

# REIMAGINING JOB QUALITY MEASUREMENT

#### **NOVEMBER 2022**





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### WHY MEASURING JOB QUALITY MATTERS

For too long, the United States has measured the health of our economy by counting the total number of jobs, not whether these are good, dignified jobs that provide financial stability and a ladder to opportunity. Available jobs data tells a perplexing story: <u>nearly twice as many job openings as unemployed people</u>,<sup>1</sup> yet 53M workers struggling to make ends meet,<sup>2</sup> with women and workers of color over-represented in the lowest-paying jobs.<sup>3,4</sup> "Jobs are as plentiful as they've ever been," New York Times economics columnist Peter Coy wrote in <u>a story</u><sup>5</sup> about the Job Quality Measurement Initiative (JQMI), "but who's feeling wonderful about the condition of American workers?"

The Families and Workers Fund, in partnership with the Ford Foundation, Irvine Foundation, Lumina Foundation, Omidyar Network, and Schmidt Futures—and in collaboration with the U.S. Department of Labor—<u>launched the Job Quality Measurement Initiative</u><sup>6</sup> because traditional measures of economic success like unemployment don't tell the full story, and we can't fix what we don't measure. To propel an equitable economic recovery, the U.S. needs more jobs that provide family-sustaining pay, sufficient benefits, fair schedules, training and career pathways, wealth-building opportunities, equity, respect, and voice, and that adhere to labor laws including health and safety standards. Systematically measuring these core elements of a quality job—and breaking down measurements by race and gender to expose disparities —is the first step toward improving jobs for working people and ensuring our economic measurements more accurately reflect peoples' real experiences and aspirations.

We came together to launch and lead the JQMI because we believe that by addressing long-standing data gaps, we can begin to repair and reimagine the systems that fuel economic opportunity and tell a more accurate story about the state of the American economy and labor market. Strengthening our job quality data infrastructure can help to improve decision-making by policymakers, business leaders, investors, and workers themselves to maximize economic mobility for workers and families.

We thank you for taking the time to review this report, and we hope you join us in building this movement to measure what matters and build a more equitable economy that uplifts all.

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This report was produced solely by staff of The Families and Workers Fund. Its content is not intended to formally represent any official view or policy of the U.S. Department of Labor.

<sup>1</sup> Jeff Cox, CNBC. Payrolls increased 528,000 in July, much better than expected in a sign of strength for jobs market (August 5, 2022). https://www.cnbc.com/2022/08/05/jobs-report-july-2022-528000.html.

<sup>2</sup> Martha Ross and Nicole Bateman, Metropolitan Policy Program at Brookings. Meet the Low-Wage Workforce (November 2019). https://www.brookings.edu/wp-content/uploads/2019/11/201911\_Brookings-Metro\_low-wage-workforce\_Ross-Bateman.pdf.

<sup>3</sup> Jasmine Tucker and Julie Vogtman, National Women's Law Center. When Hard Work Is Not Enough: Women in Low-Paid Jobs (April 2020). https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report\_pp04-FINAL-4.2.pdf.

<sup>4</sup> Bryan Hancock et al., McKinsey & Company. Race in the workplace: The Black experience in the US private sector (February 21, 2021). https://www.mckinsey.com/featured-insights/diversity-and-inclusion/race-in-the-workplace-the-black-experience-in-the-us-private-sector.

<sup>5</sup> Peter Coy, The New York Times. What Makes a Job Good (April 22, 2022). https://www.nytimes.com/2022/04/22/opinion/good-job-wages.html?searchResultPosition=2.

<sup>6</sup> Alexander Hertel-Fernandez, Raj Nayak, and Teresa Acuña, U.S. Department of Labor. How a New Collaboration is Helping us Improve How we Track Good Jobs (April 7, 2022).

https://blog.dol.gov/2022/04/07/how-a-new-collaboration-is-helping-us-improve-how-we-track-good-jobs

Photos for collage provided by National Domestic Workers Alliance and Workers Defense Project.

## 10 BIG IDEAS TO TRANSFORM JOB QUALITY MEASUREMENT IN AMERICA

REIMAGINING JOB QUALITY MEASUREMENT





### 10 BIG IDEAS TO TRANSFORM JOB QUALITY MEASUREMENT

As we rebuild from the COVID-19 pandemic, we have a once-in-a-generation shot to rebuild an economy that works for everyone—and we can start by ramping up job quality measurement. Partners across government, business, and the social sector can take bold, concrete steps right now to strengthen how we collect, connect, and use data to tell a fuller story about the U.S. economy and the experiences of the workers who power it.

For decades, too many people in the United States have worked hard but still struggled to get by. Maybe their job did not pay enough to enable them to support their family, did not provide enough benefits to help them weather a health crisis or the arrival of a new baby, or did not offer pathways to advancement.

The result is that, although the United States is one of the wealthiest countries in history and has delivered countless transformative innovations, only <u>44% of</u> working people report having a "good job,"<sup>1</sup> while 16% report working in a "bad job" that doesn't meet their basic needs.

If you looked at monthly federal jobs reports or read media coverage of the U.S. economy, you might never know that so many workers can't make ends meet. As an employer, an investor, or a policymaker, you might struggle to understand why workers are <u>leaving their jobs in record numbers</u><sup>2</sup> and what to do about it. Public polling shows that <u>treatment of workers is now the number one factor on which Americans</u> <u>judge companies</u>,<sup>3</sup> but consumers, too, lack access to trustworthy data.



Ramping up job quality measurement can help answer key questions about the economy and workforce, uncover disparities and solutions, change public narratives, and drive better decision-making by leaders across sectors.

Most importantly, reimagining job quality measurement can improve workers' jobs and their lives. With better data about the lived experiences of workers, we can ensure that public and private investments create and support good jobs with equitable pathways into them and that our workforce systems put all workers on a path to economic mobility.

Better data can also help business leaders design jobs where workers thrive, which will in turn support improved talent attraction and retention, productivity, and business resilience.

The work of measuring good jobs has never been more timely or urgent. Here are 10 ways we can transform job quality measurement in America.

## 0

Measure what matters to workers, capturing a full range of job quality indicators.

Workers need basic income stability, but surveys<sup>4</sup> show that they also care about other job quality elements like benefits, schedules, safety, training and career pathways, equity, and voice. Federal agencies must strengthen our data ecosystem to capture the full range of job quality elements that workers most value. In the short-term. philanthropy can partner with state and local agencies and research partners to develop and pilot model measurement systems with potential for scale. Ultimately, we need clear, shared, definitions of the key components of job quality, measured regularly and systematically by trusted federal agencies. Broadening and standardizing current measures in response to worker priorities can close knowledge gaps and position business and government partners to increase the number of good jobs that attract and retain workers. This effort to measure what matters should begin with the



recognition that working people hold unique expertise about how jobs should be designed to increase their engagement and productivity. Workers and especially those who have been most locked out of opportunity—should play a central role in designing data collection and use.

### **O2** Center equity in measurement.

Women and people of color face occupational segregation<sup>5</sup> and are more likely to hold precarious jobs without pathways to economic mobility. To address these disparities in job quality, we need disaggregated data that exposes gaps and enables systems to actively tie strategic investments to more equitable outcomes. This starts with federal agencies expanding the critical data equity efforts<sup>6</sup> already underway, including by requiring federally funded programs implemented by state and local agencies and nonprofits in partnership with business to collect, analyze, and report on impact by race and gender, as well as other demographic characteristics, and collecting sufficient sample sizes to enable analysis by subpopulations and intersectional

identities. It also requires asking workers questions about their experiences of discrimination and bias to increase understanding of the relationship between these experiences and employment and health outcomes. Finally, we must redefine success metrics for public programs to reward equity, not just program completion or placement in any job, shifting from a focus on participants' "worthiness" for services to the system's ability to deliver results.

### **O3** Increase mandatory human capital data disclosure.

Job quality is a key indicator of business performance and resilience, and a growing number of investors recognize that access to better human capital data will improve investment decisions. In 2020, the Securities and Exchange Commission (SEC) began requiring publicly-traded companies to report on human capital data. To strengthen such disclosure, philanthropy, investors, and nonprofits, alongside federal agencies such as the U.S. Department of Commerce (DOC) and



the U.S. Department of Labor (DOL), can align government, business, and labor behind a common set of human capital metrics and a standardized reporting framework. Federal agencies can also help to streamline business reporting by facilitating access to and linkage of the significant human capital data that firms already report to government entities. Investors can accelerate disclosure by requesting human capital data from their portfolio companies, and collaborating with researchers to continue to build the evidence base that providing good jobs supports enhanced financial performance, such as through improved operational resilience and sophistication and/or improved employee attraction, retention, and engagement. These efforts can dramatically increase the availability of firm-level data on job quality, while advancing the practice of investing for good jobs and ultimately influencing markets to raise the floor for workers at scale.

## 04

Link public and private data to gain new insights into the quality of jobs.

We lack a systematic way of collecting and aggregating job quality data, but we hold many pieces of the puzzle in different places, from the wage records collected through the unemployment insurance system to data held by the Occupational Health and Safety Administration (OSHA) to business data held in payroll processing systems. Federal agencies, state, and local governments, and commercial platforms can pair their data, standardize collection processes, and create shared data goals to improve government effectiveness without burdening workers, government agencies, or businesses with additional data collection requests. In fact, over time such linkages can reduce administrative burden by making it easier to use existing data to operate more effective programs. By prioritizing transparency, privacy, consent, and equity,<sup>7</sup> these data integration efforts can also help to rebuild community trust in government, especially as data are used

to address disparities and improve outcomes. To strengthen data linkage, federal, state, and local agencies can explore the establishment of interagency agreements to facilitate data sharing, as well as pilot specific use cases to test feasibility and build trust. The robust data infrastructure developed as a result of better linkage will enable researchers to surface new learning, government agencies to address silos to better coordinate service delivery, and policymakers to make data-informed decisions that produce better results for workers, businesses, and the economy.



## 05

FAMILIES & WORKERS

#### Leverage business data to demonstrate the return on investment from good jobs.

Companies across industries and sizes increasingly recognize that providing good jobs and equitable pathways into them is a business and competitive advantage as well as a moral imperative. As we emerge from the heart of the pandemic, businesses are seeking new strategies to attract and retain talent. This presents a window of opportunity to support businesses to share and use job quality data, and to spark a race to the top to improve jobs. Federal agencies, state and local governments, and workforce development and training providers, in partnership with commercial platforms, can provide lightlift pathways and incentives for data sharing, such as offering information on marketplace or competitor trends to companies in exchange for their data, supporting businesses that provide data to learn about talent management practices that can improve performance, and providing resources and technical assistance to help employers improve job quality.



### 06 Revise data systems to include and support the non-W2 workforce.

Our current data systems don't adequately capture the size or demographic makeup of the selfemployed workforce, let alone the quality of their jobs. These jobs are especially important to track because they are disproportionately held by workers of color,<sup>8</sup> can be particularly unstable, and lack many basic labor protections. To understand this growing yet undercounted workforce and better meet their needs, federal agencies should build on progress underway through the Census Bureau's Contingent Worker Supplement (CWS) by partnering with state governments to explore and pilot ways of systematically collecting earnings information on contract workers, to deepen understanding of the working conditions and needs of the gig

workforce. In the near-term, philanthropy can partner with researchers to uncover information about the size, makeup, and job experiences of non-W2 workers.

## 07

Strengthen workforce system metrics to deliver results for workers and businesses.

What gets measured gets done, and the metrics we track in our vast public workforce system<sup>9</sup> don't tell us enough about whether the jobs we train and refer people into offer a pathway to economic mobility. Reimagining performance measurement can support better job quality for hundreds of thousands of U.S. workers by shifting the focus from placement into the first available job-however precarious-to a focus on increasing the availability of jobs that sustain and uplift the people in them. Federal agencies, state and local governments, and workforce development and training providers can begin to collect standardized, disaggregated job quality data across training programs, including data from employers and not just program participants, to measure indicators like provision of a living wage and benefits, scheduling practices, and advancement pathways. Targeting the federal funds that subsidize employer training and hiring to employers that



meet good jobs standards can encourage businesses that benefit from this talent pool to provide economy-boosting jobs. Revisions to workforce system metrics can also serve as a model for other social service systems such as Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program Education and Training, and refugee employment services.

**08** Use public and private spending to measure and strengthen equity and good jobs.

Procurement offers a powerful and underutilized tool for gathering employer data, and in turn directing dollars toward good jobs. Government agencies and <u>anchor institutions</u><sup>10</sup> such as philanthropy, hospitals, and universities spend billions of dollars each year purchasing goods and services, creating and supporting millions of jobs. Yet we miss opportunities to align this spending with our shared goals to strengthen job quality data infrastructure and ultimately advance good jobs and workforce equity.

Federal agencies, state and local governments, and anchor institutions including philanthropy can use contracts and grants as an engine for workforce data collection. This requires public and anchor partners to embed job quality and equity standards—including disclosures, metrics, and preference points-into proposals, and investing in technical assistance infrastructure focused on supporting diverse, community-based organizations to compete for contracts. Philanthropy can test and model promising practices and tools for data collection, reporting, and small business technical assistance that can in turn be scaled through government partners.

## 09

Strengthen state and local capacity for data-driven decision-making to advance good jobs.

State and local leaders are eager to innovate to increase access to equitable economic mobility, but they are working with an incomplete picture of worker experience and program performance.



We can't ask for better measurement without supporting enhanced government capacity, especially at a time when many agencies are underresourced. To lay the foundation for a stronger job quality data infrastructure, federal agencies and philanthropy can provide support and incentives that enable state and local governments to strengthen their data collection and utilization skills and tools. Prioritizing the creation of an intergovernmental research and analytics consortium of policy and data experts from the public and private sector can rapidly build state and local data capacity to drive more effective, equitable policies and programs. Coupled with the provision of technical assistance, financial incentives, and compliance flexibility to local governments in exchange for regular job quality reporting, this investment will help shift focus to datadriven, outcomes-based decisionmaking.

## 10

#### Invest in strengthening job quality measurement.

Diverse segments of philanthropy-from funders focused on equity to those focused on government effectivenesscan come together with business and government partners to meet this unprecedented moment by supporting job quality measurement. Philanthropy has played a central role in the development of economic measurement in the United States, from the days when the Rockefeller Foundation supported the creation of a measure of national income<sup>11</sup> which became the basis for today's Gross Domestic Product. Funders must seize this once-in-ageneration opportunity to ensure that our national measurement systems truly reflect the needs and experiences of working people. Philanthropy, government, and business partners can come together to advance a common vision to strengthen job quality measurement, and to coordinate investment in scalable demonstration projects that drive the development of a robust, worker-centered data infrastructure.



