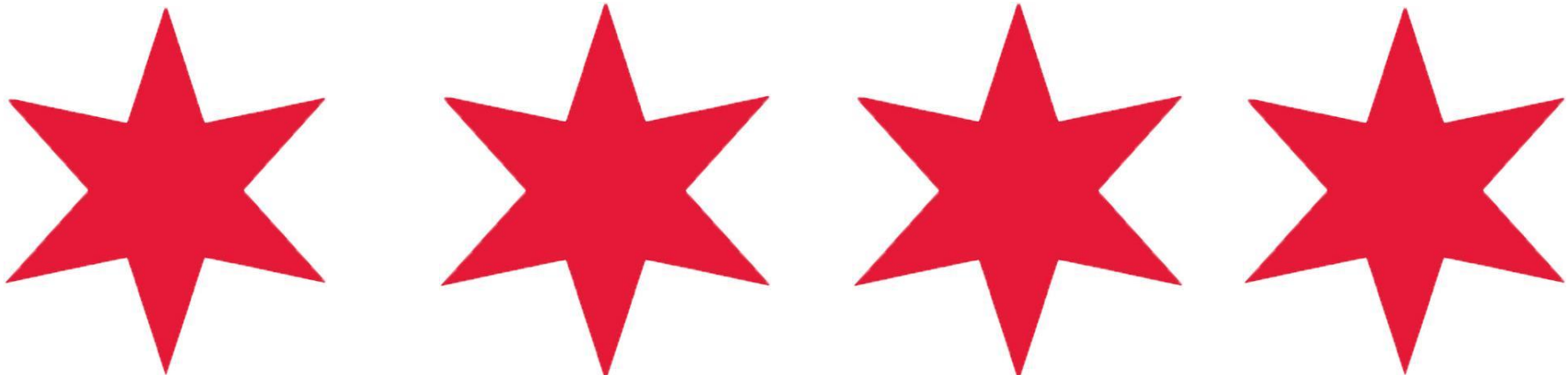
Quality Vanguard

A Chicagoland platform to amplify worker power and voice in the workforce development system

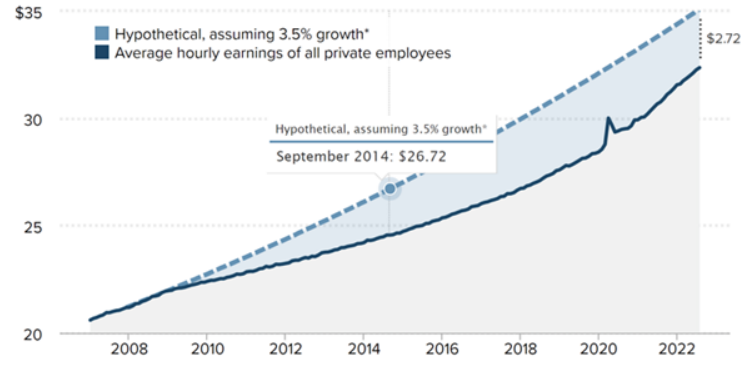
April 19, 2023



What are we trying to ***SHIFT***?

Mind the wage gap

Cumulative nominal average hourly earnings, actual and hypothetical if they had grown at 3.5% since the recession began, 2007–2022

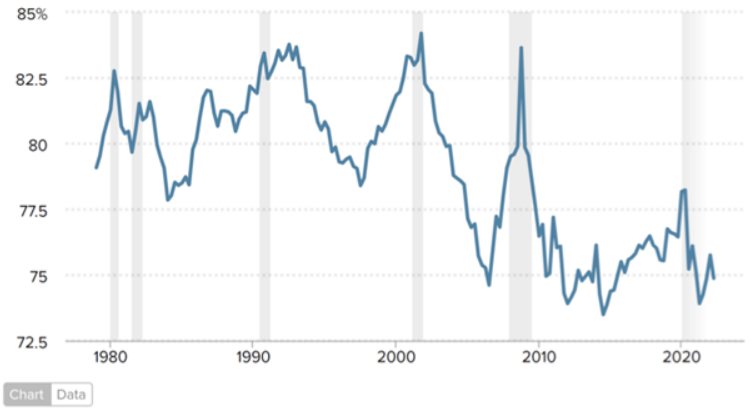


* Nominal wage growth consistent with the Federal Reserve Board's 2 percent inflation target, 1.5 percent productivity growth, and a stable labor share of income

Source: EPI analysis of Bureau of Labor Statistics Current Employment Statistics public data series

Workers' share of corporate income hasn't recovered

Share of corporate-sector income received by workers over recent business cycles, 1979–2022



Notes: Shaded areas denote recessions. Federal Reserve banks' corporate profits were netted out in the calculation of labor share.

Source: EPI analysis of Bureau of Economic Analysis *National Income and Product Accounts* (Tables 1.14 and 6.16D)

What are we trying to ***SHIFT***?

