



# EQUITY BARRIERS IN THE WORKFORCE SYSTEM



Since 1977, National Able Network, Inc. has administered all of the major federally-funded public workforce development programs including Workforce Innovation and Opportunity Act (WIOA), Senior Community Service Employment Program (SCSEP), Trade Adjustment Assistance (TAA), and Registered Apprenticeship, among others. In that time, National Able Network has championed local solutions in communities across the US with federal resources in a way that maximizes impact and creates economic mobility for most-in-need job seekers.

Whether it's helping thousands of low-income seniors find jobs and become self-sufficient, building Illinois' largest and most comprehensive American Job Center, or creating the state's first IT apprenticeship, National Able Network has remained steadfast in its commitment to righting historic inequities in the workforce. Our work to improve equity in the workforce is just scratching the surface, but is an important step in turning ideas about equity into actions that serve our communities.

In Fall 2019, National Able Network conducted our initial equity survey to help benchmark inequities in the workplace and to identify solutions that could help address these challenges in the public workforce system. More than 80% of our program population served were people of color, 4 in 5 were unemployed, more than half did not have education past high school, and nearly all respondents said that they needed to pursue a new career path. We examined what might be preventing job seekers from making a career pivot and were able to make critical adjustments to program entry points to ensure participants experienced near-seamless and timely enrollment. We eliminated the use of widely used, but overly onerous assessment tests that provided little information about their skills and abilities. We have worked with local, state, and federal leaders to identify and develop recommendations for challenges that are written into policy or law.

By March 2020, these barriers were exacerbated by the pandemic which hit people very differently. People with the least got hit the hardest. People without access to technology such as computers or internet lost access to public libraries and resource centers. People in low-wage employment lost their jobs or were forced to make the difficult choice to work in dangerous conditions. Our second equity survey included outcomes due to the pandemic and the results were eye opening.

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National Able Network has remained steadfast in its commitment to providing lasting solutions to historic inequities in the workforce.

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## EQUITY BARRIERS IN THE WORKFORCE SYSTEM

### HOW HAS THE COVID-19 PANDEMIC IMPACTED YOU?

**29%**

Lost their job because of the pandemic

**18%**

Found a job during the pandemic

**48%**

Feel hopeful about their job search during the pandemic

**1 in 4**

Are facing challenges with securing food for their household

**1 in 5**

Are facing challenges with secure housing

### HOW HAS THE COVID-19 PANDEMIC IMPACTED YOUR JOB SEARCH?

**30%**

Do not have a home computer or tablet

**1 in 5**

Have school-age dependents participating in e-learning at home

**37%**

Have participated in virtual job interviews

**1 in 5**

Do not have reliable in-home internet access

**1 in 5**

Are not using online resources to find job leads

Source: National Able Network, Inc. Client Survey, November 2020

The economic impact of the pandemic is far-reaching, and the hardest hit and slowest to recover are people of color and low-wage workers. This isn't surprising considering the starting points: **unemployment among Black workers was twice the rate of white workers** even before the onset of the pandemic, and the **poverty rate among Hispanic workers was more than twice that of whites**.

Despite almost a **third of clients losing their jobs because of the pandemic**, nearly **half feel hopeful about their job search** even during the pandemic. **1 in 4 struggle to secure adequate food** for their household, and **1 in 5 are facing challenges with secure housing**. At the time of the survey, only 18% had found a job during the pandemic.

**Nearly a third of clients do not have a computer or tablet in their home, which are necessary tools for job searching, resume writing, submitting job applications, and adapting to the "new normal" of virtual job interviews.** Further, 1 in 5 clients do not have in-home internet access, and not surprisingly, the same number do not use online resources to find job leads. We revamped our interview preparation and launched a digital literacy training with loaner laptops and wifi devices to help clients navigate virtual job interviews.

As we saw the workforce system adapt to the pandemic, we recognized the opportunity to advocate for systemic change.

We identified unintended equity barriers which came about through local, state, or federal laws and policies. Since last summer, we've been grateful to leaders and practitioners within the workforce system who have been responsive and open to conversations about ways to break down these barriers. Our hope is to continue advocating for systemic change so that the collective workforce system better serves all job seekers, especially those who need us the most.

## EQUITY BARRIERS IN THE WORKFORCE SYSTEM

Closing racial gaps across the economy is not only about righting historic wrongs. It is also about choosing a more dynamic future and realizing the full potential of a massively underutilized source of talent, to the benefit of all Americans.<sup>1</sup>

The median annual wage for Black workers is approximately 30%, or \$10,000, lower than that of white workers. This figure has enormous implications for household economic security, consumption, and the ability to build wealth. Black workers make up 12.9% of the US labor force today but earn only 9.6% of total US wages.

### MEDIAN ANNUAL WAGE FOR BLACK WORKERS

**30%**

Lower than that of white workers

Median annual wage of Black workers

Median annual wage of White workers

Latinos will make up more than 1 in 5 U.S. workers by 2030. Yet despite high rates of job participation and entrepreneurship, a massive wage gap gravely impacts their economic mobility. The annual median wage for foreign-born Latinos (\$31,700) is even lower than for US-born Latinos (\$38,848)—and both are significantly lower than the annual median wage of \$52,942 for non-Latino white workers.

