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Important Investments in Build Back Better Would Expand Pathways to Quality Jobs, Promote Equity

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Congress should ensure that provisions to help people improve their employment opportunities and increase their earnings potential are included in a compromise Build Back Better (BBB) package. These investments are critical for addressing disparities caused by historical racism and discrimination in the labor market that the pandemic has made more evident. They also are critical for rural communities to address generations of gradual employment decline caused by competitive job markets elsewhere.

Workers experienced unprecedented impacts from the pandemic, but not equally. Those earning low wages were hardest hit: 80 percent of job losses were among the lowest quarter of wage earners.¹ People of color also experienced greater harm than white people. Within the hardest-hit sector — leisure and hospitality — Black and Hispanic women and Asian Americans and Pacific Islanders (men and women) saw disproportionate job losses.² Many higher-paid workers were protected from job loss by shifting to remote work.

To begin to address these inequities, the House-passed BBB legislation includes significant funding to expand workforce programs that focus on training people and providing paid work opportunities for in-demand jobs. It also calls for investments in making college more affordable; helping underserved students afford and complete college; and improving the quality of jobs, particularly for the care sector (disproportionately represented by women) and for people with disabilities who work for less than minimum wage.

As policymakers pursue compromise on a Build Back Better bill, they should craft legislation that still makes significant progress toward more broadly shared prosperity, where more workers can upgrade their skills to match the needs of today's economy. They should adopt as much as possible of the below education and training investments, as passed in the House BBB package. (See Appendix Table 1 for a list of BBB's provisions to increase access to quality employment.)

¹ Elise Gould and Melat Kassa, "Low-wage, low-hours workers were hit hardest in the COVID-19 recession," Economic Policy Institute, May 20, 2021, <https://www.epi.org/publication/swa-2020-employment-report/>.

² *Ibid.*

Such investments will create new opportunities for people across the country, especially for people whom structural inequities and historical racism have most affected: women, people with disabilities, opportunity youth (young people between the ages of 16 and 24 who are disconnected from school and work), young adults, workers of color, workers living in communities with high levels of disadvantage, rural communities with few jobs available, and people harmed by the criminal legal system. A compromise BBB provides an important opportunity to greatly expand the number of people who have access to post-secondary education and training programs that will prepare them for quality jobs that pay higher wages and provide greater protection against future economic disruptions.

\$33 Billion for Training Toward High-Quality Employment

For the majority of jobs in the economy, employers require specialized training beyond what high school provides. But many job seekers, especially people of color and people with a high school diploma or less, who were hard hit by the pandemic, do not have access to the training they need to qualify for those jobs. BBB would expand opportunity by significantly increasing access to training for in-demand jobs.

Rigorous evaluations find that employment programs with a direct connection to in-demand jobs significantly increase employment and earnings for people who have not always fared well in the labor market. For example, studies randomly assigning people to job training programs for in-demand jobs with extensive employer engagement found that participants were employed at a higher rate and had higher earnings (an additional \$4,500 per year after individuals completed the training) than those who went through other reemployment or training programs.³

Similarly, there is strong evidence that apprenticeships benefit individuals and employers. An examination of participants in Registered Apprenticeship programs found they earned about \$7,000 more annually by their sixth year after enrollment, and over \$300,000 more over their lifetime, than a comparison group of individuals who did not participate in Registered Apprenticeships.⁴

Through funds targeting the workforce system, employers, and community colleges, BBB would maximize access points for training that will prepare individuals for quality jobs. BBB also includes several provisions to ensure that funds targeting people or communities that historically have faced significant employment discrimination, including people involved in the criminal legal system, people living in communities with high levels of disadvantage and lack of public investment, disabled people, and opportunity youth.

Several of BBB's training initiatives would offer program participants the opportunity to earn while learning a new skill. These "earn and learn" approaches are especially valuable for people with low incomes who cannot afford to forgo working in order to build the skills that would allow them to move to higher-paying jobs.

³ Carol Clymer *et al.*, "Tuning In to Local Labor Markets: Findings From the Sectoral Employment Impact Study," Public/Private Ventures, July 2010.

⁴ Debbie Reed *et al.*, "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States," Mathematic Policy Research, July 25, 2012, <https://mathematica.org/publications/an-effectiveness-assessment-and-costbenefit-analysis-of-registered-apprenticeship-in-10-states>.

