



# To Rebuild the Economy, Reinvest in America

## The Keys to a Resilient and Prosperous Workforce

By Jennifer G. Hickey | October 2020

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Less than a year ago, the American economy was a humming. The poverty [rate was on the decline](#), wages were on an incline, and [Census Bureau data](#) showed the median household income in America was \$68,703 in 2019 – an increase of nearly 7 percent over 2018. By this past February, the post-Great Recession economic expansion reached [a peak in monthly economic activity](#).

It all came to a stop as the coronavirus pandemic forced towns, states and nations to enact drastic measures to curtail its deadly spread. The gains made [since the last recession](#) (2007-2009) were lost as more than 22 million Americans joined unemployment lines between March and April. The losses reached into every sector and industry and left some in ashes. But the resilient American economy showed [signs of life by early May](#). Different states and cities will recover at different paces. Sadly, [others will struggle](#) for decades.

Positive signs were seen by the nation early on as a capacity for innovation and flexibility was shown by businesses who pivoted from, for example, producing beer to hand sanitizer to fit the national needs. Even smaller entrepreneurs began making the most of a bad situation – [and profits too](#) – during the pandemic. Businesses, such as home DIY, delivery services, landscaping, thrived as Americans remained home. According to [DailyPay](#), grocery stores, home aides and health care have all experienced rapid growth since January.

To keep that growth going, we must all acknowledge the economic fault lines (reliance on foreign workers and supply chains) exposed by the pandemic. We must concede the failure of our education system to prepare students for a changing economy and the ineffectiveness of government programs to re-skill workers in evolving industries.

To build long-term stability requires rejecting short-sighted solutions like outsourcing jobs or insourcing foreign workers. America must think outside the box and hire inside the borders, but where do we start? Let's go where the growth is. The Department of Labor's September [employment report](#) found "notable job gains" in leisure and hospitality, retail trade, health care/social assistance, and in professional and business services, which includes information technology (IT).

These sectors are currently hiring, but also have a larger percentage of foreign workers or nonimmigrant visa holders in their workforces. They need to set the example by putting a premium on recruiting Americans for opportunities.

## The Hospitality/Food Services Industries

With most cities and countries on lockdown, unsurprisingly the hospitality and hotel industry suffered incredible losses. Almost 69 percent of people in this field faced either a reduction in hours, a workplace closure, or a layoff. However, as [re-openings occurred](#) hotel occupancy rates have continued to increase along with restaurant bookings.

Immigrants (both legal and illegal) account for 31 percent of the hotel industry's workforce, which is a large proportion considering they are slightly more than 13 percent of the U.S. population, according to the [Deloitte 2019 Travel and Hospitality Industry Outlook](#).

It is likely to be a slow process, which provides time to re-evaluate its hiring practices. Rather than [insisting worker shortages](#) necessitate hiring foreign workers or student visa holders, businesses should focus on outreach to untapped labor or those seeking a second phase, such as middle-aged workers [forced to retire early](#).

## Medical and Health Care Professionals

For several years, hiring in health care has been on an upward trajectory. It is an industry that spans from the high-paying jobs (doctors and specialists) to lower-paying (home aids, hospital service positions). To put matters in context, [according to an analysis](#) published in the *Journal of the American Medical Association*, more than 15 percent of professionals in 24 medical fields (ranging from optometrists to veterinarians) were foreign-born, and almost 5 percent of them were not naturalized U.S. citizens. Furthermore, almost one in three physicians were foreign-born and among psychiatric, nursing and home [health](#) aides, as many as 23 percent were foreign-born.

The impact of insourcing foreign nurses, according to a 2014 [Federal Reserve study](#), is seen in evidence that "for every foreign-born nurse that migrates to a U.S. city there are between one and two fewer native RNs observed working in the city."

For more on why foreign nurses are not the answer, we [explain in this blog](#).

## Professional and STEM Fields

More than two decades ago, tech companies began complaining of "worker shortages" so grave that they were compelled to recruit abroad or send jobs overseas. Even with 13 million Americans unemployed, they are still [lobbying for more foreign workers](#). While Silicon Valley, consulting firms and third-party contractors look for excuses, more Americans, particularly minorities, than ever are looking for opportunities.

Blacks comprise 13.4 percent of the total U.S. population, yet only account for 9 percent of workers in core information-technology (IT) occupations, according to the [latest U.S. Census Bureau data](#). A key reason for the under-representation is the high number of foreign-born workers employed in

computer and mathematics-related occupations. In fact, the number of foreign workers rose 141.1 percent from 2003 to 2018, according to a [2019 Goldman Sachs study](#)

ssssssssA [March report](#) from the Department for Professional Employees (DPE) provides a succinct explanation for the gross underrepresentation of African-Americans, as well as other minority Americans.

"The current H-1B visa program limits career opportunities for women, African Americans, and Latinos," says the DPE, the coalition of unions representing professional and technical employees. Amazon, a prolific H-1B visa user, [announced](#) in September their plans to hire 33,000 corporate and technology jobs in the coming months. Great news, but will they recruit at home and what will policy makers do if they do not?

## **Re-shore, Re-train and Re-inspire**

The pandemic also brought to the forefront the long-simmering problem of business offshoring, particularly manufacturing, pharmaceuticals and technology. There exists some [bipartisan support for providing incentives](#) and tax breaks to encourage American companies to re-shore. While a smattering of companies have re-shored, others, such as [GM refocused some of its production](#) to foreign nations.

Prior to the pandemic, there was a 3.5 percent unemployment rate (February 2020), but the [labor force participation rate](#) hovered around the 62 percent level. Millions of Americans had either recently retired, quit looking for work entirely, are barred from holding a job due to criminal records. With proper incentives, outreach and government action on sensible criminal justice reform, those Americans could join the workforce too – lessening the need even more for low- and high-skilled foreign workers.