

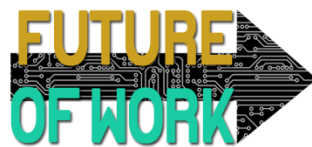
Future of Work Task Force Plan of Action for 2019

Policy Exploration and Development to “Future Proof” Washington’s
Workers and Businesses

December 17, 2018

Workforce Training and Education Coordinating Board

Joe Wilcox and Lew McMurrin, Future of Work Co-Managers



Future of Work Task Force Initial Set of Policy Area Recommendations

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FUTURE OF WORK Task Force

December 17, 2018

The Honorable Jay Inslee
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The Honorable J.T. Wilcox
House Republican Leader
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Dear Governor Inslee, Lieutenant Governor Habib, Majority Leader Billig, Speaker Chopp, Senator Schoesler and Representative Wilcox:

Technological innovation is revolutionizing the relationships between businesses, workers and government in ways unforeseen even a decade ago. While posing substantial challenges, these changes also present a unique opportunity for the state to take steps to help ensure both workers and businesses prosper. In this spirit of inclusiveness, this report is a first step at fulfilling the commitment made by the Legislature to bring business, labor, and government together to create policies that will benefit all Washingtonians now and into the future.

As required by Senate Bill 6544, you are receiving the Initial Report of the Joint Task Force on the Future of Work. The Task Force is pleased to submit this initial report of policy recommendations to you for exploration and development during 2019. Inside the report you will find background, key considerations, relevant data and stakeholder engagement efforts. We look forward to working with you to “future proof” Washington’s workers and businesses.

Sincerely,

Future of Work Co-Managers
Joe Wilcox and Lew McMurrin
Washington Workforce Board

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Introduction

Self-driving cars. Cashierless checkout. Wireless communication devices that transfer data seamlessly, and invisibly. Robots that are more efficient—even smarter—thanks to artificial intelligence. Once the domain of science fiction, new technology is dramatically reshaping virtually all sectors of our economy and lives.

Some call it the Fourth Industrial Revolution. Others consider it a digital divide. What is clear is we have entered a period of rapid technological change that will profoundly impact the way we work and do business.

So where does this leave Washington’s workers and businesses? Should we wait and find out what happens next? Or take tangible steps now to plan for a future that helps both our workforce and businesses prosper together?

In the summer of 2018, Washington’s Legislature created and funded the Future of Work project to investigate this future. It is the first of its kind in the U.S. and puts Washington in the spotlight as a thought leader.

The project included the creation of a Task Force made up of legislators, business and labor leaders. The Task Force is charged with developing a set of policy recommendations by December 31, 2019 that will benefit both Washington’s workers and businesses. The report you have before you is meant to provide the framework for what comes next.

In this report, you’ll find recommended policy areas the Task Force will explore in greater detail in 2019, along with key areas of interest.

Those include:

1. The growth of income disparity across populations, geography, business sectors.
2. The rise of an “on-demand” workforce and how increased flexibility comes at a cost as freelancers lack traditional benefits, such as employer-sponsored health insurance.
3. Lack of resources to support economic vitality, innovation and talent in all areas of the state.

All of this work will be conducted using an “equity lens,” to help ensure no one is left behind—from rural Washington residents to minority—and women-owned businesses to workers with disabilities.

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Background

The Future of Work poses pressing questions for Washington's workforce, employers, and our state. As automation increases, will there be enough jobs? How will workers fare as they turn to short-term, "gig economy" jobs, without the safety net of health insurance and retirement plans.

Or, looking on the bright side, how can we put technology to work for us? How will robots equipped with artificial intelligence reduce tedious, repetitive work so we can focus on our passions, and possibly shrink the work week as we know it?

Washington in the spotlight

These questions, and others, are the focus of a first-of-its kind Future of Work project funded by the 2018 Legislature and signed into law by Governor Inslee. We are on the cusp of exciting new prospects for our diverse workforce as we embrace future work opportunities for all Washingtonians. This project puts Washington in the spotlight as a thought leader. The framework used to answer these questions is also trailblazing: How can Washington's workforce and employers prosper together?