<sup>1</sup> Jonathan Rothwell and Steve Crabtree, Gallup. How COVID-19 Affected the Quality of Work (2020). https://www.gallup.com/education/267590/great-jobs-lumina-gates-omidyar-gallup-report-2019.aspx?thank-you-report-form=1

<sup>2</sup> Jennifer Lie, CNBC. Roughly 47 million people quit their jobs last year: 'All of this is uncharted territory' (February 1, 2022). https://www.cnbc.com/2022/02/01/roughly-47-million-people-quit-their-job-last-year.html

<sup>3</sup> JUST Capital. Workers page.

https://justcapital.com/reports/2022-survey-workers-and-wages-are-more-important-than-ever-to-the-american-public/

<sup>4</sup> Gallup. Lumina Foundation, Gates Foundation and Omidyar Network Tell Full Story of U.S. Job Quality. https://www.gallup.com/analytics/318188/great-jobs-success-story.aspx

<sup>5</sup> Kate Bahn and Carmen Sanchez Cumming, Washington Center for Equitable Growth. U.S. occupational segregation by race, ethnicity, and gender (July 2020). https://equitablegrowth.org/wp-content/uploads/2020/07/063020-occup-seg-fs.pdf

<sup>6</sup> Briefing Room, The White House. Fact Sheet: Biden-Harris Administration Releases Recommendations for Advancing Use of Equitable Data (April 22, 2022). https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/22/fact-sheet-biden-harris-administration-releases-recommendations-for-advancing-use-of-equitable-data/.

<sup>7</sup> Actionable Intelligence for Social Policy, University of Pennsylvania. A Toolkit for Centering Racial Equity Throughout Data Integration (2020). https://aisp.upenn.edu/wp-content/uploads/2022/07/AISP-Toolkit\_5.27.20.pdf.

<sup>8</sup> Monica Anderson, Colleen McClain, Michelle Faverio, and Risa Gelles-Watnick, Pew Research Center. The State of Gig Work in 2021 (December 8, 2021). https://www.pewresearch.org/internet/2021/12/08/the-state-of-gig-work-in-2021/.

<sup>9</sup> Urban Institute. Local Workforce System Guide.

 $https://workforce.urban.org/\#:\sim:text=A\%20 local\%20 workforce\%20 system\%20 los,employers\%20 and\%20 the\%20 local\%20 economy.$ 

<sup>10</sup> Charles Rutheiser, The Edge. The Promise and Prospects of Anchor Institutions: Some Thoughts on an Emerging Field. https://www.huduser.gov/portal/pdredge/pdr\_edge\_hudpartrpt\_062211.html

<sup>11</sup> Robert w. Fogel, Chicago Booth Review. How Simon Kuznets Codified Modern Economic Growth (March 5, 2014). https://www.chicagobooth.edu/review/how-simon-kuznets-codified-modern-economic-growth.



REIMAGINING JOB QUALITY MEASUREMENT

# **DIGGING DEEPER**





### DIGGING DEEPER INTO THE 10 BIG IDEAS

In order to help you navigate the 10 Big Ideas in the Reimagining Job Quality Measurement report, we've put together this legend that will enable you to find those that are most pertinent to you and/or your organization:

	DEFINITION
L.	Anchor Institutions
	Businesses
	Federal Agencies
	Investors
	Nonprofits
	Philanthropy
R	State and Local Governments
Á <sup>te</sup> À	Workforce Development and Training Providers



### O1 Measure what matters to workers, capturing a full range of job quality indicators.

THESE ACTIONS ARE INTENDED FOR ...



Regularly and systematically measuring the set of job quality elements that workers most value in trusted federal datasets will change public narratives about the health of the economy, and enable data-informed decisions that propel equitable economic opportunity.

In 2022, leaders across government, business, the nonprofit sector, and labor—along with workers themselves—made important strides to align on a shared <u>good jobs</u> <u>definition</u><sup>1</sup> driven by worker priorities. Now, we must attach indicators and metrics to each element, and embed these in federal statistical surveys, workforce program performance measures, and commercial measurement tools to scale worker-centered job quality measurement.

To put this into practice, **federal agencies**, with support from **businesses**, **nonprofits**, **philanthropy**, **state and local governments**, and **workforce development and training providers** should:



### Broaden job quality indicators beyond wage.

Wage is critically important but insufficient to determine the quality of a job. The quality of other factors—such as schedule stability, benefits, or voice-is keenly important to workers,<sup>2</sup> and directly impacts worker attraction, advancement, and retention, creating ripple effects in employer productivity and economic prosperity. Tracking and analyzing these factors systemically allows both the public and private sectors to support and tap into the full potential of workers. Capturing this information also allows researchers to assess how core aspects of job quality impact worker wellbeing, economic security, and other critical outcomes.

Businesses, nonprofits, philanthropy, state and local governments, and workforce development and training providers should:

 Adopt a shared definition of a good job which includes non-compensation aspects such as worker safety, career pathways, schedules, and worker voice. The release of shared <u>Good Jobs Principles<sup>3</sup> by the</u> U.S. Departments of Labor (DOL) and Commerce (DOC), which closely resembles the <u>Good Jobs Champions</u> <u>Statement<sup>4</sup></u> utilized by the JQMI, is a groundbreaking step. Federal agencies should use this definition in procurements and encourage state and local governments to infuse it into their own procurements and workforce system metrics.

Building on the work of the JQMI to identify specific metrics and indicators to capture each component of job quality (see Appendix 4), DOL can take the lead in standardizing job quality measurement across federal agencies and can provide guidance about metrics to state and local governments, nonprofits, investors, and employers. Philanthropy can support state and local agencies to develop and pilot scalable measurement systems that capture the full range of job quality indicators.

Using common language, metrics, and benchmarks to track and report on job elements can help to inform a more robust, shared understanding of workers' lived experience of the labor market and facilitate action to close equity and access gaps.



#### 2. Refine existing survey modules to collect targeted job quality data.

Existing statistical instruments managed by DOL and other federal agencies capture critical information about market activity, working conditions, price changes, and productivity in the U.S. economy, but fall short of capturing the realities of key job quality elements for workers.

To strengthen job quality measurement, working group members proposed that federal agencies:

Add a short set of questions measuring key components of job quality to federal surveys such as the National Longitudinal Surveys (NLS) and evaluate options for future inclusion in the Current Population Survey (CPS).
One important category of questions would measure work hour stability, predictability, and control to track changing configurations of scheduling practices across occupations and industries. The addition of these questions would support estimation of disparities in the quality of work schedules by worker characteristics

and better understanding of how work hour instability, unpredictability and inadequacy may be interfering with workers fulfilling caregiving responsibilities, pursuing education or training, and carrying multiple jobs. Another category would assess workers' ability to exercise voice and create change within their workplaces through both individual and collective action. If needed, new questions could be piloted through a private survey to validate questions and demonstrate the connection between responses and concrete economic and social outcomes for workers. See Appendix 3 for sample questions and Appendix 4 for additional details and questions.

Explore options to update either the **Employment Situation Establishment** Survey or the Quick Business Response Survey, which can be deployed on an adhoc basis, module by module, much as was done during the COVID-19 pandemic,<sup>5</sup> to include a data point connecting the aggregate weekly hours and wages specifically for net jobs added or lost in each period to the existing data on average weekly hours and wages reported by subsector. This change is necessary to reflect the substantial shifts in the universe of jobs available to U.S. workers since the survey



methodology was developed as many jobs classified as full time now represent fewer than 40 hours. See Appendix 3 for additional details related to measuring full-time employment.

Run regular survey modules devoted to gathering more data on workplace climate and worker experiences of discrimination through NLSY or CPS. This will provide a fuller picture of how discrimination and biased treatment on the job contribute to turnover and decreased job satisfaction for women, workers of color, and older workers, as well as present significant health risk through their impacts on stress levels. Anti-discrimination enforcement typically takes place well after an incident has occurred, and there are few mechanisms for identifying industries and occupations that are regularly subject to higher rates of discrimination and bias. These data could help policymakers, regulatory agencies, and business proactively curtail discrimination and bias before it results in a job separation or other major workplace disruption. The Health and Retirement Study's "Psychosocial Leave Behind Questionnaire"<sup>6</sup> provides one model for comparison, and James S. Jackson's work developing psychosocial scales

for <u>Major and Everyday Experiences</u> of <u>Discrimination</u><sup>7</sup> could help to guide the question format.

Revise the Bureau of Labor Statistics (BLS) Occupational Employment and Wage Statistics (OEWS) survey to request that respondents report earnings and tips separately from hourly wage rates in order to better understand employer reliance on gratuities to compensate workers, and provide a more nuanced picture of income. This breakdown would provide insights into the ratio of tips to earnings in different occupations, industries and geographies and information could be displayed in a user-friendly interface via the OEWS website. Insights on the breakdown of earnings could support workers exploring career options, as well as worker advocates seeking to provide stakeholder education on the impacts of subminimum wages for tipped occupations.



• Adjust the Job Openings and Labor Turnover Survey (JOLTS) questionnaire to divide the category of "layoffs and discharges" into two or more separate categories to reflect the reason for involuntary discharge including business closure, reductions in operations, temporary workforce adjustments, and performance related termination. These data are currently unavailable from any other federally-administered surveys and private surveys on this topic are limited in their scope. Data were previously collected through the Mass Layoff Statistics (MLS) program on "reason for separation" in extended mass layoff events involving 50 or more workers laid off for more than 30 days but the MLS was discontinued in 2013 due to budget cuts. Revising JOLTS would provide deeper insights into workers' job security, drivers of unemployment, and discharge variances by industry, geography, and business cycles.



## O2 Center equity in measurement.

THESE ACTIONS ARE INTENDED FOR...



We measure equity, writes Deputy Secretary of Labor Julie Su in the U.S. Department of Labor's (DOL) 2022 <u>Enterprise Data Strategy</u>,<sup>8</sup> "not simply because it is the right thing to do but because building an inclusive economy measured by the experiences of these workers is the way to make sure no one is left behind."

Reimagining our data systems so that racial and gender equity sits at their core is a shared priority for data system leaders inside and outside of government, and the Biden Administration has already made <u>tremendous progress</u>.<sup>9</sup>

Federal, state, and local agencies can build on these efforts by collecting disaggregated data, examining program performance metrics and the narratives shaping them, and conducting equity assessments, leading to more responsive, evidence-based program design. Measurement systems should be purposefully structured to include input from workers who have historically lacked access to good jobs at every step of the process, from design through evaluation.

To put this into practice, **federal agencies** should work with **state and local governments** and **philanthropy** to:



1. Implement requirements for data disaggregation in workforce and social service programs, administrative data, and federal surveys.

In order to address equity gaps it is critical to understand how existing programs are serving distinct communities, especially those historically locked out of opportunity such as people of color, women, and immigrants. Unfortunately, existing data systems do not always require demographic data and present many limitations in breaking down information by sub-groups and intersectionalities (such as by both race and gender) or connecting basic demographics to life circumstances such as parenting, immigration status and country of origin, or other barriers to employment. This restricts visibility into disparate impacts that populations may be experiencing.

To understand and address inequities, federal agencies and state and local governments can:

• Adjust federal statistical sources, including Bureau of Labor Statistics (BLS) and the American Community Survey (ACS) data, to allow for deeper disaggregation to better understand the needs of communities. This requires ensuring that surveys have sufficient sample sizes to both protect privacy of individuals and break down data by race, gender, geography, and other characteristics, including going beyond high-level ethnicity categorizations to understand identity by historic nation of origin. These changes would require either collecting larger samples from surveys, changing data collection, or merging existing data sets, which would likely necessitate investments in human or technical resources, rule changes, and information collection reviews. This effort would build on significant progress already underway, such as the BLS' important move<sup>10</sup> to begin publishing monthly jobs data on Native American and Native Alaskan workers, efforts to disaggregate demographic data for the nation's Asian American. Native Hawaiian and Pacific Islander communities. and the recommendation from President Biden's Equitable Data Working Group<sup>11</sup> to generate



"disaggregated statistical estimates to characterize experiences of historically underserved groups using survey data." The White House Office of Management and Budget (OMB) has also taken steps to support agencies in disaggregation, including <u>publishing plain language guidance<sup>12</sup></u> on flexibilities that agencies can use to improve disaggregation, presentation, and analysis of race and ethnicity standards, as well as launching a <u>formal revision process<sup>13</sup></u> to revisit race and ethnicity standards.

Encourage states to collect and report demographic data for all workforce development, training and social services programs as well as in Unemployment Insurance (UI) claims data.<sup>14</sup> For example, using OMB and DOL guidance,<sup>15</sup> states could require consistent reporting and incentivize analysis of program-level performance data by race, to <u>uncover and address</u> disparate outcomes.<sup>16</sup> DOL and the U.S. Department of Health and Human Services (HHS) can use funding and reporting processes, including more flexible timelines, access to performance-based funds, and high performing workforce board recognition as practical incentives to reward expanded reporting. DOL and HHS can also provide technical

assistance to state and local areas to increase understanding of how to protect individual privacy and use disaggregated data to surface important learning for ongoing program improvements as well as post-program evaluation. This could include drawing on OMB guidance, existing DOL Training and **Employment Guidance Letters, and** new analysis to provide guidance and templates for disaggregated reporting, including specific job quality questions and metrics, and recommendations about potential sources of data that state and local agencies can use as part of program evaluation. A technical assistance strategy targeted to states and localities could also leverage the resources that federal agencies have already developed to accelerate crossagency sharing of federal data through the Federal Data Strategy and the Advisory Committee on Data for **Evidence-Building. Federal agencies** could also partner with data-focused nonprofits such as Actionable Intelligence for Social Policy, which helps state and local governments, academics, and community-based organizations navigate the confusing array of federal privacy laws and regulations to build integrated data systems.



• Incentivize employers participating in the public workforce system or public procurements to track and share hiring and separation data at a disaggregated level, including enabling multiple data elements to be analyzed simultaneously (such as percent of Black women). Workforce agencies can infuse requirements for disaggregated data in employer wage or loan subsidy programs and procurement and purchasing processes, as well as offer prioritized services to businesses willing to share disaggregated data.

#### 2. Uproot harmful assumptions and metrics embedded in workforce and social services systems.

The default performance metrics baked into many publicly-funded social programs are not evidence-based, but instead based on age-old assumptions about what causes poverty—that it is due to individual character flaws versus social, political, or economic systems that have <u>repeatedly failed</u><sup>17</sup> people of color, immigrants, and other marginalized communities. What we choose to measure or not measure can either perpetuate these harmful narratives and disparities, or can help to uproot assumptions and address inequities.

In social services and workforce programs, data collected primarily focuses on participant compliance, through metrics such as employment status or the completion of programmatic requirements, and the measure of success is typically reduction in "dependency" on public benefits rather than evidence that a participant has secured a good job and is on a pathway to economic mobility. The **Temporary Assistance for Needy Families** (TANF) program, for instance, gives states the authority to impose strict work requirements that may perpetuate racial stereotypes<sup>18</sup> and rewards providers who connect participants to any available job, however unstable. As a result, the program fails to deliver optimal<sup>19</sup> results for participants.

