Andrew Bennett ([00:00:05](#)):

Good afternoon everybody. I'm none of those three people who were just mentioned. They're too accomplished for me. But thank you Governor Barr and Eric Belsky for your remarks on community development at the Fed. It is always incredibly valuable and helpful to hear your perspectives. My name is Andrew Bennett and I work in the community development department at the Cleveland Fed. I'm also one of the co-leads for this summit, so I probably need a change of shirt at this moment. It's getting a little steamy. And in this role I wanted to extend a giant thank you to all of you, the speakers, the moderators, the staff that helped put this together, and especially you all who showed up. It's hosting these events and coming together and making the investment to do so that ultimately leads to creating thriving communities everywhere for every person.

([00:00:59](#)):

So now I have the privilege of introducing our next plenary session. It is called Workforce Development: Which Programs and Policies Are Moving the Needle on Economic Mobility? It is being moderated by Bill Rodgers, not William. I was told only his mom can sometimes tell him he's William, but he's a vice president of community development research at the St. Louis Fed. And prior to joining the Fed, he had a very distinguished career in academia and public service, including since at Rutgers University and the Department of Labor as chief economist. So with that, I'm going to turn it over to Bill to introduce the rest of the panel and facilitate this important conversation.

William M. Rodgers ([00:01:45](#)):

Thank you, sir. Thank you. Thank you. Good afternoon. Oh, wow. That is really poor. You only get one more chance. Good afternoon.

Bishara W. Addison ([00:01:54](#)):

Good afternoon.

Audience ([00:01:54](#)):

Good afternoon.

William M. Rodgers ([00:01:55](#)):

I didn't hear on this side of here. Come on.

Audience ([00:01:57](#)):

Good afternoon.

William M. Rodgers ([00:01:58](#)):

All right, all right, sounds good. Thank you. Thank you. The college professor part of me just never leaves. It is truly an honor to be here to lead this conversation. I, as Andrew said, I was at the Department of Labor back in 2000 working for the labor secretary, and it was phenomenal. At that time we were in a similar major labor market in economic expansion, and one of our pieces that we wrote was something called Future Work Trends and Challenges for the 21st Century. And the main sort of thrust of this piece was it was research driven, but that it identified three major changes in the economy, technological change, globalization, and changes in the population demographics that was in 2000, 25 years later, it's still the same, still the same, still the same issues that are hitting our communities or challenging workers.

1

(00:03:08):

And so what I love about this conference is that the overarching theme, and it fits with the work we're doing at the St. Louis Fed, and it fits with this idea of, well, how do you build strong and sustainable communities? In our research group, we focused on three buckets. We focused on worker resilience, financial well-being, and then rural prosperity. Those are our three areas of focus that we are actively engaged in. And so what I want to do, but building on that is frame our conversation that we're going to have with these two amazing panelists to my right. And to do that just a sort of relaxed moment, I'm a yoga instructor too, so I was going to integrate a little bit of that in conversations. But what I want to build on is from Governor Barr's description of the economy, but I'm also going to talk about, yes, the macro level, but take you down to Main Street where many of us reside and do our work.

(00:04:20):

The good news stories in the economy, the nation's unemployment rate has been at or below 4.5% for 44 consecutive months. The ratio of unemployment to job openings remains close to series lows. That is, the number of people looking for jobs is actually less now. It's gotten to be one, but it used to be smaller than the number of openings. So basically for one in person looking for a job, there were two to three people, two to three openings, and that's the measure of how strong your labor market is. Today we still though have about 13.4 million Americans who are ready to work. These are people who are actively searching for a job, but they're also two other groups that you need to consider. These are people who are working, still working part-time for economic reasons. They want to work full time, but either there's still a slack in their community. And then you have a set of people who, they're not what they call discouraged workers, but they still are people who they have stopped looking over the last four weeks. But if offered a job, they take it.

(00:05:27):

So as I said, we're at around 13.4 million Americans who fit this bill. And job training or workforce development is a key ingredient for bringing these people fully into the labor market. Another good news part of the story is we've had 53 consecutive months of non-farm payroll growth. Another is that real hourly compensation began to consistently increase after the 12th quarter of this current expansion. And I can keep on going in terms of describing the amazing things that this labor market has done for American workers and for their communities. But underneath, there are some for some fragility that is out there that needs to be talked about and needs to be connected to a workforce development conversation. And that is one 42% of households are considered asset limited and income constrained, but employed. These are people who we call Alice, yes. And I'm Alice's brother actually.

(00:06:35):

Well, I was one of those who helped to create the Alice concept and it's grown nationally after it started out in New Jersey. Another sobering statistic for us to consider is that just over 50% of American households have discretionary income. I can take that up to the 60th percentile where people have some discretionary income, but it's not enough to make out if you have a natural disaster, such as we've had in St. Louis a few weeks ago. During the current expansion growth in full-time weekly wages lagged the consumer price index at all segments of the distribution regardless of whether you were low or high paying. But another big indicator that's quietly has been shifting downward that we don't focus on is something called labor share. Where labor share is the share of basically total GDP or total income in the nation going to workers. And this share has continued to fall over the last five to 10 years, if not longer.

(00:07:39):

And it fell during this expansion, which seems to me counterintuitive that if you're having prosperity, you're having a tight labor market, labor share, you'd be predicting that it would rise. Another point to

bring up is we've, at the Bank, at the St. Louis Bank, in our research group, we identify what we call vulnerable workers. And these are groups of individuals who have higher unemployment rates, not only higher unemployment rates, but most importantly in this context, when the economy slows down, they're the first ones to feel the adverse effects of it. And what we've found is that since the peak of the labor market in April 2023, particularly out of school youth or out of school, young adults who are 18 to 24 years of age, they have actually seen a worsening in their share of their population who are employed.

