

EXECUTIVE SUMMARY



# Working Up:

*A CONVERGENCE DIALOGUE FOR ACTION TO INCREASE ECONOMIC MOBILITY*

CONVERGENCE



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Design by Bittersweet Creative

**This project was made possible by the generous support of a range of funders, including significant support from the W. K. Kellogg Foundation. We also received major support from the Annie E. Casey Foundation, Ford Foundation, and The JPB Foundation. Additional support came from the Arthur M. Blank Family Foundation, Collegiate Church Corporation, and Hellman Foundation.**

Convergence is a national non-profit that convenes leaders with diverse or conflicting views to build trust, identify solutions, and form alliances for action on critical national issues. It achieves outcomes through structured, facilitated dialogue and long-term relationship building, shifting the focus from winning the debate to collectively seeking solutions. Convergence is addressing a broad range of issues including education, health care reform, poverty and economic mobility, incarceration, and the federal budget process.

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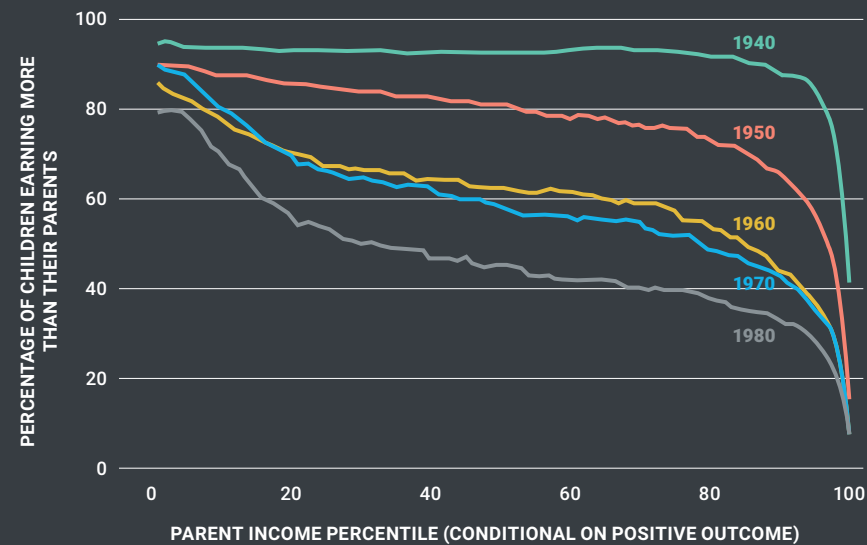
We support this set of solutions as individuals. Our organizations have not formally endorsed this report, and our organizational affiliations are listed for informational purposes. This consensus process resulted in the strongest support for our principles and framework. We urge leaders across sectors to take action on these proposals.



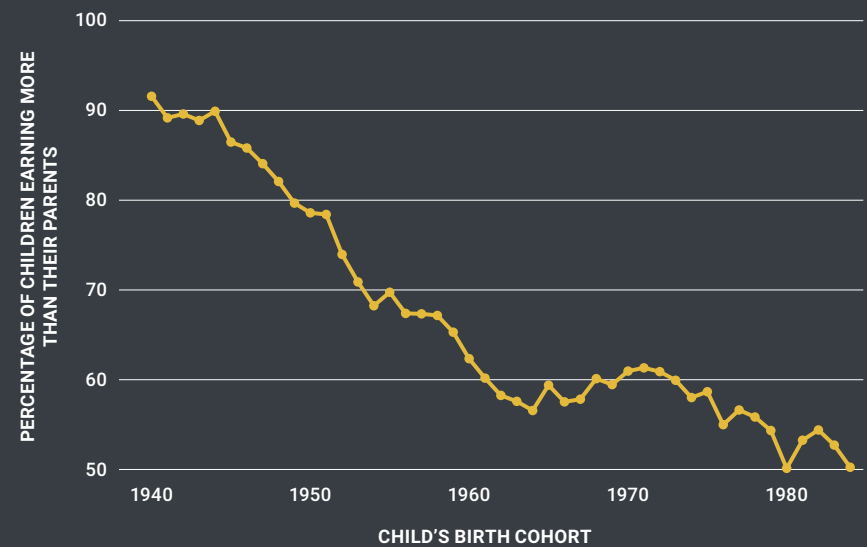
Work has been central to achieving the American Dream. Throughout our history, work that provides a decent standard of living has been a critical pathway to upward economic mobility. For more than a century, hardworking individuals and families, employers committed to their workforces, and complementary government policies and investments have reinforced each other so that each generation has improved its standard of living compared to the last, and helped the next generation do even better.