Does “in demand” mean well paid?

Our work in the field has shown that career pathways to higher earning is not a guarantee for these positions.

Most common training programs among WIOA Adult program participants

Occupation of training	Number of exiters	Percent	Median wage (annual equivalent)
Heavy and Tractor-Trailer Truck Drivers	27,178	14.8%	$34,289
Nursing Assistants	16,182	8.8%	$20,002
Registered Nurses	11,844	6.5%	$53,627
Licensed Practical Nurses	10,612	5.8%	$35,392
Medical Assistants	6,998	3.8%	$23,261
Medical Records and Health Information	2,510	1.4%	$24,996
Electricians	2,340	1.3%	$37,252
Computer User Support Specialists	2,190	1.2%	$29,392
Dental Assistants	2,137	1.2%	$21,120
Security Guards	2,074	1.1%	$21,806

Source: U.S. Department of Labor, WIOA Participant Individual Record Layout (PIRL) Data, Program Year 2018, Quarter 3. Occupations are given at the SOC Code level. Median earnings are expresed as the estimated annual wage equivalent, calculated using quarterly earnings in the second quarter following program exit. Exiters include individuals who exited the program between PY 2016 and PY 2018 who are still tracked in PY 2018 Q3 data. Note: 21.1% of exiters who participated in Registered Nurse training were in one state (Florida).

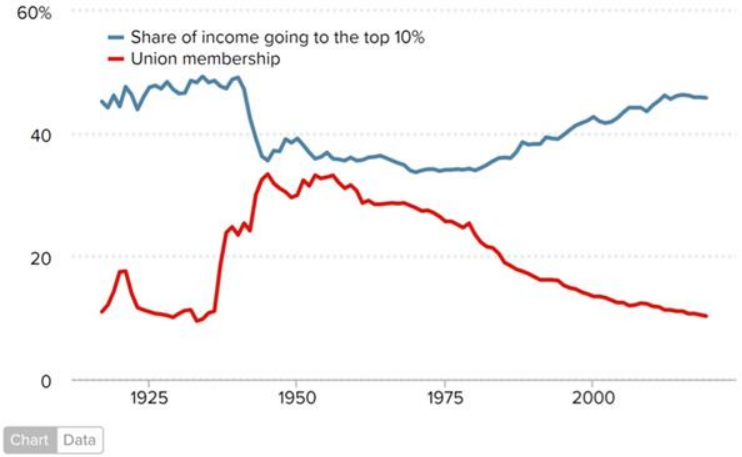
B | Metropolitan Policy Program at BROOKINGS

What are we trying to ***SHIFT***?

As unionization and worker power has eroded, so have wages and workers' share of profits.

As union membership declines, income inequality increases

Union membership and share of income going to the top 10%, 1917–2019



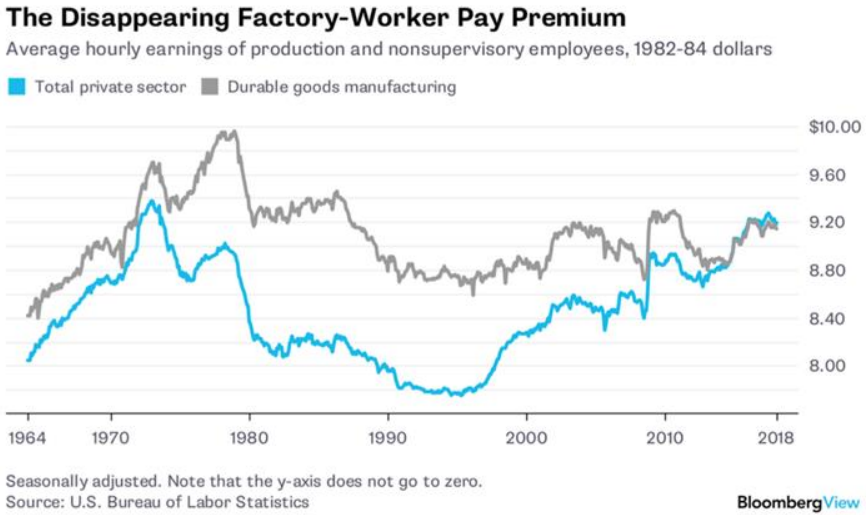
Source: Reproduced from Figure A in Heidi Shierholz, *Working People Have Been Thwarted in Their Efforts to Bargain for Better Wages by Attacks on Unions*, Economic Policy Institute, August 2019.

How did **manufacturing** become the prototypical good job?

Pre-union factory work

- 60-80 hr work weeks
  - 6 days/week
  - 12-14 hrs/day
- Unsafe working conditions
  - Dangerous machinery
  - Poor ventilation/ polluted air
- Small hourly wage for men, even less for women and children
- No job security

How did **manufacturing** become the prototypical good job?



