

# Return to State of the Union Report

## Unemployment Rate

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## Section 1: Top 35 Countries with the Lowest Unemployment Rate

Rank	Country	Unemployment %
1	قطر (Qatar)	0.1
2	កម្ពុជា Kampuchea (Cambodia)	0.2
3	ประเทศไทย Prathet Thai (Thailand)	0.5
4	Singapore	0.8
5	日本 Nippon (Japan)	1.1
6	Việt Nam (Vietnam)	1.2
7	الإمارات العربية المتحدة Al-Imārāt al-‘Arabiyya al-Muttaḥida (United Arab Emirates)	1.3
8	Czechia	1.8
9	Polska (Poland)	2.0
10	México	2.5
11	한국 Hanguk (South Korea)	2.7
12	Malaysia	2.8
13	Magyarország (Hungary)	3.0
14	Deutschland (Germany)	3.1
15	Nederland (Netherlands)	3.2
16	Suisse or Schweiz (Switzerland)	3.3
17	Österreich (Austria)	3.4
18	Danmark (Denmark)	3.5
19	Norge (Norway)	3.5
20	Iceland	3.6
21	ישראל Yisra'el (Israel)	3.6
22	Portugal	3.7
23	Éire (Ireland)	3.7
24	Australia	3.7
25	<b>United States</b>	<b>3.9</b>
26	Slovenia	3.9

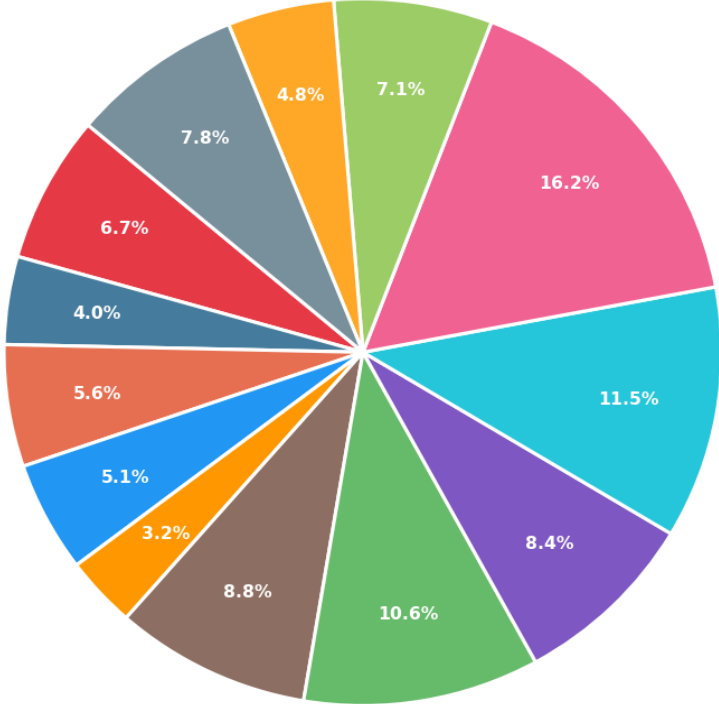
Rank	Country	Unemployment %
27	Estonia	4.0
28	Suomi (Finland)	4.1
29	Belgique (Belgium)	4.2
30	Canada	4.3
31	Chile	4.4
32	New Zealand	4.4
33	United Kingdom	4.5
34	Sverige (Sweden)	4.6
35	Latvija (Latvia)	4.7

*Source: Gallup World Poll labor market surveys and international labor statistics 2024–2025 dataset.*

The United States appears in this ranking with an unemployment rate of approximately 3.9 percent as of January 2026. The United States labor market benefits from strong consumer demand, a diversified economic base, advanced technology sectors, and large federal and state economic development programs. The country appears slightly lower than the very lowest countries primarily because of structural labor mobility, business cycle fluctuations, and the large size of the U.S. labor force.

Sources: Gallup <https://www.gallup.com> International Labour Organization <https://www.ilo.org> U.S. Bureau of Labor Statistics <https://www.bls.gov>

## Average Unemployment Rate by World Region (2024-2025 Estimates)



Region — Avg. Unemployment Rate		
China — 5.2%	Central America — 6.8%	Africa — 12.5%
Russia — 3.1%	South America — 8.2%	Asia (Excl. China) — 5.5%
Canada — 4.3%	Western Europe (Excl. Russia) — 6.5%	Australia — 3.7%
United States — 3.9%	Middle East — 8.9%	Other — 6.0%
Mexico — 2.5%		

The chart above presents estimated average unemployment rates for major world regions based on 2024–2025 data. Africa shows the highest regional average unemployment at 12.5 percent, followed by the Middle East at 8.9 percent and South America at 8.2 percent. Developed regions such as Australia (3.7%), the United States (3.9%), and Rossiya (3.1%) report among the lowest regional figures. México (2.5%) benefits from proximity to U.S. manufacturing supply chains. Asia excluding Zhongguo averages 5.5 percent, reflecting diverse labor market conditions across the continent.

