

# THE FUTURE OF WORK

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# STATE POLICY AGENDA FOR THE FUTURE OF WORK

## 1 | BUILD A SKILLED & RESILIENT WORKFORCE

1. BOOST THE INCENTIVE FOR EMPLOYERS TO INVEST IN WORKERS
2. EMPOWER WORKERS TO INVEST IN THEIR OWN TRAINING
3. EXPAND ACCESS TO HIGH QUALITY TRAINING
4. INCREASE QUALITY APPRENTICESHIP OPPORTUNITIES
5. EXPAND CAREER COUNSELING & REEMPLOYMENT SERVICES
6. IMPROVE STATE LABOR MARKET DATA

## 2 | MODERNIZE WORKER BENEFITS & PROTECTIONS

## 3 | ALIGN & PRIORITIZE FUTURE OF WORK POLICY

# BOOST THE INCENTIVE FOR EMPLOYERS TO INVEST IN WORKERS

## BACKGROUND

- Employers are uniquely positioned to play an important role in preparing the workforce for lifelong learning
- Unfortunately, available data suggest that **employer investment in worker training is declining**

## PROPOSAL: CREATE BUSINESS TAX CREDIT TO OFFSET TRAINING COSTS

- Tax credit to offset portion of cost of new training activities for non-highly compensated workers
- Currently, there is a **20 percent R&D tax credit** but no similar credit for corporate investment in training

## EXAMPLES

- CT, GA, KY, MS, RI, and VA provide businesses with tax credits for training investments that range from 5 percent to 50 percent of training expenses. Versions of this proposal have been introduced in NJ and VA.
- Federal legislation to create a Worker Training Tax Credit also introduced last Congress in the U.S. Senate and House

# EMPOWER WORKERS TO INVEST IN THEIR OWN TRAINING

## BACKGROUND

- To succeed in a rapidly changing economy, **workers will need to update skills over the course of their careers**, both to adapt to the evolving skills that will be needed in their jobs and/or to help transition to new jobs if their industry or occupation faces disruption

## PROPOSAL: CREATE LIFELONG LEARNING & TRAINING ACCOUNTS

- Lifelong Learning and Training Accounts would be funded by workers, employers, and government, and could be used by workers to pay for education and training opportunities over the course of their career

## EXAMPLES

- Demonstration programs have been implemented in ME, WA, Chicago, and New York City
- In MA, State Senator Eric Lesser has proposed legislation to establish a Lifelong Learning and Training Account program
- Federal legislation was also proposed in the U.S. Senate and House last session

# EXPAND ACCESS TO HIGH QUALITY TRAINING

## BACKGROUND

- **Community colleges are well positioned to provide in-demand skills training** but their funding has been sharply cut over the past two decades

## PROPOSAL: INCREASE FUNDING FOR COMMUNITY COLLEGES TO PROVIDE SKILLS TRAINING

- State policymakers should identify strategies to increase funding for community colleges to provide high-quality, in-demand skills training

## EXAMPLES

- Early adopters of free college policies, often known as “College Promise” programs, include DE and TN. As of July 2018, nineteen states had such programs.
- Federal grant program to community colleges contingent on institutional outcomes in degree completion rates and labor market outcomes

# IMPROVE STATE LABOR MARKET DATA

## BACKGROUND

- **Detailed data on local and regional economies is often nonexistent or inaccessible**
- Better data would improve understanding of how economic forces like automation are affecting local and regional economies, to best target policymaking, service offerings, and delivery

## PROPOSAL: IMPROVE DATA COLLECTION AND USAGE

- Add new data elements in state UI wage records
- Create training program effectiveness data by matching with education program data through state longitudinal data systems
- Increase funding for state labor market information systems
- Develop a more effective and transparent skills-based labor market

## EXAMPLES

- LA, OR, WA, and AK currently collect additional data elements, including occupational title
- CO and IN have worked with the Markle Foundation's Skillful Initiative to develop a more effective and transparent skills-based labor market

# STATE POLICY AGENDA FOR THE FUTURE OF WORK

**1** | BUILD A SKILLED & RESILIENT WORKFORCE

**2** | **MODERNIZE WORKER BENEFITS & PROTECTIONS**

- 7. CREATE A SYSTEM OF PORTABLE BENEFITS
- 8. EXPAND PAID LEAVE
- 9. LIMIT NON-COMPETES AND NO-POACH AGREEMENTS
- 10. UPDATE UNEMPLOYMENT INSURANCE

**3** | ALIGN & PRIORITIZE FUTURE OF WORK POLICY

# NON-TRADITIONAL WORK LANDSCAPE

<b>Employment classification</b>	Employee				Independent contractor	
<b>IRS designation</b>	W2				1099	
<b>Does worksite entity pay worker?</b>	Yes, worker paid directly		No, worker employed and paid by intermediary			
<b>US DOL - BLS designation</b>	Full-time	Part-time	On-call	Temporary help agency	Contract firm	Independent contractor
<b>Representative occupations</b>	<ul style="list-style-type: none"> <li>• Civic engineer</li> <li>• Teacher</li> <li>• Manufacturing</li> <li>• Nurse</li> <li>• Office manager</li> </ul>	<ul style="list-style-type: none"> <li>• Retail</li> <li>• Foodservice</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Substitute teacher</li> <li>• Construction worker (via union hall)</li> <li>• Health care</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative support</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitality</li> <li>• Security guard</li> <li>• Landscaping</li> <li>• Public sector</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate agent</li> <li>• Multi-level marketing</li> <li>• Insurance broker</li> <li>• Massage therapist</li> <li>• Rideshare driver</li> <li>• Consultant</li> <li>• Musician</li> <li>• Childcare provider</li> <li>• Graphic designer</li> <li>• Hair stylist</li> <li>• Farmer</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Emp. pays into SS, Medicare, UI, workers comp</li> <li>• Employer funds health care, often retirement</li> <li>• Employer withholds payroll taxes</li> </ul>		<ul style="list-style-type: none"> <li>• Employer pays into Social Security, Medicare, UI</li> <li>• Employer withholds payroll taxes for employee</li> <li>• Employer pays for workers compensation insurance</li> </ul>		<p>Definitely do not have:</p> <ul style="list-style-type: none"> <li>• Employer contributions to Social Security, Medicare, UI</li> <li>• Tax withholding</li> <li>• Employer funded health care</li> <li>• Workers compensation</li> <li>• Retirement savings contribution</li> </ul>	
			<p>Often do not have:</p> <ul style="list-style-type: none"> <li>• Employer funded health care</li> <li>• Retirement savings contribution</li> </ul>			



