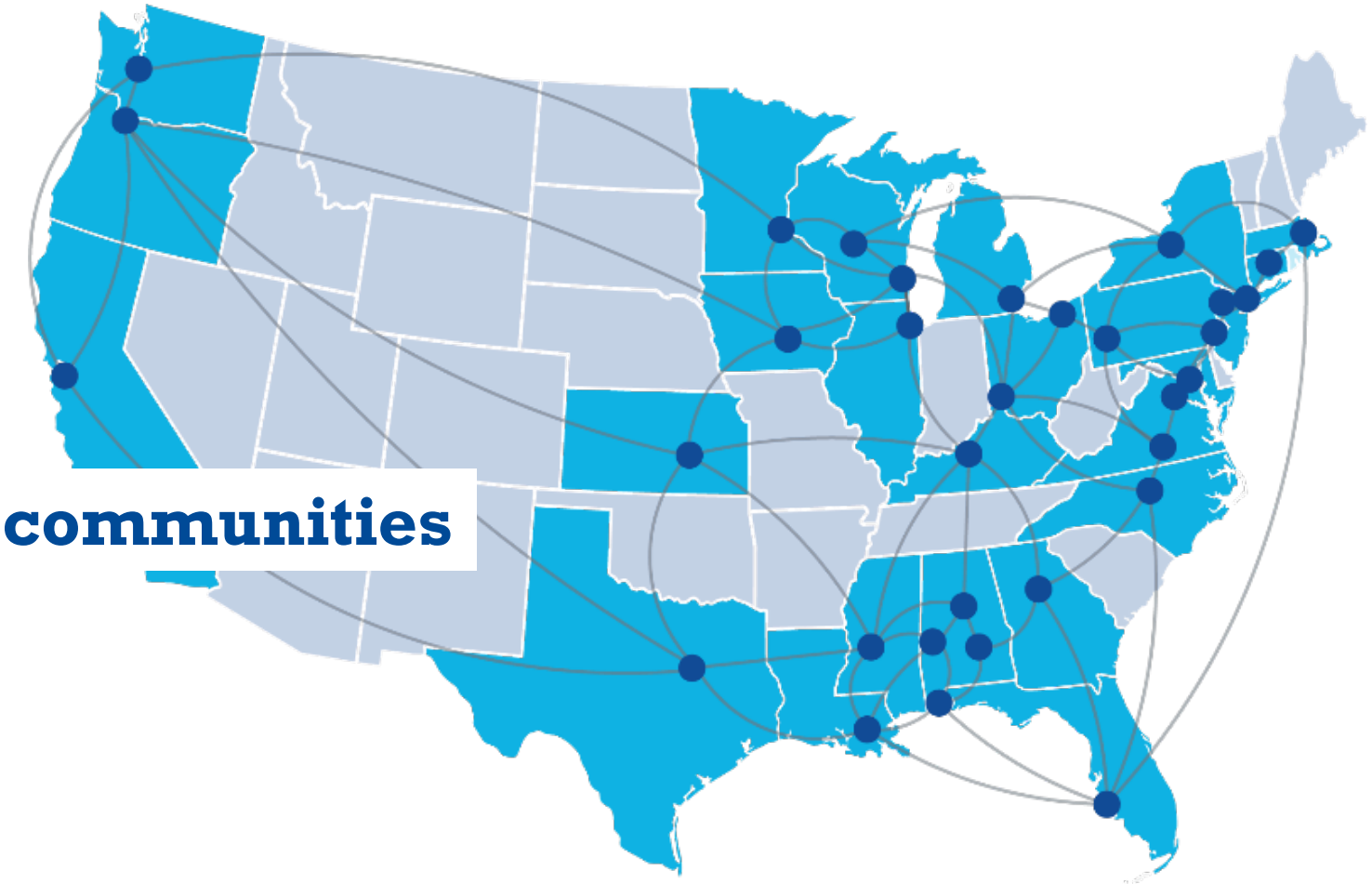
Job Quality is a Racial Equity Issue

National Fund for Workforce Solutions

Building Good Jobs with the Public Workforce System – 2/16/2021

National Network of Changemakers

Workforce Innovation and Implementation Network



30+ communities

Core Partners

- Philanthropy
- Employers
- Workforce Investment Boards
- Community colleges
- CBOs
- Workers

