

Summary Report

Investing in Opportunities to Create Good Jobs

by Liana Volpe

Despite a long period of positive job growth and low unemployment rates, the New Jersey labor market is still facing relatively high levels of long-term unemployment as well as underemployment for many workers, which includes involuntary part-time work and the proliferation of precarious jobs that often pay poorly and lack benefits. Distinguished Professor and Director of the Heldrich Center for Workforce Development, **Dr. Carl Van Horn**, kicked off a May 2019 forum on **Investing in Opportunities to Create Good Jobs** by posing the following definition of a quality job: a job that pays enough for individuals to have housing, food, health care, and retirement savings, and have the ability to weather a crisis. Van Horn cited the Federal Reserve's report on the economic well-being of U.S. households, which found 4 in 10 Americans could not cover a \$400 emergency expense. The forum, which drew on the Heldrich Center's multi-year collaboration with the Federal Reserve Bank on Investing in America's Workforce: Improving Outcomes for Workers and Employers, brought together state and national leaders to discuss strategies and solutions to increase good quality jobs. The forum was sponsored by the Heldrich Center and JerseyCAN.

New Jersey Department of Labor and Workforce Development (NJLWD) Commissioner **Robert Asaro-Angelo** offered a state perspective with his keynote address entitled "Progress in New Jersey." The Commissioner chronicled several key initiatives NJLWD has undertaken to address the misclassification of workers, ensure worker protections, and support the development of career pathways and apprenticeships. He highlighted the state's new apprenticeship grants, including the Growing Apprenticeships in Nontraditional Sectors program, noting that there are now more than 750 apprenticeship programs in New Jersey. According to Commissioner Asaro-Angelo, "Simply stated, apprenticeship works." The Commissioner also reported on New Jersey's recent expansion of paid family leave, which the state doubled from 6 to 12 weeks; New Jersey is one of only five states (and the District of Columbia) with paid family leave programs. Another New Jersey accomplishment that the Commissioner discussed was the state's plan for raising the minimum wage to \$15 an hour by 2024, which will improve the lives of thousands of New Jerseyans. The Commissioner offered the following: "A job is, without a doubt, the only social program that works." He closed his remarks by noting that no one knows what the future of work will be, but it is going to be about people — the people behind the jobs.

Investing in Opportunities to Create Good Jobs

Alastair Fitzpayne, Executive Director of the Future of Work Initiative at The Aspen Institute, presented a keynote address entitled, “A National Perspective on Policy Solutions to Increase Good Quality Jobs and Improve Economic Security for American Workers.” He contrasted work in the 20th century — broadly defined as stable and secure, bolstered by an implied social contract between employers and employees and investments in education, safety net programs, and worker protections — with today’s increasingly nontraditional work landscape, with the proliferation of temporary and independent contract workers and decreasing benefit coverage. The social contract has not kept up with shifting family structures, including more women in the workforce and more dual-income families, making paid leave an essential workplace benefit that is lacking for most low-income workers. Skills have shifted as well, with widening variation in employment between routine and non-routine jobs in today’s economy, coupled with the decline of middle-skills jobs globally. At the same time, there has been declining investment in workforce training in both the public and private sectors.

Policy reforms for the 21st century must modernize the safety net to account for new forms of work and to provide access to lifelong education and training opportunities. Fitzpayne outlined five solution areas to address the precariousness of today’s employment landscape and to move toward the creation of good jobs:

- > Modernize the safety net with a system of portable benefits,
- > Modernize Unemployment Insurance,
- > Boost incentives for employers to invest in worker training,
- > Enable workers to invest in their own training, and
- > Expand access to high-quality training.

View Fitzpayne’s presentation.

Maria Heidkamp, Director of Program Development and Technical Assistance and Director of the New Start Career Network at the Heldrich Center, moderated a discussion with three panelists: **Pronita Gupta**, Director of Job Quality at CLASP; **Tiffany Ferguson**, Community Development Analyst in the Regional Community Outreach division at the Federal Reserve Bank of Boston; and **Richard Lawton**, Executive Director of the New Jersey Sustainable Business Council.

