

# Skills Renewal Act

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*Millions of American men and women have now lost their jobs as a direct result of the coronavirus pandemic. As our nation faces an unprecedented challenge to our public health and economic security, we have a unique opportunity to help our workers gain new skills and advance their careers upon re-entry to the workforce.*

*Providing these workers a flexible Skills Training Credit that allows immediately access to a wide range of training and skills development opportunities is a win-win proposal that will benefit these workers, their families, and our nation's economy as we seek to turn the corner on the coronavirus pandemic in the months to come.*

## THE SKILLS TRAINING CREDIT

- The bill creates a flexible Skills Training Credit in the amount of \$4,000 per person that may be applied to cover the cost of a wide range of training programs that build skills expected to be in high demand by employers in the coming months.
- The refundable tax credit may be applied to the cost of training programs located anywhere along the postsecondary pipeline—including apprenticeships, stackable credentials, certificate programs, and traditional two- and four-year programs. To maximize participation by workers currently living under shelter-in-place orders, distance learning programs will be expressly included.
- The Skills Training credit will be made available to anyone who has lost their job as a result of the coronavirus pandemic in 2020, and the credit may be applied to the cost of training programs any time in 2020 or 2021.

## BACKGROUND

Many workers who have recently lost their jobs are precluded from actively seeking new jobs—a standard requirement for unemployment insurance eligibility that has largely been waived to accommodate the unique restraints imposed by the coronavirus pandemic. These circumstances provide a unique opportunity for skills training and career development.

The economic effects of the pandemic will outlast the immediate health crisis and the unfortunate reality is that most workers who experience unemployment—especially long-term unemployment—risk deterioration of their skills and will face a diminished earning capacity after they re-enter the workforce. Federal Reserve Chairman Jerome Powell articulated this danger in a [recent interview](#), and identified skills “atrophy” as a major threat posed by the current crisis that could prevent re-employment and forestall economic recovery.

Providing workers with widespread access to skills training opportunities can help improve their earning capacity and advance their careers upon re-entry to the workforce.

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