MASS WORKFORCE ASSOCIATION
ONE SYSTEM – ONE VOICE

<u>MassHire Career Centers 7003-0803</u>:
FY22 Funding: $9.5M
FY23 H2: $5.96M
MWA Request: $10M

COVID-19 IMPACT ON THE MA WORKFORCE

- In November 2020 Massachusetts had an unemployment rate of **8.4%.** As of November 2021 it is **5.4%** with some regions seeing higher unemployment rates.
- Currently, there are still over **200,000 individuals** unemployed and actively seeking employment, many of whom won't be able to find work in the industry they worked in before.
- These sobering numbers do not account for those who have stopped looking for work, those whose hours have been reduced (**nearly 153,000 underemployed**) or the concerning number of people who have dropped out of the labor force, predominantly women and people of color.
- The unemployment rates of Massachusetts' non-Hispanic white workers and workers of color has decreased slightly since the early days of the pandemic, but it is still wider than it was before the pandemic.
- According to a **Future of Work** report prepared by McKinsey for the Executive Office of Labor and Workforce Development, COVID-19 caused 560,000 residents to become unemployed, and half of all small businesses to close at the pandemic's height in April 2020. In addition, when taking into account the future upskilling needs of workers, it is predicted that over the next 5 years the Commonwealth will face its largest reskilling need to date.

MASSHIRE AND RE-EMPLOYMENT EFFORTS:

- MassHire Career Centers play a key role in helping those who are on unemployment insurance/or looking for work/underemployed find jobs and upskilling opportunities. Career Center staff help connect individuals to training and education opportunities, case manage to ensure they succeed, and connect those who complete to in demand jobs at local businesses.
- **Since March 2020**, the MassHire system has provided virtual services to more than **109,000 individuals**, including essential UI assistance to help the Department of Unemployment Assistance respond to unprecedented demands. MassHire Career Centers are now open for in-person services and continue to offer both in-person and virtual services to job seekers and employers.
- **From FY2015 to FY2020, federal funding to the MassHire workforce system declined by 22% (28% in 2020 dollars),** with some regions seeing higher percentages in cuts. This has led to career center closures, staff layoffs, and a decrease in services for job seekers and businesses throughout the state. Despite some increases in federal funding due to the increase in unemployment during the pandemic, the system has not fully recovered from years of underinvestment.
- MassHire Career Centers are a key partner in the execution and success of local training programs, helping not only on the recruitment side, but also in ensuring participant success in training and placement in employment. They work closely with local employers, many times small/medium-sized employers, to ensure that these companies have access to the talent they need to grow and thrive.
- As Massachusetts and the nation begin to transition from pandemic response to recovery efforts, funding for the state's workforce infrastructure (MassHire Career Centers) will help ensure individuals continue to have access to critical assistance and services and that employers can continue to meet their hiring needs.

INCREASED FUNDING TO CAREER CENTERS IN THE FY2023 BUDGET WILL ALLOW THE SYSTEM TO MEET THE EXPECTED DEMAND FOR REEMPLOYMENT SERVICES NECESSARY FOR AN EQUITABLE ECONOMIC RECOVERY.