The \$33 billion for employment and training opportunities comprises:

- **\$10 billion for industry and sector employment grants.** These funds are split equally between the departments of Education (DOE) and Labor (DOL). The DOE funds would support community college and industry partnerships. The DOL funds would support a competitive grant program for workforce boards, labor organizations, employers, and employment and training providers to fund industry or sector partnerships that expand employment and training activities in high-wage or in-demand sectors and occupations. A portion of the DOL resources would fund partnerships in areas with a high unemployment rate or a high percentage of dislocated workers (including rural areas) or where many people face barriers to employment.
- **\$6.9 billion to create a Civilian Climate Corps (CCC).**⁵ CCC would employ young people to address the threat of climate change and to maintain public lands. It would provide short-term jobs paying at least \$15 per hour in both urban and rural areas. Two important goals of the program include increasing representation of groups often underrepresented in conservation work, such as women and people of color, and furthering economic justice by focusing on mitigating the impacts of climate change in communities serving large numbers of people with limited employment opportunities. The Corporation for National and Community Service, which currently operates the AmeriCorps program, would also operate CCC.
- **\$4.3 billion for workforce investments related to climate resilience and mitigation.** BBB includes significant investments to provide career opportunities in climate-related occupations. These funds would flow to the Department of Labor to fund Pre-Apprenticeship and Apprenticeship, reentry, and youth programs. Some \$1.95 billion of the funds are designated for apprenticeship programs, including \$1.15 billion for Pre-Apprenticeship programs and \$800 million for Apprenticeship programs, with \$350 million of the latter designated for programs that serve high percentages of people with barriers to employment, including people with disabilities and non-traditional apprenticeship populations. Another \$1 billion would be used to fund reentry programs and \$1.25 billion to fund programs explicitly targeting youth. That includes \$450 million for YouthBuild, a community-based Pre-Apprenticeship program that educates and trains opportunity youth aged 16-24 who are disconnected from school in the building trades; \$450 million for Job Corps, an education and career-training program that connects youth aged 16-24 to work opportunities; and \$350 million to provide paid employment opportunities for in-school and out-of-school youth.
- **\$3 billion in additional funding for adult and dislocated worker employment and training programs.** These funds would be used to expand career services, authorized through the Workforce Innovation and Opportunity Act (WIOA), for dislocated workers (\$2 billion) and adults (\$1 billion). These funds could be used to provide individualized career services, supportive services and needs-related payments, and individual training accounts that enrollees can use for any education or training program on a state's eligible training provider list, such as local community colleges or registered apprenticeships. States or local areas (including rural ones) could use up to 40 percent of funds for subsidized employment.

⁵ BBB also includes an addition \$8.3 billion to fund other programs and services administered by the Corporation for National Community Service.

- **\$2.2 billion to support training for health careers.** BBB would expand the Health Professions and Opportunity Grants programs, operated by the Department of Health and Human Services, to invest in education and training programs for individuals with low incomes, including recipients of Temporary Assistance for Needy Families and people who have been involved in the criminal legal system who are interested in a career in the health care industry. In addition to providing education and training, the grant funding could be used by organizations to provide participants with a stipend, access to emergency funds, uniforms, money for certification exam fees, or anything else that is needed to complete the training, such as interview clothing and internet access, effectively removing some indirect barriers to participation.
- **\$2.15 billion to expand effective training programs for youth.** Youth, especially youth of color, face significant challenges in making the transition from school to work. BBB includes \$1.5 billion in funds to expand WIOA career services for youth as well as additional funding for Job Corps (\$500 million) and YouthBuild (\$15 million).
- **\$1.4 billion to expand career and technical education and adult education and literacy programs.** Adult education and career and technical education programs are intended to help adults and youth nearing high school completion gain the academic, technical, and employability skills to succeed in postsecondary education and in in-demand careers. These programs, focusing on literacy, numeracy, English language acquisition, and digital technology, help students build essential skills that increase their chance of qualifying for better jobs or occupational skills training. Access to adult education and literacy programs will enable participants to further their education or make career changes, boosting income. States would be required to use some of this funding to provide programs for people who are incarcerated.
- **\$1.2 billion for grants under the Trade Assistance Act Community College Career Training program.** This program was designed to increase the capacity of community colleges to serve adult learners, through strategies like prior learning assessment, career navigation services, and competency-based education. Applicants for these funds would have to demonstrate they are successfully serving underserved populations. Grantees would also be required to use at least 15 percent of the funds to provide student supports.
- **\$1 billion for Apprenticeship and Pre-Apprenticeship programs.** These programs serve job seekers and employers by providing paid employment opportunities and additional on-the-job training for workers. To reach people who have traditionally been left out of apprenticeship programs, half of these BBB funds are designated for programs serving high numbers of people with barriers to employment, including people with disabilities and other non-traditional apprenticeship populations. Current Apprenticeship programs offer few wraparound services such as child care, housing, and transportation support. While these support services are necessary for apprentices regardless of race, wraparound supports would provide a direct opportunity for historically underrepresented workers to participate, such as Black workers who currently represent just 10 percent of enrollment.⁶ BBB would address

