



Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairwoman Susan Davis (CA-53)

Subcommittee on Higher Education and Workforce Investment Hearing

The Future of Work: Ensuring Workers are Competitive in a Rapidly Changing Economy

2176 Rayburn House Office Building

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We are gathered today for the Committee's second of three "future of work" hearings. These hearings provide Committee Members the opportunity to hear from experts and stakeholders and discuss how to provide all workers access to the tools, support, and protections needed to thrive in today's rapidly changing economy.

Today, we will discuss Congress's responsibility to address worker displacement by expanding access to lifelong learning, and ensuring that American workers can remain competitive as the nature of work changes.

There are a wide range of factors that cause workers to become displaced. Recessions, trade, climate change, and automation are just some of the reasons why Americans become disconnected from their jobs, their industries, or the workforce.

Whatever the cause, nearly all displaced workers and their families face a common set of challenges. Financial hardship, poorer health, and reduced life expectancy are common consequences for all displaced workers.

Workers who lose their jobs can also suffer lower and less stable long-term earnings, and may become trapped in a cycle of low-wage, low-mobility jobs. Today, some 53 million workers age 18 to 64 – or 44 percent of the workforce – have median annual earnings of \$17,950 per year. And research shows that over half of these workers will remain in this low wage bracket even when they transition to another job.

Given the severe consequences of worker displacement, you might assume we have a robust, integrated, and well-funded system to help workers build their skills and get back into the workforce. Unfortunately, you would be wrong.

Although worker displacement is a familiar and ongoing challenge, our current policy response consists of a thin patchwork of programs and services that are poorly integrated and increasingly underfunded.

Federal investments in workforce training and employment programs have fallen behind other countries and continue to decline. We spend only about 0.1 percent of our GDP on workforce development programs, compared to an average of 0.6 percent in our peer industrialized nations. And while the U.S. labor force has grown by roughly half over the past four decades, federal investment in workforce development has fallen by two-thirds.

At the same time, employers' investment in workforce training has also decreased. From 1996 to 2008, the percentage of workers receiving employer-sponsored training fell by 42 percent. Lower-skill workers who could benefit the most from training often receive the least, as employers direct most investment toward workers who already hold high-skilled and managerial positions.

Adequate investment is not the only challenge. The existing patchwork of policies and programs makes it difficult for displaced workers to access the resources they need.

Under the current system, eligibility for benefits and services is geared towards workers who've suffered only specific causes of displacement – workers affected by trade receive the most support that others. The burden generally falls on the worker to “prove” the cause of their displacement and then find which programs or services they're eligible to receive.

As automation and other emerging trends continue to disrupt our economy in new ways, we must reshape workforce programs to help all workers at risk of displacement secure in-demand skills.

Reskilling alone is insufficient to ensure workers can remain competitive. We must explore policies to proactively prevent displacement, enhance worker supports like career guidance, and promote lifelong learning.

Today, our witnesses will also help us discuss policies Congress could pass to ensure workers threatened by displacement are not left to fend for themselves.

We know, for example, that we must substantially increase federal investments in workforce development. In fact, the Council of Economic Advisers reported that the U.S. would have to spend \$80.4 billion more per year to match the average spending on workforce programs by our peer industrialized countries relative to GDP.

We also must make it easier for workers to locate the resources to transition between jobs or build new skills. Improving data collection methods and increasing credential transparency in our workforce system, for example, would better match job seekers with employers, inform career navigation services, and help workers find sustainable career pathways.

We must build from what we know works, like Trade Adjustment Assistance Community College and Career Training, or TACT grants, and expanded career navigation supports.

Finally, Congress must ensure that resources for lifelong learning programs, which help workers access education and training opportunities, can be accessed by all workers, and in all parts of the country.

While there is a cost to these actions, inaction would come at far greater cost to working families. Well-prepared workers are better equipped to grow our economy and contribute to their communities. The bottom line is clear: Congress must invest in a system that brings workforce systems, employers, labor, and educators together to ensure the success of workers in the future.

Thank you, again, to our witnesses for being with us today. I now yield to the Ranking Member, Mr. Smucker, for an opening statement.