Such deficit-based approaches often mask the poor quality of jobs as data collection centers primarily on "improving" the individual and negates the responsibility of governments and employers to tackle systemic inequities. The Workforce Innovation Opportunity Act (WIOA) program, for example, relies on assumptions of individual



responsibility that can obscure the role that occupational segregation plays in shaping labor markets, and inadvertently reproduce disparities. Workforce agencies are rewarded for job placements, but metrics fail to track, let alone disaggregate, job quality data. As a result, many participants are placed into high-turnover jobs that lead to program churn.<sup>20</sup> Black workers, who are overrepresented in the program, have the <u>lowest post-placement earnings</u> <u>among all participants</u>.<sup>21</sup>

To uproot discrimination from federally-funded programs and instead prioritize evidence and outcomes, JQMI working groups proposed that federal agencies:

 Conduct a <u>definitional reset</u><sup>22</sup> of what data are collected and why. For example, shift programs like TANF, Supplemental Nutrition Assistance Program Education and Training (SNAP E&T), and WIOA away from a punitive focus on compliance requirements and reducing government expenditures to an evidence-based approach that rewards effective programs that deliver results for all workers, such as by providing participants with equitable opportunities to secure quality jobs. Overhaul data collection systems to focus on understanding and harnessing worker potential rather than documenting deficiencies, including shifting reporting from emphasizing negative statistics (e.g. barriers, demonstration of eligibility) to documenting assets, and reducing burden to the worker by eliminating duplicative data collection requirements that can re-traumatize participants, in alignment with the Biden Administration's focus on <u>reduction of administrative burden.<sup>23</sup></u>

In accordance with the Biden-Harris • Administration's Recommendations for Advancing Use of Equitable Data,<sup>24</sup> conduct equity assessments of federal programs<sup>25</sup> to uncover programs delivering disparate impacts. Federal, state and local agencies adapting programs to advance equity should employ human-centered design approaches to engage those the program intends to serve in envisioning not only how to meet their needs but how to capture and communicate results. Refining and streamlining what, when and how data are collected and communicated -in collaboration with program participants-can help to direct measurement and resources toward the job quality and equity outcomes



prioritized by workers themselves and enable local communities to hold government and employers accountable. This shift will require collaboration between agencies that collect data, particularly DOL and HHS, and with communities to address bias. However, this investment can also serve as an important step forward in rebuilding trust with diverse communities as services become more responsive and inclusive.

#### 3. Include worker voice in data collection.

Workers are experts in their own needs and experiences at work, and should be centered in data collection. It is especially important to hear from workers who have been most locked out of opportunity, such as contract workers with limited protections and enforcement recourse. This includes both defining what measures are important and determining how collection is carried out. Existing federal and commercial surveys collect a wealth of data but stop short of asking questions that surface key job quality considerations like whether workers feel safe, experience discrimination and bias, are free to unionize, or have the benefits needed to care for themselves and their families.

In addition, we must measure whether workers have access to voice mechanisms at work, including whether workers feel that they have the power to change things about their workplaces through individual or collective action. Across JQMI working groups, participants noted that while there is strong consensus that workers want and need more voice<sup>26</sup> to improve their jobs and support innovation and productivity within their companies, there is no shared, cross-sector definition of "worker voice," and the ability to exercise voice to improve working conditions and contribute to company operations is rarely measured in public or private data collection.

To elevate worker voice, federal agencies, and state and local governments, with support from philanthropy, can take the following steps:

 DOL and HHS can engage workers in the design of data collection and evaluation processes, in accordance with <u>HHS' commitment<sup>27</sup> to incorporating</u> individuals with lived experience into



program design and administration. This includes exploring how workers prefer to be engaged, what topics are most meaningful, and what compensation or incentives are appropriate for time spent sharing their perspectives. Insights gathered should be used to monitor and improve operational standards in programmatic service delivery.

• The U.S. Census Bureau should explore including additional worker voice<sup>28</sup> questions that capture whether workers have individual or collective power to improve their workplaces, and whether they are free to represent their interests through collective bargaining or other structures. This includes exploring workers' preferred means for taking actions to improve their economic, psychological, and social outcomes and experiences at work. A first step will be to draw on prior research<sup>29</sup> to document existing, well-validated, and broadly-accepted concepts and measurements, including the kinds of objective measures typically preferred by federal statistical agencies, along with select attitudinal or perceptionbased items with a proven link to worker economic and behavioral outcomes. Questions should be standardized across government surveys and collected regularly through

tools such as National Longitudinal Surveys (NLS). Responses should be analyzed for trends such as how women and people of color feel regarding their current workplace and their future labor prospects; the correlation between worker voice and other elements of job quality; and what voice channels (e.g., participation in a union, access to employee ownership, or participation in an employerprovided survey) result in workplace changes. This work directly aligns with the Executive Order<sup>30</sup> signed in April 2021 creating a task force dedicated to mobilizing federal agency policies, programs and practices to empower workers. See Appendix 4 for sample worker voice questions.

 Philanthropy and investors should support expanded and standardized collection of crowdsourced worker data through platforms such as Glassdoor, PayScale, Coworker.org and The Shift Project to capture workerprovided, firm-level data on job quality.



While many firms currently crowdsource data, the data are not standardized nor are there enough observations at the individual company level to provide statistically reliable results. Philanthropy and investors can use market-based incentives to scale and systematize data collection. Data collected can be made publicly available in a clear, easy to consume manner such as an aggregated job quality index to inform individual employment decision-making and investments. The index should provide transparent information on data sourcing, collection, and aggregation methodologies to address questions about bias and support clear interpretation. Such standardized scoring mechanisms-including the questions, metrics, and benchmarks that guide the analysis of the crowdsourced data-would also serve as a guide for workers navigating employment opportunities and employers looking to better understand how to attract and retain workers. Making this information publicly available can help to highlight high-road employers, spotlight and spread promising practices, encourage dialogue with businesses, and shed light on the industries and occupations experiencing poor job quality, including higher rates of discrimination. See Appendix 2 for a landscape analysis of data platforms and Appendix 4 for a proposed aggregation approach.



## O3 Increase mandatory human capital data disclosure.

THESE ACTIONS ARE INTENDED FOR...



As human-capital-intensive service sector jobs play an increasingly important role in the U.S. economy, investors are seeking more information from companies about their workforces and job quality practices. This reflects a growing but incomplete body of evidence, as well as investor perspectives, that job quality is a critical and material indicator of business performance and resilience. Now is the time to leverage this <u>mounting interest<sup>31</sup></u> in human capital disclosure and the "S" of Environmental, Social and Governance (ESG) investing to strengthen U.S. Securities and Exchange Commission (SEC) reporting requirements for public companies. Philanthropy can help to align government, investors, and business behind a common set of human capital disclosure metrics and a simple reporting framework to recommend to the SEC. Federal agencies can reduce the reporting burden on businesses by facilitating access to and linkage of the significant human capital data that firms already report to government entities.

Researchers, in partnership with investors, can accelerate efforts to gather human capital data from firms, by building the evidence base that providing good jobs strengthens business performance, including by reducing hiring and turnover costs and improving worker engagement and productivity.

To put this into practice, **federal agencies** seeking to build this field can work in collaboration with **businesses**, **investors**, **nonprofits**, and **philanthropy** to:



1. Align on a shared set of foundational human capital metrics and a reporting framework that could help to shape the evolution of human capital disclosure.

The most promising channel to scale firm-level disclosure on job quality metrics is through a SEC reporting requirement for public companies, similar in nature to a Form 10-K or Def14A Proxy Statement. In 2020, the SEC began requiring publicly traded companies to <u>report on human capital</u>,<sup>32</sup> including "measures or objectives that address the development, attraction and retention of personnel." However, these "principles-based" disclosure expectations give firms broad discretion to pick and choose what they report.

To help shape the continued evolution of human capital disclosure, philanthropy could convene key federal agencies, along with representatives from business, labor, and the nonprofit sector, to identify a core set of standardized job quality metrics and organize them into

a new human capital measurement framework. The Human Capital Management Coalition has taken an important step in proposing four core metrics for investors to align around<sup>33</sup>-(1) number of employees, including full time, part-time and contingent labor; (2) total cost of the workforce; (3) turnover; and (4) employee diversity and inclusion. Though data disclosure on even this limited subset of metrics is low,<sup>34</sup> it offers an important starting point, and work is needed to continue building on these metrics to eventually paint a more complete picture of human capital practices and job quality. Investors, advocates, and regulatory agencies hold varied perspectives about which human capital metrics are material and measurable. Coordinating stakeholders behind a shared human capital framework to guide mandatory disclosure and establishing a simple reporting form like the EEO-1 could dramatically increase availability of job quality data.



To develop and align around a common set of metrics, businesses, investors, federal agencies, and philanthropy could:

- Invest in convening key partners to hold a public dialogue about the importance of human capital transparency, and recommend key metrics for inclusion in SEC disclosure requirements. Government agencies including the U.S. Department of Labor (DOL), the U.S. Department of Commerce (DOC), and the White House National Economic Council (NEC) can play important roles in these conversations, alongside business, investors, and labor (including pension fund managers who invest workers' capital). These efforts should identify a core set of standardized job quality metrics, vetted by key stakeholders, and organize them into a new human capital measurement framework. DOL and DOC could take the lead in developing a human capital disclosure template similar to the EEO-1, drawing on data that firms already disclose to government agencies when they employ at least 100 workers.
- Support the development and testing of the proposed human capital framework, including creating norms for disaggregation of metrics (by demographic, occupational, or other worker characteristics), identifying a calculation methodology for each metric so that outputs are comparable across companies, creating a user-friendly corporate reporting structure for mandatory disclosure (similar in nature to the <u>U.K. Gender Pay Gap</u> <u>Report<sup>35</sup></u>), and piloting the framework and reporting structure with a subset of companies.
- To drive adoption of the proposed human capital metrics framework, DOL, DOC, and partners engaged in the framework development process could jointly compose a report or advisory note to the SEC outlining proposed standardized job quality metrics and the tested reporting structure framework.



#### 2. To leverage existing business data to simplify human capital reporting, implement and maintain a single firm identifier across federal and state systems.

Businesses currently provide the same data to multiple federal agencies. Administrative data on employers is routinely collected through a variety of different sources-business licensing processes, Occupational Safety and Health Administration (OSHA) reviews, small business loans, rapid response, layoff aversion, workforce training programs and even <u>BLS data</u><sup>36</sup>—but it is challenging, and often cost prohibitive, to link information without a standardized identifier. For example, a <u>report</u><sup>37</sup> by the Data Foundation found that "36 U.S. federal agencies are using up to 50 distinct, incompatible entity identification systems. Of these systems, many are proprietary, distinct, and incompatible with one another, raising costs and burden for federal agencies tracking non-federal entities in order to perform a regulatory, statistical, procurement, or assistance function." To simplify human capital disclosure including easing reporting burden for businesses—it will be critical to identify and utilize the human capital data that government agencies are already collecting (such as through Internal Revenue Service reporting), and to take steps to standardize collection to enable data linkage.

To expand the availability of business-level data to federal agencies and investors, working group members proposed that federal agencies:

• Adopt a standard identifier, such as the Legal Entity Identifier (LEI),<sup>38</sup> a 20-digit code based on a standard developed by the International Organization for Standardization (ISO). This should be accompanied by development of a standardized employer taxonomy with metadata including firm locations and subsidiary relationships to further standardize the content in business records. Such an effort can begin with the DOL standardizing the collection across Workforce Innovation and Opportunity Act (WIOA) and non-WIOA programs, and eventually serve as an example of a harmonized standard for the broader federal community.



Establish a Memorandum of Understanding between government agencies which collect business-level data to facilitate data sharing among agencies and allow for data linking. Then, develop a standardized process, similar to that used for <u>access to</u> <u>existing BLS data</u>,<sup>39</sup> for government agencies such as the SEC, along with investors, researchers, and businesses themselves, to access linked businesslevel data and utilize it in the public disclosure process.

### 3. Collect data to build the evidence base that good jobs are good investments.

While investors increasingly understand the relationship between job quality and firm performance, the body of evidence documenting the financial materiality of human capital metrics remains underdeveloped. Additional research clearly demonstrating that improved job quality is correlated with enhanced firm resilience, talent attraction and retention, and financial performance is important to helping investors, companies, and regulators understand why expanded human capital disclosure is critical.

## Philanthropy can collaborate with investors and nonprofits to:

 Support data partnerships between investors and researchers-including academics from business schoolsto help build the evidence base that job quality is financially material<sup>40</sup> to business performance and economic valuation, encouraging more investment firms to collect and utilize job quality data to compare investment targets. Private equity firms and investment platforms that are or would like to start collecting more human capital data from their portfolio companies or borrowers can test and demonstrate the correlation between job quality and long-term value, including the portfolio company's ability to attract and retain talent, deliver innovation, and maintain operational resilience in the face of shocks.



 Philanthropy and investors can partner to develop and share actionable tools, training, and frameworks to socialize and spread promising practices for human capital data collection and utilization. Firms like HCAP, Lafayette Square, and Two Sigma Impact have been pioneering new, good jobs investing strategies, including sophisticated ways to collect human capital and job quality data from portfolio companies, and a group of CDFIs like Pacific Community Ventures, Coastal Enterprises, and Northern Initiatives have long been innovating in new ways to collect and utilize such data. Learning from these leaders and developing more open source, actionable tools will help the market differentiate legitimate, data-driven investing strategies that demonstrably support and create good jobs.



## O4 Link public and private data to gain new insights into the quality of jobs.

THESE ACTIONS ARE INTENDED FOR...



Pairing data from diverse government and commercial sources, standardizing collection processes, and creating shared data goals that prioritize <u>privacy, consent, and equity</u><sup>41</sup> will not only improve government effectiveness but also provide fresh insights into who workers are, their experiences in the labor market, and the support they need to advance.

Elements of job quality data sit in a diverse set of administrative, programmatic, statistical and business databases but the current lack of critical linkages between and among these public and private datasets limits stakeholders' ability to understand the full dimensions of jobs in the United States and how these impact worker stability and mobility outcomes.

This recommendation advances several federal priorities. The <u>Foundations for</u> <u>Evidence-Based Policymaking Act of 2018</u><sup>42</sup> requires federal agencies to build capacity to share data for research purposes to answer important policy questions, and authorized the Advisory Committee on Data for Evidence Building that includes experts from federal and state governments, academia, and private research organizations.

This Committee is charged with issuing <u>National Secure Data Service (NSDS)</u>,<sup>43</sup> which was authorized as a new National Science Foundation program in the CHIPS-Plus Act. NSDS will be a secure, privacy-protecting data-linkage platform that enables data from federal, state, and local governments and the private sector to be merged to produce research findings. The U.S. Department of Labor's (DOL) <u>Enterprise Data Strategy</u>,<sup>44</sup> which calls for making data findable, accessible, interoperable, and reusable, also supports these efforts.

To put this into practice, **federal agencies** and **state and local governments**, in collaboration with **businesses**, can:



#### 1. Centralize, standardize, and expand wage records across all states.

Unemployment wage records are a central source of administrative data on worker and firm-level wages and hours, which provide crucial inputs into the success of programs like the Workforce Innovation Opportunity Act (WIOA). However, each state manages the data collected from employers separately and according to its own standards, creating significant variation in the level of detail available within the records.

