

Improve Job Quality for Low-Income Workers

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Policy Title: Improve Job Quality for Low-Income Workers

Policy Full Text: Improve job quality for low-income workers and expand the employment capacity of employers already offering quality jobs, with quality jobs defined as those that provide competitive, equitable and self-sustaining wages, family friendly benefits and practices, and consistent scheduling.

Strategic Element:

Improve parental health, job retention and wages.

For children of parents with improved job quality, improved health, educational attainment, and incomes.

Tactical Element:

Improved wages, benefits, scheduling, skill development and advancement for low-income workers.

High parental job quality is associated with children's improved reading and math scores and behavioral outcomes. Household income affects the ability for parents and children to meet basic needs. Paid family and medical leave is a benefit that positively impacts children's health outcomes and improves women's employment outcomes, with no negative effects on employers. Childcare subsidies are a benefit associated with increases in employment and earnings among low-income workers, as well as reduced child poverty.

Continuous, quality health coverage helps protect individuals from costly medical debt and results in individuals being more likely to seek preventive care and health care. Employee-owned business models have been shown to improve employee wages and retirement savings, further educational attainment and improve job quality, while also benefiting employers via increased productivity and lower turnover. Stable scheduling practices are associated with reduced absenteeism, lower turnover, improved job satisfaction, improved health and wellbeing, increased productivity, and higher revenues.

Problem Statement:

Parental job quality impacts children's academic performance and behavior, both of which are important predictors of educational outcomes and socioeconomic status at adulthood. Characteristics of job quality include wages, benefits, hours and scheduling, culture, and opportunities for skill development and advancement. The minimum wage in Arizona is now one of the highest in the nation, and wage inequality across Arizona and Pima County has dropped in recent years after many years of increasing. Prior to the pandemic, half of all workers aged 18-64 in Pima County were low-wage workers.

Nationally a majority of workers who moved to a new employer during and post-pandemic saw real wage increases, but average wages for women and Black and Hispanic workers remain far lower than the median. Paid family and medical leave is a benefit that positively impacts children's health outcomes and improves women's employment outcomes, with no negative effects on employers. However, access to paid and unpaid leave is disproportionately lower for low-income, workers or color, resulting in their children's greater exposure to opportunity gaps. Working

families with children require childcare, the costs of which annually often exceed that of a college, and there are not enough government subsidies to meet the need.

Those who live in poverty more often have low wage jobs that are less likely to include employer-sponsored health coverage. While low-income individuals often qualify for publicly funded or subsidized health coverage options, barriers exist that make eligibility, enrollment and renewal in such coverage programs challenging. Unstable scheduling practices have been shown to destabilize workers' finances, sleep, caregiving, education, other employment, and community and leisure activities, and are associated with negative health outcomes, reduced worker satisfaction, and increased turnover. Hourly and part-time workers and workers in low-wage occupations are more likely to have jobs with unstable schedules, and workers of color are also disproportionately impacted.

How will the policy: (1) ensure the availability of jobs that will economically support a household, 2) increase housing stability, 3) provide equitable and effective resources, 4) build individual and community assets, 5) build climate resilience and reduce environmental harm, 6) reduce or prevent crime, and 7) further a two-generation approach?

Improving job quality, including wages, benefits, and family friendly practices, will enable more families to economically support a household, improve housing stability because of access to more resources, and provide opportunities for long-term financial asset building. Growing high quality jobs in the clean energy industry, and intentionally connecting low-income workers to those jobs through apprenticeships and on the job training, will not only improve job quality for low-income workers, but also expand the local capacity of companies and organizations to build climate resilience. Research suggests that job quality may have a stronger influence on individuals' involvement in criminal behavior than does income, job stability, educational achievement, and a variety of factors, and that job quality is more strongly associated with criminal behavior than the presence or absence of being employed.

Why policy is applicable to Pima County region?

Arizona has one of the highest minimum wages, which will continue to increase with the cost of living as indexed to the consumer price index. Inequality between low-wage and high wage earners for the Tucson MSA (which is Pima County) and for Arizona and the U.S. increased or remained consistent between 2001 and 2016. However, in 2017 wage inequality as reported on the UA MAP dashboard declined significantly for Arizona and Tucson. This decrease may reflect, in part, the increase in the minimum wage in Arizona during 2017. Pima County's Economic Development Strategic Plan targets business attraction, expansion and retention on sectors that pay higher wages. Pima County and the City of Tucson have successful Living Wage Ordinances requiring contactors providing services that are statistically low paying, entry level positions, to pay employees higher wages than would have been typically paid for these types of jobs. The last annual report showed that the County's Living Wage ordinance resulted in increased wages for 328 employees. Pre-pandemic data showed that half of all workers aged 18-64 in the Tucson Metropolitan Area (which is Pima County) were low-wage workers. While a majority of workers who moved to a new employer during and post-pandemic earned a real wage increase at their new employer, wages for some demographic groups remain far lower than the median rate. For state and local government employees in Arizona there are more males than females overall, there are significantly more males than females earning salaries of \$70,000 or more (71% to 29%), there are disproportionately more White non-Hispanic employees than employees of other races and ethnicities (74% White non-Hispanic), and the number of White non-Hispanic employees earning \$70,000 or more is rising faster than employees of other races and ethnicities.