## Regional Unemployment Rate Distribution (Approximate 2023 Data):

Region	Approximate Unemployment Rate
México	2.9%
Россия Rossiya (Russia)	3.2%
Australia	3.7%
United States	3.7%
Asia (excl. 中国 Zhongguo (China))	4.5%
中国 Zhongguo (China)	5.0%
Canada	5.5%
Western Europe (excl. Россия Rossiya (Russia))	6.0%
Central America	6.5%
Other	7.0%
South America	8.1%
Middle East	8.5%
Africa	14.2%

## Section 2: What Other Countries Have Done to Lower the Unemployment Rate

### قطر (Qatar)

Qatar implemented large-scale labor market expansion policies through national infrastructure development programs linked to the Qatar National Vision 2030 plan.

Government agencies such as the Ministry of Labour <https://www.mol.gov.qa> and قطر Qatar Development Bank <https://www.qdb.qa> coordinate employment planning and workforce training.

The government funds construction, transportation, logistics, energy infrastructure, and technology development projects that generate significant employment. The Public Works Authority Ashghal <https://www.ashghal.gov.qa> oversees infrastructure projects that support large employment sectors.

Workforce training programs are administered through the Qatar Foundation <https://www.qf.org.qa> which provides technical education and research employment opportunities.

Labor market policies also include coordinated immigration labor programs allowing skilled and semi-skilled workers to fill labor shortages.

Qatar remarkably low unemployment rate of 0.1% is the result of a highly controlled labor market combined with massive government investment in infrastructure, energy, and public sector employment.

The Qatari government, through the Ministry of Labor and Social Affairs ([www.mol.gov.qa](http://www.mol.gov.qa)), guarantees employment to all Qatari nationals through the public sector, where salaries and benefits are substantially subsidized by oil and gas revenues.

Qatar National Vision 2030 program, administered by the General Secretariat for Development Planning ([www.gsdp.gov.qa](http://www.gsdp.gov.qa)), directs investment into diversifying the economy beyond hydrocarbons and creating new employment opportunities in finance, tourism, and technology.

The Qatar Financial Centre ([www.qfc.qa](http://www.qfc.qa)) attracts multinational corporations and creates high-skilled jobs.

Additionally, Qatar "Qatarization" policy mandates that private sector companies employ a minimum percentage of Qatari nationals, further reducing native unemployment.

The country's massive guest worker program allows for rapid workforce expansion or contraction, buffering domestic unemployment figures.

The Supreme Committee for Delivery & Legacy ([www.sc.qa](http://www.sc.qa)) oversaw thousands of employment opportunities tied to infrastructure projects.

Labor laws enforced by the Ministry of Labor ensure worker protections and minimum wage standards.

## **Singapore**

Singapore operates one of the most active labor market policy systems in the world. The Ministry of Manpower <https://www.mom.gov.sg> manages employment regulation, job matching programs, and workforce training policy.

The Skills Future initiative <https://www.skillsfuture.gov.sg> provides government funded training programs for workers at all stages of their careers. Citizens receive education credits which can be used for professional retraining in high demand industries.

Enterprise Singapore <https://www.enterprisesg.gov.sg> provides financial support and advisory services to businesses to expand hiring and improve productivity.

The Economic Development Board <https://www.edb.gov.sg> recruits international investment and high technology industries which generate high quality jobs.

## **Nippon (Japan)**

Nippon maintains extremely low unemployment through coordinated industrial policy workforce stability programs, and from a combination of cultural norms around lifetime employment, strong labor protections, and active government labor market policies.

The Ministry of Health Labour and Welfare <https://www.mhlw.go.jp> administers employment services, (Public Employment Security Offices) and with over 400 locations nationwide.

Public Employment Service Offices called Hello Work operate nationwide job placement centers that connect workers with employers.

Industrial policy coordinated by the Ministry of Economy Trade and Industry <https://www.meti.go.jp> supports advanced manufacturing and technology industries.

The Nippon government's Employment Insurance system provides income support and reemployment assistance.

Corporate employment practices historically emphasize long-term employment relationships, job security, and extensive worker training programs.

The Act on Promotion of Employment of the Elderly encourages companies to retain older workers.

The Industrial Competitiveness Enhancement Act supports corporate restructuring and new business creation to sustain employment.

Nippon's Work Style Reform Act, enacted in 2018, improved labor flexibility and work-life balance to boost participation.

Large corporations like Toyota, Sony, and Mitsubishi maintain "lifetime employment" traditions.

The Nippon Organization for Employment of the Elderly,

Persons with Disabilities and Job Seekers ([www.jeed.go.jp](http://www.jeed.go.jp)) assists vulnerable groups in finding work.

Government subsidies for employee retention during economic downturns, called Employment Adjustment Subsidies, prevented mass layoffs during the COVID-19 pandemic.

The Ministry of Economy, Trade and Industry ([www.meti.go.jp](http://www.meti.go.jp)) coordinates industrial policy to sustain high-value employment.