And should they still be?
Manufacturing Sector Losing Luster

Estimate of manufacturing wage and compensation premium, 1980s–2010s

	Manufacturing premium		Outsourcing impact on manufacturing compensation		
Period	Wage	Compensation	Household survey data	Employer survey data	Adjusted manufacturing compensation premium
1980s	14.7%	17.3%	-0.4%	-0.8%	16.9%
1990s	11.9%	15.0%	-0.9%	-1.8%	14.1%
2000s	9.4%	13.5%	-1.5%	-2.9%	12.0%
2010s	10.4%	15.0%	-2.0%	-4.0%	13.0%
Percentage-point change					
1980s–2010s	-4.3%	-2.3%	-1.6%	-3.2%	-3.9%

Notes: The manufacturing wage and compensations premiums are for workers age 18–64 and show how much more a manufacturing worker earns in hourly wages, and in hourly wages and benefits, than comparable nonmanufacturing workers in the private sector.

Source: The manufacturing wage premium is from Table 3. The manufacturing compensation premium adjusts wages according to the compensation markup in Table 4. The adjusted manufacturing premium adjusts the manufacturing compensation premium for the rise in staffing service employment in manufacturing using the impact estimated for the household survey (data column 4).

Economic Policy Institute

Temporary help and staffing services manufacturing employment and share of total manufacturing employment, 1989–2015

	Employment in manufacturing		Share of manufacturing employment	
	Temporary help	Staffing services	Temporary help	Total staffing services
1989	n.a.	419,102	n.a.	2.3%
1996	n.a.	926,882	n.a.	5.1%
2000	1,020,989	1,392,278	5.5%	7.5%
2001	806,074	1,128,881	4.6%	6.4%
2006	1,026,906	1,300,610	6.6%	8.4%
2009	694,422	869,943	5.5%	6.8%
2015	1,194,000	1,576,080	8.6%	11.3%
Change				
1989–2000	n.a.	232.2%	n.a	5.2%
2000–2006	0.6%	-6.6%	1.2%	1.0%
2006–2015	6.5%	21.2%	1.9%	2.9%
1989–2015	n.a.	276.1%	n.a	9.1%

Notes: The staffing services sector includes temporary help services, professional employer organizations, and employment agencies.

Source: Author's analysis of Dey, Houseman, and Polivka 2012, Table 3; 2017, Table 1

Economic Policy Institute

What are we trying to ***SHIFT***?

WE COLLECTIVELY BELIEVE:

- Traditional workforce development centers employers and seeks to make incremental improvements to the working conditions of workers while still serving employer need first.
- The narrative of the "skills gap as a way to close wage gaps" does not appear to make a dramatic difference on the ground.
- Certain sectors are not inherently "well-paying sectors".

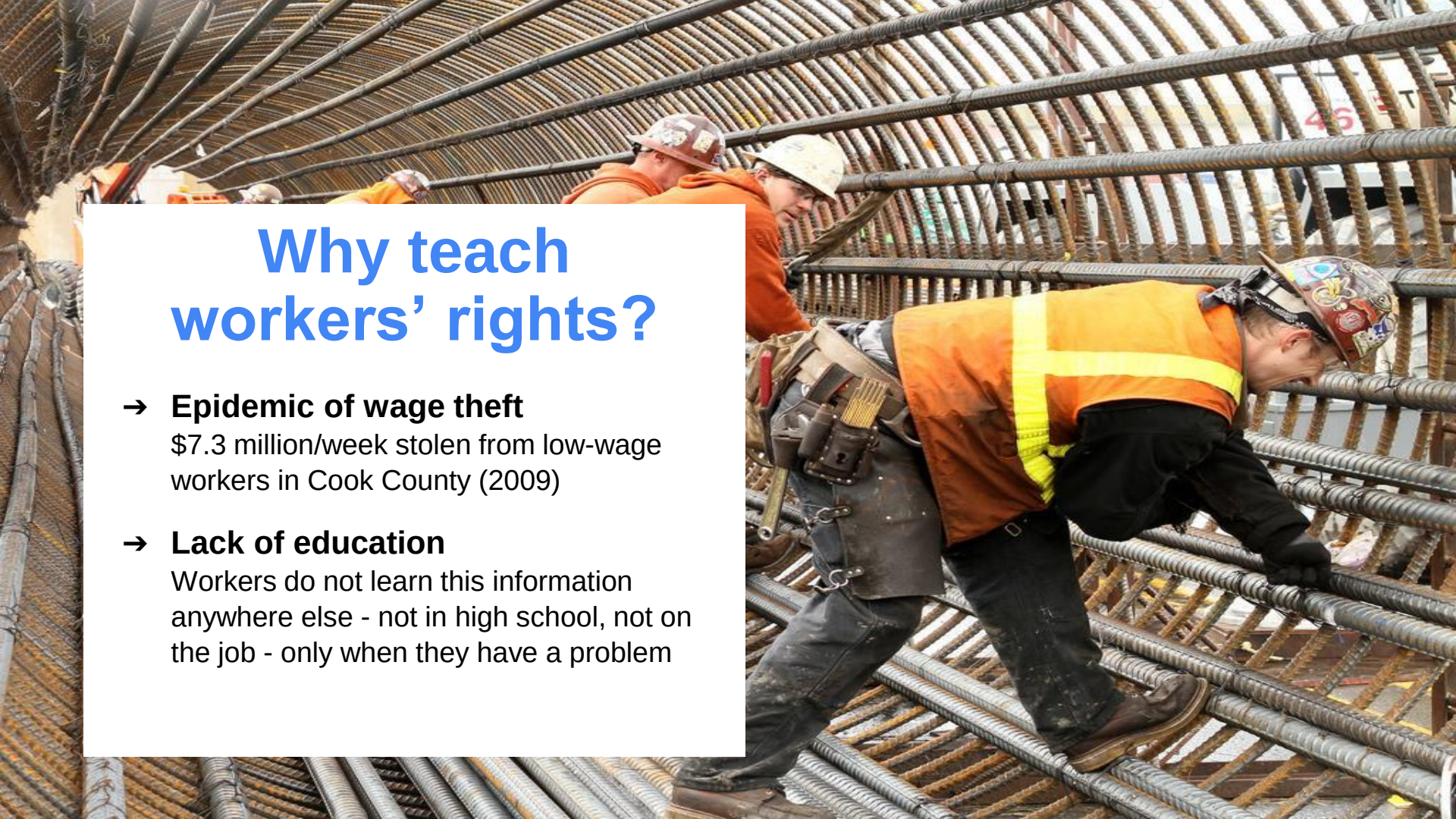
WE ARE SHIFTING BY:

