



CALIFORNIA FUTURE OF WORK COMMISSION

Social Policy, Work, and Economic Security

Synthesis of Convening 6 | February 13, 2020 | Stockton, CA

About the California Commission on the Future of Work

The overarching goal of the Future of Work Commission is to develop a new social compact for California workers, based on an expansive vision for economic equity that takes work and jobs as the starting point. The Commission’s primary mission is to study, understand, analyze, and make recommendations regarding:

- ▶ The kinds of jobs Californians could have in the decades to come.
- ▶ The impact of technology on work, workers, employers, jobs and society.
- ▶ Methods of promoting better job quality, wages and working conditions through technology.

- ▶ Modernizing worker safety net protections.
- ▶ The best way to preserve good jobs, ready the workforce for jobs of the future through lifelong learning, and ensure prosperity for all.

The key questions guiding the commission are:

- ▶ What is the current state of jobs and work in California?
- ▶ What factors have created these conditions?
- ▶ What is our vision for work and jobs in the future?
- ▶ How can we chart a path to reach that vision?

Commissioners Attendance at Convening 6 | February 13, 2020

Visit the Commission [website](#) for more information on its [members](#), [agendas](#) and [onboarding materials](#).

Mary Kay Henry, Co-Chair
 James Manyika, Co-Chair
 Roy Bahat
 Doug Bloch
 Dr. Soraya Coley*
 Lloyd Dean

Hon. Jennifer Granholm
 Lance Hastings
 Carla Javits
 Saru Jayaraman*
 Tom Kalil
 Asm. Ash Kalra

Stephane Kasriel
 Dr. Fei-Fei Li*
 John Marshall
 Art Pulaski
 Maria Salinas
 Peter Schwartz

Sen. Henry Stern
 Mariana Viturro*
 Hon. Betty Yee

*Absent

About Institute for the Future (IFTF)

Institute for the Future (IFTF) is working with the California state team to coordinate the Commission. IFTF draws on its 50 years of research and experience in convening discussions of urgent future issues to support the efforts of the Commission to build a strong vision for the future of work in the state. IFTF has been a leading voice in discussions about the future of work for the past decade, seeking positive visions for a workforce undergoing transformational change. As a facilitator of the Commission’s work, IFTF will help guide the convenings, establishing the comprehensive understanding necessary to build a world-class workforce of the future. IFTF will draw on the work of its Equitable Futures Lab to frame these discussions of future jobs, skills, and labor policy in terms of creating an equitable economy where everyone has access to the basic assets and opportunities they need to thrive in the 21st century. The Equitable Futures Lab at IFTF combines expertise in social science, quantitative research, policy analysis, and public engagement with proven foresight methodologies to develop and prototype innovative solutions for an equitable future.

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Introduction

California is uniquely positioned to innovate and modernize its social safety net in important ways—given changing employment arrangements, rising costs of living, stagnant wages, an aging population, and the growing need for care work. Mayor Michael Tubbs welcomed the Commission to Stockton, which is experimenting with innovative approaches to social policy, including a pilot of a guaranteed income program.

As a growing number of workers have multiple employers or clients, technological developments can be harnessed to address some challenges of low-wage and economically insecure work. [Alia](#), an online platform that allows people who hire domestic workers to contribute to accounts that can be used for employment benefits like paid time off, is a recent example of how technology can effectively be used to improve working conditions. The Commission also learned about proposals for ‘universal family care,’ a new social policy idea that would combine child care, family medical leave, and elder care, as a way to address the intertwined challenges of the growing costs of family care and the need to improve job quality for care workers.

While social policy has historically been in the domain of government, some employers are structuring their businesses as “for-benefit” firms or certified B Corporations. These models fundamentally challenge the shareholder primacy paradigm by requiring the companies to consider the impact of their decisions on their stakeholders in an effort to meet the balance of purpose and profit. New business structures point to alternative approaches to the shared responsibility of collective well-being between government and the private sector.

