

Vision 2020 and the coronavirus recession

June 2020

By David Mitchell, Washington Center for Equitable Growth

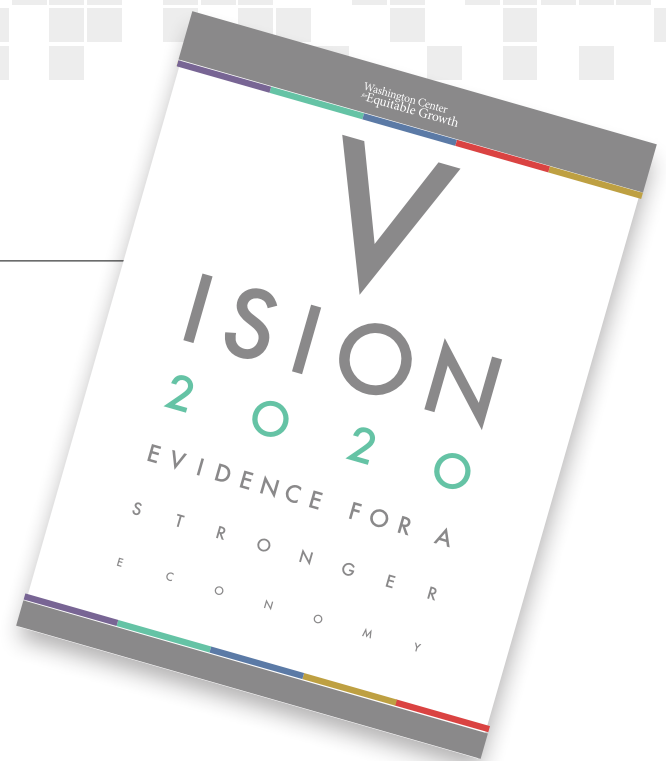
The public health crisis caused by the coronavirus pandemic and the ensuing economic recession are unprecedented in speed and severity. Decades of failed economic policies, based on ideology instead of evidence, and a blind adherence to the idea that markets can solve every problem, made our economy and our society especially vulnerable.

These crises have exposed and exacerbated many systemic inequalities in our society, and the evidence suggests the economic downturn will be especially harmful to the long-term economic mobility and wealth accumulation of Black and Latinx families.

To have any chance of emerging on a stronger footing as a nation with less economic inequality and more sustainable economic growth, policymakers need to enact a robust set of public policies that ensure high-end inequality is contained, counterweights to concentrated power are built, and economic security for all is achieved, now and going forward.

Though we at Equitable Growth could not have anticipated the pandemic and resulting recession when we published *Vision 2020: Evidence for a stronger economy* in February, the ideas featured in the book—geared at achieving structural economic changes—are even more urgently needed today. The essay summaries featured below represent some of the most timely and relevant proposals from the book, given the major developments of the past few months.

<https://equitablegrowth.org/vision-2020/>



Aligning U.S. labor law with worker preferences for labor representation

By Alexander Hertel-Fernandez, Columbia University

The coronavirus pandemic underscores workers' need for voice and power in the U.S. labor market. Whether it is insisting on workplace safety or fighting for unemployment benefits, low- and middle-income workers, especially the largely Black and Latinx service-sector workers forced to put themselves in harm's way during this crisis, need new ways to build power, advocate for themselves, and bargain collectively.

Thankfully, steeply declining U.S. union membership over the past five decades does not reflect a lack of worker demand for unions. Even before the coronavirus recession, nearly half of all nonunion workers expressed an interest in joining a union. Based on research, U.S. workers value industrywide or statewide collective bargaining, as well as union-administered portable health and retirement benefits—all of which are largely prohibited by current federal and state labor laws.

