The Future of Work

and Ensuring Job Quality in North Carolina

STATE OF WORKING NORTH CAROLINA

2015

By Allan Freyer, Patrick McHugh,
Alexandra Sirota, Brian Kennedy,
and Ciara Zachary

NORTH CAROLINA JUSTICE CENTER

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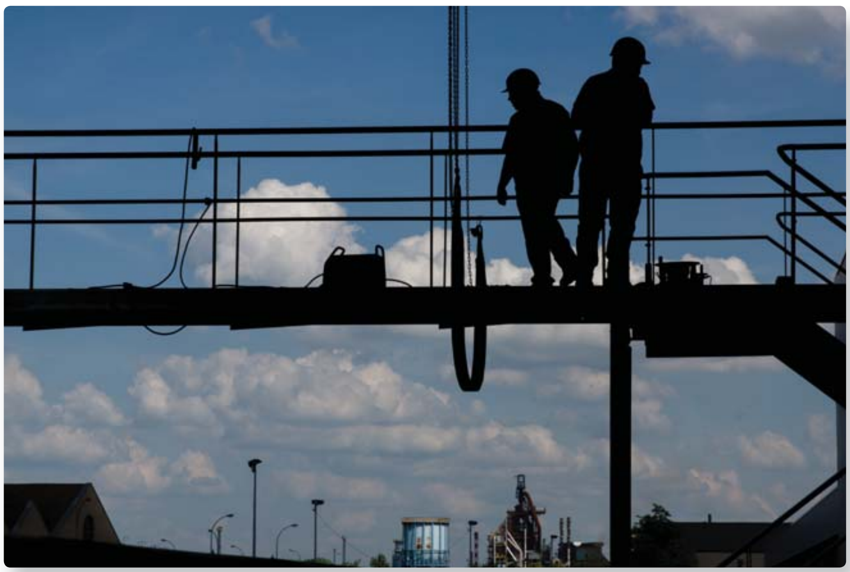
Introduction

As the shock of the Great Recession recedes, it is becoming increasingly clear that our economy is falling short of our long-standing expectations about economic growth and prosperity. Like the national economy in recent years, North Carolina has experienced significant decline in its labor force, the replacement of good-wage manufacturing jobs with low-wage service jobs, wage stagnation, and increased income inequality.

Having a job is no longer a guarantee of financial security because increasingly jobs no longer provide the wages, benefits, and opportunities for upward advancement that make it possible for workers to make ends meet. As a result, the ongoing debate about *how many* jobs have been created in North Carolina over the past year misses an important assessment of how the economy affects workers, their families and the broader community: *how good* are the jobs that have been created?



Workers need *quality* jobs—jobs that provide clear pathways to prosperity for themselves and their families—in order to support a strong economy. These quality jobs help the broader economy by enabling workers to purchase goods and services at local businesses, build assets in their neighborhood and position their children for future prosperity. A quality job fulfills, at least, the following requirements:

- **Pays a living wage that allows workers to afford the basics, make ends meet, and provide for their families.**
- **Allows workers to take paid time to recover from illness, to welcome the birth or adoption of a new child, or care for sick family members.**
- **Ensures retirement security, including access to sufficient income to retire with dignity.**
- **Provides access to affordable health insurance.**
- **Allows workers to collectively bargain with their employer for better wages and benefits.**
- **Provides workers with access to pathways for skill development and career mobility.**

Unfortunately, quality jobs that provide these benefits are on the decline, making it far more difficult for work itself to generate security, provide opportunity and deliver prosperity. Given the disappearance of these quality jobs, policy makers are confronted with the fundamental policy challenge of how to construct policy supports that provide workers with the benefits they used to receive from their job—and in turn ensure that workers secure greater access to the economic rewards their labor generates.

At the heart of the decline in quality jobs lies the much-debated intersection of technological development and public policy. As an increasing body of research is discovering, rapid technological change has the potential to transform the very nature of work—how we work, who we work for, and how our work is rewarded—with profound implications for workers' access to quality jobs. In turn, public policy plays a crucial role in determining what those pressures mean for workers and their access to quality jobs.

> Having a job is no longer a guarantee of financial security because, increasingly, jobs no longer provide the wages, benefits, and opportunities for upward advancement that make it possible for workers to make ends meet.

This year's State of Working North Carolina is designed to explore core components of a quality job in the context of a changing reality of work—why these components are necessary, why they are disappearing, and how specific policies can be designed to encourage their growth or provide workers with the benefits they are no longer receiving from their jobs. Getting the policy design right is fundamental to ensuring that work actually benefits workers and by extension promotes an economy that benefits everyone in North Carolina.

The Future of Work

Rapid technological development presents two main challenges to policy makers: first, increased automation is on a course that could potentially eliminate jobs and entire occupations; and second, communications and logistics technologies are making it easier to fundamentally transform the relationship between employer and employee in a way that weakens worker bargaining power, protections, and wages.

NEW WAVES OF AUTOMATION

As computing power becomes cheaper, and software more sophisticated, more occupations will become vulnerable to automation. Self-driving vehicles already exist, and will likely hit the roads at scale in the next two decades, displacing humans in freight, construction, and vehicles for hire. Self-service kiosks that seemed off-putting when they first showed up in grocery stores and airports are increasingly accepted by consumers and set to spread across much of the service sector. Machines are even set to displace occupations that we often assume require a human touch such as medicine, psychological counseling, and journalism. As a result, the next several decades will likely see a sharp decline—or even the complete disappearance—of many occupations that provide jobs for millions of workers across the United States.

Communications and logistics technologies are transforming the very notion of what a job actually means through extensive subcontracting and the decomposition of work into discrete tasks.

Some analysts predict that automation will lead to mass unemployment as machines take over the work of people. A recent study estimated that almost half of the jobs in the United States could be subject to automation within the coming decades.[1] Based on this analysis of occupations susceptible to automation, North Carolina State University economist Michael Walden projects that the state could have more than a million fewer jobs in 2050 than exist today, sending unemployment in North Carolina past 25 percent.[2]

The claim that robots and artificial intelligence will lead to widespread unemployment is still entirely speculative. Even if many occupations are largely automated in the next few decades, it may not produce an era of massive underemployment. First, productivity gains resulting from new technology would need to rival a pace not seen since the period immediately following World War II for this to occur in the next few decades. Second, it is likely that technological change will create at least some new employment opportunities, making up for some or all of the jobs that may be lost.

Even if automation does not radically reduce the total number of jobs that are available, the nature of those jobs is almost certain to change. Whether automation leads to a better life will depend on having the systems in place to help workers navigate the change, and on having policies that ensure that the benefits of improved productivity are broadly shared.

SUBCONTRACTING AND THE DECOMPOSITION OF WORK

At the same time that automation technology could push large portions of the present economy out of existence, communications and logistics technologies are transforming the very notion of what a job actually means through extensive subcontracting and the decomposition of work into discrete tasks.

Cheaper, faster, and more reliable communication technology has been essential to the rise of subcontracting. Before the advent of fiber-optic global communication, the idea of outsourcing call centers to India or Latin America would have been laughable. The same advances make it possible for companies in the U.S. to convene e-meetings, transmit data, wire payments, and a host of other transactions that would have been cumbersome and expensive previously. All of this made it possible to break research, development, production, delivery, and marketing into component parts and contract each phase of the process out.

The rise of just-in-time delivery, which was made possible by advances in transportation and logistics technology, creates further incentive to subcontract work that would have previously been done in-house. As companies place more value in responding to short-run fluctuations in demand, it is more appealing to let contractors shoulder the costs and risk inherent in staffing up and down.

Additionally, a related but even more fundamental transformation is under way. Technology is proving adept at dissecting work into increasingly discrete tasks, making it easier to contract out those tasks on-demand to temporary workers.

Increased automation is on a course that could potentially eliminate millions of jobs and entire occupations.

This evolution will take time and the policy choices made today will set the rules of the game for how our economy will respond to these changes in the future. These policies will determine whether and how the employer-employee relationship within some parts of the labor market survive the transition, the nature and number of the jobs to be created out of the technological disruption, and ultimately, how workers will fare in this new economy

It is increasingly clear that many working people are now facing a world in which they have no stable employer, and no reason to expect that to change. This transition to more short-term and contingent work raises serious concerns. There is evidence that contingent workers earn less and enjoy fewer workforce protections than their peers in more conventional employment relationships. The Federal Governmental Accountability Office estimates that contingent workers earn around 10 percent less per hour, are two-thirds less likely to receive retirement benefits, are more often excluded from employer-provided health insurance, and as a consequence, more likely to live in poverty and receive public assistance.[3] Of course, the experience of workers varies across industries and types of contracts, but the overall trend is a clear sign that we have not developed systems to ensure that contract workers receive adequate pay or worker protections.