## **Deutschland (Germany)**

Deutschland's dual vocational education system is widely considered one of the most successful labor market programs globally.

The Federal Ministry for Economic Affairs and Climate Action <https://www.bmwk.de> oversees industrial policy and employment programs.

The Federal Employment Agency <https://www.arbeitsagentur.de> administers unemployment insurance, job placement services, and vocational training.

Under the dual training system, students combine classroom education with apprenticeships inside companies.

Deutschland labor reforms such as the Hartz labor market reforms strengthened employment placement services and incentives for workforce participation.

Deutschland's low unemployment results from its world-renowned dual vocational training system, strong labor unions, flexible work arrangements, and active labor market policies.

The Kurzarbeit (short-time work) program allows employers to reduce hours instead of laying off workers during downturns, with the government compensating for lost wages. This program saved an estimated 2 million jobs during the COVID-19 pandemic.

The dual apprenticeship system, coordinated by the Federal Institute for Vocational Education and Training (BIBB, [www.bibb.de](http://www.bibb.de)), provides vocational training in over 325 recognized occupations, ensuring workers are highly skilled and readily employable.

The Social Democratic labor reforms known as Hartz IV restructured unemployment benefits and job placement services, reducing long-term unemployment.

The Works Constitution Act (Betriebsverfassungsgesetz) gives workers strong representation in company decisions. Deutschland's Mittelstand (small and medium-sized enterprises) form the backbone of its employment base.

The Federal Ministry of Labour and Social Affairs ([www.bmas.de](http://www.bmas.de)) coordinates overarching employment strategy, while the Ministry of Economic Affairs ([www.bmwi.de](http://www.bmwi.de)) sustains export-driven industrial employment.

### **Nederland (Netherlands)**

The Nederland maintains low unemployment through flexible labor markets combined with strong social insurance systems.

The Ministry of Social Affairs and Employment <https://www.government.nl> manages labor policy and unemployment programs.

Employment insurance programs support workers while encouraging rapid job reentry. Public employment services coordinate job placement and training.

The Dutch government also supports small and medium enterprises through business investment incentives and entrepreneurship support programs.

### **Polska (Poland)**

Polska reduced unemployment significantly through industrial development and European Union investment programs.

The Ministry of Economic Development and Technology <https://www.gov.pl> administers investment incentives and economic development programs.

EU structural funds financed transportation infrastructure, business parks, and manufacturing facilities that generated millions of jobs.

The Polska Investment and Trade Agency <https://www.paih.gov.pl> supports foreign direct investment.

### **Việt Nam (Vietnam)**

Việt Nam achieved major employment growth through export-oriented manufacturing policies and industrial development planning.

The Ministry of Planning and Investment <https://www.mpi.gov.vn> coordinates national economic development and labor policies.

Industrial zones and export processing zones attract foreign investment and create employment opportunities.

The Ministry of Labour Invalids and Social Affairs <https://www.molisa.gov.vn> administers workforce training and employment programs.

## **What Some Other Countries Have Done to Lower unemployment.**

### **Kampuchea (Cambodia)**

Kampuchea has achieved very low unemployment through a combination of rapid economic growth in the garment and footwear manufacturing sector, a thriving agricultural economy, and a growing tourism industry.

The Ministry of Labour and Vocational Training ([www.mlvt.gov.kh](http://www.mlvt.gov.kh)) administers vocational and technical training programs that equip workers with market-relevant skills.

The Kampuchea Development Council ([www.cdc.gov.kh](http://www.cdc.gov.kh)) actively courts foreign direct investment, particularly in manufacturing, which has created hundreds of thousands of jobs.

The government's National Employment Agency ([www.nea.gov.kh](http://www.nea.gov.kh)) connects job seekers with employers and provides placement services.

Special Economic Zones (SEZs) managed by the Council for the Development of Kampuchea offer incentives to businesses that create local employment.

The National Social Protection Policy Framework ensures basic labor protections. Kampuchea's garment industry, representing over 70% of exports, employs more than 700,000 workers.

Community-based programs under the Ministry of Rural Development ([www.mrd.gov.kh](http://www.mrd.gov.kh)) support rural employment, limiting urban migration pressures.

### **Prathet Thai (Thailand)**

Prathet Thai promotes employment through export manufacturing and tourism industries.

The Ministry of Labour <https://www.mol.go.th> operates job placement services and workforce training programs.

Tourism development programs managed by the Tourism Authority of Prathet Thai <https://www.tourismthailand.org> generate large employment sectors.

Prathet Thai maintains low unemployment through a diversified economy spanning manufacturing, agriculture, tourism, and services.

The Department of Employment under the Ministry of Labour ([www.mol.go.th](http://www.mol.go.th)) runs national job placement services, career centers, and job fairs connecting employers with workers.

Prathet Thai's Board of Investment ([www.boi.go.th](http://www.boi.go.th)) offers tax and non-tax incentives to companies that create employment in targeted industries including electric vehicles, biotechnology, and digital economy.