To standardize and expand records, federal and state and local governments can take the following steps:

 DOL could collaborate with a coalition of willing states to develop a standardized, enhanced wage record to include a richer set of fields capturing job quality elements beyond quarterly wage to support statistical, programmatic and research purposes. Fields could include <u>hours, occupation</u> <u>codes or job titles, employment status,</u> <u>start dates and location</u>,<sup>45</sup> building on some of the work already in place in states like Washington, Indiana and Nebraska. Occupational coding could be done at the state or federal level, based on job titles provided by employers, to minimize burden to businesses. DOL and state partners could also explore pathways and pilots to expand wage records to include information on non-W2 workers including schedules, location and occupation. This work will build on multiple Bureau of Labor Statistics (BLS) efforts, including pilots related to wage and claims records and the efforts of the Labor Market Information network, as well as the Workforce Information Advisory Council's<sup>46</sup> work to ensure that individual students and workers have the information they need to make good decisions regarding their education and employment.

 Government agencies could consider requiring or incentivizing states to use a small portion of the funding they receive from DOL for Unemployment Insurance (UI) wage record program administration and modernization to implement the new wage reporting standard. This would enable federal agencies to build consensus across states for creating a centralized database of UI wage records, such as through a



public-private partnership under the Federally Funded Research and Development Center (FFRDC) model, or a federally held database at DOLmuch like the National Directory of New Hires (NDNH) at the U.S. Department of Health and Human Services (HHS). This consolidated database would lower the costs and administrative burden on states, mitigate the challenges faced by programs and researchers in obtaining direct agreements with individual states, and provide access to valuable microdata from UI wage and claim records to better understand job quality. Because UI wage record data elements are determined largely by state statutes, aligning data elements could require state legislative action in some cases.

# 2. Expand access to existing federal job quality data.

NDNH is an under-utilized federal repository of data housed at HHS that includes unemployment insurance quarterly wage records, unemployment compensation records, and wage data for federal workers and the military as well as individuals working in a state that differs from their residence. This set of comprehensive data goes beyond what is currently available on job quality from any single source at DOL, and increased access would directly support both the implementation and evaluation of a variety of workforce programs including WIOA Title I. Unencumbered access to NDNH would also avoid lengthy individual negotiations with states and avoid burdening state UI agencies who are already overtasked with UI administration. This proposed change has appeared in prior administrations' budgets to Congress including under the Obama Administration in the 2016 budget request but to date has not been implemented.



Federal agencies can expand access to the NDNH in the following ways:

DOL should explore the viability, in collaboration with HHS, of using the existing provision (Subsection (j)(5)of 42 U.S.C. 658) that authorizes the HHS Secretary to provide access to NDNH data for "research purposes found by the Secretary to be likely to contribute to achieving the purposes of" the Temporary Assistance for Needy Families (TANF) program. A statutory purpose of TANF is "promoting job preparation" and "work," which is highly aligned with ETA's mission of supporting effective workforce preparation for low-income individuals who are parents or may become parents who may need TANF assistance in the future. Utilizing HHS' existing statutory authority to broaden NDNH access for research will require addressing specific privacy and confidentiality components including requirements for data minimization, narrow and specific scoping of data use, security processes and penalties for unauthorized access, use, or redisclosure. Currently data is available to DOL's Chief Evaluation Office on a limited basis but requires manual transmission of lists of individuals involved in current studies through

WIOA programs and project-specific MOUs; establishing a mechanism for unencumbered access would reduce overhead for both agencies and improve collaboration to advance job quality.

## 3. Link administrative and statistical data to better understand the labor market.

While statistical, administrative and programmatic datasets each provide important insights into the labor market, the data are currently federated, inhibiting the ability of program administrators or researchers to fully understand non-wage components of job quality or equity. Lack of access to comprehensive datasets prevents agencies and their grantees from accurately measuring the results of federal programs intended to improve economic mobility. It also impairs researchers' capacity to build a deeper understanding of population needs and effective interventions. And it prevents adoption of outcomes-based payment models that can incentivize innovation and improvement in workforce and social service programs. To address



these issues and to systematically uproot inequity, creating mechanisms to connect demographic data with accurate information on workers' earnings, benefits, schedules, and employment arrangements is vital. Efforts to link data would also advance the goals of the Commission on Evidence-Based Policymaking launched by the Obama Administration, as well as the <u>Foundations for Evidence-Based</u> <u>Policymaking Act<sup>47</sup> and inter-agency</u> Advisory Committee on Data for Evidence Building.

To address this, federal agencies, in partnership with state and local governments, can:

- Provide coordinated messaging to states and localities on permissible methods to link and analyze their data in order to maximize data use with considerations for individual privacy protections, consent, ethics and transparency. This includes incentivizing intra-state collaboration in areas such as UI records, WIOA programs, or education data so that states can structure collaborative programming to meet the needs of businesses operating across state lines or workers living in one area and working in another.
- Explore possibilities for linking administrative data on noncompensation aspects of job quality to existing population-level research datasets at the Census Bureau, the Internal Revenue Service (IRS), and HHS. This could include injury rates, visa access, and union coverage available in sources such as the Occupational Safety and Health Administration (OSHA), workers compensation systems, the National Labor Relations Board (NLRB) and the National Vital Statistics System (NVSS). This would require exploring pathways to consistently identify business establishments, as described in greater detail in the discussion of a single firm identifier in Idea #5. Research should specifically address understanding legal restrictions, privacy and equity considerations, as well as data availability and storage format.



4. Aggregate job quality to family level measures so that earnings, benefits, schedules and working conditions of multiple workers are considered.

There is currently no formal federal monitoring of the total earnings and benefits that households receive from employers, the public benefits that may be needed to fill in gaps, or the job conditions across families. While the BLS does produce "A Profile of the Working Poor"48 and the Employment Characteristics of Families,49 neither include a household earnings measure. The Census Bureau also issues an Income and Poverty publication<sup>50</sup> but family earnings are not compared to family poverty thresholds and it does not include data on employer-provided health insurance for working families. While the existing resources provide important insights, lack of family-level earnings data limits data-driven policy discussions.

There are three federally-sponsored household-based economic and program benefit surveys: the Current Population Survey (CPS)/Annual Social and Economic Supplement (ASEC), American Community Survey (ACS), and Survey of Income and Program Participation (SIPP). These surveys have household unit-based weights to create family-level measures, but have incomplete measures of job quality.

To better understand the realities and impacts of job quality for families and not just individual workers, federal agencies, such as DOL and HHS, should:

Explore using existing data sources to estimate family-sustaining earnings (CPS, ACS, SIPP), access to health insurance (CPS, ACS, SIPP), pensions (CPS), and nonstandard work schedules (SIPP) at the family level. For example, using CPS data, earnings can be calculated for working families and included in existing publications. Household surveys such as the CPS use proxy respondents such that one person answers all employment questions on behalf of all other household members. However, it may be that the designated respondent does not know the details of all other family members' jobs.

#### FAMILIES & WORKERS

• While rigorous testing and validation of proxy measures should be undertaken for the CPS, in the meantime a comprehensive set of job benefit and working conditions questions could be added to the Survey of Income and Program Participation (SIPP), which already interviews all working household members. For more details on this recommendation, see Appendix 3.

Little Miss Construction

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## O5 Leverage business data to demonstrate the return on investment from good jobs.

THESE ACTIONS ARE INTENDED FOR...



Monitoring and improving job quality requires data and buy-in from employers, who ultimately design jobs and hire workers. Historically, few businesses have released job quality data, hampering decision-making by workers, policymakers, and training and workforce development providers. Government data on job quality are generally aggregated by industry, employer size or other group characteristics rather than provided at the firm level, and while publicly-traded companies provide limited data for various U.S. Securities and Exchange Commission (SEC) filings, there are no standardized templates and many smaller or privately held companies are excluded.

Today, as we emerge from the heart of the COVID -19 pandemic and enter into a tight labor market coupled with high inflation, employers are increasingly looking for new strategies to attract and retain talent. By sharing their data with trusted nonprofit partners, businesses can learn how they stack up with peer firms and how to strengthen their workforce policies and practices to improve profitability and operational resiliency.

To put this into practice, federal agencies, investors, nonprofits, and workforce development and training providers, can partner with businesses to:



#### 1. Encourage submission of job quality measures through voluntary disclosure tools and incentives.

The "great reshuffle"—in which more than 47 million people<sup>51</sup> guit their jobs in 2021, and U.S. Bureau of Labor Statistics (BLS) data showed a record five million more job openings than unemployed people<sup>52</sup> in March 2022– prompted many companies to question their talent management practices and consider new approaches. These companies can leverage the growing availability of voluntary job quality selfassessment tools,<sup>53</sup> which enable businesses to learn about how their workforce practices stack up to peers, and access technical assistance to proactively course correct where needed. Through tools like Working Metrics and JVS Boston's Job Quality Index,<sup>54</sup> companies can submit workforce data in exchange for benchmarking information that allows them to compare their performance to competitors, and learn about opportunities to improve job design in ways that reduce the cost of turnover and drive profitability. Nonprofit and

government partners can direct employers to these tools to scale use, encourage the public release of data wherever possible, and help connect businesses to resources and technical assistance where needed, such as through consultants like the Good Jobs Institute and WorkLife Partnership.

## 2. Use data-driven employer scorecards to spark disclosure and a race to the top.

Organizations like JUST Capital and the Drucker Institute-along with the multipartner American Opportunity Indexhave developed widely-utilized company rankings that aggregate data to, in part, compare human capital practices across large, publicly-traded firms. JQMI members proposed building on these tools by developing a public scorecard for measuring firm-level job quality performance. This would require developing a standard set of employerlevel job quality indicators and identifying a methodology by which to gather data from firms and aggregate data into a composite score to easily measure and compare company performance. Such a scorecard could be developed in partnership with a cohort



of "high road" companies committed to providing quality jobs, to ensure that the ultimate product is user-friendly and useful to firms seeking to analyze and improve their practices.

One proposed path forward would be to partner with widely-used payroll processing companies (e.g., ADP, UKG, etc.) to create a standardized template for reporting job quality data that these companies commonly hold. The payroll processing companies would be positioned to collect, dynamically calculate, and report on data in a consistent format across all clients, thus reducing the reporting and disclosure burden on any individual company and increasing the reliability of the information. To incentivize completion, participating companies could receive aggregated data on their peers as well as detailed matches by industry, geography, or size, providing useful insights into the competitive landscape.

Federal, state, and local government entities could also motivate participation through provision of incentives to small and mid-sized businesses who adopt the standardized reporting template for job quality data, such as favorable business loan terms, subsidized marketing, and public recognition. Such data could be utilized and rewarded in workforce programs such as sector strategies and <u>high road</u> <u>training partnerships</u>.<sup>55</sup>

See Appendix 4 for more information on proposed scorecard methodologies and implementation pathways.



## 06 Revise data systems to include and support the non-W2 workforce.

THESE ACTIONS ARE INTENDED FOR...



As a growing number of workers earn their income <u>outside of traditional employment</u> relationships,<sup>56</sup> we must revamp our measurement systems to understand and support job quality for this undercounted workforce. Routinely capturing and analyzing data on the non-W2 workforce will enable the U.S. Department of Labor (DOL), as well as workforce and social service systems, to better understand the benefits and drawbacks of contingent and alternative work, and to unearth trends in worker misclassification and support implementation of more responsive policies and programs, drawing on lessons from Pandemic Unemployment Assistance. If data are available to the general public in an accessible format, it can also inform decision-making as workers consider possible engagement in gig work.

To put this into practice, **federal agencies**, in partnership with **state and local governments**, and **nonprofits** should:



## 1. Standardize and expand collection of data on non-W2 workers.

A 2020 Federal Reserve Survey asked about "income-earning activity" as opposed to jobs, and found that 27% of adults earned money through gigs.<sup>57</sup> Women, young people, and people of color<sup>58</sup> are over-represented in these non-W2 jobs. Yet the non-W2 workforce is not consistently tracked<sup>59</sup> in state unemployment data or many federal data sources, leading to varied estimates of its size and demographic makeup. Contract workers are also excluded from Unemployment Insurance (UI), workers compensation, many basic labor protections, and employer-provided benefits, leaving them particularly vulnerable to the impacts of poor quality jobs, and undercounted in program data collection. A recent survey showed that 30% of gig workers are enrolled in **Supplemental Nutrition Assistance** Program (SNAP),<sup>60</sup> twice the rate of W2 service sector workers. The pandemic exposed the need for all workers, regardless of job classification or status, to have access to critical safety net services; however, without changes

to existing public sector data systems and collection methodologies it will remain difficult to understand who these workersare, what their working conditions are like, and what services they may need to achieve financial stability.

Surveys of workers typically do not distinguish types of self-employment income or account for use of gig jobs as secondary employment and supplemental income. For example, while the Contingent Worker Supplement to the Current Population Survey (CWS) provides critically important data, it reflects only the type of work individuals do as their main source of income; it does not currently capture supplemental work. Most administrative datasets, including state-held unemployment data, do not separately track those who receive non-W2 income.

To better understand and support self-employed workers, JQMI working group members proposed that federal agencies, state and local governments work with nonprofits to:

• Through DOL and U.S. Department of the Treasury (Treasury) collaboration, undertake a preliminary feasibility study to define and track independent



contractors, gig workers and other self-employed individuals using tax data in existing forms such as 1099 and Schedule C forms. This research effort should seek to uncover the promise and limits of tax data for understanding and improving the measurement of job quality for non-W2 workers. This would include assessing whether available tax data can effectively be used to identify workers and earnings in a stable and consistent way, and establishing which parameters and specific ways of identifying the population of workers and earnings most closely correspond to the non-W2 workforce. Conducting this work would require access to these data, which could be achieved in collaboration with researchers at the Internal Revenue Service (IRS) Joint Statistical Research Program (JSRP) or researchers at the Treasury's Office of Tax Analysis (OTA). Previous research<sup>61</sup> conducted through the JSRP of the IRS has yielded important insights about the prevalence and activities of independent contractors. If new research established that these data could be valuable for statistical or programmatic purposes, DOL and its research partners could then pursue more widespread, systematic access.

• In accordance with Idea #4 to link public and private data to gain new

insights into the quality of jobs, create a standardized process for linking household survey data such as the Current Population Survey (CPS) and its supplements with administrative data to combine detailed demographic information with data on employment including earnings, hours and the nature of the employment arrangement. Linking would provide insight into trends of understated self-employment which have emerged through household surveys, highlight data quality problems in existing surveys such as inaccuracies in self-reported earnings, and provide a more comprehensive view into job quality.

• DOL could work with states to explore and pilot approaches to update state unemployment reporting requirements to standardize the collection of data on non-W2 workers, including data on industry, occupation, hours and earnings. Such efforts could investigate appropriate reporting requirements—such as requiring firms that engage 1099 workers to report quarterly earnings to the state—and would require collaboration between DOL, state administrators, and policymakers to create and approve a standard collection approach that can be leveraged across datasets.



## O7 Strengthen workforce system metrics to deliver results for workers and businesses.

THESE ACTIONS ARE INTENDED FOR...



