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Report online at http://keystoneresearch.org/highroadWIOA

Using Workforce Dollars to Boost Job Quality
Report by Keystone Research & Partners Highlights How Pennsylvania and Other States Can Build Job Quality into Required State Workforce Plans

HARRISBURG (December 17, 2015) — A new report released today in Pennsylvania by Keystone Research Center (KRC) highlights innovative and practical ways states can build job quality into future workforce development policy and practice using state workforce plans required by March 3, 2016 under the new federal Workforce Investment and Opportunity Act (WIOA). The report was produced as part of a multi-state workforce project undertaken by the Economic Analysis Research Network (EARN http://www.earncentral.org/), which includes more than 60 state and local think tanks.

“Scarce public workforce resources should guide job seekers to the best jobs that they can get and support employers with better quality jobs in each industry,” said Stephen Herzenberg, KRC Executive Director. “Concretely, workforce systems should partner with employers that have low turnover rates, no record of wage theft, and provide family friendly work-time policies, including paid sick leave and no last-minute scheduling.”

The report drills down into employer practices in three areas to demonstrate the potential of targeting workforce resources to employers with better practices.

The report highlights the issue of strategically connecting job seekers with employers with lower levels of worker turnover. The report uses the specific example of the Wisconsin nursing home industry. A significant number of Wisconsin homes have low – or even no – turnover among front-line full-time caregivers, while many have turnover around 50 percent, and a substantial minority have turnover of over 100 percent. The report recommends focusing all workforce resources, including placement activities, on facilities with turnover of 50 percent or less. With turnover data in hand, any state workforce system that connects with nursing homes should seek to work only with those homes with turnover in the middle or low end of the industry distribution. Systems should also focus on low-turnover employers in other industries.

The report documents that violations of basic wage and overtime laws are widespread in many of the sectors in which workforce areas invest, including manufacturing, logistics, health care, and construction. In Ohio’s manufacturing sector, for example, the U.S. Department of Labor database reports more than 3,700 violations of the main federal labor law from 2010 to late
2015. Workforce programs cannot safely assume that the employers they work with comply with the law. They should establish a policy disqualifying violators from receiving public workforce system support. Further, workforce systems should consciously train job seekers in basic labor standards so that seekers themselves are able to identify violations.

The report shows that many employers provide paid sick time and follow common-sense standards, such as scheduling in advance. Those are the employers that workforce systems should engage.

Businesses within every industry vary significantly in how they utilize employees. “High road” employers typically have better quality jobs, including higher wages and benefits, more investment in training and greater career advancement opportunities. Those quality job characteristics correlate also with good work-time policies, lower turnover and compliance with labor law.

“In the past,” said Laura Dresser, Associate Director of COWS in Wisconsin, “some workforce systems have not distinguished among employers nor have they always been strategically engaging only with better employers. The increasing national attention to job quality points to a pivotal opportunity for workforce systems to pave the high road as never before.”

“In an American economy struggling to create enough middle-class jobs,” said Hannah Halbert, workforce researcher with Policy Matters Ohio, “state and local workforce development systems need to pull their oars together in the direction of better job quality.”

The new report highlighted the particular opportunity that state and local workforce systems have to boost job quality when investing in “sector partnerships,” groups of employers in a single industry that have similar skill needs. For the first time in federal workforce policy, these partnerships are prioritized by WIOA. States can incorporate high road principles into their sector partnerships by investing in training and peer learning among businesses that shifts the entire distribution of employer practices towards the good-jobs end of the spectrum. In nursing home sector partnerships, for example, this would shift the distribution of turnover rates toward zero.

“The goal of promoting the highest possible job quality for workers helped by the system is uncontroversial,” said Herzenberg. “By developing new policies that help local workforce systems connect workers to the best possible jobs, and supporting employers – individually and in partnerships – in efforts to improve jobs, WIOA implementation can birth a ‘high road in workforce development.’”

The Keystone Research Center is an independent, nonpartisan research organization that promotes a more prosperous and equitable Pennsylvania and U.S. economy. View the briefing paper at http://keystoneresearch.org/highroadWIOA.