

Remarks on Signing a Memorandum on Enhancing Safeguards To Prevent the Undue Denial of Federal Employment Opportunities to the Unemployed

January 31, 2014

Thank you, everybody. Everybody, please have a seat.

Well, first of all, let me just thank Erick for being here, for sharing his story, for his service to our country. I hope that listening to Erick here, everybody recognizes what a great success story this is, but also the notion that somebody with this kind of skill and talent was having difficulty finding a job indicates the challenge that we face. And I want to thank all of you—business leaders and philanthropists, elected officials, all levels and members of my Cabinet and the administration—not only for coming, but for committing to more success stories for people like Erick, making sure that everybody in this country who wants to work has a chance to get ahead and not just get a paycheck, but also the dignity and the structure that a job provides people.

On Tuesday, I delivered my State of the Union Address. And I said that while the economy is getting stronger and businesses like yours have created more than 8 million new jobs over the past 4 years, our unemployment rate is lower than it's been in over 5 years, we all know we've still got a lot more to do to build an economy where everybody who is willing to work hard and take responsibility can get ahead. We've got to do more to restore opportunity for every American.

And the opportunity agenda I laid out begins with doing everything we can to create new jobs here in America: jobs in construction and manufacturing, jobs in American innovation and American energy. There are steps we can take to streamline our Tax Code to incentivize companies to invest here. There are things that we can do to make sure that we are continuing to lead the world in innovation and basic research. There—we've got a whole lot of infrastructure we can build that could put people to work right away. We've got a couple trillion dollars' worth of deferred maintenance in America, and the ramifications of us taking that on would be significant. So we've got to grow faster and put more shoulders behind the wheel of expanding economic growth.

Step two is making sure that every American has the skills to fill those jobs. Step three, we've got to guarantee every child access to a world-class education, from early childhood to college, to a career. And step four, we've got to make sure that hard work pays off, with wages you can live on, savings you can retire on, health insurance that's there for you when you need it.

Now, today we're here to focus on that second point: connecting more ready-to-work Americans with ready-to-be-filled jobs so that folks who are out of work can apply the skills that they've already got. And getting people back on the job faster is one of our top priorities. But I have to confess, last month, Congress made that harder by letting unemployment insurance expire for more than a million people. And each week

that Congress fails to restore that insurance, roughly 72,000 Americans will join the ranks of the long-term unemployed who have also lost their economic lifeline.

And for our fellow Americans who have been laid off through no fault of their own, unemployment insurance is often the only source of income they've got to support their families while they look for a new job. So when Erick was out of work, it's a lot harder to look for work if you can't put gas in the gas tank, if you're worried about whether there's food on the table for your kid. If Mom isn't making the rent and paying her phone bill, it's a lot harder for her to follow up with a potential employer. Unemployment insurance provides that extra bit of security so that losing your livelihood doesn't mean you lose everything that you've worked so hard to build. And that's true whether you've been out of work for 1 month or 6 months.

But folks who have been unemployed the longest often have the toughest time getting back to work. It's a cruel catch-22: The longer you're unemployed, the more unemployable you may seem. Now, this is an illusion, but it's one that unfortunately we know statistically is happening out there. According to one study, if you've been out of work 8 months, you're likely to get called back for an interview only about half as often as if you've been out of work 1 month, even with the identical résumé. So we are here tonight to say that's not right. Because we know there are folks like Erick, all across this country, who have enormous skills, enormous talents, enormous capacity. But they need a chance.

I invited Misty DeMars to my speech on Tuesday night. A mother of two young boys, she'd been steadily employed since she was a teenager, put herself through college, had never collected unemployment benefits, never depended on the Federal Government, extraordinarily impressive young woman. When she lost her job to budget cuts, she couldn't find another, she turned to unemployment insurance to make sure she and her husband could keep the new home they had just spent their life savings to buy. And as I said on Tuesday, she wrote to me and saying: "I'm confident I'll find a job. I will pay my taxes. I will raise our kids in the home that we purchased in a community that we love. Please give us this chance." And I thought that spoke for so many Americans out there: Just give us this chance.