# CREATE A SYSTEM OF PORTABLE BENEFITS

## BACKGROUND

- Over the past thirty years, workers' benefits coverage has declined. The decline in benefits is felt most acutely among the millions of Americans who work as contractors, independent contractors and other non-traditional workers.

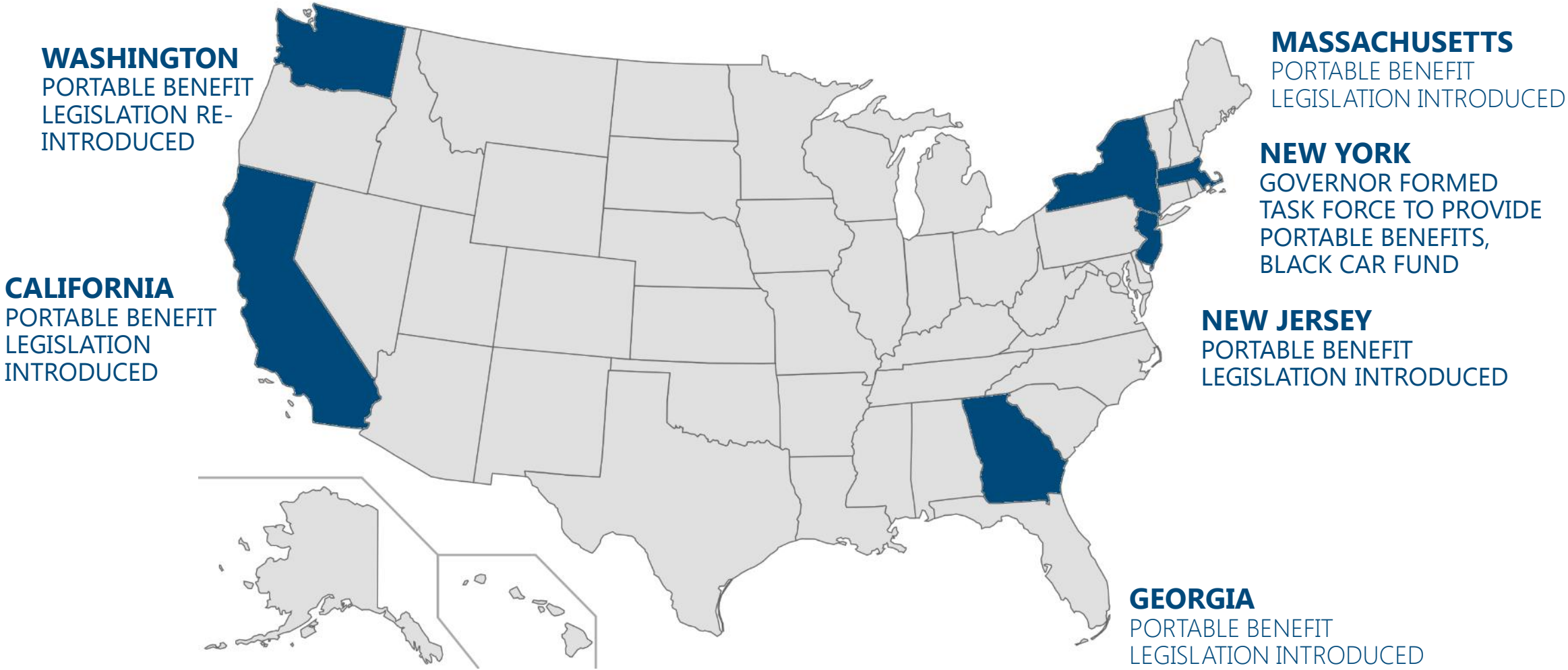
## PROPOSAL: CREATE A PORTABLE BENEFITS SYSTEM

- State policymakers should work to **extend benefits to more people through portable models** that:
  - (1) PORTABLE: not tied to any particular job, but rather linked to the worker who can take the benefit from job to job or project to project;
  - (2) PRO-RATED: support contributions from multiple employers or clients that are proportionate to dollars earned, jobs done, or time worked; and
  - (3) UNIVERSAL: cover any worker, including independent contractors and other non-traditional workers

## EXAMPLES

- Legislators in NY, WA, NJ, GA, and MA have introduced bills to either create portable benefits systems or start innovation funds to experiment with different portable benefits models

# CREATE A SYSTEM OF PORTABLE BENEFITS: U.S. LEGISLATION



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11. CREATE A SHORT-TERM COMMISSION OR TASK FORCE

12. CREATE A STANDING COUNCIL OR BOARD

13. CREATE A DEDICATED FUTURE OF WORK POSITION

# CONTACT INFORMATION

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