⁶ Alex Camardelle, “Principles to Support Black Workers in the Workforce Innovation and Opportunity Act,” Joint Center for Political and Economic Studies, October 7, 2021, <https://jointcenter.org/principles-to-support-black-workers-in-the-workforce-innovation-and-opportunity-act>.

this issue by making work supports, including transportation, affordable child care, and access to health services, available to participants.

- **\$655 million for programs targeted to groups with special employment needs.** BBB includes targeted funding for employment programs targeted for reentry opportunities for adults and young adults (\$500 million) and to serve Native Americans (\$50 million), migrant and seasonal farmworkers (\$70 million), and senior citizens (\$35 million).
- **\$300 million to convert subminimum wage positions to regular positions for workers with disabilities.** Some employers currently have certificates allowing them to pay disabled people less than the minimum wage. BBB's Competitive Integrated Employment Transformation Grant program, administered by DOL, would provide grants to states to help these employers transform their business and program models to pay at the minimum wage or higher. To receive a grant, states must provide assurances that employers with certificates may no longer pay people with disabilities subminimum wages. A small amount of the total funds (\$24 million) would be used to provide grants to states that have already eliminated the certificates or are in the process of phasing them out.

\$22 Billion to Help Underserved Students Afford and Complete College

A college degree can provide opportunities for career growth and advancement and shield people from hardship. That was true not just during the pandemic-induced recession, when higher-paid workers faced fewer job losses and less risk from in-person work, but also in past recessions when people lost jobs for more strictly economic reasons. People with a college degree often report higher rates of employment compared to people without a college degree or high school diploma.⁷ However, financial and structural barriers make accessing college difficult for underserved and marginalized student populations; providing additional financial assistance and other supports can improve college access and completion. Studies have shown that when low-income college students received additional grants, they were likelier to persist in and complete college — an effect substantially strengthened when grant aid was combined with additional supports.⁸

BBB aims to reduce some of the barriers to college entry and increase degree attainment through increases in the maximum Pell Grant; significant investments in Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority Serving Institutions (MSIs); and funding for programs to improve college completion. These investments prioritize creating opportunities for traditionally overlooked students to obtain a college degree while decreasing the amount of debt they incur.

- **\$11 billion to increase the maximum Pell Grant, plus another \$1 billion to expand Pell Grant access to some excluded groups.** The House-passed BBB includes funds to increase the maximum Pell Grant by \$550 (from \$6,495 to \$7,045 for the 2021-2022 academic year). Pell Grants alleviate some of the financial barriers to completing an associate's or bachelor's

⁷ U.S. Bureau of Labor Statistics, "Employment Status of the Civilian Population 25 Years and Over by Educational Attainment," January 7, 2022, <https://www.bls.gov/news.release/empsit.t04.htm>.

⁸ Arloc Sherman *et al.*, "Recovery Proposals Adopt Proven Approaches to Reducing Poverty, Increasing Social Mobility," CBPP, August 5, 2021, <https://www.cbpp.org/research/poverty-and-inequality/recovery-proposals-adopt-proven-approaches-to-reducing-poverty>.

degree and are especially important for students of color, whose families, on average, have lower income and less wealth than white students. In 2015-2016, 57.7 percent of Black, 46.9 percent of Hispanic, and 51.1 percent of American Indian students received Pell Grants, compared to 31.5 percent of white students.⁹ BBB would also grant eligibility for a maximum Pell Grant to students who in the past 24 months have received a means-tested benefit. BBB would also lift restrictions that previously excluded people without a documented immigration status — including those eligible for Deferred Action for Childhood Arrivals, Temporary Protected Status, and Deferred Enforced Departure — from receiving Pell Grants (\$1 billion).

