



Engaging Hidden and Future Workers to Grow the Local Economy

Prepared by

UMassAmherst

Donahue Institute
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Public Policy Research

For



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Engaging Hidden and Future Workers to Grow the Local Economy

Prepared by the UMass Donahue Institute's
Economic & Public Policy Research Group

Project Leader

Branner Stewart, Senior Research
Manager

Project Staff

Kazmiera Breest, Research Analyst
Michael McNally, Senior Research
Analyst

Research Assistants

Allison Hauff

Unit Director

Mark Melnik, Director of Economic &
Public Policy Research

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Table of Contents

Acknowledgments.....	6
Executive Summary	8
Introduction.....	12
Defining the North Central Massachusetts Region	23
Different Geographic Definitions	23
Background	24
Demographics	24
Worker and Labor Force Characteristics	28
Detailed Labor Force Participation Rate Analysis	35
Framing the Issue of Labor Force Participation.....	40
Hidden Workers.....	41
Future Workers.....	42
Barriers to Entering the Workforce.....	43
Workforce Growth Barriers and Solutions.....	45
Geographic Barriers.....	45
Current Problem.....	45
Future Problem	46
People who face this barrier.....	47
Solutions.....	48
Skill Barriers	52
Current Problem.....	52
Future Problem	53
People who face this barrier.....	54
Solutions.....	54
Structural Barriers.....	60
Current Problem.....	60
Future Problem	61
People who face this barrier.....	61
Solutions.....	62
Work/Life Balance	68
Current Problem.....	68
Future Problem	69
People who face this barrier.....	70
Solutions.....	70
Steps to Growing the North Central Workforce.....	75
Prioritize Working with Employers as a Group.....	77
Conclusion	78
Appendix A.....	79
Geographies used in this Report	79

List of Tables

Table 1 Decennial Population of the North Central Region, 1970-2020..... 24

Table 2 Median Age..... 33

Table 3 16+ Labor Force Participation Rate by WDA 34

List of Figures

- Figure 1 North Central Population, 1970-2020 Decennial Census Counts and Projection 25
- Figure 2 Population Change in North Central, Massachusetts, and the United States,
Population Change Index 2010-2020..... 26
- Figure 3 Population Change in North Central and Massachusetts, 2010-2050 27
- Figure 4 Labor Force Participation Rate (LFPR) National Projection to 2030 29
- Figure 5 Projected United States Labor Force Share by Age to 2030 30
- Figure 6 Projected Labor Force in North Central Massachusetts 31
- Figure 7 North Central Age Distribution 2020 and 2050 32
- Figure 8 LFPR by Age in North Central Compared to Massachusetts and the Country 33
- Figure 9 Labor Force Participation Rate (LFPR) by Age 36
- Figure 10 Labor Force Participation Rate (LFPR) for Selected Groups 36
- Figure 11 Labor Force Participation Rate (LFPR) by Race and Ethnicity 37
- Figure 12 Share of the 16+ Population by Employment Status in North Central
Massachusetts..... 38
- Figure 13 Educational Attainment by Race, North Central..... 39
- Figure 14 Types of Hidden and Future Workers..... 42
- Figure 15 Barriers to Entry..... 43
- Figure 16 North Central Towns compared to North Central WDA (Red) 79
- Figure 17 Workforce Development Areas of Massachusetts..... 80
- Figure 18 North Central Towns as defined by PUMAs (Red) 81

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Other Interviews:

Raija Vaisanen, Mass. Workforce Association

Theresa Rowland, Senior Vice President of Programming, Commonwealth Corp

Zachary Rich, Director of Justice-Based Initiatives, Commonwealth Corp

Gail M. Doiron, Special Assistant to the President, Fitchburg State University

Colleen Dawicki, Deputy Director, Working Places, Federal Reserve Bank of Boston

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Executive Summary

This project was initiated by the North Central Massachusetts Chamber of Commerce, and it is the intent of the Engaging Hidden and Future Workers to Grow the Local Economy report to provide solutions for employers and suggestions for the Chamber to address the labor market imbalance in the current moment as well as into the future. The combination of slow population growth, increasing retirements of older Baby Boomers, and the impacts of COVID-19 on the labor markets, make it an imperative for the North Central region to draw potential workers into jobs as well as to attract and retain the future workers businesses will need to thrive and expand.

The North Central Massachusetts Region

The North Central Region encompasses 26 towns and cities stretching from Franklin County in the west to Middlesex County in the east. The region includes much of northern Worcester County. With an area of over 800 square miles, the North Central Region has large amounts of relatively affordable land for development compared to the Greater Boston region and good infrastructure. This has made the area something of a manufacturing hub, offering developable land at affordable rates without sacrificing proximity to labor pools and centers of business activity.

Demographics

North Central's current workforce situation is driven by long term demographic trends, most notably, the aging population. While younger than all other New England states, Massachusetts is older than the national average, and the North Central region is older than the state overall. The area is a microcosm of Massachusetts as a whole, with a slower growing population that is also aging, leading to lower labor force participation rates at a time when demand for goods and services of all kinds is increasing.

The North Central region's population reached almost 280,000 people in 2020 and has grown by 28 percent since 1970. Despite the historical growth, the trend is expected to reverse according to projections developed by the UMass Donahue Institute as the region as well as the state face an increase in out-migration and declining natural growth (difference between births and deaths), coupled with national policies that limit international in-migration. With an aging population combined with little or no population growth, North Central Massachusetts will feel future demographic pressures on its labor market more acutely than many other parts of the state.

Worker and Labor Force Characteristics

In order to provide more workers to area businesses, the North Central Region will need to expand its labor force by drawing people in. A key measure of this is increasing the region's "labor force participation rate" (LFPR) for various demographic groups.

Based on national figures and projections, the share of the labor force that is younger than 54 is slowly declining while the share of workers older than 55 is growing and is projected to grow further. The North Central region is following a similar trend, with those over 65, in particular expected to see future growth

while other working-age cohorts witness declines. Based on projections, the North Central labor force is expected to have peaked at 156,330 in 2020 and will shrink to 136,207 by 2050. Note that the projections are based on carrying forward existing trends and will clearly be affected in the long-term by policy, industry growth and competitiveness, as well as emergent demographic preferences.