([00:08:34](#)):

Why am I saying this? Well, I'm saying this in the context of from my perspective as economist Bill Rodgers at the St. Louis Fed, in my views alone, we have a situation where there are still many communities, and I'm preaching to the choir here that need assistance, that need assistance with regards to reducing that Alice number with regards to reducing that share of people, families, or households who don't have discretionary income. So that leads me to the question that I'm going to turn over to my two friends, new friends here, found friends is which programs and policies build strong and sustainable communities? But we're going to focus this session on right, workforce development. And so the four key questions that I'm hoping they're going to answer in their opening remarks are, one, what should the goals of workforce development be? How well are communities achieving these goals? Which programs and policies have moved the needle? And then finally, what is needed to continue to build strong and sustainable communities and particularly why?

([00:09:48](#)):

So our session panelists, our speakers today we have Bishara Addison. Wave you hand. Is director of Workforce Innovation at the Fund for Our Economic Future, where she leads talent initiatives in support of the Fund's agenda to achieve equitable economic growth. And then Brent Orrell is a senior fellow at the American Enterprise Institute specializing in job training and workforce development; that's why we asked him to be here, with a focus on disconnected and disadvantaged populations, including youth, people who have been incarcerated or otherwise involved in the justice system. And then veterans and neurodivergent persons. Their full bios are in your packet or in the conference flyer. And so with that, I would invite Bishara, would you like to go first?

Bishara W. Addison ([00:10:42](#)):
Yeah.

William M. Rodgers ([00:10:44](#)):
Please welcome her. Come on.

Bishara W. Addison ([00:10:50](#)):
All right. Hopefully you guys can hear me okay. Seeing some nodding heads and thank you Cleveland Federal Reserve team for inviting me to be here today. Workforce development for those who know me is my favorite topic. And I know I have a number of workforce friends from Northeast Ohio in the room with us today and also nationally. I see one of my peer site directors from the National Fund also in the audience. So thank you for allowing me to share my truth about what I think is needed and what works in the workforce development system. And I'll start with a little bit about my agency. I work for the Fund for Our Economic Future, and we are an organization that brings together civic leaders to pool their resources together, time, talent, and treasure to think about how we can reinvest those dollars in equitable economic growth.

(00:11:47):

And in that organization, it gives me a chance to see what workforce development looks like across Northeast Ohio 18 counties. And I can tell you the challenges that people face and the barriers they face often look quite the same regardless of whether you're in an urban community, a suburban one, rural ex-urban, but the solutions and the policies that enable those individuals to succeed in our workforce development system such that they're able to actually land a job that helps them thrive. Well, that's a little bit of a challenge. So bear with me for a second. Most likely you have a laptop or at least a tablet with you today. Can I see a show of hands? Who has a laptop or a tablet? Okay, so just about everybody, me too, I should raise my own hand. And also I'm curious, is it possible that your organization is covering the cost for you to be here today?

(00:12:53):

So if you flew in, drove here, are you possibly getting your mileage reimbursed? Show of hands? Oh, that's just about everybody. And so those are themselves privileges because those are things we can take for granted. And so many people in the Cleveland Fed District don't actually have those privileges. And the recent attacks that we see at the state and federal level around public policy that is dismantling the programs that we operate to serve some of the vulnerable individuals that we just heard about, those are the things that actually enable individuals to participate in our economy. And it's very easy for those of us in this room to maybe take that for granted, and we should all know that we're all one paycheck away from maybe being in a similar situation. And with that, it means that there are multiple systems that impact somebody's ability to get to work.

(00:13:57):

And in 2022, the Fund for Our Economic Future put together a study that looked at 5,000 residents in Northeast Ohio. And by the way, because this is a research oriented group, 5,000 has statistical significance for Northeast Ohio and that allows us to generalize findings. And in that survey, there were plenty of individuals who cited the kinds of barriers that they were facing to work. I'll also note the Federal Reserve also had the Worker Voices project, differently designed study. But I got to tell you, the outcomes from both of our studies was pretty similar, and the barriers won't actually surprise you. Those barriers for instance, include things like childcare transportation, child care both accessibility and affordability. They include things like not being able to have access to broadband or digital access and Dr. Angela Jackson, who's a professor at Harvard, just released a book called The Win-Win Workplace, I recommend it, also coined a term called the Social Determinants of work that outlines those barriers.

(00:15:16):

And individuals who responded to our survey said those were the things alongside needing more support around mental health, the impact of the justice system, a path that follows you and impacts your ability to get a job even after you've completed your sentence. And also the need for predictable and flexible scheduling. There's always a trend around remote work, and I think it's always important to understand what's underneath remote work. What people really want is flexibility, and they believe that remote work is the solution to that when actually maybe we just need to create organizational policy that enables that kind of flexibility. And so when you think about how did we get here, there are so many things that we can think of that have created the conditions we've got today. And I always like to start because we're not going to do 400 years of history in this moment in the 1930s with redlining and it still persists today.

(00:16:20):

And one example, and this showed up in the funds where the workers research is that we have communities that were redlined that are still experiencing the effects of redlining because of digital

access. That means there are communities that literally don't have access to broadband, and those are decisions that corporations have made and our public sector has made to not necessarily make the investments that we need in those communities to give them access. Whenever I'm in a room full of employers, I'll always ask this question, how many of you post your jobs online? And just about everybody says yes. And then I'll ask another question, can you edit your job application online via a smartphone? And they never know the answer. And I'm like, "Well, there are communities where about 50% of the residents there can only access the internet via their cell phone." And so that entire population of people is not applying for your job. So now you have something that you can do.