The Legislature established the Future of Work Task Force in 2018. Made up of legislators, business and labor leaders, the 16-member Task Force is charged with developing a set of policy recommendations for the Legislature and Governor that, if enacted, would establish the conditions for Washington's businesses and workers to prosper together in the current and projected future economy. In the simplest terms, the Task Force is responsible for "future proofing" the state's workforce and businesses by taking into account current and anticipated changes in technology, demographics, the economy and other external factors.

As laid out in the legislative mandate, these recommendations fall into three primary categories, or buckets.

1. Establish **Collaborative Applied Research** opportunities between education institutions and businesses. This allows instructional staff and students to learn about new technology while at the same time helping companies adopt this technology.
2. **Support a talent development pipeline and lifelong learning structure**, from K-12 through retirement, for all workers and industries:
 - Washington's young people will navigate careers and workplaces of the future.
 - Workers keep their skills up-to-date or retrain for new careers when needed.
 - Education and training credentials are portable, transferable, and cost and time efficient.
 - Instructional staff keeps pace with changes in their disciplines and related occupations.

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3. Enable **Sustainable Industry Sector Partnerships**, so employers and workers can collaborate to support their sector's growth. Support consortia of multiple employers within an industry to convene to identify common skill gaps and other issues, and work together with their workers and the public sector to find solutions.

The Task Force is charged with presenting an initial set of recommendations and a plan of action to the legislature by December 31, 2018 with a final set of policy recommendations due a year later.

What will be included in next year's report?

In addition to policy recommendations, next year's report will include a description of Task Force activities throughout the year, including:

- Proceedings of Task Force meetings.
- Deliberations and Actions taken by the full Task Force or the Executive Committee.
- Stakeholder engagement activities.
- Research undertaken by the Task Force.
- Other duties and responsibilities bestowed upon the Task Force, including: Identify policies and practices that will help Washington's businesses, workers, and communities thrive economically while responding to rapid changes in technology, workplace practices, environmental and security issues, and global interdependence
- An inventory of current and future trends and factors projected to drive transformation of business and work over the next 25 years.
- Research and promising practice information from state, national, and international sources, and case examples when possible.
- Input collected from employers and workers from Washington's major industry sectors, ensuring every region of the state is consulted.
- Relevant metrics identified along with a possible dashboard for tracking the state's success addressing future of work issues.
- Analysis of readily available data sets and identification of new data that should be collected and by whom.
- Public and non-profit organizations that support business or the workforce consulted on how to effectively support business and workforce development in a transformational environment.

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Task Force Members:

Business	Legislature	Labor
Amy Anderson	Sen. Maralyn Chase	Annette Bernhardt
Machelle Johnson	Rep. Vandana Slatter	Marcus Courtney
Lisa Perry	Rep. Matt Manweller	April Sims
Richard Rhodes	TBD	Joe Kendo
Mark Smith		Rebecca Smith
Jack Chen		Stan Sorscher

Task Force Meetings:

2018

1. October 8, 2018
2. October 29, 2018
3. November 26, 2018
4. December 17, 2018

2019

1. TBD
2. TBD
3. TBD
4. TBD

Key Considerations

The world's economy, and the role of workers, is evolving as advances in technology boost productivity. An increasing number of jobs now call for a higher level of skills to keep pace with these changes. Or, in some cases, jobs (and humans) are being shed entirely in favor of machines. This is leading to greater income inequality, with higher skilled workers receiving bigger paychecks, and lower skilled workers struggling to make ends meet. Meanwhile, the relationship between workers and employers is shifting, as employers seek a more nimble workforce that can be deployed "on demand," while workers enjoy increased flexibility, but lack traditional employment benefits or a secure income stream. These shifts are having different impacts on rural and urban areas, and are challenging not only how different populations fare, but entire geographic regions.

Income Disparity

Domestic productivity gains, although slowing over the past decade, continue to outpace growth in wages. The net result of this ongoing trend is that income inequality in the United States has been on the rise since the 1970s, and continues to be a major policy flashpoint across the country. Between 1979 and 2013, one research study concluded, productivity increased nearly 65 percent, while hourly compensation of production and nonsupervisory workers—who comprise 80 percent of the private—sector workforce—grew just 8.2 percent (J Bivens, 2014).

