



May 25, 2018

The Honorable Kevin Brady
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
U.S. House of Representatives
341 Cannon House Office Building
Washington, DC 20515

Dear Chairman Brady and Ranking Member Neal,

I write on behalf of the Opportunity America Jobs and Careers Coalition to thank the committee for moving forward with H.R. 5861, *The Jobs and Opportunity with Benefits and Services (JOBS) for Success Act*, legislation to reform and reauthorize the nation's \$30 billion-a-year Temporary Assistance for Needy Families program.

The OA Jobs and Careers Coalition is a Washington-based business coalition focused on career education and workforce development. Members include employers and employer associations from a range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction, retail and hospitality, among others.

Like the overwhelming majority of Americans – 89 percent according to one 2016 poll – members of our coalition believe that able-bodied adults who receive cash, food, housing and other benefits from the government should be required to work or prepare for work as a condition of receiving this assistance. We see work as the centerpiece of a rewarding life – work as a paycheck and the dignity of work. We applaud the way the *JOBS for Success Act* overhauls TANF to restore its emphasis on work, and we hold out hope that the bill will succeed in creating new, more effective oversight and incentives for states, remedying a long-term decline in state efforts to help needy parents get back to the world of work.

Not only is this good policy; it's essential for the industries in our coalition. At a time of historically tight labor markets and gaping skills mismatches, many of the employers we represent face dire worker shortages – shortages that are hobbling businesses across the U.S.

- **Not just the highly skilled.** At 3.9 percent, the U.S. unemployment rate is at a 17-year-low. Looking ahead to next year, the Federal Reserve Bank forecasts 3.6 percent, the lowest rate in half a century. According to the workforce analytics firm Burning Glass Technologies, the gap between open jobs and available workers is acute across the economy, among the highly skilled but also in occupations that

require technical education short of a bachelor's degree – jobs that had a surplus of workers during the economic downturn but now face growing shortages.

- **Construction.** From 2006 through 2011, the construction industry lost more than 2 million jobs, and many skilled workers dropped out of the building trades, never to return. Today, the sector is roaring back, and many contractors face all the work they can handle, but many are unable to bid on projects because of labor shortages. According to one 2017 survey, more than two-thirds of small residential construction contractors are having difficulty finding skilled workers. The Associated Builders and Contractors estimates that 500,000 construction jobs stand empty today. And the problem can only get worse in coming years: the average age of a skilled building trades worker is about 50 – and fewer and fewer young people show interest in going into the construction industry.
- **Manufacturing.** According to the Bureau of Labor Statistics, 391,000 manufacturing jobs stand empty today. Over the decade ending in 2025, Deloitte and the Manufacturing Institute predict, the industry will need to fill some 3.5 million positions, and as many as 2 million of them may go unfilled because employers can't find skilled workers.
- **Health care.** Among the most severe shortages are in health care. According to Burning Glass, there are 1.2 million more jobs available in the health care industry than there are workers available to fill them – that's nearly 1.5 openings for every ready worker. The Bureau of Labor Statistics' list of fastest growing occupations is dominated by health care jobs – from relatively less-skilled home health aides to better paid nurse practitioners and physician's assistants. And these gaps too can only grow with the aging of the Baby Boom generation.

Many Americans look at these industries – construction, manufacturing, health care – and see only unskilled workers. The employers we represent know better.

Our industries depend on workers with a range of skills all too often lacking in today's job applicants: technical expertise and hands-on dexterity, but also critical thinking, problem-solving and basic work habits like showing up on time and getting along with a boss. Also daunting: the unique challenges that come with hiring workers long out of work and unfamiliar with its routines.

As a coalition, we look to the *JOBS for Success Act* as a potential instrument for addressing these challenges.

- We applaud its overall goals: bringing the 7 million men missing from the labor force in off the sidelines and preparing workers not just to get jobs but also keep them – a win-win for employer and employee.
- We're encouraged by the legislation's focus on case management: preparation and supports for individuals whose family issues and other circumstances get in the way of holding down a steady job.
- We see less tension than some who are skeptical of the legislation between "work first" and job preparation and training. States that want to succeed in getting people back to work will understand that meaningful job training requires active involvement by employers, making sure workers are learning skills in demand in today's labor market. Job preparation often requires several steps – from basic

employability-skills training to technical instruction. And we expect the legislation to spark a range of public-private partnerships, including states preparing workers to succeed in employer-provided, on-the-job training.

- Finally, we endorse the bill's emphasis on outcomes-based metrics – its promise that the federal government will hold states accountable not just for the percentage of TANF recipients engaged in work and work-related activities, but the percentage who get and hold private-sector jobs, and their median income, after they exit the program.

The Opportunity America Jobs and Careers Coalition stands ready to work with the committee and others in Congress as the *JOBS for Success Act* moves forward on Capitol Hill. Thank you for your support and leadership on this issue of critical importance to our industries.

Yours sincerely,

Tamar Jacoby
President
Opportunity America