

TESTIMONY OF BRENT R. ORRELL

Vice President, ICF, Incorporated

Fairfax, Virginia

HOUSE WAYS AND MEANS SUBCOMMITTEE ON HUMAN RESOURCES

SEPTEMBER 6, 2017

Chairman Smith, Ranking Member Davis and members of the subcommittee, it is an honor to be with you today at this very important hearing on the problem of declining workforce participation among men. Today, I have been asked to provide the subcommittee with a brief overview of a report, [Getting Men Back to Work: Solutions from the Right and Left](#), which I co-authored with Dr. Harry Holzer of Georgetown University and Robert Doar of the American Enterprise Institute. Our report analyzed the nature of the male unemployment problem and provides a menu of options, endorsed by all of us, that federal and state governments could adopt to address it. My views are my own and do not necessarily reflect those of my employer, ICF Incorporated.

Economists and policy analysts across the political spectrum agree that employment among prime working age men, ages 25 to 54, has reached crisis lows. In 1967, 96 percent of men in this age group worked; today that figure has dropped to 88 percent.¹ Among those with a high school degree or less, only 83 percent are working. This means that at least 7 million prime working age men are out of the labor force creating a double burden of untapped economic potential and higher social welfare costs associated with chronic unemployment. Most importantly, unemployment among these men has been connected to a range of social pathologies – drug and alcohol addiction and rising levels of suicide – that demand our attention due to the toll they exact on spouses, partners, children, communities, and, not least, the unemployed men themselves.

American Enterprise Institute economist, Nicholas Eberstadt, in his 2016 book *Men Without Work*, provided a startling picture of how work-disengaged men spend their time. On average, an employed man in the U.S. works 8.4 hours a day. By contrast, a not-in-labor-force, or NILF, male spends just 43 minutes a day working or looking for work and almost 8 hours per day on “socializing, relaxing and leisure.”² Depending on which programs are taken into account, somewhere between 40 and 63 percent of these men live in households that are receiving public benefits even if they are not direct beneficiaries raising the question of whether many should be considered secondary welfare recipients.

The personal and social consequences of idleness and dependency are well documented. While mid-life mortality has dropped or leveled off for many segments of the U.S. population, research has shown a sharp rise in mortality among prime-age whites and an acute jump in such deaths among those whites with a high school degree or less in educational attainment. At the very peak of this trend are white men with high school or less education. These are what Princeton professors Anne Case and

¹ A broader gauge, the Employment-to-Population Ratio paints an even more dire picture. Between 1948 and 2015, the work rate for U.S. men twenty and older fell from 85.8 percent to 68.2 percent. (Eberstadt, 2016)

² When asked how this leisure time was spent, respondents said, “attending gambling establishments,” “tobacco and drug use,” “listening to the radio” and “arts and crafts as a hobby”. (Eberstadt, 2016)

Agnus Deaton have characterized as “deaths of despair” and are driven by high rates of opioid abuse, alcoholism, and suicide. Indeed, as has been widely noted, more people are now killed by opioid abuse than in automobile accidents. Deaton and King argue that this rise in mortality is directly related to the declining employment prospects of among men driven by de-industrialization and economic globalization.

As noted in our report, other analysts have attributed the decline in male workforce participation to a variety of sources. In addition to de-industrialization, we note research that identifies the large number of men with criminal records who are screened out of employment, rising welfare dependency, especially in the SSDI program, and the growing rejection of the social expectation for work. J.D. Vance, in his best-selling book, *Hillbilly Elegy*, describes this combination of de-industrialization and rejection of work as “reacting to bad circumstances in the worst possible way.”

Each of the report authors has his own perspective on the relative weight to give structural verses cultural factors at play in male workforce disengagement while agreeing that these factors interact with each other. Declining availability of desirable, remunerative work affects worker morale and dampens the willingness to seek jobs. Shortages of motivated, skilled workers helps drives automation thereby eroding the number and variety of jobs available. Each of us also agree that policy makers should address both sides of the equation: increasing the opportunity to work while actively encouraging work through federal and state programs wherever possible.

