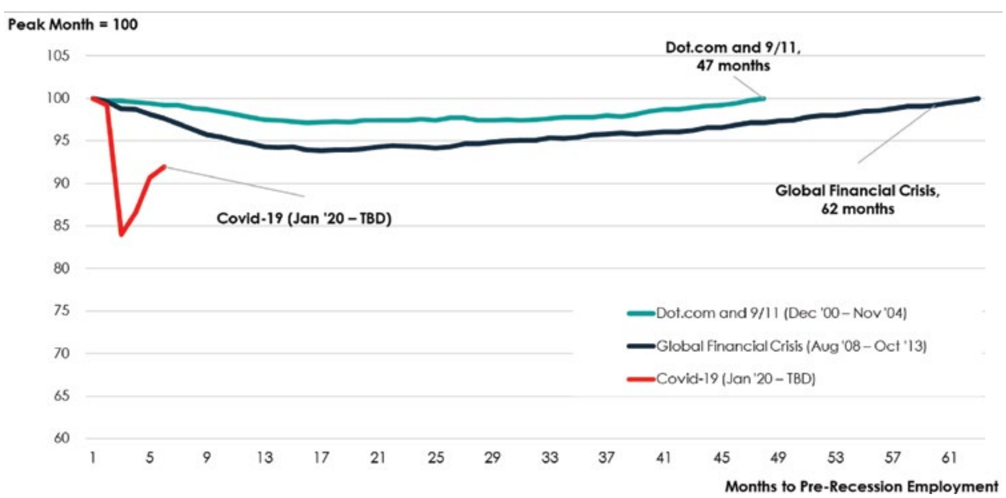
In rural and economically disadvantaged communities across the state, every business closure is a step closer to long-term economic blight deepening regional inequality. Small- and mid-size businesses are the primary employers in these communities, generating the area's revenues for services and for maintaining local public infrastructure. An important lesson from the Great Recession: losing businesses in rural communities is an economic hardship not easily turned around.

Very few small businesses in these communities find buyers willing to keep a business in place. In the rare instance where a small business is sold, the new buyer will often take the technology and equipment out of the area. Workers (and communities) are left behind and often cannot find equivalent jobs or replacement wages. Washington still sees economic blight in communities and where small but important businesses closed during the previous recession." *(Washington Workforce Education Training Coordinating Board, 2020)*

ECONOMIC RECOVERY:
OUTLOOK, & WORKFORCE CHALLENGES

The current crisis is unprecedented both in depth and speed of economic contraction. In just seven months, Washington state has seen a more than 16% drop in non-farm employment from a recent peak in December 2020, before experiencing some recovery. By comparison, the recession brought on by the global financial crisis in 2008-2009 saw a decline in regional non-farm employment and subsequent recovery for 62 months before re-attaining the pre-recession statewide employment level *(Exhibit 11).*

EXHIBIT 11. EMPLOYMENT RECOVERY FOLLOWING RECESSION, WASHINGTON STATE



Source: Washington State Employment Department, 2020.

The pandemic will have longer-term impacts on the labor market and the types and amounts of work in demand. In varying degrees, the virus and associated mitigation and containment practices will serve as both an accelerant of pre-existing trends in the economy and an agent of transformative change—in varying proportions in different sectors.

As an accelerant, the virus will fuel the pace and rapid adoption of trends and habits already underway before the crisis. These include rapid growth in online consumption, as many households have either out of caution or because of government social distancing guidance relied on e-commerce for many household goods, and in-home entertainment and streaming services. [30]

Other accelerants include the restructuring of global supply chains and trade. Unabating tensions between the U.S. and China, punctuated by the still on-going trade war, and various other international trade disputes, have fueled calls on U.S. businesses to, whenever possible, diversify their supply chains away from China, either through re-or near-shoring. Washington state is one of the most important North American gateways for trade with Asia; the global trade and supply chain management system in Washington employed nearly 100,000 workers in 2017 *(Highline College Center of Excellence in Global Trade & Supply Chain Management, 2018)*. Changes in global supply chains could result in a reduction in trade volumes and cargo handled in Washington state, adversely affecting these jobs.

In some industries, the virus has brought changes of a scale and nature previously unanticipated. Some businesses will reevaluate the benefits of business travel against more cost-effective online platforms. This trend will impact several industries. The aerospace industry (Boeing) will be impacted by declining travel for an extended period along with other factors including declining trade relations with China and lower demand for their jets. While Washington's share of aerospace employment is the highest of any state, quarterly employment at Boeing is down 14% compared with the third quarter of 2019. Overall, aerospace sector has shed nearly 6,000 jobs through first three quarters of 2020 compared with first three quarters of 2019. Boeing is projecting that by the end of 2021, it will employ 31,000 less employees than it did in January of 2020. [31]

Many households, scarred by prolonged unemployment and the uncertainties of the virus and economic recovery, will increase their savings, reducing disposable income expenditures on various leisure, entertainment, and travel activities and services. Other households will change the kinds of goods and services they purchase and demand. And businesses, as a consequence of the current and prolonged social experiment in remote work, will likely reduce their real estate footprints in downtown corridors. They will likely allow workers to primarily work remotely, resulting in reduced demand for downtown daytime services, which will generate ripple effects in various sectors throughout the regional economy. (Some technology companies, such as Facebook, have already pursued this model in California.)

A sustained reduction in demand for various low-wage services, such as work in restaurants, retail establishments, bars, and spectator sporting events, would escalate the anxiety and re-employment challenges for many dislocated workers in these industries. Such a scenario could result in much longer-term job separations, as these workers struggle to find new, dignifying work to remain economically stable. This instability will be especially acute for workers with relatively low educational attainment levels and those in older age cohorts.