Despite challenges of discrimination and times of economic turbulence, these complementary efforts by workers, employers and government have enabled millions of Americans to work their way up in our society.

### Selected Cohorts by Parent Income Percentile



### Mean Rate of Absolute Mobility by Cohort



From Raj Chetty's  
 "The Fading of America's Dream"

[www.equality-of-opportunity.org](http://www.equality-of-opportunity.org)

Today, we are facing unprecedented challenges to work as an engine of economic mobility. In 1980, eight out of ten thirty-year olds were earning more than their parents did at the same age. In 2010, only five out of ten were earning more. While incomes have stagnated for many, economic inequality has risen significantly. The incomes of the top 20%, and even more the top 1% of households, have risen substantially faster than incomes for others. If economic mobility is falling while inequality is increasing, then those who start low on the economic ladder are likely to experience little improvement in their standard of living over their lifetimes, even if they work hard.

As a society, we have been at odds over who is responsible for the loss of economic mobility, and over what to do about it. In recent years, it has become harder for those with very different views and interests on the issue of work and mobility to come together for serious dialogue and a search for solutions. In particular, it has been challenging and rare to bring together employers, low-income workers, labor unions, and other worker groups, as well as employment and training experts with a stake in the issue to seek common ground. The voices and lived experience of low-income people are often absent from national conversations about economic issues, and business perspectives are often missing from conversations centered on poverty reduction.

We urgently need to come together for honest discussion and a search for shared solutions. If work continues to lose strength as an engine of upward mobility, we will see more disengagement and despair among those who see no way forward; more challenges for business and the economy as inequality and stagnant incomes undercut economic growth; and greater social and political turbulence as more Americans are angered by limits on their opportunities. Conversely, if we are able to strengthen the combined efforts of workers, employers, educators, communities and governments, we can make work a powerful force for upward mobility for those lower on the economic ladder.

As a diverse group representing workers, employers, historically disadvantaged groups, education and job training providers, government service agencies, community-based organizations, and policy advocates from across the political spectrum, we have come together and agreed on a set of principles, a framework of actions, and specific proposals for renewing economic mobility through work. We share them because we believe they will work; to show that we can collaborate across our differences for the benefit of the American workforce, our economy and our society; and to mobilize a broader set of stakeholders to continue this conversation and build on the progress our group has made.

ELLIE BERTANI, WALMART

"I don't think I've been in a room with such diverse, thoughtful people since graduate school. Walmart is going through a lot of changes, and I hope you all know how tremendously influential this group has been. Thank you all for teaching me and helping Walmart grow."

## Who We Are

**This dialogue began when Convergence, a non-profit, non-partisan organization that supports dialogue leading to action on challenging public issues, convened us to see if we could agree on ways to renew the power of work as an engine of economic mobility. We are a group of 28 American leaders and experts including major employers and small business perspectives, labor unions and other worker advocates, right- and left-leaning think tanks and advocacy groups, innovative non-profit service providers, higher education and philanthropy. While no stakeholder group of this size can lift up every perspective, our table includes remarkable diversity across race and gender, sector representation, lived experience, policy thinkers and on-the-ground doers.**

We hold diverse and sometimes opposing ideological views and recognize that authentic differences can be held in good faith even as we develop greater understanding and seek breakthrough solutions.

At the outset, we agreed to seek common ground on answers to the question: How can work become a stronger engine of economic mobility for lower income workers? Our group convened roughly once per quarter over 18 months in person, with many working group conversations taking place between meetings. We moved from initial trust-building and creating shared principles to the hammering out of specific proposals.