By measuring and rewarding the right outcomes, the public workforce system can support the hundreds of thousands of people who rely on publicly-funded employment and training programs each year to connect to family-sustaining jobs.

Federal, state, and local agencies can revamp measurement systems to track job quality through new data collection approaches and data linkages, including collecting additional data from employers. These programs use federal funds to subsidize employer training and hiring, and can leverage these resources to incentivize and support the businesses that benefit from this talent pool to share data and provide economy-boosting jobs that attract and retain high-performing workers.

To put this into practice, **federal agencies** such as the U.S. Departments of Labor (DOL) and Health and Human Services (HHS), in partnership with **state and local governments**, and workforce development and training providers, should:



## 1. Integrate job quality into workforce program reporting.

Shifting the focus of existing performance metrics to job quality and equity and expanding metrics to include employer data will provide better information about whether the public workforce system is living up to its promise to advance equitable economic mobility. In 2022, the DOL Employment and Training Administration (ETA) budgeted more than <u>\$2.8 billion</u><sup>62</sup> in taxpayer dollars to Workforce Innovation and Opportunity Act (WIOA) systems. These systems serve almost 400,000 individuals annually with career or training services<sup>63</sup> designed to build in-demand skills and connect people to careers and economic mobility pathways. Yet WIOA metrics do not provide meaningful insights into the quality of jobs participants are referred to. While programs capture median earnings data, there is no emphasis on living wages and it is difficult to track the trajectory of an individual's career. Data are rarely reported in a disaggregated manner, obscuring visibility into job quality across populations or barriers such as reading,

writing, or math proficiency. Moreover, metrics focus on collecting data from participants rather than collecting data from employers about jobs.

To understand the quality of jobs available to program participants, federal agencies such as DOL ETA can work in partnership with state and local agencies, workforce development and training providers, and benefiting businesses to:

- Use the current <u>WIOA performance</u> <u>measures</u><sup>64</sup> data and infrastructure to understand the quality of jobs that participants enter. This could include using median wage data to track the number of enrolled participants at <u>living wage thresholds</u>,<sup>65</sup> capturing wage changes when participants complete on-the-job training and transition into full time employment, and linking credential attainment data to administrative wage datasets to better understand the upward mobility that credentials foster.
- Revise the <u>WIOA Effectiveness in</u> <u>Serving Employer</u><sup>66</sup> metric, which currently focuses on the services delivered to the business, to capture data on the characteristics of jobs created by the business including



information on benefits such as paid leave, as well as schedule predictability and opportunities to advance within either the organization or the field. Data could be collected through an employer survey and incentivized through wage subsidies, prioritized support from the workforce system, and public recognition of high road businesses. As this change is implemented, track costs associated with systematically collecting richer job quality data from employers as part of a federallyfunded skills training program.

- Leverage deployment of WIOA <u>rapid</u> <u>response/layoff aversion funds</u>,<sup>67</sup> which are intended to help companies prevent layoffs, to gather additional employer data on job quality and equity. ETA could incorporate guidance encouraging companies to look at workforce equity data as a standard part of the layoff aversion process, including helping companies see potential disparate impact and proactively consider equity as they look at whether they could retrain or cross-train incumbent workers to avoid layoffs.
- Develop and test data dashboards and employment scorecards to track the "efficacy of workforce development programs across the country," in accordance with DOL's Enterprise Data Strategy.<sup>68</sup> DOL should work with state and local WIOA programs to pilot linkages of individual-level data held by DOL, states, localities and training providers with annual income data held by the Internal Revenue Service (IRS) and guarterly earnings data held by HHS, to produce aggregated statistics for employment scorecards. The scorecard should include statistics on earnings and wage data disaggregated by race, gender, and geography; a current pilot of this type using IRS data is underway with two state community college systems as well as Georgetown University. If successful, the same approach could be expanded in the future, including to pilot measurement of non W2 employment. It could also serve as a model for future federal-state data-linkage activities of the National Secure Data Service.



• DOL could develop and release a standard set of key performance indicators and metrics for assessing and reporting firm-level job quality, for use by state and local workforce agencies, and state and local partners could pilot data collection in a select set of local workforce regions. For example, require businesses receiving America's Job Center (AJC) wage subsidies or other financial support to provide disclosures on their jobs at the time of placement, as well as the retention and advancement of individuals, disaggregated by race and gender. Consider the use of a tool like Working Metrics or collaboration with payroll companies, to leverage data that most companies are already required to report to public agencies (unemployment insurance earnings data and EEO-1 data) to reduce burden. As part of this pilot, provide targeted funding to cover both the staff time and the revisions to data collection systems required to accommodate expanded employer reporting. Develop technical assistance, informed by the pilot, to support other programs like **Temporary Assistance for Needy** Families (TANF), Supplemental Nutrition Assistance Program Education and Training (SNAP E&T), and refugee employment services in capturing job quality data in tandem with DOL.

Support workforce boards to track and report local labor market information on job quality and equity, including occupational segregation<sup>69</sup> by local area, at least quarterly to assist boards in partnering with local businesses to close gaps. For example, DOL could house standard equity labor market reporting<sup>70</sup> templates, offer guidance and training, and encourage or require states and local boards to build capacity to analyze data and engage partners in dialogue as part of their required WIOA State Plans.<sup>71</sup> This would also enable DOL to compare labor market areas based on the quality of job opportunities, not just the quantity. Providing local areas with support to cover staff time would help to ensure that they invest in the skills and technologies needed to incorporate new job quality and equity analysis into their processes.



#### 2. Standardize job quality performance reporting across social service programs.

Many people—and disproportionately people of color, immigrants, and adults in very low income jobs—receive public job training and employment services from systems outside of the WIOAfunded public workforce system. These include adults accessing services under HHS programs such as Office of Refugee Resettlement (ORR) employment services, Welfare-to-Work participants enrolled in TANF and SNAP, and Community Service Block Grant (CSBG) funded programs.

While the numbers served are significant, these individuals are left out of conversations that are increasingly common in the public workforce system about quality jobs and the pathways into them. A total of <u>1 million families</u>,<sup>72</sup> composed of 2.6 million recipients, received TANF- or Maintenance-of-Effort (MOE)-funded assistance in November 2020. Additionally, SNAP recipients sharply increased in 2020, when the COVID-19 pandemic hit, <u>to</u> <u>nearly 40 million</u>.<sup>73</sup> Seventy percent of the 21 million SNAP or Medicaid recipients <u>work full time</u>.<sup>74</sup> <u>Census data</u><sup>75</sup> showed that 79% of SNAP family recipients had at least one working adult, and about 33% had two or more working adults.

While many individuals may receive services from multiple programs either simultaneously, or throughout their lifetime, the lack of a core set of aligned job quality metrics not only inhibits an understanding of the individual's job experience but can contribute to existing disincentives for sharing information or braiding funds in creative ways to better serve participants. For example, legacy data systems and differences in where programs are housed and their eligibility requirements exacerbate silos.

To address these issues, federal agencies can take the following actions:

 DOL, HHS, and the U.S. Department of Agriculture (USDA) should partner to adopt a core set of job quality metrics across WIOA and non-WIOA programs, potentially drawing on the common <u>good jobs principles</u><sup>76</sup> put forward by DOL and the U.S. Department of Commerce (DOC). A first step could be an interagency working group that examines existing guidance and recommends pilots, and



this could in turn inform eventual changes in statute. A shared set of metrics would provide more data and insights on the quality of jobs that participants across human services programs enter and could help to incentivize co-enrollment to ensure that eligible individuals are accessing the full range of services to help them achieve economic stability; encourage data sharing and system integrations to reduce friction around data; and facilitate the braiding of funding by advancing a set of shared outcomes. For example, WIOA participants are often co-enrolled in SNAP to address food insecurity. Aligning a core set of SNAP and WIOA job quality metrics could encourage providers to more actively share participant data to ensure that employment needs are being met.

• HHS' Office of Refugee Resettlement (ORR) should pilot a revised ORR-6 performance report for refugee support services in a select number of states, and HHS should explore a pilot of supplemental reporting on TANF or SNAP to include metrics beyond work participation rate. HHS will benefit from understanding more about the quality of these vulnerable workers' jobs, enabling development of a more responsive set of service offerings. Provision of supplemental funding to support the staff time required for collection of job quality data as well as necessary revisions to data systems will be a critical part of this pilot. This would support providers and strengthen program effectiveness by providing greater insights into participant job quality needs through more comprehensive records, while reducing the burden and trauma associated with asking participants to engage separately with multiple agencies and retell their stories.



# O8 Use public and private spending to measure and strengthen equity and good jobs.

THESE ACTIONS ARE INTENDED FOR...



Government agencies and anchor institutions—including place-based community entities such as philanthropies, hospitals, and universities—spend billions of dollars each year purchasing goods and services. Building workforce equity and job quality standards and data collection into their procurement could improve millions of jobs.

These powerful institutions can use their contracting and grantmaking processes to collect employer data, and in turn direct dollars toward diverse companies providing good jobs. Philanthropies and other anchors can pilot and model best practices for government partners working to build new procurement capacity, including testing new tools and technical assistance approaches that government can scale.

To put this into practice, federal agencies, state and local governments, and anchor institutions can:



## 1. Leverage public spending to measure and advance job quality and equity.

Public sector spending represents a significant portion of the Gross Domestic Product (GDP), averaging 37% from 1970 to 2020,<sup>77</sup> making government procurement and purchasing a crucial lever in fostering good jobs. While several jurisdictions are experimenting with improving equity and representation in publicly-funded jobs, including <u>Boston</u><sup>78</sup> and Los Angeles,<sup>79</sup> there are no standard job quality requirements built into federal procurement. This is a missed opportunity to ensure that public spending supports the public priority to advance equitable economic opportunity for U.S. workers. Unprecedented investments including the American Rescue Plan and Infrastructure Investment and Jobs Act (IIJA), and the additional flexibilities provided to state and local governments deploying these federal dollars, offer a promising opportunity to embed good jobs standards and metrics into the creation of new jobs and the improvement of many existing jobs across the United States.

This foundational effort can also set the standard for future procurement processes.

To build job quality into public procurement, federal agencies such as the White House Office of Management and Budget (OMB), the U.S. Department of Labor (DOL), and state and local governments and procurement offices could consider adopting the following practices:

• OMB can proactively update the Uniform Guidance,<sup>80</sup> the key federal rules that govern how state, local and tribal governments spend down federal grants, to unleash the power of federal investments to measure job quality and create good jobs. This aligns with the recommendation by the White House Task Force on Worker Organizing and Empowerment<sup>81</sup> to "explore and identify opportunities to update the Uniform Guidance to empower workers," in order "to ensure that federal financial assistance programs... allow consideration of job, wage, and worker empowerment impacts as part of the application evaluation process; and ensure that grantees have the freedom to apply workerempowering, high road conditions, including local-hire and Project Labor



Agreement (PLA) obligations, on their subgrantees." While the IIJA explicitly allows for local hire on the U.S. Department of Transportationfunded highway and transit construction projects, jurisdictions are prohibited from building good jobs and equity standards into many federally-funded procurements, especially when contracting with private companies. The Uniform Guidance can be updated using executive authority through a formal rule-making process without the need for Congressional action. This will likely require that the OMB hire or assign key staff members to oversee the year-long process of gathering input from state and local officials, business, labor, and community partners, and updating language.

 During the <u>Good Jobs Summit</u>,<sup>82</sup> DOL announced that it has entered into formal collaboration with multiple agencies including the U.S.
 Department of Commerce (DOC), the U.S. Department of Energy (DOE), and the U.S. Department of Transportation (DOT) to ensure that recovery investments support good jobs. To advance this work, DOL can develop a standard set of job quality data disclosures as a prerequisite for participation in public sector procurements, in order to help agencies evaluate and monitor bidders for discretionary funds. This can be piloted across agencies through IIJA spending. Agencies could also consider setting specific goals around the number or percentage of vendors in their funded portfolio that will meet job quality and equity requirements within a specific timeframe.

• DOL, DOC, DOE, and DOT could explore pairing changes in the procurement process with technical assistance supporting subrecipients to implement standards on the ground, including through subsidized access to data management tools such as LCP Tracker. This could also include specific technical assistance to community-based organizations and small businesses, especially those led by people of color, to ensure they are equipped to participate in the procurement process. This may also require thinking differently about the size of procurements, response timelines, pre-bid engagement opportunities, the way experience is demonstrated, and even payment terms. This technical assistance effort can lift up areas where complementary investments can be made by philanthropy or private



investors to <u>build the capacity</u><sup>83</sup> of community organizations and small businesses to provide job quality data and win procurements (e.g., through financing and mentorship).

• DOL can work with state and local agencies who receive Workforce Innovation and Opportunity Act (WIOA) funds to cascade equity and job quality standards to subrecipients and service providers who deliver support across the workforce system, without the need for statutory or regulatory changes. This can include both setting good jobs standards for the staff of the subrecipient agencies that deliver services (who are often community-based workforce development nonprofits), and providing incentives for these agencies to refer people into jobs that offer stability and pathways to mobility, as described in Idea #7. For example, DOL could provide guidance about how states encourage living wages for subrecipient staff (such as by collecting data through procurement on proposed frontline staff wages), and could provide examples of ways that a state or local board can better understand compensation of frontline workers and partner to improve them (e.g. encouraging a respondent to include

wage increase in budgets for multiyear awards, or adding separate line items into sample budget templates for staff training). Inclusion of good jobs standards in subrecipient funding will serve as a mechanism to encourage job quality for workforce agency frontline staff, which is particularly important as frontline staff often represent the communities participating in programs and hold challenging jobs.

• DOL can explore additional pathways to motivate data disclosure and job quality improvements by private employers. For example, a national nonprofit organization could work with DOL to develop a good jobs marketing designation such as the National Labor Exchange's (NLx) HIRE Vets Medallion Award that businesses can receive after providing a required set of job quality disclosures. DOL could then build this designation into the National Labor Exchange (NLx) or USAJobs to signal to workers that these organizations meet a standard for quality jobs. DOL could also establish guidelines on the award of priority points, much like those given for small or minority or women-owned businesses, with particular focus on industries that have historically had low-quality jobs



and/or higher representation of workers of color and can leverage public investment to build capacity and strengthen workforce practices.

## 2. Use anchor institution spending to accelerate the creation of good jobs.

Anchor institutions, including foundations, healthcare and higher education organizations, spend trillions<sup>84</sup> of dollars each year purchasing goods and services, creating and supporting millions of jobs, disproportionately held by individuals of color.<sup>85</sup> Yet too often, large contracts in catering, security, janitorial services, and other core functions rely on workers who earn low wages in precarious jobs, and can work at odds with the anchor institutions' mission and community impact goals. Through the lever of procurement, philanthropy and other anchor institutions have the opportunity to address this head on by using their full arsenal of resources to propel good jobs and equity.