WASHINGTON STATE:
POLICY CHOICES ON REVENUE, BUDGETS, AND PUBLIC PROGRAMS

When the State Legislature convenes in its 2021 session, state lawmakers will face a reckoning over revenue, state budgets, and public programs. Will they solve the right problems? Will our legislature choose the path of cutting necessary public programs and in turn slow economic recovery? Or will our state use this historic opportunity to raise new revenues for public investment that will support widespread and equitable economic recovery?

In our state, reduced economic activity, business closures, and job losses have caused significant declines in state tax revenues as a consequence of the sudden, precipitous drop in incomes and consumption. As of September, Washington's Economic and Revenue Forecast Council projected over a $4.2 billion shortfall through 2023, revised downward from a bleaker $8.8 billion projection released in June. However, the Council's report stated that the $4.2 billion projection is based on a baseline forecast with a "substantial level of uncertainty." The actual amount of the state deficit over the next three years will depend on the impact of a number of economic and health factors that will unfold in the coming months.

> *We are concerned that State lawmakers informed by overly optimistic economic forecasts, will act with less urgency and foresight than is needed in this crisis and will avoid the enactment of more equitable tax alternatives in Washington state – the only long-term revenue solution to sustaining an equitable budget.*

Can we learn lessons from the past? In response to revenue shortfalls after the Great Recession, the Legislature made policy-level spending cuts totaling $13.2 billion. This austerity policy caused significant, long-lasting harm to individuals and communities; reduced jobs and incomes; increased economic instability; slowed recovery; and exacerbated racial, gender, and regional inequality. On a per-capita, inflation-adjusted basis, overall state spending only recovered to pre-Great Recession levels in 2019 *(Keating, 2020)*.

Currently, most of the money the state uses to pay for services comes from state taxes, including the sales tax, the property tax, and the Business and Occupation tax (a tax on gross receipts rather than on profit or income). Washington state's budget uses revenue from taxes, federal sources, and tuition to pay for its investments in human services, education, and natural resources and includes funding to support our economic and workforce development systems. As a result, our tax system continues to rank among the most regressive and unequitable in the country, and Washington state remains one of only seven states that does not currently levy a personal income tax.

We believe the time has come to reject budget cuts in public programs, which will slow recovery and reduce public investments in health, education, housing, and income support for working-class families, those most vulnerable to the impacts of COVID-19 and the economic crisis. It is time to enact more equitable, progressive tax alternatives such as those proposed by the Economic Opportunity Institute.[32]

RE-ENVISIONING
WORKFORCE DEVELOPMENT

The policy choices now faced by Washington's economic development and workforce development stakeholders, policymakers, and professionals, if all or some of these economic shifts come to pass, will be unique from any witnessed over the last few generations.

We call for a re-envisioning of federal and Washington state economic development and public workforce systems. Such a re-envisioning will require policymakers, community leaders and workforce and economic development professionals to adapt to and address the trends and new realities in our labor markets described below.

Washington's statewide workforce development eco-system consists of a wide array of private and public institutions. This eco-system, in addition to our state's public workforce system, includes municipalities[33], county government, public authorities, private and non-profit employers, trade and professional associations, building trades apprenticeship programs, labor unions, joint labor-management trust funds, non-profit institutions, community-based organizations,[34] community-based adult education providers, and colleges and universities. These entities engage in a wide range of educational, skills, and job training activities in the public, private, and nonprofit sectors and provide services and investments in human resources, career development, and job placement. For a more complete description of this system, see Appendix B.

Beginning with the Federal job training Act of 1962, federal policies and investments were not legislated or designed to correct broader deficiencies—lack of quality jobs, economic stability, and equity—in the private labor market or as part of a national economic strategy. Federal economic policies since 1946 were designed to promote, not assure, full employment and never assumed the responsibility of assuring it. As a result, U.S. labor market policies and workforce development systems were separated from broader economic policy and management ever since their inception. This separation and legacy created an institutional divide between active labor market policy and the health of the economy as a whole and between state-level economic and workforce development systems.

While federally funded workforce services are crucial components of our larger workforce eco-system and provide valuable services, they are only one portion of the solution to the problems of economic stability, poor job quality, and workforce inequities. We must better align and coordinate economic development and workforce development strategies, because workforce development institutions alone cannot possibly solve the current massive disparities and labor market failures on their own.

In the coming period of recovery, federal and state fiscal policies and investments should re-envision workforce development by providing unemployed and underemployed workers with the tools and resources they need to secure employment and access to jobs, while supporting initiatives to make poor-quality jobs better.

ECONOMIC STABILITY,
JOB QUALITY, AND EQUITY AS MEASURES OF SUCCESS IN WORKFORCE DEVELOPMENT

CHANGED PATTERNS OF INCOME MOBILITY

In past generations, income from employment provided a path to economic stability and mobility for large numbers of workers and professionals because of the institutional structures and shared safety net attached to full-time employment. Declining unionization, globalization and the restructuring of work and labor markets resulted in the high growth of low-wage jobs and the low growth of middle-wage occupations. This in turn narrowed the traditional arteries of upward career mobility and created greater challenges for our workforce development systems.

Poor-quality jobs are a core driver of inequality. As the traditional conduits of mobility have constricted in recent years, low-wage workers in pursuit of living wage occupations often move between and across industry sectors because of the limited vertical mobility to higher-level jobs within their current low-wage occupations. When workers do move up vertically in low-wage fields, they are mostly at such a low starting point that their increased wages often remain very low over time, though still higher than they were in their previous positions. Low-wage workers in these circumstances remain economically unstable because of a combination of long-term low wages, involuntary part-time work and lack of benefits and the growth of contingent and gig work *(Davis, 2017)*.