Our Solutions

United by 5 Core Values

- The Power of the Network
- Racial Equity and Inclusion
- Collaboration and Partnership
- Systems Thinking
- Continuous Learning

Way Back in January 2020…

- Booming economy
- Tightest labor market in decades - 3.6% unemployment
- Employers could not fill open positions
- Business growth was being limited by workforce challenges

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Since February 2020

Triple crisis – health, economy, racial injustice

- Millions of people infected, over 465,000 deaths, disproportionately affecting people of color
- Mandatory lockdowns/stay at home orders
- Tens of millions of people filing unemployment claims
- Some businesses shutting doors forever
- George Floyd is murdered during police encounter, sparking nationwide protests

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So, let's focus on getting back to January 2020, right?

What Else Was True in January?

- Over 70% of the jobs in many communities paid less than $53,000/year, many with poor or no benefits like paid sick leave (JobsEQ)
- 59% of workers said that personal finances are their greatest source of stress (PwC survey)
- 40% of Americans could not come up with $400 to handle an emergency expense like a car repair, medical emergency etc. (Federal Reserve study)
- For families with household heads with a college degree, the typical White household had $180,500 in wealth while the typical Black household had $23,400 (New School study)

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Living Wage in Massachusetts

- Boston MSA = $69,451
  - 59% of jobs pay less than $69,000
- Hampden County = $53,958
  - 63% of jobs pay less than $54,000
- Statewide – 42% of families are below the ALICE threshold/survival budget

Sources: MIT Living Wage Calculator and JobsEQ

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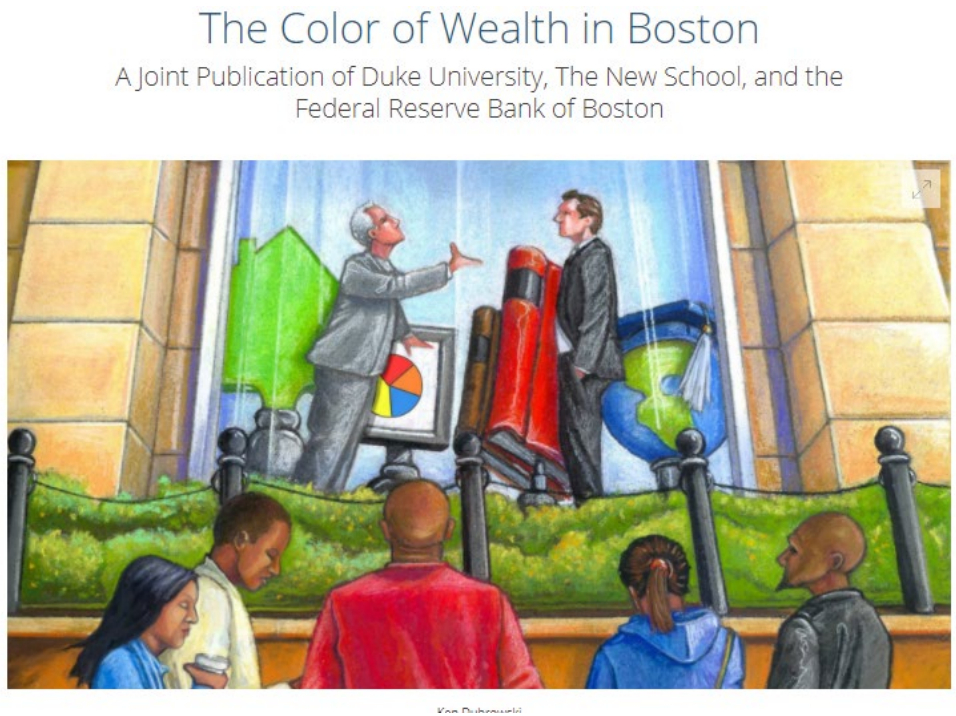
Racial Disparities in Boston



- Median Household Wealth
  - White households - $250,000
  - Black households - $8

