



The Newsletter of the Ray Marshall Center for the Study of Human Resources

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The Ray Marshall Center celebrated its 40th anniversary with a full-day symposium on October 19th. ***Policy Responses for the New Economy*** featured three panels of experts from across the country examining the state of the labor market, education, and workforce development, along with a keynote address from Secretary of Labor Hilda Solis. A reception followed the symposium featuring a discussion between former U.S. Secretaries of Labor Alexis Herman and Ray Marshall.

Some of the take-away messages that emerged from the presentations and discussions are included below. To watch videos, see photographs, and download presentations from the event please visit <http://www.utexas.edu/research/cshr/rmc1/index.php/component/content/article/1-about/396-40-anniversary.html>.

### Labor Market Challenges

- There was general agreement that the main story in today's labor market is one of insufficient demand: more stimulus funding is needed to create more jobs more quickly and to start reducing the historically high rate of unemployment, which is still hovering around 9.6%. There are also secular structural adjustment problems in the labor market - including skills deficits and spatial mismatches, among others - that would benefit from greater attention in workforce development policies and programs.
- Immigration is a serious labor market problem. Comprehensive immigration reform is badly needed but also unlikely to take place in today's political environment.
- There is no silver bullet to resolve current labor market problems, which have grown far more complicated due to increased interdependence among world markets.



### Education Policies and Outcomes

- It is clear that there are lessons policymakers can and should learn both from international experiences (e.g., Japan and Germany) as well as from innovative programs in our own country (e.g., Chicago Manufacturing Renaissance Council).
- The U.S. would be better served by having tougher educational standards as well as incentives for attaining them, focusing on better labor market transitions for all youths, as well as striving to have a robust advanced manufacturing sector and students prepared to work in the jobs it supports.
- Even with aggressive postsecondary college and career efforts engaging business, education and civic leaders, achieving continued growth in 2- and 4-year college enrollment and completion rates will be challenged by changing demographics, negative labor market conditions, and uncertainties over financing college.



### Workforce Development Policies

- Workforce development policies, especially training, are more effective than most researchers



are more effective than most researchers, policymakers and the general public give them credit for. In fact, rates of return for training are likely on par with public education and early childhood development programs. There are a number of reasons for this perception of workforce development policies, including the use of measurement periods that are often too short and the under-attribution of outcomes compared to other investments.



- The U.S. invests far less in labor market policies as a share of GDP than almost all other developed countries. Given the pressures on federal, state and local budgets, this trend is unlikely to change in the near term. Apprenticeship has not garnered the support it requires to reach a much wider audience, despite being effective and highly valued by its employer sponsors and workers alike.
- Early results from the national study of the implementation of the American Reinvestment and Recovery Act (ARRA) indicate that it has led to little change in state and local workforce development systems, though it has led to greater emphasis on training at least in the short run. Most states studied will be unable to sustain their levels of service once ARRA funds have expired.

### Keynote Address

U.S. Secretary of Labor Hilda Solis provided the luncheon's keynote address and responded to questions in the LBJ Presidential Library. She reviewed current Labor Department initiatives and cited the need for better enforcement of workforce safety and health and other labor standards. She indicated her support for comprehensive immigration reform and reauthorization of the Workforce Investment Act, with modifications.



### An Evening with the Secretaries

Former Assistant Secretary of Labor Ernest Green (1977-1981) interviewed Secretaries Alexis Herman (1997-2001) and Ray Marshall (1977-1981) about their experiences in leading the Labor Department. The conversation ranged widely - from relationships with Congress, to the need to strengthen workforce investment boards by linking them to economic development, to the importance of implementation and being able to execute policy as well as make it, to reasons why the loan guarantee to Chrysler was successful. Ray Marshall has long served as a good friend and mentor to both Green and Herman. The conversation proved to be a real treat for the audience and a highlight of the day.



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