Solutions

U.S. labor law should incorporate these worker preferences, giving workers broader access to collective bargaining rights, new provisions for social benefits and training, and expanded collective bargaining, so that labor market outcomes powered by vibrant unions can boost broadly shared prosperity and economic growth. Specifically, federal law can be amended in the following ways:

- Make it easier for workers to form and join traditional unions. Expedite union elections, give union organizers greater rights to communicate with workers and share information about unions, ensure that employers have strong incentives not to violate existing worker protections, and strengthen workers' rights to strike, boycott, and picket employers. Ensure that employers bargain in good faith with newly recognized unions, rather than dragging out negotiations with the goal of ending union drives.
- Eliminate exclusions in the National Labor Relations Act for domestic workers, agricultural and public-sector employees, and workers who are low-level or intermediate supervisors or managers.
- Prevent employers from turning workers into independent contractors to avoid unionization. Permit independent contractors and other self-employed individuals who are working for businesses that exercise substantial control over their working conditions and their pay to organize and bargain with employers. Similarly, in businesses that have franchise or contracting relationships, permit bargaining between workers and their immediate employers.
- Permit unions to represent workers across entire sectors or regions.
- Consider requiring regular union elections across all workplaces or mandating that all employers permit some minimal level of worker representation and voice, perhaps through joint management-worker committees.
- Consider creating more venues for unions to provide training opportunities and social benefits, such as health

insurance and retirement plans, including portable health and retirement plans to workers across entire industries, to be managed independently of employers. Consider permitting states to run Unemployment Insurance benefits through unions.

- Consider expanding the ability of unions to help address workers' grievances in their day-to-day jobs. For example, allow combining sectoral or regional bargaining with mandatory worker committees that could deal with shop-floor grievances and firm-specific contract negotiations, while sectoral or regional labor representatives negotiate broader wage and benefit standards.

Read the full [essay](#).

Other Equitable Growth resources

[“Why workers are engaging in collective action across the United States in response to the coronavirus crisis,”](#) by Kate Bahn, Alexander Hertel-Fernandez, and Carmen Sanchez Cumming (5/1/20)

[“The coronavirus recession exposes how U.S. labor laws fail gig workers and independent contractors,”](#) by Corey Husak and Carmen Sanchez Cumming (4/16/20)

Addressing the need for affordable, high-quality early childhood care and education for all in the United States

By [Taryn Morrissey](#), American University

As a result of the coronavirus pandemic, millions of working parents across the country suddenly lost access to childcare. Americans were likely already convinced that childcare was too expensive, but now, it is also impossible to deny that childcare access is imperative for a fully functioning, modern economy. High-quality early

childhood care and education not only promotes children’s development and learning but also allows parents to participate in the labor market and contribute to economic productivity and growth. And childcare is a large economic sector in itself, employing more than 2 million workers across the country.

Unfortunately, even before the coronavirus recession decimated the childcare industry, high-quality, affordable early care and education programs in the United States were hard to find. Low- and moderate-income families, especially those in the Black and Latinx communities, have long been reliant on informal, low-quality childcare arrangements, due, in part, to unaffordable regulated options and unpredictable work schedules. Moreover, early care and education workers—disproportionately women of color—earn low wages with few benefits, despite many now serving as frontline workers, caring for the children of essential workers.

Existing state and local paid family leave programs help parents in places with those programs to manage their own health and their newborns’ needs while maintaining their jobs and a basic income. But the transition to early care and education is often tumultuous for both parents and children, given the dearth of high-quality, affordable options.

Solutions

Affordable, high-quality, and stable early care and education for the years following periods of paid leave and preceding preschool is a necessary component of the U.S. economic infrastructure. Expanding early care and education options can narrow pervasive social and economic inequalities and lead to greater and more equitable U.S. economic growth.

In the short term, childcare programs—most of which are small businesses with thin margins—require relief to continue to exist and then to meet new requirements necessary for public health, including smaller groups and additional cleanings.

Lawmakers should also pursue the following longer-term changes:

- Establish national policies that ensure high-quality, affordable, reliable early care and education that provide care while parents work and promote children’s readiness to enter Kindergarten.
- Families’ costs in such a plan should be based on a sliding income scale, and the plan should offer mixed-income classrooms, be flexible enough to meet families’ diverse needs, increase the overall supply of early care and education, and cope with current gaps such as care during nonstandard hours and for children with special needs.
- Examples of universal policy solutions that would improve affordability, quality, and supply are the Child Care for Working Families Act and the Universal Child Care and Early Learning Act.

Read the full [essay](#).