ECONOMIC STABILITY

According to Steve Dawson *(2017)*, workforce systems must recognize and come to terms with the current context: "the hard reality is that most low-income people will never become middle-class, often for reasons far beyond their control. Yet that does not mean they cannot live lives of dignity; that they cannot still be proud of the work they do as housecleaners, as construction workers, as truck drivers or as waitresses." Dawson urges workforce professionals to not limit strategies in ways that help only a relative few achieve a professional's definition of success. Rather, the definition of success for low-income workers needs to be broadened to include helping families move from instability to stability. This broader definition is more immediate, realistic, and achievable than one that focuses solely on income mobility.

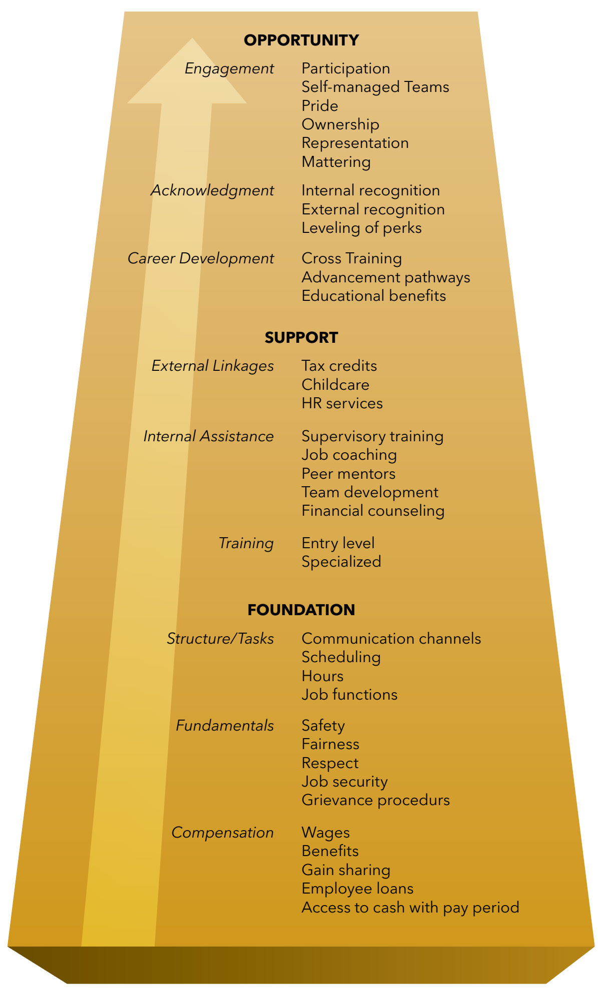
JOB QUALITY

Progress has been made in expanding labor standards. The City of Seattle has made progress in legislating and enforcing labor standards in the areas of wage theft, minimum wage, paid sick leave, domestic worker protection, and secure scheduling, but more can be done.

Since job quality extends far beyond wages and benefits, policymakers, workforce professionals, employers, unions, community partners, and funders *should could* consider a dynamic definition that includes the various ways in which a job can be improved. Those additional job-quality elements fall within a hierarchy of needs. Exhibit 12 below provides an extensive, though far from exhaustive, list of job-design components *(Dawson, 2017)*.

We believe that the City of Seattle, King County, and Washington state must play a leading role in coordinating and restructuring our workforce system to implement a better jobs strategy as part of its economic development efforts.

EXHIBIT 12. THE JOB DESIGN HIERARCHY



Source: Dawson (2017).

ECONOMIC STABILITY,
IRREGULAR WORK, LABOR STANDARDS, AND PORTABLE BENEFITS

The problems of economic instability, poor job quality, and declining mobility are all magnified by the growth of "irregular" work. Only 47 percent of respondents to a Pew household finances survey reported predictable expenses and income month to month. While the growth of irregular work is not documented in official labor statistics, the non-partisan Government Accountability Office (GAO) estimates that 33 percent of America's workforce may already be in non-standard employment.

From gig workers to medical doctors, millions of workers in the U.S. face barriers to standard workplace protections like unemployment insurance, workers' compensation, and such basic protections as minimum wage and overtime. These workers often are classified—sometimes falsely—as independent contractors, as they are formally employed by staffing agencies, third-party managers, or subcontractors.

A substantial and growing portion of our workforce is employed in contract, part-time, temporary, and other alternative arrangements that are less likely to provide the benefits attached to a single employer or to full-time workers. Benefits also do not typically follow workers who frequently switch jobs or employers or who earn income from multiple sources. In response, experts have proposed establishing portable benefits attached to individual workers, rather than to jobs or workplaces, and making such benefits available to all workers regardless of whether they are classified as employees or contractors *(Katz, Poo, & Waxman, 2018)*. Under current employment laws and regulations, one factor that suggests a worker must be classified as an employee is that the company provides benefits.

CONCLUSION:
RECOVERY FOR WHOM?

Beyond the acute phase of the COVID epidemic and economic depression, we envision a "new reconstruction" that will transform institutions and systematically dismantle policies, practices, and structures that reproduce economic inequality and perpetuate generational disparities based on race, immigration status, gender, income, and class.

We understand that overcoming decades of rising inequality will take a popular, intersectional movement demanding a comprehensive national and state policy agenda. We believe there is no one solution and that instead a broad suite of policies must be pursued nationally and in our state. Below, we pose a number of Washington state-specific policy questions to prompt discussion among stakeholders about supporting recovery, rejecting budget cuts, and enacting progressive taxation. We also pose questions about re-envisioning economic and workforce development to focus on quality jobs, economic stability, and equity.

