

Transcript

FedTalk: Evolving to Win Workers: Talent Attraction and Retention of Lower-wage and Noncollege Workers Today
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Presentation

Panelists:

Keith Wardrip, Senior Community Development Research Manager and Advisor, Federal Reserve Bank of Philadelphia - Hiring and Retaining Lower-Wage and Noncollege Workers During the Pandemic

Bishara Addison, Director, Job Preparation, Fund for Our Economic Future - Strengthening Workplaces

Michael Baston, President, Cuyahoga County Community College

Moderator:

Emily Garr Pacetti, VP & Community Affairs Officer, Federal Reserve Bank of Cleveland

Emily Garr Pacetti:

Okay, I think we're ready to get started. Good morning everyone. Thank you for joining us for today's *FedTalk*. Today's session is going to be about evolving to win workers, talent, attraction and retention of lower wage and non-college workers today. I am Emily Garr Pacetti. I'm vice President and Community Affairs Officer at the Federal Reserve Bank of Cleveland, and I'm really happy to be moderating this session here today. I do have to say the views shared today and the views shared by these participants are not necessarily those of the Federal Reserve Bank of Cleveland or the Federal Reserve System.

It is really my pleasure to talk about this topic. It's so very important. But first, I do want to share just a little bit about the *FedTalk* series. This is our way at the Cleveland Fed, really sharing information with the community about research that's being conducted that we think might be relevant to the public practitioners and other academic. Past events have covered such subjects as the racial wealth gap, access to the labor market and financial literacy. All of the events are found on our website, clevelandfed.org or on our [YouTube](#) channel. A few housekeeping things. During this event, your microphone and camera are disabled. Please type and submit your questions to our steamed panelists in the chat box. In the case the Zoom meeting drop, please use the dial-in information provided in the invitation to join the call.

So let's get started. Over the past few years, the pandemic and subsequent historically low unemployment have really underscored the idea that work isn't just about a job, but all the things that go with it. It's the flexibility, transportation, childcare, paid sick time, and this is an important moment to come together and just look at all the terrific work that's been done, some by my colleagues that you'll hear from here today at the Philadelphia Fed and other colleagues from here in the Northeast Ohio community about what we learned during the pandemic about how workers and employers are responding particularly to attract and retain lower wage workers

or workers without four year college degree. Joining us today to talk about this is Keith Wardrip. Keith is a senior community development research manager and advisor at the Federal Reserve Bank of Philadelphia, who recently authored a report that he'll be discussing with us today about lower wage and non-college workers during the pandemic.

We are also joined by Bishara Addison. She's the director of Job Preparation at the Fund for Our Economic Future and heads the Strengthening Workplaces Initiative that she'll also be talking to us about. And last but certainly not least, we have Dr. Michael Baston, relatively new president of Cuyahoga County Community College here known as Tri-C. So welcome to you all, and I'm really excited that you're able to join us and spend some time with us today. You each have an incredibly important perspective on this topic. We're going to start with each of the panelists, just making some introductory remarks. First, Keith will be presenting some of his research recently, and then Bishara and Dr. Baston will respond and react from their very unique perspectives here in the Northeast Ohio community. So with that, I'll turn it over to you, Keith. Thank you.

Keith Wardrip:

Great. Thank you Emily for that introduction. Thanks everyone for tuning in and good morning. As Emily said, I'm Keith Wardrip. I'm the development research manager at the Philadelphia Fed. I'm share some findings from some qualitative research that I did with some colleagues on hiring retention challenges that employers have faced since the pandemic. On the next slide, you can see the same disclaimer that Emily read, but applied to the Philadelphia Fed and then you could advance to the next slide. So the research I'm about to share was motivated by a very tight labor market. So what we were planning the research last spring, the job openings were historic highs. There were in fact two openings for every unemployed person looking for work. The quits rate was elevated. We were hearing from employers via surveys that the labor supply issues were constraint on operations and the fed's community development departments, the one I work for in Philadelphia and the one that Emily works for and leads in Cleveland, we pride ourselves on developing a research agenda that's responsive to the needs of the community.

So we de designed a qualitative research project to learn more about these hiring retention challenges. So the research was informed by 29 interviews with employers who met these criteria. They represented either the manufacturing or the leisure and hospitality sector. Both of those sectors are really important sectors for employment for lower wage workers or for workers of four year degree. Manufacturing jobs typically pay higher wages. Leisure and hospitality sector was really hard hit during the pandemic. So we thought both would provide interesting perspectives. We wanted to make sure the employers were located in the Philly Fed District, so in Pennsylvania, New Jersey or Delaware, that these companies employed lower wage or non-college workers and that they had recently had difficulty filling those positions. But we also made sure we were talking with someone who had direct experience with the hiring process. So for smaller companies, it was typically the owner or the president. For larger companies, we were talking with HR professionals.