Using deep dialogue, joint review of evidence, sharing of best practices, listening sessions with people facing barriers to opportunity, and collaborative negotiation to bridge differences, we have reached consensus on principles linking work and economic mobility; key challenges facing lower income workers; a framework to meet those challenges; and specific proposals for action. Reflecting our approach, group composition and the interlocking nature of these challenges, we offer solutions that include bipartisan public policy proposals, as well as proposed actions for the private sector and cross-sector partnerships. We call for the design and implementation of these solutions to include the voices and lived experience of low-income individuals and families.

While we have addressed many important issues, we recognize that some critical elements that contribute to economic opportunity were beyond the scope of our group's expertise and focus: macroeconomic policy goals, public transportation and urban planning, affordable housing, health care, and retirement savings. We encourage further dialogue that links our work with ongoing efforts by others to make progress on each of these issues.

It is important to note that we support this set of solutions as individuals. Our organizations have not formally endorsed this report, and our organizational affiliations are listed for information only. It is also important to acknowledge that our combined support is strongest for the principles and the framework, and that we do not have unanimous agreement on all recommended actions in the report. Nonetheless, we are united in our call for policy makers, business leaders, workers and their representatives to adopt the principles and the framework we offer, to give serious consideration to all of our recommendations, and to act on those that meet shared goals.

After many months of collaborative work and sometimes difficult conversations, we are excited to offer this report as a strong demonstration of the power of constructive, collaborative dialogue to generate new ideas and develop common ground on divisive issues. We are also committed to continuing the conversation we have begun in this process, to seek solutions on the issues that still divide us, and to help others work together to make urgently needed progress. We hope more leaders tackle challenges going forward through a multi-stakeholder, collaborative approach.

## Principles Linking Work and Economic Mobility

**First, we agreed that the following principles should guide public and private action on work as an engine of economic mobility:**

- + **Working with dignity for a decent income** is central to a good life in our society. Work is also a primary way to meet our personal, social and economic responsibilities. Therefore, all Americans should have the opportunity to work to their full potential.
- + **Participation in the workforce** should provide all workers with substantial opportunities and supports for increasing their skills, capacities, income and assets over time to facilitate upward mobility.
- + **Work, supplemented by supports and benefits**, should provide sufficient income, economic security and stability for workers and their families to live in dignity.
- + **Public policies, private practices and social norms** should remove barriers to work created by place, race, class, gender, disability, age and other circumstances.
- + **Responsibilities related to work and returns from work** should be shared appropriately among workers, employers, government, and society.
- + **Employers are critical partners** in creating work opportunities, promoting economic mobility, and building workforce capabilities.

MAUREEN CONWAY, THE ASPEN INSTITUTE

**“This report does not just focus on one idea, but on a package of ideas and how those work and interact with each other. Imagine the possibilities if we conduct this sort of thinking in policymaking on a variety of levels.”**

**We then reached agreement on this set of serious challenges facing lower income workers:**

**1.**

Many people face multiple barriers to entering and re-entering the workforce; have inadequate skills when they enter; cannot use the skills that they do have; and have few on-the-job opportunities to build skills that contribute to mobility. They struggle to find pathways to opportunity, with combined chances to earn and learn, to succeed in a dynamic economy. Building those pathways is hampered by limited engagement between employers, schools and training providers.

**2.**

Many workers and families with low-income jobs lack key supports and assets needed for stable employment and financial security (child care, sick leave, predictable schedules, transportation). Many employers, including small businesses, would like to do more but face hard choices in competitive markets. Federal, state and local governments currently provide a patchwork of income supplements and services, which often do not meet the basic needs of workers and families in lower wage jobs with few benefits.

**3.**

Many workers and families have inadequate savings to deal with emergencies or challenging life situations when they arise and must leave their jobs to provide or receive care, or because they cannot afford to replace key assets needed for work. Income volatility is a huge challenge for many Americans, creating a vicious cycle where inability to meet needs outside of work and job insecurity make it difficult to build the assets that could enhance financial security.

**4.**

Many people face significant barriers to employment, including discrimination, inappropriate weight given to criminal records, irrelevant requirements for specific educational credentials, and assumptions about physical requirements. These barriers are often intended to reduce risks or costs to employers, but are often not predictive of worker performance.

