



PA Workforce Development Association

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**Pennsylvania House of Representatives Labor & Industry Committee
Unemployment Compensation System Update & Claimants Transition to Work
May 24, 2021**

***Testimony of Carrie Amann, Executive Director
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Thank you and good morning Chairman Cox, Vice Chairman Mullery and members of the House Labor & Industry Committee. Thank you for giving me the opportunity to speak to you today about how we help get back to work those Pennsylvanians who are receiving unemployment compensation benefits.

The PA Workforce Development Association represents the local workforce development organizations and professionals, and through them the hundreds of thousands of Pennsylvanians looking for living wage and community-strengthening jobs. All of the state's PA CareerLink® centers are operated by PWDA members and partners.

Pennsylvania's workforce development system is and has been open for business throughout the pandemic. Our members have a proven track record and know what it takes to help Pennsylvanians get back to family-sustaining work while also supporting employer's access to skilled talent and resources.

Like most organizations in 2020, despite PA CareerLink® centers being closed to in-person services, workforce boards and service locations shifted almost overnight to virtual models. Staff worked hard to maintain connections with customers and continued to provide them with critical employment and staffing services. Additionally, workforce boards and their

partners mobilized to meet the other immediate needs in their communities, such as securing PPE, distributing food, and connecting to healthcare resources.

Throughout this period of time, Pennsylvania employers and industries were impacted differently; certain industries experienced significant lay-offs and shut-downs, while other industries and sub-sectors boomed. And it was just over a year ago that the number of working Pennsylvanians receiving traditional unemployment reached unforeseen levels exceeding 1.2 million claims, and the additional pandemic unemployment assistance programs that were introduced to cover individuals who were otherwise not eligible for the traditional benefit peaked at over 1 million claims.

PA CareerLinks® are in the “employment business.” They work through the cycles of low unemployment, like we experienced in February 2020, and the periods of high unemployment, such as the pandemic. PWDA members know how to get people re-employed. While most are familiar with unemployment rates, workforce development professionals often look to the labor force for insight. Pennsylvania has seen a steadily decline in its labor force participation rate¹², in other words declining numbers of Pennsylvanians working or actively seeking work. This decline combined with mass exodus from baby boomer retirements, and the lack of births to replace creates broader and timely concerns.

To deal with exceptionally high rates of unemployment we can draw on what we learned from the Great Recession. But the public health issues and safety concerns raised by the pandemic are different and have us reimagining workforce development in new ways.

¹ <https://fred.stlouisfed.org/series/LBSSA42>

² The labor force participation rate is the number of all employed and unemployed workers divided against the state's civilian population.

The job wanted signs, the shift in preference for types of employment, the discussion around the ‘right’ level of wages and other employment conditions, and the concern for economic competitiveness may remain for much longer than the COVID-19 recovery. The crux of the issue is that the pandemic has only exacerbated the labor decline we were experiencing before it happened. Our ability to rely on a workforce boom – having more than enough bodies to fill job demand – was disappearing before March 2020. The urgent need for a modernization of how employers recruit and retain employees, how our education and training systems skill-up and engage adults, and how the workforce system re-employs was obvious before we even knew what COVID-19 was.

As noted from a recent EMSI report³ – “This is no COVID paradox” and Pennsylvania’s policy priorities, strategies, and investments for workforce development education, and economic development should not treat it as such.

Pennsylvania’s workforce system stands ready to tackle this ‘modernization’ with you. The solution is not a one size fits all approach, however. Meeting the needs of Pennsylvania’s families and those of its employers will take collaboration and an embrace of nuance. PWDA has put together a strategy document that provides high-level strategies to consider for Pennsylvania’s COVID-19 recovery; I will highlight a few of those strategies today and look forward to furthering the conversation and work with you.

Support Pennsylvanians Back to Work. We cannot job train ourselves into a recovery. Workers needs to have the right supports to start *and* complete their training and work experiences. This means we must invest in re-employment, education, and training for impacted Pennsylvanians, and in conjunction provide worker supports for childcare, transportation,

³ <https://www.economicmodeling.com/demographic-drought/>
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technology access and other means to break down the barriers to getting and keeping family-sustaining jobs. We must be intentional to incorporate barrier remediation tools into policy, practice, and investments and allow for flexibility to remove practical barriers to worker participation.

“Earn and learn” models that allow unemployed workers to participate in education, work-based learning, and earn an income also benefits the employer. Pennsylvania has successfully investing in registered apprenticeships and should expand this model to also include work-based learning, subsidized employment, transitional jobs initiatives, and experiential learning.

A Career Pathway to Every Pennsylvania Employer. The return to work is not one-sided. Employers must shift their recruitment strategies to incorporate a skills-focused approach – skills are one of the most portable tools a worker has, and employers must better define and incorporate the skills they need and the ways in which they accept it’s demonstration. Skill development doesn’t stop at hire; policy and investment must also support lifelong learning opportunities for existing workers to maintain their skill relevancy throughout their career.

Pennsylvania’s recovery must embrace the lattice work of a career because the old linear model is now the exception, not the rule. Pennsylvania’s unemployed workers must have an easier way to understand and access in real-time the education and training they need to obtain and keep employment. This creates the need for more integration across education and workforce. Similar to other states, Pennsylvania should map out its post-secondary educational offerings (existing open data) in one location, making it available within PA CareerLink®. Continuing to invest in Business-Education Partnerships can help define this navigation between education and employment, aligning to employer needs and building career-ready talent.

Strengthen Industry Partnerships. Industry sector partnerships are a tried-and-true tool of workforce development in Pennsylvania. Industry Partnerships are led by committed and forward-thinking employers in similar and supply-chained sectors, partnered with public and non-profit institutions, seeking to find collective solutions that better link employers to find and keep skilled talent, and leveraging regional resources that meet the industry's demand. Bringing together a consortium of employers provides scalability to identify and resolve common workforce issues; support and increase investments in this private-public partnership will return dividends and is one way to immediately support Pennsylvania's industry sectors in their recovery.

Unemployment compensation is not a hand-out; Pennsylvania workers have contributed and earned that benefit. The disparate impacts the pandemic has had on women, youth, and people of color are real; and the long-term trend of prime-aged working men dropping out of the labor force is concerning. Employers serve a critical role in transforming their recruitment and retention strategies. And public systems must modernize the way in which we educate, train, and prepare Pennsylvanians for family-sustaining careers.

I highlight just a number of workforce development strategies and priorities to assist Pennsylvania's recovery from the immediate impacts of COVID-19. While these strategies will help in the short-term, these are strategies built to last. We cannot delay the critical conversations needed to craft solutions that bring together workforce, education, and economic development and overcome Pennsylvania's demographic conditions. I look forward to working with you in this endeavor and thank you again for allowing me to provide remarks to you today.