The Skills Development Promotion Act mandates that large employers fund vocational training for employees.

The Skill Development Institute ([www.dsd.go.th](http://www.dsd.go.th)) provides free or subsidized technical and vocational education across the country.

Prathet Thai's "New S-Curve" industrial policy channels public investment toward future industries.

The National Economic and Social Development Council ([www.nesdc.go.th](http://www.nesdc.go.th)) coordinates long-term economic planning to sustain employment.

The government's SME promotion agency ([www.sme.go.th](http://www.sme.go.th)) supports small and medium enterprise growth, which employs a substantial portion of the workforce.

### **Беларусь (Belarus)**

Belarus maintains very low unemployment primarily through a highly state-controlled economy with extensive government-owned enterprises that are obligated to maintain employment levels regardless of market conditions.

The Ministry of Labour and Social Protection ([www.mintrud.gov.by](http://www.mintrud.gov.by)) oversees employment policy and administers a network of employment centers across the country.

The State Employment Fund provides unemployment benefits and retraining programs. Employers, particularly state enterprises, face strict regulations against mass layoffs, providing job stability.

The State Committee on Property ([www.gki.gov.by](http://www.gki.gov.by)) oversees state enterprises that collectively employ a significant share of the workforce.

Belarus vocational education system, coordinated by the Ministry of Education ([www.edu.gov.by](http://www.edu.gov.by)), produces skilled workers aligned with industrial needs.

Public works and subsidized employment programs supplement private sector hiring.

The government's economic development program channels investment into IT parks, including the High-Tech Park in Minsk ([www.park.by](http://www.park.by)), which has created thousands of high-paying technology jobs.

## **Hanguk (South Korea)**

Hanguk has reduced unemployment through substantial investment in education, technology, and active labor market programs.

The Ministry of Employment and Labor ([www.moel.go.kr](http://www.moel.go.kr)) administers Hanguk 's Employment Insurance System, which provides job seeking allowances, vocational ability development training, and childcare support to facilitate workforce participation.

The Hanguk Employment Information Service ([www.keis.or.kr](http://www.keis.or.kr)) provides labor market data, job matching, and career guidance.

Hanguk's National Human Resources Development Consortium operates 70 vocational training institutions across the country.

The government's "K-New Deal" policy channels investment into digital and green economy sectors to create future-oriented jobs.

The Hanguk Labor Institute ([www.kli.re.kr](http://www.kli.re.kr)) conducts research to inform employment policy. Chaebol conglomerates including Samsung, Hyundai, LG, and SK collectively employ millions of Koreans.

The Small and Medium Business Administration ([www.smba.go.kr](http://www.smba.go.kr)) provides startup support and SME growth assistance. Special employment programs target youth unemployment, a persistent challenge.

The National Competency Standards (NCS) framework aligns education with employer needs. Work-sharing incentives encourage companies to distribute hours rather than reduce headcount during slowdowns.

## **Section 3: What the U.S. Can Do to Reduce the Unemployment Rate**

The United States can significantly reduce its unemployment rate by adopting a comprehensive, multi-pronged strategy that draws upon the most effective policies used by high-performing economies worldwide.

At its current rate of approximately 3.7%, the U.S. faces what economists characterize as near-full employment, yet structural and frictional unemployment remain persistent challenges that deny millions of Americans the dignity and economic security of stable, meaningful work.

The United States government, through coordination between the Department of Labor ([www.dol.gov](http://www.dol.gov)), the Department of Commerce ([www.commerce.gov](http://www.commerce.gov)), and the Department of Education ([www.ed.gov](http://www.ed.gov)), should establish a National Employment Coordination Council modeled after Deutschland's Federal Employment Agency. This council would centralize job

placement, retraining, and labor market data services, ensuring that unemployed Americans receive rapid, effective assistance in finding new work.

A nationwide expansion of free vocational and technical training, modeled on Deutschland's dual apprenticeship system, would align worker skills with employer demand.

**The Department of Labor's Employment and Training Administration** ([www.doleta.gov](http://www.doleta.gov)) should partner with community colleges, technical schools, and private sector employers to create registered apprenticeships in growing fields such as advanced manufacturing, clean energy installation, cybersecurity, healthcare, and construction. Current programs such as Job Corps ([www.jobcorps.gov](http://www.jobcorps.gov)) and CareerOneStop ([www.careeronestop.org](http://www.careeronestop.org)) should be substantially expanded and better funded.

**Federal and state governments should enact short-time work** compensation programs modeled on Deutschland's Kurzarbeit, allowing employers facing temporary downturns to reduce hours rather than lay off workers. The Department of Labor's Short-Time Compensation program already exists but is underused; states should be incentivized to adopt and expand it through increased federal matching funds.

**Infrastructure investment** has historically been one of the most powerful tools for job creation. The Infrastructure Investment and Jobs Act of 2021 represents a major step forward, but continued investment in roads, bridges, broadband, clean water, and energy grid modernization would sustain hundreds of thousands of employment opportunities.