Our paper recommends a number of changes and enhancements to federal policies and programs. In considering these options, it is important to bear in mind that this population is diverse and requires tailored approaches depending on the needs of different segments of the population and individual skills and backgrounds. For instance, some of these workers will have strong work histories and skill bases and can be moved quickly into employment. Others will require more extensive retraining. For those with the lowest skill levels, we agree government should consider use of publicly-financed employment that will improve basic skills and establish a documented work history. Assessment tools that examine both “hard” and “soft” work and work-readiness skills will be essential in establishing tailored employment approaches. And for all types of NILF men, American society needs a consistent message about the social, economic and personal importance of work and self-sufficiency. The precedent for this approach is readily available in the principles Congress articulated in Personal Responsibility and Work Opportunity Act of 1996 which required work and work engagement activities in return for time-limited welfare.

I will highlight three specific areas for the subcommittee’s attention: Building Skills, Incentivizing Job Creation, and Targeting Special Populations

Skill Building – To improve employment and wages among NILF males, it is vital to enhance skills in the form of post-secondary credentials including certifications and associate degrees using research-validated sector-based strategies focused on high-growth, high-wage occupations. This will require regionally focused, data-driven employment programs that align training with high-growth industries and occupations. Significant public investment has already been made in developing and validating these approaches and Congress should provide guidance to the Departments of Education and Labor to expand their use in secondary, post-secondary, technical training programs, and apprenticeship and consider new strategies to apply these programs with NILF men.

Incentivizing Job Creation –Congress should review laws governing existing public development finance instruments to expand employment opportunities for disengaged workers through required use of community benefit agreements, or CBAs. ICF has been working with Sagamore Associates in Baltimore, Maryland to develop systems to leverage a CBA associated with passage of a recent \$525 million tax increment financing package. The workforce provisions of the CBA are designed to create a market-driven, community-based, outcomes-focused workforce development strategy. Sagamore has committed to setting aside for Baltimore residents 30 percent of the estimated 40,000 jobs this project will generate. This commitment is backed by \$40 million for workforce development activities to find, train, and place Baltimore residents in construction and follow-on jobs. The CBA includes a high level of transparency and accountability through data collection and evaluation to determine the degree to which CBA commitments are being fulfilled.

Targeting Special Populations – While men are not typically direct recipients of publicly-funded benefits such as TANF or housing, two important aspects of government do engage large numbers of men: child support enforcement and corrections/criminal justice. Congress should take steps to strengthen workforce development aspects of both.

With regard to child support, our report endorses continued federal and state efforts to “right-size” child support orders and develop “debt forgiveness” strategies that will result in child support orders that are responsive to the noncustodial parents’ ability to pay. We also believe more needs to be done to improve employment opportunities for noncustodial parents through innovative strategies, like NCP-Choices in Texas, that present a clear work “pay, play, or pay the consequences” option combined with enhanced workforce development services. We also recommend that Congress increase incentives to states to help pay for these enhanced services by strengthening the federal child support match for employment services.

Incarcerated populations and those who have recently returned from prison are also a key opportunity to increase engagement of men in work. For the past 15 years, the U.S. Department of Labor has invested in pre- and post-release programs that pave the way for post-incarceration employment. These projects focus on connecting returning citizens to faith- and community-based groups that help manage re-entry and connect clients to training and employment. “Behind the wall” programs work to identify skills and employment barriers and prepare returnees for employment. A recent study funded by the Ford Foundation found that the highest performing DOL Reemployment Opportunities grantees had a number of common attributes: they all worked closely with criminal justice systems, created tailored re-employment plans, and focused on helping clients gain industry-recognized credentials to boost post-release employment. The Council of State Governments is doing ground-breaking work in aligning recidivism risk assessments with market-driven employability assessments in Milwaukee, Wisconsin. These and other successful strategies should be sustained, evaluated, refined and replicated to serve more of the eligible population.

I thank the subcommittee members for their time and attention, and I’d be happy to try to answer any questions you might have relating to my comments or the report.