So we conducted these interviews between May and August of 2022. We asked a host of questions, but the two I'll focus on today because they're most relevant to the topic are, what strategies have you tried to address your hiring retention challenges? What are you trying? And then what's working and what's not working? And on the next slide, I will share in an abbreviated fashion what we learned. So the tactics that we heard that employers were trying

naturally clustered into four broad strategies. So in this table you'll see those broad strategies on the left and then the specific tactics on the right. And I think there are only seven or eight tactics listed here. We probably heard about 20 or 25, but this table lists only the ones that were the most prevalent. So each of these tactics listed, we heard from at least 10 of the 29 employers we spoke with.

So overall, the most common strategy that employers discussed during these interviews were bolstering the supply of potential workers and how they do that. The most common way was to rely on employee referrals. And sometimes this was through a formal program with a bonus attached. Sometimes it was just word of mouth. Manufacturers really considered that to be a successful strategy. Another way that we heard about employers trying to bolster the supply was by reaching out to high schools, community colleges or trade schools. When manufacturers talk about this tactic, they were generally referring to a long-term play. They were trying to build a talent pipeline to solve this problem down the road. Whereas leisure and hospitality firms were more likely to talk about it as a way to fill positions tomorrow. And then recruit. The third tactic in this strategy would be to recruit from new groups of workers.

So interviewees talked about trying to fish different pools effectively. So some talked about Spanish-speaking workers, returning citizens, high school students maybe if they didn't use to hire high school students, just looking elsewhere in other quarters of the labor market because they weren't filling positions in their typical recruitment strategies. The second strategy was to modify HR policies and practices. And this primarily took the form of lowering requirements or standards. So maybe they would ask for a little bit less experience or more limited work history, or they would drop the minimum age for a position. For manufacturers, we heard about it as, it wasn't across the board strategy. They would say, well, we'd looked the other way in a few cases, but there was no formal policy to lower requirements. Leisure and hospitality interviewees suggested that their requirements were already fairly low.

Overall, I would say that this was considered a successful strategy, but not a long-term solution. The other tactic in this grouping would be to improve their online presence, whether it was through job boards or social media. This seemed to have mixed results. One person said, you don't get good people from those sites. You just get bodies. I think was kind of a testament maybe to how important the employee referral at the warm handoff was. The third strategy would be to increase compensation packages, and this would include the most common and most prevalent tactic, which was raising wages. So this was mentioned by almost all interviewees. Often when we asked about wage levels, they would say that they would raise their wages by a few dollars and they would land in the mid to high teens. So the wages might be higher, but they still really weren't a living wage for most family types.

Most employees considered this tactic to be successful with a couple of caveats. One caveat was that it wasn't a silver bullet. It wasn't going to solve all of their worker shortage problems. The other caveat was that some of the employers just didn't feel like the higher wages were justified either by the output of the person they were hiring or by their experience. They felt like it was something they had to do, but it didn't feel fully justified for some of the employers we spoke with. And then the last strategy would be to improve job quality. Most interview reasonably, they talked about improving job quality. They talked about showing appreciation to workers and building culture through a variety of means, maybe through corporate picnics or maybe taking their staff to affiliates game or through swag or other kinds of perks or through increasing communication.

So this was a common theme. There was no consensus that it was successful, but the people who believed it really believed it. There were some really strong adherence to how important culture was. One person said, our secret sauce is the culture we have. So if you take a step back and look at this slide, this table and this totality, what I see is that in addition to raising wages, the employers we spoke with focused on finding new workers and making it easier to get people in the door. And those things were emphasized more than improving the quality of the jobs that were being offered. So I'd like to close with one more slide that I think can talk to the importance of the resources employers could draw on to address their challenges. So we spoke with 29 interviewees, which is fairly large for our qualitative study, but it's not so large that we could tease out whether strategies or tactics differed by firm size.

That said, among the interviews we spoke with from larger companies, we heard them talk about HR teams, about hiring committees, about coordinating across departments, about how important resources were. And then the interviewee for the largest company we spoke with simply said, we didn't hire all that frequently, so we didn't have a great system. So there are hints there, but our sample puzzle wasn't big enough. Thankfully, the Cleveland Fed coordinates a national data collection effort. It's called the Small Business Credit Survey. And one of its questions really helps us shed light on this issue. So this chart shows how the use of the following of these tactics to hire our training workers differed by firm size in 2021. And if you look at this chart, you'll see a lot of the same tactics I've already mentioned, but I want you to focus on the green arrows.