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Nationally, clashes over the growing economic gap between the country's rich and poor manifested itself in the 2011 Occupy Wall Street movement and subsequent calls for a \$15 minimum wage. In Washington, voters in 1998 approved a higher minimum wage than the federal minimum, and required cost of living adjustments through 2016. Washington voters in 2016 approved Initiative 1433 that required a statewide minimum wage of \$11 in 2017, with incremental bumps through 2020, when it will reach \$13.50 per hour. Some King County voters, with higher costs of living, have approved even higher minimum wages in several cities. Tacoma voters also approved a higher minimum wage.

When taking into account the real value of money over time, wage levels have remained more or less static for the past four decades. According to the Pew Research Center, "After adjusting for inflation, however, today's average hourly wage has just about the same purchasing power it did in 1978, following a long slide in the 1980s and early 1990s and bumpy, inconsistent growth since then. In fact, in real terms average hourly earnings peaked more than 45 years ago: The \$4.03-an-hour rate recorded in January 1973 had the same purchasing power that \$23.68 would today." (Desilver, 2018)

Overall, median hourly wages rose 9.5 percent between 1979 and 2017. That compares with an increase of just 4.4 percent wage growth for 10th- percentile workers (that is, workers earning the lowest 10 percent of wages), according to a 2017 Economic Policy Institute study (Gould, 2018). Conversely, the top 1 percent of earners saw cumulative gains in annual wages of just under 150 percent between 1979 and 2016.

As the majority of U.S. workers have faced stagnating wages, top earners have enjoyed significant pay increases. An analysis of Bureau of Labor Statistics data by the non-partisan Pew Research Center found that among those in the top tenth of all U.S. wage earners, real wages increased 15.7 percent from 2000 to 2018, topping out at \$2,112 per week. By contrast, real wages for the lowest decile of earning distributions increased by 3 percent over the same time period to \$426 (Desilver, 2018).

This trend is consistent in Washington state, as median earnings for the lowest 80 percent of individual workers remained flat from 2000-2017, remaining well below \$50,000 for that time period, according to data from the U.S. Census Bureau. At the same time, median individual earnings for the top 20 percent of earners increased from \$53,000 to \$91,000 while median earnings for the highest 5 percent of earners increased from \$98,000 to \$170,000.

By any measure, the wage gap is real and expanding, earnings are not the only measure of compensation. Other factors which contribute to a worker's total compensation include health insurance, retirement-account contributions, transit and parking subsidies, tuition reimbursement and other benefits. These can all boost the value of compensation to an employee. Total benefit costs to employers for civilian workers increased by an inflation-adjusted average of 22.5 percent since 2001 (Survey, 2018), leaving companies with less money for raises. Other studies question the measurement metrics used by the BLS to measure unemployment, resulting in a larger labor force than is currently estimated.

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If left unchecked, the combination of increasing non-traditional work arrangements without benefits or regular earnings, along with automation could give rise to a job market increasingly segregated into “low-skill/low-pay” and “high-skill/high-pay” segments, which in turn could exacerbate existing social tensions. The result is a job market characterized by strong demand at the high and low ends, but a hollowing out of the middle. While automation and increased application of robotics and artificial intelligence are responsible for some level of worker displacement, an equally if not more important issue is how the existing regulatory framework is allowing for an increasingly divergent distribution of benefits resulting from these changes.

In lieu of a complete restructuring of state and federal tax structure to address this inequality, one part of the solution might be promoting employee ownership strategies. The most common form of this in the U.S. is through the creation of an Employee Stock Ownership Plan (ESOP), which is a qualified defined contribution plan that provides a company’s workers with retirement savings through their investments in their employer’s stock, at no cost to the worker.

Studies of these models, which are classified as ESOPs, suggest that that they can play a role in transferring a greater amount of wealth from current shareholders to workers. Employee-owners in the 28-34 age range when compared to their non-owner counterparts were found to have 92 percent higher median household wealth, 33 percent higher income from wages and 53 percent longer median job tenure (National Center for Employee Ownership (NCEO), 2017). A separate study by the Employee-Owned S Corporations of America found that ESOPs reduced the concentration of high-end wealth by 2.5 percentage points, and low-end wealth by one percentage point (Bernstein, 2016).

