



Quality Jobs: Paths Taken

■ Donna Fabiani, OFN | June 9, 2016

Lead Sponsor



Research Questions

- How are CDFIs promoting quality jobs?
- What do these experiences and lessons learned suggest for future strategies and funding to expand this work?

Case Studies

- ICA Fund Good Jobs (SF)*
- Growth Opportunity Partners (SF)
- New Hampshire Community Loan Fund (SBF)
- CEI (PBF)*
- Community First Fund (E)*

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Five Areas of Inquiry

- Fit
- Definitions
- Strategies and Tools
- Partnerships
- Benefits and Barriers
- Future Needs

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Quality Job Fit

- SF = CDFI's primary focus
- BF = multi-sector CDFI. 100% of business portfolio is QJ
- PBF = multi-sector CDFI. Portion of business portfolio is QJ
- Emerging = tracking QJ, minimal promotion

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Definitions

- All include at least one PCV component (wage, benefits, training/advancement, wealth building, engagement)
- Variations
 - 4 of 5 PCV measures plus access to those who face barriers
 - Meaningful wage is the priority
 - Employees define it
 - Depends on community needs

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Strategies

- Educate businesses on benefits of QJ
- Help businesses develop QJ components
- Offer interest rate discounts

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Tools

- Selection process
 - Engaged Employee Best Practices Guide
 - Growth Test
- Loan agreement
 - Employment and Training Agreement (ETAG)
 - Community Benefits Agreement (NMTC)

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Tools

- Development Services
 - Accelerator
 - Advisory Services
 - Advisory Boards

- Other
 - ETAG Assessment
 - Good Employer Matrix (hiring practices, growth, and culture)
 - Annual Survey

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Partnerships

- Workforce training organizations

- Accountants and lawyers (“centers of influence”)

- Wide range of professionals

- Small Business Development Centers

- Hebrew Free Loan Association

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Benefits to CDFI

- Mission, Mission, **Mission**
- Recognition
- Risk mitigation?

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Barriers to CDFI

- Cost
- Staffing requirements
- Expertise
- Data collection, tracking, analysis
- Pipeline (in some cases)

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Future Needs

■ Funding

- Lower cost capital
- LLR
- R&D
- Operations

■ Research

- Which interventions are most effective in creating quality jobs?
- What is the impact of QJ on businesses CDFIs serve? On households?

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Moving Beyond Job Creation

Defining and Measuring the Creation of Quality Jobs

Daniel Brett, PCV InSight

Informal Audience Poll

- Who do we have in the room?
- Is quality job creation an explicit focus of your work? Y/N
- Do you know what makes a job a quality job? Y/N
- Do you know how to measure and report on quality jobs? Y/N

Research Questions

- What are the core characteristics of a quality job?
- How can CDFIs measure and track quality job creation?

Research Approach

- Literature review
- 25+ in-depth interviews
- Review of impact measurement approaches and metrics
 - GIIN's Impact Reporting Investment Standards (IRIS)
 - B Lab's B Impact Assessment metrics
 - Impact reports from other CDFIs and impact investors



What are the core characteristics of a quality job?

- A living wage
- Basic benefits
- Career-building opportunities
- Wealth-building opportunities
- A fair and engaging workplace

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Living wage

- Living wage
 - Does the organization offer employees a wage that can support one adult and one child?
- Industry wage
 - Does the organization offer employees a wage that meets or exceeds the median industry wage within their respective geographies?

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Basic benefits

- Paid leave
 - Does the organization offer paid sick, vacation, maternity, or paternity leave? How much?
 - How many and what percentage of employees receive these benefits?
- Health insurance
 - Does the organization offer health insurance coverage to employees? How many and what percentage are covered?
- Retirement savings plan
 - Does the organization offer a retirement savings plan to employees? (E.g. 401(k), Roth 401(k), defined benefit pension plan)
 - Does the organization match employee contributions?

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Career-building opportunities

- Training and mentorship
 - Is a formal training program offered by the organization during employee onboarding?
 - Does the organization pay, reimburse, or offer other support for employees in obtaining industry-certifications or other credentials?
 - Does the organization offer informal training *in addition to* the training provided during the onboarding process?
- Opportunities for advancement
 - How many positions have been filled by internal candidates within the last 12 months?
 - How many management positions are filled by internal candidates?