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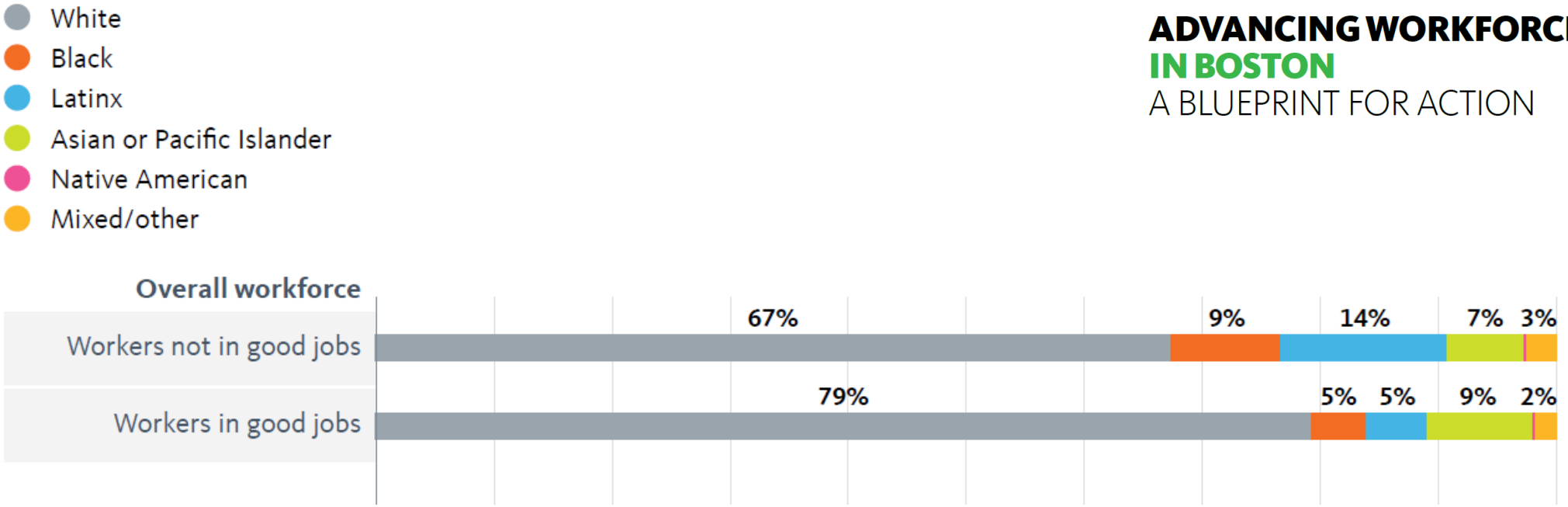
Racial Disparities in Access to Good Jobs

White workers are overrepresented in good jobs overall and particularly overrepresented in good jobs that do not require any postsecondary education.

Distribution of Workers by Race/Ethnicity, Job Quality, and Educational Requirements, Boston Metropolitan Region, 2018



