

# To Boost Job Quality, Money Matters: Practical Tools for Engaging Investors and Lenders Toward Change

Job Quality in Practice Webinar February 11, 2020







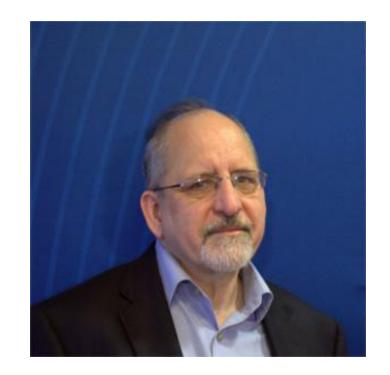
# Today's Agenda

- Welcome and framing
- Technology for today's webinar
- Overview of job quality activities at EOP
- Brief overview of impact investing
- Introduction and presentation by experts
- Q&A



# Mark Popovich

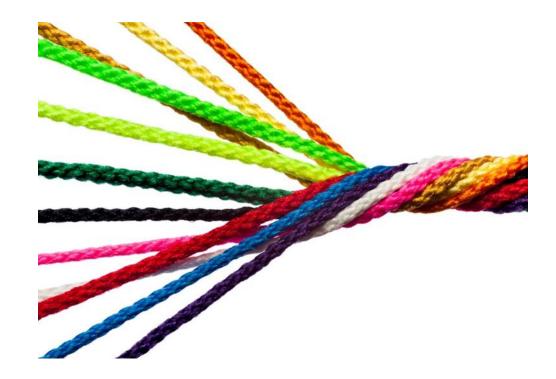
Director, Good Companies/Good Jobs Initiative, The Aspen Institute Economic Opportunities Program





# Job Quality in Practice

With support from Prudential Financial, we are launching a new effort to encourage the development of job quality practices that promote access to economic opportunity. In the coming months, we will provide actionable tools and guidance to support leaders across geographies and fields to engage in practical action to improve jobs in their local communities and connect to a growing national conversation.





# **Using Zoom**

#### Webinar controls and assistance

- We are expecting a large audience, so attendees are muted.
- You can access chat and Q&A functions at the bottom of the Zoom window.
   Move your cursor down and these functions will appear.
- If you have a technical issue, use the chat box to contact EOP or email eop.program@aspeninst.org.
- Webinar is being recorded. Video and slides will be shared afterward.

#### **Participation**

- Volunteer! At any time, send questions for presenters via the Q&A function. We'll take questions after presentations.



# Job Quality in Practice

#### Webinars

- Assessing Job Quality and Equity in Your Local Labor Market: A Closer Look at Race, Gender, and Place
- 2. To Boost Job Quality, Money Matters: Practical Tools for Engaging Investors and Lenders Toward Change
- 3. March 3 Building Job Quality into Workforce Development Practices
- 4. March 24 Strengthening Frontline Management to Improve Job Quality
- 5. April 21 Worker Voice as an Essential Element of Job Quality: Tools for Business and Advocates
- 6. May 12 Promoting Worker Ownership and Improving Job Quality