<https://mapazdashboard.arizona.edu/workforce-demographics/wage-distribution>

Ross, Martha, Bateman, Nicole, Friedhoff, Alec. 2020. Low Wage Workers by Metropolitan Area. Brookings Institute. <https://www.brookings.edu/articles/low-wage-workforce/>; <https://www.brookings.edu/articles/meet-the-low-wage-workforce/> <https://www.eeoc.gov/data/job-patterns-minorities-and-women-state-and-local-government-eeo-4#Explore>, Job Patterns for Minorities and Women in State and Local Government (EEO-4); EEOC collects labor force data from state and local governments with 100 or more employees within 50 U.S. states and District of Columbia. The reporting agencies provide information on their employment totals, employees' job category and salary by sex and race/ethnic groups as of June 30 of the survey year. Since 1993 the EEO4 survey is conducted biennially in every odd-numbered year.

Apprenticeships and on the job training experiences are proven approaches to increasing employment and wages for low-income job seekers and those with other barriers to employment. Through apprenticeships and on the job training, workforce development agencies can also influence participating employer wages and benefits. Pima County One-Stop clients participating in these types of experiences in FY2023 appears to be low (29 apprentices; 5 on the job training) in comparison to the total number of clients eligible for these types of experiences (enrolled in individual career services 3,472). Pima County is in the process of increasing the number of opportunities for apprenticeships and on the job training.

Tucson and Pima County have good examples of employee-owned businesses, and Tucson's Small Business Assistance Program provides support to companies that want to explore and execute employee ownership.

Title 20 of the Pima County Code and Board of Supervisors Policy D29.8 ensures a fair and equitable opportunity for participation in County contracts by local certified Small Business Enterprises (SBE). Where County Contracts are federally funded, however, the County's SBE program may be supplanted by a federal mandate for participation by Disadvantaged Business Enterprises (DBEs). Policy D29.8 is intended to ensure compliance with mandates for DBE participation, where federally required, in lieu of the County SBE program which is limited in scope due to State law. DBEs are for-profit small businesses where socially and economically disadvantaged individuals own a majority interest and control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis. To participate in the DBE program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification. To be regarded as economically disadvantaged, an individual must have a personal net worth that does not exceed the limit. To be seen as a small business, a firm must meet SBA size criteria and must not have average annual gross receipts exceeding the limit.

The City of Tucson and Pima County also set minimum wages for City and County employees, and both are in various stages of implementing organization-wide classification and compensation changes to realign job classifications and salaries with the market for comparable organizations, and improve the ability to recruit, hire and retain employees. These market studies were not gender or race and ethnicity equity studies. The City is currently collecting data to conduct an analysis to determine if there are any pay equity concerns. Through the County's Diversity, Equity and Inclusion program, pathways to expand recruitment for underrepresented communities have been established with the Tucson Indian Center, YWCA, United Way, and Goodwill. Consistent with Board Policy D21.1, the County continues to review employment demographics every two years to identify positions in which certain underrepresented communities continue to be under-represented and to develop strategies for recruitment and retention of such groups.

The Town of Marana also undertook a compensation study in FY22, which was implemented in FY23. The majority of Town employees received a minimum of a 6 percent pay increase, and many received more, up to an individual cap of \$15,000. The Town continues to do internal market analysis and adjust salary ranges to stay competitive.

Pima County, as the region's primary workforce development agency, drives wages, pay scale adjustments and benefit options through apprenticeships and other on the job training experiences.

Arizona does not require paid family leave, nor requires participation in paid family leave program. Proposition 206, the Fair Wages and Healthy Families Act, was approved in November 2016. In addition to increasing the State's minimum wage, this law requires all Arizona employers to provide paid sick leave, though the required number of hours is less for small businesses under a certain size. Over the last two years, Pima County expanded a variety of benefits for County employees, including more vacation and sick time, expanded parental leave, and flexible and alternative work schedules. Pima County offers a very successful low-cost loan program for County employees for loans up to \$10,000. The City of Tucson and Town of Marana have also expanded their employee compensation and benefit packages.

