



One in a series for Revitalizing Regional Economies

## ► Expansion of Quality Jobs

### Why it Matters

In the wake of the COVID-19 pandemic, employers must rethink how they attract and retain talent, especially frontline and entry-level workers. People need more than a steady paycheck and basic benefits to make it through these turbulent times and get ahead in today's economy. They need employers to also offer flexible work schedules, onsite child care, emergency financial assistance, and educational programs and other upskilling opportunities so they're able to care for dependents and maintain economic security in the event of layoffs or losses of household income.

Employers that offer such benefits through so-called total rewards packages help people maintain work-life balance and chart clear pathways to advancement—which is key to achieving an equitable economic recovery. Total rewards plans are also good for business. Research shows that workers who receive total rewards are more productive and motivated and stay with their employers longer than those who don't, reducing costly turnover and driving improvements in business performance. Companies with engaged employees report 2.5 times more revenue than competitors with low engagement levels.

### Current Challenges

- Many employers are caught in a vicious cycle. They face pressures to minimize labor costs, but reducing investments in employees can result in operational problems and loss of revenue. Spending less on employees also makes it difficult to stand out in a competitive labor market and adjust to a rapidly shifting economy.
- Employers spend most of their training dollars on college-educated workers, overlooking the potential strong returns of developing the skills of frontline and midlevel workers. Recruiting new talent costs much more than developing the skills of incumbent workers—some estimates put it at as high as 150 percent of an employee's salary.
- Half of Americans feel powerless about the prospect of getting a good job or advancing in their career because they think that their employer's system for hiring and promoting workers isn't fair, that their employer offers insufficient supports, or that they lack the right skills.
- Forty-four percent of the U.S. workforce—including 54 percent of Black workers and 63 percent of Latinx or Hispanic workers—earn less than a family-supporting wage.

## What's Needed

States need to encourage employers to create good jobs—meaning jobs that pay family-supporting wages and provide health insurance and other benefits. Employers also must adopt more equitable and inclusive talent practices and increase their investments in upskilling and other educational initiatives that help employees gain the skills they need to succeed in this changing economy.

## What State Policymakers Can Do



### Foundational Steps

- ▶ Champion a statewide campaign that brings together employers that prioritize job quality for their employees, use strategies for inclusive and equitable hiring, provide training and career advancement opportunities for their frontline and entry-level talent, and take a skills-based approach to recruiting, hiring, and promoting employees.
- ▶ Create a commission on quality jobs to make recommendations for how state policy can better support the economic well-being and upward mobility of workers, ensure equitable access to quality jobs, and build a motivated workforce that has the skills needed to compete and advance in today's economy. The commission should include representatives from civil rights and community-based organizations, employers and employees in high-demand industry sectors, representatives of labor unions, workforce development leaders, and young people. The group also should identify challenges that employers face when deciding whether and how to invest in worker training, and make recommendations for overcoming these challenges.



### Advanced Steps

- ▶ Provide tax incentives tied to attainment of key targets that encourage employers to invest in upskilling and transitional assistance for workers in low-wage, entry-level positions who are at risk of losing their jobs because of increases in automation and other ongoing changes in the economy. Provide administrative assistance to help small and midsize businesses access the resources they need to develop worker support systems.



### Transformational Steps

- ▶ Incubate and grow worker-centric small businesses that welcome employees' thoughts and insights about the way the company is run and commit to expanding quality jobs and advancement opportunities. Provide incentives, technical assistance, and supportive policies that enable worker-owned employer models to thrive.

## State and Employer Spotlights

### California

California's [Future of Work Commission](#) posits that job quality and improved working conditions are critical to effective economic development. Its [Employment Training Panel](#) program uses revenue from an employer tax to reimburse employers that invest in worker training. A [recent study](#) found that after two years, the program increased a company's employment by 22 percent and its sales by 47 percent. The effects were strongest for small and midsize businesses.



### Connecticut

Connecticut is one of several states that provide [tax credits](#) to employers that offer workforce training programs. The state's plan covers 5 percent of all training-related costs. An [evaluation](#) by the Connecticut Department of Economic and Community Development found that the credit "produces modest and positive benefits . . . [including] cumulative productivity gains."



### Boeing

The aerospace company offers performance-based cash incentives, on-site health and fitness centers, 9-to-11 percent matches of employees' 401(k) contributions, unlimited access to online degree and certification programs, parental leave, and child care.

### Sheraton Hotels

Sheraton New Orleans partners with [EdNavigator](#), a New Orleans-based nonprofit that provides one-on-one support to parents who need help navigating their children's educational needs. Thousands of the hotel's employees have used the services, which have been shown to increase retention and productivity.



## Featured JFF Resources

### Become an Impact Employer: Prepare Your Company for the Future of Work by Putting Talent First

JFF has developed a framework to help companies become "Impact Employers" that prioritize worker well-being. It expands on traditional components of corporate talent strategy—like recruiting, retaining, and advancing employees—to include people-focused benefits.

[Read More Here](#) ▶

### What Can the Nation's Largest Employers Learn From a Worker Co-Op?

In a blog post on *Medium*, JFF experts Alison Schmitt and Laura Roberts discuss new, expansive ways for employers to empower frontline and entry-level workers to speak up—and hear what they have to say.

[Read More Here](#) ▶

### State Policy Road Map for an Equitable Economic Recovery

This resource is a part of a series that provides state policy solutions focused on people, places, and systems – with the goal of closing equity gaps and driving economic advancement for all. [Read Full Series](#) ▶