#### Survey

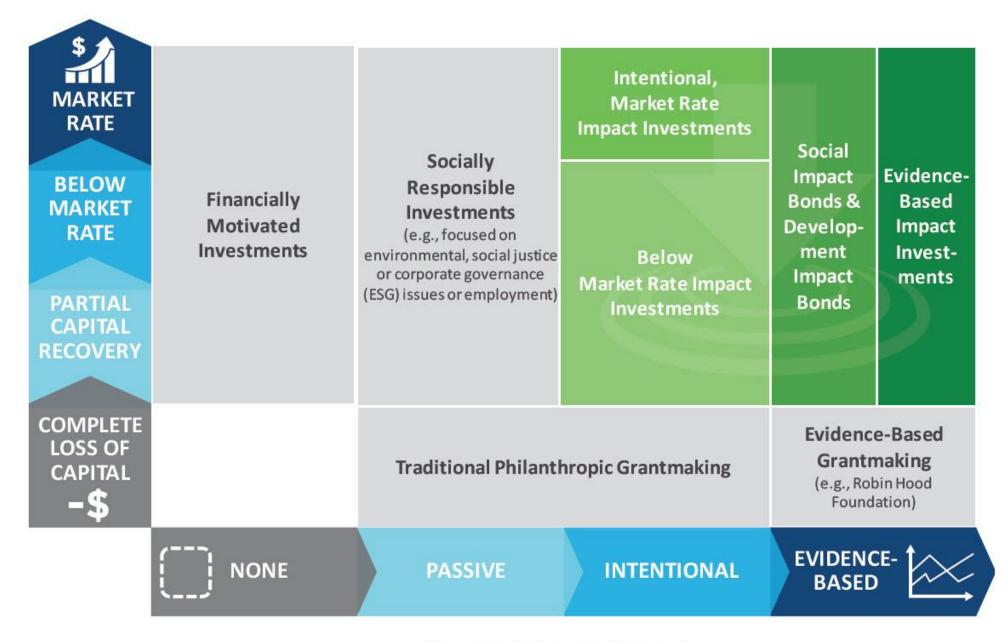
as.pn/jobqualitysurvey

# Join our mailing list for upcoming webinars and announcements

as.pn/eopmail

#### **Announcement blog**

https://www.aspeninstitute.org/blogposts/job-quality-in-practice-a-neweffort-to-support-leaders-acrossfields-to-advance-job-quality/





# **Our Guests**



**Betsy Biemann** 

CEO, Coastal Enterprises Inc., Aspen Institute Job Quality Fellow



**Bhairvee Shavdia** 

Senior Associate, HCAP Partners, Aspen Institute Job Quality Fellow



**Tom Woelfel** 

Director, Research and Consulting, Pacific Community Ventures



**Betsy Biemann** 

CEO, Coastal Enterprises Inc. Aspen Institute Job Quality Fellow



# Building Job Quality into Lending and Investing Practices



#### **CEI: 40+ Years of Building an Economy that Works for Everyone**

#### **Mission-driven Investor**

- Grow good jobs, advance environmentally sustainable enterprises and expand shared prosperity
- Integrate financing, business and industry expertise, and policy solutions
- Offer debt, equity and tax credit financing
- Maine and rural regions & gateway cities throughout the U.S.

#### **Small Business Champion**

• In 2019, CEI provided \$24.1 million to businesses and gave business advice to 1,461 entrepreneurs & individuals, contributing to the preservation and creation of 1,899 jobs





# **GOOD JOBS DEFINED**

**Basic Benefits** Fair & Engaging Workplace Living Wage Paid Time Health Retirement Scheduling Performance Off Benefits Savings Notice Reviews MIT Living Sick Time Contributions to Offer payroll • 2 weeks Annual Wage Vacation Time Insurance deductions Calculator Offer a Stipend Contributions Reimbursement not required Plan

Training /

Tuition

· On-the-job

Classroom

education

External

### **How We Integrate Good Jobs into** our Investment Memo

Approaching Does Not Meet

Meets or Exceeds

Not Enough Info

	<u># of</u> <u>Frontline</u>	Avg Starting Wage
Current Employees:	11 FTE	\$11/hour
Projected Employees:	22 FTE	\$11/hour
In 36 months		

#### **Good Jobs Scorecard Basic Benefits** Fair & Engaging Workplace Living Wage Health Retire. Sched. Perf Train. / \$13.13 PTO Notice Tuition Cumberland Ben Savings Rev

Eliqible for \$1.00 / hour wage increase after 90 days; schedule is generally fixed – varies when

Projected Jobs Detail			
<u>Title</u>	<u>Number</u>	<u>Starting</u> <u>Wage</u>	
Laborer	10	\$12.50/ hour	
Packer	10	\$11.00/ hour	
Delivery Truck Driver	2	\$13.50 / hour	

#### **Top Workforce Challenges**

• Hiring: currently have 3 positions open; demand exceeds staffing resulting in OT & diminished revenue

short-staffed or when production goals not achieved

- Hiring: need to establish pipeline of potential employees; insufficient staff to achieve sales forecast
- Hiring & Retention: physically-challenging roles; need to create compelling job that people want to be at; reducing turnover essential