([00:17:24](#)):

So I want to get to one question that you described around what does it mean to think about reimagining our workforce development systems? What is our call to action? And that call to action, particularly since I've hopefully outlined the kinds of barriers that people are facing should demonstrate that our workforce development system is interdependent. We have to care about community development, economic development, housing, education, talent attraction. All of those ecosystems have different actors, different professional profiles of those who are operating in them, and they are all interdependent. If one fails, the other one fails. We see that example truly with childcare right now. That was not an issue that was on the radar of corporate America for the longest time. And now everybody's thinking about, "Oh, maybe we need to do something about childcare." Well, we always needed to do something about childcare, but now it's become a crisis because when an enabling piece of infrastructure in our community failed, it impacts another one.

([00:18:33](#)):

And so the call of action that I have today is to make sure that as you're doing your work in whatever way you're doing it, whether you're in research, whether you are at a different Federal Reserve, whether you work in public policy, is to know that you have to work collectively with actors that may not have the same background as you, but whose work is highly dependent on your success and vice versa. And so I will step down and allow for our next speaker and then we'll have a really great discussion.

Brent Orrell ([00:19:15](#)):

So Bill stole my joke about getting you to say good afternoon because after lunch, it's rough and it really is just such a privilege to be with you here around this theme of building strong and sustainable communities. Employment for obvious reasons is vital to a strong and sustainable community, and we are living through one of the most uncertain times as it pertains to employment that I've ever seen. And I imagine that goes for many of you in this room as well. The American workforce, I believe, is standing at the edge of a profound transformation that is being accelerated by the diffusion of artificial intelligence into every corner of the economy and every corner of society. Now, this is not new terrain. We have been through this before. We've lived through industrial automation, the introduction of electricity, the development of the transistor, semiconductors, personal computing, information technology, globalized trade. The last century has been a time of virtually change and it seems to be coming again only at a higher velocity.

([00:20:55](#)):

In a report I published yesterday that's available on our website at AEI, AEI.org called De-Skilling the Knowledge Economy, I argue that what we're seeing today is a kind of echo or mirror image of what the country went through in the '80s, '90s and early 2000s with manufacturing. The earlier wave of this previous, most previous wave of automation really hollowed out as we know, middle skill factory jobs. And now AI is forcing the redesign of middle skill office jobs, the routine information focused jobs that we see in finance, insurance, consulting, government, and many other sectors and industries and

businesses that have really served especially in the last 40 years as the pillars of middle-class opportunity.

([00:22:01](#)):

Now, I am not an AI doomer. I am actually one of the most optimistic people I know about AI. I think it's going to be a huge win for American society and for our economy and for our communities. It's going to boost productivity, which we know is the only way to get incomes up in a non-inflationary manner. But in the short and medium term, we are going to experience some adaptation challenges and some disruption and some turbulence and it's going to cause and it is already causing I think quite a bit of anxiety in the workforce, especially when some of the producers of AI go out and say that half of the knowledge economy jobs are just going away.

([00:22:51](#)):

We are seeing the early signs of what economists like Bill call, skills bias technological change. New technology comes in, it takes over routinized work and it leaves other work for people to do. The skills that are on their way out as part of the skills bias technological change are the narrow technical skills, and I'll just use the one example that's on a lot of people's minds right now, which is coding. We spent 15 years, 10 years, 15 years telling everybody, "Learn how to code," and people responded. They went to school and they became computer scientists. And now I saw last week the head of Amazon said that the use of AI had saved 4,500 years of coding time for Amazon in the last year. That's a massive change and a massive boost in productivity.

([00:24:06](#)):

So those skills, skills like coding skills like them, they're on their way out I think, and the ones on their way in paradoxically tilt toward what we call non-cognitive or soft skills. Critical thinking, ethical reasoning, emotional intelligence and leadership. These are distinctly human capacities that will rise in value. I believe as AI takes over more and more of the technical and repetitive tasks. I believe this means that the future belongs to those who can combine AI fluency with social fluency rather than operating systems will need workers who can supervise them, interrogate their decisions, ensure they're used responsibly, and then work well with the other people on their teams. Unfortunately, I think our current workforce systems are largely unprepared to meet this challenge. They are underfunded, they're very slow to adapt, and they're poorly aligned to labor markets.

([00:25:26](#)):

So what do we need instead? First, we have to have better data, real time, local, what I call headlight data that can illuminate how AI is changing skills demands in the mix of industries and jobs in particular geographic regions or labor sheds. AEI is partnering with universities like NYU, Stanford, and the University of Michigan to develop model tools and practices to create this type of early warning labor market information. Second, because of the pace of change, agency, not agencies, agency is one of the most important needs that workers need to have.

([00:26:21](#)):

I keep telling people with AI, "No one is going to rescue you on this. No one is going to come and make it okay. You have to learn the technology" and let's just show of hands, how many have ever used AI? Okay, so everybody's using. How many of you are using it on a daily or hourly basis? Fewer. We need more people on the daily hourly side of this. You need to figure out how it's working in your own jobs so that you'll have both higher productivity for yourself and be able to empathize, I think with the workers, your fellow workers and colleagues who are having to make this change.

(00:27:14):

The second thing I think that we need, as I said, is worker agency. Workers have to take responsibility, and that means that we need to equip them with the information and financial resources they'll need to chart their own upskilling and re-skilling pathways. Tools like enhanced individual training accounts, and perhaps in the future lifelong learning accounts modeled on our existing retirement savings plans. Third, we have to have a serious in-depth national strategy around AI literacy. It needs to start in elementary schools and it needs to reach all the way up to the boardrooms.