### MEDIAN ANNUAL WAGE FOR LATINO WORKERS

Median annual wage of foreign-born Latinos

Median annual wage of US-born Latinos

Median annual wage of non-Latino White workers

In 2020, women earned 84% of what men earned, according to a Pew Research Center analysis of median hourly earnings of both full- and part-time workers. Based on this estimate, it would take an extra 42 days of work for women to earn what men did in 2020. Women of color fare much worse: Latinas, on average, are earning \$0.57 for every dollar paid to white, non-Hispanic men. Black women in the US who work full time, year-round are typically paid just \$0.64 for every dollar paid to white, non-Hispanic men.

### MEDIAN HOURLY EARNINGS FOR FEMALE WORKERS

**84%**

Of what men earned

Median hourly earnings of full- and part-time Female workers

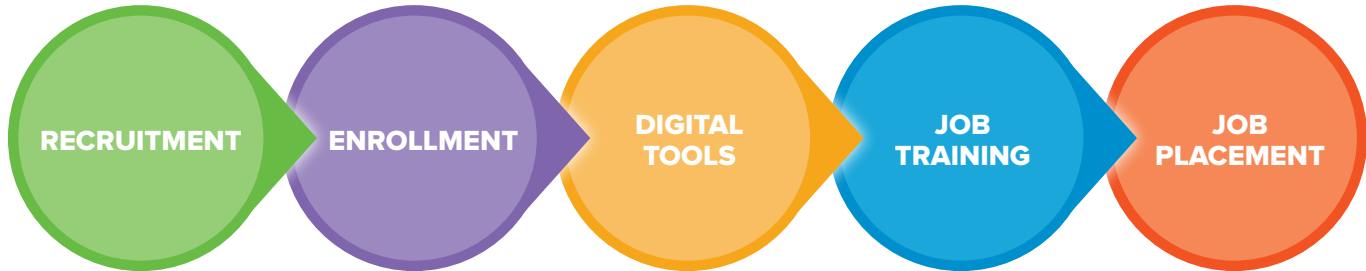
Median hourly earnings of full- and part-time Male workers

1) McKinsey Global Institute, Report: The economic state of Black America: What is and what could be, June 17, 2021

**National Able Network compiled a list of barriers that impact job seekers' entry and matriculation through the federal workforce programs designed to help them progress along career pathways.**

A snapshot of barriers is included in the chart, and a full list is available upon request.

**JOB SEEKER WORKFORCE PROGRAM FLOWCHART**



	<b>BARRIER</b>	<b>SOURCE</b>	<b>RECOMMENDATION</b>
<b>RECRUITMENT</b>	Rigid performance metrics incentivize providers to serve job seekers with better employment prospects and facing the fewest challenges or barriers to success, creating a system that inequitably eliminates opportunities for those with the greatest need for workforce programs.	Workforce Innovation and Opportunity Act (WIOA) law (DOL/Congress)	Revise WIOA performance metrics to account for service delivery that allows providers to serve most-in-need job seekers without fear of under-performance.  Utilize, expand, and train workforce boards and staff to better understand the statistical regression model that accounts for providers serving most in need job seekers.
<b>ENROLLMENT</b>	Program compliance requirements are extensive, duplicative, and profoundly time-consuming for frontline staff to collect and enter into data systems. Compliance time impedes effective coaching and training for job seeker customers.	Workforce Innovation and Opportunity Act (WIOA) law, Trade Adjustment Assistance (TAA) law (DOL/Congress/States)	Align federal, state, and local compliance requirements to ensure significant burden isn't being placed on participants and providers.  Adjust funding to ensure caseloads and service levels recognize the reality of the level of work needed to support the service population and compliance requirements.
<b>DIGITAL TOOLS</b>	Digital tools and internet access are vital job search and career advancement resources, yet funds do not allow the costs associated with providing job seekers needed digital tools and internet access.	DOL/State/Local policy	Update supportive service policies and funding to promote flexibility and expand funding for key activities including: <ul style="list-style-type: none"> <li>• Computer/tablet purchases for clients.</li> <li>• Expending program funds for home internet access as well as partnering with broader municipal internet accessibility efforts.</li> <li>• Digital literacy training as a core component of workforce preparation.</li> </ul>
<b>JOB TRAINING</b>	Training funds help job seekers access skill development opportunities, but predatory for-profit training institutions capitalize on vulnerable job seekers with misleading career promises but poor completion and employment outcomes.	DOL/State	Require LWIAs to evaluate outcomes and ban predatory training companies that have a track record of poor completion and employment outcomes.
<b>JOB PLACEMENT</b>	A majority of disadvantaged job seekers are receiving public assistance to meet basic needs such as food and housing. These individuals risk losing benefits almost immediately upon employment creating a harmful "benefits cliff".	Health and Human Services (HHS), US Department of Agriculture (USDA)	Replace the "benefits cliff" with an "off-ramp" where individuals can build economic stability and self-sufficiency over time through a mix of both personal income and continued supplemental assistance.