Our problems are both economic and political. The economic and political policies of the past four decades have increased income and racial inequality, slowed mobility, raised family debt, and perpetuated acute problems in our health care and public health systems. Well before COVID-19, the structure of our workforce and labor markets had already transformed but our thinking, our policies, and our economic and workforce institutions had not. As policymakers and leaders debated the future of work, our workforce policies and systems remained stuck in the past, designed as they were for a labor market that no longer exists. Now, the current crisis has deepened and brought into stark relief the social and economic inequalities in our economy creating the conditions and impetus to reevaluate and reassess the role and function of government all levels in economic development, wealth generation, and labor markets.

The dominant ideology and policy framework that has served as a blueprint, shaping our economic and political life for the past four decades, Neo-Liberalism, is now profoundly challenged by the convergence of recent events and the growing public recognition that indeed markets are not free and companies should not be run solely in the interests of their owners. The decades long-held belief that markets, once freed from the constraints of government regulation, will produce the best outcomes and solve our society's problems may be losing its legitimacy and influence. But we are nonetheless left with its catastrophic consequences – a chronic economic crisis and the rise in power and influence of anti-democratic political forces attacking and eroding the very idea that political equality is the foundation of democracy and that it is the equal right of all to be heard on matters of public policy.

While the Northwest Papers series primarily focuses on economic issues, we also call out the erosion of political equality and the weakening of our democratic institutions and values. This degradation of democracy is a result of policies designed to slash public investment, diminish the social obligations of government, dismantle the so-called "administrative state," politicize the federal judiciary, and replace legislated social justice with traditional moralism.

While we cannot predict the future, there is one thing of which we can be certain: in 2020, we are truly at a historic crossroad living as we are at a unique time in human history. As nations and people across the world confront the COVID pandemic and economic crisis, we must also solve the major issue critical for humanity's very survival—environmental degradation and the climate crisis.

As much as we may naturally long for a return to our pre-COVID-19 normality, we cannot recreate that past. Such an outcome, given the failures of our current socio-economic system and political culture, is not the goal. But we can certainly learn lessons from our past. And like other transformative moments in human history, the political choices we as a people make in the coming year will shape our collective wellbeing and our democratic institutions for years to come.

TWENTY COMMON MISCONCEPTIONS
ABOUT OUR ECONOMIC LIFE

Throughout this paper, we addressed three big-picture questions: Where are we at? How did we get here? Where are we headed? The ideas and policies that we suggest stand in contrast to widespread misconceptions about economic and political life in the United States. We hope this paper contributes to an alternate narrative centered on issue of job quality, economic stability, and equity.

The following propositions represent twenty common and popular misconceptions about our economic and political life that are used to justify and rationalize harmful policies that increase economic instability, poor job quality and racist practices.

1. Workers in gig-jobs are not employees
2. Low-unemployment rates indicate a healthy labor-market
3. Immigration in bad for American workers
4. Low & stagnant wages are the inevitable results of market forces
5. Our current economic and health problems represent a new crisis that followed a decade of economic recovery
6. Washington state can't risk imposing progressive taxation on income because businesses will flee and investment decline
7. The IT sector and technological innovation will solve our society's problems
8. We must choose between fighting COVID-19 and rebuilding our economy
9. The best way to address federal budget deficits is to cut social spending
10. We cannot aggressively invest in a Green New Deal and grow our economy
11. Markets must be free and unregulated to do what they do best
12. Shareholders own companies therefore they should be run in their interests
13. In a market economy, people are rewarded according to their productivity
14. Despite our economic problems, the U.S. still has the highest standard of living in the world

15. Economic policies that make the rich richer will create wealth that will trickle down to working people
16. What is good for businesses and corporations is good for society thus the less regulation the better
17. Equity is a desirable policy objective but we should create equity of opportunity NOT equity of outcomes
18. Big government is bad for the economy
19. We should not restrict the efficiency of financial sector and markets simply because of periodic recessions
20. True freedom and liberty require that you look out for yourself as an individual free from Government mandates and laws that restrict your individual preferences regardless of the harm caused to others

CREATING A NEW WORKFORCE POLICY FRAMEWORK:
POINTS FOR DISCUSSION

The intent behind the following discussion questions is to spur fresh thinking and strategy to reshape Washington's workforce development system so that it may work for all residents.

RE-SETTING THE SYSTEM

The heart of *Recovery for Whom?* is an important call to action recognizing the limitations of the existing workforce development system, and how the current recession will exacerbate trends in the workforce—growing economic instability, diminishing good quality jobs, and increasing racial and income inequality—that disadvantaged BIPOC and low-income residents.

1. **What Would a New System Look Like If It Targeted Underemployed and Unemployed Workers** focused on building economic stability and improving job quality, generated new investment, and anticipated and adapted to trends in the low-wage workforce?
2. **How Would the System Function If It Centered the Most Underserved Communities**, and what would allow it to create greater coordination across the disparate and confusing elements of the current workforce development structure?
3. **What Can Be Implemented to Lessen the Impact of Economic Instability for The Low-Wage Workforce?** Examples could include:
   - Portable benefits tied to workers, ensuring that unemployment or non-traditional work does not eliminate access to important benefits and work support.
   - Extension of labor standards, similar to initiatives around domestic workers, to all workers outside of the traditional model of workforce attachment.
   - Subsidized Job and Training programs that put unemployed and under-employed workers in jobs that communities and employers need that don't force workers to choose between working for pay in survival jobs and training and job search.

FUNDING

4. **What Can Washington State Do to Invest in Workforce Development Strategies While Stimulating the Economy** given the challenges facing Washington State because of the COVID-19 pandemic, the resulting recession and the anticipated budget crisis?
5. **Can We Work Together to Prevent Harmful Budget Cuts**, which will slow the recovery, and instead enact progressive tax policies in the next legislative session?
6. **Could a dedicated fund, like a workforce equity trust fund, create reliable funding** for strategies that can reduce reliance on restrictive federal funding streams and support greater innovation?