(00:28:00):

AI is not just a technical subject, it's a civic, economic and practical skill that will be a requirement for workforce success. That means that we need to be supporting early childhood development, trauma-informed mentoring, and programs that promote family stability because this is the soil from which adaptability, sorry, AI adaptability and resilience will grow. So all of this raises big questions. I'm looking forward to discussing them with Bishara and Bill. How do we scale what works? How do we avoid past mistakes? And how do we sure that this AI transition lifts people up rather than leaving them behind? Thank you.

William M. Rodgers (00:29:02):

Brent, Bishara, thank you so much for your thoughtful and on-time comments.

Brent Orrell (00:29:09):

We do what we can.

William M. Rodgers (00:29:10):

We so much appreciate. Oh, one of the conference planners is here too. Love it. Yeah, it's interesting you asked and you did a little informal poll about using AI. I did it for my first time last week and it did a literature review for me.

Brent Orrell (00:29:26):

It was good.

William M. Rodgers (00:29:26):

And I for one who hated doing literature reviews over my career, Eureka. But with that and said, let me start our little conversation and then we will come to you in the audience and integrate you in the conversation. Bishara, first question for you is sort of building on your last point, can you go into more detail? What are some of the challenges for these interdisciplinary, interdependent groups to work together that do or create workforce development in the community?

Bishara W. Addison (00:30:04):

Yeah, that's a great question. I will say last week I had a chance to give remarks at a talent attraction summit through an organization called Roll Call. And I had the question of around data collection and how they should be thinking about retention. And I had almost a flippant response where I was just like, "I'm a workforce development professional, we track different data than you guys." And it dawned on me then how distinct our ecosystems are. So when I think about, and I'll backing into your answer, talent attraction. When you were thinking about talent attraction, you were thinking about higher ed, you were recruiting individuals who have a bachelor's or master's level talent and you're recruiting for

certain kinds of positions regardless of industry, and those are the individuals where you might even be able to pay someone to move.

([00:30:56](#)):

And then when I think about workforce development, workforce development's kind of a grow your own strategy. That means we are working with the people that are in the community and providing them the resources hopefully to be a lifelong learner. Now we know that that doesn't happen consistently or across the board. Our ecosystem within workforce by itself is fractured. And then I think about another ecosystem, childcare for instance, I've had a chance to do a lot of networking with childcare professionals across Northeast Ohio. And whenever they are thinking about the work of how we actually improve jobs for childcare workers, increase wages, they keep talking about quality. The program has to be quality, it has to be rigorous, and all of this support around education and filling out assessments.

([00:31:50](#)):

And I'm like, "I got to tell you, that's not the messaging that's going to work at least in the Ohio State House." And it didn't if you saw what budget went to the governor this week. And so it's not the right messaging. And actually where you might gain some traction is that there's a Venn diagram between what childcare professionals are seeking, which is really strong investment in quality programs. By the way, I totally value that. It's really hard work and we should definitely pay those folks more. And yes. And employers who don't have the time or the capacity more than most, aren't able to dig deep into the childcare ecosystem.

([00:32:38](#)):

And so the goal is figuring out what's in that Venn diagram of where do we have some common ground? What's achievable right now? Just because we can't achieve it today where let's say quality assessments, yeah, that's not going to happen in this general assembly. That doesn't mean it stops being a goal or a north star. It just means we've got to figure out what we can do and make some progress on that and build allies and friends. So it's building the muscle of collaboration and also the translation of understanding what employers might care about and the kind of language that they use, and also making sure that that relationship is reciprocal. And so in that small activity that might seem like if you make any progress, it's just a small win.

([00:33:28](#)):

If you're able to build that collaboration muscle, it's going to help you in the long term to be able to actually reach the goal that you've always set out for where you're a north star. And so the challenge though is one, and I think those of us in this room probably fit this profile, otherwise you wouldn't be at this summit, probably operate at the intersection of research policy and practice, which means we straddle all of those. And that actually makes us not just dot connectors, it also means we're knowledge brokers and we also have a view of the system. So I noticed in my remarks I was very specific to there's an ecosystem of activity and we can see what's happening in each of those spaces.

([00:34:14](#)):

And so, one of the challenges is how do we better support those of us with our profile to make those links and glue the pieces together? And right now, we are disparate individuals who really care, who are really smart and really want to do the work. And unless we are better resourced to collaborate and do this kind of cross-sector engagement, we're going to continue to struggle. And I think that's probably one of the biggest crutches we're facing in the workforce development system.

William M. Rodgers ([00:34:49](00:34:49)):

So when I am listening to you, it reminds me of some of the work I had done in New Jersey, and it really got me thinking about we spend so much time focused on best practices when it really is a conversation about best processes, trying to figure out how do we get to yes.

Bishara W. Addison ([00:35:11](00:35:11)):

And you need the best practice. So we had ... Oh, and I wish I had a PowerPoint or something to draw on. If we think about what is the life cycle of workforce development, there's always on and off ramps. I know I saw, I think I saw the CEO of Towards Employment in here today. She's amazing. I learned everything I know from her, Jill Rizika, and she's the one that kind of helped me have an orientation about the on and off-ramps and kind of the staging that it takes for a person who, let's say is long-term unemployed, maybe vulnerable on the sidelines, maybe doing a side hustle that is not necessarily making ends meet but doesn't preclude you from receiving the kind of benefits that you still need to receive. How do you get those individuals to a job that actually leads to economic prosperity?

