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# REGIONAL PLAN FOR EQUITABLE ECONOMIC RECOVERY

JANUARY 2021

Executive Summary



DEVELOPED IN PARTNERSHIP

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### ABOUT

The Workforce Development Council of Seattle-King County (WDC) is a nonprofit, grant-making organization dedicated to creating career pathways for adults and youth through demand-driven workforce and training programs. We convene and partner with business, labor, training and education providers, nonprofits, and diverse community stakeholders to support an inclusive and dynamic regional economy and shared prosperity.

### MISSION

To champion a workforce and learning system that allows our region to be a world leader in producing a vibrant economy and lifelong employment and training opportunities for every resident.

### VISION

Leadership toward an inclusive, dynamic regional economy.

### VALUES

Integrity | Support | Adaptability | Inclusion | Trust | Courage H

REGIONAL STRATEGIC PLAN FOR SEATTLE-KING COUNTY LABOR MARKET

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# EXECUTIVE SUMMARY

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# INTRODUCTION

This is a **3-5 year blueprint** for shared priorities between the Workforce Development Council of Seattle-King County (WDC) and its regional partners:

- County and City Government
- Industry
- Labor
- Community Colleges
- Educational and Training Partners
- Community-Based Organizations

### PURPOSE

To align regional and partner resources in response to the job loss and economic disruption from the COVID-19 global pandemic.

We prioritize equitable economic recovery, improving job quality, and the placement of dislocated workers into quality jobs.

### RACIAL EQUITY FOCUS

The strategies are explicit in supporting Black, Indigenous, People of Color (BIPOC) and immigrant and refugee communities, who have historically been marginalized from economic opportunity, and are more vulnerable without an intentional and concerted effort to center their needs and ensure equitable participation in the region's recovery.

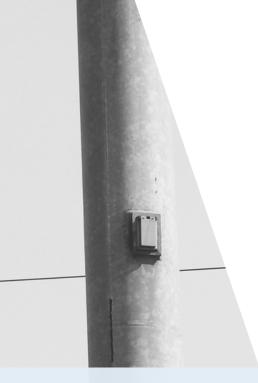
WORKFORCE DEVELOPMENT COUNCIL OF SEATTLE-KING COUNTY

### APPROACH

We sought the perspectives of industry, labor, government, and the community whenever possible to understand enablers and barriers to employment, as well as complementary data analyses and labor market research. We relied on existing sources of community feedback to minimize the burden on community leaders as they manage the pandemic impacts. Continued community engagment will be critical as we move forward.

We also looked at national and regional economic projections to make reasonable assumptions about the region's recovery. We established a short-list of "opportunity sectors"—industry sectors that should be a focus of regional recovery—based on short-term recovery indicators, job quality criteria, accessibility to those jobs by BIPOC, immigrant and refugee communities, and industry readiness and commitment. Since we can't have total certainty in these complex times, we expect to evolve this strategy.

Finally, we looked at national and regional equitable workforce development practices and innovations to understand how they worked and whether they could help support BIPOC communities, immigrants, and refugees. We also looked at how other regions are responding in this crisis to inform our priorities.



## **GUIDING PRINCIPLES**

A set of guiding principles informed our planning and development, as well as our priorities and strategies:

- Centering racial equity by focusing on BIPOC workers, immigrant and refugee communities, and people disproportionately impacted by the current economic recession
- Moving dislocated workers into quality jobs offering living wages and benefits, advancement opportunities, and safe workplaces
- Improving the quality of jobs historically occupied by low-income workers
- Ensuring equitable access to economic opportunity and removing barriers that have historically precluded BIPOC workers, immigrants, and refugees from accessing quality jobs
- Working across sectors to identify solutions that include human services, advocacy, and policy
- Selecting strategies informed by research, evidence, and data, as well as perspectives from industry, labor, community, and partners
- Leading with innovation and best practices in workforce development, resisting the status quo and other real or perceived constraints