What the Future of Work Means for Policy

Technology may be driving productivity gains and pushing down labor costs, but policy determines what this actually means for workers. For instance, technological advances made it possible to replace human workers with machines, but policy made it possible for the owners of those machines to retain more of the wealth that was being created. The percentage of gross domestic product paid out to workers, often referred to as the "labor share," has slipped in many countries around the world. But the decline began in the United States in the mid-1970s and accelerated post-2008.[4] According to some estimates, as much as half of the global decline in labor's share of income resulted from declining costs of technology causing firms to substitute capital for labor since 1980.[5] More productive industrial machinery meant that manufacturing became much less labor intensive, allowing plant operators to pay out less in wages. Then, with the rise of cheap computing power, it became possible to replace human workers across a wider range of industries. Through the 2000s, as automation started spreading off the shop floor and into office buildings, the labor share of income in the business sector dropped, mostly within incorporated firms with the resources to invest heavily in office technology.[6]

Policy plays a crucial role in determining what productivity gains mean for workers and their access to quality jobs.

But while technology created the conditions for businesses to generate these productivity gains, public policy determined what this actually meant for workers. Broadly, this involved allowing investors and business owners to keep the overwhelming majority of those gains rather than passing them along in the form of wages. More specifically, these policies included bad free trade deals, regressive tax code changes, patent laws that allowed the inventers of technology to retain huge profits, and corporate governance laws that promoted investor income over worker wages. The result: middle class wage stagnation and growing income inequality.

As evidence for the role of public policy and institutions in economic outcomes, many scholars point to the period from the end of World War II through the mid-1970s, when workers' share of income was at its highest and national productivity saw historic gains.[7] Like today's smarter robots, these productivity gains were realized from new technology hitting factory floors and office buildings. During this period, though, productivity increases were passed on to workers in the form of higher wages. This was due in large part to policies that strengthened American workers—progressive tax rates that supported public investments in worker training, applied research, and infrastructure; minimum wage policies that boosted worker consumption; and collective bargaining policies that improved the ability of workers to negotiate with their employers for better wages and benefits.

In other words, while technology may increase productivity by pushing down labor costs, policy determines what this actually means for workers. If the policy response is right, greater productivity can deliver higher wages and more leisure time to spend with family and friends. It is critical to develop a policy framework that allows workers to secure their share of productivity gains. This framework should foster quality job creation or policy supports that provide what jobs can no longer provide: the ability to make ends meet and in turn boost the economy.

A Policy Framework For Promoting Quality Jobs In The Future Of Work

North Carolina needs a policy framework for addressing the erosion of quality jobs amidst the changing future of work. This includes creating more quality jobs and developing a policy infrastructure that provides workers with the supports that they still need but are no longer receiving through their workplace.

First, no law of nature dooms good jobs to extinction. The technological forces discussed above will only have dire consequences if we fail to respond with policies that ensure that the economy works for everyone. Indeed, many of the negative trends that already exist are more a function of policy timidity than destiny. By allowing the value of the minimum wage to decline, collective bargaining rights to erode, tax structures to become more regressive, and permitting employers to avoid providing benefits and accountability, we have made a series of decisions that make good work harder to find.

Second, while protecting good jobs now is important, the changing future of work calls for even more fundamental shifts in the policy architecture that protects workers and makes sure that everyone shares in the fruits of the market. The central challenge is how to change labor rules and practices to match the emerging future of work. Current wage laws, retirement systems, and workplace safety rules are still organized around the traditional employee-employer relationship. If the system of worker protections does not adjust to the expanding reality of contingent employment, 150 years of hard-won worker protections could be undone.

The central challenge is how to change labor rules and practices to match the emerging future of work.

Additionally, the decomposition of work and growth of contingent employment relationships have cut many workers off from access to the basic elements of a quality job. If employment no longer guarantees workers access to the wages and benefits they need to survive, then lawmakers need to develop a policy system that can provide these workers with the supports they can no longer receive from their jobs. Policies like guaranteed health insurance, family and medical leave, and minimum wage laws are all examples of public sector policy supports that can provide workers with the benefits of a quality job their actual job doesn't give them.

Beyond supports for individual workers, policy makers need to grapple with the broad social implications of the breakdown of the traditional employer-employee relationship. Current educational and workforce training systems will not be able to cope with the number of people that are likely to see their jobs automated out of existence in the coming decades. Where most of the existing systems are designed for people just starting out, or negotiating a career shift, the educational systems of the future will have to meet a reality in which most workers will need ongoing training throughout their entire careers.

Finally, and perhaps most fundamentally, the share of income going to working people cannot continue to decline without undermining the foundation of our economic and social order. Technology may make an increased standard of living possible, but if workers' pay continues to decline it will not be a reality. Without sound policy choices, the potential for sustained economic growth that benefits everyone will be undermined.

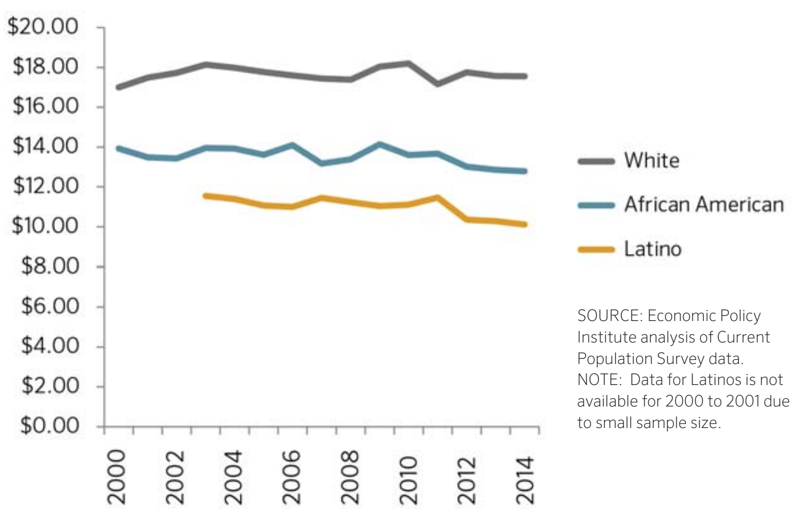
North Carolina's Future Workforce

The changing nature of work has special implications for communities of color, many of which are undergoing equally rapid change and are especially vulnerable to the instability wrought by the new reality of work.

Perhaps most critically, North Carolina is experiencing a rapid change in its demographic profile. The Tar Heel population is becoming increasingly multiracial. Demographers predict that North Carolina will gradually become more diverse across all age groups over the next three decades.[8] The working-age population (25 to 64 years old), the population for which data is available, is projected to become more diverse faster than the general population.

Already, the state's labor force is starting to undergo a transformation. Leading up to 2003, 9 out of 10 workers in the state were white or African American; now, that number is 8.5 out of 10 workers. Hispanic and Asian workers began to make up a larger share of the labor force in the late 1980s and into the late 1990s, growing from nearly 2 percent to nearly 5 percent of workers. The growth in Hispanic workers began to accelerate in the early 2000s, from 4.3 percent in 2000 to 8.9 percent in 2013, compared to a smaller jump, from 2.1 percent to 3.1, among Asian workers. African American workers remained a relatively steady share of the total labor force during this time, but the share of the labor force comprised of white workers shrank.[9]

Figure 1: **Workers of color consistently earn lower wages, and the earnings gap is growing, not shrinking**



SOURCE: Economic Policy Institute analysis of Current Population Survey data.
NOTE: Data for Latinos is not available for 2000 to 2001 due to small sample size.

Removing barriers to opportunity—particularly for workers of color, immigrants and women—will be critical for the future of our state in the context of the changing nature of work. Barriers to economic success for workers of color, including current workplace discrimination, geographic distance to good jobs, and the legacy of historic economic exclusion have resulted in lower wages for communities of color (see Figure 1). This remains true even when taking into account educational attainment levels. The median wage for African-American workers was almost $5 less than for white workers and for Latinos $7 less than for whites. These trends are likely to continue to limit the potential of young people of color, holding back their future educational attainment, access to job opportunities and potential for economic mobility. And because workers of color are on average toward the bottom of the wage scale, they are the most vulnerable to economic instability wrought by the growth in contingent labor, the loss of key employee benefits, and the continuing reduction in wages. In short, many of these workers are already in financially uncertain conditions due to their comparatively lower wages; the breakdown in the traditional nature of the job can only serve to generate more instability in the ability of work to provide for their needs.

