What Might Improve the Employment and Advancement Prospects of the Poor?

Harry J. Holzer

Georgetown University
The Urban Institute

Prepared for the conference, *Strategies for Improving Economic Mobility of Workers*, at the Federal Reserve Bank of Chicago November 2007

Plan of the Presentation

- Two Problems:
 - Low wages and advancement prospects of the <u>Working Poor</u>
 - 2) Nonparticipation in the labor market for <u>Black Men</u> and other <u>Hard to Employ</u> Groups
 - For each group:
- Causes of Their Problems
- Potential Policy Remedies?

The Working Poor: What are their Problems?

- □ Poor Education/Skills, "Soft Skills," Lack of Occupational Training and Work Experience
- □ Lack of Access to "Good Jobs" Information, Transportation, Informal Contacts, Discrimination; Declining Numbers of Such Jobs?
- ☐ Job Instability: Child Care, Transportation, Health Issues

the Nonattached: What are their Problems?

- Families, Schools and Neighborhoods
- ☐ Early Disconnection from School and Work
- Non-mainstream Behaviors: Crime and Unwed Fatherhood
- Ex-Offender Status and Child Support Arrears:
 Barriers and Disincentives

Policies The Working Poor

- Job Training
 - Sectoral, Incumbent Worker, Career Ladders, Apprenticeships
- ☐ Job Placement Assistance
- Other Supports and Services
- Labor Market Intermediaries

Evaluation Evidence? Need More

Policies The Nonattached

Early Schooling and Employment/Preventing Disconnection

- □ Improving Incentives to Work: Extending EITC
- □ Reducing Barriers and Disincentives for Ex-Offenders and Welfare Recipients

Policies Creating More High-Wage Jobs

■ Minimum wage

☐ Collective bargaining

■ Economic development approaches?