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# **COVID-19 IMPACT**

Since the onset of COVID-19 in March 2020, the pandemic has devastated the region's economy, workforce, health, and public well-being. We sought to understand the **economic impacts** of the global pandemic on:

- Workers
- Sectors
- Occupations
- Geography

Qualitative feedback from the community suggests that many BIPOC communities, immigrants, and refugees are in distress, struggling with financial, health, family needs, and navigating multiple systems to access resources and supports. An analysis of state Unemployment Insurance (UI) claims further affirms the disproportionate adverse economic impacts experienced by these communities. A history of economic marginalization due to systemic racism, occupational segregation, and bias in hiring have contributed to economic injustice and resulted in the overrepresentation of BIPOC workers, immigrants and refugees in sectors hit hardest by job loss, as well as in low-wage occupations. This economic hardship is further exacerbated as BIPOC and immigrant workers are facing increased exposure to COVID-19, working as caregivers, healthcare professionals, grocery store workers, delivery people, and other essential jobs.

WORKFORCE DEVELOPMENT COUNCIL OF SEATTLE-KING COUNTY

# **RECOVERY OUTLOOK**

We examined core drivers of economic recovery, trends in the changing nature of work—often accelerated or exacerbated by the pandemic—and qualitative research on recovery in the region. There is general consensus among global business leaders that we should assume a recurrence of the virus, slow long-term growth, and a muted world recovery in the next one to two years.

Three factors will determine the timing and pace of the nation's economic recovery:

- Consumer behavior
- Development of a vaccine
- Federal relief and stimulus

Recovery will also accelerate or exacerbate trends present prior to the pandemic, including:

- Rising income and racial inequality
- Shifts in global supply chains
- Increase in automation and digitization in business operations, including e-commerce
- Increase in remote work across many industries

Taken together, these factors will greatly shape the nature of work during and after the pandemic.

### NEW VS CONTINUING CLAIMS

When individuals apply for Unemployment Insurance (UI) for the first time, they are recorded as **new claims** for that week. The total of all individuals receiving UI at a given time is recorded as **continuing claims**.

### WORKER RECOVERY

Recovery is slower for people of color, women, and workers with lower levels of educational attainment who are even more disproportionately represented among continuing UI claims than new UI claims:

- Blacks/African Americans make up 13.4 percent of continuing UI claims, more than double their 6.1 percent representation in the labor force. By contrast, whites make up 46.6 percent of continuing UI claims, compared to 60.4 percent of the labor force. This disproportionate pattern also holds true for American Indians/Alaska Natives and Pacific Islanders.
- Women are disproportionately represented among continuing UI claims. Women make up 47.7 percent of continuing UI claims, compared to 45.7 percent of the labor force. By contrast, men make up 51.8 percent of continuing UI claims, compared to 54.3 percent of the labor force.
- Workers with lower levels of educational attainment are also overrepresented among continuing UI claims. For example, those with a high school diploma or GED make up 26.3 percent of continuing UI claims, more than double their 13 percent representation in the labor force. By contrast, those with a BA or more make up 30.9 percent of continuing UI claims, about half their 58 percent representation in the labor force.

### SECTOR RECOVERY

Regional recovery is happening at a slow pace and varies by sector. Some sectors in the regional economy are starting to show signs of recovery in the short term, as indicated by decreases in continuing UI claims, increases in job postings, and changes in estimated employment since the peak of unemployment.

The construction sector was initially hard hit by COVID-19, with new UI claims representing 32 percent of construction jobs. Since the peak of unemployment associated with COVID-19, continuing UI claims have dropped 76 percent, job postings have increased 38 percent, and estimated employment has increased by 36,900. Estimated year-to-year employment is down less than two percent, or 1,300 jobs.