Rise of In-Demand Workforce

While the impact of these technology-driven changes upon the global economy cannot be understated, of equal importance are the broader social implications of the shifting relationships and mutual obligations between business, labor, and government.

The social contract, drawn up in the wake of the first industrial revolution, has become less relevant as the modern, mobile, globalized marketplace extends beyond its original parameters. In recent years, the employment relationship has changed, with workers, families, and communities assuming more responsibility for education, training, and life-long learning. Employers rely more directly on the external labor market and external education and training, the majority publicly funded.

Over time, the social contract has moved away from the business-government partnership where public policy was responsible for preparing young workers to enter the workforce, and employer-provided resources would guide advancement.

The employment relationship is becoming more short-term and contingent. The rise of non-traditional work arrangements may also be playing a role in growing wage inequality. The percentage of workers engaged in alternative work arrangements – defined as temporary

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help agency workers, on-call workers, contract workers, and independent contractors or freelancers – rose from 10.1 percent in February 2005 to 15.8 percent in late 2015 according to a Contingent Worker Survey conducted in 2015 as part of the RAND American Life Panel (L. Katz, 2016). The same study also found that the majority of new jobs created between 2005 and 2015 were of a non-traditional nature.

As of 2017, up to 3.8 percent of the U.S. labor force were contingent workers (those who do not have an implicit or explicit contract for ongoing employment), while 9.3 percent of workers were employed in alternative arrangements (independent contractors, on-call workers, temporary help agency workers, workers provided by contract firms) according to BLS data (Bureau of Labor Statistics, 2017). There is not yet a reliable source for information about “electronically mediated” or “web-enabled” employment, often called “gig work,” such as Uber, Lyft, and Task Rabbit.

Although challenging to accurately quantify, the rise of non-traditional work arrangements is a hot-button topic for many of the world’s largest companies. In fact, a 2017 survey by the World Economic Forum of executives from 371 leading global employers found that their top-rated demographic and socio-economic driver of change was “changing work environments and flexible working arrangements.” (World Economic Forum, 2016)

The new, more contingent, work relationship presents challenges for public policy-makers. How do we balance needs of employers, workers and communities? How do we manage mid-career retraining to respond to workforce demands in related and unrelated industries? What workforce strategies will attract economic development that creates good jobs, builds stronger communities and invests in the future?

Lack of Resources Lead to Regional Inequity

In Washington, this ongoing divide between the state’s most affluent citizens and its lower wage workers is often exacerbated by uneven distribution of infrastructure and other resources. Reliable transportation networks, proximity to education and skill training facilities, and access to high-speed internet are all critical components for students, workers and businesses yet are not uniformly available in different regions of Washington.

A prime example of this is the disparity in broadband internet access across the state. Washington was the 14th most connected state in the country as of December 2018 with 94 percent of the population connected to broadband (defined as at least 25 megabits per second (Mbps) upload speed and 3Mbps download) (BroadbandNow, 2018). This figure is skewed upwards by greater connectivity in metro areas such as King County, which had a broadband coverage rate of 99 percent while rural areas such as Adams, Lewis, and Garfield counties had significantly lower coverage rates of 27 percent, 67 percent, and 11 percent, respectively.

Data from the Federal Communications Commission (FCC) paint a similar picture as 91.7 percent of Washington’s rural communities had access to broadband internet (again defined as 25 Mbps up, 3 Mbps down) in 2016 compared with a 99.7 percent connectivity rate in

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urban areas (Commission, 2018). Washington's urban areas also maintain substantially more options in terms of a choice in internet providers, resulting in a more competitive marketplace and greater consumer choice when compared to rural areas. In 2017, 94 percent of urban areas had three or more providers servicing these areas, while in rural areas this figure stood at 66 percent with 27 percent served by two or more providers and 7 percent by a single provider (Commission, Fixed Broadband Deployment, 2018).

As a result, in this patchy dispersal of resources, rural areas are saddled with major competitive disadvantages compared to their urban counterparts. Broadband internet is as essential to modern businesses operations as electricity, and companies simply cannot operate without it. Students and job seekers similarly require this access to engage in online education and job searching.