According to the American Community Survey, 87.7% of Pima County adults had health insurance in 2021, compared to 85.3% in Arizona, and 87.8 percent nationally. Hispanic/Latino adults (82.1% insured) and American Indian/Alaska Natives (80.6%) were less likely to be insured than the overall population living in Pima County (87.7%). In 2021, 92.5% percent of children in Pima County had health insurance, compared to 91.5% in Arizona and 94.6% of children overall nationally. During its 2023 legislative session, the Arizona Legislature expanded eligibility for KidsCare, from 200 percent to 225 percent of the Federal Poverty Level, resulting in an addition 12,000 children being eligible statewide.

Adults with Health Insurance. Pima Health Data Portal. Pima Health Data Portal :: Indicators :: Adults with Health Insurance :: County : Pima

Children with Health Insurance. Pima County Health Data Portal. Pima Health Data Portal :: Indicators :: Children with Health Insurance :: County : Pima

Children's Action Alliance Accessed May 29, 2023 State budget has small key wins for AZ children & families, BUT more needs to be done - Children's Action Alliance

In 2021, voters in Tucson approved Prop 206, also known as the Fight for \$15, which established a minimum wage in the City. Prop 206 also requires workers scheduled for at least three hours who have their shift canceled with less than 24 hours' notice to be compensated for three hours' worth of pay.

Has policy proven to be more effective for certain populations and if so who?

It is unknown if this policy would be more effective for certain populations, largely because of variations that could occur through implementation.

Cite evidence-based research from nonpartisan, objective, and well-recognized authorities:

Job Quality

A growing non-experimental evidence base shows that parental job quality impacts opportunities for children. The characteristics of job quality can include wages, benefits, hours and scheduling, culture, and opportunities for skill development and advancement. Poor parental job quality is associated with children's grade repetition and behavior

issues. High parental job quality is associated with children's improved reading and math scores and behavioral outcomes. Children's reading and math skills, as well as behavioral issues, are important predictors of their educational outcomes, as well as their socioeconomic status in adulthood.

This NASEM report cites findings from a growing non-experimental evidence base that parental job quality impacts opportunities for children. The authors cite three structural factors impacting parents job quality: the macroeconomy/labor market, federal policies and standards, and employer policies and practices. State and local policies are cited when federal policies are lacking. While there is no standard definition of job quality, the report includes characteristics such as wages, benefits, hours and scheduling, culture, and opportunities for skill development and advancement. Poor parental job quality is associated with children's grade repetition and behavior issues. High parental job quality is associated with children's improved reading and math scores and behavioral outcomes. Children's reading and math skills, as well as behavioral issues, are important predictors of their educational outcomes, as well as their socioeconomic status in adulthood. These factors can contribute to a cycle of poverty, unemployment, delinquency, and poor health among adults. Black, Hispanic, immigrant, and low-income children have higher exposure to opportunity gaps associated with parents' low-quality jobs. More comprehensive data sets that include measures of parents' jobs and children's outcomes are needed to understand how differential exposure to opportunity gaps in parents' job quality affects differences in children's health and education outcomes by income, race/ethnicity, and immigrant status.

National Academies of Sciences, Engineering, and Medicine. 2023. *Closing the Opportunity Gap for Young Children*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/26743>.

Wages

Increasing household income reduces poverty. Raising the minimum wage is a frequently recommended strategy for improving wages, as well as jobs that pay a livable or sustainable wage. No citations are included here since Arizona's minimum wage is one of the highest in the nation and will continue to increase, and Pima County and the City of Tucson have livable wage ordinances for county contracted low-wage services.

Through apprenticeships and other on the job training programs, workforce development agencies can assist employers with the expansion of their workforce by becoming an apprenticeship sponsor, and can drive wages, pay scale adjustments and benefit options through these partnerships. Workforce development agencies can also provide these trainees with coaching and supportive services (transportation, childcare, etc.) during and after hire, which are proven strategies to improve job retention rates.

Mathematica assessment of the effectiveness of apprenticeships, benefits and ROI:

https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

[https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2022/TEGL%2007-22/TEGL%2007-22%20\(Accessible%20PDF\).pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2022/TEGL%2007-22/TEGL%2007-22%20(Accessible%20PDF).pdf)

To address continuing wage disparities it is important for the workforce system to not only prioritize good jobs with living wages, but to prioritize such outcomes for every segment of its population, particularly historically underserved communities. The Pew Research Center found that 60 percent of workers who moved to a new employer between April 2021 and March 2022 earned a real wage increase at their new employer. However, wages for some demographic groups remain far lower than the third quarter 2022 median rate of \$1,070 weekly. Men earned on average \$1,164 weekly, while all women earned on average \$971 weekly. Further, in the third quarter of 2022, the median weekly earnings for Black workers were \$881, just 83 percent of the median weekly earnings for all workers; Black women earned, on average even less, just \$830 weekly. Median weekly earnings for Hispanic

or Latino workers were \$861 or 80 percent of the median weekly earnings for all workers, with Hispanic or Latino women earning less—just \$782 per week.