- **\$9 billion to increase funding for HBCUs, TCUs, and MSIs.** Increased funding is an important step in continuing the legacy behind the formation of HBCUs, TCUs, and MSIs. These institutions have a shared goal of educating historically underserved students who have long dealt with inequitable access to higher education; HBCUs and TCUs were established specifically in response to racial injustice. Of the \$9 billion BBB would give these schools, \$6 billion would be to provide additional financial aid to students with low incomes and \$3 billion would be to cover the costs of research and development and infrastructure improvements.
- **\$500 million for grants to improve college completion.** BBB’s funding includes grants to support students as they matriculate through college. Upon enrollment, students are responsible for maintaining good financial standing to keep courses on schedule. Compared to Black and Hispanic students, white students are more likely to complete coursework and receive a degree.¹⁰ Organizations serving underrepresented and underserved students, including students with low incomes, students of color, students with disabilities, first-generation college students, student parents, and students in need of additional academic support, would receive priority for funding.
- **\$50 million to provide college access for young people in the U.S. Territories.** For students living in the Northern Mariana Islands, American Samoa, the U.S. Virgin Islands, Guam, and the Freely Associated States, BBB would cover the difference between in-state and out-of-state tuition for students who attend an out-of-state, four-year public institution of higher education, providing more options to students looking to leave their home community.

Significant Investments to Improve Care Jobs

The pandemic made structural inequities in the labor market more obvious, especially among care jobs that provide critical support to families caring for young children, people with a disability, and seniors. Without this support, many people — especially women, who face an outsized role doing unpaid care for U.S. households — are unable to work. Despite their significant value, the workers in these physically and emotionally demanding care jobs are paid extremely low wages and receive

⁹ U.S. Department of Education, “Web Tables: Trends in Pell Grant Receipt and Characteristics of Pell Grant Recipients: Selected Years, 2004-04 to 2015-16,” September 2019, <https://nces.ed.gov/pubs2019/2019487.pdf>.

¹⁰ CJ Libassi, “The Neglected College Race Gap: Racial Disparities Among College Completers,” Center for American Progress, May 23, 2018, <https://www.americanprogress.org/article/neglected-college-race-gap-racial-disparities-among-college-completers/>.

few employer benefits.¹¹ Many early childhood educators and direct care workers are women of color and are paid very low wages, which leads to burnout, staffing shortages, and high turnover.

BBB includes significant investments to improve the quality of these important jobs, both by making investments in training and also by providing resources to increase pay and otherwise improve overall job quality.

Investments to improve care jobs embedded within specific parts of BBB include the following:

- **Funds to increase wages for early childhood workers.** BBB would provide significant funding for states to eventually provide child care for all families with incomes below 250 percent of the state median income and to create a universal pre-K program. BBB would require that child care workers be paid a living wage and be provided with opportunities for training and professional development to create opportunities for career growth and advancement. States would be required to analyze and estimate the rates child care providers charge to ensure they support appropriate staff salary levels. In pre-K programs, lead teachers would be required to have bachelor's degrees in early childhood education, with pay comparable to that of elementary school staff with similar qualifications.
- **Funds to strengthen the home- and community-based services (HCBS) workforce.** BBB would provide enhanced Medicaid funding for HCBS expenditures, which could be used to provide training and increase compensation for direct care workers. Funding could also be used to (1) assess and monitor the sufficiency of payment rates under the state Medicaid program for purposes of supporting direct care worker recruitment and retention and ensuring the availability of home- and community-based services; and (2) ensure that any increased HCBS payment rates be applied as appropriate to update and increase compensation for direct care workers.

BBB also includes two explicit funding streams to improve the quality of care jobs, and one to grow and diversify the perinatal workforce specifically:

- **\$2.5 billion to improve compensation for Head Start staff.** BBB includes funds beginning in 2022 to improve compensation and benefits for Head Start staff and to ensure that compensation is adequate to attract and retain qualified staff and enhance program quality.
- **\$1 billion to improve direct care jobs.** These investments are especially important to women of color, who make up the majority of the direct care workforce.¹² The hope is that long-term investments to improve the quality of caregiving jobs will encourage more people to join the health care workforce, helping address the shortage of home care workers and alleviating some of the stress felt by family members to provide care for their loved ones.