STRUCTURE

Are the following actions desirable and feasible?

7. **Create Greater Coherence in the Workforce Development System** across the many different funding streams and programs that exist in Washington State, particularly from the perspective of a user (employer, youth, unemployed or under-employed worker)?
8. **Create a Governor's Subcabinet for Workforce Development and Equity,** charging the Subcabinet with aligning workforce strategies and funding streams taking into account government-wide goals and economic trends, including those identified by the Future of Work Task Force
9. **Invest in Models to Create Management-Labor Partnerships**, building on successful models in health care and child-care in Washington State.
10. **Establish Offices of Workforce Development in Cities and Counties** to support their Workforce Development Councils and expand the scope of the WDC strategies and plans to incorporate funding streams and strategies beyond what is available through federal funding streams, like WIOA. [35]
11. **Immigrants & Refugees.** The questions above, if implemented effectively, would make the workforce system more accessible to underserved populations, including immigrants and refugees who face additional barriers, like language access and lack of English proficiency, barriers to credentialing, immigration status, and lack networks of human capital that may allow them to pursue employment. Similar to a successful model used in California, establish a State Director of Immigrant Workforce Development in the Governor's Office to work with labor and community partners to advocate for strategies that address the unique needs of immigrant and refugee communities.
12. **Invest in Private/Public Partnerships**, including business liaisons to strengthen coordination among employers and workforce agencies, including community colleges, to support successful models, like Welcome Back Centers, that connect underemployed immigrants to employment opportunities in their chosen professions.
13. **Create Complementary Strategies**—like entrepreneurship—that can support unemployed and under-employed immigrants to gain employment, while also providing training and supports to manage uneven power-dynamics to protect them from exploitive employers.

14. **Invest in Models That Support Contextualized Language Learning** in worksites, schools and other systems.

STATE WORKFORCE BOARD RECOMMENDATIONS

15. **Consider Establishing an Office of Employee Ownership within the Department of Commerce** to facilitate in-community business transfers and maintain employment in distressed communities. Our state does not have a public support network for business conversion to employee ownership, yet both federal and state statutes provide preferential tax treatment for such businesses. Washington's Department of Commerce had funding to create a support structure, but that funding was cut during the last recession.[36]

16. **Reimagine and Re-charter the WA Workforce Board's Subcommittee on Barrier and Access Solutions**
    - Focus the Board and workforce system on truly addressing economic disparities.
    - Define how to measure "inclusive economic recovery" and measure systemic success at closing economic disparity gaps via data dash-boarding.
    - Bring underrepresented voices to the table with industry and decision-makers to discuss job quality, access, equity, and anti-racism.[37]

17. **Reimagine and re-establish the Future of Work Task Force in light of the impacts of COVID 19 and economic crisis**

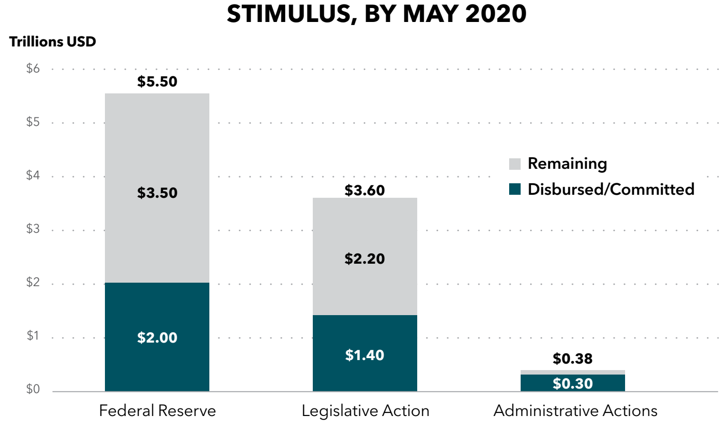
APPENDIX A:
FEDERAL ECONOMIC RECOVERY FUNDING

In 2020, the U.S. government enacted a $2.2 trillion federal stimulus. By comparison, TARP and ARRA totaled about $1.5 trillion, or $1.8 trillion in 2020 dollars. The New Deal was $780 billion in 2020 dollars. *(Exhibit A1).*

FEDERAL RESERVE POLICY

- Near-zero interest rate.
- Supporting Financial Market Functioning, including lending to securities firms, QE, backstopping money market mutual funds, repo operations.
- Encouraging banks to lend, including direct lending to banks.
- Direct lending to corporations.
- Supporting lending to households and consumers.
- State and municipal lending.
- International currency swap lines

EXHIBIT A13. FISCAL AND MONETARY STIMULUS, BY MAY 2020



Sources: Federal Reserve Bank of St. Louis (2020); Committee for a Responsible Federal Budget, "COVID Response: How Much Money Has Been Made Available So Far?" (May 12, 2020); Cheng, Skidmore, and Wessel, "What's the Fed doing in response to the COVID-19 crisis? What more could it do?" The Brookings Institute (April 30, 2020); Community Attributes Inc. (2020).