The Bureau of Labor Statistics reports that women's-to-men's earnings ratio was 82.3 percent in 2020 but varies by race and ethnicity and gets worse with each level of educational attainment. As an example, Black and Latina women with a bachelor's degree earn only 65 percent of the salaries earned by white men with similar education. Nancy Folbre's extensive research for the Economic Policy Institute concluded that the disadvantages women experience in the labor market cannot be blamed on their own choices – for example, choosing to work in low-paying fields or taking time off to care for family members. The Institute for Women's Policy Research concurs that occupational segregation is a major contributor to the gender wage gap. Research from public sector job evaluation studies in the 1970s consistently showed that positions with more women were categorized into lower pay grades and fell short of men's pay by roughly 20 percent.

In 1978, the Equal Employment Opportunity Commission commissioned a study on occupational classifications. Evidence showed that only a small portion of male-female wage disparities were accounted for by differences in education, work experience, or productivity. The final report - Women, Work, and Wages - concluded that the vast discrepancies in earnings by sex were caused by job segmentation and mid-century employment practices that permitted different rates of pay for men and women.

Instead of using the market wage as a standard and thus perpetuating historical discrimination, researchers encouraged employers to conduct internal job evaluations that used a point system based on skill, education, and working conditions to remove biases and establish fair salary structures.

If women in Arizona were paid the same as comparable men, the Institute for Women's Policy Research says their poverty rate would be cut in half. Organizations that proactively engage in pay equity practices have a competitive advantage and are better positioned to attract and retain top talent, according to the Society for Human Resource Management's report, "Bridging the Pay Gap." Those who do not experience higher distrust and turnover.

<https://www.dol.gov/agencies/ofccp/about/data/earnings/race-and-ethnicity>

<https://www.bls.gov/opub/reports/womens-earnings/2021/home.htm>

<https://www.pewresearch.org/short-reads/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>

<https://www.aauw.org/resources/research/race-and-the-pay-gap/>

<https://iwpr.org/event/webinar-the-gender-wage-gap-and-occupational-segregation-tackling-the-undervaluation-of-human-services-and-care-work/#:~:text=Occupational%20segregation%2C%20and%20especiall%20the,still%20far%20from%20pay%20equity.>

<https://iwpr.org/wp-content/uploads/2020/08/C419.pdf>

<https://www.epi.org/unequalpower/publications/gender-and-bargaining-in-the-u-s-labor-market/>

In 2022, employer compensation costs for private industry union workers across the US averaged \$53.20 an hour, with wages accounting for 60.1 percent and benefits accounting for the remaining 39.9 percent of compensation. Compensation costs for nonunion workers averaged \$38.37 an hour, with 71.8 percent going towards wages and 28.2 percent for benefits.

<https://www.bls.gov/spotlight/2023/union-membership-activity-and-compensation-in-2022/home.htm>

Paid Family and Medical Leave

Paid family and medical leave is a benefit that positively impacts children's health outcomes and improves women's employment outcomes, with no negative effects on employers. Access to paid and unpaid leave is disproportionately lower for low-income, workers or color, resulting in their children's greater exposure to opportunity gaps. Paid family leave policies increase leave-taking and leave duration among both mothers and fathers, with effects larger for the least advantaged populations.

This NASEM report also references strong evidence that paid family and medical leave positively impacts children's health outcomes and reduce child poverty, and that these programs have been found to improve women's employment outcomes, with no negative effects on employers. Across studies, however, there is evidence of limited access to both unpaid leave under the Federal FMLA, and paid leave for all workers. Access to paid and unpaid leave is disproportionately lower for low-income, Black, Hispanic, and immigrant workers, resulting in their children's greater exposure to opportunity gaps.

National Academies of Sciences, Engineering, and Medicine. 2023. *Closing the Opportunity Gap for Young Children*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/26743>.

The Federal Family and Medical Leave Act (FMLA) provides for up to 12 weeks of unpaid leave, continuation of health insurance and job protection. Qualifying events include birth or adoption of a child, care for family member with serious health condition, one's own health condition. Private employers with less than 50 employees are exempt from FMLA. Nearly half of US workers are not eligible. FMLA does not work equally for all those who qualify or have access to it. FMLA disparately impacts Black respondents and those with low education levels. Black women had nearly seven times higher odds of unmet need for FMLA benefits compared to White men. FMLA leave takers with lower education had higher odds of difficulty making ends meet compared with colleague graduates. Among employees that qualify for FMLA and need it, over 60% did not take leave because they cannot afford to take leave without pay. The primary beneficiaries of FMLA are high income, high education, married individuals, and men and women who have higher incomes.