- Engaging workforce development partners to help improve the quality of jobs available to their job seekers.
- Bringing workers' rights advocates and worker organizers into the workforce development field as a strategy to empower workers.

Quality Vanguard: A Platform for Workers' Rights

Chicagoland

OPPORTUNITY: Institutionalizing workers' rights education and worker power and voice in education and job training programs



Why teach workers' rights?

- **Epidemic of wage theft**
  $7.3 million/week stolen from low-wage workers in Cook County (2009)

- **Lack of education**
  Workers do not learn this information anywhere else - not in high school, not on the job - only when they have a problem

What is wage theft?

Wage theft is the failure to pay workers the full wages to which they are legally entitled. Wage theft can take many forms, including but not limited to:

- **Minimum wage violations:** Paying workers less than the legal minimum wage
- **Overtime violations:** Failing to pay nonexempt employees time-and-a-half for hours worked in excess of 40 hours per week
- **Off-the-clock violations:** Asking employees to work off-the-clock before or after their shifts
- **Meal break violations:** Denying workers their legal meal breaks
- **Pay stub and illegal deductions:** Taking illegal deductions from wages or not distributing pay stubs
- **Tipped minimum wage violations:** Confiscating tips from workers or failing to pay tipped workers the difference between their tips and the legal minimum wage
- **Employee misclassification violations:** Misclassifying employees as independent contractors to pay a wage lower than the legal minimum

For more information about the different forms of wage theft, see Bernhardt et al. (2009) or Gordon et al. (2012).

Why connect with workforce development?

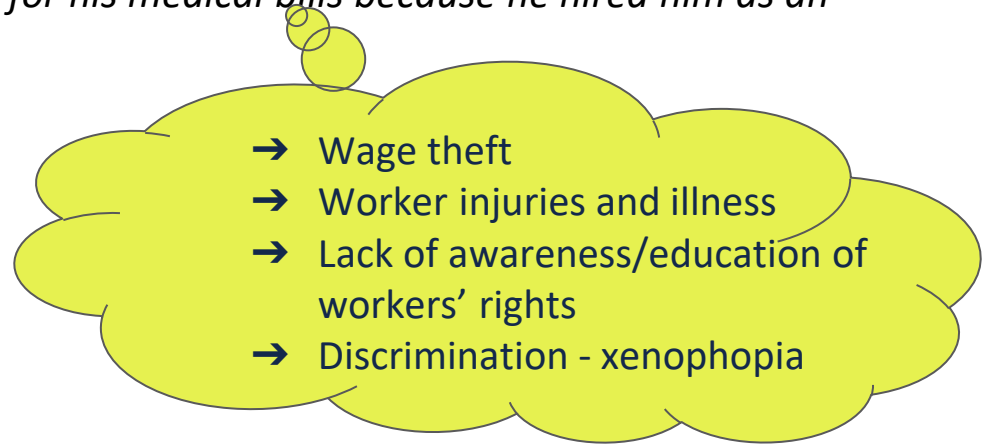
- **Job readiness**
  Part of being “job ready” is knowing your rights as a worker
- **Financial literacy**
  Protecting against wage theft and other workplace violations helps workers earn more $ and better support their families
- **Perfect partnership**
  Workers + mission-driven CBOs/educational institutions + career focused education

Extension teaching activity: Job training program class discussion about precarious work

SCENARIO: *Ryan, of Fast and Easy Painters, hires a few painters for a paint job in Bolingbrook. He says he will pay them $15 an hour and that they must start work on Monday morning at 8:00 am.*

On Thursday, one of the painters, Piotr, slips and falls off of the scaffolding and breaks his ankle. Ryan claims Piotr is responsible for his medical bills because he hired him as an independent subcontractor.