In terms of overall labor force participation rates, the North Central region's 67 percent rate (2016-2020 five-year estimate) is higher than the nation's (64 percent) but slightly lower than the state average (68 percent). Looking at LFPR by age, the region generally follows state trends but shows a markedly higher rate for the young (16-24). The 25–64-year-old population, also known as the core working age population in the North Central region has the highest LFPR – 85 percent. The lowest rate is for 65+ (23 percent) due to retirement, disability, and health. Seniors as well as other groups – the foreign born, people with disabilities, veterans, and those with lower education levels also have relatively low labor force participation rates. As such, these same groups present policy opportunities for the North Central region to bring these people into the labor force in greater numbers.

Another factor to consider when looking at LFPR rates by race or ethnicity is differing levels of educational attainment by race and ethnicity. In North Central Massachusetts, Black residents are less likely to have a bachelor's degree than White or Asian residents. Meanwhile, Hispanic persons have 4-year degrees at half the rate of the Black population. Lower educational attainment can restrict the job openings and opportunities that are available to a population. On the job training, credentialing, educational stipends, and other jobs programs can all work to raise skill levels and bring these people into the labor force in greater numbers, benefiting North Central Massachusetts' businesses, government, and institutions

Framing the Issue of Labor Force Participation

In order to expand the North Central Massachusetts workforce, there are differing strategies and opportunities depending on the segment of the population. The North Central region is not demographically homogenous and different groups will respond in different ways to labor force initiatives, although many face similar types of barriers to more fully participate in the labor market. In considering the types of strategies to widen the workforce for the region's employers, potential workers are divided into two categories: "Hidden Workers" and "Future Workers."

- **Hidden Workers.** Workers who are left out of the workforce, either as applicants who are screened out of consideration or those who have no choice but to remain out (entirely or partially) of the workforce. Initiatives for these groups include a gamut of strategies ranging from transportation to childcare services, rethinking jobs requirements, flexible hours, and English for speakers of other languages, among many others
- **Future Workers.** Workers who will be in the North Central labor force in the future due to age, location, technology, and other factors. For future workers, North Central needs to consider strategies for retaining and educating its existing young population as well as how to make the region as attractive as it can be for future prospective residents (housing, costs, education, amenities, transportation infrastructure, etc.)

Four Main Barriers to Entering the Workforce

The report focuses on four main barriers (and how, potentially, to address them) that keep hidden workers out of the labor force, and which may prevent employers in the North Central Region from fully capitalizing on the potential of future workers.

- **Geographic Barriers.** Geographic barriers are centered on a lack of affordable housing adjacent to jobs, or a lack of transportation from a place of residence to work. The housing market is seeing low inventories and rising prices in both the owner and renter markets. The dual challenges of housing cost and transportation access make it difficult for a newly employed worker to secure housing that is both affordable and near their job.
- **Skill Barriers.** Skill barriers are perhaps the most common challenge for someone seeking gainful employment, not all workers have the skills needed to do a given job. Workers earlier in their career may not be getting the on-the-job training they need to advance. Workers may find that the skills they once used are no longer compatible with the industries in the area.
- **Work/Life Balance Barriers.** In this instance, available jobs do not accommodate a potential worker's lifestyle and/or life responsibilities. This may include the lack of flexible scheduling to accommodate family needs, a pay level that makes them ineligible for rental assistance or childcare vouchers, etc. The COVID-19 pandemic has exacerbated work/life balance issues, adding another layer of complexity for employers to retain and attract workers.
- **Structural Barriers.** Structural Barriers are forces outside of a worker's ability to do a job that prevent them from getting employed. These could include discrimination, the employing of a person with a criminal history, overly aggressive applicant filters, posting jobs in places that lack sufficient exposure to prospective applicants, etc.

Workforce Growth Barriers and Solutions

The next section of the report goes into detail describing the four barriers and offers potential solutions for the North Central region to consider in addressing them.

GEOGRAPHIC BARRIERS

Geographic Barriers – Problems

- **High cost of living encourages talented professionals to seek opportunities elsewhere.** Massachusetts, and increasingly the North Central part of the state have a very high cost of living and individuals are leaving or turning down job offers for opportunities in less expensive states, particularly the Southeast. Young people looking to establish families and potential in-migrants are deterred by housing costs.
- **Public transportation to bring workers in and around North Central is limited.** Bus routes through Montachusett Area Regional Transit (MART) and the MBTA commuter rail provide support for some workers but are not yet designed to support the ecosystem of employers in the region.

This is compounded by the high cost of housing which is compelling many workers to take longer commutes.

- **Investment in public transportation and infrastructure is limited.** The federal government has allocated large amounts of investment for public transportation throughout the nation but targeting areas in which funds could benefit the largest number of people is difficult.
- **Remote work is rapidly becoming the norm, but many industries will still depend on in-person presence, such as manufacturing and healthcare.** Although remote work was found to be a benefit for many, the North Central economy focusing on manufacturing, tourism, and healthcare requires face-to-face job interactions.

Geographic Barriers – Potential Solutions

- **Set up and incentivize carpools among coworkers.** Carpooling is underutilized in the state, with about seven percent of commuters in 2019 using the method statewide, compared to a national average of nine percent. Particularly for work such as in manufacturing, where shift times are standardized, carpooling is a practical means of getting people to work at a lower cost. If one employer establishes a carpool program that works, it could be shared with others. Such a change would improve the attractiveness of the entire region to new employees.
- **Create a pick-up point in a central location.** When public transit does not have adequate stops, employer provided pickup can be practical if there is a large community of workers who can gather in a central location.
- **Coordinate shift times with transit schedules.** Rearranging the schedules of employees to make sure they can access public transit can be a practical solution.
- **Adjust transit schedules to closely match shift changes and advocate for more transit routes.** As a complement to adjusting shift schedules to match existing public transit routes, employers may find that there are small practical changes to the existing transportation network and schedules that would help staff get to and from work more conveniently.
- **Provide some form of travel compensation or commuting subsidy.** Identifying workers with longer commutes and subsidizing that commute in some way is a practical way of investing in and incentivizing employees.
- **Cooperate with ride share companies.** Along with app-based car-pooling solutions, ride-share companies like Uber and Lyft offer programs where employers can hire their drivers to operate a carpool for workers.
- **Provide funding to get employees stable transportation.** Sometimes a worker cannot take a job, or reliably attend their current job because they are tied to a car that is unreliable or a transit route that is unpredictable. In such a case, it may make sense for an employer to invest in their employee's transportation directly.