12 states have Paid Family Leave programs; Arizona does not. According to 2021 data from National Compensation Survey, 23% of civilian workers have access to Paid Family Leave from their employers, up from 14% in 2016. Access is very unequal: 40% of highest 10 percent of wage earners have access to paid family leave, in comparison to only 7% of lowest 10 percent of wage earners.

<https://www.irp.wisc.edu/wp/wp-content/uploads/2023/07/W102-2023-Slide-Presentations.pdf>

<https://sgp.fas.org/crs/misc/R44835.pdf>

A study of the first 10 years of California's statewide paid family leave policy (CA-PFL), 2005-2015, found increased maternal health, increased breastfeeding duration, improved immunization rates, reduced infant hospitalization, and improved behavioral outcomes at kindergarten entry. Appelbaum & Milkman conducted a survey of about 250 California firms in 2010: 90 percent of firms report that CA-PFL had either a positive effect or no effect on employee productivity, morale, and costs. A survey was designed and fielded for a representative sample of firms with 10–99 employees in New York and Pennsylvania from 2016 to 2019. It was used to study the effects of New York's 2018 Paid Family Leave policy, which included no evidence of adverse impacts on employers' ratings of employee performance in terms of attendance, commitment, cooperation, productivity, and teamwork. A review of these studies and others concluded that paid family leave policies increase leave-taking and leave duration among both mothers and fathers, with effects larger for the least advantaged populations, and have potential to reduce inequalities in leave access in comparison to unpaid leave policies.

Ybarra, Marci, Rosenbaum, Sandra. 2023. *Thirty years of the FMLA: What's worked, what hasn't, and recommendations for more equitable policies*. IRP Webinar. School of Social Work University of Wisconsin-Madison <https://www.irp.wisc.edu/wp/wp-content/uploads/2023/07/W102-2023-Slide-Presentations.pdf>

Private industry employers spent \$2.86 per hour on paid family leave benefits for non-union workers, compared to \$3.79 per hour for unionized workers.

<https://www.bls.gov/spotlight/2023/union-membership-activity-and-compensation-in-2022/home.htm>

Childcare

Childcare subsidies are a benefit associated with increases in employment and earnings among low-income workers, as well as reduced child poverty. Because of the wealth of evidence showing the benefits of high-quality early childhood care and education to children and parents, research also highlights the need to improve job quality, including wages and benefits, for childcare professionals in particular. Employees using employer-provided childcare, especially when it is on-site, are more productive, focused, and engaged, and may have greater peace of mind and reduced stress with their children in close proximity during the workday.

This report also finds that childcare subsidies are associated with increases in employment and earnings among low-income workers, as well as reduced child poverty. Because of the wealth of evidence showing the benefits of high-quality early childhood care and education to children and parents, this report also highlights the need to improve job quality in particular for childcare professionals. This report also cites the benefits of job training, job placement, and support services in increasing access to good quality jobs for low-income workers.

National Academies of Sciences, Engineering, and Medicine. 2023. *Closing the Opportunity Gap for Young Children*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/26743>.

While there is a wealth of evidence regarding the benefits of childcare to parents, children, employers, etc., there does not appear to be much information on whether the benefits vary when childcare or childcare subsidies are provided by an employer versus government funded childcare. A 2022 US Government Accountability Office report focuses on the IRS childcare tax credit for employers who provide on-site childcare for employees or contract with childcare providers to provide off-site childcare for employees. The authors' review of literature and interviews found that employees using employer-provided childcare, especially when it is on-site, are more productive, focused, and engaged, and may have greater peace of mind and reduced stress with their children in close proximity during the workday.

Both employers and employees may benefit from employer-provided childcare through reduced employee absenteeism and turnover. But even when an employer provides childcare, it may not be available, accessible, or affordable for all employees. Several groups interviewed described employers who offer on-site childcare at a corporate headquarters, but not to employees located in warehouses, distribution centers, or retail outlets. Childcare may not be conveniently located depending on the employee's distance from the facility or commute. Accessing childcare can be particularly challenging for those who work shifts or non-traditional hours. Two groups also mentioned that employer-provided childcare often has limited capacity and waitlists. Even with employer subsidies, typically only high-income employees can afford employer-provided childcare. While a sliding scale may address the issue of equity to some degree, childcare, like health care, can be a significant cost for employees.

<https://www.gao.gov/assets/gao-22-105264.pdf>

Employers lose if capable employees cannot find **childcare**. The 2018-2019 National Survey of Children's Health reported that the parents of two million children under the age of 5 "had to quit a job, not take a job, or greatly change their job because of problems with child care." Although some employers recognize the costs of absences and turnover and provide onsite childcare, referral services, or vouchers, not all employers are large enough to justify the costs of offering child care-specific benefits or setting up and running a child care facility.

