

White House Looks at Increasing Benefits to Lure Americans Back Into Workforce -- 2nd Update

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By Annie Linskey

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WASHINGTON -- Top White House economic officials are considering a renewed push for a suite of policies aimed at luring more Americans back to work, including enhanced child-care and eldercare benefits, as they hammer out priorities for the coming year.

The question of how to find enough workers has emerged as a significant issue as the country emerges from the pandemic, with a smaller share of adults working or looking for work than in early 2020. White House economic officials expect to brief President Biden on their thoughts over the holiday break as the administration shapes its agenda for 2023 and plans for Mr. Biden's State of the Union address.

"Where are places where we can lower price pressures in the economy, lower costs for consumers and increase the productive potential of the economy?" asked Brian Deese, the director of the White House's National Economic Council, in an interview Tuesday with The Wall Street Journal. "The things that we will prioritize and focus on will be in that area."

Mr. Deese didn't specify exactly what the team plans to present to the president. Any major overhauls would almost certainly require congressional approval, which will become more difficult when Republicans gain control of the House of Representatives next year. The party has signaled little interest in cooperating with past White House proposals to expand benefits.

The White House has previously pushed for paid family leave, universal prekindergarten and permanent expansion of the Child Tax Credit as part of its Build Back Better agenda, which stalled after it was opposed by Republicans. Elements of it were resisted by some Democrats, including Sen. Joe Manchin of West Virginia. Smaller chunks of the agenda passed, though the pieces aimed at easing costs for child care and eldercare were omitted.

Some Republicans have offered their own plans to ease child-care burdens, though the party hasn't coalesced around one idea. Many conservatives have said that enhancing benefits would do little to nudge Americans back to work and would instead encourage them to stay home.

Many economists argue that increasing child-care benefits will help the U.S. catch up with other countries, which have higher workforce-participation rates among women in their prime working years.

"I've never seen this extent of labor shortages ever in my lifetime," said Harry Holzer, a former chief economist for the Labor Department who is now a nonresident senior fellow at the Brookings Institution. The Biden administration is "taking the broader view of 'let's get more people into the labor market,' and the place where America has been lacking is younger women."

Labor participation has rebounded from pandemic lows, but the recovery has been uneven. Participation rates for older workers remain below prepandemic levels. That seems at least partly a result of many of them taking early retirement, either by choice or because of difficulty finding suitable work late in their careers. Participation by workers in their early 20s is also lagging.

Meanwhile, participation among Americans in their prime working years, between 25 and 54 years old, neared prepandemic levels this summer before easing in recent months. That group represents the bulk of U.S. workers.

The benefits that Mr. Deese discussed Tuesday would be aimed at a different segment of the workforce. "When we look at areas where we can make progress, one is on helping working parents," Mr. Deese said. "Providing quality, affordable child care actually helps to reduce cost burdens on families and gets more people working."

The White House is looking for areas where they can push for more training. "One of the things that I hear over and over in the implementation of big projects like infrastructure is that we need a better workforce-training model to actually connect people who want to get into new high-growth careers with the skills and the opportunity to do so," Mr. Deese said.

The administration has struggled with persistently high inflation, though Mr. Deese said that it has seen positive signs in recent weeks including easing gasoline prices.

Mr. Deese said the White House is considering some administrative actions it can take to reduce the price of housing, which he said would further help reduce inflation. The White House has previously directed federal agencies to ease the process for building affordable housing, extend deadlines for some projects and promote building near transportation hubs.

-- Gwynn Guilford contributed to this article.

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