To leverage this opportunity, anchor institutions should:

 Pilot the incorporation of good jobs and equity standards and metrics in the Request for Proposal (RFP) and vendor selection process. To encourage a focus on job quality in addition to price, consider requiring large vendors, such as those with more than 100 employees, to report wages disaggregated using workforce demographic data, similar to that already required in unemployment insurance earnings data and EEO-1 data, as part of the bidding process. Over time, explore incentivizing vendor reporting of additional data such as benefits or stable scheduling through preference points in award scoring or contract flexibilities.

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• Provide flexible financing and technical assistance for small businesses, particularly those owned by people of color, to ensure they are equipped and encouraged to participate in the bidding and data reporting process and can leverage the process to build capacity and expand. Consider options to incentivize diverse participation, from holding community conversations in advance of the formal procurement process, to awarding priority points for businesses with diverse representation in ownership and across the workforce, or facilitating mentoring connections that help to support expansion of entrepreneurs' capacity over the long-term. In addition, test a continuum of supports that can help business owners leverage the procurement process to improve jobs and build capacity to participate in large-scale government bids. These might include innovative approaches to vendor payment terms and timelines, provision of zero-interest loans or other low-cost financing, and access to business coaching focused on strengthening workforce practices to improve business performance and enable stable growth.



## **O9** Strengthen state and local capacity for datadriven decision making to advance good jobs.

THESE ACTIONS ARE INTENDED FOR...



A collaborative, intergovernmental approach can build job quality measurement capacity at the state and local level, positioning state and local governments to design more effective, equitable workforce policies and programs.

State and local leaders care deeply about increasing equitable economic mobility but need better data infrastructure to get there. Fragmented federal program structures, aging technology, compliance-focused processes, and poorly aligned incentives have hindered states and localities from investing in the robust data capacity needed to drive innovation in workforce development and other social service programs. With support from federal agencies and philanthropy, state and local governments can accelerate job quality measurement and improve service delivery and outcomes.

To put this into practice and support **state and local governments** to strengthen job quality measurement, **federal agencies** and **philanthropy** can:



## 1. Build state and local capacity to measure job quality and equity.

Federal government incentives and supports provide important tools as state and local agencies grapple with growing needs amidst staffing shortages and lingering pandemic impacts. Coupling clear federal guidance with funding, flexibility, and technical assistance will accelerate local efforts to strengthen job quality measurement.

JQMI members recommended that federal agencies partner with state and local governments and philanthropy, including:

The White House Office of Management and Budget (OMB) can partner with the U.S. Department of Labor (DOL), the U.S. Department of Health and Human Services (HHS), and other federal agencies to outline mechanisms to braid funding from multiple federal funding streams to support shared data infrastructure, analysis, research and associated staff development to advance job quality goals. For example, Indiana and Ohio have created modern, integrated data hubs and analytics capacity that integrate and analyze data from labor, education, and health and human services programs using pooled funds from federal grant programs. OMB and federal agencies should provide joint guidance on permissible investments in hardware, software, and staff training which will enable an agency both to carry out its own research and to make their data more useful for external parties. Ultimately, state and local agencies must be positioned to tap into data analytics, computer science and machine learning expertise to tackle some of their most challenging needs.

DOL and OMB should partner to provide additional flexibility and relief from certain compliance reporting for jurisdictions that can accurately report key job quality outcome metrics, disaggregated by subpopulations (e.g. using the exception authority in 2 CFR 100.102(d), OMB's government-wide grant regulations) as a powerful way to ensure local jurisdictions are allocating resources to building data analytics capacity. Such flexibility should also be paired with technical assistance from peer networks on leading practices to expand local area knowledge and networks.



- DOL can model using their funding processes to drive both local data capacity development and coordination by requiring that new federal investments in state or local information technology systems (e.g. Unemployment Insurance Modernization) only be awarded for interoperable systems that will make data accessible for research purposes, consistent with principles established by the Evidence Act.<sup>86</sup> Preference could also be given in grant competitions for jurisdictions that will use a portion of their funds for data analysis and evaluation, including investment in re-usable infrastructure.
- DOL should give recognition, such as awards to high performing workforce boards or unrestricted funding grants, to jurisdictions that make significant progress in using data and evidence to improve workforce programs and/or make significant advancements in establishing interagency data sharing, especially for successful state and local efforts that expand the reach of workforce initiatives to include social services, justice involvement, immigration and other relevant areas.
- Philanthropy can support this state and local perspective reset from "whether to share" to "how to share" by funding innovative data analytics pilots, investing in technology infrastructure, and using grant processes to incentivize the expansion of staff data analytics, visualization, and processing skills. This can include a mix of place-based investments to build capabilities in a particular region, indirect rate flexibilities to support infrastructure development and incentives for programs with a demonstrated ability to leverage cross agency data collaborations. Across investments, philanthropy can support government partners to prioritize participant privacy and consent to build trust and advance equity.



## 2. Launch an Intergovernmental Research and Analytics Consortium dedicated to advancing good jobs.

DOL has made important strides in increasing the capacity of state Labor Market Information staff through multiple efforts, including the Bureau of Labor Statistics Federal-State **Occupational Employment and Wage** Statistics (OEWS) program. In addition, existing regional research collaboratives supported by philanthropy have helped to build government capacity. Building on these efforts, DOL should create an Intergovernmental Research and Analytics Consortium with a select group of state and local jurisdictions that partner with researchers and data scientists to produce rigorous studies using linked administrative data.

To build capacity of state and local governments , DOL can partner with other federal agencies to:

Select a group of high-capacity state and local jurisdictions, and support them to collaborate on shared research priorities and implementation strategies, including learning agendas, research designs, privacy-protecting data-linkage methods and, when appropriate, multi-site trials, in collaboration with researchers. Explore ways to leverage infrastructure and recovery funding to resource and begin testing this work. Prioritize these high-capacity jurisdictions for participation in federal pilots centered on equity and job quality measurement, to develop efficient, privacy-protecting mechanisms for merging state and local data with federal data-including earnings and other data held by federal agencies that support or track training and job quality, including HHS, the Internal Revenue Service (IRS), the U.S. Department of Commerce (DOC), the U.S. Department of Justice (DOJ), U.S. the Department of Education (DOE), the U.S. Department of Agriculture (DOA), the National Science Foundation (NSF), and the U.S. Census Bureau.



• Support states in the Consortium that collect hours and occupational data in their Unemployment Insurance (UI) wage records systems to conduct pilots to develop better measures of job quality, which would inform future changes in other state UI systems or to federal data requirements in accordance with down. Local jurisdictions could generate valuable insights on regional job quality issues, such as work by New York City's Office of Labor Policy and Standards which focuses on key workplace laws such as paid sick leave and fair workweek. The office currently uses administrative data coupled with worker complaint filings to protect the rights of care workers, support business compliance, and advance new policy initiatives that strengthen protections for workers facing high risk of violations, who are disproportionately people of color, women, and immigrants.



# 10 Invest in strengthening job quality measurement.

THESE ACTIONS ARE INTENDED FOR...



Philanthropic, corporate, and government funders can seize this window of opportunity to reimagine our national economic measures to reflect the needs and aspirations of working people. Funders should come together to advance a common vision to strengthen job quality measurement, and to coordinate investments to complement major public and private capital flows. These investments can seed scalable demonstration projects that build new data capacity and test bold approaches to the collection, linkage, and use of job quality data.

To put this into practice, **philanthropy**, along with **businesses** and **federal agencies**, can:



## 1. Invest in the development of job quality data infrastructure.

Developing job quality data infrastructure requires large-scale, cross-sector collaboration, and funders can make catalytic investments to drive the development of this ecosystem. This starts with diverse segments of philanthropy aligning behind a common goal, and jointly engaging government, business, and nonprofit partners to implement a shared vision and common metrics. It will also require ongoing programmatic investments, both to implement initial changes to program design and evaluation to strengthen measurement systems, and to update practices based on learning from new data collection.

To accelerate job quality measurement, funders can:

 Support the research and implementation approaches discussed throughout this report to seed innovation and accelerate progress. This could include, for example, investing in the development of job quality scorecards and other data disclosure tools, or in partnerships between investors and researchers to understand the good jobs return on investment.

- Fund government pilots at the local or state level to test new job quality measurement approaches and create additional buy-in from local stakeholders. Such investments will support the development of case studies and replicable models, and ultimately support scale. Funders should explore opportunities to provide seed funding for data collection and linkages at the state and local level, with a focus on undercounted populations such as gig workers, and undercounted aspects of job quality such as worker voice and benefits utilization.
- Invest directly in the job quality data analytics capacity of communitybased nonprofits, along with local, state, and federal agencies. This might include investment in skill building to strengthen technical expertise on data use and/or investment in organizational and technology infrastructure. To enhance federal capacity, for example, philanthropic funding can support the deployment of outside experts, such as through the Intergovernmental Personnel Act



(IPA) Mobility Program, which provides for the temporary assignment of external personnel from universities, research and development centers, nonprofits and other eligible organizations for up to four years. Embedded experts can work alongside agency personnel to design and implement creative measurement approaches, provide technical assistance to other agencies or localities on complex measurement issues, or assess the impact of changes that an agency has made on equity and job quality.

## 2. Model promising practices for data collection and job quality in philanthropic grantmaking.

Funders committed to advancing good jobs should explore ways to measure and invest in their grantees' job quality. While the need for local, nonprofit organizations with intimate knowledge of their communities has never been more acute, the increasing downward pressure on operating costs and upward pressure on numbers served has left many nonprofit employees with high-stress jobs that fail to provide family-sustaining wages. Women and people of color are over-represented among nonprofit frontline workers, yet <u>87% of nonprofit CEOs are</u> white;<sup>87</sup> occupational segregation is directly impacting the earning power, health and wellbeing of the workforce we have tasked with supporting economic mobility for others.

To close these gaps, <mark>philanthropy</mark> can:

 Support grantees to collect job quality data to help build the emerging evidence base that investing in good jobs for program staff improves program outcomes. Shift messaging to grantees from a focus on what can be done at the lowest possible cost to serve the highest number of people to what will make the largest impact, including consideration of job quality for both program participants and program staff. Keep applications simple to avoid burdening grantees, but consider light-lift ways to gather data about their job quality approach and outcomes, including for their own staff. Encourage grantees to include the full cost of services in their proposals including staff development, market-aligned pay, benefits and other aspects of job



quality. Provide specific examples, or guidelines, on what you will accept and ask questions when proposed salaries don't reflect living wage for the area where the work will be carried out or don't include cost of living raises in multi-year grants.

- Provide maximum flexibility in grant dollars-from indirect rates to payment terms or unrestricted funds to manageable and trust-based reporting and compliance requirements that don't impose undue burden-to encourage grantees to build capacity for job quality measurement and improve jobs for their own staff. Capping indirect rates or implementing a lengthy payment period during which an organization must wait for reimbursement can cripple a small organization's financial viability and ability to innovate on measurement and provide familysustaining jobs.
- Test and document practices that can offer a model for government grantmaking. This might include, for example, using the grantmaking process to collect and use job quality data, conducting an equity assessment of the philanthropy's grantmaking priorities to ensure that target outcomes and evaluation metrics are

designed to address disparities, and engaging and compensating directly impacted communities in designing evaluation methodology and data collection practices.





<sup>1</sup> The Families and Workers Fund and the Aspen Institute Economic Opportunities Program. A Shared Definition of Job Quality (2022). https://www.aspeninstitute.org/programs/good-jobs-champions-group/

<sup>2</sup> Gallup. Lumina Foundation, Gates Foundation and Omidyar Network Tell Full Story of U.S. Job Quality. https://www.gallup.com/analytics/318188/great-jobs-success-story.aspx

<sup>3</sup> Department of Commerce and Department of Labor. Good Jobs Principles. https://www.dol.gov/general/good-jobs/principles

<sup>4</sup> The Families and Workers Fund and the Aspen Institute Economic Opportunities Program. A Shared Definition of Job Quality (2022). https://www.aspeninstitute.org/programs/good-jobs-champions-group/

<sup>5</sup> United States Bureau of Labor Statistics. 2021 Results of the Business Response Survey (February 9, 2022). https://www.bls.gov/brs/2021-results.htm

<sup>6</sup> Philippa Clarke et al., Health and Retirement Study Psychosocial Working Group, University of Michigan. Guide to Content of the HRS Psychosocial Leave-Behind Participant Lifestyle Questionnaires: 2004 & 2006 - Documentation Report Version 2.0 (December 5, 2008). https://hrs.isr.umich.edu/sites/default/files/biblio/HRS2006LBQscale.pdf

<sup>7</sup> David R. Williams, Harvard T.H. Chan School of Public Health. Everyday Discrimination Scale. https://scholar.harvard.edu/davidrwilliams/node/32397

<sup>8</sup> United States Department of Labor. Enterprise Data Strategy (2022). https://www.dol.gov/sites/dolgov/files/Data-Governance/DOL-Enterprise-Data-Strategy-2022.pdf

<sup>9</sup> Briefing Room, The White House. Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (January 20, 2021). https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/22/fact-sheet-biden-harris-administrationreleases-recommendations-for-advancing-use-of-equitable-data/

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https://blogs.bls.gov/blog/2022/02/14/bls-now-publishing-monthly-data-for-american-indians-and-alaska-natives/

<sup>11</sup> Briefing Room, The White House. Fact Sheet: Biden-Harris Administration Releases Recommendations for Advancing Use of Equitable Data (April 22, 2022). https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/22/fact-sheet-biden-harris-administration-releases-recommendations-for-advancing-use-of-equitable-data/

<sup>12</sup> The White House. Flexibilities and Best Practices for Implementing the Office of Management and Budget's 1997 Standards for Maintaining, Collecting, And Presenting Federal Data on Race and Ethnicity (Statistical Policy Directive No. 15) (July 2022). https://www.whitehouse.gov/wp-content/uploads/2022/07/Flexibilities-and-Best-Practices-Under-SPD-15.pdf

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Photos provided by National Domestic Workers Alliance and Resilience Force.



# UNDERSTANDING THE IMPACT

REIMAGINING JOB QUALITY MEASUREMENT

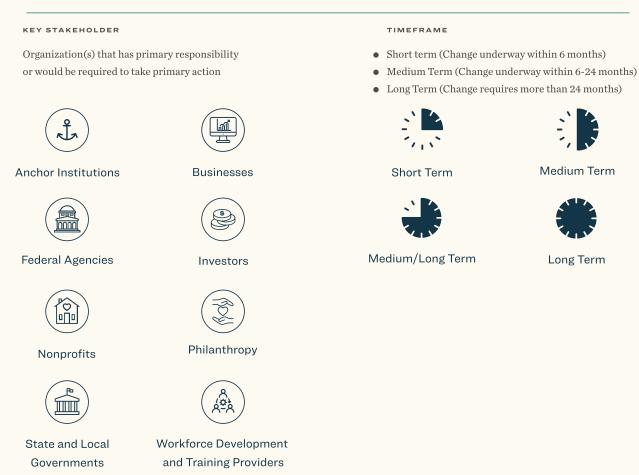




## UNDERSTANDING THE IMPACT

Participants in the Job Quality Measurement Initiative (JQMI) proposed more than 20 tactical action steps, represented as sub-recommendations within the 10 Big Ideas throughout this report. The table below bundles these proposed interventions by type, and notes the primary stakeholders that need to take action, the implementation timeframe, and the primary impact of each recommendation.