Gupta, who recently testified before the U.S. House of Representatives Committee on Ways and Means, began by defining three standards for job quality: paid family and medical leave, paid sick days, and fair and predictable work schedules. Although a handful of states and localities are leading the way in these three areas, there remains a pressing need for national standards in job quality measures. Across the nation, Gupta noted, job quality is eroding with the growth of low-wage jobs and the “fissuring” of the workplace. Gupta reported that over 35 million workers have no paid sick days, adding that workers without paid sick days are three times more likely to live in poverty. Implementation and enforcement of job quality standards at the national, state, and local levels will be critical to the creation of better jobs for workers in today’s economy. View Gupta’s presentation.

Ferguson described her work as operating within the nexus of improving worker economic stability and job quality while also strengthening business performance. While much of the focus for helping low- and moderate-income workers is often on “upgrading the workers” through education and training, Ferguson noted a shifting focus to upgrading the jobs. She discussed the Federal Reserve’s initiative on Increasing the Quality of Jobs, which will design and test strategies to incentivize the creation of higher-quality jobs in partnership with businesses, financial institutions, and government. To understand the challenges employers face and explore how they might design better quality jobs, Ferguson is helping conduct field tests that involve intense business engagement and a technical assistance program. She stated that the Federal Reserve would strive to promote the idea that businesses should think about their employees’ job quality and stability in new ways.

Lawton began his remarks by highlighting Milton Friedman’s “shareholder primacy” model, summarized as: *There is one and only one responsibility of business: to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game.*¹ In this way, the costs incurred by businesses are shifted on to workers and society. However, in today’s economy, this strategy of short-term profit maximization is beginning to be challenged, with some companies redefining success in broader terms. Lawton highlighted examples of these “high-road” employers, which the American Sustainable Business Council defines as ones that:

- > Provide family-friendly benefits,
- > Offer flexibility,
- > Pay a livable and fair wage,
- > Invest in employee growth and development,
- > Cultivate inclusion,
- > Govern fairly and transparently,
- > Engage with communities,
- > Manage the supply chain responsibly,
- > Drive environmental sustainability, and
- > Promote health and safety.

Many workers are contributing to this changing emphasis by seeking to work for high-road workplaces that focus on the “triple bottom line of people, profits, and planet.” Lawton cited a 2016 Deloitte Millennial Survey that found 40% of millennials were inclined to work for mission-driven employers, and 50% of millennials would decline an assignment that conflicted with their values. Lawton ended his presentation with a call to action

for government to create greater business incentives to help scale up market forces so that high-road companies, like Patagonia and Badger, are not the exception. View Lawton’s presentation.

Heidkamp posed the following question to start the group discussion: *What role should organized labor play in bringing about the changes we have discussed today?* Gupta explained that organized labor is driving the changes in job standards and policy development at the state and local levels. Policy enforcement is also an area in which organized labor will be critical. Ferguson added that unions serve as a reference point for defining job quality.

Heidkamp then asked the panelists: *With the 2020 presidential race on the horizon, what is the most important recommendation you would make to increase quality job opportunities?* Ferguson commented that the low-wage sector has lost all sense of what job quality means, with Lawton adding that it is “sometimes disingenuous” when companies say that their workers are their most valuable assets, since workers are often treated as expenses, not assets. Gupta stated that job quality standards, particularly paid family medical leave, should be at the top of the list for strategies to bring about a paradigm shift for workers and the quality of work.

Today’s changing and challenging labor market features public policies that were designed in the 1930s and never adjusted to the labor market of the 21st century. The problems of the current labor market are well documented. The solutions presented by the keynote speakers and panelists at the forum on **Investing in Opportunities to Create Good Jobs** offer paths forward to create an economy of quality jobs for all workers.

About the Author

Liana Volpe is a Research Project Assistant at the Heldrich Center for Workforce Development at Rutgers University.

1. M. Friedman. (1962). *Capitalism and freedom*. Chicago: University of Chicago Press.

Photo Gallery



Robert Asaro-Angelo and Carl Van Horn (l-r)



Alastair Fitzpayne



Richard Lawton, Tiffany Ferguson, Pronita Gupta, and Maria Heidkamp (l-r)



Audience members