- **Develop a Transportation Management Association for the North Central Region.** Transportation Management Associations (TMAs) are membership based, public-private partnerships. They are made-up of employers, local institutions and municipalities that are joined together under a formal agreement and dedicated to providing and promoting transportation options for commuters that can reduce traffic congestion, promote alternative transportation methods, and improve air quality.
- **Advocate for all-income housing developments in close vicinity to public transport.** As a group, employers in the region should advocate for more housing construction in the vicinity of existing transit infrastructure.
- **Provide funding assistance towards down payments or first and last month's rent to encourage prospective employees to move to the area.** Directly funding housing expenses for employees may be worthwhile for employers. Helping to finance rent or a home could be a long-term investment in the workforce.

SKILL BARRIERS

Skill Barriers – Problems

- **College is increasingly expensive and there is a historical over-emphasis on college prep at the high school level.** This puts pressure on young students to pursue a college education rather than exploring options of technical schools or trade-work.
- **Technical schools cannot keep up with demand.** Technical schools are limited in capacity and may not be fulfilling the training of students who need different modes of education for trades-related skills.
- **Pipeline bringing young people into the local labor force is ill-defined.** Assisting young people in their transition from student to employee can encourage prospective future workers to remain local and seek out opportunities within industries in the region.
- **There is a lack of training within companies that allow current employees to advance.** Companies do not always train and for employees to continue to advance, additional education may be required, and employers are not always equipped to provide that next level.
- **Adherence to strict measures of skill such as degrees or certification.** Many businesses require college degrees or technical certifications. These credentials can be expensive, time consuming and sometimes excessively difficult to achieve, pushing many students who otherwise would be capable to not complete their schooling and take lesser jobs.
- **Aging workforce may lack the latest skills despite a wealth of experience.** Technological advancements and degree requirements are new expectations of employers and older generations may find they do not possess these requirements or have a ready means for earning the new skills.

- **It is difficult to educate for an economy that is actively evolving.** As technology is rapidly evolving, workers are struggling to keep up with necessary skills and by the time they master a new skill, there is yet another requirement to be learned before being deemed qualified by employers.
- **COVID-19 has had lasting impacts on students, and it is not yet clear what the enduring impacts will be.** COVID-19 reshaped workplace expectations in a variety of ways. For students, many classes were moved remotely, requiring an adjustment to new learning styles. With these and other types of changes, many students left the educational environment entirely. The longer-term effects COVID-19 has had on students has yet to fully hit the labor force, and therefore the impact remains unknown.

Skill Barriers – Potential Solutions

- **Offer paid training and education vouchers.** Paid training and education vouchers would assist populations that cannot afford to do so on their own. To succeed in the types of entry-level and corporate programs offered by Mount Wachusett Community College and Fitchburg State University, workers will also need to be given the time to attend, with the promise that they will be more productive in the future.
- **Continue to coordinate with local institutions on breaking down skills barriers.** Further coordination can provoke conversations about what practices are currently providing training and support for the populations affected by the skills barrier. For example, Mount Wachusett has begun developing a new Veteran Worker’s Initiative that assists local veterans with the transition from military skills to college/civilian skills. This program connects regional employers to students on campus, hosts panel discussions with organizations that educate employers on how to be responsive and sensitive to veteran needs.
- **Establish mentors within the workplace.** Mentors allow current employees to have first-hand experience and training on new skills that may be needed to move forward and advance on a career pathway.
- **Offer incentives for employees who return to school or training.** Many employees either cannot or do not seek further education or training once in a job. Offering incentives can provide an opportunity for incumbent employees to extend and modernize their knowledge within an industry.
- **Adjust skill requirements in job postings.** The skill requirements included within postings can deter potential applicants from pursuing jobs due to the lack of formal credentials. Adjusting these requirements to allow for the substitution of experience rather than a strict degree, could broaden the pool of applicants to include people who may face a skills barrier.
- **Schedule regular performance reviews and provide incremental promotions.** Regular performance reports accompanied by incremental promotions provide insight on performance and

guidance to employees. Such practices help the employee generate momentum within the company, address problem areas and identify the skills needed to continue advancement.

- **Offer student loan forgiveness programs.** These programs can be utilized to incentivize education for employees. Many employees do not further their education due to the student debt that usually pairs with degrees or certifications. Student loan forgiveness programs can help alleviate the stress of finances while also providing an incentive to join industries.
- **Part-time training for at-home for moms.** Mothers with children often find it difficult to re-enter the labor force. Part-time training would allow mothers to gain skills necessary to participate in the labor force while being accommodating to their needs.
- **Collaborate with local colleges, high schools, and vocational schools to offer training or credentialing for the current and future workforce.** Local colleges and vocational schools could provide affordable training for people who are currently facing a skills barrier in their workplace. For example, the Nashoba Valley Technical High School has established the Nashoba Career Technical Institute in collaboration with MassHire that is geared towards adults without training or credentialing. Collaborate with K-12 educational institutions to help orient the curriculum to create pathways for students into the local labor market, particularly in the development of career pathways for students not intending to go to college.
- **Expand career exploration opportunities for young students.** In 2020, about 64 percent of Massachusetts high school graduates attended college. However, college is not an ideal fit for every student, so it is important to ensure young people know about alternative pathways, notably towards jobs that pay living wages.
- **Establish career ladders for more positions.** Establishing career ladders for more positions will allow employees to grow at a rate that is beneficial for both the worker and the employer. Growth within a company allows necessary skills to be obtained by current employees while creating openings for others in entry-level positions.
- **Create, promote, and expand programs which offer micro-credentialing.** Micro-credentials are assessment-based certifications that prove a skill has been learned or achieved through study programs or stand-alone practices. Micro-credentialing can be used to showcase skills that do not necessarily come from formal education. Mount Wachusett Community College already offers micro-credentialing in the certified nursing assistant (CNA) field as well as for a number of manufacturing skills, including robotic technicians and computer numerical control (CNC) machine operators, among others. A further expansion of these types programs could be beneficial to the local workforce.
- **Push for reform in schools to prioritize students needing different modes of education.** Recently, vocational schools are facing an influx of students who plan on entering college following their secondary education, rather than into trades. There is a still a large body of students who

need an alternate mode of education that vocational schools offer such as hands-on learning but are not planning on going to college.