What do you think?



- Is Piotr an independent contractor or employee? How do you know? Why does this matter?
- What should workers' comp provide him?
- What if:
  - Ryan has vanished and Piotr can't find him?
  - Piotr is undocumented?
  - Ryan hired Piotr from the Home Depot parking lot?
- How should Piotr be documenting his working conditions to protect himself?
- Who else can help Piotr?
- **How do Piotr's workers' rights change if he takes a job in Indianapolis**?

2023 minimum wages

CITY OF CHICAGO

$15.40/hour

$23.10/overtime hours

$9.24/tipped wage

$12.00/YOUTH*

COOK COUNTY

$13.35/hour**

$20.03/overtime hours

$7.80/tipped wage

***Beginning, January 1, 2020, if a worker under 18 works more than 650 hours for the employer during any calendar year, they must be paid the regular (over 18 wage).**

***Many Cook County municipalities have opted-out of the minimum wage increase. They are still subject to the Illinois minimum wage increases.*

ILLINOIS (outside Cook)

$13.00/hour

$7.80/tipped wage

$10.50/YOUTH*

INDIANA

$7.25/hour

$2.13/tipped wage

WISCONSIN

$7.25/hour

$2.13/tipped wage

IOWA

$7.25/hour

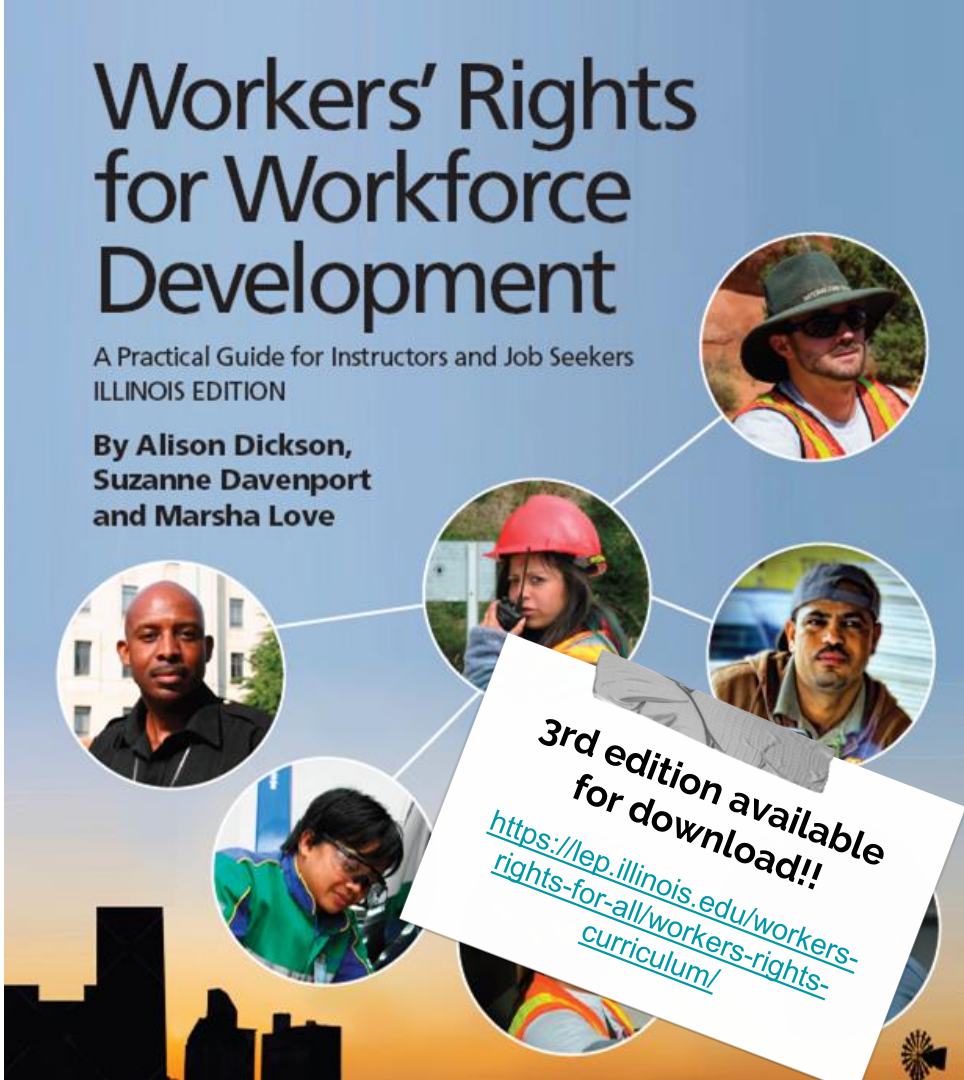
$4.35/tipped wage

Groundbreaking, first in the nation curriculum and accompanying professional development through CJC's Frontline Focus Training Institute