Quality Jobs Pay a Living Wage

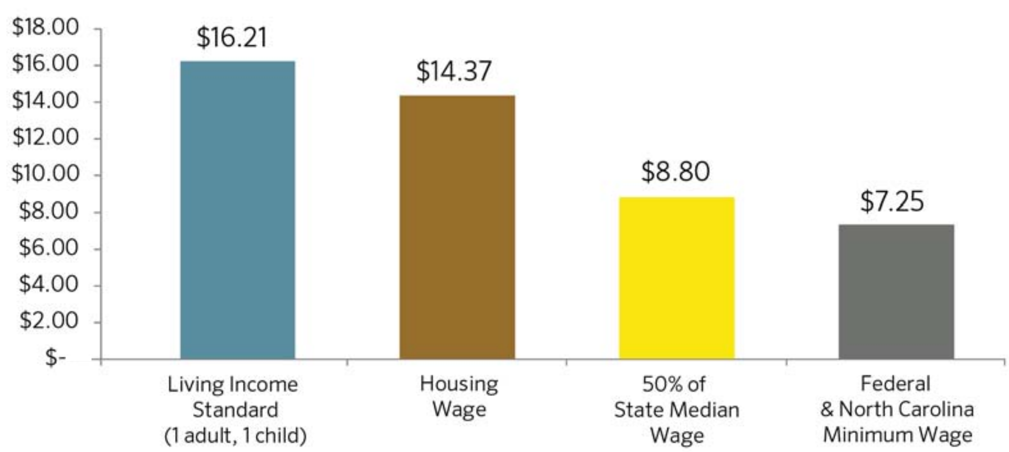
Perhaps the most important aspect of a quality job is that it pays workers sufficient wages to afford the basics and make ends meet for a family. Jobs with good wages boost the economy in the near-term and ensure upward mobility across generations. Without good wages or wage growth across broad swaths of the American economy, our nation's economy cannot grow to its full potential.

DEFINITION

There are various measures to determine whether wages are adequate to support workers and their families. It is clear that a wage floor is critical to ensuring that workers are paid for their work and low-wage employment does not undercut the broader labor market. However, the wage floor (or minimum wage) was last raised in July 2009 to $7.25 and hasn't moved since. A worker earning this hourly wage and working full-time, as roughly one-third of minimum wage workers do, would live well below the poverty line for a family of two.[10]

Economists are in general agreement that a wage floor must at a minimum reflect at least 50 percent of the median wage in a given labor market. A minimum wage at 50 percent of North Carolina's median wage would need to be $8.80. That minimum does not reflect what it actually takes to make ends meet as costs for everyday goods and services have increased. A better measure, often referred to as a living wage, has been defined as anywhere from $10.10 (part of a federal proposed minimum wage increase) to $16.21,the hourly wage it takes to make ends meet (e.g., buy groceries, pay the rent, put gas in the car) according to a Living Income Standard calculation done every two years by the Budget & Tax Center (see Figure 2).

Figure 2: **While measures of wage adequacy vary, it is clear that the current minimum wage cannot support workers nor boost the economy**



SOURCE: Calculations based on various federal, state thresholds and Sirota et al, 2014 and Occupational Employment Statistics, 2014, Bureau of Labor Statistics.

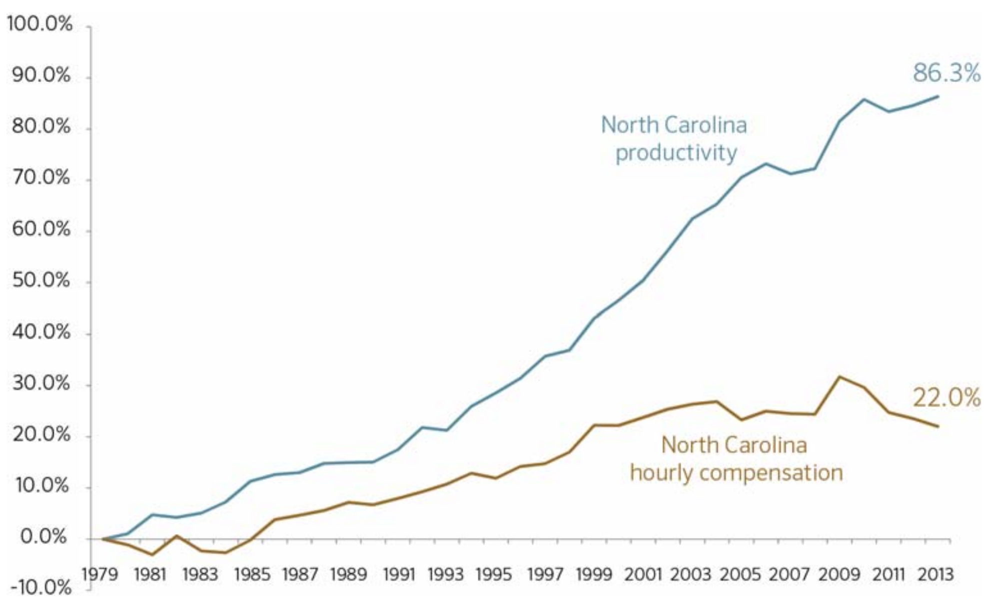
DATA TRENDS

As in the broader United States, workers in North Carolina have been experiencing significant long-term wage stagnation over the past 30 years despite producing historic productivity gains for their employers (see Figure 3). The American economy has a seen a growing wedge between business productivity—basically the amount of goods and services produced by each worker—and workers' wages. By holding wages flat and using strategies like contingent labor, businesses have ensured that these historic gains have gone to corporate bottom lines rather than workers' paychecks. In turn, corporate employers have spent these gains—largely achieved by reducing labor costs—on executive compensation, expensive stock buy-backs, dividends, and income distributions to shareholders, benefitting wealthy investors at the expense of their workers.[11]

In effect, wages and productivity became disconnected in the late 1970s, and a bigger wedge between the two has grown since the Great Recession. From 1948 to 1979, wages and productivity increased at similar levels (productivity by 108.1 percent and wages by 93.4 percent).[12] From 1979 to 2013, productivity increased by nearly 65 percent while wages only increased by 8.2 percent. During that same time period wage growth for the top 1 percent was 153.6 percent. Similarly, productivity has increased by about 5.8 percent during the ongoing recovery from the Great Recession, but in a historically unprecedented trend, wages fell by more than 3 percent in the same period.

Part and parcel of this disconnect between wages and productivity is the long-term transformation in the national and state economies that has replaced manufacturing jobs that paid good wages

Figure 3: **North Carolina workers' productivity is not translating into strong wage growth**



SOURCE: EPI analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series with service-sector jobs that pay a lot less. As a result, North Carolina has undergone a boom in ultra-low wage jobs that are increasingly the only jobs available to many workers across the state, especially in rural areas.

This has been especially true since the end of the Great Recession: the majority of net jobs gained pay an average wage below the Living Income Standard for one worker with one child.[13]

Low-wage work has become increasingly the only option for many North Carolinians. At the same time the legal wage floor in the state—stuck at the current federal level of $7.25 an hour—has increasingly lost value as the cost of living continues to increase. Indeed, in 1979, the minimum wage was 64.4 percent of North Carolina's median wage and today it is 41.2 percent.

As of January 1, 2015, 29 states have minimum wages higher than that federal measure. These states have recognized that to sustain their economies, workers' earnings must support their participation in the economy. The potential benefits of such an increase in North Carolina were documented in a new analysis by the Economic Policy Institute which finds that raising the minimum wage to $12 an hour by 2020 would impact 1.3 million North Carolinians. This number reflects the greatest share of any state's workforce.[14]

POLICY RECOMMENDATIONS:

To ensure workers can make ends meet through work and in so doing boost the economy, policy makers need to focus on promoting the creation of quality-wage jobs in both the private and public sectors. State leaders should establish wage standards that are in line with rising costs for workers and consider the necessary changes to wage standards needed in the context of the future of work. Specific policy recommendations include:

- **Raise the minimum wage.** The state minimum wage should be increased to more accurately reflect what is needed to make ends meet and at least ensure that no worker earns wages that would keep them in poverty. Such a policy must be designed to automatically keep up with the rising costs of goods and services and thus be tied to inflation.

- **Allow local governments to raise the wage in their jurisdictions.** In 2013, the North Carolina General Assembly prohibited city and county governments from setting minimum wage standards for private employers and public sector contractors that is above the state minimum wage. Local governments that recognize the importance of raising wages to boost their local economies should be rewarded, not punished. State policy makers should overturn this ban on local minimum wage policy development.

- **Pass local minimum wage increases for *public* employees.** City and County governments still have the authority to raise the wage floor for their own employees, and a growing number of North Carolina counties and cities are doing just this, setting living wage floors above the federal minimum.

- **Allow more salaried workers to receive overtime benefits.** Since 1970, workers have seen their access to overtime pay erode as the threshold for salary employers has remained at $23,000. Workers whose salaries are above this don't earn time-and-a-half despite working more than 40 hours a week. A recent rule change by President Obama raises the threshold to $50,440 by 2016, which would benefit more than 10 million workers in the country.[15] Southern states stand to benefit the most from the change.