#### **Alignment to CEI Capabilities**



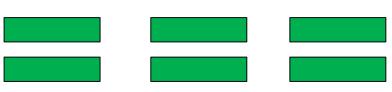




#### **Alignment to CEI Priorities - Qualitative** Assessment

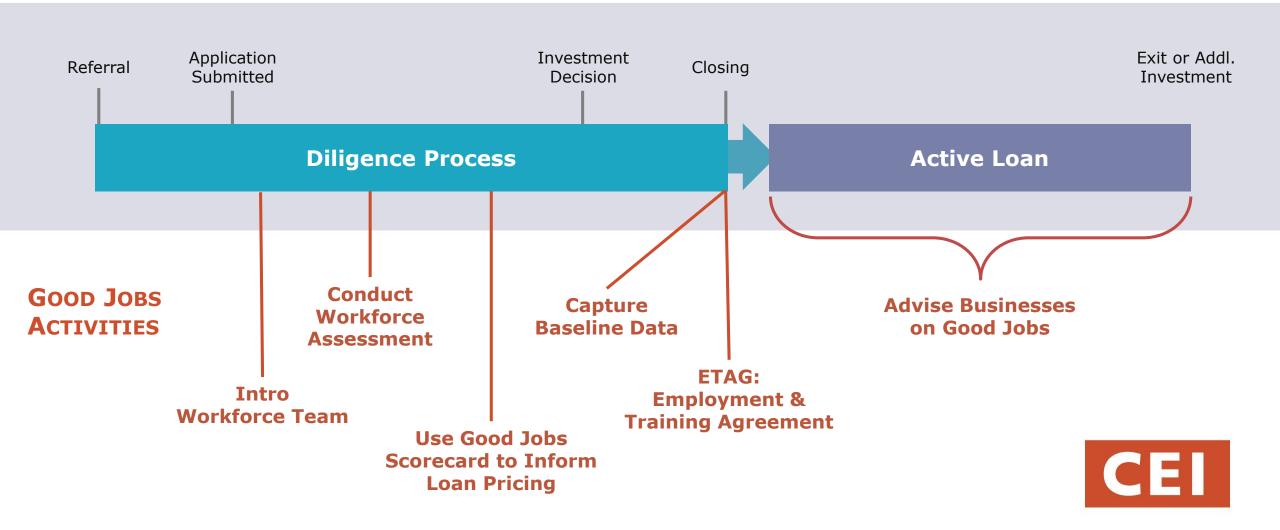
- · Hire 50% individuals with low-to-moderate incomes for newly created positions
- · Implement initiatives that enhance the quality of front-line jobs while improving the company's financial performance

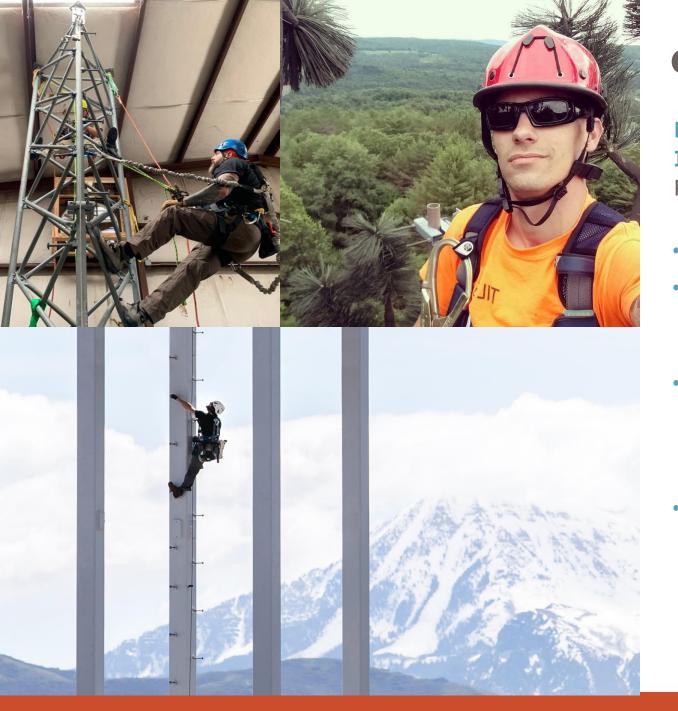
#### **Likely to Achieve Mission Buy-In Likely to Report**