ILLINOIS
School of Labor & Employment Relations
Labor Education Program

CHICAGO JOBS COUNCIL

UIC Great Lakes Center for Occupational Health and Safety



RECAP: Worker Power and Voice Fund

We aim to coordinate, fundraise and support efforts to:

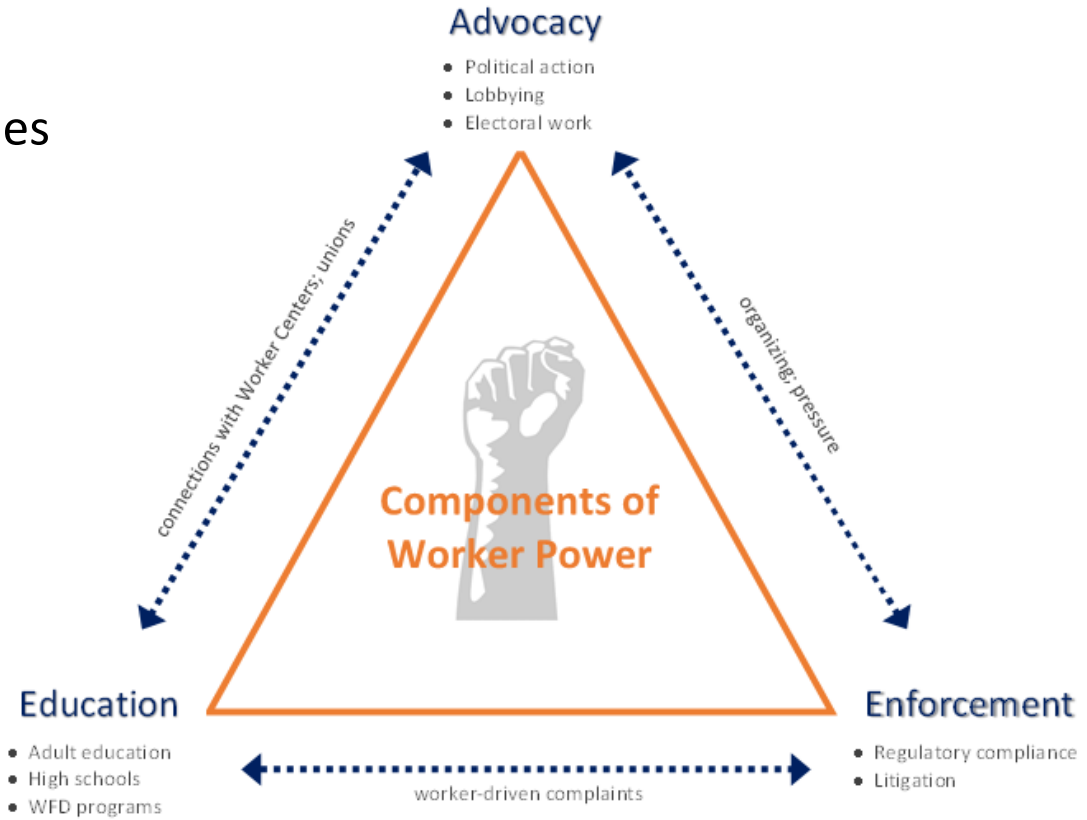
1. Embed concepts of workers' rights into **educational institutions** that train the current and future workforce.

1. Add capacity to Worker Centers so they can provide resources to workforce development agencies to ensure proper **enforcement** of existing laws

1. Affect job quality via **advocacy** working on policies and practices on local, state and federal level

What's the takeaway?