([00:36:05](00:36:05)):

And so you need some pilot, some evidence to say, we should try this. So that's like starting 0.1. Once you do that, you have to get to a place of replication and not scale yet, but replication. So if it worked in this one instance, is it going to work in some other places? And then you've got to figure out how to funnel individuals into those on and off-ramps when not everyone's going to be ready at the same time. So you both have to create the big funnel and then know that you're going to recruit five times as many people as you need to actually fill one seat in a training program, but you still need to keep those other leads warm. And then that's where the processes and the behaviors around those processes really matter.

([00:36:54](00:36:54)):

You could have a great process, but if you have staff that aren't excited or enthusiastic or maybe have some bias against the people that they're serving, the best process isn't going to do anything for you. But that's where the process and the behavior really matter. And if you can do that well, then you finally get to a stage where you can start having a conversation about what needs to be codified in policy, how do we make sure that this is funded outside of philanthropy because we know those dollars don't last, and how do we make sure that more people have access if you were doing something that has now become best in class?

William M. Rodgers ([00:37:32](00:37:32)):

Thank you. Thank you. So Brent, I want to shift to you and just again, something that you've finished off, and I thought you did a nice job of giving the group a historical purview of this is not the first time we've had technological change come into workplaces or into society more broadly, but when I listen to you, I get this real sense that something's different this time. What is it?

Brent Orrell ([00:38:04](00:38:04)):

So it's really interesting when you do look at the history of particularly information technologies, changes in information technologies, going all the way back to the printing press. Changes in information technologies have profound social effects, it was 30 years of war in Europe after the introduction of the printing press, the telegraph was associated with the outbreak of the civil war. You just go down the line. And I think that this, what makes this moment different is that the delivery network for artificial intelligence is already in place. It's in place via the phones we have in our pockets,

the computers that we use at work, the broadband internet that we have, that delivery system is already there.

([00:39:02](#)):

So we already see that the adoption rate of the technology is way ahead of even the internet because that required us to build an entire infrastructure just to deliver the service. So the speed of change is, the velocity here is kind of off the charts I think. And that delivery velocity is married to growing velocity around the speed of the development of the technology. Something I cover in the report, which is this is like a flywheel. You introduce AI, people start using it, you get more data out of those users that's used to improve the technology and so on. That cycle is picking up speed.

([00:39:54](#)):

And it's going to push that the technology, they're already talking about recursive improvement, which when the technology improves itself, we aren't quite there yet, but the fundamentals for rapid and increasingly rapid improvements in the technology are in place. So yeah, it does feel different. We are on a rocket ship on this I think.

William M. Rodgers ([00:40:25](#)):

Now, is it possible that power or electricity that's going to be a constraint on growth?

Brent Orrell ([00:40:34](#)):

It's certainly at the moment on everybody's mind. Right now I think, I'm going to get this wrong, maybe it's projected in a couple of years, but these data centers are or will be using the equivalent of all of the electricity used in the state of California in the not too distant future. That's a lot of juice. And as we know, we found out here this week, I think in the hotel, the grid can be pretty fragile and we are loading an enormous amount of new requirement on top of a kind of rickety system. And then we've also got the problem of needing to build a lot of new generating capacity and we have to do it in a way that doesn't make climate change worse or at least we should be doing it in that way. So yeah, energy's a huge concern.

William M. Rodgers ([00:41:37](#)):

And then it sounds like also there are even more ethical or societal, which then brings it transition into a community development issue that are...

Brent Orrell ([00:41:52](#)):

Yeah, I agree. And because I've done so much work over the years on workforce development in disadvantaged communities, I've always been concerned about the pace of technological change relative to the ability of disadvantaged communities to gain access to that technology and then to learn how to use it and then to translate that use into employment. That's always been a problem. In the past, I've kind of conceived it as this cargo ship that is kind of moving slowly toward their horizon and there are a bunch of people that are not on that boat that are falling behind. Now I think it's more like a jet ski. It's so fast. We need to get people in the stream now.

([00:42:43](#)):

I'm very concerned about this because of talking about that flywheel effect. This is what I tell you about AI right now; check with me in about two hours and it'll be a different story. It's changing that rapidly every day, new systems, new capacities, and if you start out behind, you are going to not just stay behind, you are going to fall further and further behind. And we know this goes for rural areas, it goes

for urban areas. If we've got populations that are not engaged in this, they're not engaged with the process of learning this technology, they're putting themselves increasingly at a permanent disadvantage, not a temporary disadvantage, a permanent one.

William M. Rodgers ([00:43:35](#)):

Question for both of you, based upon what you've just shared and your other thoughts, what role can the Federal Reserve play in this transition, in this transformation? Bishara, you want to go first?

Bishara W. Addison ([00:43:54](#)):

Sure. So one of the ways in which the Federal Reserve can do something about this challenge is to continue to co-create research with community. So I know the Federal Reserve is massive, but there's this division around community development that really operates at this intersection of understanding what's going on in the community and then having research that reflects that. So I think having the research and the analyses to at least be able to say or point to this is a challenge that we're facing and elevating it is one approach. Then I think there is social capital. So think about who is involved in the network of the Federal Reserve.

([00:44:39](#)):

So we just had Governor Barr here. I'm pretty sure he has access to a number of folks with decision rights or either key influencers on major decisions that are going to impact these communities. And so the question back to the Federal Reserve is definitely have social capital with people who have influence on the policies and practices that are helping or hindering somebody's success or creating, hopefully not creating this permanent disadvantage.