So the green arrows highlight responses that were more common for larger companies than for smaller ones. So responses like raising wages or increasing efforts to find applicants or improving benefits. And if you look at the red arrows, there are two red arrows that highlight the responses that were more common for smaller firms like reducing hours or closing and not making any changes at all. So those green arrows can require a lot of capital, whether it's financial capital or human capital to implement. The red arrows, those aren't strategies that necessarily are going to solve the problem or improve the financial condition of the business. So our few interviews and these survey results, they're suggestive at best, but they speak to the possibility that smaller firms might be at a disadvantage when it comes to competing for talent in this competitive environment. Can these smaller firms give workers what they're looking for today. So I hope that's a good place to leave off. And I'll turn it back to Emily so she can introduce our next speaker.

Emily Garr Pacetti:

Thanks so much, Keith. Yeah, Bishara Addison, can you share a little bit about, first of all, who the fund is and who you are and what you all have learned from firms and workers here in northeast Ohio? And how that compares to what Keith has described?

Bishara Addison:

Well, thank you so much, Emily. And also good morning everyone. We're so honored to be here today with some of the brightest minds in town. And so I feel almost a little nervous that I am with folks like Keith and Dr. Baston. So just a little bit about the Fund for Our Economic Future. We are a regional philanthropic and civic alliance of organizations that come together to develop a pooled fund and reinvest those resources in our community with focuses on job quality, job preparation, job access, and job creation and service to our end goal of having equitable economic growth in northeast Ohio. So those are our priorities. And one of the things that we did

last year in 2022 is conduct a multipart research analysis. We kept getting this question where the workers from all sorts of stakeholders, and so we realized maybe we need to have an answer to this question.

So we actually embarked on actually coming up with one. It began with a scan of national evaluated research to really debunk some of the myths or narratives that we were hearing out in the media. One of the narratives that we continued to hear was individuals are facing challenges as it relates to not coming back to work because they're lazy or just don't want to work, or they're relying on benefits. And so there was a big push from employers to figure out a timeframe that those bit extra benefits would stop. And it just so happened, and it turned out that a lot of the research debunked that myth and that people were relying on savings. And that was one of the ways in which they were able to not go back to work, but those individuals were making \$70,000 or more.

And so usually those narratives are associated with individuals who weren't in that income bracket. So that was one example. We conducted also an employer survey. We had 766 responses from across the region, and we really were serving 11 counties in northeast Ohio. And then we also conducted a working age adult survey. We essentially hired a public polling firm to be able to actually talk to residents across northeast Ohio about their feelings and attitudes about work and if there were shifts in their own perspectives and priorities. And it turns out that research said there were. A couple of things just to speak to some of Keith's research is that what we found was largely consistent with what Keith just presented. One, we found that employers were experiencing a high talent shortage. 78% responded to the survey that way. 65% said they were experiencing unusually high turnover. And 94% of respondents of the employer respondents said that they don't have a sufficient pool of qualified candidates.

I was really compelled by the graphic, Keith that you showed where you looked at the four different buckets of things that employers were willing to try. And what we found in our survey, one common one was raising wages, also finding ways to offer more flexibility. So that concludes shift time, pay time off, company culture, being able to speak to maybe non-traditional benefits, communicating benefits better, and also showcasing areas of promotion and career trajectory. So those are the things that employers were willing to try. But we also found, particularly from our focus groups, that there were others that were reluctant to adjust their workplaces, that they really hadn't even spoken to the workers about what they wanted or needed. And then a reoccurring theme was that there were real differences generationally that they were still trying to resolve within their cultures.

They also felt like the challenge was bigger than just skill. And I always say we can't train our way out of our labor challenges. Of course, we want continuous learning and upskilling, but that's not the only barrier. And there's actually a lot of barriers to upskilling. And so we've got to be able to address the barriers that people were facing. One thing, Keith, that you had in your slide, the last of your last bracket, of the things that employers were willing to try, those really for us fall in this category of employee engagement. And we found that that was the most expansive thing that employers were willing to try. And hopefully we'll be able to put into a chat, a link to the [National Fund for Workforce Solutions](#), their framework for job quality. And if you look at this framework, you'll see that employee engagement is just one of many tactics you can take on to improve workplaces.

And I would say that that is the tip of the iceberg. And so when we think about what employers are willing to try, they're really at the very beginning of a journey towards really strengthening

their workplaces, and they need to do a lot more according to what workers said that they wanted. The last thing I'll say before we transition to other panelists is around wages. All employers were raising wages according to our survey. The challenge with wages, one, our public policy around public benefits has not shifted alongside raising wages, which means raising wages in a little bit, but not enough actually can put someone at risk of being worse off because they might lose their benefits.

And actually the Atlanta Fed has done some really great research on the benefits cliff. And then the second thing is that wages have not kept up with inflation. And so even though, even before the pandemic, wages had not already kept up with the way the cost of our marketplace, and then we know inflation has increased and gotten a lot worse since the pandemic. And so you can raise wages, but you're so far behind the curve on raising wages that even though employers are raising them, they're still not raising them in such a way that allows individuals to live well in northeast Ohio.