- **Partner with local training programs to offer career exploration and work-based learning opportunities in all schools.** To promote more career-oriented, hands-on learning, the Department of Elementary and Secondary Education offers a Chapter 74 Partnership Program called “After Dark” that provide pathways for students from traditional and technical high schools to access work-based learning opportunities aligned with regional workforce and economic development priorities. Local schools already offer Chapter 74 type programs and offer a variety of accredited programs, including night programs, though no school in the region currently participates in the “After Dark” program specifically.
- **Create internship programs for high school students; create internship/temporary roles for non-traditional and life-long learners.** Internships can provide hands-on exposure and learning opportunity for students to get involved in high-demand industries. MassHire’s program for high school students’ places emphasis on students not heading for higher education. Mount Wachusett Community College also engages high school students in accredited programs that are already oriented to local industry needs.
- **Offer cohort-based training to keep up to date with workplace standards.** Cohort-based training would allow for employees to work together through new skills and certifications. Collaboration over course material is shown to increase productivity and accountability.

STRUCTURAL BARRIERS

Structural Barriers – Problems

- **Perceived risk of hiring justice-involved individuals remains.** Many justice-involved individuals are turned down from jobs due to fear of recidivism even though they are often required to seek employment as a part of their parole agreements. Massachusetts adopted the Obama administration’s “ban the box” or “fair chance” policies, but that has not prevented employers from asking about criminal records at the interview stage or beyond.
- **Over-credentialing job postings and adding unnecessary requirements discourages some workers from even applying to jobs.** Job postings frequently list bachelor’s degrees as the minimum requirement for jobs that could be done by someone offering experience or credentials, but with lesser academic achievement.
- **Employers use automation and other exclusive metric-based approaches to choose applicants for interview.** It is helpful and necessary for some large companies to create a smaller pool of applications to review, but some automated programs are filtering out qualified candidates based on a technicality or error.
- **Benefits cliffs - certain jobs pay too much for people to remain in social assistance programs, but too little for workers to seek those benefits in the private market.** Many social assistance and social assistance programs are tied to income. This means that any promotion or pay raise could disqualify these people from benefits whose value greatly exceeds the

increase in pay or quality of the new job. It is a vicious cycle that prevents a part of the labor force from advancing on a career path which in turn pushes them to remain on social assistance.

- **Implicitly (or explicitly) biased hiring committees are not choosing to hire workers who are historically disadvantaged.** Instead, they end up hiring people who have similar beliefs to them, speak like them and look like them.
- **People who use legal marijuana are not able to take jobs that drug test.** Though it has been made legal in the state of Massachusetts, cannabis is still a federally regulated substance and is illegal at the national level. Employers with projects for the federal government must adhere to federal guidelines which prohibit cannabis use.

Structural Barriers – Potential Solutions

- **Change applicant filtering.** Employers should look at their applicant filters and make sure they are not filtering out people who could do the job but do not display the exact right flags on their resumes.
- **Change application and interview protocol to fit people with different lifestyles.** The Harvard Business Review found that of the 8,800 hidden workers they surveyed, the top three employer practices that helped workers get their jobs were an easy job application process, jargon free job descriptions and links to good info and advice on jobs.
- **Remove low priority and irrelevant job requirements.** Ensure that job requirements are reduced to their essentials rather than using negative filtering to winnow applicant lists. Whenever possible, adjust non-job requirements to be more relevant to the tasks that needs to be done.
- **Work with experts on post-carceral employment.** Employers may be hesitant to work with post-carceral workers. Organizations like Commonwealth Corporation can help prepare employers to work with previously incarcerated workers and identify and remove points of tension at each workplace.
- **Act as a reference for previously incarcerated people.** Whenever an employer hires previously incarcerated persons, it is important that they advocate for them whenever possible. In our discussions with workforce experts and research, the lack of good references and work experience for previously incarcerated persons made it very difficult for them to be hired.
- **Create innovative job roles to hire people without breaking requirements.** Previously incarcerated persons, for example, or those with a history of drug use, may be incompatible with certain roles at places like a hospital where pharmaceuticals are close by, but a role could be created that avoids that point of tension and allows an employer to find use for more people.
- **Establish and expand diversity, equity, and inclusion (DEI) initiatives.** Diversity, equity, and inclusion efforts should continue, and ideally be put into practice across employers both for consistency and to reduce the burden on individual businesses to expend resources in designing, developing, and implementing their own programs. DEI initiatives should always elevate the

business case as well as arguing for the moral responsibility of employers in hiring. Hiring hidden workers is not simply the right thing to do, nor is it an act of charity. With increasingly diverse regional, national, and international customer bases, there is a business imperative to reflect DEI in HR and operational practices. Engaging in these practices can increase competitive advantage, profitability, innovation, and morale.

