November 25, 2019

The Honorable Mike Lee  
Chair

The Honorable Carolyn Maloney  
Vice-Chair

The Joint Economic Committee  
United States Senate  
Washington, DC 20510

RE: Hearing: Connecting More People to Work

Dear Chairman Lee and Vice-Chair Maloney:

The Committee for Economic Development of the Conference Board (CED) is writing regarding the hearing titled “Connecting More People to Work,” held on Wednesday November 20, 2019. CED is a business-led, nonpartisan public policy think tank with a rich history in offering reasoned solutions in the national interest dating back to the Marshall Plan.

As you seek out public policies that could help address barriers keeping too many Americans from achieving prosperity through work, we would like to offer the following insights based on our recent issue brief, Growing the American Workforce: Bolstering Participation Is Critical for US Competitiveness and Economic Strength. Helping Americans who would like to work more to do so is critical for delivering more widely shared prosperity for families; a deeper, more-skilled pool of talent for American businesses; and economic growth and fiscal stability for all. The current labor force picture and comparisons with other advanced economies suggest that more can be done to incentivize work and reduce barriers to entry and fuller participation. Potential workers with the lowest-income job prospects, unemployed workers at risk of falling out of the labor force, parents, and aging workers who wish to keep working are potentially underutilized contributors to American economic strength.

Business leaders and policy makers will need to work together, in alignment, to implement policies that make it easier and more attractive to find work and remain working. Business leaders have a critical responsibility, and a civic obligation, to create the kinds of welcoming work environments—flexible and free of discrimination or unnecessary hurdles to participation and advancement—where all Americans, regardless of background or identity, can make contributions in line with their full talent and potential for the benefit of their companies and the nation as a whole. If the US is going to draw on the full strength of the American workforce, the private sector must take the lead in establishing the conditions necessary so all potential
employees can succeed, reducing the barriers that exist in their own institutions to workers entering or remaining in the workforce. But public policy will also be critical to their success.

Business leaders and policy makers must be united in advancing concrete solutions in the national interest. *Growing the American Workforce* offers four ways that public policy can be used to improve labor force participation and attachment in the near-term.

1. **Strengthen the Earned Income Tax Credit (EITC) for adults without qualifying children** - Incentivize more people with initially low-income job prospects to enter the labor force and remain working by increasing EITC benefits and expanding eligibility to reach more potential workers who do not have qualifying custodial responsibilities.

2. **Lessen barriers to participation through improved employee-employer matching and increased mobility** - Reduce geographical limitations, information gaps, and unnecessary occupational barriers in order to connect potential workers, particularly those most at risk of dropping out of the labor force following a job loss, to a wider set of employment opportunities by:
   a. Pushing states to deliver high-quality, effective reemployment services to help displaced workers quickly find jobs that can make use of and add to their existing skills;
   b. Funding high-quality demonstrations to improve employee-employer matching, including relocation assistance and wage-insurance pilots; and
   c. Reviewing and reforming occupational licensing requirements and the inappropriate use of noncompete clauses.

3. **Help parents remain connected to the workforce and meet family responsibilities** - As part of a national strategy to ensure all children can engage in effective, high-quality early childhood education from birth to age five, weigh the participation benefits of family-friendly labor market policies, including funding evaluations of the labor force impacts of different high-quality preschool program designs.

4. **Support older workers who wish to remain working** Use more of the work potential of older Americans by:
   a. Funding public information campaigns to counter employer misperceptions;
   b. Eliminating health insurance cost disparities that may motivate discrimination through market-based health reform;
   c. Piloting repeal of the Social Security retirement earnings test; and
   d. Piloting initiatives to support flexible work arrangements, including by increasing access to nonwage benefits and worker protections typically only available to full-time workers.

Thank you for the opportunity to comment on this important issue. We would be happy to assist the Committee and its staff in the consideration or exploration of any of these policies in the future.

Sincerely,

[Signature]
Bernard C. Bailey, PhD
President
Committee for Economic Development of The Conference Board (CED)

cc: Members of the Joint Economic Committee