Emily Garr Pacetti:

Great, Bishara. Thank you. We are going to come back to that topic for sure in the discussion and really appreciate you sharing observations with us. So much great work. So Dr. Baston, now over to you. Could you share a little bit about your role in this ecosystem of learners and workers and why these trends matter and what employers are doing to adapt to this changing landscape?

Michael Baston:

First, great to be with you today, Emily, and to all of the wonderful panelists. Extraordinary conversation. Tri-C, Cuyahoga Community College has 41,000 students. The majority of them are not in degree programs. They actually are the low wage workers that ultimately are trying to build momentum in their lives that we're talking about today. And so in working with a lot of the companies in Northeast Ohio, we recognize some of the challenges that they are surfacing with building the appropriate talent pipeline. But what we also say to those same employers is the fact that if we don't recognize that the pandemic has also accelerated a change in those who are formally seeking employment and how they want to move forward in the opportunity ecosystem, we're making a big mistake. For the younger worker, as an example, if you're a generation Z person, you're much more entrepreneurial than generations before you.

And they don't necessarily believe that they want to be talent developed. They don't want to be workforce developed. They see themselves as having options whether they want to be an employee or an entrepreneur. And so you see specifically with the pandemic, the rise of this entrepreneurship way, particularly for younger folks that decide maybe I don't want to actually go work in an office downtown in a cubicle 9:00 to 5:00 Monday through Friday for 40 years. But that I do want to think about how my work life balance matters to me because I may have children and want to make sure that I have time with them. I don't want to have to wait until I retire to go on vacation. I don't want to be constrained specifically to the ways in which we have thought about work in America. And so when I look at my students, I look at those who are deciding to go to shorter term credentials to actually have multiple jobs and not just simply one job that they put together to begin to make an economic future for themselves.

And so they don't necessarily, we have to recognize the rise of the 1099 folks because we still operate in a W2 world. And the reality is that is going to require employers to think about how you make the opportunities aware to potential employees and what assistance that you are going

to provide them that they'll want today. And so we've got to think in different ways if we are going to address the talent pipeline challenges that are apparent. I've said to companies very specifically, how are you looking at your current workforce, the gaps in your current workforce and the ways in which you are helping the people who are currently with you move up as you offer new opportunities to new entrants into your workplace that know that there's a ladder of opportunity for them because you are going to continue to see low retention rates of new employees for those particularly younger ones that don't see a career ladder for themselves.

And we have seen this happen in many cases. So it is important for us to think about even the strategies that new learners use to get their education. It is not like they just simply go into one institution. They may go to multiple institutions and take bits and pieces to carve out an educational experience that ultimately gives them a competitive advantage in whatever career they're trying to engage in. So it is a very new world, and as business and industry resets, higher education is in the process of resetting as well.

Emily Garr Pacetti:

Okay. That was a lot to take in. Thank you so much, Dr. Baston. So let's stick with that idea of business industry resetting and educational institutions resetting. Bishara and Keith specifically, but also feel free to chime in. Dr. Baston, where do you think, what of the strategies that you both outlined, what do you think is going to stick? The labor market isn't always going to be 3.4% unemployment or below 4% for that matter. What do you think really has staying power? Is it the wages? Is it the HR practices? Is it the referrals, the employee engagement? Like you said, Bishara, that's the tip of the iceberg, that's the price of entry for engaging employees. So what does have staying power in your opinion or from your conversation?

Bishara Addison:

So I do think wages are going to continue to go up just because we literally have fewer people in the workplace than we did before the pandemic. And there are more opportunities to earn income. Then there are people who we could pull into the labor market. And so wages are just table stakes. I think that that is, you'll see wages continuing to rise. I think both the gig economy or at base work is going to continue to be a strong competitor. And then we have to acknowledge the reality of AI and automation, which is going to hurt some industries more than others. And I think it means that jobs will fundamentally change, the duties of certain occupations will change. And so I think we're one, the upskilling within a workplace earn and learn strategies, those are going to continue to grow. And I think you'll see that a number of companies are taking almost like a higher first model and then having introductory programs to help embed upskilling into their workplace and individuals who are successful in that can continue to work in that workplace. And one example that Dr. Baston and I were talking about earlier was step up T wage, and it's evolved over time, but one of those is actually embedding an on-ramp within your firm and paying individuals while they're participating in that, so they're not losing income while they're in training. And those are practices that I think are going to stay.

Keith Wardrip:

And I'll just add, I agree with Bishara that the higher wages are sticky. In fact, when we were talking with our employers, a number of them mentioned that they preferred to give quarterly bonuses, sign on bonuses, referral bonuses, because you can stop that practice, but you can't

claw back wages or benefits. So I think that the wages and benefits that have been granted to this point clearly will be sticky. I can't speak to whether or not they'll continue to rise, but from the perspective of employers, that was something that once given you can't take back. I think creating connections with community colleges, like Tri-C, I think that has to be sticky, that has to have a stay in power in order to be effective, at least from the perspective of the employers we spoke with. This was a long-term strategy.