US Department of Treasury. September 2021. *The Economics Of Childcare Supply in The United States*. <https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf>

Despite the potential advantages of employer-provided childcare, a Bureau of Labor Statistics survey found that about 11% of civilian workers had access to employer-provided childcare in 2021 and that lower-wage workers were less likely to have access than higher-wage workers. These include on-site childcare located at the workplace or subsidization of off-site childcare. By comparison, 16% of unionized private sector workers and 30% of state government workers, whether unionized or not, had access to such benefits. These numbers also mask considerable heterogeneity by industry: 42% of IT sector employees, 32% of employees at colleges and universities, and 26% of employees in finance had childcare benefits available. By contrast, 2% of retail workers and 5% of food service workers did, in two industries that are predominately female and low wage (BLS 2018). Looking at salary more closely, we see that 25% of workers with an average hourly wage at or above the 90th percentile had access to childcare benefits compared to only 3% of workers below the 10th percentile.

Bureau of Labor Statistics, National Compensation Survey: Employee Benefits in the United States, March 2021, Table 41.
<https://crsreports.congress.gov/product/pdf/IF/IF12379>
[https://scholar.harvard.edu/files/audreylatura/files/latura - demand for employer-provided childcare benefits.pdf](https://scholar.harvard.edu/files/audreylatura/files/latura_-_demand_for_employer-provided_childcare_benefits.pdf)

Health Insurance

Continuous, quality health coverage helps protect individuals from costly medical debt and results in individuals being more likely to seek preventive care and health care. Those who live in poverty more often have low wage jobs that are less likely to include employer-sponsored health coverage. While low-income individuals often qualify for publicly funded or subsidized health coverage options, barriers exist that make eligibility, enrollment and renewal in such coverage programs challenging. This issue is covered in great detail in a Prosperity Initiative policy brief focused on increasing health coverage and reducing medical debt.

Health care benefits were available to 96 percent of private industry union workers and to 69 percent of nonunion workers.
<https://www.bls.gov/spotlight/2023/union-membership-activity-and-compensation-in-2022/home.htm>

Employee-owned businesses

A variety of research shows the benefits of employee-owned business models on employee wages, retirement savings, furthering educational attainment and job quality, as well as benefits to businesses and employers including increased productivity and lower turnover. Different models of broad employee ownership include Employee Stock Ownership Plans (ESOPs), Worker Cooperatives, or Employee Ownership Trusts (EOTs). Tucson and Pima County have good examples of employee-owned businesses, and Tucson's Small Business Assistance Program provides support to companies that want to explore and execute employee ownership.

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One such study relied upon longitudinal data from the US Dept. of Labor Statistics following over 5,000 employees from 1997 to 2013. According to this study, outcomes for parents with children under eight included: median household net worth 91% higher for employee-owners, 31% higher median wages, 44% higher job tenure, 2.4 times as likely to receive tuition benefits.

According to a report by Results for America, employee-owned companies typically provide more of a voice at work, increased job security, higher wages, and additional opportunities to build wealth. On average, employee-owners making less than \$30,000 have 17% higher median household net worth and 22% higher median income from wages

than non-owner peers. Additionally, one survey of US employee-owned firms found that workers nearing retirement had on average \$147,522 in retirement savings solely from their ownership stakes.

Research also shows that businesses with 30% or more employee ownership are more productive, grow faster, and are less likely to go out of business than their counterparts. Employee ownership is linked to better company performance on average. Employee ownership companies have more stability, higher survival rates, and fewer layoffs in recessions, potentially leading to lower unemployment in the overall economy.

Employee ownership models can be especially beneficial to employees of color and low-income employees with young children, as these types of employees are more likely to be asset poor (lower employee stock ownership, less annual household savings, and lower retirement savings).

<https://jobquality.results4america.org/opportunities/employee-ownership>

Blasi, Joseph, Kruse, Douglas. 2019. *Building the Assets of Low and Moderate Income Workers and their Families*The Role of Employee Ownership. Institute for the Study of Employee Ownership and Profit Sharing. [rutgerskelloggreport april2019.pdf](https://www.rutgers.edu/skelloggreport/april2019.pdf)

Dudley, Thomas, Rouen, Ethan. 2021. *The Big Benefits of Employee Ownership*. Harvard Business Review. <https://hbr.org/2021/05/the-big-benefits-of-employee-ownership>

Kruse, D. *Does employee ownership improve performance?* IZA World of Labor 2022: 311 doi: 10.15185/izawol.311.v2 <https://wol.iza.org/articles/does-employee-ownership-improve-performance/long>

Wiefek, Nancy. 2017. *Employee Ownership & Economic Well-Being: Household Wealth, Job Stability, and Employment Quality among Employee-Owners Age 28 to 34*. National Center for Employee Ownership. <https://www.ownershipeconomy.org/research/>

Stable work schedules

Stable work schedules are a key component of job quality and of supporting a thriving labor force. Stable scheduling practices are associated with reduced absenteeism, lower turnover, improved job satisfaction, improved health and wellbeing, increased productivity, and higher revenues. On the other hand, unstable scheduling practices have been shown to destabilize workers' finances, sleep, caregiving, education, other employment, and community and leisure activities, and are associated with negative health outcomes, reduced worker satisfaction, and increased turnover.