Infrastructure investments also create a short term bump in jobs. A \$63.6 billion broadband deployment project aimed at increasing household broadband adoption from 60 percent to 95 percent resulted in the creation of 140,000 jobs per year for 10 years for a total of 1.2 million jobs. (Robert Crandall, 2007). A similar study of a \$10 billion rollout led to the creation of 180,000 jobs per year. (Robert Atkinson, 2009)

As a result of this inequity and other challenges, rural economies face a different set of issues regarding economic and workforce development than urban areas. This has resulted in stark disparities in income levels.

Per capita income in Washington increased by an average of 36 percent from 2010-2017, with metro income expanding by 37 percent and nonmetropolitan areas increasing by just 26 percent according to the Washington Workforce Development Areas Regional Economic Analysis Project utilizing data from the U.S. Department of Commerce and Bureau of Economic Analysis (Project, 2018). In 2017, per capita income in Seattle/ King County Workforce Development Area 3 (WDA) was \$83,383 (144 percent of the state average), compared with \$42,414 in the Benton – Franklin WDA (70 percent of the state average).

Differences in cost of living help lessen the impact of lower income levels. However, new strategies need to be explored to help rural areas prosper and attract and retain high quality jobs.

Worker Displacement

Automation and the increasing usage of artificial intelligence (AI) is displacing human workers across a wide range of fields, including some jobs that few could imagine a robot performing just a decade ago. In 2016, the U.S. already had 31,400 industrial robots in operation, placing it fourth in the world behind China (87,000), South Korea (41,400) and Japan (38,600). (Economist Intelligence Unit, 2018)

Numerous studies have been made on the impact of automation, AI and other technologies on the workforce. One often-cited 2013 study conducted by Oxford University (Osborne, Frey, 2013) projected that 47 percent of total U.S. employment is at risk of automation, while

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another 2017 study carried out by McKinsey Global (J Manyika, 2017) indicated that up to 44 percent of current work activity hours could be automated by 2030.

A wide range of sectors are being disrupted thanks to new technology and changing business practices. Current workers must retrain, reskill and upskill. New workers must also increase their training to enter certain fields. To date, this trend has produced a limited but alarming effect on employment. For example, the arrival of one new industrial robot in a local labor market coincides with an employment drop of 5.6 workers, according to a 2017 study from the National Bureau of Economic Research in Cambridge. (Restrepo, 2017)

Rather than fearing automation and resisting change, many successful models (often employed outside the U.S.) have embraced automation by focusing on programs which train workers to work with robots, rather than be displaced by them.

The question then posed to Washington's policy makers is how to prepare the workforce to keep pace with changes in technology and business practices that are creating ongoing disruptions across a wide range of industries and sectors. Technological innovation is dramatically revolutionizing the relationships between business, workers and the government in ways unforeseen even a decade ago. While governments and stakeholders around the world wrestle with how to best address these challenges, the Washington State legislature has created a unique opportunity for it to lead the way in developing policy solutions which will benefit all of its residents now and in the future. This report is an initial step at fulfilling this commitment.

Policy Discussions

Comprehensive discussions on key policy area priorities took place during the first two Task Force meetings on October 8, 2019 and October 29, 2018. These initial deliberations were made within the framework required by the enabling legislation, which mandated that policy recommendations include three primary areas of focus: collaborative applied research, supporting a talent development pipeline and lifelong learning structure, and sustainable industry sector partnerships.

A survey gauging Task Force members' policy priorities was also used by Task Force staff to Task Force members on October 18, 2018. The results were used to engender further Future of Work policy area dialogue during the October 29, 2018 Task Force meeting.

These policy discussions, along with input and feedback between individual Task Force members and Task Force staff, resulted in the development of 10 policy areas for future study. In addition to these policy areas, the Task Force also stated iterated its desire to include overarching areas of considerations which would guide any future policy recommendations across all policy areas. These include equity in the enactment of any future policy recommendations, and an emphasis on rural development to bring infrastructure and resources in these areas up to the standards available in major metropolitan centers.