Other sectors showing signs of recovery include:

- Some subsectors of manufacturing (e.g., computer and electronic products)
- Retail trade (e.g., food and beverage stores and non-store retailers)
- Some subsectors of transportation and warehousing (e.g. warehousing and storage)
- Information technology
- Professional and technical services
- Some subsectors of health care and social assistance

# NORTH STARS

This plan is aimed at *two north stars*: EQUITABLE ECONOMIC RECOVERY and JOB QUALITY.

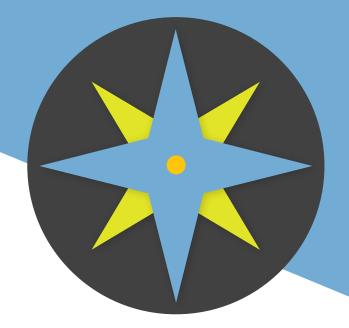
### TENETS

These north stars (described in more detail in Section IV) are undergirded by the following tenets:

- Recovery as an opportunity to rebuild better
- Centering equity
- Re-envisioning workforce development; and
- Broadening measures of success, including redefining job quality

### EQUITABLE ECONOMIC RECOVERY

Anchored on a recovery effort that prioritizes the inclusion of BIPOC workers and other economically marginalized communities; and the dismantling of structural and systemic racism across our institutions, such that all workers regardless of race or ethnicity have equitable access to high quality jobs and share in the region's economic prosperity.



# **JOB QUALITY**

Raises the expectation and commitment of all partners in the workforce system to:

- 1. Improve the quality of existing jobs where BIPOC workers, immigrants and refugees are over-represented.
- 2. Placing BIPOC workers, immigrants and refugees not into just any job, but into a quality job with livable wages and benefits, opportunities for advancement and assurances of a safe and healthy workplace.

REGIONAL STRATEGIC PLAN FOR SEATTLE-KING COUNTY LABOR MARKET

# **SECTOR ANALYSIS**

Sector strategies, or the practice of targeting economic efforts to the unique workforce challenges faced by industry sectors, are a building block in the focus of this plan. As the foundation for a sector-based career pathway approach, this has shown greater success than training programs placing adults and dislocated workers into one-off, short-term trainings and low-wage jobs.

### SECTOR STRATEGIES:

- Help low-income adults and people of color obtain quality, living-wage jobs in targeted sectors and occupations
- Engage employers and unions as partners in the effort
- Create systemic change within the labor market

# SECTOR ASSESSMENT

For this plan, we conducted a sector assessment to identify opportunity sectors using a set of eight criteria. Sectors were first evaluated regionally against quantitative indicators (size/presence & short-term indicators of recovery). We then evaluated sectors with significant regional presence and signs of short-term recovery against subjective criteria including job quality and industry readiness.

# **OPPORTUNITY SECTORS**

Using the assessment rubric and criteria, we identified opportunity sectors. While there were no sectors that rated high across all criteria, some showed promise in several criteria, while others present barriers to job access for workers of color, and/or opportunities to improve job quality.

Taken together, our analysis identified seven critical sectors:

- Construction
- Manufacturing
- Retail Trade
- Transportation and Warehousing
- Information Technology (IT)
- Healthcare
- Maritime

(Additional detail on Opportunity Sectors can be found in Section V).

### CRITERIA:

- Size and presence of sector in regional economy
- Short-term job recovery/growth
- Longer-term job recovery/growth
- Wages and benefits
- Education and training requirements
- Career pathways
- Workplace safety
- Sectory engagement, commitment and readiness





# **STRATEGIES**

This plan prioritizes strategies informed by research and the identification of innovative national and regional practices aimed at equitable economic recovery. We evaluated strategies for their promise of impact as well as the degree of difficulty in their implementation.

Many of the strategies will require collaboration and commitment from multiple partners in the workforce ecosystem. Their execution will necessitate the regional workforce system evolving into an innovative, industry and outcome-driven system with racial equity at its core.