([00:45:10](#)):

So that as table stakes, what are you doing to leverage that social capital to connect dots, whether that is with employers who sit on your community advisory boards if that are community leaders and being able to help them shape a narrative around the kinds of challenges that they're seeing with the individuals that they serve. So the question back to you is how is the Federal Reserve going to unlock its social capital? But the answer to your question is there are two things, continue to do what you're doing and do it more and then also tap into and unlock your social capital that elevates voices that right now don't have proximity to those that make decisions.

William M. Rodgers ([00:45:59](#)):

Okay, great. Thank you. Resonated with me. Brent, before I lean to you, I want to just give folks a warning that we will be coming to you to begin to answer your questions. So the process on that is, it looks like we got ... Okay. Yeah, I can't see it. Okay. But so you can start to queue up if you have questions or comments. And when you do after a question, please signify obviously your name and then your organization. So Brent, please.

Brent Orrell ([00:46:36](#)):

I don't know that I have a whole lot to add to that. With regard to the Federal Reserve, I think that the research is extremely important. I would like to pull back and ask what is it that the federal government should be doing about this? I'm very concerned at this moment that we might end up reliving the mistakes of the '80s, '90s and early 2000s where we did not have in place adequate supports for workers who were automated out of their jobs. I think that caused, obviously caused enormous distress focused narrowly in a set of communities that predominantly here in the Midwest and I'm very worried that

we're about to commit that same error that we do not have policies and programs in place that can backstop workers. I'm not saying that there's going to be mass layoffs. I don't know that I would suggest that Congress stand up overnight, a massive new program.

(00:47:52):

I do, however, think now is the time to be building the policies, to be imagining what kind of system we might need. If that happens, if we do see large numbers of layoffs as a result of the introduction of AI, we can manage it. What we can't manage is the failure to imagine what we need to do. And so I think right now that's kind of where I am is like we don't know what's going to happen. Anybody who tells you that they know how many jobs are going to be lost, it's all interesting and it changes all the time. Don't pay too much attention to that, but recognize that we are in the midst of a transformation that is going to impact employment, skills, jobs, communities, and we need a strategy in the event that we have to move in a fairly rapid fashion to make sure that workers don't feel like they're being left behind in this transition. Because that, as we've seen, is a recipe for some serious social unrest in the United States.

William M. Rodgers (00:49:14):

Looks like you want to add something?

Bishara W. Addison (00:49:16):

I wanted to add two things. So this is to your question around what can the Federal Reserve do? I think there are other stakeholders in the room where your position in the ecosystem also has a call to action. The first is when I think about philanthropy, this is the moment in time to start imagining what we want the systems to look like. There are challenges now, there were challenges in the past with the way our workforce development system operates. I mean, how long has WIOA been under WIOA authorization? It's been a long time-

Brent Orrell (00:49:56):

20 years.

Bishara W. Addison (00:49:56):

And needs a little work. Right? And even the versions that they have right now, I'm like still need a little bit of work. For better or for worse, the federal government is being hollowed out and hopefully this is a positive. I don't believe this is a permanent condition change. Technological change is not waiting for election cycles and we will not always live this moment in time. And so while things are being torn down, we should start thinking about what we would imagine it to be or reimagine it to be and have a better version than of what we have now. And so philanthropy has a role to invest in innovation pilots, I would say early stage research so that we kind of know what works when the policy window opens for us to be able to do something different. Policy window's not open right now, but it will come and often we miss the policy window.

Brent Orrell (00:51:10):

We didn't miss it. President Musk vetoed it. And-

William M. Rodgers (00:51:15):

Let's go to your question. But how was that-

Brent Orrell (00:51:20):

Just one comment on-

Bishara W. Addison (00:51:21):

I wasn't trying to go political.

William M. Rodgers (00:51:24):

Yeah.

Bishara W. Addison (00:51:24):

I just was hopefully saying.

William M. Rodgers (00:51:27):

I understand.

Brent Orrell (00:51:27):

Just one comment on that legislation that goes to your point, which is there was a provision in there that would've allowed a lot of flexibility to states to redesign their workforce development systems without the federal regulatory apparatus on top of it. That was a provision that I worked on, many other people worked on and it was a real loss when the bill was vetoed. Sorry. Thank you.

William M. Rodgers (00:51:54):

No problem. So our first-

Brent Orrell (00:51:56):

President Musk.

William M. Rodgers (00:51:57):

First question here.

Speaker 5 (00:51:58):

Hi, my name is Ryan Silvashi. I'm an Ohio certified economic developer. And my question is how can more practical resources be created for lifting the untapped workforce, including future taxpayers who were recently incarcerated, suffering from mental health issues are coming out of addiction recovery, be more upwardly mobile?

Bishara W. Addison (00:52:24):

So I feel like that's our favorite topic in different ways. We both have worked on it in totally different capacities. I can start with what can economic development do? There are things that you can do to change employer practice. So you as an economic developer, it's not your organizational practice that necessarily needs to change, but you sure do connect with a lot of businesses. You probably participate or lead an industry association. And so how are those associations thinking about making practices around fair hiring? And I did not realize until recently that fair hiring was still a hurdle. I'm like, "Oh, I thought we saw for that. Everybody's doing fair hiring nowadays." And they're, in Mahoning Valley,

they're like, "No. No, that's still an uphill battle." So one is, oh, I love the Mahoning Valley, but fair hiring still needs a little bit of work.

Speaker 5 ([00:53:16](#)):
You're absolutely correct.