The Army Corps of Engineers ([www.usace.army.mil](http://www.usace.army.mil)), the Federal Highway Administration ([www.fhwa.dot.gov](http://www.fhwa.dot.gov)), and the Department of Energy ([www.energy.gov](http://www.energy.gov)) should coordinate to maximize employment impact per dollar spent.

**The Small Business Administration** ([www.sba.gov](http://www.sba.gov)) should expand its loan programs, technical assistance, and mentorship networks to support small business growth and entrepreneurship. Small businesses account for the majority of net new job creation in the United States; policies that reduce barriers to starting and growing small businesses directly translate into reduced unemployment.

**Childcare access** is a critical barrier to workforce participation, particularly for women with young children. Federal subsidies for childcare, modeled on programs in Scandinavia and Deutschland, would allow millions of parents to enter or re-enter the workforce.

The Department of Health and Human Services ([www.hhs.gov](http://www.hhs.gov)) administers the Child Care and Development Fund, which should be dramatically expanded.

Targeted programs for communities facing structural unemployment due to the decline of legacy industries such as coal mining, steel production, and automotive manufacturing are essential. The **Economic Development Administration** ([www.eda.gov](http://www.eda.gov)) should coordinate with the

Department of Energy's Office of Clean Energy Demonstrations and private sector partners to create new industries and jobs in these communities.

### **Anti-discrimination enforcement by the Equal Employment Opportunity Commission**

([www.eeoc.gov](http://www.eeoc.gov)) should be strengthened to ensure that unemployment rates among minority communities, which persistently exceed national averages, are reduced through equitable hiring practices and workplace policies.

**Expanding Earned Income Tax Credit**, eliminating benefit cliffs that discourage low-income workers from accepting employment, and raising the minimum wage are policies endorsed by economists across the political spectrum as effective tools for increasing labor force participation and reducing unemployment among vulnerable populations.

## **Section 4: References**

### **References for Section 2:**

Qatar Ministry of Labor and Social Affairs: <https://www.mol.gov.qa>

قطر Qatar General Secretariat for Development Planning: <https://www.gsdp.gov.qa>

Tamkeen Bahrain: <https://www.tamkeen.bh>

Nippon Ministry of Health, Labour and Welfare: <https://www.mhlw.go.jp>

Deutschland Federal Employment Agency: <https://www.arbeitsagentur.de>

BIBB Federal Institute for Vocational Education and Training: <https://www.bibb.de>

Deutschland Federal Ministry of Labour and Social Affairs: <https://www.bmas.de>

Hanguk Ministry of Employment and Labor: <https://www.moel.go.kr>

Kampuchea Ministry of Labour and Vocational Training: <https://www.mlvt.gov.kh>

Prathet Thai Ministry of Labour: <https://www.mol.go.th>

Prathet Thai Board of Investment: <https://www.boi.go.th>

### **References for Section 3:**

U.S. Department of Labor: <https://www.dol.gov>

Employment and Training Administration: <https://www.doleta.gov>

Job Corps: <https://www.jobcorps.gov>

CareerOneStop: <https://www.careeronestop.org>

Small Business Administration: <https://www.sba.gov>

Economic Development Administration: <https://www.eda.gov>

Equal Employment Opportunity Commission: <https://www.eeoc.gov>

U.S. Army Corps of Engineers: <https://www.usace.army.mil>

Federal Highway Administration: <https://www.fhwa.dot.gov>

U.S. Department of Energy: <https://www.energy.gov>

Department of Health and Human Services - Child Care: <https://www.hhs.gov/programs/social-services/childcare/index.html>

ILO - International Labour Organization: <https://www.ilo.org>

Bureau of Labor Statistics: <https://www.bls.gov>

**Section 5: Draft of a House Bill**

**H.R. \_\_\_\_\_**  
**118th CONGRESS**  
2d Session

**IN THE HOUSE OF REPRESENTATIVES**

**A BILL**

To reduce unemployment in the United States through workforce development, vocational training, employer incentives, and coordinated federal action.

**SHORT TITLE**

This Act may be cited as the "American Workforce Opportunity and Unemployment Reduction Act".

**SECTION 1. Definitions**

1. "Unemployment" means the state of being without a job while actively seeking employment, as defined by the Bureau of Labor Statistics (BLS) Current Population Survey.
2. "Workforce Development" means programs, policies, and activities designed to improve the skills, knowledge, and abilities of workers to meet employer demand.
3. "Apprenticeship" means a structured, employer-based training program that combines on-the-job learning with related technical instruction, registered with the Department of Labor under 29 U.S.C. 50.
4. "Short-Time Compensation" means a program under which employers reduce employee hours rather than lay off workers, with the government compensating for a portion of lost wages.
5. "Covered Employer" means any employer with ten (10) or more full-time equivalent employees that operates in interstate commerce or receives federal contracts or grants.
6. "Eligible Worker" means any U.S. citizen, lawful permanent resident, or authorized worker who is unemployed, underemployed, or seeking to upgrade workforce skills.
7. "Vocational Training" means education or training that provides specific occupational skills and competencies required for employment in a particular trade or industry.
8. "Secretary" means the Secretary of Labor, unless otherwise specified.
9. "Coordinating Council" means the National Employment and Workforce Coordination Council established under Section 3(a) of this Act.
10. "Dual Training System" means a structured vocational training model combining classroom education at an accredited institution with practical training at a participating employer, modeled on established international best practices.

