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Workers Fit for the Future

Lawmakers hope telework opportunities can revive rural economies.



States are helping workers evolve with technology.

BY SUZANNE HULTIN

The way we work is evolving. Technological advances demand highly skilled workers, and gig jobs require people who can be paid by the task or project, not by the position they hold in a company. The transformation of today's workplace has left businesses, educators and policymakers playing catch-up. COVID-19 has only accelerated the pace of change.

Economists agree that technology and automation will influence nearly all occupations, but in different ways. The effects of automation will differ greatly by place, demographics and occupation, according to the Brookings Institution. New technology, for example, will have the greatest impact on manufacturing and agricultural jobs found mostly in heartland states and rural communities. Big cities and college towns, where service, creative and profes-

sional jobs are prevalent and varied, will remain relatively insulated from increasing automation.

Future-of-Work Commissions

Even before the coronavirus struck, lawmakers were considering ways to build a more resilient, flexible workforce capable of evolving as technology advances. In 2019, lawmakers in at least five states introduced legislation to create commissions or work groups to study the issue. Lawmakers in California, Hawaii and Washington, for example, passed bills creating commissions specifically to examine the effects that automation and new technology will have on their workforces and economies.

Other states' commissions are focused on finding new ways for students and adults to enter the workforce and continue developing skills needed for success in a changing environment.

New Hampshire's commission is studying career pathways, including service-year programs—full-time, often paid

placements offering hands-on learning—and other educational and employment opportunities.

"We wanted to look at an alternative way for youth to build skills, learn about themselves and develop soft skills that are really applicable to the workforce," says New Hampshire Representative Matt Wilhelm (D), who sponsored the bill creating the commission. "This [bill] establishes a service-year workforce commission to study what we can do to solidify and expand pathways to post-secondary education and careers."

Rural America's Challenges

Expanding job opportunities in struggling rural communities to keep talent and jobs at home can also help build the entire state's economy. In Vermont, for example, lawmakers created the Remote Worker Grant Program in 2018 to entice individuals to move to the state and work remotely, whether from home or a shared workspace. Last year, more than 4,000 applications were downloaded for the program's



Albrecht



Stonier



Wilhelm

grants, which are available annually on a first-come, first-served basis. That year, the state awarded more than \$320,000 to 84 new remote workers to cover expenses such as computer

hardware and software, broadband access and coworking memberships.

Because the program is so new, there isn't much data on how the grants have influenced rural economies. But last year, along with the 84 new workers, 90 adult family members and 44 children moved to the state, bringing the total number of new, grant-related Vermont residents to 218.

Lawmakers in Colorado, Kansas, Missouri, Nebraska and Utah are offering incentives to encourage businesses to create jobs in rural areas.

Utah, for example, enacted its Rural Economic Development Incentive program in 2018. REDI, as the program is known, awards grants to businesses that create new positions, including online remote jobs, in counties with populations of fewer than 31,000. The program joins two existing rural-jobs efforts, the Rural Online Initiative and the Rural Coworking and Innovation Center.

"The REDI program is really one part of what I call the three-legged stool for economic development in Utah," says Representative Carl Albrecht (R), who sponsored the legislation. "We're finding all these programs are great for rural Utah. Household incomes in the rural areas have increased between 13% and 21%

in the 15 rural counties the programs are currently in."

Albrecht is currently seeking additional funding to expand the programs to six more rural counties.

The Gig Economy

Technology is fueling a growth in part-time gig-economy jobs. Independent workers—those doing temp, contract, on-call, freelance or gig jobs—currently number about 36 million, roughly a quarter of the American workforce. That portion could grow to half in the next 10 years, according to research by the Rockefeller Foundation.

Some of these workers do gig work by choice, enjoying the flexibility it offers over employment within a company structure. Others, however, may do gig jobs out of necessity, because full-time employment is harder to find in certain occupations. This market shift, with employers using relatively fewer full-timers and more contractors, leaves many workers at risk of going without employer-sponsored health insurance, retirement plans or the benefits of collective bargaining. These concerns led California lawmakers to enact legislation last year that limits the number of gig or independent workers in the state.

Lawmakers in Massachusetts and Washington, among other states, have proposed supporting such workers with "portable benefits"—health care, retirement plans, workers' compensation—that move with the worker rather than a company.

"Making sure people have access to benefits is a priority in Washington state," says Representative Monica Jurado Stonier (D), who introduced portable-benefits legislation in 2017 and 2019. She says that a lack of workers' compensation or health benefits "can really send a worker into a downward trajectory." Although neither bill was successful, Stonier plans to keep the conversation going and introduce another bill in January 2021.

Technology and automation will continue to alter American work life in ways economists have yet to imagine. As law-

COVID-19 and Work Life

Some states were prepared to respond to the shelter-in-place orders associated with the coronavirus. Nebraska, Tennessee, Utah and Washington have tested teleworking in recent years due to natural disasters and the rural nature of the states. All could agree that remote work requires shifting focus to:

- Communicating and team-building.
- Managing performance, not hours worked.
- Creating web training for managers.

Employee or Contractor?

California's Assembly Bill 5, enacted last year, classifies workers as employees or independent contractors based on a three-part test. Independent contractors must be:

- Free from the company's "control and direction" in their work.
- Engaged in work outside "the usual course" of the company's line of business.
- Engaged independently doing work that's similar to what they do for the company.

If any of the conditions is not satisfied, the worker must be considered an employee. Uber and Postmates have challenged the law in court.

In March, Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, expanding unemployment relief to millions who historically could not collect benefits: furloughed, part-time, contract and gig workers. Could this signal new security for nontraditional workers?

makers strengthen their economies and prepare their workforces for change, they will have a growing number of promising policies and solutions to consider.

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