I don't think it, and I would love to hear from Dr. Baston on this. It doesn't seem like something you can pop in and pop out of. You need to have a long-term relationship to make that effective. And then the last thing I would comment on, I think the tendency to lower requirements, I think that is less likely to have staying power. There's been some research that shows that the requirements or specifically requesting a bachelor's degree in some middle skill jobs, that those are fluid and they respond to the depth of the labor pool. So when there is high unemployment, employers can get pickier about who they hire and they can impose different higher levels of requirements. When the labor market is tighter, like it has been, then employers can lower those requirements. So I think that's one that is less likely to have staying power and is going to be more cyclical.

Emily Garr Pacetti:

Thanks, Keith. Yeah. Dr. Baston?

Michael Baston:

Oh, certainly I agree with Keith and Bishara. The community colleges now are in a position like never before to work with business and industry because of this real need to have a long-term strategy. What we know is this, that many of our students, now many of our learners are coming in for these shorter term credentials in a rate that hasn't been seen before this time. And they're coming in for these shorter term credentials because they know it will give them a bit of an advantage as they move into the workplace. And it is important because we have a lot of folks with bachelor's degrees that are now coming to the community college and getting these post baccalaureate certificates and they need them because maybe they took, and there's no, I'm not knocking any kind of particular educational experience, but if you have a bachelor's degree in philosophy, sometimes it's very difficult to get a job that way.

So now you've got to come back to a community college so you can get your real estate certificate, you can get your paralegal certificate that you can get something that is going to actually give you a competitive advantage in the workplace. So what we're finding is that working with business industry, we are helping them to develop these, grow your own talent pipelines. So as Bishara talked about with the step-up to UH hospitals, we're doing that in a number of different industries now. How can we help existing talent fill existing needs and create ladders for entry level workers that they know at the beginning so that we can build up a greater retention because people can see that there is an opportunity that they're building toward.

And so we've got to continue to work hard even with our K to 12 partners so that they understand that there is a pathway that is really available for their students. In the Cleveland Metropolitan School District, we have a PACE program, and that program works with students from sixth grade to 12th grade giving them real world experience in career fields of their choice and prepares them for the workforce should they choose not to go right into a two or four year program. So the idea now of establishing and using both the K to 12 and the higher education

spaces to really support and address the needs becomes that long-term strategy that pays the long-term dividends if we hardwire those opportunities.

Emily Garr Pacetti:

Thanks so much for that. I do want to remind the audience, feel free to put your questions or responses, reactions, comments in the chat, please. In about five or 10 minutes, we'll open it up to you all to respond to the questions we see. And also some of them were submitted when you registered, so we'll turn to that in a second. I did want to just acknowledge this idea that when we originally thought of this program there might be differences in smaller firms and larger firms that Keith pointed out and how they are able to be more flexible or pay higher wages or change HR policies in the moment.

And I just want to acknowledge Dr. Baston's, this introduction of the idea of this, what did you say? Recognize the rise of the 1099 folks and entrepreneurs and not employer firms. And we do have a report coming out in the next couple of weeks on non employer firms in this country, and particularly startups owned by people of color. That is an important aspect of all of this. Is there anything else that you have observed in terms of characteristics of firms and how they respond? So either differentiations by industry, size, geographic location, anything you think audience members might find of interest?

Michael Baston:

I think it's important first to think about the fact that 10 years ago, you didn't have the ability to be an entrepreneur the way you do today. Used to be a time if you wanted to write a book, you'd have to actually ship it to Simon and Schuster or one of those operations. If you want to actually shop your record deal, you had to run to MCAR say some... Now you can use iTunes, you can do Amazon, you can actually get your Etsy accounts. You don't even have to worry about the press of manufacturing. You have lots of ways to do business without going through the general gatekeepers of the past. And so entrepreneurs now, particularly the generations, the people are really thinking deeply about how do I work for myself and how do I turn what I call a side hustle into my main hustle?

And so what we see now for a lot of business folks who can't find talent is they are using Upwork, they are using fiber, they are using these organized platforms that give them access to freelancers who are going to actually augment and build capacity where they have shortages. So this is a season of prime opportunity because those kinds of structures, five or Upwork and the others, they weren't in existence 10, 15 years ago. So that is why we see even how those entrepreneurs educate themselves. It's not just in higher education. They use [YouTube](#) as a primary way to learn about different things that they wouldn't not necessarily make the investment in the brick and mortar of two and four year space. So we've got to recognize, and it's so many different energy, look at hospitality, you don't need a restaurant. You can get a truck, you can put food in that truck, you can sell that food outside of that business that you're no longer working in.