APPENDIX B:
WASHINGTON'S WORKFORCE DEVELOPMENT ECOSYSTEM

WASHINGTON'S PUBLIC WORKFORCE SYSTEM

The public workforce system in the United States was created through legislation dating back to the 1930s (Wagner-Peyser Act) and the 1960s (Manpower Development and Training Act). It exists to help employers find skilled workers and to assist unemployed people in finding jobs and obtaining short-term training to become re-employed or otherwise re-entering the workforce. But even before the Covid pandemic, the system was greatly under-resourced. For example, in fiscal year 2018, only 229,000 adults nationwide received training under the Workforce Innovation and Opportunity Act (the successor to the Manpower Development and Training Act legislation). [38]

Washington's public system is managed by 12 state agencies and 12 local workforce development councils. Its mission is to ensure that eligible jobseekers obtain the education, skills, and training needed to obtain jobs resulting in continued employment, higher wages, self-sufficiency, and career advancement. The expected return on public investment results when employers gain access to a supply of skilled, work-ready workers, which in turn generates economic benefits to the broader community. This public workforce and education infrastructure is a complex, multi-tiered, multi-agency system that includes local, state, and federal programs and initiatives. [39] The Workforce Training and Education Coordinating Board (State Workforce Board) is the lead state agency responsible for coordinating system partners statewide. [40]

WORKFORCE DEVELOPMENT COUNCIL OF SEATTLE-KING COUNTY

The Workforce Development Council of Seattle-King County (WDC) is a regional nonprofit workforce grant-making organization with the goal of bringing together employers, job seekers, youth, educators, labor unions, and community organizations. The Mayor of Seattle, along with the King County Executive, are the chief local elected officials for federal grants that fund employment and training services for adults, dislocated workers, and youth. [41]

The City of Seattle and King County came together to establish the WDC as the Regional Workforce

Development Backbone organization to provide a blueprint for an equity-centered workforce development system. In 2019, King County Executive Dow Constantine and Seattle Mayor Jenny A. Durkan made commitments to transform how the region funds employment and job training. Their efforts are aimed at prioritizing employment and training for those who face the most barriers to opportunity; improving coordination between employers, labor, and educators; ensuring job seekers are prepared for the best career opportunities; and better aligning local, federal, and philanthropic funding to maximize the impact of the WDC, thereby producing better results.

The WDC is creating a regional workforce development recovery plan to serve as the blueprint for this transformation.[42] Its strategic plan will be developed in partnership with communities of color, immigrant, refugee and labor coalitions, and employers/industry leaders in key sectors. The Northwest Papers will help inform its strategic plan. We support WDC's goals to:

- Identify and focus on addressing disparate impact on communities of color, immigrants, refugees, and low-wage workers
- Strengthen community and worker voice and partnership
- Prioritize strategies to increase job quality, career pathways, and wages
- Develop shared policy agenda and strategies
- Invest in community capacity
- Build and strengthen partnerships to leverage and increase resources and impact
- Worker safety

EQUITY AND WORKFORCE DEVELOPMENT IN WASHINGTON

WIOA PRIORITY OF SERVICE PROVISIONS

One of the key provisions of federal workforce funding (Workforce Innovation and Opportunity Act; WIOA) is a mandate to provide services to priority-of-service populations with barriers to employment.[43] We recognize that our workforce systems are underfunded and constrained by highly fragmented federal policies, with multiple funding streams for myriad programs spread across many agencies. Despite these constraints, we believe the workforce development systems, investments, and activities should better serve priority-of-service populations.

BREAKING BARRIERS FOR IMMIGRANT AND REFUGEE WORKERS

The structural economic and labor market changes described in this report have resulted in the constriction of career mobility pathways for both immigrants and native-born individuals. While all workers and professionals share the burdens of these ongoing economic realities, labor market competition disproportionally impacts people of color, whether native- or foreign-born.

While immigrant and refugee professionals and workers share with the native-born increasingly difficult labor market conditions in Seattle and King County, they also have specific needs and face distinctive barriers. So long as immigrants and refugees continue to navigate the labor market as individuals without specific institutional supports, these disparities will prevail. Alternatively, providing and institutionalizing targeted and effective workforce services to newcomers can reduce disparities and increase the number of immigrant workers and professionals who obtain gainful employment and remain economically stable.

A variety of institutional and social barriers currently slow mobility and undermine the full integration of immigrants and refugees into the life of our communities. These barriers include financial and language barriers, lack of access to immigrant-specific career and employment services, explicit and implicit bias in educational institutions and employer hiring practices, limited access to professional networks and social capital, and a lack of English as a second language (ESL) programs that meet their learning needs. Immigrants and refugees need specific forms of support in overcoming these barriers to move into professional occupations and achieve labor equity.

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ENDNOTES

1. The Northwest Papers build upon four previous reports on equity and economic and workforce development issues supported by One America: Washington's Future: Immigrant Workers Contributions to Our State's Economy (2009); Reducing Brain Waste: Creating Career Pathways for Foreign Educated Immigrants in Washington State (2015); Breaking Barriers and Building Bridges: Career Pathways to Economic Stability for Seattle's Immigrant and Refugee Workers and Professionals (2017), and Workforce Equity Metrics: How Workforce Systems and Organizations are Incorporating Equity into their Metrics (2020).

2. These efforts include $2.2 trillion in expanded unemployment insurance and direct payments to households, in addition to $5.5 trillion in broad-based Federal Reserve lending, asset-purchases, and other measures to increase liquidity and encourage financial and economic activity.

3. As of early October, over 209,000 have died of COVID-19 in the United States and the Institute for Health Metrics and Evaluation at the University of Washington estimates over 410,00 deaths by January 1, 2021. This model indicates that as many as 122,000 of those deaths could be avoided with safety measures, including near-universal mask use, but it warns that easing restrictions could cause the death toll to be more than 620,000.

4. Warning of "dire consequences", Federal Reserve Chair Jerome Powell, in early October, called on Congress to pass a robust stimulus bill focused on workers and small businesses. Powell predicted that without further stimulus household insolvencies and business bankruptcies will rise, harming productivity and holding back wage growth. The Fed Chair recognizes that the longer Congress delays the greater the extent of the problems future legislation will have to address.

