**Managing Disruption: Supporting Economic Transition for Dislocated Workers and Communities**

**A Concept Note from the Metropolitan Policy Program at Brookings**

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**Overview**

The results of the recent presidential election have focused new attention on the ambiguous nature of major disruptive forces in the U.S. economy. Powerful forces such as trade, technology, and the online “gig economy” have become sources both of progress and backlash. Each has delivered important economic gains to many business owners, workers, and consumers, while also imposing substantial economic insecurity and hardship on particular individuals, firms, and places. Policymakers, who arguably paid insufficient attention to ameliorating the downsides of these forces, are now seeking evidence and solutions that would better address the pressing needs of displaced workers and communities. These responses cannot be “one size fits all,” but must respond to the diverse conditions and trajectories of America’s local and regional economies.

The Metropolitan Policy Program at Brookings (Brookings Metro) therefore seeks support for *Managing Disruption*, a new initiative to map key fault lines of transformation and dislocation in the U.S. economy, and identify updated adjustment strategies for affected workers and communities. By depicting the mixed impacts and geography of key forces at work, Brookings seeks to inform the development of income, training, mobility, and other policy responses more commensurate with the pervasive nature of modern change.

**The Issue**

Brookings Metro—with its focus on helping urban leaders build advanced economies that work for all—has for years insisted that national and metropolitan prosperity depends heavily on productivity gains, which in turn depend on a strong embrace of trade, technology, and modern labor-market innovations such as online talent platforms. However, recent work at Brookings Metro and elsewhere has increasingly grappled with the mixed implications of these key drivers of regional and national productivity:

* On **trade,** Brookings Metro has documented that exports helped drive the post-recession recovery in U.S. metropolitan areas, including by supporting good-paying jobs. However, our research also notes that trade-related dislocation touches nearly every community in the United States, concentrating especially in numerous small metro and rural areas.
* On **technology**, Brookings Metro has shown that the nation’s 50 most critical high-tech “advanced” industries provide significant wage advantages to workers at every education level. Yet the McKinsey Global Institute finds that as many as 60 percent of U.S. occupations are at risk of partial or complete automation, with significant implications for workers who will need to learn new skills in order to shift occupations.
* On the **gig economy,** Brookings Metro has depicted the rapid adoption in U.S. metro areas of platform-based ride- and room-sharing services, with some evidence that conventional and platform-based businesses are coexisting by calling forth new economic activity. At the same time, evidence in some cities suggests that the platforms might divert business from payroll employers, thus eroding the quality of the regional job base.

In the face of this economic and ensuing political disruption, researchers and policymakers must think more intentionally and holistically about how to respond to the dislocations that accompany the whirlwind of “creative destruction.” From programs such as federal Trade Adjustment Assistance, to Base Realignment and Closure, to support for coal-mining communities, the nation’s patchwork of labor-market and economic development programs remains piecemeal and grossly unequal to the task of helping dislocated workers and communities respond to the megatrends roiling the global economy.

**Proposal**

Brookings Metro seeks support for three types of activities in 2017 to inform, educate, and activate thought leaders, practitioners, and policymakers inside and especially outside Washington on the current state of labor-market disruption and needed adjustments. The projected activities include:

* **New research** that illuminates the global, national, and on-the-ground metro trends that are driving both substantial economic gains and increased labor-market dislocations in U.S. metros. This research will empower city, metropolitan, state, and national leaders to understand major ongoing dynamics, conceptualize responses, and argue for action steps. Proposed research would measure and map:
* The offshorability of some 500+ occupations within key industries and across all metropolitan areas to assess the vulnerability or durability of particular jobs and industries based on their task content
* The growing digitalization of some 500+ occupations over time within key industries and across metropolitan areas
* The increasing automation level of some 500+ occupations over time within key industries and across metropolitan areas
* The incidence and growth across industries of so-called contingent or non-standard jobs—including involuntary part-time employment, platform-based gigs, and non-employer firm freelancing
* **Policy recommendations** that respond to increased labor-market disruption with the suggestion of robust, broadly relevant approaches to managing change and making available more modern social safety net solutions
* **Convening and network-building opportunities** both inside and outside Washington to collect and share insights and action steps among city/metro workforce and economic development leaders. These activities will capitalize on Brookings’s reputation for non-partisan dialogue and its ties to dozens of metro-area practitioners to help local leaders understand the trends they are dealing with, exchange observations and solution-sets with metro-area peers, and gain voice in national debates. Activities could include:
* A national strategy workshop in Washington at the Brookings Institution to set a narrative frame, highlight trends and smart initiatives, and set priorities
* Regional topic-specific workshops to capture on-the-ground regional experiences, lift up local best practices, and hash out potential local responses
* A convening to help tech sector leaders engage with the public sector to design solutions that support both growth and the public good, whether workers or local communities

### For More Information

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