ADVANCING WORKFORCE EQUITY
IN BOSTON
A BLUEPRINT FOR ACTION

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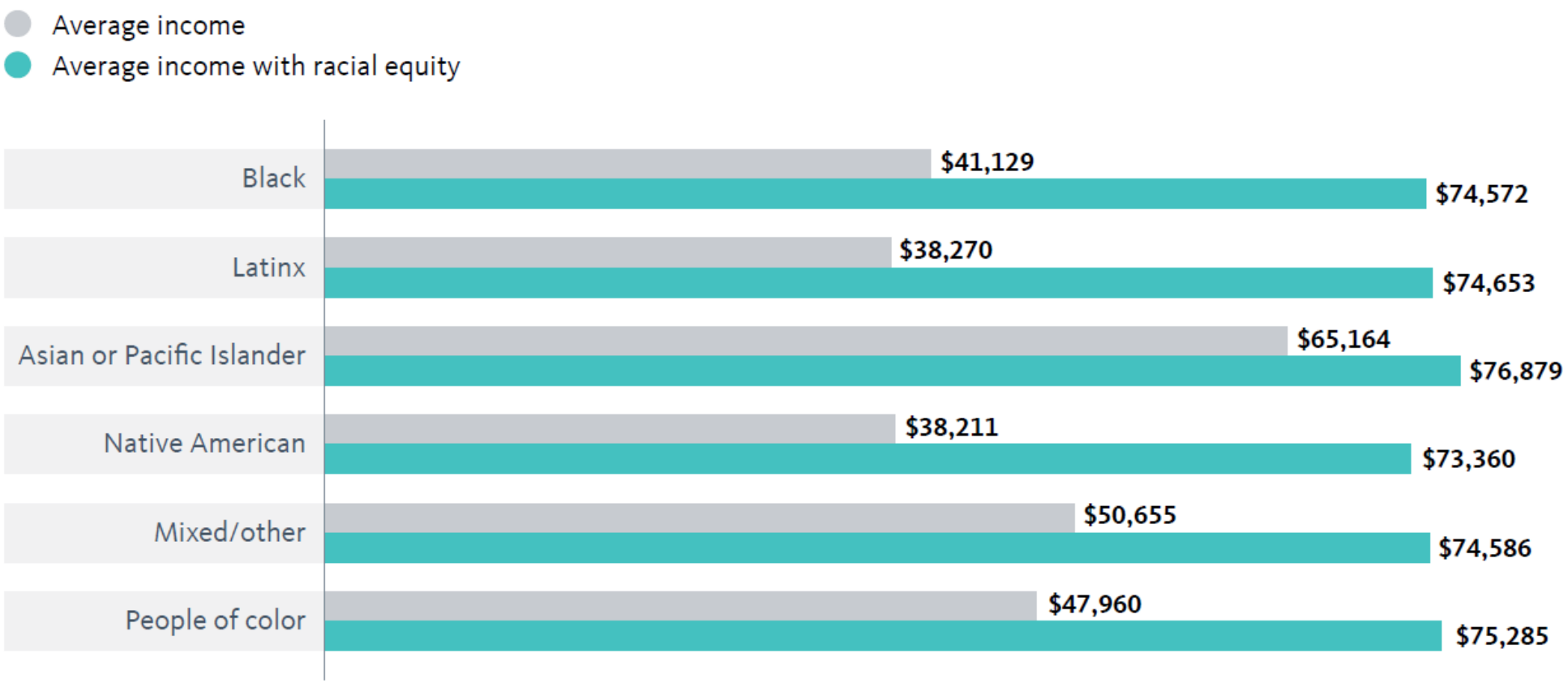
What if racial disparities were eliminated?

Racial Equity in Income

ADVANCING WORKFORCE EQUITY
IN BOSTON
A BLUEPRINT FOR ACTION

Income Gains with Racial Equity in the Workforce, Boston Metro Region, 2018



Source: Authors' analysis of the 2018 5-year American Community Survey microdata from IPUMS USA. **Note:** Universe includes the population ages 25–64 years. Data reflect a 2014–2018 average. Values are in 2018 dollars. See the methodology for details on the analysis.

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Economic Impact of Racial Disparities

- $2.3 Trillion would be added to national economy, ANNUALLY, if racial disparities in income were eliminated (10% of our total economy)

- $45 Billion annual impact in Boston

Race and Work of the Future: Advancing Workforce Equity in the US

Advancing Workforce Equity - Boston

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Bottom Line

- Our "booming economy" was built on a shaky foundation – far too many low wage, low quality "essential" jobs.
- An economy can only truly be strong when it is rooted in the well-being of all.
- Job quality is a racial equity issue.

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We need to **redesign** our economy to be rooted in the well-being of all by creating ***economy-boosting jobs, with a specific focus on racial equity***

Economy-Boosting Jobs

Economy-boosting jobs pay people enough to maintain *spending* on the basics like utilities, repairs, doctor visits and so on, thereby boosting families, communities and local businesses in the process.

Employers with economy-boosting jobs recognize that *their workers are another business' customers*.