# How We Integrate Good Jobs into our Investment Practice





## **Good Jobs Strategy AT WORK**

# NATIONAL COMPANY BUILDING AMERICA'S INFORMATION INFRASTRUCTURE

Portland, ME

- Company was experiencing significant growth
- To deliver on sales commitments, Company wanted to boost employee retention and attract top quality job applicants
- CEI staff worked with management to encourage a performance management culture with goal setting and regular performance reviews tied to merit increases
- 550 employees now have the opportunity to earn regular wage increases as they achieve goals







### **Good Jobs Strategy AT WORK**

# FAMILY FARM -> WASTE-TO-ENERGY PRODUCER

Scarborough, ME

- Company was having difficultly attracting & retaining employees to waste management positions
- CEI staff worked with management to expand benefits from PTO only to include health benefits and a retirement savings option, as well as integrating regular performance reviews
- 40 employees and their families now have health insurance and have started to save for retirement





**Bhairvee Shavdia** 

Senior Associate, HCAP Partners Aspen Institute Job Quality Fellow



# HCAP Partners Snapshot

HCAP Partners was founded in 2000 and is a provider of mezzanine debt and private equity for underserved, lower-middle market companies throughout California and the Western United States. Based in San Diego, CA, the firm seeks to invest \$2 million to \$15 million in established businesses generating between \$10 million and \$100 million in revenues in the healthcare, software, services, and manufacturing industries. HCAP seeks to facilitate a positive impact on underserved businesses, their employees, and their communities using its Gainful Jobs Approach and has been recognized as an ImpactAssets50 fund for six consecutive years.













<sup>\*</sup>Impact Metrics from HCAP Partners IV, L.P. as of 12/31/2019.

# Gainful Jobs Approach™

#### **Overview**

Developed through collaboration with our LPs and industry thought leaders, HCAP Partners' Gainful Jobs Approach™ is our operational impact framework for understanding job quality standards at our portfolio companies through (i) a robust quantitative measurement system to assess existing job quality standards and improvements and (ii) active portfolio engagement to identify and implement workplace initiatives aimed at creating and maintaining high-quality jobs.

#### **Impact Cycle**



#### **Job Quality Attributes**



#### **Economic Opportunity**

#### **BROAD-BASED PARTICIPATION**

- types of plans offered (401(k) plans, stock options, bonuses, etc.)
- · eligibility criteria
- matching

#### OPPORTUNITIES FOR ADVANCEMENT

- types of training offered
- policy on internal promotion
- education benefits

#### SUSTAINABLE LIVELIHOOD

- factors considered when setting salaries
- standards for pay raise



#### Health & Wellness

#### PAID SICK DAYS

- eligibility by employee type
- accrual

#### WELLNESS INITIATIVES

 preventive wellness initiatives offered including any mental health initiatives

## Gainful Jobs Approach™ Case Study – Mission Senior Living



Mission Senior Living is a Nevada based developer and operator of senior care communities. HCAP provided funding to MSL for the construction of Summit Estates, a new senior living community located in South Reno, Nevada consisting of 92 assisted living apartments and 24 memory care suites.

During our investment, HCAP worked in collaboration with management to understand job quality and identified key steps to improve existing jobs for a largely low to moderate income earning workforce. These initiatives include access to retirement savings plans, savings and credit building opportunities and onsite workplace training. In 2018, Summit Estates was awarded the Perry Foundation's Endeavor Award for Quality Care in an Assisted Living Community.



#### Lessons Learned

Below are some of the key lessons we learned as we implemented the Gainful Jobs Approach across our portfolio and collaborated with management teams to develop Strategic Roadmaps. We hope that sharing these lessons learned will help other organizations that are thinking of implementing similar approaches.

BE FLEXIBLE

Important to develop an approach that can address industry specific challenges such as the importance of a sustainable livelihood in the retail sector versus policies aimed at increasing the percentage of female staff in software companies.

UNDERSTAND BANDWIDTH Understand the constraints of the portfolio company in terms of both monetary and human capital resources. To that end, HCAP has developed a working list of resources comprised of workplace services organizations and benefits providers and is designed to provide portfolio companies with a starting point when implementing the Strategic Roadmap. This list is shared with our portfolio companies. In addition, whenever possible, we leverage the knowledge of the portfolio and connect companies to learn about best workplace practices.