#### Ledger





## Data Collection Change

These recommendations are centered on maximizing use of existing collection mechanisms by altering or refining how data is categorized, collected, accessed or disaggregated.

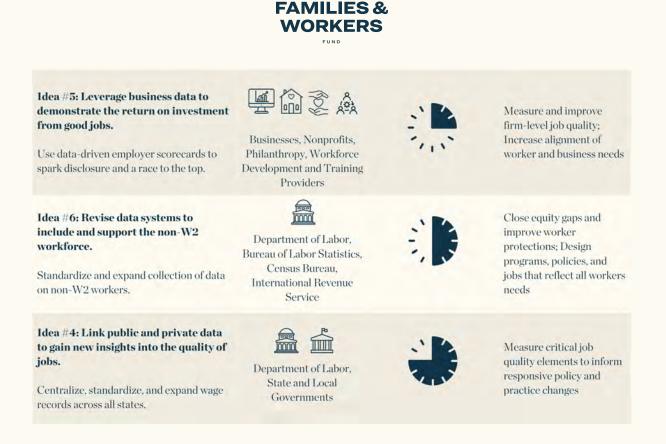
IDEAS & RECOMMENDATIONS	KEY STAKEHOLDERS	TIMEFRAME	PRIMARY IMPACT
Idea #2: Center equity in measurement		. 3	Close equity gaps in existing programs; Better
Uproot harmful assumptions and metrics embedded in workforce and social services systems.	Department of Labor, Health and Human Services	te un	understand, engage and serve diverse populations
Idea #2: Center equity in measurement			Close equity gaps in
Implement requirements for data disaggregation in workforce and social service programs, administrative data, and federal surveys.	Federal Agencies, State and Local Governments		existing programs; Better understand, engage and serve diverse populations
Idea #1: Measure what matters to workers, capturing a full range of job quality indicators.	Bureau of Labor Statistics.		Measure critical job quality elements to inform responsive policy and
Refine existing survey modules to collect targeted job quality data.	Census Bureau		practice changes
Idea #3: Increase mandatory human capital data disclosure.			
To leverage existing business data to simplify human capital reporting, implement and maintain a single firm identifier across federal and state systems.	Federal Agencies, State and Local Governments, Businesses		Measure and improve firm-level job quality



## **New Data Collection**

These recommendations focus on the collection of data that does not currently exist within the U.S. system. It includes both new types and new sources of data.





## Data Linking

These recommendations focus on connecting the dots between existing federal, state, local and commercial data sets to promote new insights.

IDEAS & RECOMMENDATIONS	KEY STAKEHOLDERS	TIMEFRAME	PRIMARY IMPACT
Idea #4: Link public and private data to gain new insights into the quality of jobs. Expand access to existing federal job quality data.	Department of Labor, Health and Human Services		Expand insights into program/policy impact; Improve responsiveness to worker needs
Idea #4: Link public and private data to gain new insights into the quality of jobs. Aggregate job quality to family level measures so that earnings, benefits, schedules and working conditions of multiple workers are considered.	Bureau of Labor Statistics, Census Bureau		Ensure families have paths to economic stability and mobility; Better understand, engage and serve all populations
Idea #4: Link public and private data to gain new insights into the quality of jobs. Link administrative and statistical data to better understand the labor market.	Federal Agencies, State and Local Governments		Expand insights into program/policy impact; Improve responsiveness to worker needs



## Performance Reporting

These recommendations focus on the standards used for workforce development and social services programs.

IDEAS & RECOMMENDATIONS	KEY STAKEHOLDERS	TIMEFRAME	PRIMARY IMPACT
Idea #7: Strengthen workforce system metrics to deliver results for workers and businesses. Integrate job quality into workforce program reporting.	Department of Labor, State and Local Governments, Nonprofits, Workforce Development and Training Providers		Ensure families have paths to economic stability and mobility; Reduce burden and deliver responsive supports for diverse populations
Idea #7: Strengthen workforce system metrics to deliver results for workers and businesses. Standardize job quality performance reporting across social service programs.	Department of Labor, Health and Human Services		Ensure families have paths to economic stability and mobility: Reduce burden and deliver responsive supports for diverse populations

## Capacity Building

These recommendations focus on increasing the knowledge, capacity and data systems infrastructure at the state and local level.

IDEAS & RECOMMENDATIONS	KEY STAKEHOLDERS	TIMEFRAME	PRIMARY IMPACT
<b>Idea #10: Invest in strengthening job</b> <b>quality measurement.</b> Invest in the development of job quality data infrastructure.	Philanthropy, Federal Agencies, Businesses		Increase community capacity to support job quality; Expand job quality knowledge and tools to facilitate the transformation of jobs and communities
Idea #9: Strengthen state and local capacity for data-driven decision making to advance good jobs. Launch an Intergovernmental Research and Analytics Consortium dedicated to advancing good jobs.	Department of Labor, State and Local Governments, Nonprofits		Increase agency capacity to support job quality; Expand insights into program/policy impact
Idea #9: Strengthen state and local capacity for data-driven decision making to advance good jobs. Build state and local capacity to measure job quality and equity.	Federal Agencies, State and Local Governments, Philanthropy		Increase agency capacity to support job quality; Expand job quality knowledge base and tools to facilitate the transformation of communities



## Procurement and Grantmaking

These recommendations focus on using procurement, purchasing, and grantmaking as a strategic driver of good jobs and equity.

IDEAS & RECOMMENDATIONS	KEY STAKEHOLDERS	TIMEFRAME	PRIMARY IMPACT
Idea #8: Use public and private spending to measure and strengthen equity and good jobs. Leverage public spending to measure and advance job quality and equity.	Office of Management and Budget, Department of Labor, State and Local Governments		Create more good jobs across sectors; Provide equitable pathways to economic stability and mobility for workers
Idea #8: Use public and private spending to measure and strengthen equity and good jobs. Use anchor institution spending to accelerate the creation of good jobs.	Philanthropy, Anchor Institutions		Create more good jobs across service sectors; Provide equitable pathways to economic stability and mobility for workers
Idea #10: Invest in strengthening job quality measurement. Model promising practices for data collection and job quality in foundation grantmaking.	Philanthropy		Create more good jobs in the nonprofit sector; Provide equitable pathways to economic stability and mobility for workers



## The Most Actionable, Transformative, and Cross-Cutting Recommendations

Based on analysis of the above, we deemed the following recommendations most immediately actionable, most transformative, and most crosscutting:

#### MOST ACTIONABLE:

- Collect data to build the evidence base that good jobs are good investments.
- · Invest in the development of job quality data infrastructure.
- Implement requirements for data disaggregation in workforce and social service programs, administrative data, and federal surveys.

# 11th

#### MOST TRANSFORMATIVE:

- Leverage public spending to measure and advance job quality and equity.
- Include worker voice in data collection.
- Uproot harmful assumptions and metrics embedded in workforce and social services systems.



#### MOST CROSSCUTTING:

- Link administrative and statistical data to better understand the labor market.
- Centralize, standardize and expand wage records across all states.
- · Broaden job quality indicators beyond wage.



REIMAGINING JOB QUALITY MEASUREMENT

# **APPENDICES**





## APPENDIX 1: ABOUT THE JOB QUALITY MEASUREMENT INITIATIVE

The Job Quality Measurement Initiative (JQMI) was launched in early 2022 by the Families and Workers Fund, Ford Foundation, Irvine Foundation, Lumina Foundation, Omidyar Network, and Schmidt Futures—in collaboration with the U.S. Department of Labor (DOL)—to better measure the quality of American jobs.

Through the spring and summer of 2022, the JQMI convened more than 70 leaders and data experts from across fields to analyze current measurement systems, identify gaps, and develop bold, actionable recommendations for government, philanthropy, business, and the nonprofit sector to collaborate toward improving job quality measurement.

A subset of 40 JQMI leaders with deep technical expertise in key datasets were asked to serve as working group members. The four working groups were organized by data category, as follows:

## Administrative Data:

Federal and state program data, particularly state wage and workforce data (e.g., unemployment insurance wage records, Internal Revenue Service data).

## Commercial/Employer Data:

Private sector data gathered through online platforms, worker surveys, or other data collection efforts (e.g., Glassdoor, the Shift Project, Burning Glass, Indeed, LinkedIn, etc.).

## Performance Data:

Program performance data gathered from state and local agency grantees and public and private contractors as part of workforce programming and public procurement.

## Federal Statistical Data:

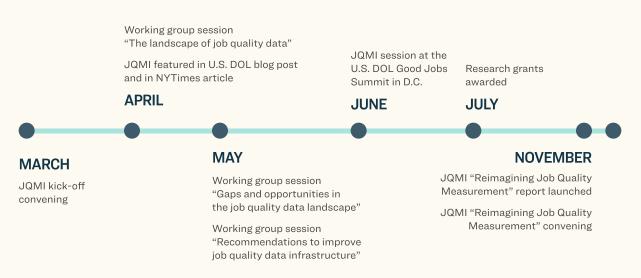
Large-scale federal surveys and datasets such as data collected and disseminated by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics.



In addition, the JQMI engaged more than 30 advisors representative of core users of job quality data, including workforce development practitioners, investors and lenders, state government leaders, academic researchers, racial equity practitioners, and representatives of major commercial data platforms. Advisors provided guidance to the working groups, asked questions to help clarify assumptions, and worked to ensure that recommendations were responsive to practical needs and opportunities on the ground.

JQMI working groups and advisors surfaced bold, actionable ideas. For example, what if monthly federal government jobs reports expanded beyond unemployment statistics to include data on job quality? What if the public agencies that spend billions each year buying goods and services used data to ensure that their spending aligns with their goals to create and support good jobs and workforce equity? What if we created a standardized employer scorecard so that everyone from workers to investors and consumers could compare companies based on job quality and make data-informed choices about how they invest, what they buy, and where they work?

In the summer of 2022, following the completion of this first phase of work, eight teams of JQMI leaders were awarded small grants to conduct a 3-month research sprint to further develop select recommendations into tactical and technical next steps, and lay the foundation for demonstration projects to test and scale the most promising recommendations. A summary of these projects is included in Appendix 4.



#### MEETINGS & MILESTONES

From April through September, the JMQI team held a series of one-on-one and group conversations with a variety of experts to gather feedback and recommendations, in addition to the working group sessions.



#### DEFINING GOOD JOBS

The JQMI builds on work conducted by the Good Jobs Champions Group, convened by the Families and Workers Fund and the Aspen Institute Economic Opportunities Program, which brought together a coalition of leaders from business, labor, policy, philanthropy, and workforce development and solicited input directly from workers to develop and adopt a shared definition of job quality.

<u>The Good Jobs Champions Statement</u><sup>1</sup> provided a common starting place for members of the JQMI, who relied on the definition below to assess the existing data landscape and opportunities to strengthen it.

#### GOOD JOBS: A WORKING DEFINITION

#### **Economic Stability**

- Stable, family-sustaining pay
- Sufficient, accessible, and broadly available benefits
- Fair, reliable scheduling practices
- Safe, healthy, and accessible working conditions

#### **Economic Mobility**

- Clear and equitable hiring and advancement pathways
- Accessible, paid training and development opportunities
- · Wealth-building opportunities



Not every job will meet every standard included in this definition; market forces may drive even well-meaning employers to focus on short-term cost containment rather than long-term value creation through workforce investment. But members of the JQMI agreed that it is critical for business, government, labor, and nonprofits to together increase pathways towards good jobs, to increase the prevalence of good jobs, and to address the rampant disparities in access to and experiences within jobs based on race, gender, and other demographic characteristics.



#### **GUIDING PRINCIPLES**

Shared definitions, standards, and metrics for job quality can help to inspire new action, accelerate existing collaboration, and measure progress toward good jobs. However, data collection and evaluation is not values- or impact-neutral. JQMI working group members surfaced a set of shared values to shape data collection, linkage and analysis, reflected across this report:

#### Equity and Inclusion

Practices should be asset-based, acknowledge bias, and require disaggregation of data.

- Design metrics to shed light on inequities.
- Consider bias, including polarization, selection, and survey bias, in the design of data systems and make every effort to address it.

## People-first

The voices and experiences of directly impacted people should drive development and implementation of measurement.

- Include workers in the design of measurement tools and the collection and evaluation of data to mitigate disparate impact.
- Ensure communities feel safe and heard by using trusted communicators and engagement strategies.
- Design measurement to create mutual benefit or incentives for all involved, honoring both business and worker contributions.

## Privacy

Make protection of worker data and civil rights the building block for all measurement approaches.

- Prioritize privacy—along with the <u>legal</u>, <u>ethical</u>, <u>and purposeful</u><sup>2</sup> use of data—above increased access or facilitation of data linking.
- Require consent before data are used for purposes outside of the program or survey in which they were collected.

## **Burden reduction**

Focus data collection on what is most meaningful; reduce or eliminate duplicative processes.

- Compensate and train service delivery organizations, and workers themselves, to carry out measurement work.
- Maximize use of existing data through linking before requiring additional data collection.

<sup>&</sup>lt;sup>1</sup> The Families and Workers Fund and the Aspen Institute Economic Opportunities Program. A Shared Definition of Job Quality (2022). https://www.aspeninstitute.org/programs/good-jobs-champions-group/

<sup>&</sup>lt;sup>2</sup> Actionable Intelligence for Social Policy, University of Pennsylvania. A Toolkit for Centering Racial Equity Throughout Data Integration. https://aisp.upenn.edu/wp-content/uploads/2022/07/AISP-Toolkit\_5.27.20.pdf



## APPENDIX 2: DATA LANDSCAPE

The charts below capture a sample of the analysis conducted by the performance and commercial working groups. They outline some of the key sources reviewed by the working group members; the metrics currently included in those sources and their use cases; as well as data and access gaps and limitations. While this information is not meant to be exhaustive, it offers a snapshot of some of the key data sources relevant to job quality and an understanding of how the working groups structured their analysis.

DOWNLOAD THE DATA LANDSCAPE

## APPENDIX 3: IMPLEMENTATION DETAILS ON SELECT TOPICS

For a handful of the more than 30 written recommendations developed during the Job Quality Measurement Initiative (JQMI), participants offered a high level of technical detail to guide implementation by government partners such as the U.S. Department of Labor (DOL) and Health and Human Services (HHS). Additional technical details for select recommendations are included below, to build on the recommendations outlined in the section titled "Digging Deeper into the 10 Big Ideas." If you would like to see the full list of recommendations developed by JQMI members, please contact the Families and Workers Fund.