- **Customize recruiting efforts to each group.** Every group of hidden workers has their own needs and job postings should be targeted. Posting for jobs in places where different groups are more likely to find them and making posts accessible for non-English speaking audiences or for people with accessibility needs like screen readers can broaden the potential applicant pool.
- **Make workplaces American Disabilities Act (ADA) compliant.** Employers are required to provide reasonable accommodation for any disabled persons that apply or are hired. Preemptively thinking about ways the job site can be made more accessible help create a workplace that is immediately accessible to more types of hidden workers.
- **Implement Universal Design to make workplaces more accessible to a wider range of employees.** An extension of the ADA accessibility suggestion shown earlier in the report, “universal design” means that a workplace is designed for people of all abilities, as opposed to designed for the average person and then accommodations are made for people with say, disabilities. It means designing a workplace/environment/organizational structure with all types of workers/people in mind.
- **Engage with the Workforce Competitiveness Trust Fund.** The Commonwealth Corporation administers the Workforce Competitiveness Trust Fund (WCTF) which helps develop industry-focused job training for many of the types of hidden workers discussed in this report. Employers can partner with local workforce development organizations to apply for funding for occupationally targeted training of underemployed and unemployed workers through this initiative.
- **Enhance internet accessibility.** For a variety of reasons, many of the Commonwealth's workers are not able to access internet in their homes. Whether it be the knowledge needed to choose a plan and set up the equipment, the income it requires to keep on monthly, or the proximity to certain broadband infrastructure, these requirements are preventing some workers from securing work from home opportunities or job offers.
- **Continue work to eliminate benefits cliffs.** Some workers will be kept out of the labor force due to benefits cliffs, where a job offering a higher income or benefits will disqualify that worker from social assistance programs whose value exceeds the additional compensation the work provides. Programs like the Earned Income Tax Credit (EITC) account for this by tapering social assistance off gradually as someone earns more wage income, but other social assistance programs have hard cutoffs.

WORK/LIFE BALANCE BARRIERS

Work/Life Balance – Problems

- **COVID-19 has reframed the conversation around work-life balance.** Previously, workers were conforming their lives around work. Since the pandemic began, people are reconsidering what obligations they have to their employers and what parts of their lives they want to protect.
- **The traditional 9-to-5 workday does not fit all lifestyles.** The 9-to-5, 5-day work week has long been a standard, but with the increase in productivity and innovative work solutions, there is no longer a need for all workers to conform to that schedule.
- **In a high-cost state during a period of inflation, wages and limited benefits packages can quickly become inadequate.** Minimum wage is \$14.25 in Massachusetts, which is higher than the federal minimum wage, but the living wage a Massachusetts worker must earn to support only themselves without children is \$21.88. Places like McDonald's, Dunkin', and Target are beginning to offer between \$15-\$17 an hour (or more) to start, and outcompeting essential professions like home health aides and others. Without the higher wages, jobs in several critical professions will likely continue to go unfilled.
- **Lack of childcare support is a burden, particularly on working mothers.** Massachusetts is one of the most expensive states for childcare, with daycare programs averaging \$15,000 - \$21,000 annually. For a lot of people, the cost of childcare alone is greater than their take home pay, causing them to leave the workforce entirely to care for their children. The withdrawal of women from the labor force was particularly acute during the early stages of the pandemic as many women had to leave work to remain home with children. The burden on mothers does reflect a long-standing cultural gender bias that needs to be addressed for a more efficient and functional labor market.
- **Without career ladders or the sense of upward mobility, employees feel underappreciated, pushing turnover rates higher.** Most people are willing to work extra hard and take on more responsibilities to achieve promotions and earn more money. However, without the sense of a defined career ladder, workers are finding that the only way to get raises is by leaving their jobs for a new position, leaving employers to constantly be hiring and training new employees.
- **Future generations of workers will have expectations about work/life balance that will persist beyond the pandemic.** Though the prioritization of mental health and work/life balance arose due to COVID-19, the chance of that changing quickly is very low. Workers will continue to expect employers to offer a range of perks, benefits and competitive wages in return for hard work.
- **A growing number of aging workers will have to choose between a rigid work schedule and early retirement.** As pointed out in the demographics section of this report, the North Central region's workforce is aging. Initiatives like flexible schedules and targeted benefits will be needed for employers to retain older job holders.

Work/Life Balance – Potential Solutions

- **Take employee 'pulse' surveys to monitor worker satisfaction.** Anonymous surveying of employees to identify what they need may be a practical solution to identifying issues of work/life balance.
- **Offer sign-on, quarterly, or other bonuses.** A technique already being implemented by some employers we spoke with was to reward employee progress as a retention strategy. Sign-on bonuses are a popular means of getting people in the door as well. Most workers are looking for competitive pay, and an expectation of regular bonuses can benefit workers while helping retain the workforce.
- **Reward employees for recommending people to the company.** Several employers we talked to had a policy where if an employee got a friend to apply and join the company, the original employee would get a bonus for a period of time, if the new employee remained at their new job.
- **Begin creating flexible schedules around employee needs.** Scheduling changes such as a shorter work week, shorter/longer shifts, flexible work agreements, remote and hybrid work options, ad-hoc work, flexible start/end times, can make it possible for some hidden workers to participate in the labor force.
- **Begin to expand benefits for time off and schedule flexibility.** Offering time off for specific needs, such as for childcare, is an excellent strategy for improving employee retention and recruiting. Workers want to know that they will be able to find time to focus on their personal lives without abandoning their work.
- **Provide employee discounts/perks.** Some employers we spoke with took time to celebrate their employees through special events and other incentives. This helped employees view the workplace as somewhere they found enjoyable to spend time rather than just a regular job.
- **Increase wages and benefits.** Employers throughout the region are offering higher wages and more benefits to try to provide a living wage in a high-cost state. Jobs that traditionally did not offer certain kinds of benefits like 401k matching or dental, now do.
- **Create incremental promotions and define career ladders for all roles.** Turnover is high in industries or jobs that do not have well defined ladders for advancement. By creating incremental promotions, workers are able to measure their progress and feel good about what they contribute to the company.
- **Provide incentives for career advancement and reward career longevity.** Along with bonuses, providing incentives for people who put the time in to take on more responsibility or to receive more training can be an effective method of retaining them. Creating milestones and rewarding career development can help workers stay on track and with the company.