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Findings and Recommendations

- 1. Washington's current workforce needs to be retrained, reskilled, and upskilled to keep pace with changes in technology and business practices that are creating ongoing disruptions across a wide range of industries and sectors.**

Key issues to be addressed through policy recommendations:

- What mix of public policies and incentives, as well as changes to corporate cultures, can increase training for incumbent workers across occupations in Washington?
 - What policies can be developed or improved to help avert lay-offs or accelerate re-employment?
 - Registered apprenticeship programs and other "earn and learn" models are proven to provide a positive return on employer, worker, and taxpayer investments. Can we develop internal apprenticeship programs for incumbent workers or other models that are workplace-based, and sustain earnings during training periods?
 - What policies can be developed or improved to help traditionally underserved and underemployed populations (such as low-wage workers, formerly incarcerated persons, people of color, people with disabilities, immigrants and refugees, older workers) benefit equitably from incumbent worker training?
 - What kind of physical, educational or social infrastructure needs to be in place to support incumbent worker training and upskilling?
- 2. Gains in business productivity, although slowing over the past decade, continue to outpace wages.**

Key issues to be addressed through policy recommendations:

- What policies can help ensure income gains from increased productivity are shared?
- What policy levers can incentivize businesses to invest in greater productivity rather than relying solely on cost-cutting to achieve business goals?
- What policies or incentives can be developed to promote employee ownership, employee stock ownership plans (ESOPs) or other "co-investment opportunities" for workers/employees?

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- 3. Many jobs considered “high demand” pay low wages and offer limited on-the-job training, minimal advancement opportunities, inconsistent and unpredictable schedules, and few benefits. A robust future of work strategy must address the fact that many of the fastest growing jobs do not provide a living wage, or opportunities for career advancement, spurring further income inequality for a growing number of workers.**

Key issues to be addressed through policy recommendations:

- What mix of public policies, programs, and investments can improve job quality for frontline workers throughout Washington’s economy, especially in low-wage sectors?
- What policy levers can spur wage growth in high demand, yet low-paying jobs?
- How can these jobs become ladders to better career opportunities?
- What strategies can help ensure a path to living-wage employment for every worker?
- What enabling framework can promote the creation of “high quality” jobs?
- Is the physical and social infrastructure adequate to serve people in low-wage sectors?

- 4. Many businesses outside of the state’s major urban areas do not have access to research, engineering, fabrication, testing and modeling, or the capital needed to invent or adopt new technologies, to remain competitive.**

Key issues to be addressed through policy recommendations:

- What strategies need to be expanded or developed to support businesses and their workers in the invention and adoption of new technologies?
- What policies or incentives can be developed or improved that would better enable businesses to invest in innovation and increased productivity, while retaining their workforce and creating high-quality jobs?
- Collaborative Applied Research (CAR) supports business innovation and competitiveness, while connecting faculty, students and workers to emerging technologies through higher education-business partnership and collaboration. How could this model, widely used in other countries and in a few other states, be replicated in Washington?
- What can we learn from existing U.S. programs, such as the Manufacturing Extension Partnership, about successful strategies that enable employers to invest in modernizing their workplace in specific industries, while also focusing on skills upgrading and job quality?

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- 5. Partnerships between businesses, workers, and the public sector can lead to advancements in workforce development, and also spur the adoption of new technology within a community, or industry sector. Washington has invested in numerous pilots and demonstrations where such partnerships have proven successful, but not sustainable.**

Key issues to be addressed through policy recommendations:

- How might we learn from WA's historical investments, and from other states and countries to establish "best practice" guidelines for effective partnerships, and a policy mechanism that ensures this strategy is utilized across the state, with appropriate performance accountability?
- What "best practices" from existing public-private partnerships can be replicated or created across the state that benefits workers and businesses in every region?
- In the context of accelerated technology change, what are additional elements that could be incorporated into the traditional workforce development partnership model -- such as structures for worker engagement in decision-making around technology adoption and implementation?
- Collaborative Applied Research (CAR) supports business innovation and competitiveness, while connecting faculty, students and workers to emerging technologies through higher education-business partnership and collaboration. This model is widely used in other countries and in a few other states, and might be replicated in Washington.

- 6. Rural economies face different economic and workforce development challenges than urban areas.**

Key issues to be addressed through policy recommendations:

- What policies and programs exist, or could be improved, to help rural regions prosper?
- What policies and programs exist, or could be improved, to support more effective training, development and retention of a skilled workforce and generate attractive jobs?
- Can population-based funding formulas geared toward urban areas be adjusted to accommodate rural regions?