RECOMMENDATION

# #1: Measure what matters to workers, capturing a full range of job quality indicators.

TACTIC	Refine existing survey modules to collect targeted job quality data.
JQMI AUTHORS	Susan Lambert, University of Chicago, Professor in the Crown Family School of Social Work, Policy, and Practice
	Daniel Alpert, Cornell Law School, Senior Fellow in Financial Macroeconomics and Adjunct Professor; Westwood Capital, LLC, Managing Partner

## Details on Technical Implementation | Susan Lambert

Federal statistical surveys can be enhanced to capture a wider range of job quality measures such as work schedules and worker voice. Questions on work hour stability, predictability, and control have gone through cognitive testing by the Bureau of Labor Statistics (BLS) and NORC at the University of Chicago, so developing these items for inclusion in the CPS and other surveys may be more streamlined than developing entirely new questions.

## **Example Questions**

Work hour fluctuations (NLSY97)

- In the last month [but could use past three months, past year], what is the greatest number of hours you worked in a week, at all paid jobs? Please consider all hours, including any extra hours, overtime, work you did at home for your job, and time you spent on work that may not have been directly billable or compensated.
- In the last month, what is the fewest number of hours you worked in a week, at all paid jobs? Please do not include weeks in which you missed some or all hours because of illness, vacation, or other personal obligations.



Advance notice (predictability) (GSS 2016; and similar one in NLSY97)

- How far in advance do you usually know what days and hours you will need to work?
  - 1 day or less in advance
  - 2 to 3 days in advance
  - 4 days to 7 days in advance
  - Between 1 and 2 weeks
  - Between 3 and 4 weeks
  - 4 weeks or more
  - My schedule never changes

The Current Population Survey (CPS), as well as other surveys, are currently using questions that seem outdated and do not collect any data on schedule predictability (such as advance notice) which is of both policy and public interest.

## Details on Technical Implementation | Daniel Alpert

In order to gain a better understanding of the percentage of full-time employment—as well as associated wages—in the economy, federal agencies could deploy a series of regular, monthly calculations using existing data, and the presentation of the results in easily-consumed tabular formats. Specifically:

• The BLS can calculate a simple supplemental Household Survey data point by including in the output the percentage of respondents reporting that they have been employed full-time in jobs offering regular hours of less than 35/week. This would clarify the portion of workers who report themselves as being at work full-time but whose full-time work results in, arguably, a form of underemployment. On the Establishment Survey side, another simple data point can report "FTE Equivalent Jobs" by simply dividing aggregate hours of work reported across all jobs in each subsector, by the total number of jobs in each sub sector. This number can then be translated into a series of ratios used to compare one subsector to another by calculating FTE Equivalent Jobs as a percentage of all jobs in each sub sector for further comparison. Movement in these ratios over time would prove a useful analytical tool both over short- and long-term horizons, and all of these calculations can be immediately introduced and back-generated as a series (to at least 1990).



• Regarding incremental jobs added or lost in any period, the BLS should report the average hours and wages for such jobs based on the sub sectors to which they are coded. It is possible that these data may have to be reported with a one-month delay given analysis limitations. The resulting output can be assembled into an earnings index offering an inter-periodic look at the quality of job creation (or destruction) from the standpoint of their impact on both workers and aggregate demand throughout the economy. This would also give a window into possible slack in the labor markets even when other data indicates tightness, or vice versa.

RECOMMENDATION

# #4: Link public and private data to gain new insights into the quality of jobs.

TACTIC	Aggregate job quality to family level measures so that earnings, benefits, schedules and working conditions of multiple workers are considered.
JQMI AUTHORS	Pamela Joshi, Brandeis University Institute on Children, Youth and Families, Associate Director and Senior Research Scientist

## Details on Technical Implementation

Federal agencies could use existing surveys (such as BLS and the Census Bureau report that uses the annual CPS/ASEC data) to generate family-level estimates by:

- Including family-level job quality in the BLS annual Employment of Families publication.
- Adding estimates of living/family-sustaining earnings to the Census Bureau's Income and Poverty publication; an additional table based on Table A-7 can present family-level earnings and an additional table based on Table A-07 can be estimated for family earnings compared to poverty thresholds.



- Adding the proportion of families with low earnings to the BLS' A Profile of the Working Poor (based on Table 8 wage and salary workers with low earnings), as well as estimates of working families' access to employer-provided health insurance and pensions.
- Estimating the earnings and access to employer-provided benefits (health insurance and pensions) for working families, disaggregated for subgroups and included in the appropriate publication, given BLS' annual reports on employment and earnings for women and immigrants by race and ethnicity.
- Commissioning and/or developing a report on job quality for workers and working families using existing measures across multiple federal data sets. The BLS and the Census Bureau could commission this publication which can set the stage for monitoring existing measures and suggest new measures to fill in gaps.
- Routinely disaggregating data by family and work composition (family composition, number of earners, e.g., Table POV-07) and presence of children to account for equity and the heterogeneity of families. All job quality estimates should also be disaggregated by race/ethnicity and/or nativity.

## Employer-provided benefits

Short-term strategy:

• A quick way to collect missing information about access to employer-provided paid leave (family, medical, and sick) is to add three existing questions from other government surveys to the Pulse Survey. Given the policy discussions about the decline in women's labor force participation during and post-pandemic recovery, especially among mothers with children 0-5 and 6-12, and the discussions about how to build childcare infrastructure (through employer tax credits, child care subsidies, etc.), this information is crucial for a data-driven debate about the role of the public and private sector investments in work supports.



Long-term strategies:

- Existing employer-provided benefit questions and other measures of job quality, work-related stress and tasks, can be added to the SIPP because all household members over 15 are interviewed, meaning there is less concern over proxy measurement of job quality.
- Employer-provided benefit questions can be added to the main CPS/ASEC (March survey) and/or add a job quality supplement, similar to the work schedules supplement last fielded in 2004. A combination of survey questions from existing government surveys (past or present) can be used and new questions that need to be field-tested.
- Since family-level weights need to be developed for the CPS supplements, the initial results can be released for workers, and then a second data release can follow focused on working families.
- Existing measures of employer-provided benefits such as sick days, vacation time, paid leave and childcare included in other federal surveys (or newly developed) can be field tested to understand whether proxy measurement is reliable. These measures could be field tested in the SIPP panel.
- New job quality measures could be developed as part of the new NLS26 cohort. The NLS is currently soliciting special interest modules in 2022 that will be tested in 2023.
- Given the focus on employment as a social determinant of health in the <u>Healthy</u> <u>People 2030 goals</u>,<sup>1</sup> better employment and job quality measures should be added to government-sponsored health surveys. For example, the NHIS could field a subset of CPS/ASEC employment and earnings questions and include additional employerprovided benefits beyond the currently available sick leave and health insurance questions. Similar to the CPS, respondents should be asked about household members' employment and access to benefits.

<sup>1</sup> Economic Stability, Healthy People 2030, U.S. Department of Health and Human Services. https://health.gov/healthypeople/objectives-and-data/browse-objectives/economic-stability



## APPENDIX 4: SUMMARY OF GRANTS AWARDED

The cross-sector leaders involved in the Job Quality Measurement Initiative (JQMI) surfaced several exciting recommendations, prompting the initiative's co-funders to invest in further exploration through a set of small grants. A diverse group of experts was selected to conduct additional research in the summer and fall of 2022 towards developing tactical and technical next steps, and laying the foundation for demonstration projects to test and scale promising recommendations.

## DEVELOPING A JOB QUALITY METRICS SCORECARD FOR FEDERAL AGENCIES

JOBS FOR THE FUTURE

Jobs for the Future (JFF) developed a standard set of key performance indicators and metrics for assessing and reporting job quality in a way that is feasible for and relevant to multiple stakeholders across the workforce system (including government, employers, and workers). JFF drew on its close partnerships with workforce boards across the country, and considered potential demonstration projects that could create a pathway to integrate these metrics into U.S. Department of Labor (DOL) and other federal agency programs.



## STANDARDIZING JOB QUALITY METRICS FOR USE IN AN EMPLOYER/INVESTOR SCORECARD

KAVYA VAGHUL, JUST CAPITAL AND MATT WALSH, LIGHTCAST (FORMERLY EMSI BURNING GLASS)

Kavya Vaghul and Matt Walsh, the co-chairs of the JQMI Commercial/Employer working group, took steps to address the lack of publicly available data on companies by (1) developing a standard set of employer-level job quality metrics that can be leveraged by businesses and investors, and (2) identifying a methodology by which to aggregate those metrics into a composite score to easily measure and compare company performance on key job quality issues. They also proposed next steps to pilot the proposed employer scorecard with key users.

## **CROWDSOURCING OF EMPLOYER DATA**

### RICK WARTZMAN, DRUCKER INSTITUTE

Rick Wartzman of the Drucker Institute explored how crowdsourcing of employer data can strengthen and scale existing job quality data infrastructure in the absence of mandated disclosure, including identifying potential shortcomings in current crowdsourcing indicators, such as data bias, and strategies to address those issues. The project produced an inventory of existing crowdsourced and worker-provided job quality metrics (such as the data collected via Glassdoor, the Shift Project, and PayScale) and a set of recommendations for collecting and utilizing such data.



## BUILDING JOB QUALITY STANDARDS INTO PROCUREMENT

#### THE CENTER FOR AMERICAN PROGRESS

The Center for American Progress (CAP) developed a set of recommended implementation steps for government partners to collect job quality data as part of Infrastructure Investment and Jobs Act (IIJA) procurements in order to help agencies evaluate and monitor bidders for discretionary funds. This included exploring potential standard disclosures on job quality and equity for use in federal agency procurement, accompanying data collection approaches, and potential tools and technical assistance to support adherence to standards.

## **CAPTURING WORKER VOICE**

#### THE WORKER EMPOWERMENT RESEARCH NETWORK

A team of academic researchers from MIT and Cornell developed a set of validated survey questions to better capture worker voice in public and commercial data collection. They recommended a set of questions to assess workers' ability to exercise voice and create change within their workplaces through both individual and collective action, and offered tactical pathways to implementation in both federal statistical and commercial surveys.

## STRENGTHENING DATA COLLECTION THROUGH UNEMPLOYMENT INSURANCE (UI) WAGE RECORDS

#### THE URBAN INSTITUTE

The Urban Institute conducted a landscape scan of UI wage records at the state level and provided recommendations to strengthen and standardize collection of job quality data across the United States, leveraging the unique benefits of employer-reported UI data. Bill Congdon, a co-chair of the JQMI Administrative working group, spearheaded this project, which mapped the current UI records data landscape, identified key constraints to developing standard and enhanced records, and identified promising directions for enhancements that better capture job quality and workforce equity.



## UPDATING MEASURES OF WORK SCHEDULES IN NATIONAL SURVEY DATA

#### SUSAN LAMBERT, UNIVERSITY OF CHICAGO

Susan Lambert, a co-chair of the JQMI Federal Statistical working group, led a research team to develop a standard set of validated survey questions focused on worker schedules as a key aspect of job quality, in order to measure dimensions of scheduling quality that are not currently captured in federal statistical data. This included exploring questions focused on measuring work hour stability, predictability, and control in order to track changing configurations of scheduling practices across occupations and industries and to estimate disparities in the quality of work schedules by worker characteristics. The researchers also provided technical recommendations about pathways to implementation in federal statistical surveys.

## GATHERING REFUGEE AND IMMIGRANT WORKER VOICE TO STRENGTHEN JOB QUALITY MEASUREMENT

#### INTERNATIONAL RESCUE COMMITTEE

The International Rescue Committee (IRC) conducted focus groups and interviews with diverse refugee/immigrant workers (representing a range of regions, nationalities, languages, genders, ages, industries of employment, and lengths of time spent in the U.S.), capturing the voices of communities that are under-counted in government surveys. IRC gathered workers' perspectives on job quality and job quality measurement, including human-centered research on convenient and comfortable ways to share data (e.g., via text message, phone interview, or online surveys). This project also established feedback loops with other JQMI research teams, to help ensure that the data collection processes and questions developed across the initiative are responsive to worker priorities and preferences.



# ACKNOWLEDGMENTS

REIMAGINING JOB QUALITY MEASUREMENT





## ACKNOWLEDGMENTS

We are grateful to the cross-sector leaders listed below, whose significant contributions to the Job Quality Measurement Initiative (JQMI) made this report possible.

While the report draws on meetings with and written recommendations from the JQMI participants listed below, the ultimate product represents a synthesis of many perspectives. As such, participation does not imply endorsement of all recommendations in this report.

## Collaborators at the U.S. Department of Labor

We deeply appreciate the engagement of partners across the U.S. Department of Labor (DOL), whose vision and deep commitment to advancing good jobs through better measurement inspired the JQMI. Too many DOL partners contributed to the initiative to list here, but below we have named key representatives who participated in meetings and shared priorities, ideas, and feedback. We are particularly grateful to Alex Hertel-Fernandez, whose leadership and expertise helped us see what could be possible with better job quality data.

- Teresa Acuña, Deputy Director, Good Jobs Initiative
- Chike Aguh, Chief Innovation Officer
- Cesar Acevedo, Economist
- Pat Carey, Assistant Commissioner, Office of Current Employment Analysis, Bureau of Labor Statistics
- Heidi Casta, Deputy Administrator, Employment and Training Administration
- Katherine Eyster, Senior Advisor for Private Sector Engagement
- Ana Hageage, Employment and Training Administration, Chief of Staff
- Julie Hatch, Bureau of Labor Statistics, Associate Commissioner for Employment and Unemployment Statistics



- Alex Hertel-Fernadez, Office of the Assistant Secretary for Policy, Deputy Assistant Secretary for Research and Evaluation
- Sara Johnson, Previously Employment and Training Administration, Acting Deputy Administrator, Policy Development and Research
- Ali Khawar, Employee Benefits Security Administration, Assistant Secretary
- Raj Nayak, Office of the Assistant Secretary for Policy, Assistant Secretary for Policy
- Nicole Nestoriak, Bureau of Labor Statistics, Economist
- Lynn Rhinehart, Office of the Secretary, Senior Advisor
- Rukku Singla, Policy Advisor, Good Jobs Initiative
- Tiffany Smith, Employment and Training Administration, Enterprise Program Advisor
- Lafe Solomon, Senior Counsel, Office of the Solicitor
- Julie Su, Deputy Secretary
- Kimberly Vitelli, Employment and Training Administration, Administrator of the Office of Workforce Investment
- Katelyn Walker Mooney, Office of the Secretary, Director of the Good Jobs Initiative
- Christina Yancey, Office of the Assistant Secretary for Policy, Chief Evaluation Officer
- Elaine Zimmerman, Employee Benefits Security Administration, Chief of the Division of Research and Economic Analysis

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## Ford Foundation

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- Livia Lam, Program Officer, Future of Work(ers)



## The James Irvine Foundation

- Leslie Payne, Initiative Director
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## Lumina Foundation

• Courtney Brown, Vice President of Impact and Planning

## **Omidyar Network**

- Tracy Williams, Director, Reimagining Capitalism
- Anmol Chaddha, Principal, Reimagining Capitalism
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Lastly, we would like to extend a special thanks to Nefeli Mourti, Liz Nellis, and Brigitte Rodriguez of **Social Strategy Associates**, who played an important project management and facilitation role in this initiative, and to **Brooke Valle**, who served as both an engaged co-chair of the performance working group and a lead partner in the conceptualization and development of this report.