- **Offer new benefits such as overtime pay and childcare benefits for part-time workers.** Childcare costs are a huge burden on employees. Extending benefits to workers who are not full-time would be very attractive for working parents, people with disabilities and others who face benefit cliffs.
- **Offer on-site or nearby childcare in coordination with other community stakeholders to increase supply of childcare.** In the long term, employer-run childcare centers may become a practical solution to encourage employees to enter and remain in the workforce. Tax credits exist for the construction of childcare facilities and for contracting with childcare providers, but uptake can be low. As an individual business, it may be impractical but local employers might be able to band together and offer services in cooperation with local government and the Chamber.
- **Cultivate a positive work environment and promote healthy work-life balance.** Workers may have access to time off and other balance promoting benefits, but if they do not feel they can take advantage of those resources, it can contribute to employee burnout. Employers should ensure that workers feel they can maintain their personal balance by making sure they take time at regular intervals.
- **Create a schedule to re-visit benefit packages and wages annually.** In the course of regular business, most employers will revisit wages and benefits to see if they are still competitive. But that should also be an opportunity to identify benefits that may set a particular employer apart. Improved childcare, healthcare, or retirement plans can make the difference on where a worker goes or stays.
- **Focus on training and retraining employees.** Recruiting new talent is important but investing in incumbent workers can increase productivity as well as attract new talent. People are looking for jobs that offer them a pathway to a career or the potential to learn new skills. Not only is it attractive, but it also a way to promote longevity and mitigate turnover. When employees feel valued by their employer, they are more likely to work hard and remain loyal.

Steps to Growing the North Central Workforce

While there are a number of different barriers to labor force participation that North Central faces, there are also numerous ideas for potential solutions as shown in this report. Most workers' needs cannot be summed up by one barrier to entry or addressed by a single solution, but rather, workers' needs should be addressed holistically. In short, to attract and keep workers in the labor force requires multi-pronged and coordinated efforts between businesses, educators, government, service providers, and institutions. The North Central Massachusetts Chamber of Commerce is uniquely positioned to lead, facilitate, and coordinate work on these efforts, including:

- **Convene employers to discuss geographic barriers.** Identify and validate the issues the workforce is facing in terms of transportation and housing and share best practices between employers. This may include, as examples, improvements to existing transit routes and services, incentivizing carpooling, offering travel compensation for distant workers, relocation, and housing

expense reimbursement, and advocating for the North Central region as a group to secure infrastructure funding.

- **Convene employers and local educational institutions to discuss skills barriers.** Relationships with local colleges and technical schools already exist for many employers. The North Central Chamber could act as a convener to make sure that efforts are optimized across multiple institutions.
- **Identify structural barriers and work with employers to reduce them.** As an outside party, the North Central Chamber can take an impartial look at hiring practices in the region and find ways to make them fairer and increase the participation of specific groups.
- **Facilitate cross-employer discussions on work/life balance.** A recurring theme throughout interviews was the idea that many people were no longer interested in working in the same way they did prior to the pandemic. The Chamber, by collecting information, experiences, and data from a wider cross-section of businesses and workers, would be able to put together a holistic view for the types of work/life balance strategies that would help the largest numbers of people.
- **Establish best practices around barriers.** The Chamber could cultivate and disseminate the solutions suggested in the barrier and work/life balance sections. The Chamber could create a menu of options for employers on what they might do to find more help.
- **Create a resource coordinator for North Central Massachusetts.** A resource coordinator is an external agent, outside employers, who assists employees in a number of ways, including finding housing programs to help them stay in the area, working with employers if an employee needs a loan for a new car and working with insurance around health-related payments. The independence of the resource coordinator allows them to work freely with employees and their knowledge of resources in the area helps them get workers what they need.
- **Work with organizations to create a pipeline for bringing hidden workers into the North Central labor force.** Organizations like the Commonwealth Corporation, MassHire, and Open Sky have established techniques for working with different groups and bringing them into the labor force, whether it is young people, people with disabilities or the formerly incarcerated, among others, these organizations can work with local employers to make the business case that hidden workers can contribute to many of North Central's industries.
- **Emphasize working with employers as a group.** Employers and the Chamber need to see themselves as colleagues tackling labor force issues together. Trust and the sharing of information and effective practices between entities will allow for greater regional gains in expanding the labor force. Employers need to keep in mind that while they are competitors for business and workers, they also share the same labor pool. Any work to bring workers into the region will help them, collectively, to fill positions. Regular meetings with employers are vital to remain on task in labor expansion initiatives. When possible, it also helps to have dedicated workforce staff to coordinate and push strategic labor force development and growth as their primary undertaking.

Introduction

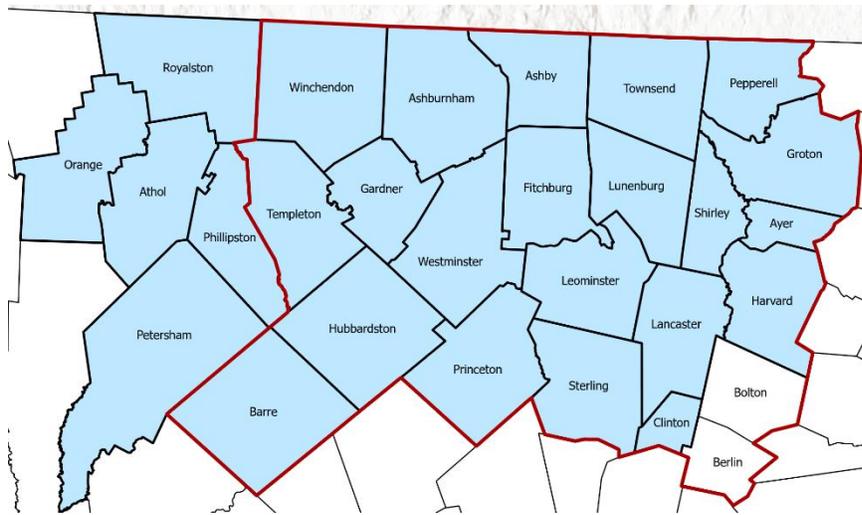
As the Commonwealth of Massachusetts business community continues to recover from the impact of COVID-19 shutdowns in 2020 and 2021, labor force engagement remains stagnant across many industries. As of August 2022, labor force participation statewide was at about 66 percent, not far below the pre-pandemic level of 67 percent in August 2019. However, that small gap understates the serious employee shortage the state is currently confronting. Job postings remain unfilled across many industries at a time of extremely high demand for both goods and services. The current struggle with labor shortages also distracts from the long-term demographic trends that are leading the state and the North Central region (and much of the country) towards more challenges in securing workers. In particular, the North Central region is susceptible to labor force shrinkage because it possesses an older population than much of the rest of the state as well as slower overall population growth. In time this will translate to fewer people of working age to support an aging population of Baby Boomers with substantial and growing needs for personal services and healthcare. The issues the workforce is facing are combined with serious concerns from employers who can only get a fraction of the applicants they once did. COVID-19 has exacerbated this trend by speeding the demographic pressures on the region through an increase in mortality accompanied by a decline in international migration to the state.