ALIGNMENT & ACCOUNTABILITY

Cultivate a culture of impact accountability with all stakeholders through alignment of values and clear and measurable goals. Being diligent in monitoring progress and maintaining consistent communication with portfolio companies.



**Tom Woelfel** 

Director, Research and Consulting, Pacific Community Ventures





# To Boost Job Quality, Money Matters: Practical Tools for Engaging Investors and Lenders Toward Change

TOM WOELFEL
PACIFIC COMMUNITY VENTURES

JOB QUALITY IN PRACTICE WEBINAR SERIES, THE ASPEN INSTITUTE
FEBRUARY 11, 2020



# PCV's Work on Job Quality



Providing loans, mentorship, resources, and financial incentives to small businesses to improve job quality



Consulting to other organizations on integrating job quality approaches into their work with businesses

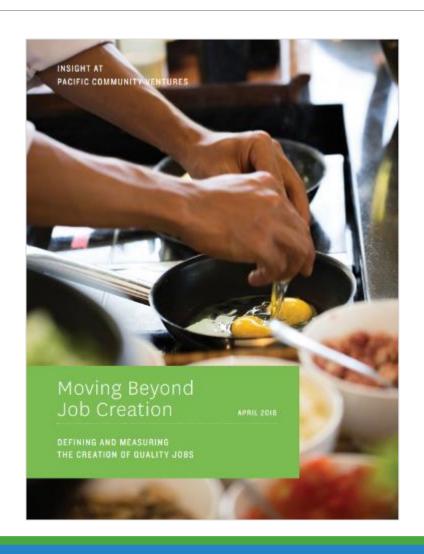


Conducting research and developing resources to bolster the field's work on job quality





# Defining and Measuring Job Quality



Moving Beyond Job Creation examined two central questions:

- What are the core characteristics of a quality job?
  - Living wage
  - Basic benefits
  - Career-building opportunities
  - Wealth-building opportunities
  - A fair and engaging workplace
- How can you measure and track changes in job quality?
- This research has been foundational to PCV's work on job quality



# How PCV works with small businesses to improve job quality

PCV's approach leverages a combination of resources and tools



Fair & affordable small business loans
(\$10k-\$200k)

Business advising & mentorship

(3-5 hours per month)

Job quality measurement & financial incentives (\$100-\$750)



# PCV's Quality Jobs Toolkit for Small Businesses



https://goodjobs.pacificcommunityventures.org/



# Thank You

Tom Woelfel
Director, Pacific Community Ventures
<a href="mailto:twoelfel@pcvmail.org">twoelfel@pcvmail.org</a>

PCV's quality jobs toolkit:

https://goodjobs.pacificcommunityventures.org/

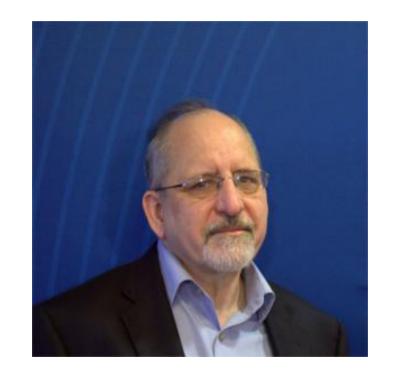
PCV's quality jobs research:

https://www.pacificcommunityventures.org/quality-jobs/



# **Mark Popovich**

Director, Good Companies/Good Jobs Initiative, The Aspen Institute Economic Opportunities Program





# Working Metrics: Linking Data/Analytics to Incent Good Companies and Good Jobs











# **Working Metrics Functionality**

- 1. Automates reporting & scoring
- 2. Uses verifiable, reliable data
- 3. Benchmarks companies to industry peers
- 4. Eases ingestion of scoring & analytics
- Data are secure & confidential
- 6. Addresses both Job Quality & Diversity/Inclusion



# **Working Metrics Scoring Analytics**

- 1. Analytics determine:
  - Retention/turnover
  - Increase in average earnings
  - Net growth in jobs
  - Benefits access and quality
- 2. Scoring focused on <\$60k/year cohort. All cohorts reported
- 3. Benchmarks results by industry
- 4. Results displayed in Social Impact Scorecard
- 5. Assess diversity/inclusion for race, ethnicity, and gender