They're our neighbors, they're our friends: young and old; Black, White; men, women; Ph.D.'s and GEDs. The interesting thing, by the way, is statistically, the long-term unemployed are oftentimes slightly better educated, in some cases better qualified than folks who just lost their job. Just because you've been out of work for a while does not mean that you are not a hard worker. It just means you had bad luck or you were in the wrong industry or you lived in a region of the country that's catching up a little slower than others in the recovery.

And I've heard from too many of these folks who show up early; they will outwork anybody. They fill out 100 applications, 200 applications. They're sending out résumés, still finding time to volunteer in their community or helping out at church. Sometimes, they have more experience, education, and skill than newly unemployed Americans. They just need that chance.

Somebody will look past that stretch of unemployment, put it in the context of the fact that we went through the worst financial and economic crisis in our lifetimes, which created a group of folks who were unemployed longer than normal. They just need employers to realize it doesn't reflect at all on their abilities or their value. It just means they've been dealing with the aftermath of this really tough job market that—and all they need is a fair shot. And with that shot, an out-of-work young person can get the critical experience he needs to improve his employment prospects for the rest of his life. With that shot, someone with decades of experience could get back in the game and show a younger worker the ropes. We can give them that shot. And that's what today is all about.

And we really don't have an alternative, because giving up on the unemployed will create a drag on our economy that we cannot tolerate. Giving up on any American is something America cannot do. And Erick, I think, made an important point during his early remarks. Oftentimes folks, no matter how skilled you are, how confident you are, you get discouraged. And that affects people's physical health. It affects their mental health. And over time, you can have a negative feedback, where it becomes harder and harder for folks to get back in the game because they're just getting so many discouraging messages. And that can have long-term impact, particularly if it's early on in a young person's career.

So while Congress decides whether or not it's going to extend unemployment insurance for these Americans, we're going to go ahead and act. We know what works, and we're going to go ahead and see what we can do without additional legislation to make some serious dents in the long-term unemployment problem.

We know what works for employers and employees alike. I spoke on Tuesday about Andra Rush, the head of Detroit Manufacturing Systems. She was with us at the State of the Union, sitting with the First Lady. When she was staffing up her new factory, she worked with the local American Jobs Centers—federally funded—to hire people who were out of the job, but ready to work. On average, they'd been unemployed for 18 months. Today, she says, they are some of her best employees.

Greg Merrity is here today. Greg has been working in sales for 30 years. When he lost his job in December 2011, for the first time in his life, he found himself struggling to capitalize on decades of work experience. After months of sending out résumés, pounding the pavement, Greg's unemployment insurance ran out. And he began, like Erick described, to start feeling hopeless and start feeling useless. Then last year, he got hooked up with an organization called Skills for Chicagoland's Future, which actually got its start thanks in part to the great work of Penny Pritzker, our Secretary of Commerce, as well as my former Chief of Staff, Rahm Emanuel.

And so this intermediary trains folks like Greg with the skills they need to get placed right away in one of the local companies. And just 2 weeks after enrolling, Greg was back on the job, helping people get signed up for the health insurance they need. And Greg said, "SCF made me feel relevant again, like I have something to offer."

So today more than 80 of the Nation's largest businesses, over 200 small and medium-sized businesses are announcing their commitment to a set of best practices, like Greg and Misty and Erick can access and feel as if they can have a partner in getting back on the job and making the contributions that we know they can make. And so I want to thank all the companies who have made this commitment.

With the support of Andrew Liveris and Ursula Burns, chairing the Business Council, and Randall Stephenson at the Business Roundtable, as well as the Society for Human Resource Management, we've engaged employers of all sizes, all around the country—including many who are here today—to commit to a set of inclusive hiring policies, from making sure recruiting and screening practices don't disadvantage folks who have been out of work to establishing an open-door policy that actively encourages all qualified applicants.

And of course, it's only right that the Federal Government lead by example. So today I am directing every Federal agency to make sure we are evaluating candidates on the level, without regard to their employment history. Because every job applicant deserves a fair shot.