5. As the Seattle-based Economic Opportunity Institute has well documented, even before the pandemic, how childcare is in crisis. Although state legislators have acknowledged the importance of child-care to the vitality and economic security of our state and families they have not followed

through with adequate funding. Wages for teachers and caregivers hover near poverty, centers and family home providers struggle to stay open, and families can't find affordable care.

6. The BLS September jobs report documented a slowdown in regaining the number of jobs lost during the Spring. Our labor market added 4.8 million jobs in June, 1.8 million in July and 1.5 million in August. If this trend continues it will take years to "recover" to pre-COVID employment levels.

7. The U.S. spends more on health care as a share of the economy—nearly twice as much as the average OECD country—yet has the lowest life expectancy and highest suicide rates among the 11 nations. The U.S. has the highest chronic disease burden and an obesity rate that is two times higher than the OECD average *(Tikkanen & Abrams, 2020)*.

8. *Three Minute Theory: What is Neoliberalism?*

9. "Neo-Liberalism" is most commonly associated with a bundle of policies and ideas that privatized public ownership and services, reduced social service and safety nets, restricted the power of labor unions, deregulated the flow of capital and sought to marketize every domain of public life.

10. Political scientist *Wendy Brown eloquently summarized this erosion of democratic values and freedom*, "Instead of freedom being that which we share in order to govern ourselves, instead of freedom being that which we cultivate with knowledge and education and pursuit of the ability to craft our lives together...we have fallen into the most extreme version of freedom as a right to social assault, to do what you want and to attack society. Freedom is understood as that which is about your individual right to do whatever you want no matter who it kills, no matter who it hurts, no matter who profits at whose expense. This is not democratic freedom. This is a form of freedom so radically detached from the task of living our lives together and deciding together how we shall live, what we shall value, it becomes freedom against democracy. It becomes freedom against the public good."

11. One widely held future of work narrative popularized by the World Economic Forum (comprised of the world's largest corporations) is the idea that we stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. This popular narrative describes a Fourth Industrial Revolution brought about by the emerging "Network Economy" that will enable private sector innovation and corporations in our emerging post-COVID economy to generate public goods. This "revolution" is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres. In this policy blueprint, technology, IT corporations, the digital marketplace, and skills development will solve our economic, social and workforce problems--including the problems that are the focus of the NW Papers. The question

remains: economic stability, job quality, and equity for whom?

12. In early October, the International Monetary Fund (IMF) reported "that even before the pandemic, global investment had been weak for over a decade, despite crumbling roads and bridges in some advanced economies and massive infrastructure needs for transportation, clean water, sanitation, and more in most emerging and developing economies. Investment is now urgently required in sectors critical to controlling the pandemic, such as health care, schools, safe buildings, safe transportation, and digital infrastructure. Low interest rates globally also signal that the time is right to invest. Savings are plenty, the private sector is in waiting mode, and many people are unemployed and able to take up jobs created through public investment."

13. For example, in King County, rather that creating alternative City or County initiatives, invest in the regional Workforce Development Council to establish and coordinate a regional recovery plan.

14. *Washington Future of Work Task Force Report (2019) (PDF)*

15. Washington Workforce Economic Recovery Plan - COVID-19 (2020)

16. The model indicates that over 120,000 of those deaths could be avoided with safety measures, including near-universal mask use, but it warns that easing restrictions could cause the death toll to be more than 600,000.

17. Federal Reserve Chairman Jerome Powell, in early October, warning of "dire consequences" called on Congress to pass a robust stimulus bill. Powell predicted that without further stimulus household insolvencies and business bankruptcies will rise, harming productivity and holding back wage growth. The longer Congress delays acting the greater the problems future legislation will have to address.

18. The U.S. spends more on health care as a share of the economy--nearly twice as much as the average OECD country--yet has the lowest life expectancy and highest suicide rates among the 11 nations. The U.S. has the highest chronic disease burden and an obesity rate that is two times higher than the OECD average (Tikkanen & Abrams, 2020).

19. We use the term "wellbeing" to encompass income and wealth, work and job quality, housing, health, knowledge and skills, environmental quality and other quality of life indicators. We are using the wellbeing framework of the Organization for Economic Co-operation and Development (OECD).

20. Women and people of color are paid less on average than similar white male workers, are more concentrated in low-wage jobs with few benefits and have accumulated much less wealth, the legacy of structural racism and sexism

(Economic Policy Institute, 2018).

21. The Economic Opportunity Institute, (EOI) a Seattle-based research organization, published two papers that examined the inter-related issues of income inequality and disparities in economic outcomes for people of color and immigrants in our local and regional economy. These studies, Chutes and Ladders: How Economic Mobility is Changing in an Inequality Society (2014) and Uneven Ground: How Race and Origin Impact Economic Opportunity in Washington State (2015), provide a vital framework for how policy makers consider issues of labor equity. The EOI reports describe economic mobility as one way to measure a society's level of success in ensuring equal opportunity for all its people. Economic mobility measures how likely a person is to move up or down the income ladder over time. If opportunity is broadly available to demographically different segments of the population, each would be expected to show similar degrees of mobility in comparison to the others. However, if one or more groups consistently receive more opportunity, their outcomes (as measured by mobility) will differ markedly from those with less opportunity. Absolute mobility compares a person's income to another in the past--for example, to that of their parents at the same age. Relative mobility compares a person's income relative to their peers based on the income bracket into which they were born. While Americans commonly believe that a person can be born poor and--with hard work--attain wealth, the reality is that this degree of upward relative mobility is extremely uncommon.

22. In Seattle, 70,000 students were enrolled in K-12 schools in 2018 (the most recent data available), and 15,000 of them--about 22%--attended a private school. That's more than double the national average, which is about 10%. Among the 50 cities in the U.S. with the largest population of school-age kids, Seattle has the third highest rate of K-12 private school attendance.