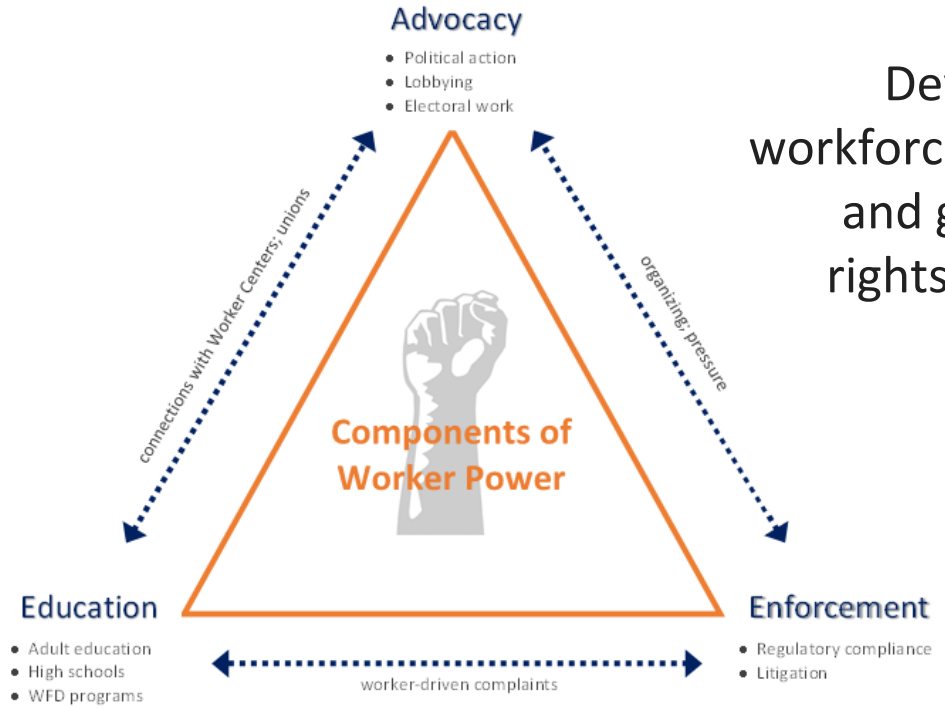
Focusing on any of these themes individually will not work.



Education Pillar

Expand and customize *Workers' Rights for Workforce Development* curriculum for all elements of future and current workforce.

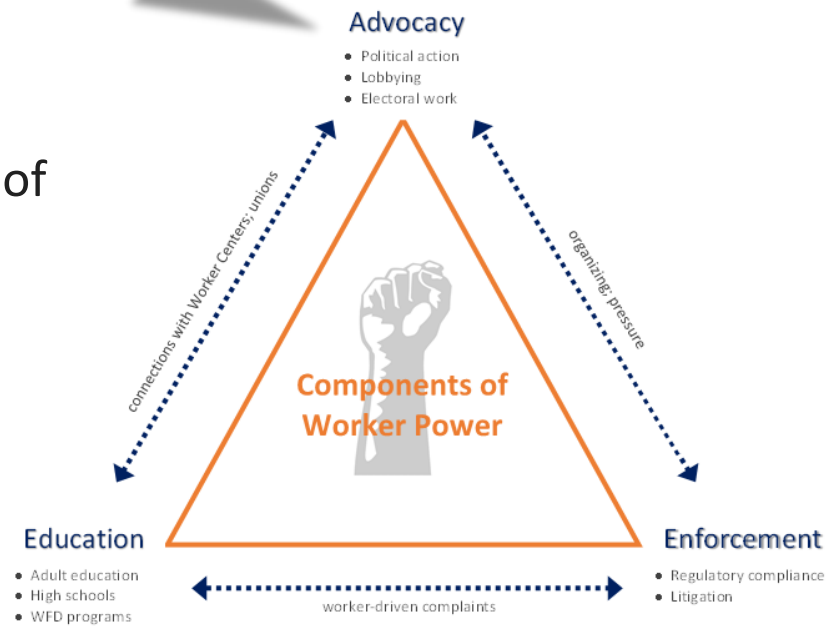
Enforcement Pillar



Develop and facilitate connections between workforce development agencies, worker centers, and government agencies to identify workers' rights abuses, organize and empower workers, and enforce employment and labor laws.

Advocacy Pillar

Promote quality jobs and increase the quality of ***each*** job in Illinois through through development and support of pro-worker legislative efforts as well as workforce development programming centering worker voice and power.



PMCR and the Vanguard Worker Power and Voice Fund

RESEARCH helps us understand…

- Worker awareness and uptake of worker protections
- Effectiveness of enforcement mechanisms
- Local employment quality (EQ) and public policies that support creation of good quality jobs and improved quality of all jobs

Focusing on any of these themes ***individually*** is not enough.

Main Research Questions and Potential Uses of Findings?

- **Which working conditions contribute to a worker's self-rated employment quality?**
  - Which contribute to outcomes, such as job satisfaction?
  - Which existing methodologies, taxonomies seem most comprehensive, valid, useful?
- **Which specific features of jobs are most salient?**
  - Pay vs. non pay factors, such as scheduling, workplace supports?
- **Where are jobs "better" by occupation, industry, region?**
  - Where are the better or poorer conditions/features?
- **Who has access currently these "good" or is concentrated in "bad" jobs, by demographic characteristics?**
  - Race/ethnicity, parental status, age, gender?
- **What if anything can be done, directly or indirectly, with public policies to promote better quality jobs, work, employment in a state (including norm-setting)?**
  - Well being
  - Equity/inclusion
- **How can we better track the trends and patterns over time and place, with better data?**

Survey Characteristics

- 3,500+ surveys of Illinois workers, collected Fall 2021 using Qualtrics panel
- Sample covers all major industries, occupations, and regions in Illinois
- Calibration weights used to match age, race, gender, education composition of (pre-pandemic) ACS data

EQ-IL Dimensions of Employment Quality

1. Pay
2. Employer supports/ benefits coverage
3. Outlook
4. Hours and scheduling

→Including: wage rates and raises; bonuses; and wage penalties or pay gaps for certain workers.