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Wealth-building opportunities

- Profit sharing
 - Does the organization offer an annual bonus plan based on its and/or individual's performance?
 - If so, what percentage of employees are eligible to participate?
 - Does the organization offer an employee stock ownership plan, phantom stock, or stock appreciation rights?
 - If so, what percentage of employees are eligible to participate?

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Wealth-building opportunities (cont.)

- Financial wellness programs
 - Does the organization offer any financial wellness programs to employees? Please describe.
 - What percentage of employees participated in these financial wellness programs within the last 12 months?
- Other
 - Does the organization offer direct deposit?
 - Does the organization offer employees the U.S. Treasury Department's free myRA account?
 - What other ways does the organization help employees build wealth?

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A fair and engaging workplace

- Flexible and predictable scheduling
 - Are employees allowed to set their schedules to accommodate family or personal priorities?
 - What percentage of employees have fixed work schedules?
 - How many days in advance, approximately, are employees with variable schedules informed of their schedule?
- Equal treatment and worker engagement
 - How many, and what percentage, of employees undergo a regular performance review?
 - Are key performance indicators (KPIs) shared regularly with employees?
 - Does the organization solicit ideas from employees to improve the organization? If so, how?

The process for measuring impact

- To measure the creation of quality jobs, CDFIs must have an impact measurement system
- The six-step process below is relevant to all CDFIs
 - even those not focused on quality jobs



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Measuring quality jobs: 3 Steps

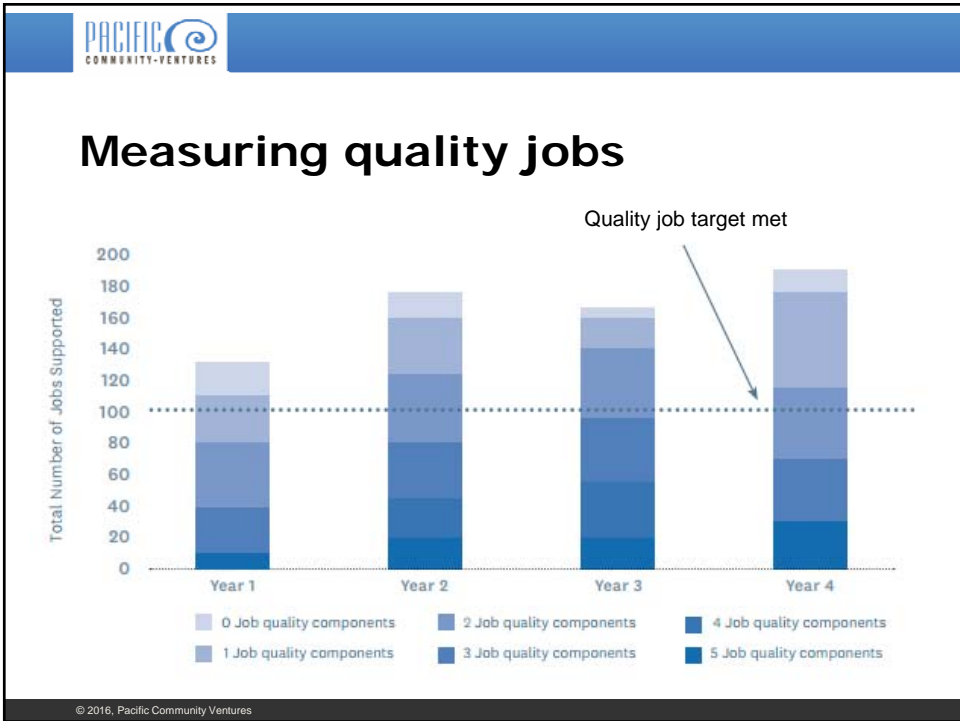
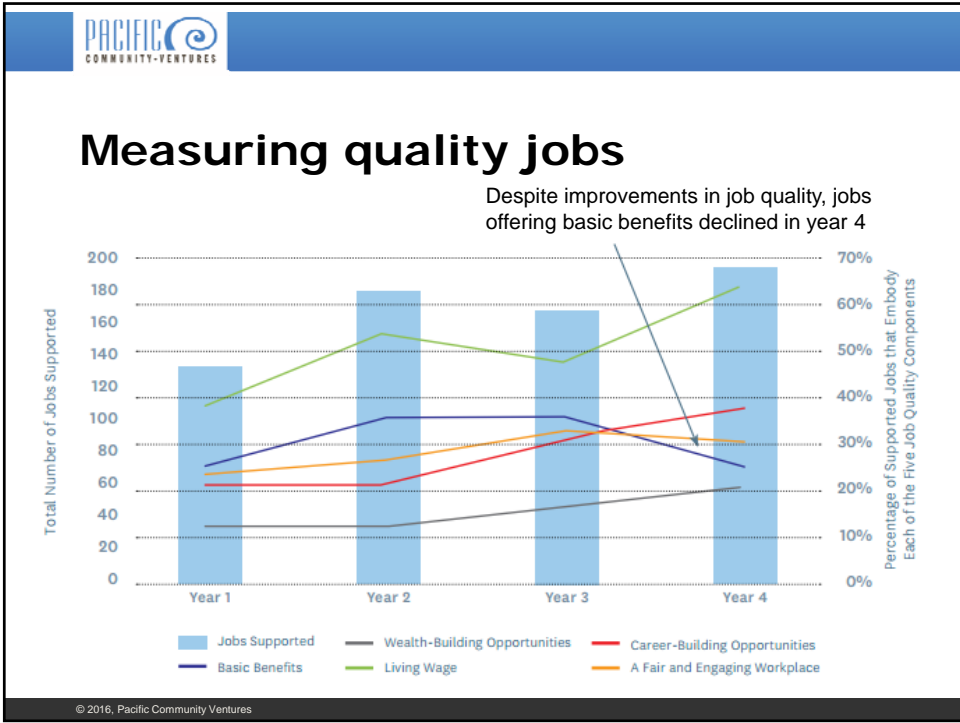
- 1. Choose questions:** select questions to assess whether job embodies each component
- 2. Create definitions:** Decide how you will determine whether a job embodies each component
- 3. Analyze results:** Determine number and percentage of jobs created that embody each component