Opening / Welcome

Mayor Michael Tubbs

Future of work is not really a conversation about what a job looks like in five or 30 years from now, but a conversation about what type of society we want to live in if we have the means to create it.

When we look beyond statistics and focus on people, the status quo is working full time and being unable to pay for rent—who can live anywhere in CA on \$15/hr? We need a more ambitious minimum wage. If we want the future to be better, work has to pay. We should make the earned income tax credit (EITC) monthly, automatic and expand it. We must expand the definitions of work to be more inclusive. Caregiving is a job whether you do it in your own house or in someone else's house. I spent 2 hours taking care of my son the other day and it was the hardest thing I've done all week! Including childcare in this conversation is critical—right now, it's cheaper to watch your child than to work a low-wage job that barely covers childcare, let alone rent. There is a growing demand for caregiving and we must elevate its status—how do we constitute value?

A job in and of itself does not constitute dignity; all labor has dignity, but all labor has dignity because *people* have dignity. In Stockton, we are running our basic income pilot which is challenging the notion of dignity being attached to work. Our working philosophy is that any conversation about the future has to be directly informed by the people most impacted. We have to look at targeted interventions toward folks more impacted by the status quo of the current nature of work; the gender pay gap, racial pay disparities, etc.

When looking into the future and looking back at the past, it's important to remember that everything we take for granted were once radical ideas. For instance, the fact that children shouldn't work, or the fact that I'm not property. While these radical ideas were often implemented by elected officials and leaders, they were really driven by the people impacted the most and *that* gives me optimism about our future.

The biggest risk is to do nothing. The biggest risk is to be too afraid to try. Those of us with the opportunity, the platform, and the leverage, we have a moral responsibility to take a risk on not only our ideas, but also on the people we serve and represent.

The real question is: what are we prepared to do today so that 50 years from now the future of work looks like one in line with our values?



Social Policy Innovations

Palak Shah, expert | Work is work is work is work is work. Every worker deserves dignity and respect, which means a quality job with a living wage and benefits. Benefits have become the basis of competition between firms; it's imperative we put in a floor so that winning the “good boss” lottery isn't a determinant of our economic security. The current social safety net system is uneven and insufficient for millions of workers.

National Domestic Workers Alliance (NDWA) Labs has set out to redesign this system to ensure that every single hour of work gets the same fundamental protections and benefits as traditional jobs, regardless of what type of work arrangement. The culmination of this effort is a solution built in-house called *Alia*. [Alia](#) is an online platform that allows people who hire domestic workers to contribute to accounts that can be used for employment benefits and the first portable and prorated benefits system in the country. Many domestic workers have multiple clients or employers, so there is no one single employer who is responsible for contributing worker's benefits. Using *Alia*, each client can make contributions to the benefits of their cleaner (NDWA suggests \$5 per cleaning), the cleaners can then use the credits for the benefits they choose (paid time off, life and accident insurance). An important feature is that these benefits are portable—they are attached to the worker; if a worker switches employers, she keeps the accrued benefits. The benefits are also prorated—clients can contribute relative to the amount of days worked.

This app is live—some workers are taking a paid day off for the first time. While this app was built by domestic workers for domestic workers, the broad applicability is encouraging other professions to join. Earlier this year, I received a call from blues musicians in Chicago asking if they could try out the platform. The fact that *Alia* exists is a huge advance for this movement of workers who've traditionally been left out. A clear limitation is the voluntary aspect of this system—*Alia* can be a placeholder in our imagination for how to expand the paradigm and rethink how the social safety net works.

Several months ago in Philadelphia, we passed our 11th Domestic Worker Bill of Rights—we established the first right in the country to portable paid time off. Domestic workers will accrue one-hour of paid time off for every 40 hours worked, regardless of the number of employers. This is the first example in the country where a mandate exists. Can we imagine a system like this in California?

Here are four main considerations for how California could adopt an 'Alia' inspired model:

1. Establish a **mandate** for portable, prorated benefits
2. Determine **which benefits** should be portable and prorated
3. Must facilitate a **single platform**
4. Determine **who administers** the benefits

If we can solve the problems for domestic workers, we can solve for all workers.