QUALITY JOBS PROVIDE STABLE WORK

A key component of a quality job is the stability it provides workers. Workers count on regular income and benefits in order to make ends meet month to month for themselves and their families, plan for their retirement or children's educations, and survive when illness or unexpected disaster strike. As the evolution of work proceeds, more and more workers will experience contingent forms of employment. But while some workers may benefit from the increased flexibility contingent work provides — e.g., the Uber driver who picks up extra cash in the evenings after his or her regular job, or the professor who earns consulting income on the side — it is more likely that a growing number of workers will be involuntarily trapped in contingent jobs which guarantee little of the stability that families so badly need and that sustain a strong economy. As a result, it is critical to develop policy supports that provide predictable wages and hours while protecting contingent workers from unsafe conditions and illegal work arrangements.

Stable work provides a contract for long-term employment and provides workers with sufficient work time to earn enough to meet the financial needs of themselves and their families. By definition, contingent work guarantees neither of these conditions.[17]

Unfortunately, contingent work — especially temporary employment — is growing in North Carolina. Temp workers saw their share of total employment increase significantly faster than the national average since the end of the recession.

In North Carolina, more than 11 percent of the labor force is part-time despite wanting a full-time job.[18] Moreover, many part-time workers face erratic scheduling that result in unpredictable hours and thus significant fluctuations in earnings week to week. National estimates suggest that one in ten workers cannot predict the hours that they will work the following week.[19] These workers are most likely to earn low wages, be from communities of color, have only a high school education and work in sales or retail.[20] Among the policy options available to policymakers to fix this issue is to require employers to provide predictability in work schedules and pay workers for time spent "on-call".

In North Carolina, just 12.1 percent of workers are covered under the current threshold, while 44.3 percent will be covered under the proposed changes.[16] This change will ensure that workers are able to greater benefit from their increased productivity by being paid for the hours they work and thus, in turn, will also be able to spend in their communities and save to secure their economic futures.

- **Consider a basic income guarantee.** If the future of work will mean less work is available, a policy that establishes a guarantee of basic income for all Americans presents an opportunity to ensure that people can meet their basic needs and boost the economy. After all, more spending on goods and services is ultimately what drives increased business investment and hiring.

Quality Jobs Provide Workers with Paid Leave

A quality job allows employees to take time off when they're sick or when they need to take care of a sick family member. Unfortunately, the changing nature of the relationship between employer and employee—and especially the growth of contingent work—has ensured that far too many jobs fail to provide these important protections. When illness inevitably strikes or family medical emergencies happen, many must take unpaid time off—sacrificing their wages so they can get well or care of sick loved ones. They may even face retaliation from their employers and lose their jobs.

DEFINITION

There are two types of leave that are crucial to a quality job—paid sick days, and family medical leave.

PAID SICK DAYS

With paid sick days, employers allow workers to receive pay for the time they take off from work to recover from an illness or care for sick child. While many private employers do in fact provide their employees with paid sick days, many do not—especially in a number of service occupations—forcing many workers to choose between recovering from illness, caring for their sick children, and earning a living. Paid sick days are a critical component of a quality job because they protect workers from this impossible choice, while supporting family wellness and public health.

Parents with paid sick days are better able to take care of their sick kids. On average, school-age children miss at least 3 school days per year due to health reasons, and younger children have even higher rates of illness. When parents are available to care for their sick children, the children recover more quickly, are less likely to develop serious illnesses, and have improved overall health.[21] Additionally, paid sick days prevent contagion and promote healthier workplaces, schools, and daycares. Parents who cannot afford to miss work must send children with contagious illnesses to child care or school, contributing to high rates of infections. Additionally, sick employees who go to work risk infecting customers and other workers and hurting business productivity, customer sales, and profitability.[22] Paid leave helps to stop the spread of diseases.

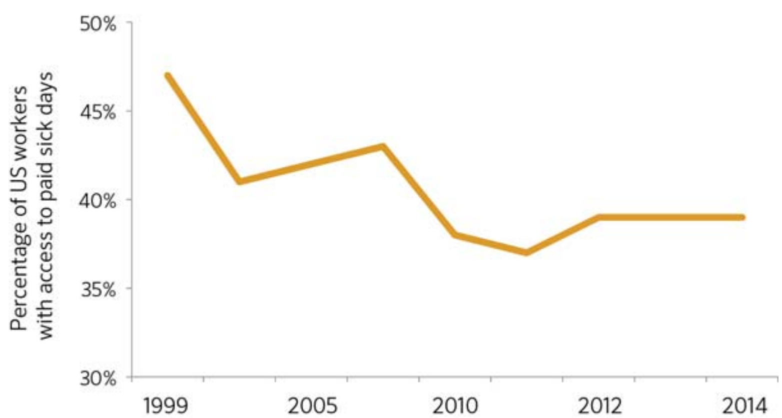
FAMILY AND MEDICAL LEAVE

As part of a quality job, employers provide their workers with paid, job-protected leave to care for their loved ones during medical emergencies and important beginning-of-life events like the birth or adoption of a child. As it is currently written, the federal Family Medical Leave Act (FMLA) allows workers to take up to 90 days unpaid leave to care for a newborn or a sick parent. But in an economy in which 80 percent of the jobs created don't pay enough to make ends meet,[23] too many North Carolinians simply can't afford to take unpaid time off from work, forcing them to choose between paying the bills and caring for their loved one. Also, the Family Medical Leave Act leaves out more than half of the American workforce and 80 percent of new mothers—including those who work part-time and those who work for businesses with fewer than 50 employees.[24] Even more troubling, FMLA job protections only apply to those workers needing time off to care for a child, a parent or spouse This is an overly narrow definition of family that ignores the 21st century reality that direct care is often provided by (and for) other family members, including grandparents, siblings, and in-laws. As a result, a quality job will provide workers with paid, job-protected family medical leave that reflects the expanded nature of family caregiving.

DATA TRENDS

Quality jobs that provide paid sick days and family medical leave are scarce and getting scarcer. As seen in Figure 4, the number of workers benefitting from paid sick days across the United States has dropped significantly over the past 15 years, with the percentage of workers receiving paid sick days through their employer falling from 47 percent in 1999 to 39 percent in 2014. Here in North Carolina, there are now 1.2 million workers who cannot take paid time off when they or their children are sick.[25]

Figure 4: **Percentage of American workers with access to paid sick days falls over last decade**



SOURCE: National Partnership for Women and Families

The lack of access to paid sick days is especially common in those occupations that pay the lowest wages and pose the greatest public health risks for transmitting disease: more than 77 percent of all workers in food service occupations and 69 percent of workers in personal and home care occupations don't have access to paid leave (see Figure 5).[26] Given that many people of color work in these occupations, the lack of paid leave hits communities of color especially hard.

In terms of family and medical leave, only 12 percent of U.S. workers have access to paid family leave through their employers. Less than 40 percent have personal medical leave through an employer-provided temporary disability program.[27] And as currently written, FMLA leaves out 40 percent of the workforce. The lack of paid family leave is exacerbated by the changing nature of family caregiving—families provide at least 80 percent of all care services needed to both seniors and children. There are 1.73 million family caregivers in North Carolina providing care to an adult with limitations in daily activities at some time during the year—a number that will almost certainly see significant growth as the senior population in the state doubles over the next 25 years. Grandparents are also playing major roles in providing care to their grandchildren. More than 100,000 grandparents are responsible for their own grandchildren, putting North Carolina sixth in the nation in the number of children under 6 living in households where a grandparent provides that child's primary care.[28]

POLICY RECOMMENDATIONS

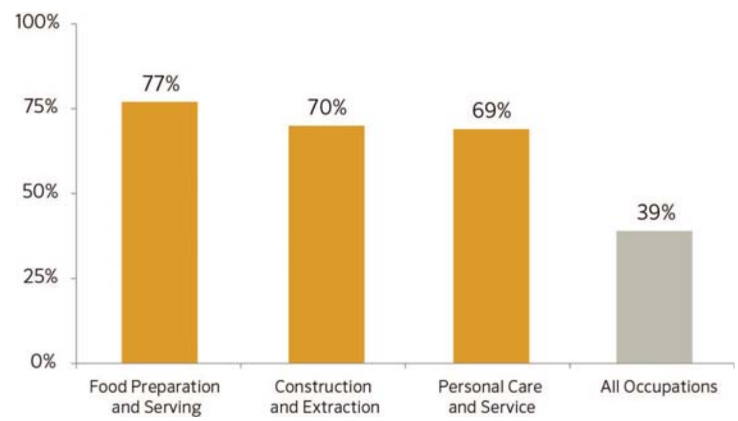
With the rise of contingent work and the disappearance of quality jobs that provide paid leave, lawmakers must design policies that provide publicly available supports. Workers need access to the paid sick leave and paid family medical leave that they are not receiving from employers. Specific policy recommendations include:

- **Allow workers to earn paid sick days.** Legislation currently under consideration in the North Carolina General Assembly allows workers to earn one hour of paid sick leave for every 30 hours worked, up to seven days of earned time off per year to recover from illness. Lawmakers should adopt this policy. And while the legislation in its present form only applies to traditional employer-employee relationships, legislators should expand it to include contingent work as well so that contract workers and temp workers are also eligible to earn paid sick days.

