

Slow Economic Recovery: Implications and Opportunities for Workers and Planners

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Presentation at:
National Association of
Planning Councils
National Conference
Alexandria, Virginia
April 16, 2011

Overview

- ▶ Context: unemployment, economy, government fiscal situation
- ▶ Challenges and opportunities for policymakers and planners

Continuing Economic Distress

- ▶ Longest and most severe economic downturn
- ▶ ~14 million still out of work; more have given up
- ▶ Half are long-term unemployed
- ▶ Persistently high unemployment; recovery is slow-very sluggish for women & Black men

Disproportionate Patterns

- ▶ African Americans and Hispanics higher unemployment rates
 - But immigrant men a bit better
- ▶ Men higher unemployment rates than women
 - But single mothers rate is double that of married fathers
 - Women's unemployment rate not declining
- ▶ Youth unemployment 2–3 times the national average

Recovery context is different than in past recessions

- ▶ Different economic structure
 - 1970: 25% of jobs were in manufacturing
 - 2007: 10% of jobs were in manufacturing
- ▶ Different workforce
 - More women
 - More immigrants
 - More older workers
- ▶ More “dislocation” of firms and workers
- ▶ This new economic structure makes recovery harder for firms and workers

Fiscal situation compounds recovery challenge

- ▶ Mounting federal deficit and political pressure
- ▶ Severe state and local revenue and budget constraints—and systems are overwhelmed
- ▶ Changing global market and trade scenario
- ▶ Most experts expect only a slow economic rebound and job growth for years

Implications of Long-Term Unemployment

- ▶ Lower earnings for dislocated workers once reemployed, especially in high unemployment areas, and especially for older workers
- ▶ Longer out of work, the harder it is to recover
- ▶ Serious hardship for low income families. Childhood poverty rising
- ▶ New entrants (young adults) entering labor market at disadvantage—hard to overcome later.
- ▶ Serious challenges for severely constrained governments

Opportunities Going Forward

- ▶ Challenge: Do More With Less (funding)
- ▶ Promising options:
 - Upgrade skills of workers
 - Improve the safety net
 - Encourage program innovation
 - Evaluate and build the evidence base

Upgrade worker skills

- ▶ Good time to invest in human capital investments; demand for workers continues—invest accordingly
 - Technological skills
 - Growth sectors and occupations
 - Future workforce: school–work–career–lifelong learning
- ▶ Innovations to consider:
 - Flexible education/training: community colleges, workplace based training, cooperative education, school–to–career
 - Instructional advances: distance/online instruction, speeding up and compressing courses, credentials (cautiously)
 - Upgrade technology–labor market information, job matching
 - Employer and industry partnerships with government
 - Leverage resources (businesses are top trainer

Improve Safety Net Functioning

- ▶ Expanding role of Food Stamps/SNAP
- ▶ Recognize inadequacies & maximize effectiveness:
 - Increase access to those eligible
 - Early action to layoffs
 - Use technology--Benefit Access Screening & assistance
 - Streamline agency structure and management
 - Outreach by faith-based and community-based organizations
 - Collaborative and blended programming; gain efficiencies
 - Services coordination/integration to improve seamlessness
 - Practice creating financing
 - Seek grants to fill formula gaps (cautiously)

Concluding Remarks

- ▶ Economic, fiscal, and human situation is serious but not hopeless
- ▶ Seize opportunities to improve “systems”
 - invest in human capital
 - Expand access to public safety net
 - Gain efficiencies from new technological advances
 - Spearhead collaborative strategies (public, private, and nonprofit)
 - Use evidence-based management and evaluation to be ready for next steps

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