So we have to understand that the entrepreneurial spirit, because of the new ways to engage in business, is thriving. We know that established businesses to expand their capacity are using these platforms and using these strategies to address talent issues. And I'm not so sure that that's going to go away. In fact, we see that there are even more folks who will get into this freelance space, this "gig economy". And gig economy is not just DoorDash and Uber Eats. Today, gig

economy is really making sure that we can build out units in your company that you now don't have to actually have the kind of control that you've had in the past. So I think hospitality is one of those areas, but there are a whole host of those, landscaping is another. We have a big plant science program. We're preparing people to become independent contractors and run their own landscaping businesses, understanding plant science. So they're going to come and get certificates and maybe some degrees in this space. So there are lots of industries where we see this happening.

Bishara Addison:

Great. And Emily, if I could jump in just to shed light on a couple things Dr. Baston said. In our survey, we did ask a question for those that answered, they've either left work within a certain timeframe or were planning to quit. What were some of the reasons that they were quitting? And this was an open-ended question. So we weren't offering a multi multiple choice prompt, but the top anecdotal reason for individuals leaving work was toxic work environment. And then a couple others were schedule conflicts and low pay. So I just want to highlight that I think one of the entrepreneurial spirit is also coming from a place of I want to have more control over my life. I want to spend time in environments where I feel included and comfortable and I want to spend more time with my family.

And so having flexibility, being able to control your schedule are things that in terms of some of the ways in which workers are engaging workers and learners are engaging right now, those new ways of working get at these things that people are willing to leave behind, which is not having control, being able to control, being able to control your income, and also working in an environment where you feel safe and comfortable. So I think that those things are really important to highlight because it gets at what people really want out of a workplace. And employers have to change their value proposition to workers and learners to align more with what workers and learners need out of their lives right now. And Trevor Noah had a really great post, he was the former host of the Daily Show that if you aren't thinking differently about your life after the pandemic, then maybe you were living under a rock because everyone's thinking differently about their lives now.

Emily Garr Pacetti:

Thanks Bishara. Keith, any remarks about where you've seen certain industries or certain types of employers or non employers respond in certain ways or were any of you have seen promising practices that you want to highlight?

Keith Wardrip:

I'll just say, given the size of our qualitative study, it was hard to tease out differences for firm by firm size. It would be hard to tease out differences by industry. There were clearly differences for manufacturers and leisure and hospitality. In terms of things to highlight, there were references. And I know the job quality portion in my presentation was really limited to building a better culture, maybe addressing a toxic work environment like the Bishara mentioned. There were some handful of references to building career pathways, a greater emphasis on training, providing mentorship, increasing awareness of career pathways and opportunities within companies. One employer even talked about tweaking their job descriptions and creating a couple of extra layers that would demonstrate to a new worker that there was a path forward, that

there was a way to grow in their skills to move up. And as Dr. Baston mentioned, and the company could sort of backfill and hire again at that entry level position. So I guess I would consider those to be opportunities to highlight, although they weren't, I wouldn't pretend that they were overly prevalent over the 29 interviews we conducted.

Emily Garr Pacetti:

So I will just share one of the questions that we received during the registration, but it's related to this question that was asked in the chat about Dr. Baston, just providing some examples of how Tri-C might be responding through its curriculum or different programs to the changing needs of learners and workers. But the question was, to what extent... I'm sorry. Did you see any examples of employers highlighting career ladders for low wage and non-college workers? And I also want to just pile onto that career and technical education pathways specifically at the secondary and post-secondary level. Have these been used to build pipelines for entry level jobs? So just this idea of meet people where they're at, are you seeing that there is just more of that happening among employers, just an acknowledgement that retain workers, you have to give them a path up or show them where they can advance. And can any of you provide examples of that, either what you are doing now in the community or what you've seen by employers and nonprofits that you work with?

Michael Baston:

Well, certainly, as I mentioned a little earlier about the PACE program, excuse me. In our Cleveland Metropolitan School District, really working with business and industry to ensure that the students actually have those hands-on experiences and careers that they might be interested in. And this ultimately becomes a pipeline development program. And these are students from sixth grade to 12th grade, recognizing that the earlier we begin to help young people unpack purpose in their lives and make them aware of opportunities that they would not necessarily be aware of, then they actually, with assistance can raise their ambition. Many times, of those who are not connected to all of the opportunities that exist, if you don't know about the opportunity, then you can't have an ambition toward that. And so by exposing young people to various career options by giving them hands-on experience, by making sure there's these internships, externships, and various things, even in the college environment. We at our college have micro internships because we know that people can't just give up their job to work a free internships. So we do all kinds of paid internships and externships and things like that with business and industry because we know that you can just read a job description, but you don't necessarily know if you can do that, if that's something that's going to interest you. So making sure that there are these meaningful work-based learning opportunities, why students are in high school or even at the community college, puts them in a better position to be thoughtfully considering their options and opportunities. And we're seeing this in lots of businesses, lots of partnerships that we have and others a lot of community colleges have with different organizations to build capacity, to build understanding and awareness and to raise ambition. Because without awareness, you can never raise ambition and workers who have lots of opportunities, if you don't know about them, you can't actually go for it and get it.