**These four are not the only challenges, but this group believes they are among the most important. In combination, they are making it very difficult for millions of Americans to use work as an engine of economic mobility. As a result, our economy is less productive, inequality is rising, and our society is more polarized.**

BOSTON LISTENING SESSION

*“This is not just a job for me; this is a job for my family.”*

**A Framework for Renewing Work’s Contribution to Mobility**

The group sees many opportunities to help workers and employers meet these challenges with solutions that will benefit families, businesses and our country as a whole. Specifically, we have developed a framework that responds to the challenges above with a diverse range of public and private actions and innovative ideas that are profoundly important for renewing work’s contribution to mobility.

Each of the actions is critically important, and all of them are interconnected. We need to undertake and coordinate them at every level, from local to national.

**1.**

Strengthen our **systems and incentives for skill building, career exposure, job search, hiring, and advancement**, starting in youth and continuing through adulthood, and broaden them to create more career on-ramps and pathways.

**2.**

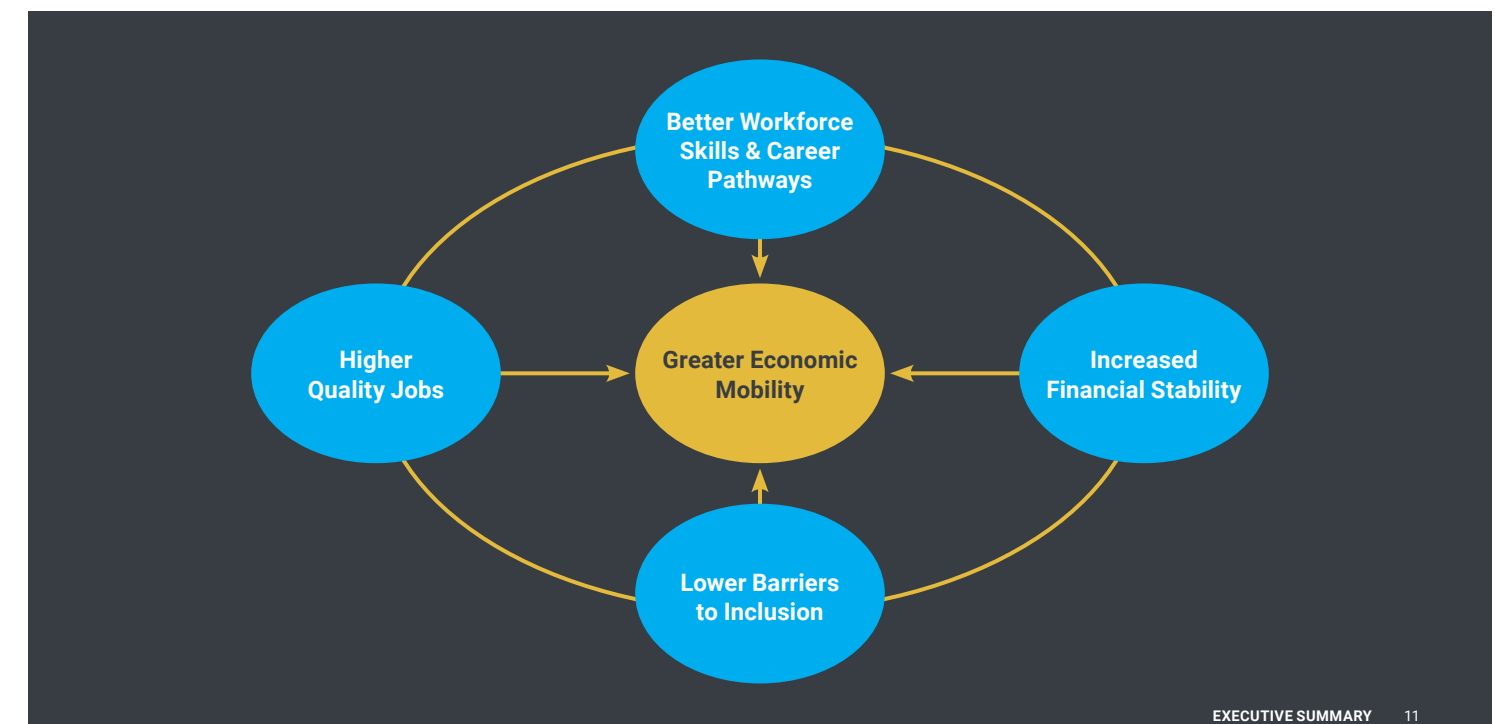
Improve **job quality for lower-wage workers**, including income from work; paid leave, child care; flexible, predictable schedules; and inclusive work places.