- **Establish a Family Medical Leave Insurance program.** Given the shortcomings of unpaid leave, the General Assembly should create a state-administered family medical leave insurance program that would provide workers with access to income during extended family and medical leaves away from work. Like any other insurance, such a program would allow workers in traditional and contingent employment arrangements alike to contribute nominal amounts of their paychecks to a common fund that would pay out specified benefits for a specified period of time to welcome a new child, recover from an extended illness, or care for a family member during their own extended illness.

- **Update family and medical leave eligibility to reflect the modern caretaking environment.** Lawmakers should expand FMLA protections to grandparents, siblings, and step-family.

Figure 5: **Lack of paid sick days is especially common in low wage occupations that provide critical functions in the economy**



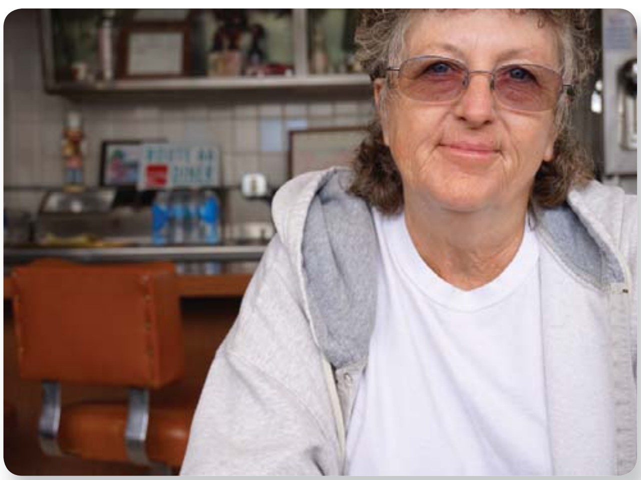
SOURCE: Institute for Women's Policy Research analysis of 2011–2012 National Health Interview Survey (NHIS) and 2012 IPUMS American Community Survey (ACS).

Quality Jobs Ensure a Secure Retirement for Seniors

A quality job provides workers with access to financial security during retirement. They do this primarily through opportunities to participate in retirement savings programs, pensions, or quality wages that allow sufficient savings to allow workers to retire with dignity and without the threat of financial deprivation. Unfortunately, the jobs that provided these crucial benefits are vanishing as employers have relentlessly sought to reduce their labor costs, raising the specter of millions of North Carolinians reaching retirement age without adequate savings.

DEFINITION

The Elder Economic Security Index paints a picture of what retirement security really means for retired North Carolinians. Living expenses for a typical single elder in good health can total up to $20,964 per year[29]. For a couple, typical living expenses can reach $31,584.[30] Retirees who still pay mortgages or who suffer from health conditions face even higher costs. While these expenses are modest, many retired North Carolinians face financial difficulties. In 2013, 10 percent of North Carolinians ages 65 and older lived at or below the poverty line.[31]



There are two main vehicles talked about in relation to retirement security. A Defined Benefit Plan, or a traditional pension, is a plan where an employee's retirement benefits are guaranteed. Workers contributions are combined and often matched by the employer. Workers know exactly how much they will receive when they retire.

In a Defined Contribution Plan, usually a 401(k), a workers retirement benefits are determined by the amount of money contributed by the employee during her working life. In Defined Contribution Plans, benefits are not guaranteed; the worker assumes all risk associated with the market as well as financial fees associated with managing their retirement plan.

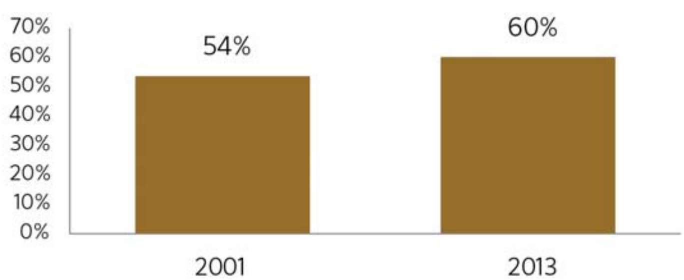
DATA TRENDS

North Carolina retirees are increasingly facing challenges when it comes to funding their retirement. For years, retirees have relied on a combination of Social Security, employer pensions, and other savings to support their retirement. Unfortunately, long-term wage stagnation has eroded the ability of many low- and middle-income workers to accumulate sufficient savings to ensure adequate retirement security.

There are two major trends in the conditions of work that have hurt workers' retirement security. First, those employers that are still willing to provide their employees with a retirement plan have shifted to a model that provides retirees with demonstrably less security than the traditional defined benefit model. Over the past few decades, there has been a large national decline in the number of employer provided pensions and a shift towards private, Defined Contribution plans. In 2009, less than 18 percent of the entire North Carolina workforce received an employer based traditional pension (see Figure 6).[32] Many workers with 401(k)s are unable to accumulate enough savings during their work life to support themselves in retirement.

Second, many employers are either unwilling or unable to provide their employees with any form of retirement savings or pension plan. This is partly due to growth in contingent work and partly due to the administrative challenges facing small business in setting up retirement plans. In North Carolina, small businesses employ half of the state's private sector work force, but also face the greatest difficulty in providing retirement options for their employees.[33] For employers, the administrative costs of retirement plans are fairly flat. That means that the larger the company, the lower the costs per worker. In small business, that cost can be so high that it deters employers from participating. Generally, running a pension system requires full time staff with specific expertise. Small businesses often do not have the necessary "in-house" expertise or cannot afford to hire someone to run the pension system. Additionally, small business employees typically have smaller incomes than employees at larger corporations. Low-income workers often spend their entire salaries on immediate costs such as food and rent and do not have a surplus of money to contribute towards their retirement.

Figure 6: **The percent of workers without access to an employer provided pension has grown since 2001**



SOURCE: Working Poor Families analysis of Current Population Survey

An increasing number of workers do not have access to any kind of retirement savings. Across the nation, 29 percent of people age 55 or older have neither an employer pension nor any type of retirement savings.[34] North Carolina has been no exception. Between 2001 and 2013, the percentage of workers without employer provided pensions has continuously risen. Today, more than 60 percent of North Carolina workers over 18 years old are without employer pensions. This lack of employer-provided retirement plans has meant that too many people have to rely on Social Security benefits as their only source of income (in North Carolina, one in three retirees is in this situation).[35]

In 2011, the average social security benefit for single elders was $14,016 and for couples $22,759. Social Security benefits alone are not enough to provide a secure retirement for seniors. For a two person household renting, an additional $8,835 is needed to make ends meet beyond the resources available through social security. For a homeowner with a mortgage, that figure increases to $13,899 needed annually to make ends meet.[36] Moreover, women and people of color are at even higher risks of facing poverty during their retirement.[37] Unequal pay and housing discrimination often prevent these marginalized groups from accumulating sufficient retirement assets. Without an employer provided pension, a secure retirement is out of reach for many North Carolinians.

POLICY RECOMMENDATIONS

The ability to retire with dignity and without fear of deprivation has been a basic tenet of the American Dream. As traditional pensions and retirement plans vanish in the changing world of work, it remains critical for policy makers to protect this guarantee by promoting employer-based retirement plans and policy supports for workers whose employers do not provide such retirement plans. Specific policy recommendations include:

- **Expand Medicare to cover long-term care expenses.** Health costs, especially long-term care, are one of the largest expenses seniors face. As a retiree ages, their health costs increase, often placing strains on their working children.

- **Strengthen Social Security.** From its inception in 1935, Social Security has been and continues to be the most important factor in a retiree's financial portfolio. The continuous decline in the size of benefits has pushed many seniors into poverty or near it. Today, the United States ranks 31st out of the 34 OECD nations in the replacement rate of Social Security benefits. Raising the cap on income subject to the Social Security tax would allow the program to grow and remain solvent.[38] Expanding Social Security is critical in making sure retirees receive the benefits they need.