Hourly and part-time workers and workers in low-wage occupations are especially affected, and workers of color are disproportionately impacted. Unstable scheduling practices exacerbate the increasingly steep tradeoffs that low-income households face in navigating the costs of low-wage work, including the costs of transportation, housing within a reasonable distance of work, and caregiving. Negative childhood outcomes, associated with unstable parental work schedules, including negative behaviors, hold implications for intergenerational cumulative disadvantage. Unstable scheduling can also be a barrier to upward mobility by interfering with the pursuit of education and training. This instability in work hours and income makes it particularly difficult to qualify for employer and state benefits, access reliable care, and consistently cover rising basic costs of living.

A national study of 37,263 hourly retail and food-service workers found that those with unstable work schedules were more likely to experience food and housing insecurity, fluctuating finances, and medical and utility hardships than workers in those industries with stable work hours. The underlying mechanisms linking unstable scheduling and these material hardships include volatility in income and benefits, disrupted household dynamics and informal networks, and an inability to plan ahead.

Lack of advance notice of work schedules and last-minute changes after schedules are posted have significant impacts on financial security. Fifty-nine percent of workers in extremely low-income households and 35% of all workers who report receiving less than a week's notice of their work schedules also report fluctuating weekly earnings. A national study of retail workers found that unstable scheduling could result in workers' weekly earnings being halved from one week to the next.

Unstable scheduling can be a barrier to accessing employer and state benefits, such as health insurance, paid leave, and childcare subsidies. Most employers require workers to maintain a minimum number of hours per week for a specific number of weeks to qualify for health insurance benefits. When workers have little or no input in their schedules, and their hours fluctuate from week to week, they may not be eligible for employer benefits, even if they work full-time hours for several weeks.

The negative outcomes of unstable scheduling practices are particularly salient for families with caregiving responsibilities because unstable scheduling is entangled with the stability of care for children, elderly, or disabled loved ones. The negative childhood outcomes associated with unstable scheduling result from increased parental stress, strain, depression, and financial insecurity, as well as parents' reduced time with their children. The authors note that these findings hold implications for intergenerational cumulative disadvantage due to unstable work schedules. Unstable scheduling can also be a barrier to upward mobility by interfering with the pursuit of education and training.

Stable scheduling practices can benefit both workers and employers. Employer practices that grant workers autonomy over their work hours mitigate many of the negative health impacts that workers with unstable schedules experience. This leads to higher rates of worker well-being and job satisfaction, reduced absenteeism, and lower rates of turnover. For example, studies of a large retail firm revealed that stores where managers routinely consulted their workers about their schedules had lower turnover rates, and workers reported less work-life conflict; stable and predictable scheduling practices also led to increased productivity and higher profits. Local scheduling ordinances have been a first step in policies addressing unstable scheduling but are too recent to serve as evidence based-practices.

Stepick, Lina. 2022. "Shifting Hours: Unstable Work Scheduling Practices." Federal Reserve Bank of San Francisco Community Development Research Brief 2022-07. doi: 10.24148/cdrb2022-07. <https://www.frbsf.org/community-development/publications/community-development-research-briefs/2022/december/shifting-hours-unstable-work-scheduling-practices/>

National Academies of Sciences, Engineering, and Medicine. 2023. *Closing the Opportunity Gap for Young Children*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/26743>.

Job quality and crime

Research shows that educational attainment promotes employment and earnings, and a negative relationship exists between employment and criminal activity, whether due to greater economic resources, changes in routine activities, or increases in prosocial bonds. For example, jobs providing higher wages, employee satisfaction, and opportunities for advancement are more likely to reduce crime. To the extent that upward educational pathways promote employment opportunities characterized by greater stability and quality, they are expected to be associated with lower crime. It is also well-recognized that labor market opportunities have a strong impact on criminal behavior. For instance, there are also sizable and significant effects of unemployment, wages and inequality on crime.