Emily Garr Pacetti:

Bishara, Keith, anything you want to raise up on Career Pathways?

Bishara Addison:

Yes. Just so one of the things that we looked at in our survey, and one of the question prompts we had for workers and learners is what are you looking for in work? And there's a whole list of things including having a wage, flexible hours, meaningful work, time off benefits, retirement and accessible childcare. But one of the ones that came up also was opportunities for career advancement. And so I love all of the work that Dr. Baston is doing at Tri-C because you're basically creating ways for individuals to have entry points. And I think just as an employer practice, ensuring that you have a continuous learning environment is also going to be important. And partnering with training institutions to be able to do that, I think is going to be a continued trend.

Keith Wardrip:

And also just to mention Emily, if I could, the Federal Reserve system engaged in a year long study last year that was just, the results were just published yesterday called The Worker Voices Project that involved 20 listening sessions conducted across the country about what workers, non-college workers were experiencing in the pandemic era labor market, and what their expectations were and how their perspectives on work had shifted. And I'm in the middle of analyzing the transcripts from some of those listening sessions, looking specifically at job quality. And to both Bishara and Dr. Baston's points, career advancement is coming up as something that is important for workers.

But I would say that there's something else is bubbling up as well that I think should, is distinct from career advancement. And that is a desire to optimize and grow skills. So within the workplace, Bishara just mentioned like a continuous learning environment. Workers don't necessarily only want to grow skills because they want to advance their career, but they want to be challenged in their work and they want to have something that is engaging and something that allows them to learn and to grow as a person and as a worker. So I think it's related to career advancement, but I think it is a separate point working.

Michael Baston:

And that's particularly true of younger workers who have a different attitude about work. They're driven more by purpose. And so the older generations have a different way of looking at the purpose of work. The purpose of work is so that I can provide security, stability for my family, I can buy that home, we can retire in the country someday. All of those sorts of things. We can send our kids to good colleges. The younger worker, that is not their... They're getting married later, they're having children later, they don't necessarily want to buy a house right away. They can do that later. They really want to develop purpose, operate in purpose.

They're the ones that are saying, hey, global warming and climate change is a priority. And there are a lot of things that we look at when you differentiate. I have to serve multiple generations of college students, so I get the opportunity to see their different perspectives by generation. I can tell you the younger generation purpose is huge. We're not just going to work so that we can take care of our family. We want to work because we want to grow as people. We want to feel that we are making a meaningful contribution. We want to feel valued, and we want to feel that what we do matters. That is something that business and industry has to understand. The changing nature of employee expectations about why they do what they do.

Emily Garr Pacetti:

I just want to make sure I'm not... Well, I'm capturing this correctly. So Keith, it sounds like from the Worker Voices project and then from the study you did with employers, the study Bishara did here, not a lot of differences geographically, this is something that as a nation, in many ways as a world, we've all been through this pandemic and are trying to navigate it together. Is that a fair statement? Did you see any differences geographically that maybe the coasts looked differently than other places in the country? I just want to hold that out there in case any of you guys have that magic answer.

Keith Wardrip:

I'm sure there were some differences. I mean, Bishara and our studies took very different forms. We focused on two industries in three states. I think that the headlines and the highlights were largely consistent, it sounds like.

Emily Garr Pacetti:

Great. So I think there are a couple other questions that I don't know if we'll find answers today, but I wanted to raise them. I think they're terrific ones that came through the registration. So any examples from companies who are not having trouble getting or retaining employees? Let's start with that one. Is their workplace culture more beneficial than offering tangible benefits? So who's not having trouble? Anybody?

Bishara Addison:

Yeah, I can kick a thaw. One, just so there are employers that aren't struggling. I had a chance to do a tour of Great Lakes Brewery in Northeast Ohio, and I asked the question, it seems like you guys are really well staffed. How are you able to do this? And they actually have an employee ownership model. Employees actually have a stake in the company that they're in, and Great Lakes Brewery, they produce beer and they actually give an opportunity for their staff to help come up with new formulas or new recipes for the beers that they sell. And even some of the ones that are more popular within the staff culture, they can even end up being sold in their restaurants. And so that's two things. One, employees have a stake in the company. And then the second is that there is a true engagement model where people feel like they can make meaningful contributions to the company as a whole, not just the particular function or scope of work that they've been given.

So that's an example. The United Way of Greater Cleveland recently had a summit on the social determinants of work, and one of the featured employers that they highlighted was Jurgens. And one of the things that they do as an employer is they have really a fair hiring and open hiring process. So individuals with criminal records have entry points into being able to work in that workplace. They think about non-traditional benefits and they think about the whole person and what barriers they might be facing to work. And they try and have a healthy family oriented culture. And so just a couple practices to highlight there is really being able to consider maybe non-traditional workers and learners and having hiring practices that great access points for those individuals to come in. And then having a work culture that allows individuals to surface barriers that they might be facing so that the company is in a better position to either accommodate or help address those barriers.