Other Equitable Growth resources

“[The coronavirus pandemic requires a wartime commitment for essential workers’ access to childcare.](#)” by Sam Abbott (4/16/20)

Promote economic and racial justice: Eliminate student loan debt and establish a right to higher education across the United States

By [Darrick Hamilton](#), **The Ohio State University**, and [Naomi Zewde](#), **City University of New York**

Congress recognized in its initial response to the coronavirus pandemic that the immense burden of student loan debt on workers required action. Congress suspended interest and monthly payments through September 2020, but providing short-term relief does not come close to addressing the magnitude of the problem.

The total amount of U.S. student loan debt ballooned over the past decade, from less than \$500 billion to more than \$1.5 trillion, and the average monthly payment is approximately \$400. As a result of our long history of racial economic disparity, Black students face particularly difficult challenges financing their degrees and carry a disproportionately high student debt burden. Upon graduation, Black young adults face a harder time paying off their student loans. They have an urgent need to secure paid employment to pay off their debt, regardless of whether these jobs align with their career aspirations, and they must do so in labor markets characterized by racial discrimination.

Solutions

- The full cancellation of all undergraduate and graduate, federal and private, student loan balances would fully protect Black students and their families from the burden of student loans while establishing higher education as a universal right.
- Accordingly, we should henceforth provide tuition-free education at public colleges and universities to all Americans.

Read the full [essay](#).

Other Equitable Growth resources

[“The coronavirus recession is an opportunity to cancel all U.S. student loan debt,”](#) by Darrick Hamilton and Naomi Zewde (6/24/20)

New measurement for a new economy

By [Heather Boushey](#), Washington Center for Equitable Growth

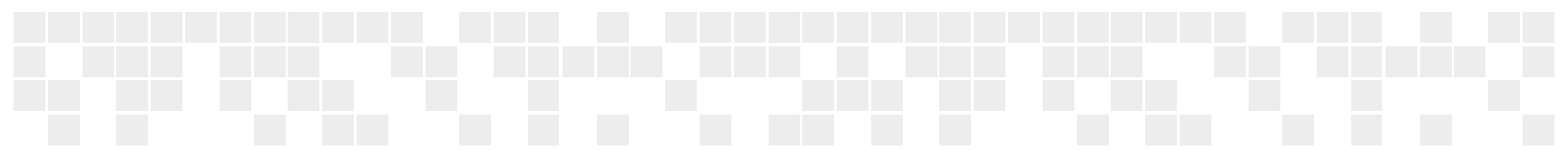
In previous recessions, the economic burden fell more heavily on those with below-median earnings, often disproportionately Black and Latinx workers, and the ensuing economic recoveries have been slower and less complete for these same workers. One reason policymakers, in the past, failed to ensure equitable recoveries is because, in the midst of these crises, they were largely flying blind, relying solely on aggregate and unrepresentative economic indicators such as Gross Domestic Product and the stock market to guide their responses. Policymakers cannot let history repeat itself during this coronavirus recession. Economic relief must be targeted to those most in need, and mid-course corrections must be taken when necessary.

To provide policymakers with the necessary tools—and journalists and citizens with the means to hold their elected officials accountable—federal statistics need to better reflect the lived experience of people across the United States and particularly up and down the income ladder. The headline GDP growth metric, in particular, fails to account for the disruptive influence of economic inequality and is misleading about how the economy works.

Solutions

GDP 2.0 measures growth in different income brackets so that policymakers can evaluate how the economy is performing for everyone—the working class, the middle class, and the affluent—and work to ensure strong, stable, and broad-based economic growth.

- Policymakers should create, at the U.S. Department of Commerce’s Bureau of Economic Analysis, a permanent distributional component in the National Accounts to



accompany each GDP report, providing measures of growth for income earners up and down the income ladder, including measures of income growth at the very top of the income distribution—the top 1 percent.

Read the full essay.

Other Equitable Growth resources

“Data will provide accountability to ensure the U.S. economic recovery is shared broadly,” by Austin Clemens (5/15/20)


“The coronavirus pandemic highlights the importance of disaggregating U.S. data by race and ethnicity,” by Austin Clemens (4/17/20)

For more information on Equitable Growth’s Vision 2020 project, please visit <https://equitablegrowth.org/vision-2020/>.


For more Equitable Growth resources on the coronavirus recession, please visit <https://equitablegrowth.org/insights-expertise/coronavirus-recession/>.

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