Bishara W. Addison ([00:53:18](#)):
When it comes to mental health and behavioral health, since you're in the Mahoning Valley, a lot of manufacturing and manufacturing is shift-based. And there was an employer in Rhode Island where he noticed that there were lots of challenges with his third shift. His third shift were often individuals because they were the last hired individuals maybe with some backgrounds, individuals who are overcoming addiction and substance abuse. And so what he created was some internal organizational support to be able to work with those individuals and meeting them where they are. And that included an addiction and recovery group that met as a part of the third shift. And so, one that's an employer practice that can also be improved. And then I say the last thing that would be really important if you really want to get people off the sidelines, it's actually there's a workforce development capability missing, at least in my footprint, which is Northeast Ohio. So that's 18 counties includes Youngstown.

([00:54:22](#)):
A missing capability around the tippy top of the funnel. Mentioned the funnel earlier about how you get people into the pipeline and who the folks are that are doing the outreach. The outreach cannot come from me. I am not a credible messenger for the individuals that are currently on the sidelines, but they might have a neighbor or a grandmother or an aunt or a friend who, when we know with workforce development, when you ask, "How'd you learn about this program?" It's almost always word of mouth. And so how do we systematize word of mouth? And I think there are structures and solutions that are possible, but I haven't seen any of them actualized.

([00:55:07](#)):
So if somebody knows of how to do that or what it looks like, I would love to talk to you. But we do have a missing capability and investment in that capability and the people who are willing to leverage their social capital, so that's the aunt, the grandmother, the neighbor down the street, we've got to put a dollar sign next to the social capital they might be willing to lend us to be able to reach the individuals that we're not credible ourselves as messengers.

William M. Rodgers ([00:55:34](#)):
Thank you for your comment. So we'll go to the gentleman over here.

Speaker 6 ([00:55:38](#)):
Yes, thank you. Peter Tatian from the Urban Institute. Bill, just some friendly advice. I double check that lit review because AI has been known to make things up.

William M. Rodgers ([00:55:46](#)):
I know. We did. That was what was made it so amazing. It was like, wow, this is pretty [inaudible 00:55:53].

Speaker 6 ([00:55:52](#)):

Yeah, it does also do some great things. So Dr. Rodgers, as you can see, I might be a little skeptical about AI, but I agree that it's here, we need to deal with it. And I was particularly intrigued by what you said about the idea of introducing it into early education. I work with a lot of folks in early education, so I'd love to hear your thoughts about how specifically would you introduce AI into that space?

Brent Orrell ([00:56:12](#)):

Yeah, I think we're just starting to figure that out. Let's see. It is Carnegie Mellon University is doing some really fantastic work around this working with a single school district in Pennsylvania. They have embedded AI education for teachers and for students across the entire system. And I think they're doing exactly the right way, which is that AI needs to be integrated into all subject matter because it will touch all subject matter.

([00:56:47](#)):

And we need to not treat it like the computer science class, but as a tool that is used across subject matter domains. I think that that's really the way forward. It's going to change the way that our kids learn. It's already, there's been some fascinating experiments about how much AI can accelerate learning for children and young adults, and we need to build on that research. As you said, it's here, it's going to be part of our lives. We have to figure out how to adapt well to it instead of doing what we did with social media, which was just sort of throw it out there and see what happens.

William M. Rodgers ([00:57:36](#)):

Question here, sir?

Speaker 7 ([00:57:38](#)):

Yes. Hello, my name is Lewis Fields. I am the creator of Builders, rebuilding families and communities as we rebuild ourselves, I deal with hard-placed populations. I go into the state prisons and do workforce development and training. And I also have the privilege of being the outreach manager for the Marshall Project Cleveland office, which is a digital newsroom. It deals with criminal justice reform. I have a question from the other side. Great to be here amongst you. So if everybody's been eating at the table, the chicken, the ham, the fatty calf, I represent the people on the outside starving. I had the privilege of watching PBS in about 2017. While I settle my bunk in the jail cell and watched a guy named Rick Edelman, tell me about the future of money and dealing with AI. I got that book, life-changing, and has got me past the fear. I'm embracing it.

([00:58:27](#)):

So I have a question for those that are on the outside, the population we're talking about. I did 23 years in prison, eighth grade education since a teenager straight. I am so excited. This is our opportunity. I go back into the prisons waving, like building the arc before the rain. This is the 40 acres and the mule. This is reparations. The disruption that's going to happen, it's going to allow those that are early adopters, like you were talking about agency. My question is this, is there anybody else out here screaming embrace it? Are there any agencies I could connect with? I'm the only one in the state of Ohio going into the prison screaming, "We need to learn about AI" showing them YouTube videos about agentic learning the RAG. So that's what I'm looking for. Is there anybody getting it right? Let's not be scared.

Brent Orrell ([00:59:10](#)):

I've done a lot of work on, as Bishara has, on trying to foster opportunity for incarcerated or recently released individuals. And one of the things that always comes up is particularly for people who have extended sentences, the world changes so much while people are away and just coming out of prison and like, this is a smartphone and you're like, "What's a smartphone?" AI is going to be that on steroids. And so we have to figure out how we can build that into the way that we educate, offer programming within prison so that it's not just that shock of coming out. And that's a big challenge because as we know, correctional facilities are big about controlling information and often for very good reasons. So I think we need to have some experimentation here and find some correctional leaders who recognize this as a challenge and are willing to try to work on it and then find the funding to try to build some models for how to do it.