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- 7. Public infrastructure, including broadband internet access, is necessary for businesses to remain competitive and to create more quality job opportunities. It's also needed to provide access to educational opportunities for learners of all ages. However, it's unevenly distributed across the state.**

Key issues to be addressed through policy recommendations:

- What policies and programs exist, or could be improved, to bring universal access to needed business and education infrastructure to every region of Washington?
- What incentives or policy levers would create enough demand for providers to build this infrastructure in rural or hard to serve areas?

- 8. More information is needed to more accurately and efficiently match jobseekers with employers, and jobs, across the state. Jobseekers often do not know which skills are needed for particular jobs and lack a clear pathway to obtain these skills.**

Key issues to be addressed through policy recommendations:

- How can the state identify and work with existing data collection and data analysis systems to create a more effective worker classification system and allow for greater cross-department sharing and utilization of data?
- What currently unavailable information and relevant metrics can be identified and utilized to augment knowledge of workforce supply and demand?
- What information about jobs, occupations, skills, competencies, credentials or other resources would be valuable and more easily accessible to workers seeking new positions or new skills?
- How can the state develop a "dashboard" to effectively and easily convey information to both job seekers and employers related to matching skill sets with employers' demand statewide?
- How can the state develop and maintain a continuously updated database inventory of current and future trends and factors projected to drive transformation of industries and work over the next 25 years?
- How can the state create linkages between this information and the business and education networks?
- How can the state create a dashboard to track the state's success addressing future of work issues, including analysis of which data sets are readily available?

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- 9. The rise of non-traditional employment, including a growing number of people who earn a living through independent contracting and the gig economy, means many workers lack a steady paycheck, or key employer-provided benefits, such as health insurance or paid sick or parental leave.**

Key issues to be addressed through policy recommendations:

- What is the size and demographic profile of this workforce?
 - How can we better measure and define this workforce, including its many subcategories such as “gig” workers, subcontractors, part-time employees, on-demand workers, temporary workers, agency workers?
 - What policies can be developed or improved that would provide non-traditional workers with better economic security (predictable, living-wage income levels), including benefits and services afforded to many traditional workers?
 - What can be done to clarify and enforce classification of work type, and the benefits and rights workers may be entitled to?
 - Can current service structures, such as WorkSource career centers, be modified to serve the on-demand workforce, with an eye toward higher earnings and benefit levels?
 - Are there policy levers that might encourage businesses to modify on-demand hiring practices that provide greater economic stability for contingent workers?
- 10. Periods of self-employment and business ownership are becoming more prevalent for many workers, sometimes by choice, sometimes not. Washington is among the easiest places to open a business, but has a higher than national average failure rate of business start-ups.**

Key issues to be addressed through policy recommendations:

- What policies can be developed or improved to help entrepreneurs and self-employed individuals succeed, and, in some cases, create new jobs?
- Are there sufficient resources to help interested Washingtonians make the transition from traditional wage earners to self-starting entrepreneurs?

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Next Steps

In 2019 the Task Force will explore in depth the 10 policy areas identified in the initial 2018 report. The two primary means of information gathering during this phase will be through the identification and analysis of data and research, as well as stakeholder engagement across a broad economic, cultural, social and geographic cross-section of Washington State.

Stakeholder Engagement

The Future of Work Task Force is charged with a far-reaching assignment and a tight time frame to complete it. During 2019, Task Force members must identify emerging issues that will impact Washington's workers and businesses, frame potential policy solutions, and ultimately, help the state take steps that benefit both workers and employers.

Some of our state's most able business and labor representatives, along with Legislators, sit on this fast-moving Task Force. But the Task Force cannot do it alone. Instead, the Task Force is preparing to consult with a variety of sub-populations and regions around the state to identify solution strategies that benefit each group.

They include:

- Workforce development and economic development organizations
- County and municipal governments
- Individual businesses of all types and sizes, and industry associations
- Labor unions
- Policymakers
- Community- and faith-based organizations
- Schools and colleges
- Organizations representing diverse populations, including those with disabilities
- State agencies that support various stakeholder groups

Advisory Group

Reaching this wide range of stakeholders will be a challenge. That is one reason an Advisory Group that represents many of these interests on a smaller scale was created. This group of interested stakeholders will serve as a sounding board, providing on-the-ground feedback about current initiatives and Task Force perspectives on a wide range of ideas and policy proposals. In recent months the Task Force has reached out to others who can add more context and vision to their work.

