

Executive Summary

A Racial Equity Framework for Workforce Development Funders

This framework is intended to identify concrete ways for funders in the workforce development field to interrupt the systemic racism embedded within the field's practices, policies, and programs; the institution of philanthropy; our own organizations; and the labor market in communities we serve.

It asks each of us as funders to consider how we are using our power, influence, grant making, and roles within our institutions to contribute to or dismantle this racism.

An equitable workforce development ecosystem acknowledges the historical presence of structural and systemic racism that are barriers to prosperity for Black, Indigenous, Latinx/Hispanic, Asian American, Pacific Islander, and other People of Color; as well as the current policies and practices by which institutions have perpetuated that racism.

Many laudable workforce programs and practitioners are making strides in their communities to improve job opportunities for People of Color. Yet this is not enough.

Across the country, we continue to see stark disparities between People of Color and whites on almost every measure of economic well-being, including employment, income, benefits, and wealth, regardless of educational attainment.¹

The recent report, *Race and the Work of the Future: Advancing Workforce Equity in the United States*,² highlights racial inequity in the workforce, underscoring how systemic racism shows up in the labor market and how the COVID-19 pandemic has exacerbated existing inequities.

A few key findings from this and other reports:

- People of Color make up nearly two-fifths of the U.S. workforce ages 25-64.
- Workers of color are underrepresented in good jobs--those that are well-compensated, stable and resilient to automation.
- White workers are about 75 percent more likely than workers of color to hold good jobs.
- Higher education narrows racial disparities in labor force participation and employment but does not equalize income. White workers with a high school diploma and no college earn more than Black workers with an associate's degree.
- Through fall 2020, looking at the impact of COVID-19, the unemployment rate for white workers has decreased faster and stayed lower than unemployment rates for Black, Latinx/Hispanic, Indigenous,³ and Asian American and Pacific Islander workers. Racial gaps in unemployment have widened since April 2020.⁴ Job losses for workers of color with disabilities have been the most dramatic and the slowest to recover.⁵
- Automation is accelerating in the wake of the COVID-19 pandemic, and workers of color are at significantly greater risk of losing their jobs to automation than white workers.

To improve employment equity, self-sufficiency, and economic stability for People of Color, what must change in the workforce development ecosystem? How can funders make a difference?

Executive Summary

Funders and their institutions hold unique power to disrupt systemic racism and create a more equitable workforce development field.

They may harness grantmaking resources and leverage relationships to re-envision workforce programs, replace unfair employment practices, and influence policy changes to remove barriers to economic advancement for Black, Indigenous, and People of Color (BIPOC) workers, learners, and job candidates.

A Racial Equity Framework for Workforce Development

Funders suggests springboards from which funders may lead change and cites examples of race-conscious workforce initiatives undertaken by the field as well as by philanthropy. To help move the workforce development ecosystem toward greater equity, the framework examines and proposes action in four primary areas:

- **Worker and Learner Voice and Agency** The framework starts here because workers, learners, and job candidates who are directly affected by workforce development investment, initiatives, practices, programs, and policies should be influencing the design of these. Yet, the field has a long way to go in learning to center and respect the voices, experiences, and leadership of the people it serves. Funders can take steps to ensure that Black, Indigenous, Latinx/Hispanic, Asian American and Pacific Islander, and other People of Color shape workforce development grantmaking, initiatives, practices, programs, and policies.
- **Workforce Policy** The priorities and metrics of the workforce development ecosystem reflect current federal workforce policy, with its narrative of advancement based on individualistic, bootstraps effort by workers, learners,

and job candidates. Obscured is recognition of how the policies themselves affect the outcomes. Local funders can play important roles by shining a light on racial and ethnic inequities, supporting community organizers involved in advocacy, and informing state and local workforce policy and

implementation, to achieve more equitable outcomes for Black, Indigenous, Latinx/Hispanic, Asian American and Pacific Islander, and other People of Color.

- **Employer Practices**

Current employer practices in hiring, pay, benefits, retention, and advancement disproportionately disadvantage Black, Indigenous, Latinx/Hispanic, and other People of Color. By incentivizing employer practice changes and investing in the systems and structures that hold employers accountable, funders can set standards of equitable opportunity in communities they serve. In addition to investing in systems to hold employers accountable, funders also can examine the employment practices within their own organizations and promote the hiring and development of

BIPOC leaders and staff among their grantees.

- **Workforce Program Design and Practices** The framing of the workforce system leads to both under-investment in and over-reliance on skills training as the answer to economic mobility. Workforce development practitioners are already under-resourced to do the tremendous work they do. Funders can provide the additional support needed to design and deliver race-conscious and equitable programming, and advocate for employment equity for Black, Indigenous, Latinx/Hispanic, and other People of Color. Funders can also support the tools and processes necessary to do the work, including capacity building, data disaggregation efforts, and practice changes that center workers, learners, and job candidates.

What is Racial Equity?

The condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, how one fares. When we use the term, we are thinking about racial equity as one part of racial justice, and thus we also include work to address root causes of inequities not just their manifestation.