**3.**

Increase **financial stability and security** through childhood savings accounts, financial literacy, employer- and community-supported emergency funds, and tools that reduce income volatility.

**4.**

Reduce the most significant **barriers to work for people who have experienced discrimination, long-term unemployment, or have criminal records.**





JOHN CARR, GEORGETOWN UNIVERSITY

"[Economic mobility] is a big problem, but something remarkable has happened—a group of people from different places have agreed on guiding principles. This isn't simply a menu of what we've put together. We've really worked to find common ground."

## Proposals in Each Area

While we do not have full agreement on exactly how best to move forward in each action area, we have developed specific proposals that we believe merit serious consideration by policy makers, business leaders, workers and their representatives, and other cross-sector leaders.

# 1.

## Build on-ramps to the workforce and reduce barriers to employment.

### We recommend that:

- + School systems, community colleges, training programs and employers dramatically strengthen partnerships in career readiness and work exposure during high school and post-secondary education, building on best practices around the country, so that young people entering the workforce can demonstrate valuable skills with real-world work experience.
- + Employers, credentialing systems and training programs improve labor market matching through employer-informed credentialing programs to ensure employers a well-qualified and stable workforce pipeline; and take up best hiring practices that are much more effective than traditional resume/interview/background check approaches in assessing candidate abilities relevant to the particular job or career path.
- + Government, in partnership with employers and service providers, ensure that more workers can access unemployment protections that provide greater economic security during times of joblessness, mitigate the effects of economic downturns, and connect more workers to effective re-employment services.
- + Federal and state governments reduce risks and increase incentives for employers to hire and retain people re-entering the workforce from long-term unemployment, incarceration and other challenging life situations, by providing transitional jobs, subsidized wages, supporting services, and coaching to re-entering employees, as well as enforcing civil rights protections, in exchange for employer commitments to hire and train those employees.
- + First-time employers, other employers and education and training organizations collaborate to increase entry-level workers' access to higher-skill, higher-wage jobs through partnerships that create pathways from entry-level employment through skill building to higher level employment in the same metro area/region.

# 2.

## Improve job quality for lower wage workers.

### We recommend that:

- + Business leaders, worker representatives and policy makers explore and adopt strategies to raise and supplement incomes for workers, considering the principles and options that we present in this document.
- + Federal, state and local governments adopt policies and make investments to increase the availability of affordable, quality child care.
- + Employers and workers collaborate to develop best practices in scheduling systems to provide predictability and flexibility for both parties, including clear, shared expectations on the number of hours to be worked in a given time period.
- + Employers ensure that workers have a meaningful role in employers' decisions that affect their working conditions, wages, hours, and opportunities for advancement.
- + Employers and workers not only respect legal obligations, but also make and uphold commitments to ensure non-discrimination and freedom from harassment, and to enhance diversity, equity and inclusion in the work place.
- + Congress consider and pass legislation ensuring that workers have a reasonable amount of annual paid sick time/paid time off.\*



KIMO KIPPEN (FORMERLY AT HILTON HOTELS)

“From an evidence-based standpoint, more companies are revamping their entire approach to scheduling and it’s having a huge impact for retention. Some are moving to now providing schedules to hourly workers two weeks in advance. This has had a major impact on workers’ lives and boosted morale. A total game changer that’s good for business and employees.”

\*We strongly believe that federal legislation on paid sick time would be a major advance in quality work for millions of lower income workers and would remove a significant obstacle to upward mobility. At the same time, there are outstanding questions among us about whether and to what extent this legislation should (1) exempt small business (an idea with support among many in our group) and (2) pre-empt state and/or local legislation (an idea on which there is still substantial disagreement). We provide more detail on key considerations regarding paid sick time in the Quality Work section of the report.

