

GAO@100 Highlights

Highlights of [GAO-21-324](#), a report to the Honorable Chris Coons, U.S. Senate

Why GAO Did This Study

Various economic disruptions, such as policy changes that affect global trade or the defense or energy industries and shifts in immigration, globalization, or automation, can lead to widespread job loss among workers within an entire region, industry, or occupation. GAO was asked about options for reforming the current policies and programs for helping workers weather economic disruption.

This report describes a range of options, identified by experts, to reform the current policies and programs for helping workers weather economic disruption. With the assistance of the National Academies of Sciences, Engineering, and Medicine, GAO convened a 2-day, virtual roundtable in August 2020 with 12 experts, selected to represent a broad spectrum of views and expertise and a variety of professional and academic fields. They included academic researchers, program evaluators, labor economists, former federal agency officials, and state and local practitioners. GAO also reviewed relevant federal laws, prior GAO reports, and other research.

View [GAO-21-324](#). For more information, contact Cindy S. Brown Barnes at (202) 512-7215 or brownbarnesc@gao.gov.

April 2021

ECONOMIC ADJUSTMENT ASSISTANCE

Experts' Proposed Reform Options to Better Serve Workers Experiencing Economic Disruption

What GAO Found

U.S. workers have faced considerable changes in how they work and in the skills they need because of economic changes created by emerging technologies, disruptive business models, and other economic forces. Federal economic adjustment assistance (EAA) programs were established, in part, to help workers adjust to these economic disruptions. Consistent with GAO's prior work on EAA programs, experts in GAO's roundtable identified a range of challenges to using EAA programs to effectively respond to economic disruptions workers might experience.

In light of these challenges, experts identified reform actions that could better serve workers (see table). The actions fell into six interrelated reform areas.

Examples of Potential Reform Actions That Could Better Serve Workers Who Experience Economic Disruption, as Identified by Experts in GAO's Roundtable

Reform area	Examples of potential reform actions identified by experts
Proactive efforts to address disruption	<ul style="list-style-type: none"> Establish lifelong learning accounts for workers through contributions of individual workers, employers, and government agencies to fund continuous education and training opportunities. Establish a tax credit to help incentivize employers to retrain rather than lay off employees.
Access to Economic Adjustment Assistance (EAA) programs	<ul style="list-style-type: none"> Use the existing unemployment insurance system to better inform dislocated workers about the availability of and their eligibility for EAA programs.
Worker training	<ul style="list-style-type: none"> Expand the number of short-term, high-demand skills-based training opportunities. Prompt employers to develop apprenticeship programs. For example, require employers to operate apprenticeship programs of their own or pay a tax to fund the creation of apprenticeship programs.
Income and other supports	<ul style="list-style-type: none"> Create more opportunities for workers to co-enroll in training and financial safety-net programs. Develop supportive services programs for dislocated workers at the community colleges in which they are enrolled.
EAA service delivery	<ul style="list-style-type: none"> Provide dislocated workers ready access to easy-to-navigate data on high-demand skills, earnings in various occupations, and the number of available jobs in those occupations in their area. Provide community colleges with additional state or federal resources to deliver more career guidance to dislocated workers.
Structure of the EAA system	<ul style="list-style-type: none"> Invest in training infrastructure, such as publicly funded regional universities, community colleges, and other institutions. Reduce barriers to accessing existing national datasets to facilitate the evaluation of EAA program effectiveness.

Source: GAO analysis of expert statements. | GAO-21-324

Note: These potential reform actions are not listed in any specific rank or order and their inclusion in this report should not be interpreted as GAO endorsing any of them. GAO did not assess how effective the potential reform actions may be or the extent to which program design modifications, legal changes, and federal financial support would be needed to implement any given reform action or combination of reform actions.