¹¹ Asha Banerjee, Elise Gould, and Marokey Sawo, "Setting higher wages for child care and home health care workers is long overdue," Economic Policy Institute, November 18, 2021, <https://www.epi.org/publication/swa-2020-employment-report/>.

¹² Isabella Camacho-Craft and Sophie Khan, "Building the Care Economy: Workforce Investments to Expand Access to Affordable, High-Quality Early & Long-Term Care," Georgetown Center on Poverty and Inequality, August 2021, <https://www.georgetownpoverty.org/wp-content/uploads/2021/08/Caring-Economy-Brief-August2021.pdf>.

- **\$275 million to grow and diversify the perinatal health workforce.** This investment, targeted to training nurses, midwives, physicians, doulas, and maternal mental and behavioral health professionals, is part of a larger effort to devote resources toward improving Black maternal health. These efforts aim to save lives, reduce racial and ethnic maternal health disparities, and advance birth equity across the United States. Among developed countries, the U.S. has the highest rate of people dying of pregnancy-related complications during or within 12 months of the end of pregnancy. Black women are dying at significantly higher rates than other groups, which is linked to factors including structural racism in health care delivery and toxic stress from people’s lived experiences of racism¹³

¹³ Judith Solomon, “Closing the Coverage Gap Would Improve Black Maternal Health,” CBPP, July 26, 2021, <https://www.cbpp.org/research/health/closing-the-coverage-gap-would-improve-black-maternal-health>.

APPENDIX TABLE 1

Provisions in Build Back Better to Increase Access to Quality Jobs

Provision	Funding Amount (in millions)	Funding Duration (in years)	Agency
Workforce Provisions			
Industry or sector partnership grants	\$5,000	5	DOL
Community college and industry partnership grants	\$5,000	5	DOE
Civilian Climate Corps	\$6,900	7	CNCS
Workforce development in support of climate mitigation	\$4,280	5	DOL
Employment assistance for dislocated workers	\$2,000	5	DOL
Adult worker employment and training activities	\$1,000	5	DOL
Pathways to Health Careers	\$2,204	5	HHS
Youth employment and training activities	\$1,500	5	DOL
Job Corps and YouthBuild	\$515	5	DOL
Career and technical education	\$700	6	DOE
Adult Education and Literacy	\$700	6	DOE
Trade Assistance Act Community College Career Training	\$1,200	4	DOE
Apprenticeship and Pre-Apprenticeship programs for youth and adults	\$1,000	5	DOL
Reentry employment opportunities	\$500	5	DOL
Native American employment programs	\$50	5	DOL
Migrant and seasonal farmworker programs	\$70	5	DOL
Senior Community Service	\$35	5	DOL
Comprehensive Integrated Employment Transformation grant program and expansion	\$300	7	DOL
College Access and Completion Provisions			
Higher maximum Pell Grant	\$10,963	4	DOE
Higher Pell Grants for means-tested beneficiaries	\$100	8	DOE
Expanded Pell Grant eligibility	\$999	8	DOE
Support for HBCUs, TCUs, and MSIs	\$9,000	6	DOE
Grants to increase college retention and completion	\$500	7	DOE
College access for the U.S. Territories	\$50	7	DOE
Provisions to Improve Care Jobs			
Improvements to quality of early childhood jobs	Requirement included in creation of a child care entitlement for children under the age		HHS

Provisions in Build Back Better to Increase Access to Quality Jobs

Provision	Funding Amount (in millions)	Funding Duration (in years)	Agency
		of 5 and universal pre-K for 3- and 4-year-olds	
Improve compensation for Head Start Staff	\$2,500	6	HHS
Strengthen home- and community-based services (HCBS) workforce	Enhanced Medicaid funding for HCBS expenditures, including for increased compensation and training		HHS
Grants to improve direct care jobs	\$1,000	10	DOL
Grants to grow the perinatal health workforce	\$275	Available until expended	HHS

Notes: DOL – Department of Labor; DOE – Department of Education; HHS – Department of Health and Human Services; CNCS – Corporation for National and Community Service

Source: Congressional Budget Office estimates for H.R.5376, <https://www.cbo.gov/publication/57627>.