→Including: provision and take up of health insurance; availability of pension and retirement plans; childcare support; education subsidies; and ease of commuting to job sites; access to paid sick leave for workers and their families; access to paid parental leave; caregiving support; and other paid time off.

→Including: job security; opportunities for advancement and promotion; skills development and on the job training; and mobility.

→ Including: the match (or mis-match) between desired and actual work hours (e.g., underemployment); existence of mandatory overtime work; and unstable hours on a weekly basis; regular or irregular timing of work shifts; control over daily schedule and location of work; and predictability of upcoming schedules.

EQ-IL Dimensions of Employment Quality

5. Social and physical working environment

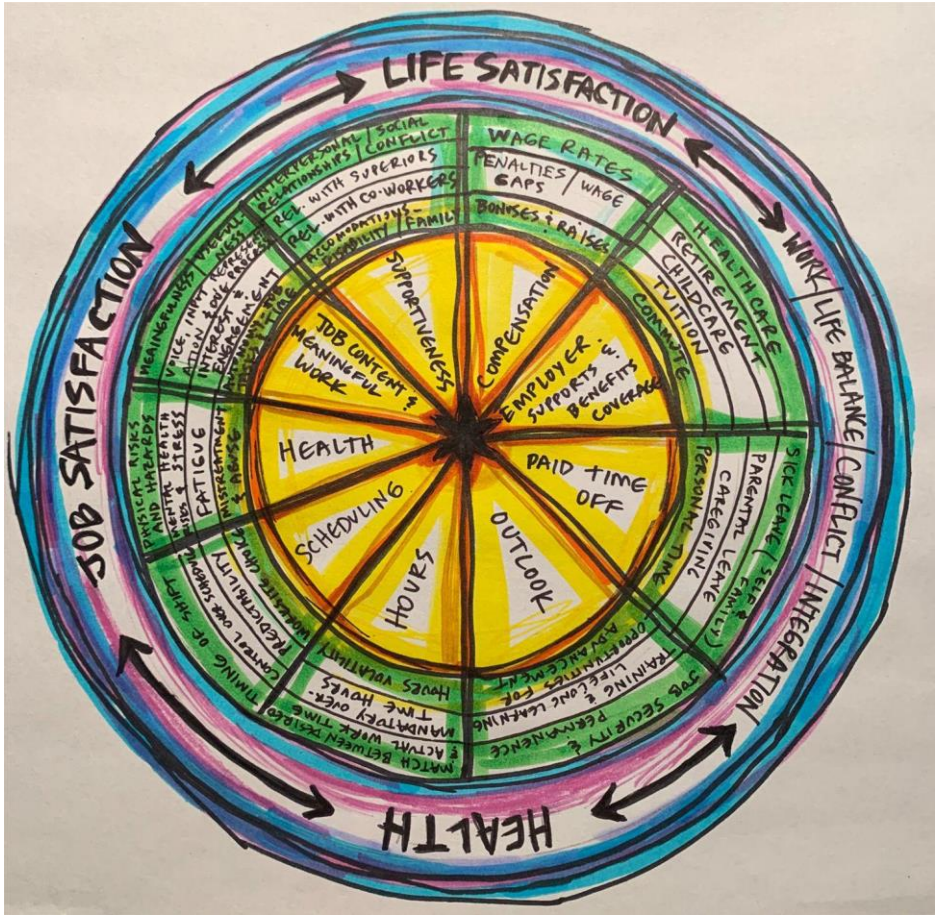
→Including: interpersonal and social relationships or conflict with superiors and co-workers; and accommodations for disability and work-family reconciliation; health and safety; existence of physical risks and hazards; negative mental health outcomes and stress and fatigue; and mistreatment and abuse.

6. Job content

→Including: autonomy on the job; meaningfulness, usefulness, repetitiveness, and engagement at work; voice, input, representation, and due process in the workplace.

7. Contract type

→Including: Whether workers are unionized or not, and W-2 employees or self-employed, nontraditional, or nonstandard employment arrangements.



METRICS

***Objective* measures:**

What is presumably detrimental/beneficial to IL?

***Subjective* measures:**

What makes IL a better state for working?

EQ-IL website

https://employmentquality.illinois.edu/findings/