And I just had a chance to meet with some of the CEOs who are making these commitments. Some of them are already participating with what's going on in Chicago. And they had some great ideas about what they know works.

For example, one of the things that we're going to have to examine is the impact of credit histories on the long-term unemployed. If you've been out of work for 18 months, you may have missed some bills. That can't be a barrier then for you getting to work so you can pay your bills. But unfortunately, we're setting up some, in some cases, perverse incentives and barriers. But in some cases what I heard from the CEOs is, it was just a matter of let's pay attention to this. Let's see if we're doing everything we can to look at every candidate on the merits.

And I was really grateful to all of them for stepping up in this way. And I'm confident that as a consequence of this initiative we're going to see some progress all across the country.

Going back to Greg, his life was turned around because of a partnership that really cares, not just because he got a fair shot, but because he had advocates who helped him earn the skills he needed to land a job that made sense for him. And so that's why we're excited to have programs like Chicagoland's Future and Platform 2 Employment and many others that are represented in this room. As important as it is for the businesses to make these commitments, it's great to have these intermediaries and nonprofits who are also able to show success, even with folks who have been out of work for a long, long time.

And my administration is going to partner with the business community and the nonprofit sector. I've asked Joe Biden to lead an across-the-board reform of all our training programs, working with Secretary of Labor Tom Perez, Secretary of Commerce Penny Pritzker, to make sure that our job training programs have a single

mission: train Americans with the skills employers need and then match them to the good jobs that need to be filled right now. That's what we have to prioritize.

And today I'm announcing that the Department of Labor is going to put forward \$150 million in a Ready To Work Partnership competition to support more partnerships that we know work—innovative collaborations between local governments, major employers, nonprofits—all designed to help workers get the skills they need and build bridges to the jobs that require them.

So even though our economy is getting stronger, it's not going to be enough until those gains translate into better opportunities for ordinary folks like Erick who are—have the skills, have the desire, just need a chance. We're going to keep on knocking down barriers to reemployment so more of the nearly 4 million long-term unemployed Americans can regain the stability and security that a good job brings their families—and by the way, so that they have more money to spend on local businesses, which will lift the entire economy up and create a virtuous cycle instead of a negative one.

We're going to keep encouraging employers to welcome all applicants. You never know who is going to have the great next idea to grow your business. We're going to keep building new ladders of opportunity to—for every American to climb into the middle class. It's good for our economy, but it's also good for our people.

We are stronger, as I said on Tuesday, when America fields a full team. So I just want to thank all the businesses here for your commitments, all the nonprofits here for the work that you're already doing on the ground. We are going to scale this up. We are going to make this happen. Most of all, I want to thank Erick and some of the other folks who have experienced success, because—I told Erick before we came out here—when folks see him doing well, that gives them hope, and it reminds us that we can't afford to let such incredible talent be wasting away. We've got to get those folks back in the game, and that's what I'm committed to doing, and I know Joe is as well.

So thank you very much. I'm now going to sign our new Federal commitment. I appreciate you. And after this, I think you guys still have some more work to do. All right?

[At this point, the President signed the memorandum.]

There you go. All right. Thank you, everybody.

NOTE: The President spoke at 11:39 a.m. in the East Room at the White House. In his remarks, he referred to Erick Varela, apprentice electrician, Pacific Gas & Electric Co., who introduced the President; Oak Park, IL, resident Misty DeMars and her husband Leighton Taylor; Gregory Merrity, insurance adviser, GoHealth; Mayor Rahm I. Emanuel of Chicago, IL; Andrew N. Liveris, president, chairman, and chief executive officer, Dow Chemical Co.; Ursula M. Burns, chairman and chief executive officer, Xerox Corp.; and Randall L. Stephenson, chairman and chief executive officer, AT&T Inc.

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Names: Biden, Joseph R., Jr.; Burns, Ursula M.; DeMars, Misty; Emanuel, Rahm I.; Liveris, Andrew N.; Merrity, Gregory; Perez, Thomas E.; Pritzker, Penny S.; Rush, Andra M.; Stephenson, Randall L.; Taylor, Leighton; Varela, Erick.

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