# A NEW APPROACH IS NECESSARY

The workforce development system has historically emphasized skills, training, and job placement. Our recovery strategies in critical sectors are anchored in opportunities for skill building and expanding career-based pathways within specific sectors, or are emerging in collaboration with sector leadership and other partners.

However, in many instances an exclusive emphasis on skills development does not lead to employment, or at best places individuals into low-wage jobs. Without addressing the barriers to work and higher quality jobs that low-income workers and workers of color often face, we are likely to exacerbate existing income disparity and occupational segregation.

### **BARRIERS TO WORK**

- Lack of financial resources to pay for education and training
- Lack of access to supports that enable work (childcare and transportation)
- Exclusionary policies that relegate BIPOC to low-wage jobs with little to no opportunity for growth and advancement
- Structural racism

### EXPANDING SCOPE TO MEET THE CHALLENGE

The strategies presented in this report recognize and include critical elements: advocacy and changes in policies that remove barriers and increase access to jobs; as well as systemic changes to dismantle racialized practices that historically result in inequitable economic outcomes for BIPOC workers, immigrants, and refugees.

By design, each strategy **centers equity** and is explicit in its intent to support BIPOC workers, immigrants, refugees, and other historically marginalized workers. **Sector strategies** are featured prominently as a part of recovery strategies, informed by our sector analysis and identification of opportunity sectors (as defined in Section V).

These strategies have a broad scope with many targeted impacts, but they may still be insufficient for some populations who face particular barriers to employment. As such, we developed additional strategies specific to opportunity youth and the immigrant and refugee community.

EQUITABLE ECONOMIC RECOVERY WILL REQUIRE AN EXPLICIT AND INTENTIONAL SET OF STRATEGIES TO SUPPORT BIPOC WORKERS, IMMIGRANTS, AND REFUGEES—THOSE HISTORICALLY LEFT BEHIND AND AT RISK OF FURTHER ECONOMIC MARGINALIZATION.

### ORGANIZATION

#### WORKFORCE DEVELOPMENT

RELIEF STRATEGIES RECOVERY STRATEGIES POPULATION-BASED STRATEGIES

#### ADVOCACY

#### SYSTEMS CHANGE

(See Section VI and the Strategy Summary for more detail)



# **OUTLINE OF PROPOSED STRATEGIES**

### IMMEDIATE RELIEF STRATEGIES

- INVEST IN SUBSIDIZED TRANSITIONAL EMPLOYMENT WITH PATHWAYS
- EXPAND CAPACITY OF UI CLAIMS SYSTEM TO ENSURE MORE EQUITABLE ACCESS

### **RECOVERY STRATEGIES**

- ADVANCE SECTOR PARTNERSHIPS AND STRATEGIES
- EXPAND APPRENTICESHIP PROGRAMS
- INVEST IN DIGITAL LITERACY
- EXPAND ACCESS TO CREDENTIALS WITH LABOR MARKET VALUE RAPIDLY AND AT SCALE, ESPECIALLY FOR WORKERS OF COLOR

### POPULATION-BASED STRATEGIES

#### YOUTH

- INVEST IN AND PRIORITIZE YOUTH OF COLOR
- ENSURE WORK EXPERIENCE IS HIGH QUALITY AND LINKED TO EMPLOYERS AND PATHWAYS IN IN-DEMAND FIELDS
- EMBED YOUTH VOICE IN PLANNING, PROCESS, AND SERVICE DELIVERY
- HIGHLIGHT NAVIGATION AND SUPPORT

#### IMMIGRANTS/REFUGEES

- INCREASE LANGUAGE ACCESS FOR IMMIGRANTS AND REFUGEES
- INVEST IN, AND SCALE-UP WORKFORCE DEVELOPMENT MODELS IN WASHINGTON STATE THAT CREATE BRIDGES TO VOCATIONAL TRAINING PROGRAMS FOR IMMIGRANTS AND REFUGEES, OFFER APPRENTICESHIP PROGRAMS OFFERED IN LANGUAGES OTHER THAN ENGLISH, AND PROGRAMS THAT FOCUS ON CREDENTIALS FOR FOREIGN-EDUCATED PROFESSIONALS