## **SECTION 2. Enacting Clause**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act is enacted to reduce unemployment rates across the United States, promote workforce participation, expand vocational and technical training, and implement evidence-based labor market policies that have proven effective in peer nations.

- (a) **PURPOSE.** The purpose of this Act is to:
- (1) Reduce the national unemployment rate through coordinated federal, state, and private sector action;
  - (2) Expand access to free or subsidized vocational and technical training for unemployed and underemployed workers;
  - (3) Incentivize employers to adopt short-time work programs and avoid mass layoffs;
  - (4) Create a National Employment and Workforce Coordination Council to align federal employment programs;
  - (5) Promote apprenticeships, internships, and work-based learning opportunities in high-demand sectors;
  - (6) Ensure equitable access to employment opportunities regardless of race, gender, age, disability, or geographic location;
  - (7) Strengthen partnerships between government, educational institutions, labor unions, and private employers.

## **SECTION 3. Requirements by Government Agencies**

### **(a) NATIONAL EMPLOYMENT AND WORKFORCE COORDINATION COUNCIL.**

- (1) Within 180 days of enactment, the Secretary of Labor shall establish the National Employment and Workforce Coordination Council ("Coordinating Council") consisting of representatives from the Department of Labor ([www.dol.gov](http://www.dol.gov)), the Department of Education ([www.ed.gov](http://www.ed.gov)), the Department of Commerce ([www.commerce.gov](http://www.commerce.gov)), the Department of Health and Human Services ([www.hhs.gov](http://www.hhs.gov)), the Small Business Administration ([www.sba.gov](http://www.sba.gov)), and the Economic Development Administration ([www.eda.gov](http://www.eda.gov)).
- (2) The Coordinating Council shall develop and publish, not later than one year after enactment, a National Workforce Strategy establishing goals, metrics, funding priorities, and accountability measures for reducing unemployment.
- (3) The Coordinating Council shall coordinate existing federal workforce programs including Job Corps ([www.jobcorps.gov](http://www.jobcorps.gov)), CareerOneStop ([www.careeronestop.org](http://www.careeronestop.org)), YouthBuild, Trade Adjustment Assistance, and the Wagner-Peyser Employment Service to eliminate duplication and maximize effectiveness.

### **(b) DEPARTMENT OF LABOR.**

- (1) The Department of Labor's Employment and Training Administration ([www.doleta.gov](http://www.doleta.gov)) shall expand the Registered Apprenticeship Program to include at least 50 new industry-recognized occupations within two years of enactment, with a target of one million new apprentices per year by the fifth year after enactment.

- (2) The Department shall establish a Short-Time Compensation Program that incentivizes states to adopt or expand work-sharing programs through increased federal matching funds of not less than 75 percent during periods of elevated unemployment.
- (3) The Department shall operate a network of not fewer than 2,500 American Job Centers ([www.careeronestop.org](http://www.careeronestop.org)) providing free job search assistance, resume preparation, skills assessment, and referral to training programs.
- (4) The Department of Labor shall establish a Dual Training Initiative, modeled after Deutschland's dual vocational training system, requiring participating employers to provide structured on-the-job training to apprentices concurrently with related academic instruction at designated community colleges or vocational institutions.
- (5) The Department shall publish annual unemployment reports disaggregated by race, gender, age, disability status, and geographic region, and develop targeted interventions for groups with unemployment rates exceeding the national average by two percentage points or more.

**(c) DEPARTMENT OF EDUCATION.**

- (1) The Department of Education shall develop a National Vocational and Career Education Framework, in partnership with the Department of Labor, aligning community college curricula with high-demand employer needs in emerging industries including clean energy, advanced manufacturing, information technology, and healthcare.
- (2) The Department shall expand Pell Grant eligibility to cover short-term, high-quality vocational programs of at least 150 clock hours that lead to recognized postsecondary credentials.
- (3) The Department shall establish Career and Technical Education Excellence Grants, awarding not less than \$500 million annually to states that demonstrate improvements in career education outcomes, including employment placement rates and wages.

**(d) SMALL BUSINESS ADMINISTRATION.**

- (1) The SBA ([www.sba.gov](http://www.sba.gov)) shall expand the Small Business Jobs Act loan program by not less than 20 percent within three years, with priority given to businesses in high-unemployment geographic areas.
- (2) The SBA shall establish a Workforce Retention Loan Guarantee Program that provides low-interest loans to small businesses that maintain or increase employment during economic downturns.
- (3) The SBA shall create not fewer than 100 new Small Business Development Center locations in rural and economically distressed areas within five years of enactment.