Michael Baston:

And to Bishara's point, I've been visiting many of our corporations here in Northeast Ohio. I'd lift up Davey Tree as one of those owner operator companies since the '70s that have really given, excuse me, the employees ownership. And that culture is a powerful culture. You think of Brewer Garrett, another really powerful culture of collaboration, of support, that high energy culture. You think about the Cleveland Foundation, they recently have a new foundation building. And if you look at the way the building was designed, and I walked through yesterday, the building was designed to support a very collaborative culture amongst the employees. And that can only benefit all of the different stakeholders that they support. So those are just a few examples.

I was with Swagelok not long ago with all of their employees in the diversity, equity and inclusion space, the Diversity champions, and really thinking deeply about how we make inclusion not something that's peripheral, but that is embedded within the culture. Culture matters. And as I continue to make reference to our younger employees, it really matters for our younger employees because for them, particularly if you have come through a isolating pandemic experience, disconnected learning in high school, learning virtually and all of the social emotional challenges that went on during that experience for that population, as they move now into entry level positions and corporations and other businesses, they're looking for culture as part of that conversation because of what they've just experienced. So very important for us to think about that as we move forward.

Emily Garr Pacetti:

All right. We have a few more minutes. I'm going to tee up a question for you each, if you can answer it in one minute. And that is, what do you hope might change or continue to change in the future for workers and employers? I'm going to pause for a second while you think about your answer to that question. And I do want to just peg another one of our questions that came in with the registration that I don't think we have an answer to. We did chat about this as a panel, and that is, did our research reveal anything about foreign born or immigrant lower wage workers? And none of the studies we talked about here today, were able to address that question just because of sample size.

But I will say that we do have one of the small business credit survey reports can address and do address immigrant owned firms. So that is, I believe it's available at the Fed small business.org website with the chart breakdowns that are available there. So with that, I think we all acknowledge that there's more research and data and understanding of the experiences of workers, of learners, of employers that need to happen. And we're going to continue to follow that closely. But for now, I just want to turn back to you all and say what do you hope for? What do you hope might change? Let's start with you Bishara.

Bishara Addison:

Sure. Well, one, I hope that employers really think of themselves as employers of choice and designing their work around what that means. And actually our strengthening workplaces work at the Fund for Economic Future. We have a handbook that you can download that talks about the 10 ways you can become an employer of choice. I think most importantly, a really good first step for employers in this environment is ask the question, what do you want and need? Employees will tell you exactly what they want and need. And so if you haven't done that, then

you're starting from a disadvantage. But one thing that I hope going forward is that workers have more of a say in the work that they do and employers do a better job of listening.

Keith Wardrip:

Yeah, I would love to build on that. Bishara took my answer, but I'll just say that in reading these transcripts of these listening sessions, pay is important, but it's pay, and. I need wages that can support my family, and. It's those and answers that are the things that workers need. And I think that the great thing about a lot of the answers, job security, flexibility, work-life balance, these are low cost changes that firms have any size can make. And I think if they make those changes, I think that it will improve outcomes for both the workers and the employers.

Emily Garr Pacetti:

Awesome. Dr. Baston.

Michael Baston:

Greater connection to the areas where low wage non-college workers live. Because if they don't have awareness of opportunities and assistance to access those opportunities, they're not going to prosper in the opportunity ecosystem. So business and industry, you got to get to know the community that you serve. You have to begin to work with that community in a much more intentional way to raise awareness of the opportunity and then provide assistance to make it happen.

Emily Garr Pacetti:

Okay. Wonderful. I want to thank each of you, each phenomenal individuals and also professionals. And I just, you're experts in the field. So just thank you for your time and joining us here today. I want to thank audience members for hanging out for the discussion. I have one more plug that will go up on the screen shortly, but I do just want to say a couple closeout items. And that is that information about the program will be sent in a follow-up email that will include a lot of the links that you see in the chat. Now, so many great resources out there about what we have learned. And I think this is an important venue for sharing. A recording will also be available on clevelandfed.org.

And I do want to say just please consider continuing the discussion with us at Policy Summit 2023 that will be happening here in Cleveland, but it does cater to a national audience and will be available virtually as well. So for those of you out of state, please feel free to join us virtually. And that's happening June 21st through the 23rd. That's our biennial, our semi... I'm going to get it wrong. Every two years we have the policy summit to talk about what's happening in lower income communities and what are the solutions that we can bring to bear, much like today's conversation. So with that, thank you so much to our panelists and to our audience, and we'll let you guys go for the day. Thank you so much.