23. Key findings, regardless of data sources, are that African Americans have significantly less wealth than Whites; that wealth tends to be more volatile for African Americans, and that there is no trend toward a shrinking wealth gap by race. For examples of prior research, see *Conley & Glauber (2008); Oliver & Shapiro (2006); Dalton Conley (2009); Federal Reserve Bank of Boston (2015); Cruz-Viesca (2016); and Kijakazi (2016)*.

24. Real output per capita (a proxy of growth in productivity, due to data limitations at the state level).

25. Just over half of American families have some investment in the stock market, mostly through 401-ks and other investment accounts, and only 14% of households are directly invested in the stock market according to the Pew Research Center.

26. In recent years, Trump administration anti-worker actions included lowering

the threshold for overtime pay, seeking to allow employers to capture worker's tips, further undermining collective bargaining rights and appointing anti-worker nominees and appointees to the Supreme Court and National Labor Relations Board.

27. Wendy Brown, political scientist and author of In the Ruins of Neo-Liberalism; The Rise of Anti-Democratic Politics in the West (2019) wrote, "Instead of freedom being that which we share in order to govern ourselves, instead of freedom being that which we cultivate with knowledge and education and pursuit of the ability to craft our lives together...we have fallen into the most extreme version of freedom as a right to social assault, to do what you want and to attack society. Freedom is understood as that which is about your individual right to do whatever you want no matter who it kills, no matter who it hurts, no matter who profits at whose expense. This is not democratic freedom. This is a form of freedom so radically detached from the task of living our lives together and deciding together how we shall live, what we shall value, it becomes freedom against democracy. It becomes freedom against the public good."

28. The following economic sectors/industry groups are included in the Washington State Executive's list of essential industries for Washington:

- Public Health and Health Care
- Emergency Services
- Food and Agriculture
- Energy Waste and Wastewater
- Transportation and Logistics
- Communications and IT
- Critical Manufacturing
- Hazardous Materials
- Financial Services
- Chemical Industry
- Real Estate and Mortgages
- Mortuary, Funeral, Embalmer, Cemetery Services, and Essential Functions
- Community-based Government Operations

29. The number of unemployment claims and the unemployment rate are derived from different data sources and are not directly related. Also, the total number of unemployed, displaced workers is significantly higher than those filing for new claims, as some workers may not qualify. Similarly, the unemployment rate is based on a household survey and represents only that share of the labor force unemployed and currently actively looking for work; the rate excludes those workers who have been displaced, can only find limited, part-time hours, or are discouraged from looking for new work for valid reasons. Adding these categories of workers to the official numbers would produce a more accurate picture of the true health of our labor market.

30. A report issued this July by the Seattle Jobs Initiative shows how the COVID-19 pandemic and ensuing shocks can accelerate automation and the emergence of the "network economy." The report explains how evolving labor market needs will threaten to compound existing economic inequalities. (Carson, Kaz, Davis, & Houghton, 2020).

31. As the Washington Workforce Training & Education Coordinating board reports, state Some industries were relatively unscathed and look to recover well in the short-term. Others were hurt in the COVID-19 aftermath but show no long-term detriment. Others, like aerospace, will likely take a long while to recover and may never get back to their pre-COVID state.

32. *The Economic Opportunity Institute* has proposed several wealth-based taxes for consideration as a means of increasing funds for social programs.

33. For example, the City of Seattle alone invests millions of dollars annually in a range of workforce programs and services including but not limited to: youth employment pathways, funding for the Seattle Jobs Initiative, the Ready to Work Program for English language-learning job seekers, professional development and career pathways for home providers and child care center teachers, the priority local hire program to build pathways from pre-apprenticeship careers in various building trades, and pathways to teaching careers for bi-Lingual K-12 paraprofessionals.

34. In practice, community organizations engaged in workforce development programs offer a combination of social services, community supports, job training, and education that positions an individual for success in the workforce and supports the skilling up of local populations and the inclusion of those left out of the traditional economy.

35. For example, in King County, rather that creating alternative City or County initiatives, invest in the regional Workforce Development Council to establish and coordinate a regional recovery plan.

36. *Washington Future of Work Task Force Report (2019) (PDF)*

37. *Washington Workforce Economic Recovery Plan - COVID-19 (2020) (PDF)*

38. *WIOA Adult Performance Report (PDF)*

39. *2020 Workforce Matrix Poster (PDF)*

40. This board works with the Governor and Legislature to develop the strategic vision and policies for workforce development in Washington. The board consists of nine Governor-appointed voting members from business, labor, and government, advises the Governor and Legislature on workforce development policy, ensures the state's workforce services and

programs work together, and evaluates the performance of Washington's key workforce programs.

41. They appoint local workforce board members, are responsible for overseeing the administration of workforce development services, and are charged with providing strategic direction for workforce development programs.

42. The goals of the WDC's Recovery Plan include efforts to identify and focus on addressing disparate impact on communities of color, immigrants, refugees, and low-wage workers; strengthen community and worker voice and partnership; prioritize strategies to increase job quality career pathways and wages; develop shared policy agenda and strategies; invest in community capacity; build and strengthen partnerships to leverage and increase resources and impact; and support worker safety.

43. "The term 'individual with a barrier to employment' ... encompasses the following groups of people: individuals with disabilities, including youth with disabilities; displaced homemakers; low-income individuals; Indians, Alaska Natives, and Native Hawaiians; older individuals; ex-offenders; homeless individuals, or homeless children and youths; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; farmworkers; ... individuals within 2 years of exhausting lifetime eligibility under the TANF program; single parents (including single pregnant women); and long-term unemployed individuals" *(U.S. Congress, 2016, p. 55801).*

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