Great for Business, Great for Workers
Strategies that Boost Worker Prosperity and Meet Business Needs
Executive Summary
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- Nathan Regan
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Executive Summary

A strong U.S. economy and low unemployment rate – 3.7 percent in August 2019 – have made it difficult for many employers to fill open positions. Yet at the same time, wages for many low- and middle-skill workers have remained relatively stagnant during the past decade of economic growth.

Increasingly, employers are adopting strategies that address this paradox: They are solving their workforce shortage problems by making jobs more attainable, retainable, and better-paying for workers.

“Great for Business, Great for Workers: Strategies that Boost Worker Prosperity and Meet Business Needs” is the latest paper from Economic Development Research Partners, a group of IEDC member thought-leaders. “Great for Business” presents successful employer strategies to attract and retain workers that also have the benefit of improving economic mobility for employees. The paper aims to provide economic developers with ideas, information and examples they can share with employers in their communities who face similar challenges.

The paper groups strategies into three categories and provides examples within each:

**Education, training and skill development.** Employers that participate in initiatives to boost overall education levels in a community or to promote certain career paths are investing in their future workforce. Firms that commit to training new and incumbent workers get greater productivity in return, while also benefiting from improved employee recruitment and retention. For workers, pre-employment training (e.g., via sector strategies groups) and earn-and-learn models such as apprenticeships and internships equip workers with the skills they need to get hired, or build those skills during an initial employment period. Ongoing opportunities for training and education can extend workers’ job tenure by keeping them engaged and building skills that allow them to earn better pay and advance within the firm.

Examples of programs and strategies in this category include manufacturing collaboratives MACWIC in Massachusetts and the multi-state FAME USA program; UpSkill Houston’s sector strategy groups; and KC Rising, a regional education initiative in Kansas City, Mo.

**Addressing practical barriers to job attainment and retention.** Many individuals face circumstances that prevent them from getting to work or showing up consistently, such as transportation or caregiving challenges. Other individuals have difficulty simply finding employment; they may lack of knowledge and connections that aid in a successful job search. This section provides a brief overview of employer approaches to job attainment and retention problems, including childcare and transportation solutions, job search assistance and other wraparound services.
Examples of programs and strategies in this category include Employer Resource Networks in Michigan; childcare programs sponsored or assisted by employers; Columbus, Ohio’s C-pass bus pass program; Ascend, Indiana’s skill-based job-matching platform; and the Atlanta Committee for Progress’s wraparound services to encourage degree completion.

**Alternative business models.** Business models that emphasize social responsibility or worker prosperity are increasingly common and can boost employee attraction and retention. These models tend to foster greater worker satisfaction, longer job tenure, and often offer better pay, while employers see higher productivity levels.

This section discusses benefit corporations, or B corps, which are businesses committed to certain standards of social and environmental performance, transparency and accountability. It also explores employee-owned firms, which can take the form of worker cooperatives or employee stock ownership plans; Alvarado Street Bakery and Publix Supermarkets are cited as examples. Finally, profit-sharing agreements are included as another method of encouraging worker productivity and loyalty, as shown in the case of Zingerman’s community of businesses in Ann Arbor, Michigan.

Though the aim of the paper is to profile efforts led or initiated primarily by employers, economic developers still have important roles to play. They can:

- **Share information.** Economic developers can refer to the strategies profiled here and offer ideas when talking with employers in their communities who face similar challenges.

- **Make connections to catalyze solutions.** Economic developers are in the ideal position to identify common problems among local businesses, bring them together to develop joint solutions, and connect with community partners who can help.

- **Provide a reality check, when necessary.** They can provide employers with an outside perspective and objective information that will help them understand their labor force challenges.

Though employers are the ones who are best able to solve their workforce problems and improve prosperity for workers, economic developers are likely to have a role to play in meeting businesses’ workforce needs for the foreseeable future, and so benefit from the knowledge of other employers’ strategies.

To learn more, [download the full paper (PDF)](#).