- **Allow private sector workers to participate in North Carolina state pension plan.** One of the best ways to ensure retirement security for North Carolina workers is to implement policies such as the N.C. Work and Save Plan. This policy would allow private sector employees who do not have access to employer provided pensions to participate in the same state retirement system that state employees participate in. Eligible workers would be automatically enrolled in the state pension system and would be able to contribute to their retirement savings as long as they are working in the state. Workers' retirement benefits would be guaranteed and safe from economic downturns.[39] Because the fund is managed by the state treasurer, businesses avoid management costs and workers avoid financial institution fees. Twenty-five states have already considered legislation that would include private workers into the state-based system.

- **Raise the wage.** One of the simplest ways to ensure retirement security for future North Carolina workers is to increase wages today. Workers who are paid more have the ability to save more. Households with higher salaries are less likely to withdraw from their retirement savings to pay for unexpected financial emergencies or large investments, such as a child's college tuition. Raising North Carolina's minimum wage from $7.25 an hour and allowing more salaried workers to receive overtime pay are two strategies that allow workers to ensure greater retirement security during their working years.

Quality Jobs Provide Health Insurance

A quality job provides health insurance for its employees. A healthy workforce is a productive one and prevention is more cost-effective than treatment. As businesses seek to lower labor costs, however, many employers are increasingly refusing to provide their workers with this important benefit. Prior to the passage of the federal Affordable Care Act (ACA) in 2010, most workers were unable to afford health insurance without support from an employer—and the rise of contingent work put more and more workers in that camp every year.

DEFINITIONS

In theory, health insurance allows people to obtain affordable health care: an insurer covers most or all of an individual's health care costs in exchange for a premium. The federal government defines health coverage as a "Legal entitlement to payment or reimbursement for your health care costs, generally under a contract with a health insurance company, a group health plan offered in connection with employment, or a government program like Medicare, Medicaid, or the Children's Health Insurance Program (CHIP)."[40]

Employer-sponsored health insurance (ESHI) is a group health insurance plan in which the employer covers most of the health care costs. Unfortunately, even when an employer offers ESHI, it does not guarantee that all workers, especially low-wage workers, can obtain health coverage. Additionally, health coverage is not always accessible for low-wage workers. Accessible health care means more than having a health insurance card, but also includes factors such as having work flexibility and/or paid sick leave, provider choice, convenient locations, comprehensive care, and affordability in care.

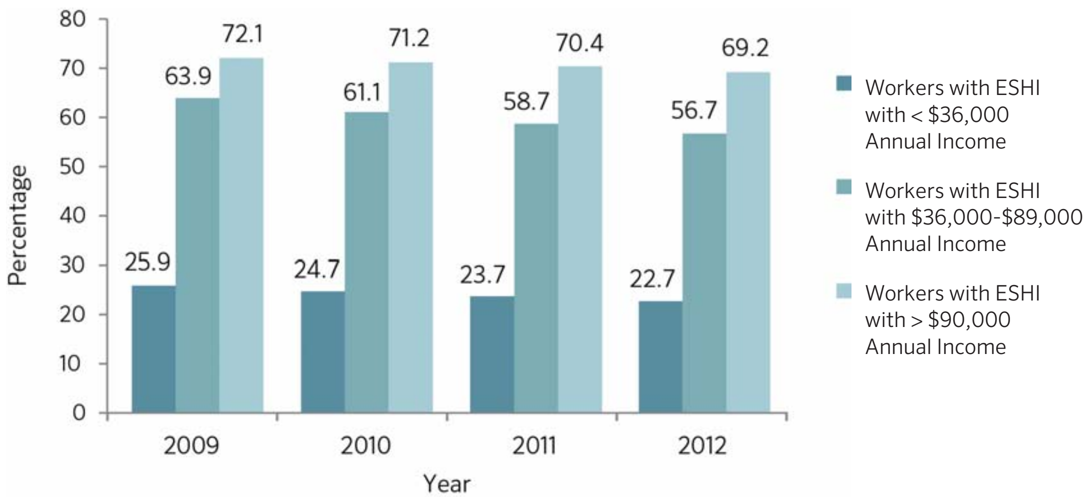
Many North Carolinians who are not over 65 years old and therefore do not qualify for Medicare rely instead on public health insurance through Medicaid and CHIP if they cannot obtain health coverage through their employer.[41] However, few adult workers qualify for public health insurance, as the North Carolina eligibility criteria for Medicaid prevent many low-wage workers obtaining these benefits.[42]

Workers and businesses alike benefit from having health coverage. It results in fewer missed days from work, prioritizes preventative care over more costly and time-consuming urgent care, increases productivity at work as individuals are no longer preoccupied thinking about their health concerns, and perhaps most critically, and avoids economically devastating medical bills.[43]

DATA TRENDS

There is a growing disparity between low-wage workers and workers with higher incomes with regards to accessing health care through employer-sponsored health insurance. Overall, the number of Americans with ESHI has been on the decline. In 2009, one year before passage of the ACA, with 162 million workers had employer-based coverage. By 2014, that number had fallen. Figure 7 (page 20) displays the downward trend in the percentage of employees that have health

Figure 7: **Employer Supported Health Insurance on the decline but greater coverage by employers exists for higher wage workers**



SOURCE: Gallup Surveys, 2013.

coverage through their employer. It also highlights the disparity between workers with annual incomes less than $36,000 and workers with annual incomes greater than $90,000.

Overall, fewer workers are offered ESHI. However, it is important to note that there is a 46.5 percentage point gap between workers with annual incomes that exceed $90,000 and workers than earn less than $36,000 a year in 2012. Even though the percentage of total firms that offer ESHI is 55 percent, for firms in which low-wage workers comprise more than 35 percent of its work force, only 23 percent offer ESHI.[44] Further, only 30 percent of firms in which workers 26 years and younger comprise more than 35 percent of the work force offer ESHI. Again, ESHI trends are penalizing low-wage workers instead of increasing their work productivity and job satisfaction by offering ESHI.

When firms do offer health coverage, 77 percent of employees are eligible and 80 percent of eligible employees participate in employer-based group plans. Workers may be ineligible for ESHI for many reasons including limitations based on the length of employment and hours worked per week. Considering that many low-wage workers are part time employees, this is a barrier to them accessing health care.

On the occasion that low-wage workers are presented with ESHI options, they are more likely to contribute to higher premiums. And while the growth rate of insurance premiums has slowed since the ACA was enacted (Figure 8), income has not increased to match the financial burden of higher premiums.[45] This places low-wage workers at a further disadvantage for obtaining health coverage considering the average family premium was $15,000 in 2013 in North Carolina.

In addition to high premiums, deductibles are another financial barrier that may lead workers to opt out of ESHI coverage. Nearly 80 percent of ESHI plans include deductibles and other cost sharing components. However, despite the gap between low-wage workers' income and cost sharing, the percentage of uninsured workers has declined (Figure 8). This trend can be explained by provisions within the Affordable Care Act that not only allow adults up to age 26 years to remain on their parents' insurance plan, but also provides subsidies to make health coverage more affordable. The ACA also creates standards to determine whether ESHI is affordable or whether purchasing insurance through an exchange is more economical.[46]

POLICY RECOMMENDATIONS

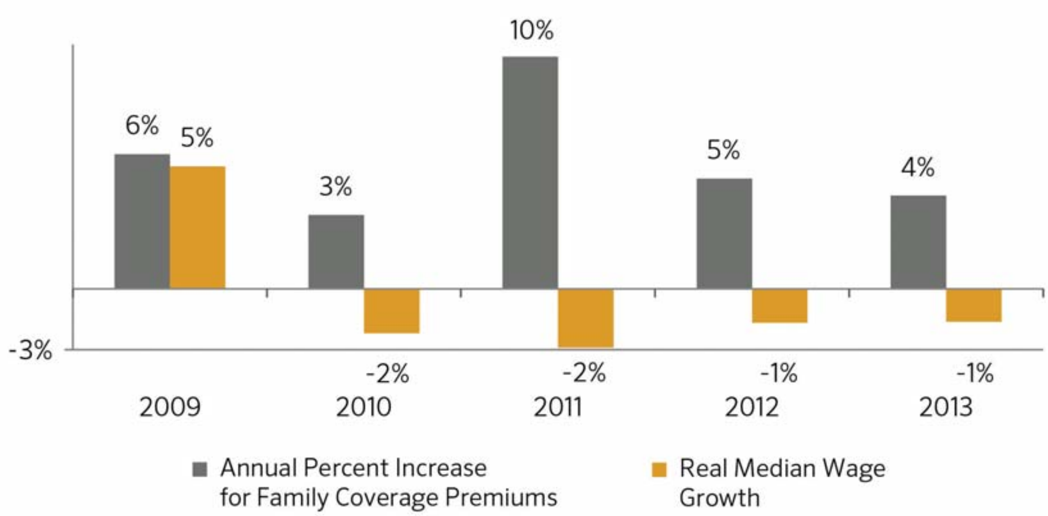
Federal efforts to address the decline in employer provided health insurance provide clear examples of how the changing in nature of work can lead to better outcomes through better policy decisions. More work remains at the state level, however, to ensure that workers are healthy and covered. Specific policy recommendations follow:

- **Protect the Affordable Care Act.** The ACA was enacted because there was recognition that ESHI is not available to all workers and people outside of the labor force. The ACA also acknowledges the shift away from traditional work to more contract employment: the policy provides subsidies (premium tax credits) to purchase insurance through either the federal or state-run exchanges so that individuals can purchase health coverage without depending on employer-based group health plans.