Social Policy Innovations (cont.)

Josephine Kalipeni, expert | There is a lack of understanding around the cost of care. The reality is that care situations don't happen in silos; we may experience a variety of care needs at once or over the course of our lives (e.g. having a child, disability, medical condition, aging parents, medical emergency, etc). The growing unaffordability of care creates a vicious cycle of economic and financial insecurities, and is greatly exacerbated by gender and racial inequalities.

Universal Family Care (UFC) is an emerging policy idea that can meet the demands of today and the future. UFC is a public family care insurance fund to make care affordable and accessible to all; it is a new infrastructure that will reshape the economic trajectory of economic security of families for generations to come. UFC insures for three needs: early child care and education, paid family and medical leave, and long-term services and support—not every care need is medical.

The four pillars of a Universal Family Care Program:

1. Work is the foundation: everyone who is working contributes and the program enables people to work
2. Flexible and portable: cover people across jobs, including 1099 income, across the life course as needs change
3. Single access point for the variety of supports: support change as care needs change
4. Invests in care workforce: compensation, labor protections, and career ladders

UFC is a smarter and more equitable way to provide for families. Having to frontload the financial costs of care in the moment of crisis is incredibly inequitable for families, especially when two out of five households can't afford an unexpected \$400 payment. Four key components of structuring social insurance are: new revenue sources, meaningful governance structure, no means-testing, and covering the gaps in access. There are different ways to look at how to finance UFC, Washington state increased their payroll tax by roughly 0.5% to pay for their recently enacted long-term care program. There are many unanswered policy questions that can only be answered through prototyping at the state level. California is an incredible testing ground for UFC because of its population demographics, ripe economic possibilities, and progressive ideologies.



Doing Business Better

How might California lead the way in providing better, more inclusive and sustainable work lives for its citizens? What is the architecture of how businesses operate to create more equitable ecosystems in states and cities?

Heerad Sabeti, expert | Business plays a central role in the future of work; it creates most of the employment, the working conditions, and is also the delivery vehicle of much of the social safety net that the government provides. They are also the delivery mechanisms for technologies that are changing radically the nature of work. The nature of business itself is in rapid flux bringing up important questions: What is the purpose of business in society? And, what should the social contract for business look like in the 21st century?

The architecture of modern enterprise was designed several centuries ago when the scale of industrialization wasn't what it is today, when only a small fraction of the current population existed, and when slavery was legal in much of the world. People regarded nature as an abundant resource pool from which to extract value and make profits without much regard for the long-term impacts. In this era, business was designed for profit, where profit means: value extraction from stakeholders, people and planet, to create financial value that is distributed in a concentrated way.

The entire architecture of business in the private sector reinforces the system of trade; the financial markets, metrics, and policy and regulatory architecture, has been the engine of progress for several centuries. Government and philanthropy's roles have been to take care of the gaps that the markets don't, of which there are a lot. The more you scale this system of trade, the more you exacerbate the negative externalities that come with it—we've been talking for decades about how to correct this.

The intersection of these two parallel lanes (for-profit and nonprofit) has led to a whole burgeoning of new models that defy the boundaries of the traditional three sectors (for-profit, nonprofit, and public). While perceived as variations of the other three sectors, these new models' underlying logic is fundamentally different—it's not about profit, it's about *benefit*. There is a growing appetite from consumers, investors, and businesses to buy from, work for, and invest in fourth sector businesses. The tools, metrics, and standards to finance and scale this hybrid space in between, the fourth sector, do not exist making it difficult to meet the demand for the products and services for-benefit companies produce. Creating a permanent home in the government for the fourth sector will give these businesses legitimacy and ability to scale.

As society and the economy continue to become more complex, the infrastructure of the economy must match this complexity. For the future of work to hold human dignity at the center of how we organize the economy, we can look for the for-benefit enterprises that exist today and recognize California as a global hub for innovation and experimentation in building out this sector.