### ADVOCACY

- LEVERAGE CREATIVE FUNDING MODELS
- EXPAND PORTABLE BENEFITS AND WRAP-AROUND SUPPORTS
- ELIMINATE PROHIBITIVE POLICIES TO SUSPENDING AND REINSTATING DRIVER'S LICENSES
- REMOVE CRIMINAL BACKGROUND AS A BARRIER TO EMPLOYMENT
- PARTNER WITH EMPLOYERS AND INDUSTRY ON EQUITABLE RECOVERY COMMITMENTS

SYSTEMS CHANGE

- STRENGTHEN THE CONNECTION BETWEEN ECONOMIC AND WORKFORCE DEVELOPMENT
- MEASURE AND TRACK EQUITABLE ECONOMIC RECOVERY
- INVEST IN DIGITAL INFRASTRUCTURE
- BUILD MEANINGFUL AND SUSTAINABLE COMMUNITY INFLUENCE AND POWER
- BUILD INTERNAL ORGANIZATIONAL CAPACITY ON EQUITY

# **OUR UNIQUE ROLE & PARTNERSHIPS**

# **BUILDING ON A TRANSFORMATION ROADMAP**

This plan is intended as a high-level blueprint for the region's workforce and recovery efforts.

The Regional Strategic Plan builds on the Regional Workforce Transformation Plan, which directed the WDC to facilitate an inclusive process to develop a 3-5 year regional workforce development strategy to:

- Prioritize employment and training for those who face the most barriers to opportunity, prioritizing strategies and funding that promote racial equity.
- Improve coordination between employers, labor, and educators to make sure job seekers are prepared for the best career opportunities available right now.
- Better align local, federal, and philanthropic funding to maximize impact and produce better results; and
- Leverage and coordinate federal, city, county and state funds to create efficiencies for the delivery of workforce development services.

### PARTNERS NEEDED TO SUCCEED

Implementation of these regional strategies will require extensive planning, leadership, and partnership from:

- Other workforce development entities
- Government
- Industry
- Labor
- Community colleges
- Educational and training partners
- Community-based organizations

### ADVOCACY

The WDC will leverage its voice in partnership to fulfill this plan's acknowledgment of advocacy and policy as a powerful lever in driving systems change. Historically, the organization has not played an intentional role on this front. As this is a new role for the WDC, new organizational capabilities will be built to use the organization's voice and advocacy (within the bounds of its legal authority) to support advocates in executing the strategies articulated in the plan.

### **RESEARCH & INNOVATION**

### OUR OPPORTUNITY TO PROVIDE LEADERSHIP

Most of the proposed strategies will require shared ownership and collaboration across sectors and organizations, as they are highly dependent on the actions and commitments of others.

The WDC is well positioned to lead or has the potential to fulfill leadership gaps to drive a subset of the strategies proposed in this plan, as envisioned in its regional transformation, including:

- Invest in Subsidized Transitional Employment w/ Pathways
- Advance Sector Partnerships and Strategies
- Co-Create & Co-Invest in High-Demand Career Pathways
- Partner w/Employers & Industry on Equitable Recovery Commitments
- Measure & Track Equitable Economic Recovery
- Build Meaningful and Sustainable Community Influence & Power

The WDC will expand its role as the regional backbone organization to lead research and innovation in support of this plan. The WDC will leverage its current resources and partnerships in addition to expanding research, data and evaluation, prototyping, and strategy and policy development capabilities. By partnering across federal, state, and local systems, pairing that with a unique system convener role and partnership with BIPOC and immigrant communities, the WDC will bring resources and insight into the challenges facing communities furthest from opporutnity.