Bishara W. Addison ([01:00:35](#)):

I think if I could add just something around this idea of agency. So we have to have, agency is a key part of being able to really embrace AI. And so a follow on or an implicit question is how do you get agency if you've been incarcerated for 10 or 15 years? And your reason for being incarcerated is that multiple systems failed you when you were a child and as an adult now you're in the adult system. And we don't have the same level of empathy for those individuals. And so there's a couple organizations where, or types of organizations where I think this could live. So there's both what community colleges need to do, Tri-C, the Cuyahoga Community College is thinking about a center for the future of work. And so that is a place where that kind of thinking and innovation could live. Adult workforce organizations.

([01:01:34](#)):

I know I saw someone in here from the Literacy Cooperative and they represent a number of organizations that focus on adult basic education. And so in that space, integrating it into programming, community-based workforce organizations, really this is where philanthropy needs to provide a little support all across the board all of them need to update their curriculum. So it's not just any one agency. It's not just in Cleveland. If you were in workforce development and you did not before this, have an IT training program, then I guarantee you whatever you're doing right now, if it's for manufacturing, healthcare, construction, you are going to have to revamp your programming to integrate the use of AI because AI is going to be impacting those jobs. And one more, the library system. And I'm surprised that the library system isn't a natural go-to because the library is free and accessible to everyone in Cleveland is called the People's University. And so activating our library system would be another place where I could see this work living.

William M. Rodgers ([01:02:42](#)):

Great. So we've got a few minutes left. Why don't folks actually say their question and then Brent and Bishara can either just poach or pick choose one they want to answer. But I want to get your question on the record though. Yeah.

Speaker 8 ([01:02:56](#)):

So I am actually here asking some of the questions that have been submitted from our virtual attendees for the summit. So one of the questions is how can we ensure that the growth of AI does not lead to mass layoffs as people and skills are replaced and updated? The other question that was posed is that there are many different trainings out there around AI. Some are private and a little bit more costly. Some are offered by community colleges, like you mentioned. How do we provide these workers with

agency to go out and find what fits best for them, but also provide them with guidance on what is able to maybe provide some of these skills?

William M. Rodgers ([01:03:36](#)):

And then ... One second. Your question? Oh, sorry.

Speaker 9 ([01:03:38](#)):

My question might fit in nicely. It's also about AI. Do you think that we are being critical enough about AI currently? Its true use cases. Its vulnerabilities in promulgating existing inequalities and its current inability to maintain a high quality in outputs.

William M. Rodgers ([01:03:59](#)):

Okay, great. Thanks.

Brent Orrell ([01:04:00](#)):

Okay, so on the first question, I'll give you the same answer that I give to everybody else who tells me how do I learn about AI? Go ask AI, right? It will help you build a course of study. It will coach you through developing skills. It is an extraordinary tool for education about it, and it's all too willing to just give you everything.

([01:04:38](#)):

With respect to the second question, there are going to be lots of downsides to AI. I'm very hopeful about it, but you can't have change on the scale without having dislocation. And we have to just recognize that it's going to be a challenge. We're going to need to be working at it constantly, I think. And then we just have to accept, I think that this will have its own momentum and if we attempt to overregulate it, we're going to lose a lot of things that we never knew we could have had in terms of solutions to problems. So that's why we need to be careful about trying to contain it too much.

William M. Rodgers ([01:05:28](#)):

Bishara?

Bishara W. Addison ([01:05:29](#)):

For the question that came from over here around kind of the challenges that might come along with AI. I think of it as it is a learning tool so it learns. And so if something bad goes in, bad's going to come out. And also if something good goes in, then good's going to come out too. And so I think there's a responsibility for us to make sure that we are training AI or teaching AI to have the kinds of behaviors and practices that we know create opportunity and not the other. And I think the challenge is that those who are probably at the forefront of creating products or AI-related services are often not thinking about the communities that could be harmed. And so that means more of us who do care need to find ways to integrate education. And then for the question that was over here around finding agency, I think there is some work around how we build out career navigation in the workforce development system.

([01:06:40](#)):

And career navigation means lots of different things. But the best report that I've seen around career navigation came from the National Fund for Workforce Solutions in partnership with the project on workforce at Harvard. It came out in 2023, and it really kind of expounds on what excellence looks like in that field. And I think that if the individuals who are coaching and supporting individuals for job search, if

they're able to help individuals also build agency, whether it's agency for wanting a promotion or agency around feeling comfortable using AI, I think those professionals are a key linchpin to be able to address that.

William M. Rodgers (01:07:24):

So I do want to respond to my colleagues from the Urban Institute and we'll finish up. I asked a question I knew the answer to on that literature review, but I think that's what you all are saying is we have to be engaged in order to have agency, we have to be engaged and then also provide the tools and the support for those who may not have as much the agency. So I started this conversation with being of the view or the mind that this will follow similar past innovations and that governor Barr did a nice job of reminding us there's three effects with any types of changes. There's the substitution effect, which I think is what dominates a lot of the conversations, but there's also these scale effects that new jobs get created. So instead of using a scalpel, you use a laser.

(01:08:27):

So that makes the job, it's not necessarily more productive, but you're doing it better or more effectively. And then you have the creation of new jobs. So as we move into this transition, it seems to me we have to be aware of this AI juggernaut that's coming. It has come forward, but we also make sure those, when we have our conversation, that doesn't drown out other issues that need to be discussed or ruminated with regards to workforce development. So basically for me, well out of the takeaway is stay tuned, but be involved, particularly be involved in the research. Our community development group at St. Louis. We have a great group with our research side, but we also have our outreach side and we've been marrying them together such that we hear much more about what's going on in our communities to help influence and guide the research that we've been tasked to do and be relevant and be useful to our communities.

(01:09:28):

On that note, I want to finish us. I want to please ask you to thank our two amazing panelists. Thank you. Thank you very much for your attention. Thank you for your engagement.