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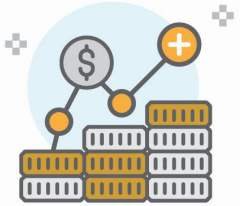
ECONOMIC PROSPERITY

It Starts With Good Jobs

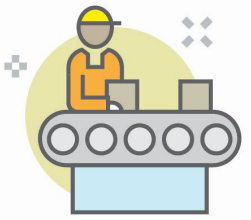


GOOD JOBS

Economy-boosting jobs have ripple effects throughout the community

ENGAGED WORKFORCE

Workers and their families are financially stable and thriving, engaged and productive at work, home, school and in their communities



COMPETITIVE ADVANTAGE

Businesses build competitive advantage with engaged and productive workers who are partners in growing the business and providing value to customers

THRIVING COMMUNITIES

Commmunities thrive with strong neighborhoods, good schools, and access to healthy food and quality healthcare

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Language Impact

"When I first heard the phrase 'economy-boosting jobs' from the National Fund, it made me think. Over the past 20 years, Optimax has generated $300 million in revenue. We spend about half of each dollar on employee wages and bonuses – and they spend it at local grocery stores, auto dealerships, etc. Over the next 20 years, Optimax will generate $2 billion in revenue and hire hundreds of new employees, adding up to a $1 billion investment in our workforce. And *that* is how to grow the local economy and strengthen a community."

-- Rick Plympton, CEO of Optimax Systems in Rochester New York

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Start with employers who:

- Align their ***organizational values and mission*** with operational practices that invest in and support their workers
- Align their ***personal values*** with organizational decisions and practices
- Collect and ***review internal and external data*** such as retention, productivity, and worker input etc. to identify opportunities to improve
- Consider how ***statutory changes*** such as minimum wage increases will impact their workforce

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Elements of Economy-Boosting Jobs

- Workplace safety
- Supportive environment where workers have the tools to succeed, ***open communication***, job security, and ownership of their work
- Family-sustaining wages
- Affordable benefits, incl. paid sick leave
- Supervisor training, especially on racial equity/implicit bias
- Ongoing review of hiring, retention and advancement data, disaggregated by race and gender, for direct hires and temporary staffing
- Scheduling practices that are predictable and flexible to meet family and business needs
- Financial wellness programs to build financial stability and mobility
- Equitable access to entry level training and career advancement programs

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Quality Jobs in Action

- Boston pharmacy technicians and nursing assistants
  - 25-52% increase in annual earnings via wage and hour increases and better scheduling practices
- Baltimore Good Business Works Directory
  - Access to skilled workers and customers for employers who meet standards
- Wichita manufacturing
  - 92% accrued at least $1000 in emergency savings compared to 12% prior to financial wellness program. $900K impact from increased savings and debt reduction!

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Work being done by Workforce Boards in the National Fund network

- Atlanta – working to reduce racial inequities in enrollments and outcomes
  - Using human centered design with career center staff and customers
  - Learning impact of processes and how to change them to improve outcomes

- Blending and braiding private funds with WIOA funds to improve outcomes
  - Pittsburgh – training
  - Wichita – job quality
  - Chicago – on-the-job training, esp. for people of color

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Additional Tools

- Job Design Framework - National Fund for Workforce Solutions – menu of options
- Learning Reports - National Fund for Workforce Solutions – how to do this work
- Guide to Employee Financial Wellness – National Fund for Workforce Solutions – step by step guide for employers
- Appreciating Resistance – National Fund for Workforce Solutions – how to anticipate and manage resistance from employers
- Opportunity Navigator – Talent Rewire/Grads of Life – 10-minute assessment of best practices
- Aspen Institute Job Quality Tools for Employers

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National Fund for Workforce Solutions

Thank you

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Bringing Job Quality to Life

Not all jobs are created equal

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workforce.org

Job Quality Framework

1 Job Necessities

Raising the Floor
Job necessities create the conditions for fair work. Many of these indicators are legally required. A lack of necessities is detrimental to workers.

3 Job Features

Empowering People
The value placed on job features varies by worker based on their life and family circumstances, and needs may change over time. Job features can serve as key drivers of attraction and retention of a quality workforce.

2 Job Opportunities

Building Ladders
Job opportunities maximize individual and organizational potential in order to achieve positive growth and financial results for both employer and employee. Equity and inclusion are key factors.