With these challenges in mind, how can North Central Massachusetts increase labor force participation both now and into the future?

To answer these questions, the UMass Donahue Institute (UMDI) conducted an extensive literature review and carried out more than a dozen interviews with local stakeholders and employers in North Central Massachusetts. From this work UMDI identified a class of workers that is not being fully utilized by our current economy. These “Hidden Workers” often offer skills that local employers need but for a variety of reasons are either not in the current labor market or are not fully participating.

Through our research, UMDI identified four main barriers affecting labor force participation, including geographic, skill, and structural barriers, as well as developing issues of work/life balance which make traditional jobs as they exist right now impractical for many. This project was initiated by the North Central Massachusetts Chamber of Commerce, and it is the intent of this report to provide solutions for employers and suggestions for the Chamber to address the labor market imbalance in the current moment as well as into the future.

Defining the North Central Massachusetts Region



The North Central Region encompasses 26 towns and cities from Franklin County in the west, represented by the town of Orange, and stretching 50 miles east to Middlesex County including the towns of Ayer, Groton and the former Fort Devens. The region also extends southwards, towards central Worcester County in the towns of Princeton, Sterling, and Clinton.

Much of the region is within easy commuting distance of Boston and Worcester. With an area of over 800 square miles, the North Central Region has large amounts of relatively affordable land for development compared to the Greater Boston region and good infrastructure. This has made the area something of a manufacturing hub, offering developable land at affordable rates without sacrificing proximity to labor pools and centers of business activity. North Central has a very high concentration of manufacturing, agricultural and health care employment.

Different Geographic Definitions

The North Central Region crosses multiple Census geographies and includes towns in multiple counties. The region is best defined by its component municipalities.

Due to data limitations and to enhance comparability to other places in the state, we sometimes use alternative geographies that approximate the region. In total there are three primary ways we will represent the data:

- By Town: Whenever possible we gather data for all towns in the region.
- By WDA: The state produces employment measures using Workforce Development Areas. The North Central WDA (bordered in red in the above map) closely matches the region except for a few towns.
- By PUMA: Public Use Microdata Areas, for use with some American Community Survey products. Two PUMAs closely approximate the entire North Central Region and is useful for cross tabulating demographic data.

For additional details about the geographies referenced in this report, see **Appendix A**.

Background

North Central’s current workforce situation is driven by long term demographic trends, most notably, the aging population. While younger than all other New England states, Massachusetts is older than the national average, and the North Central region is older than the state overall.

Demographics

Population trends are pushing the North Central Region towards a future of growing workforce challenges. The area is a microcosm of Massachusetts as a whole, with a slower growing population that is also aging, leading to lower labor force participation rates at a time when demand for goods and services of all kinds is increasing. The pandemic exacerbated this crisis by driving many people out of the labor force. Some workers went into retirement while others became full-time caregivers for their families or entered emerging job markets such as the gig economy which may offer flexibility that traditional employment cannot.

This section will examine the undercurrent of demographic and economic trends that are leading North Central to identify ways to increase labor force participation and the number of qualified workers available to businesses in the region.

Table 1 Decennial Population of the North Central Region, 1970-2020

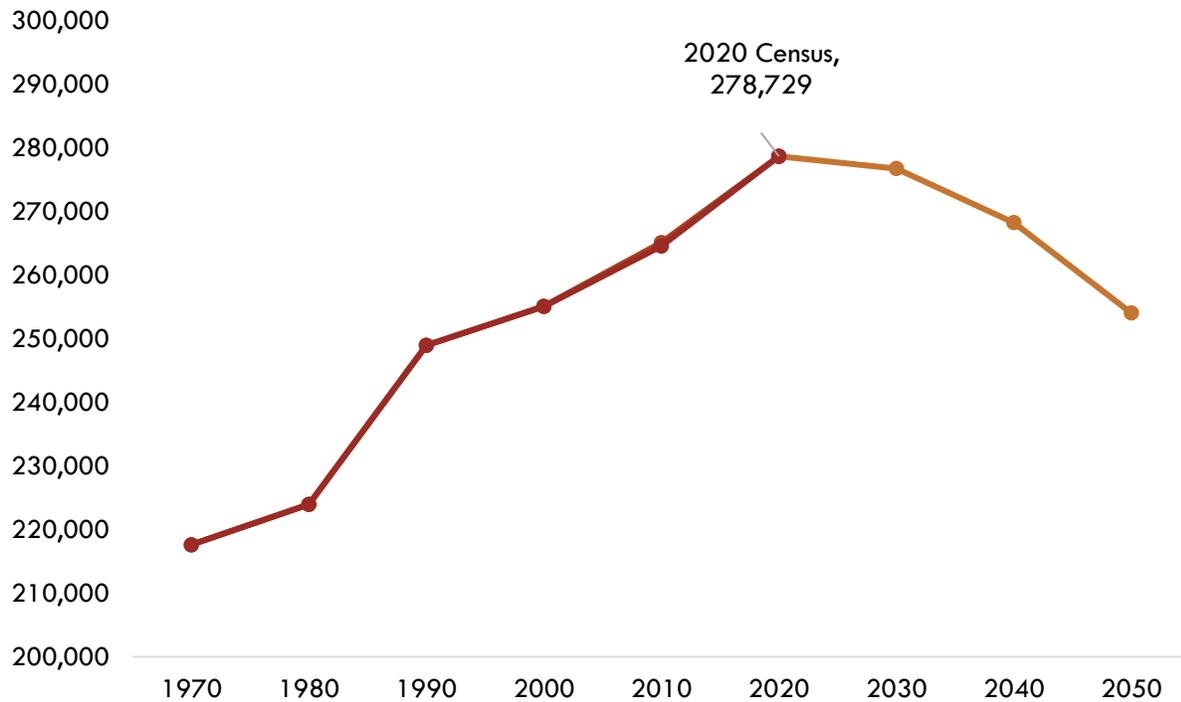
Year	Decennial Census	Percent Change
1970	217,635	
1980	223,989	2.9%
1990	249,010	11.2%
2000	255,131	2.5%
2010	265,159	3.9%
2020	278,729	5.1%
Change, 1970-2020	61,094	28.1%

Source: 1970-2020 Decennial Census

North Central has experienced population growth for the last 50 years, growing 28 percent between the 1970 and 2020 Decennial Census, adding more than 60,000 people to the region. (Table 1)

The area saw its sharpest increase in the period between 1980 and 1990, with 11 percent population growth. That growth slowed in the 1990s before growth accelerated at an increasing rate between 2000 and 2020.