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FOR EACH OF THE FIVE COMPONENTS OF A QUALITY JOB:	A LIVING WAGE	BASIC BENEFITS	CAREER-BUILDING OPPORTUNITIES	WEALTH-BUILDING OPPORTUNITIES	A FAIR AND ENGAGING WORKPLACE
1) SELECT SEVERAL QUESTIONS TO ASSESS WHETHER A JOB EMBODIES EACH COMPONENT →	E.g., What is the wage paid to each employee?	E.g., Does your company offer employees paid leave? Health insurance? A retirement savings plan?	E.g., Does your company pay for the cost of obtaining relevant credentials? What percentage of positions have been filled by internal candidates within the last 12 months?	E.g., Does your company offer an annual bonus plan? Do you offer an employee stock ownership plan, phantom stock, or stock appreciation rights? Do you offer a financial wellness program?	E.g., What is your employee turnover rate? Can staff set their schedules to accommodate family or personal priorities? How many days in advance are employees informed of their schedule?
2) DECIDE HOW YOU WILL DETERMINE WHETHER A JOB EMBODIES EACH COMPONENT →	E.g., Must equal or exceed the living wage at the country level	E.g., Must offer paid leave AND either health insurance OR retirement savings to a majority of employees	E.g., Must support at least 10% of employees to obtain credentials, or fill 20% of positions with internal candidates	E.g., Must answer "yes" to at least two out of the three questions above	E.g., At least two of the three must be true: 1) Annual turnover rate is below 10%; 2) Staff can set schedules; or 3) Staff are informed of schedules one week in advance
3) DETERMINE THE NUMBER AND PERCENTAGE OF JOBS CREATED THAT EMBODY EACH COMPONENT →	74 out of 200 jobs supported by borrowers (37%)	50 out of 200 jobs supported by borrowers (25%)	42 out of 200 jobs supported by borrowers (21%)	24 out of 200 jobs supported by borrowers (12%)	46 out of 200 jobs supported by borrowers (23%)

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Thank You

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 - Profit sharing
- A fair and engaging workplace
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