Swisher, Raymond R., Dennison, Christopher R. 2016. *Educational Pathways and Change in Crime Between Adolescence and Early Adulthood*. J Res Crime Delinq. 2016 Nov; 53(6): 840–871. doi: 10.1177/0022427816645380 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5365088/>

Criminologists from diverse theoretical perspectives have long asserted that the quality of employment is more strongly associated with criminal behavior than its presence or absence. By this argument, "good jobs" or "meaningful work" are necessary to induce offenders to desist from crime. This paper constructs a satisfaction-based measure of job quality using data from the National Supported Work Demonstration and the 1977 Quality of

Employment Survey and tests whether employment in high quality jobs reduces the likelihood of criminal behavior among offenders. After statistical corrections for selection into employment, job quality is found to reduce the likelihood of economic and non-economic criminal behavior among a sample of released high-risk offenders. None of the most salient alternative explanations—sample selection, human capital accumulation, personal expectations, external labor market effects, or prior criminality—appear to diminish the job quality effect.

Uggen Christopher. Ex-offenders and the Conformist Alternative: A Job Quality Model of Work and Crime. *Social Problems*. 1999;46:127–51 <https://www.jstor.org/stable/3097165>

Data from the National Longitudinal Survey of Youth (NLSY) are used to examine the influence of employment characteristics and other age-appropriate investments on young adults' participation in both violent and property crime. The findings suggest that quality of employment has a stronger influence on individuals' involvement in both economic and noneconomic criminal behavior than do income, job stability, educational achievement, and a variety of background factors.

Wadsworth Tim. The Meaning of Work: Conceptualizing the Deterrent Effect of Employment on Crime among Young Adults. *Sociological Perspectives*. 2006;49:343–68. <https://journals.sagepub.com/doi/10.1525/sop.2006.49.3.343>

Have you considered any unintended consequences? If so, what are they?

Yes, but none are noted.

Cite Return on Investment (if applicable):

List of area experts and/or practitioners that reviewed or provided input into this policy:

1. **Barbra Coffee**, City of Tucson Economic Initiatives Director
2. **Betsy Langley**, Managing Librarian, Sahuarita Library
3. **Cathy Bohland**, Pima County human Resources Director
4. **City of Tucson Procurement and Human Resources staff**
5. **Patrick Cavanaugh**, Deputy Director Pima County Economic Development Department
6. **Terri Spencer**, Pima County Procurement Director
7. **Town of Marana Human Resources staff**

Implementation ideas:

1. Expand the job capacity of local government contractors that already offer good quality jobs by connecting them to evidence-based workforce training opportunities (i.e. apprenticeships and on the job training) and addressing other barriers, including industry specific certifications, that are preventing them from expanding.
2. Pursue grant-funding opportunities that improve job quality and expand the workforce of employers already offering good quality jobs, including federal grants that increase training and placement opportunities for good quality jobs (i.e. Pima County, City of Tucson, TEP and TRICO recent Electric Vehicle infrastructure grant application and partnership with TRICO that will provide TRICO's workforce with opportunity to train on and better understand EV charging infrastructure; EDA Recomplete Grant).
3. Increase the number of workforce development clients participating in evidence-based workforce development opportunities such as apprenticeships, on the job training experiences, and career pathways

with sectoral focus. As part of these experiences, negotiate wages and benefits that drive employers to increase high quality job offerings. Also provide clients with coaching and supportive services (transportation, childcare, etc.) during training and after hire, which are proven to make training more effective and improve job retention rates.

4. Improve job quality through Procurement and Business Attraction, Expansion and Retention by encouraging businesses that receive local government incentives or resources, including government contracts, to provide competitive and self-sustaining wages, benefits, family friendly practices and predictable scheduling. This could include agreements for new business attractions, as well as local government contracts with existing businesses. Review Pima County's Living Wage ordinance in light of Arizona's minimum wage continuing to increase and consider adding childcare provider contracts to the list of low-wage contractors subject to the Pima County's Living Wage ordinance. The City already reviewed and increased wage rates pursuant to their Living Wage ordinance and in light of Arizona's increasing minimum wage. The City may consider a new ordinance requiring City contractors to offer certain benefits to their employees, effective with new contracts.
5. Support entrepreneurship, small business development, and employee-owned business models, especially among minorities who face barriers to accessing capital, markets, and networks. Explore small business Employer Resource Navigators to reduce employee turnover and increase productivity.
6. Lead by example, by continuing to ensure local governments provide salaries, benefits, and family friendly practices that are competitive with the market, and that recruitment efforts create pathways for underrepresented communities to gain access to local government employment. The City of Tucson, Pima County and the Town of Marana are considering childcare options for their employees. The City is currently collecting data to conduct an analysis to determine if there are any pay equity concerns. The County and other local governments could conduct similar pay equity analysis. Through the County's Diversity, Equity and Inclusion program, pathways to expand recruitment for underrepresented communities have been established with the Tucson Indian Center, YWCA, United Way, and Goodwill. Consistent with Board Policy D21.1, the County continues to review employment demographics every two years to identify positions in which certain underrepresented communities continue to be underrepresented and to develop strategies for recruitment and retention of such groups.