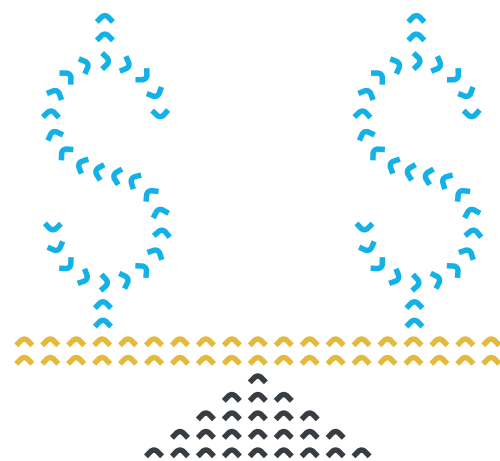


# 3.

## Increase financial stability and security for lower wage workers.

### We recommend that:

- + State governments create universal children's savings account programs that are designed with the goal of equitable outcomes. These children's savings account programs should be supported by state and community organized parental engagement, business and philanthropic investments in incentives, and financial education in schools.
- + Governments and employers work together to develop new financing mechanisms that reduce the cost of skills training for workers, so that they are able to build skills without jeopardizing financial security.
- + Governments establish mechanisms for emergency savings through the EITC (Earned Income Tax Credit), reduce barriers to saving through reforms to asset limits for those receiving income supports, and facilitate the portability of benefits for an increasingly mobile workforce.
- + Employers offer financial wellness benefits that address both short-term financial instability and long-term financial security.
- + Community-based organizations can support mechanisms that increase access to and transparency of available emergency resources and other benefits.



### SAN FRANCISCO LISTENING SESSION

“Ideally, a good job is a place that values not only your work and what bring to the table for the company, but a place that values you as an individual and person—a place that is focused on human development not only in the capacity of working for the organization but taking account the personal goals, wants, and needs of an individual worker.”

# 4.

## Remove barriers to work for key populations.

### We recommend that:

- + Employers substantially reduce the use of current job applicant screening tools, including checks on criminal records and credit histories and drug use that are not demonstrably effective in predicting job performance, and increase use of innovative assessments focused on skills and abilities that best serve employer needs and capture applicant qualifications.
- + State governments remove or reduce occupational licensing barriers for people with criminal records that are unnecessary for public safety.
- + Employers promote inclusive hiring processes to ensure equitable access and consideration for persons with disabilities, those transitioning from long-term unemployment, and those with criminal histories.
- + Education and training institutions actively partner with employers to create pathways to part-time or full-time jobs for minors who are legally employable.

### LISA SCHUMACHER, MCDONALD'S

“McDonald's continues to invest in U.S. restaurant employees, through the Archways to Opportunity program that recently expanded to help more people access education and training as they climb their own chosen career ladder. The recommendations from this Convergence dialogue are aligned with these investments as our group found solutions that meet the needs of employers while strengthening access to opportunity for workers. With our recent \$150 million investment over 5 years, we are excited for more restaurant employees to learn English language skills, receive high school diplomas, upfront college tuition assistance, and free education advising that we know will increase their long-term economic mobility.”

The path forward requires strong engagement from the private sector, lower wage workers, government and communities. We can innovate to create effective public policy and private practices, based on good data and reflecting our shared and complementary goals. Our authentic differences in perspective should not prevent us from seeking deeper mutual understanding and forging solutions. Our group has shown that we can set aside ideological barriers, engage in creative dialogue, and generate real solutions. Together, we can create greater opportunity, security and prosperity for the next generation of American workers.

We need more dialogue and collaborative problem-solving where stakeholders build trust and deeper mutual understanding. We call for others in government, business, labor, the non-profit sector, higher education and philanthropy to join us in taking action to make work a powerful engine of economic mobility for all Americans.



ELIZABETH CLAY ROY, PHIPPS NEIGHBORHOODS

“I’ve absolutely enjoyed participating in this group. My greatest surprise has been conversations with business leaders, and their willingness to be partners in this—I’m really looking forward to that. The entire Convergence staff have been a rock for this process and to everyone else in this room—I am appreciative, and it’s why we keep coming back.”