# Working Metrics/Good Companies-Good Jobs Software System

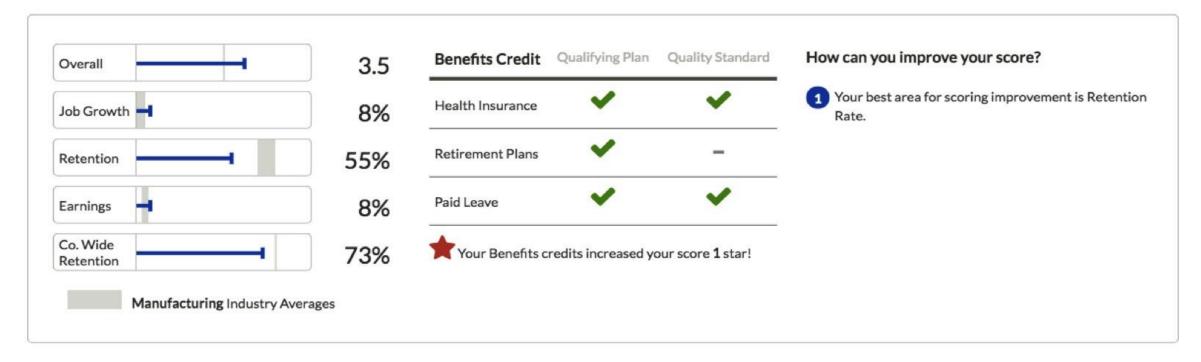
#### **Social Impact Scorecard**

Your score is based on frontline workers earning less than \$60k / year compared to industry standards. The mission of the program is to encourage and equip business leaders to enact strategies that simultaneously produce outstanding outcomes for their businesses and frontline workers.

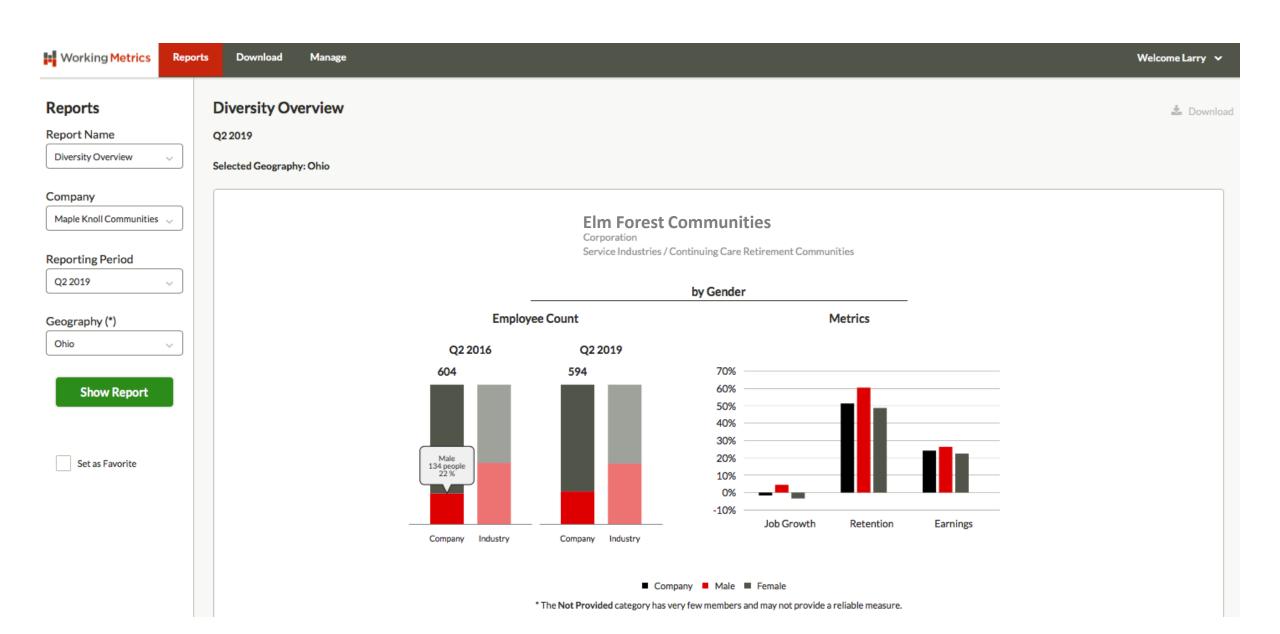
Cogswell Cogs Q4 2017



Your overall score is average for Manufacturing!

