New Strategies for an Evolving Workforce

National Council of State Legislatures
August 14, 2023

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Economic Policy Institute
www.epi.org
Greetings from EPI - the Economic Policy Institute

Core research and policy areas:
- Jobs and employment
- Inequality
- Race and ethnicity in labor markets
- Unions and collective bargaining
- Budget, taxes, and public investment
Network of 56 state and local groups in 45 states and DC

Hosted and supported by EPI since 1998

www.earn.us
The gap between productivity and a typical worker’s compensation has increased dramatically since 1979

Productivity growth and hourly compensation growth, 1948–2021

1948–1979:
Productivity: +118.4%
Compensation: +107.5%

1979–2021:
Productivity: +64.6%
Compensation: +17.3%

Notes: Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector and net productivity of the total economy. "Net productivity" is the growth of output of goods and services less depreciation per hour worked.


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Policy investments meant the best two-year stretch of job creation since 1979

Level and percent change in two-year job growth, January over January, 1979–2023


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The lowest-wage workers had the strongest wage growth during the pandemic

Real wage growth across the wage distribution, 2019–2022

Notes: Low-wage is represented by the 10th percentile and high-wage is represented by the 90th percentile. The lower-middle, middle, and upper-middle-wages are the averages of the 20th–40th percentiles, the 40th–60th percentiles, and the 60th–80th percentiles, respectively.

Federal fiscal relief at the scale of the problem led to a faster recovery from the pandemic recession

Private-sector employment change since business cycle peak, December 2007 and February 2020


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Prime-Age Employment-to-Population Ratio: It took 3.5 times longer to recover the pre-recession peak following the Great Recession than following the Covid Recession.


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Employment change by industry since February 2020

All employees (thousands), seasonally adjusted, July 2023

- Professional and business services: 1,595
- Transportation and warehousing: 936
- Education and health services: 832
- Construction: 363
- Financial activities: 294
- Manufacturing: 200
- Wholesale trade: 171
- Information: 166
- Retail services: 10
- Utilities: 23
- Mining and logging: -43
- Other services: -53
- Government: -170
- Leisure and hospitality: -352


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Percent change in payrolls since February 2020, for all private and state and local government employment


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Public K–12 education employment has collapsed

Local public education employment and employment needed to keep up with enrollment, 2003–2021

How underpaid are teachers in your state?

Depending on the state, teachers make between 3.4% and 35.9% less than other comparable college-educated workers.
### State and Local Fiscal Recovery Funds, 10 lowest-spending and highest-spending states

<table>
<thead>
<tr>
<th>States</th>
<th>Average share of SLFRF spent</th>
<th>Change in state government employment, Feb 2020–May 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lowest-spending states</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oklahoma, South Carolina, Tennessee, Missouri,</td>
<td>8.4%</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Mississippi, South Dakota, Florida, Nebraska,</td>
<td></td>
<td></td>
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<tr>
<td>Montana, Alabama</td>
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<tr>
<td><strong>Highest-spending states</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minnesota, Alaska, Maryland, Hawaii, Pennsylvania,</td>
<td>74.5%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>California, Illinois, Washington, Oregon, Texas</td>
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</tbody>
</table>


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13 states + DC have Paid Family & Medical Leave Laws

MAP OF PAID FAMILY & MEDICAL LEAVE LAWS

A Better Balance
abetterbalance.org

Economic Policy Institute
30 states + DC have minimum wage higher than federal level

Federal

Minimum wage: $7.25
Tipped wage: $2.13

Most recent increase:
$6.55 to $7.25, effective July 24, 2009

Most recent major change to minimum wage law:
2007

Upcoming increases:
n/a

Indexing:
n/a

Notes:
The Fair Labor Standards Act excludes any business with gross annual revenue less than $500,000 whose employees do not engage in “interstate commerce.” It also contains a variety of smaller occupational exclusions, such as those for telephone switchboard operators, private investigators, and babysitters.
Workers in states paying only the federal minimum wage are much more likely to be paid less than $15 per hour

<table>
<thead>
<tr>
<th>States (and DC) that have a minimum wage higher than $7.25</th>
<th>Share of workers paid less than $15</th>
<th>Number of workers paid less that $15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13%</td>
<td>11,345,000</td>
</tr>
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</table>

| States where the minimum wage is $7.25                     | 19%                               | 9,768,000                            |

Unions have positive, measurable impact on...

- Union members and workers without unions
- Wages, benefits, standards within occupations and across economy
- Racial and gender equity, closing income gaps
- Democracy, voter participation, civic engagement

Median household incomes in high-union-density states are more than $12,000 higher, on average, than median incomes in low-union-density states.

Average median household income (2019) in high-, medium-, and low-union-density states:

- High: $75,786
- Medium: $70,763
- National average: $69,720
- Low: $63,212
Maximizing opportunities presented by federal BIL, IRA, CHIPS Act investments

Key state/local labor policy tools to shape job quality, equity outcomes of clean energy, infrastructure investments

- Prevailing wage
- Apprentice utilization
- Project labor agreements or community benefits agreements
- Local/targeted hire, equity programs, pre-apprenticeship, workforce wrap-around services
- Responsible bidder laws, contractor compliance with fed and state labor laws, “labor peace” agreements, etc.
For states: Ensuring local control is one key to maximizing impact of federal investments

Cities, counties, and other local governments are enacting policies that raise standards for working people, but state legislatures are lowering those standards back down with preemption—the use of state law to void local ordinances. Forty-four states have preemption laws that target key worker rights. Select a category above or click on the map to see the laws in each state.

Alabama
Alabama has preemption laws for:
- Minimum wage (2016)
- Fair scheduling (2016)
- Project labor agreements (2016)
- Paid leave (2014)
Registered Apprenticeship & Pre-Apprenticeship

"We're building our streets' Building Futures program opens doors to construction industry"

by Kate Siebert | Fri, March 3rd, 2023, 10:22 AM EST

Building Futures is a 12-week training program that equips members of underserved communities with the basic construction skills they need for a building trades apprenticeship. After graduating, participants are placed into an apprenticeship program with a local union, (NECA).

INFLATION REDUCTION ACT APPRENTICESHIP RESOURCES

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Building equity into workforce development systems

Pre-Apprenticeship Program
Learn about a career in the trades with 200+ hours of hands-on and classroom training. Building Pathways will provide you with the knowledge and skills you need to enter and succeed in a registered union apprenticeship program.

Northeast Center for Tradeswomen Equity
Our “Build a Life” program is dedicated to educating women about careers in the skilled construction trades. Tradeswomen Tuesday happens at 5pm on the first Tuesday of each month.

Care That Works
A coalition of grassroots community groups and labor unions working to create a more equitable and accessible child care system.

RISE Up
A Respectful Workplace Program providing tools and support to create and maintain safe, inclusive and productive work sites for everyone.
SEIU Healthcare NW Training Partnership SpotLight
United We Heal apprenticeship in Oregon snags nearly $900K in federal funding

Participating Employer Training Agents:

United We Heal
Stay in touch!

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