Doing Business Better (cont.)

Holly Ensign-Barstow, expert | What does a company and organization who's trying to do the right thing look like? B Lab is a nonprofit whose mission is to harness business to solve society's most pressing challenges.

B Lab has three key components:

1. **B Corp Certification:** a holistic certification that measures a company's entire social and environmental performance. The certification requires a company to consider long-term stakeholder impacts by building purpose and profit alignment into a business's legal structure.
2. **B Impact Assessment:** a free tool any company can use to measure its impact on workers, community, environment, and customers; it's used by over 75k companies worldwide.
3. **B Corp Legal Form:** a new corporate form that gives entrepreneurs the freedom to define success beyond profit for their businesses and protect their mission through changes in ownership and leadership. This legal form has passed in 37 states and four countries.

A common roadblock facing mission-driven entrepreneurs is corporate law; the one fiduciary duty of a director is to maximize value for their shareholders. However, as certified B Corps and benefit corps have grown, it's become increasingly clear that company behavior is constrained by more than just corporate law. The actual system in which B corps operate is under capitalism, which rewards and punishes behavior largely based on the short-term financial objectives of investors.

To achieve widely shared prosperity and purposeful work, we have to pull additional policy and regulatory levers that align the behavior of investors and companies with stakeholders by routing out the purpose of short-term financial objectives. Redefining fiduciary duties for companies as well as investors would require them to be responsible for the impact of their decisions—not just on financial objectives but also on all stakeholders, natural and social systems on which all markets and healthy lives build.

We'll have a hard time addressing climate change, inequality, or the future of work until we address the fundamental rules that govern our corporate and financial sectors. California has a huge opportunity to lead the rest of the country and make the bold choice to move towards responsible outcomes.

Commissioner Discussion

Themes of ideas and recommendations we've heard so far

(Revised problem categories):

Note: This list is only to serve as a guide for discussion and does not reflect the format, categories, or final recommendations of the Commission. Further ideas should still be raised both within these themes and in new areas. Proposals are not final and should only serve as a starting point for discussion, to be improved or even replaced.

Raise the floor for all workers in California

- 1. Labor and employment laws and enforcement:** Modernize California's labor laws to cover all workers and ensure these laws are effectively enforced.
- 2. Worker protection and empowerment:** Protect and empower workers in vulnerable occupations and employment arrangements, including low-wage workers (domestic workers, fast food workers, agricultural workers, home care workers, etc.), independent contractors and 'gig economy' workers, and 'ghost workers'.
- 3. Social policy and safety net:** Modernize the safety net to provide protections to workers in vulnerable employment arrangements, meet future demands of an aging workforce, and support workers in transition.
- 4. Work adjacencies:** Reduce the burden on working individuals and families, addressing challenges from housing, transportation, and childcare.

Make California a place known for quality jobs and high-road businesses

- 5. Quality jobs and high road businesses:** Recognize, support and incentivize more high-road businesses in California in order to offer quality jobs.
- 6. Regional economic development:** Pursue strategies that will benefit the 'left-behind' regions of California, through economic development, creation of high-quality jobs, and incentives to increase mobility and attract talent.
- 7. Data and technology in the workplace:** Enhance protections for worker data privacy, ownership and transparency, and address risks of algorithmic decision-making and technology use in the workplace.

Future-proof California to meet future demand and continued growth

- 8. Care:** Upgrade care jobs and ensure California can meet present and future demand for care needs for everyone.
- 9. Life-long learning:** Support Californians to build skills for future jobs and increase economic mobility through comprehensive life-long learning, from K-12 to post-secondary and beyond, and including employer-led training and re-skilling.
- 10. Continued growth and prosperity:** Catalyze investments that will fuel California's continued prosperity, innovation, and strong job creation.

Additional gaps for discussion: Proposals to address wealth inequality, inequality of minorities and vulnerable populations (e.g., undocumented immigrants, individuals who have gone through the justice-system), economic mobility, occupational displacement, collection of labor market data to inform decision-makers.