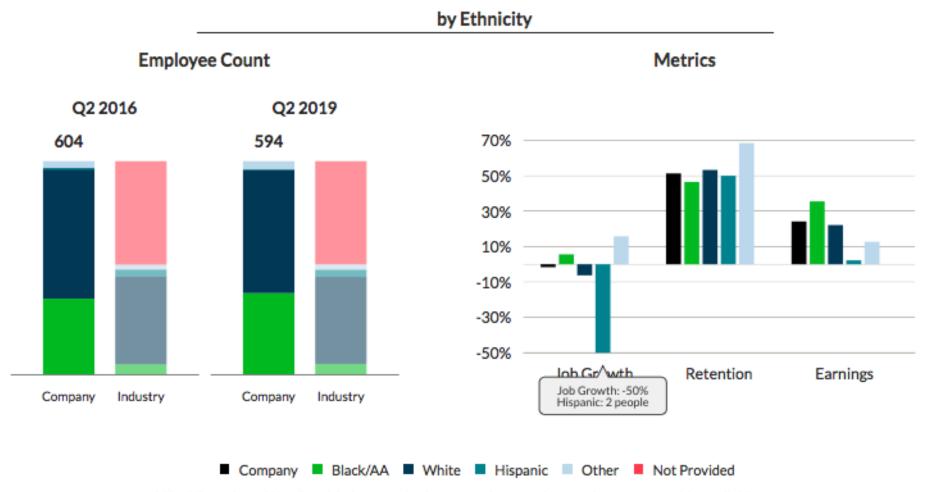


Overall score includes a reported 0% temporary workers / 1099



■ Company ■ Male ■ Female

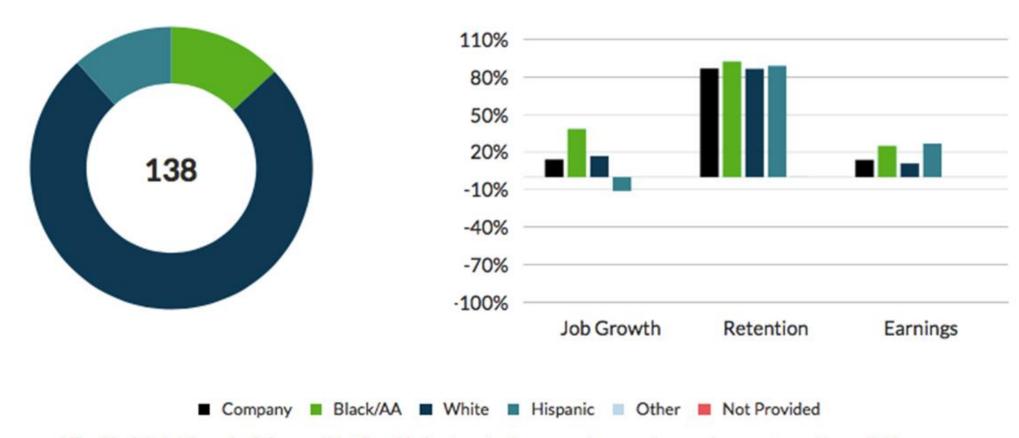
\* The Not Provided category has very few members and may not provide a reliable measure.



<sup>\*</sup> The Hispanic and Not Provided categories have very few members and may not provide a reliable measure.







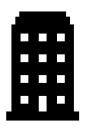
<sup>\*</sup> The Black/AA, Hispanic, Other and Not Provided categories have very few members and may not provide a reliable measure.



# **Driving Impact**

## "Meds & Eds" – Priority

- Big footprints
- Need good will
- Reputation
- Biz AND Social Value
- Social Determinants of Health



#### **Anchor Institutions**

\$500 billion



#### **Government Procurement**

\$2 trillion



#### **Impact Investors**

\$12 trillion







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