**SECTION 4. Requirements by Government Officials**

**(a) THE PRESIDENT.**

- (1) The President shall, within 90 days of enactment, issue an Executive Order directing all federal departments and agencies to review their hiring, contracting, and grant-making practices to maximize employment impacts, with preference for contractors demonstrating strong employment practices.

- (2) The President shall designate the Secretary of Labor as the lead coordinator for implementation of this Act and shall establish annual reporting requirements to Congress on progress toward unemployment reduction goals.

**(b) THE SECRETARY OF LABOR.**

- (1) The Secretary of Labor shall, within one year of enactment, submit to Congress a comprehensive National Unemployment Reduction Plan with specific, measurable targets for reducing unemployment rates by demographic group and geographic region.
- (2) The Secretary shall convene quarterly meetings of the Coordinating Council and shall report annually to Congress and the public on progress, outcomes, and funding utilization.
- (3) The Secretary shall establish a Center for Employment Innovation within the Department of Labor to research and pilot new evidence-based workforce development approaches.

**(c) STATE GOVERNORS.**

- (1) Governors of each state that receives funds under this Act shall designate a State Workforce Director responsible for implementing the requirements of this Act within the state.
- (2) Each state shall submit an annual State Workforce Plan to the Secretary of Labor describing investments, programs, and outcomes related to reducing unemployment.
- (3) States are encouraged, and may receive additional federal incentive funds, for adopting Short-Time Compensation programs, expanding apprenticeship programs, and implementing targeted employment programs for high-unemployment communities.

**SECTION 5. Requirements by Corporations**

**(a) HIRING AND WORKFORCE DEVELOPMENT OBLIGATIONS.**

- (1) Every Covered Employer shall, as a condition of receiving federal contracts in excess of \$1,000,000, implement a written workforce development plan approved by the Department of Labor that includes commitments to vocational training, apprenticeship, and employee skills upgrading.
- (2) Covered Employers with more than 250 employees shall participate in or contribute to the National Registered Apprenticeship Program, the Short-Time Compensation program, or equivalent approved workforce development programs.
- (3) Covered Employers that receive federal workforce development grants must report annually on the employment outcomes of program participants, including job placement rates and wage levels.

**(b) TAX INCENTIVES AND BENEFITS.**

- (1) A tax credit of 25 percent of wages paid during the first year of employment, up to \$5,000 per eligible employee, shall be available to any employer who hires an individual who has been unemployed for 26 weeks or more.
- (2) Employers who sponsor registered apprentices shall receive a federal tax credit of not less than \$2,500 per apprentice per year for up to three years.

- (3) Corporations that establish childcare facilities or provide childcare subsidies for employees shall receive a tax deduction of 150 percent of expenditures, to encourage workforce participation by parents.
- (4) Corporations that establish job-sharing or short-time work programs consistent with Section 3(b)(2) of this Act shall receive a payroll tax credit of 5 percent of retained wages during periods of economic slowdown certified by the Secretary of Labor.

## **SECTION 6. Requirements by Private Citizens**

### **(a) RIGHTS AND RESPONSIBILITIES OF ELIGIBLE WORKERS.**

- (1) Any Eligible Worker receiving Unemployment Insurance benefits shall, after 13 weeks, be required to engage with an American Job Center ([www.careeronestop.org](http://www.careeronestop.org)) for skills assessment, job search assistance, and, if appropriate, referral to retraining programs.
- (2) Eligible Workers who decline without good cause to accept referral to suitable employment or approved vocational training may have their Unemployment Insurance benefits reduced or suspended in accordance with applicable state law.
- (3) Self-employed individuals and freelancers are encouraged to participate in voluntary skills development programs supported by this Act, and may access training grants without the obligation to participate in employer-sponsored programs.

### **(b) COMMUNITY AND VOLUNTEER PARTICIPATION.**

- (1) Private citizens are encouraged to participate in mentorship programs, community workforce development organizations, and non-profit employment assistance organizations, which shall receive tax deductions for documented volunteer service valued at the prevailing federal minimum wage per hour.
- (2) Individual taxpayers who donate to approved non-profit workforce development organizations shall be eligible for a federal tax credit of 10 percent of the donated amount, up to \$500 per year.

## **SECTION 7. Penalty Clauses**

### **(a) EMPLOYER PENALTIES.**

- (1) Any Covered Employer that provides false or misleading information in a workforce development plan or annual employment outcome report shall be subject to a civil penalty of not less than \$10,000 per violation, and may be barred from receiving federal contracts for a period of up to three years.
- (2) Any employer that retaliates against an employee for reporting violations of this Act shall be subject to a civil penalty of not less than \$25,000 per violation and shall be required to reinstate the affected employee with full back pay and benefits.
- (3) Employers who discriminate in hiring or training on the basis of race, color, national origin, sex, age, religion, or disability, in violation of applicable civil rights laws, shall be subject to the remedies and penalties provided under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, in addition to any penalties under this Act.

