

Help Wanted: A Stronger Labor Market for Robust Growth

Chairman Don Beyer – Prepared Remarks

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One of the most important things we can do as a Congress is to help build a policy environment that encourages the creation of well-paying, high-quality, safe jobs. Jobs that allow Americans to support themselves and their families. To create opportunities that provide workers both a steady paycheck and the ability to care for loved ones when they are in need.

Ensuring workers can navigate work and care responsibilities is crucial to boosting overall productivity and advancing long-term and robust economic growth—which benefits all of us.

The purpose of this hearing is to examine the barriers to labor force participation—why it is that certain workers have been unable to rejoin the workforce—and how policymakers can help address this trend.

Despite the strength of our nation’s ongoing recovery—in which the pace of new jobs created has been steady and robust, with almost 5 million Americans returning to work under President Biden—the uneven return to the workforce we are witnessing raises some concerns. It is particularly troublesome to note that women comprise nearly two out of three of the workers who have dropped out of the labor force since the beginning of the pandemic.

To understand the current situation, it is useful to look at preexisting trends in U.S. labor force participation: After increasing dramatically over the second half of the 20th century, women’s labor force participation peaked in 2000, and has declined since then. The reason for much of this decline has been the lack of structural support for women’s full participation in the economy, such as paid leave and affordable and accessible child care.

The pandemic highlighted these underlying structural challenges confronting our care infrastructure. Women remain the members of their families most often responsible for a greater share of care work.

Now, facing the burden of inadequate and unaffordable child care, the impossible choice between caring for a sick loved one or getting a paycheck, or pandemic-related disruptions of schools, many women have been unable to return to the workplace. If we do not take action to better support women returning to work, we may experience prolonged periods of worker shortages that will hurt our nation's economy.

As a small business owner for over four decades, I have seen first-hand how paid leave is important for supporting both small businesses and workers. It is inevitable that workers need to take time off to care for themselves or for a loved one, but only 23% of American workers have access to paid family leave. Unfortunately, the lower-wage workers who are least able to afford to take time away from work to care for a sick child or relative are also the workers least likely to get paid leave from their employer. A universal paid leave program would allow parents to look for work with the knowledge that they could care for their kids without losing their paycheck. It would also allow employers to be able to retain experienced workers who need to take leave without having to pay for the leave out of their own pocket.

The good news we can take from the current strong demand for workers is that we know from the recent past that when there is strong demand for workers, they do return to the labor force. Under President Obama, the U.S began the longest period of continuous job growth in modern history. The tightening of the labor market created opportunities for millions of previously marginalized workers to rejoin the workforce, and drove up wages, particularly among lower-wage earners.

So while the coronavirus pandemic rocked the labor market and pushed the labor force participation rate to lows not seen in decades, the hot labor market before the coronavirus pandemic demonstrated that sidelined workers can be brought back into the labor force. This offers us a useful example as we look to address the current challenges facing workers.

But as helpful as the strong demand for workers can be in pulling people back into the labor force, we have seen that if we want to make a meaningful improvement in labor force participation we must address existing gaps in workforce supports that help workers navigate both their jobs and care responsibilities.

Workers have made significant progress in the past year, with almost 5 million Americans returning to work under President Biden and the unemployment rate dropping to 4.8% in September, beating expectations. Nonetheless, there is significant turbulence in the labor market. It is incumbent on this Congress to examine and act on policies that make it possible for Americans to maintain work responsibilities while ensuring the well-being of their loved ones.

I am looking forward to learning from each of our witnesses today.