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The Advisory Group includes a wide range of representatives from state agencies, governor's and legislative staff, industry and labor organizations, workforce development councils, non-profits in education and other disciplines, and other stakeholder organizations. Task Force staff has communicated with the Advisory Group to gauge interest levels. Right now, staff plans to provide regular information about Task Force activities to the whole group, and work more closely with those who want greater involvement. Advisory Group members are encouraged to attend Task Force meetings and provide public comment.

Currently Engaged Stakeholders

To date, the Workforce Board's partners from other state education and workforce agencies, state libraries, Department of Corrections, Commerce, and legislative staff have engaged with the Task Force, as have regional Workforce Development Councils. Task Force staff has reached out to encourage greater private sector participation in the discussions. As a result, parties representing the retail, construction and healthcare sectors have expressed interest in participating. Staff will continue to reach out to business groups, Chambers of Commerce and Economic Development Councils, professional associations and unions across the state. Staff recognizes that engaging private sector representatives can be more difficult as they typically have less time for meetings not specific to their business or work.

Data for Decision-Making

Today, massive datasets from federal, state and local governments and agencies are available to the public. The Task Force will use data to ensure their recommendations are rooted in real time information. Whenever possible, staff will provide Task Force members with data that is more easily digested through charts, graphs, and other, more interactive and easily updatable data visualization tools.

Staff are also providing Task Force members with reports, articles and other resources that reflect on the future of work, both in Washington and around the nation, and world. These resources are being compiled on the Future of Work research and resource page:

http://www.wtb.wa.gov/futureofwork_resources.asp

Consulting with Experts Outside Washington

Task Force members heard from Dr. Peter Creticos, Director of the Institute for Work and the Economy in Chicago, at their November 26 meeting. Well known commentators and researchers on the future of work have offered to address the Task Force on how to think about particular policy issues and solutions. Staff have also begun discussions with the international community on evidence-based promising practices. One example is Singapore's "Skills Future" that has taken a comprehensive approach to preparing new workers and upskilling and retraining incumbent workers for the emerging economy. Staff will continue to seek the insight of experts from outside the state when possible and practical.

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Technology Can Help Reach More People

The Task Force has limited financial resources to support extensive stakeholder engagement efforts. Whenever possible, the Task Force will take advantage of technology to encourage communications through teleconferencing, webinars and other remote-technology options. For example, in 2017 the Workforce Board partnered with Governor Inslee, Washington State University Extension and a number of other public and private organizations to augment outreach to Washington's most rural communities through a "virtual summit" that drew 1,300 people in 28 different locations around the state. The approach allowed each site to hear the same "context-setting" overview of the issues and resources available. At each location, local actors from key stakeholder groups discussed the issues and developed solutions from the perspective and context of their local region.

Historically, the Workforce Board has employed a multifaceted approach to its outreach efforts. The Workforce Board partners with numerous state and local organizations that have strong relationships with these stakeholder groups. Surveys, community forums, joining existing meetings or conferences, web portal dialogue, as well as on-going meetings with subject matter experts are all part of the Board's strategy.

Other Communications Efforts

The Workforce Board's communications team, along with key staff members, uses social media and a widely read newsletter to promote agency efforts, including the Future of Work. The #futureofworkwa hashtag was created by staff and is used as part of @WorkforceWash tweets. The agency's communications team has also worked closely with TVW, the state's public affairs network, to provide televised coverage of Task Force meetings. TVW also interviewed Chicago economist Peter Creticos in November for "The Impact," news show.

Consensus Gathering and Policy Formulation

After the Task Force completes its research and stakeholder engagement, the results can be combined with additional evidence-based solutions and best-practices from other states and organizations to help develop potential policy solutions.

The Task Force will then weigh the merits of these policies and attempt to reach a consensus on which policies will realistically advance the group's goals.

Ultimately, these policies will be put into action to help prepare all Washingtonians to grab economic opportunity through flexible, customizable lifelong career pathways, while ensuring our state's businesses have a skilled, adaptable, and globally competitive workforce.

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