The framework serves as a guide, a common language to set shared goals

Job Quality Indicators

1 Job Necessities

- **1.1** Living Wage
- **1.2** Safe Working Conditions
- **1.3** Appropriate Classification
- **1.4** HR Infrastructure
- **1.5** Stable Scheduling

2 Job Opportunities

- **2.1** Performance Management
- **2.2** Open Communication
- **2.3** Learning and Development
- **2.4** Empowerment and Support

3 Job Features

- **3.1** Health and Wellness
- **3.2** Food, Transportation Child Care and Housing
- **3.3** Family and Medical Leave and Paid Time Off
- **3.4** Schedule Flexibility
- **3.5** Employee Engagement
- **3.6** Financial Supports
- **3.7** Job Security
- **3.8** Meaningful Work

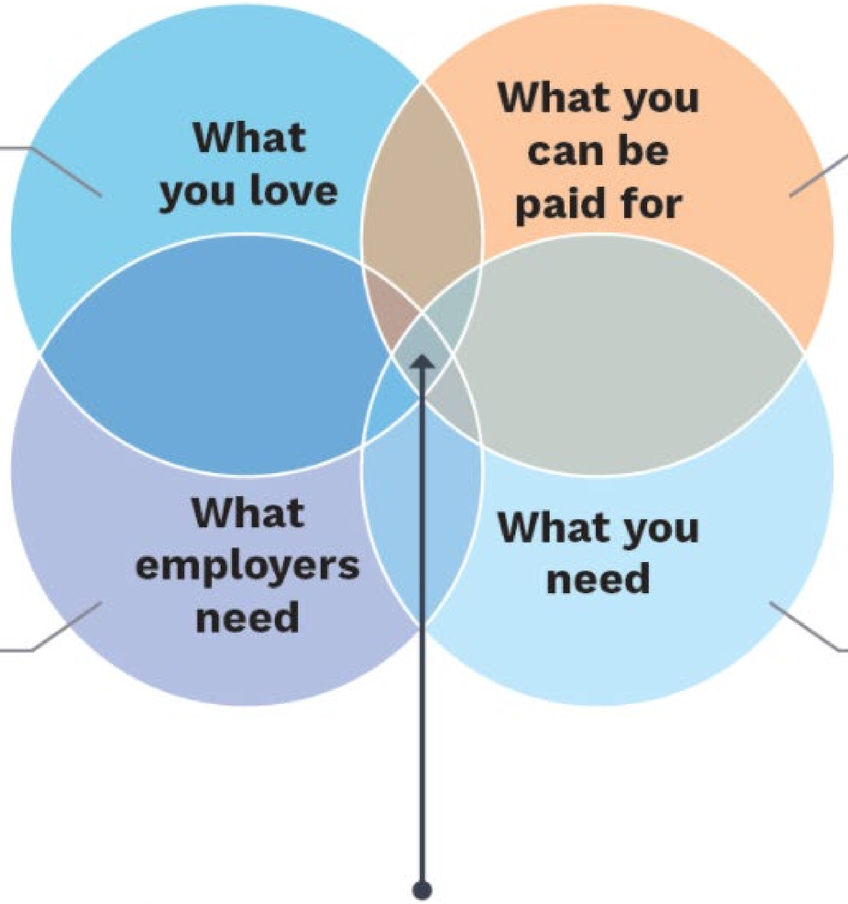
Think about where you are on the continuum. Consider how you can take the “next right step” for your participants, program and community

Integrate Job Quality into Your Service Delivery

workforce.org

Interests and Preferences

Take RIASEC assessment to understand your career personality type and working style then connect it to live job postings.



Labor Market Information

Explore priority sectors and occupations in San Diego County that are growing and pay self-sustaining wages.

Knowledge, Skills and Abilities

Access quality credentials, certifications and licenses to articulate your talents to others. Build essential skills like emotional intelligence, which are key to workplace success. Learning can occur in many ways, from the classroom, to the computer, to the job site.

Job Necessities, Opportunities and Features

Think about what basic supports, career pathway options and benefits or services are most important to you using the job quality framework. Life is not static, so needs change over time.