  2013 was the first year that individuals could purchase health insurance through federal or state run exchanges as a result of the ACA. In North Carolina, 492,014 people were able to obtain affordable health care during the second enrollment period that began in 2014. Despite the fact that over 10 million people now have access to affordable care and that the Supreme Court has decided that premium tax credits (subsidies) are legal, many conservatives are still embroiled in a dispute over the effectiveness of the ACA.

- **Promote enrollments, especially for lowest income workers and contingent workers.** With the most recent *King v. Burwell* Supreme Court decision, North Carolina

Figure 8: **Insurance Coverage Premium Increases Outpace Median Wage Growth**



SOURCE: Mendes, E. (2013, February 22). Fewer Americans Getting Health Insurance from Employer.

A QUALITY JOB MEANS A HEALTHY AND SAFE WORKPLACE

Since the Occupational Safety and Health Act was enacted in 1970, workers have had the assurance that a quality job includes a safe and healthy workplace. Enforced by the NC Department of Labor and the U.S. Department of Labor, OSHA requires employers to provide a place of employment free from recognized hazards. Following the death of 25 chicken plant workers at the Imperial Foods plant in Hamlet, NC in 1991, North Carolina took many positive steps to enhance its OSHA enforcement efforts and to put additional protections in place.

Unfortunately, more work needs to be done. Construction, transportation, agriculture, and some manufacturing workplaces continue to have unacceptable rates of worker fatalities, and too many employers expose their workers to toxic and life-threatening chemicals on the job.

Targeted enforcement and stiffer penalties are two important steps North Carolina could take to make the promise of safe workplaces a reality.

shouldpromote the 2015 Affordable Care Act enrollment period. This would ensure that more people know how to and have support to purchase insurance on the federal exchange. The ability to purchase affordable private insurance through the federal exchange is the greatest benefit of the ACA: it allows for individuals that do not qualify for ESHI due to part time work status, increasing employee contributions, length of employment or working as a contractor to access care.

- **Expand Medicaid.** The original intent of the Affordable Care Act was for public health insurance, Medicaid, to be extended to all individuals with income up to 138 percent of the federal poverty level. However, in 2012 the Supreme Court chose not to uphold this provision of the ACA, making Medicaid expansion optional. This created a coverage gap in states that did not adopt expansion. There are 500,000 people in North Carolina in the Medicaid coverage gap and 75 percent of those individuals live in a household with at least one part-time or full-time worker.

  Without extending Medicaid coverage, the ACA cannot benefit all low-wage workers in North Carolina as they make too much for North Carolina Medicaid and make too little to make purchasing private insurance on the health exchange affordable. The top occupations whose workers would benefit from Medicaid expansion, according to Families USA: 1) construction, 2) food service, 3) sales, 4) cleaning and maintenance, 5) production, 6) transportation, 7) office and administrative support, 8) personal care and support, and 9) health care support.North Carolina must expand Medicaid to benefit these workers.[47]

Quality Jobs Allow Collective Bargaining

A quality job allows workers to collectively bargain with their employers on issues including wages and hours. In a world dominated by contingent work and nontraditional relationships between employers and employees, collective bargaining remains critical for strengthening workers' ability to negotiate with employers—but new ways of ensuring workers can improve their own work conditions and share in the profits of their labor will be necessary.

DEFINITION

Collective bargaining strengthens workers' ability to negotiate with their employers for better wages and safer working conditions. It provides an important vehicle for ensuring that business productivity gains are rewarded with increased earnings rather than siphoned off to stock buybacks, executive compensation, or other investor income and has historically played a key role in addressing wage stagnation and income inequality.

There are degrees to which collective bargaining can be supported in the workplace. For example, there can be a complete ban on collective bargaining—as is the case for public sector employees in North Carolina. This means that workers cannot negotiate contracts with their employers. There can be representation of workers through a union that negotiates contracts—in North Carolina the industries that have had relatively higher unionization rates are manufacturing, film production and food processing. Workers in a union shop are represented by the union no matter whether they pay dues to support the administration of union negotiations and other contract issues. A union can then collect dues and provide services to its members other than contract negotiations, if those continue to be banned.

Figure 9: **Wages have declined in North Carolina along with unionization**

SOURCE: Economic Policy Institute analysis of Current Population Survey

DATA TRENDS

Despite all that unions have done to improve the wages and working conditions of all Americans, North Carolina has historically had a low unionization rate. Since the peak year of 1984, North Carolina's unionization rate has dropped by 90 percent.[48] This is largely due to laws that make it illegal for a group of unionized workers to negotiate a contract that

Figure 10: **The wage penalty for non-union workers is nearly $5.**

	Median
Union	$19.45
Non-union	$14.98

SOURCE: Special Data Request to Economic Policy Institute, June 2015.

requires all employees who benefit to pay their fair share of the costs of administering and enforcing the contract. By design, these laws make it much more difficult for unions to financially sustain themselves.

The decline in unionization in North Carolina and the nation has contributed to the growing wedge between worker productivity and earnings and the rise in inequality.[49] In North Carolina, the unionization rate of workers is now 1.9 percent, the lowest in the country[50] (see Figure 9).

There is a significant differential across all income groups for those who are union and non-union workers in North Carolina. The median worker in North Carolina who is a union member earns nearly $5 more an hour than a non-union worker (see Figure 10). For the worker at the bottom of the earnings range, the worker in the 10th percentile, a non-union worker earns $7.95, close to the current federal and state minimum wage rate, while a union worker earns $10.60.[51]

Wage benefits do not extend just to union workers when collective bargaining bans are removed. Non-union workers suffer as well from restrictive bargaining laws. Wages in states with such laws are 3.2 percent lower than those in other states. Whether unionized or not, the average worker in an anti-union state earns approximately $1,500 less per year than a similar worker in a state without such laws.[52]

POLICY RECOMMENDATIONS

North Carolina's workers benefit from collective bargaining and need better opportunities to do so, both under traditional employer-employee arrangements and under newer, more contingent arrangements. Certainly, the current labor relations model should be updated to reflect the emerging reality. Specific policy recommendations include:

- **Make it easier for workers to collectively bargain for better working conditions and wages.** State restrictions on collective bargaining and more recent efforts to restrict the direct payment of dues for teachers, for example, make it more difficult for workers to build power to counter labor policies that hold back the economy.

- **Support industries with strong presence of collective bargaining.** These include recruiting and supporting highly unionized industries, building apprenticeship programs in partnership with unions that build the pipeline for skilled and union workers, or providing public subsidies only to employers that do not restrict the ability of their workers to organize.

- **Update labor relations policies to reflect new realities of work.** A bevy of long-established laws govern collective bargaining in the United States, including the National Labor Relations Act (enacted in 1935), the Fair Labor Standards Act (1938), and the Occupational Safety and Health Act (1970). Yet these laws rely on traditional employer-employee relationships, so as the decomposition of work and the rise of contingent labor continues, it will be critical to update the policy framework around collective bargaining to reflect these new realities.

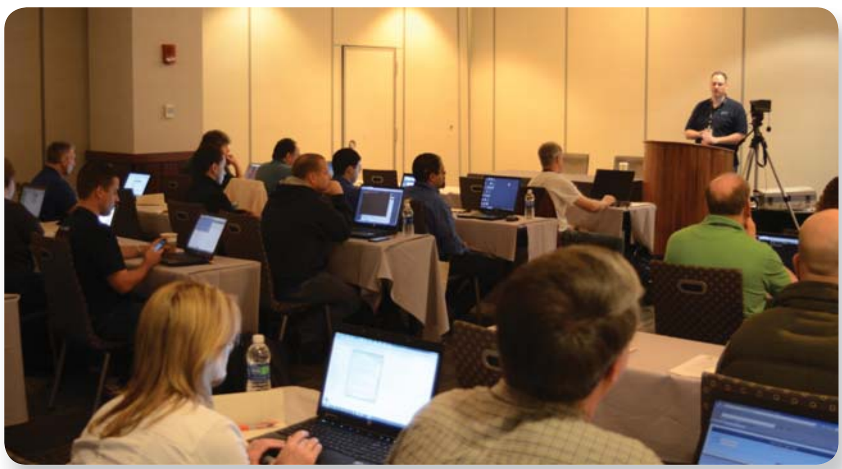
- **Promote cooperative ownership by supporting co-ops, credit unions, and employee stock ownership programs.** These programs promote private property while simultaneously allowing workers to gain power and a greater share of the profits from their productivity. These efforts, most popular in North Carolina through credit unions but growing in the area of grocery stores, provide workers with the opportunity not only to set their own labor standards and business practices but represent a community wealth-building opportunity. State policy must be designed to remove barriers to business formation and operation as a cooperative and to support greater opportunities for worker ownership in companies.