**(b) GOVERNMENT AGENCY PENALTIES.**

- (1) Federal agencies that fail to submit required reports or plans under this Act within the deadlines specified shall be subject to a funding holdback of 5 percent of their applicable discretionary appropriations for each quarter of non-compliance, to be withheld by the Office of Management and Budget ([www.whitehouse.gov/omb/](http://www.whitehouse.gov/omb/)).
- (2) The Inspector General of each relevant department shall conduct annual audits of compliance with the requirements of this Act and shall report findings to Congress.

**SECTION 8. Effective Dates and Implementation**

**(a) EFFECTIVE DATE.**

- (1) Except as otherwise specifically provided in this Act, this Act takes effect on the date that is 90 days after the date of enactment.
- (2) Provisions relating to the establishment of the National Employment and Workforce Coordination Council shall take effect on the date of enactment.
- (3) Tax incentive provisions of Section 5(b) shall take effect on the first day of the taxable year following enactment.

**(b) IMPLEMENTATION TIMELINE.**

- (1) Within 90 days of enactment: The President shall issue the Executive Order required under Section 4(a)(1); the Secretary of Labor shall begin establishment of the Coordinating Council.
- (2) Within 180 days of enactment: The Coordinating Council shall hold its first meeting; the Department of Labor shall publish initial program guidelines for Short-Time Compensation and Dual Training Initiative.
- (3) Within one year of enactment: The Secretary of Labor shall submit the National Unemployment Reduction Plan to Congress; the Department of Education shall publish the National Vocational and Career Education Framework.
- (4) Within two years of enactment: The Registered Apprenticeship Program shall be expanded to include 50 new occupations; the SBA shall begin expansion of Small Business Development Centers.
- (5) Within five years of enactment: Annual apprenticeship participation shall reach the one million target; the SBA shall have established 100 new Small Business Development Center locations.

**SECTION 9. Appropriations and Budgetary Notes**

**(a) AUTHORIZATION OF APPROPRIATIONS.**

- (1) There are authorized to be appropriated to the Department of Labor \$3,000,000,000 per fiscal year for fiscal years 2024 through 2029, to carry out the workforce development, apprenticeship, and short-time compensation programs established under this Act.
- (2) There are authorized to be appropriated to the Department of Education \$500,000,000 per fiscal year for fiscal years 2024 through 2029, for the Career and Technical Education Excellence Grants and the National Vocational and Career Education Framework.

- (3) There are authorized to be appropriated to the Small Business Administration \$250,000,000 per fiscal year for fiscal years 2024 through 2029, for the Workforce Retention Loan Guarantee Program and expansion of Small Business Development Centers.
- (4) There are authorized to be appropriated to the Economic Development Administration \$200,000,000 per fiscal year for fiscal years 2024 through 2029, for employment programs in distressed communities.

**(b) BUDGETARY NOTES.**

- (1) The Congressional Budget Office ([www.cbo.gov](http://www.cbo.gov)) shall, within 60 days of enactment, prepare a cost estimate of the provisions of this Act.
- (2) Any new spending authorized by this Act shall comply with the requirements of the Budget Control Act and PAYGO rules applicable at the time of appropriation.
- (3) The Secretary of Labor, in coordination with the Office of Management and Budget ([www.whitehouse.gov/omb/](http://www.whitehouse.gov/omb/)), shall submit annual reports on expenditures and outcomes to the Committees on Appropriations of both Houses of Congress.

**ENDNOTES**

1. Deutschland's Kurzarbeit (short-time work) program: Bundesagentur für Arbeit, <https://www.arbeitsagentur.de>
2. Nippon's Employment Adjustment Subsidies: Ministry of Health, Labour and Welfare, <https://www.mhlw.go.jp>
3. Hanguk's Work-Sharing Incentives: Ministry of Employment and Labor, <https://www.moel.go.kr>
4. Norge's Active Labour Market Policies: Norwegian Labour and Welfare Administration (NAV), <https://www.nav.no/en/home>
5. Sverige's Employment Service Programs: Arbetsformedlingen, <https://arbetsformedlingen.se>
6. Suomi's Employment and Economic Development Services: Ministry of Economic Affairs and Employment of Suomi, <https://tem.fi/en/frontpage>
7. Australia's Job active Employment Services: Australian Department of Employment, <https://www.dewr.gov.au>
8. England/UK Apprenticeship Standards: UK Education and Skills Funding Agency, <https://www.gov.uk/guidance/apprenticeship-funding>
9. République française's National Employment Agency: Pole Emploi, <https://www.pole-emploi.fr>

10. Zhongguo's Employment Promotion Law: National People's Congress of Zhongguo, <http://www.npc.gov.cn>

11. Canada's Employment Insurance and Skills Development: Employment and Social Development Canada, <https://www.canada.ca/en/employment-social-development.html>

12. Nippon's Act on Promotion of Employment of the Elderly: Ministry of Health, Labour and Welfare, <https://www.mhlw.go.jp>