Your next move

Job Quality in Action

1. Establish a Job Quality Framework
2. Signal Values Through Spending
3. Invest Resources in Programs and Employers that Prioritize Job Quality
4. Focus on Outcomes Instead of Outputs
5. Reimagine How You Serve Business
6. Build Worker Agency
7. Partner with a Purpose

Industry Programs: High Roads Kitchens

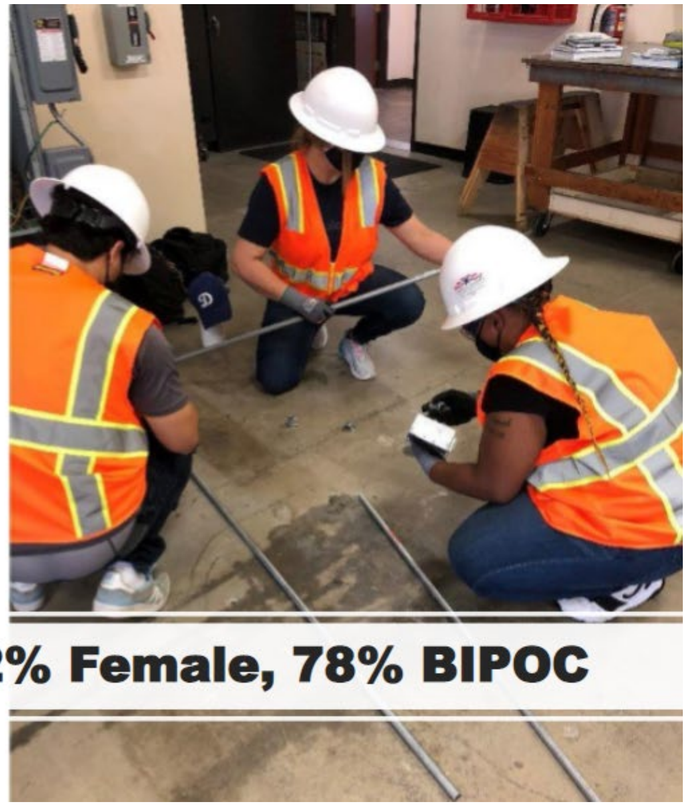
High Road Kitchens are independent restaurants that provide food on a sliding scale to low-wage workers, health care workers, first responders and others in need in San Diego County and across the nation.

Launched during the COVID-19 crisis, High Road Kitchens provides jobs for restaurant workers and a subsidy for restaurant owners who commit to paying a living wage and following equitable employment practices.

The pandemic has revealed a pathway to a new future for the service sector. There is no going back. Together we can set a course towards a more equitable industry—for good.

HIGH ROAD KITCHENS

Industry Programs: Construction Career Jumpstart



Cohort #1: 22 people, 22% Female, 78% BIPOC

Cohort #1 Industry Partners

The following partners have expressed interest in the skill sets and/or have agreed to sponsor a lunch and discuss career pathways, immediate openings, and the recruitment process of their organizations for cohort #1.

SDGE
A Sempra Energy utility

GENERAL DYNAMICS
nassco

SAN DIEGO COUNTY'S
BUILDING TRADES UNIONS
Value on Display. Every Day.