Quality Jobs Involve Career Mobility and Skills Training

Career mobility is another key component of a quality job. This often involves the ability to develop the skills to advance and keep up to date with emerging technology or work practices through formal training and education. The returns on educational attainment for workers and the broader economy are clear in generating greater economic security, stronger growth and increased intergenerational mobility. Policy makers must create pathways for skills training to provide opportunities for advancing in a career or field.

DEFINITION

Career pathways are education and training services that are linked so that they "enable students, often while they are working, to advance over time to successively higher levels of education and employment in a given industry or occupational sector."[53] Skill training within this context is often delivered through flexible scheduling, in shortened modules and with the support services that workers need to complete a program. Such an approach to providing opportunities for skill building can lead to a post-secondary degree, industry-recognized credential or other measurement of attainment, such as career readiness certificates.

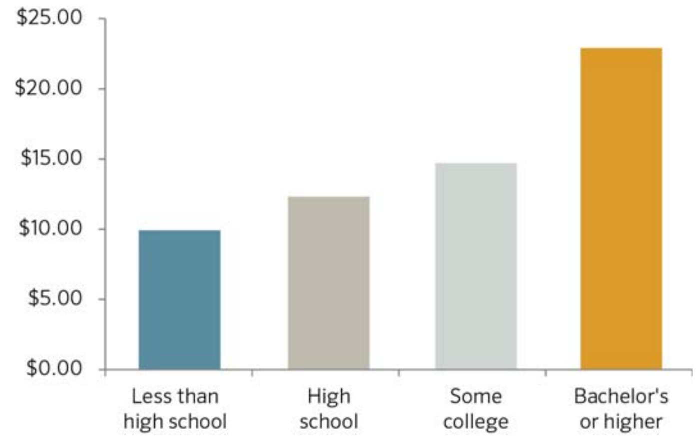


While businesses historically provided on-the-job training or supported skill development within the firm, many employers since the 1970s have increasingly looked to public sector institutions to train their workforce. As a result, workers are turning to these external, publicly funded policy supports to secure the skills development they need. This is necessary for workers to secure the career and income mobility that employers are no longer providing. Moreover, in the emerging future of work, it is increasingly clear that policy makers will need to completely re-envision the nature of skills trainings for jobs as workers move in and out of training to keep up with the latest technology.

DATA TRENDS

Educational attainment levels of North Carolina's workforce have improved slightly in recent years but remain well below projected levels of skill levels that will be required for the jobs of the future and to attain greater economic security. The Georgetown Center on Education and the Workforce projects that nearly 61 percent of jobs in North Carolina will require some form of post-secondary education as early as 2020.[54] Yet just 38.5 percent of the state's adult working-age population (ages 25 to 54) has an associate's degree or higher, and just 20.1 of every 10,000 have some type of

Figure 11: **Median wages increase with education and skill attainment**



SOURCE: Economic Policy Institute analysis of Current Population Survey

certificate.[55] Numerous states and private foundations have adopted a target of 60 percent of working-age adults having post-secondary credentials, and they are working to focus policymakers and the public on the value of investing in post-secondary completion. For North Carolina, achieving such a target by 2025 would require a 4.5% average annual increase in post-secondary credential attainment.[56]

Greater skill attainment has the potential to provide opportunities to move up in the workplace into new roles and also deliver higher earnings to workers. Figure 11 shows that with increased educational attainment, the median wages of workers increases. A worker with a Bachelor's degree in the middle of the earnings distribution earns $10 more an hour than a worker with just a high school degree.

Research has shown that increased educational attainment of the workforce delivers not only higher median wages for a state's workers but higher economic productivity in a state as well.[57] Despite the changing nature of work, it appears that the returns to skills training have persisted, signaling an area of opportunity to ensure workers are still able to access greater economic security and career mobility.

POLICY RECOMMENDATIONS

North Carolina needs to create more quality jobs that provide career mobility. In North Carolina, state lawmakers have long taken a public infrastructure approach to job training and skills development —strongly supporting a community college system that trains workers and gives them greater opportunities for advancement. As the nature of work continues to develop, it will be critical that policymakers pursue policy designs that match with the needs of workers and industries alike. Specific policy recommendations include:

- **Invest in public workforce development programs.** There is a clear need to invest in workforce development programming so that workers—and their employers—can ensure that the skills are there to maintain their employment and support their economic mobility. Of particular importance will be investments in Apprenticeship programs that provide on the job training and credentials, Customized Training Programs that support employers seeking to hire local workforce and an ongoing commitment to support Career Pathways and Bridge programs at the community college system that particularly support low-income workers and the long-term unemployed.

- **Encourage employers to provide tuition assistance for training programs.** It is clear that employers who offer tuition assistance programs will better be able to attract and retain talent. Among the other tools for financing education and skills training are Lifelong Learning Accounts which allow workers to save for their training needs and their contributions are matched by their employer.

- **Support implementation of federal workforce training programs.** The Workforce Innovation and Opportunity Act (WIOA) provides North Carolina with an important opportunity to design its skills training system for the 21st century and focus on the sectors most likely to grow and deliver higher wages. In doing so, lawmakers must attend to the needs of the lowest-skill workers through adequately support bridge programs like Basic Skills Plus and aligning these programs with the career pathways occupational training programs most in demand by employers.

- **Adapt the workforce system to meet the reality of changing technology and the relationship between workers and employers.** Particular areas of opportunity in the area of designing a workforce development system for the future of work would be to enact several administrative policies that support greater access and participation in job training efforts. Such administrative policies could include: prior learning assessment which gives people credit for the skills and learning done outside of the classroom and designing a so-called “college without walls” where workers can enter and exit programs as their schedules allow but remain on the pathway to industry-recognized credentials.

- **Align workforce training with economic development.** North Carolina needs to train its workforce in the skills most needed by the high-wage industries targeted for state recruitment and support in the future. This includes supporting high-skill industries like biotechnology, medical device manufacturing, aerospace, and advanced textiles. Doing so will ensure that the state remains at the forefront of creating quality jobs that provide the benefits workers need.[58]

Conclusion

As the Great Recession recedes, North Carolina's economy is facing significant change. Automation appears poised to eliminate jobs and occupations and it is unclear how many jobs will be created in other areas to replace them. Technology is transforming the relationship between employer and employee in a way that weakens worker bargaining power, protections, and wages.

Wise public policies can mitigate the negative consequences these pressures can have on workers, and in fact, ensure that workers reap a greater share of the productivity gains technological change is bringing to the workplace. These policies involve promoting the creation of new quality jobs—those jobs that pay wages that allow workers to afford the basics; to take paid time when they or a loved one is recovering from an illness; to expect stability and regular income from their employment arrangement; provide access to health insurance and retirement savings; allow collective bargaining; and provide access to skills development and career mobility.

In the current moment, the decline in the quality of jobs should not be held as inevitable to the new world of work. Lawmakers need only develop a system of policy supports that provide workers with essential benefits they are no longer receiving from their jobs to ensure that the economy of the future works for everyone.

Quality Job Framework

The following sections provide in-depth details on each of the criteria that we have identified as defining a quality job. Download this matrix to use in your work to assess quality jobs in your community, your workplace or your own employment history.

	CONSIDERATIONS
Wages	• Does it meet the living income standard? • Have wages kept up with rising costs in a basic family budget?
Hours	• Does it provide for fair and predictable scheduling? • Does it provide overtime pay?
Employment Contract	• Is this job permanent or temporary? • Do workers have an opportunity to add more hours before employers higher more part-time workers?
Collective Bargaining	• Is collective bargaining allowed? • Are unions recognized? • Can dues be paid through payroll?
Paid Leave	• Is time off available to care for a sick child, adult?
Retirement Security	• Are tools for achieving greater retirement security available? • Do employers contribute to the retirement security of their workers?
Health Insurance	• Is health insurance covered for the worker? Their family?
Career Pathways	• Are training opportunities available and affordable? • Are opportunities to move up available? • Have workers taken on increased responsibility and been compensated for that responsibility?
Other Quality Job Issues	• Are transportation costs subsidized? • Is the workplace safe and free from toxins?

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The “bookBot” —
automated book delivery system
at the James B. Hunt Jr. Library,
North Carolina State University

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