R.E.STAITE
ENGINEERING

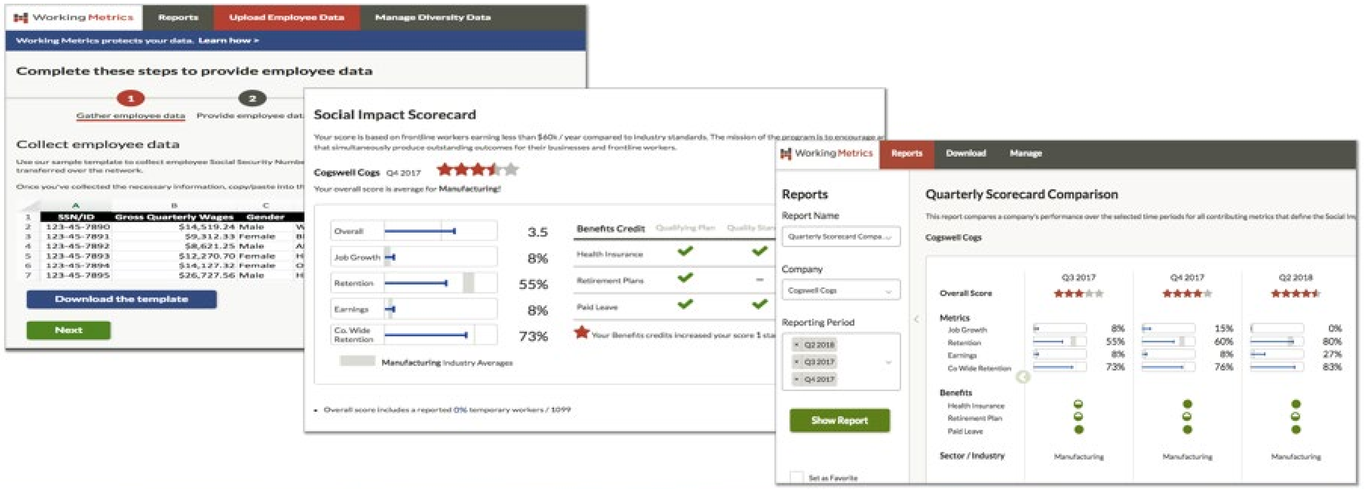
TESLA

City of San Diego
PUBLIC UTILITIES
Water & Wastewater

Procurement: WIOA Youth

The Product: 3 Core Components

1. Get & Report Data → 2. Review Score/Results → 3. Compare/Analyze



GOOD COMPANIES GOOD JOBS

Working Metrics

8

Sample Contract Language

1.1. Contractor represents that its employment practices consistently provide "Quality Jobs" as defined below for each regular employee providing services under this agreement. Contractor agrees to provide sufficient documentation to substantiate such practices (for example, an employee handbook or payroll records) upon request.

1.1.1.A "Quality Job" is a job that contributes to household stability through reliable, predictable earnings which provide a pathway to self-sufficiency; working conditions that are safe, free from discrimination and harassment, and welcoming of workers' concerns and ideas for improvement; opportunities to learn, grow and advance either within the organization or the field; and a set of support systems, benefits and options that align with the needs of a worker's life circumstances and career goals.

1.1.2.At minimum, all Quality Jobs include the below. For more information on the job quality framework and it's indicators, please reference https://workforce.org/jobquality/.

1.1.2.1. Living wage. Compensation which allows an individual to afford adequate shelter, food, and other necessities for their geographic area.

1.1.2.1.1. For the current period of performance specified in this contract, a living wage is $17.65 per hour (or equivalent salary). Please note that living wage is based on a series of economic indicators which fluctuate over time. In the past, annual living wage increases have ranged from -2 to 10%. Please indicate any assumptions related to living wage in your financial narrative as part of your budget submission.

1.1.2.1.2. At the sole discretion of SDWP, Contractor may be granted a waiver of the Living Wage requirement for a transitional period of up to one (1) year. Waivers will be documented in writing.

1.1.2.2. Safe working conditions. Work environments free from undue physical hazards, and from discrimination and harassment.

1.1.2.3. Appropriate classification. An employee's status as a contractor or employee, and as exempt or non-exempt from overtime requirements, is consistent with the employee's actual relationship to Contractor.

1.1.2.4. Stable schedule. Employees with variable working hours receive their schedules no less than two (2) weeks in advance of the working period described in the schedule. Employees without a variable schedule have clear, documented regular working hours, and receive no less than two (2) weeks' advance notice for extended working days.

Parting Thoughts

- **Equity:** Job quality is a building block for equity - improving the quality of jobs helps to shift centers of power by giving workers voice, paying fair wages that sustain families, providing career ladders and lifting up employee ownership opportunities.

- **Urgency:** Quality jobs are not a luxury, they are not a sidebar, they are not something we can push off until after the crisis has passed. The best time to start is now.

- **Reality:** There is no big solve, or easy fix. The creation, protection, and elevation of quality jobs will take focus and partnerships – it is a journey or continuum not a single program.