Figure 1 North Central Population, 1970-2020 Decennial Census Counts and Projection



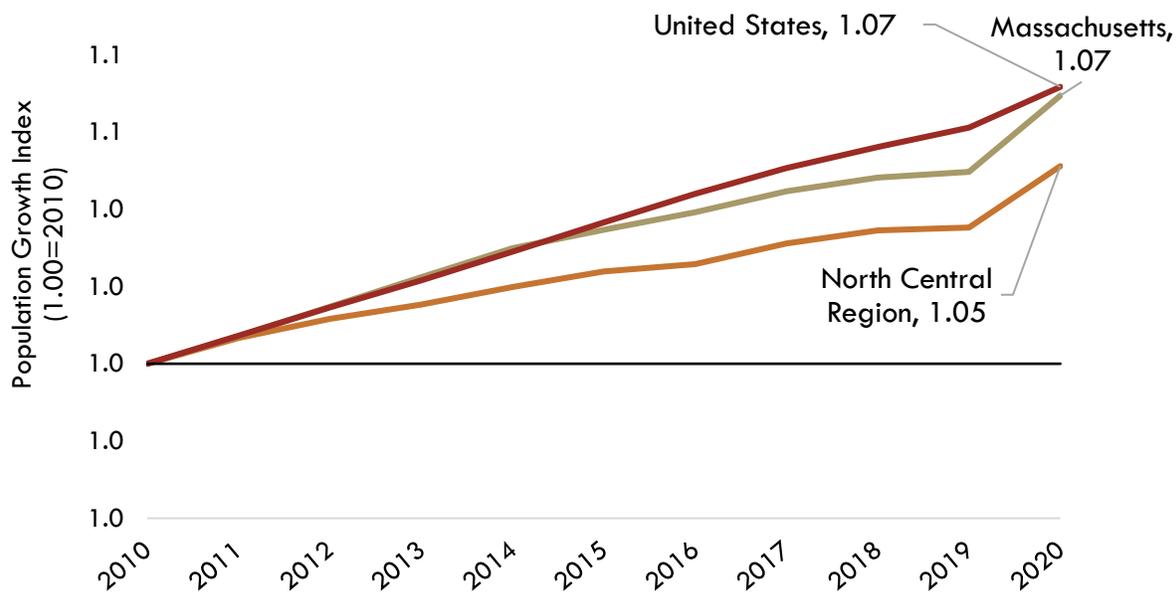
Source: 1970-2020 Decennial Census, UMDI V2020 Population Projections

The UMass Donahue Institute produces population projections for cities and towns by age. The projection model used assumes that recent trends in births, deaths and migration will continue.

Based on these projections, the current growth trend is projected to reverse in North Central. Throughout the state, an increase in out-migration and declining natural growth have put downward pressure on Massachusetts' population, balanced out primarily by international in-migration.¹ As a leading destination for international migrants, Massachusetts' population growth is affected by national policies that can either support or stymie migrants from crossing into the country.

¹ UMass Donahue Population Estimates Program and the U.S. Census

Figure 2 Population Change in North Central, Massachusetts, and the United States, Population Change Index 2010-2020²

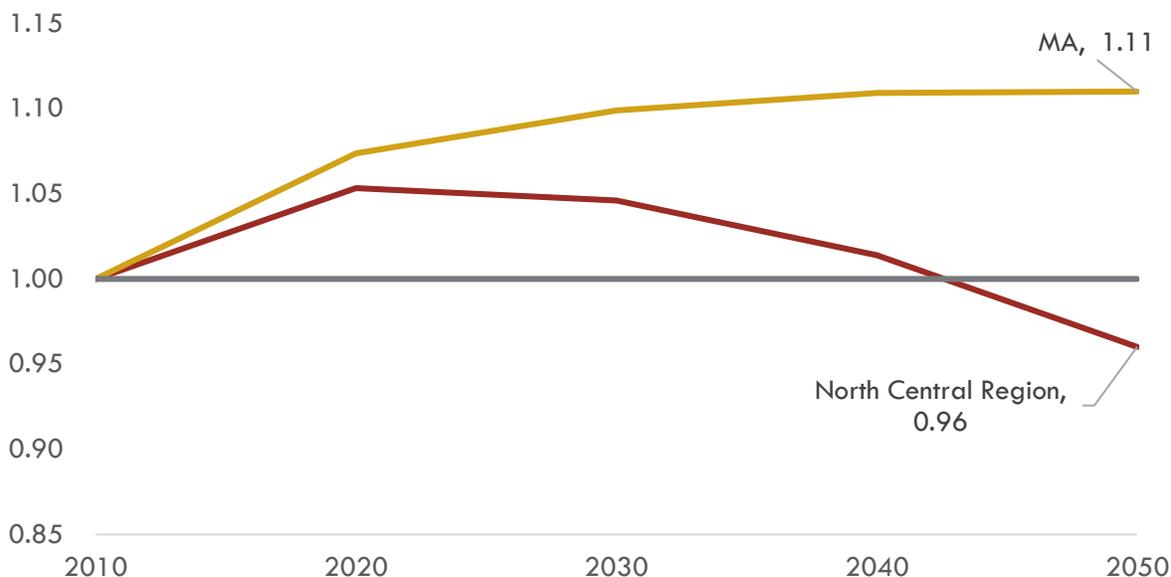


Source: Population Change in North Central, Massachusetts, and the United States, 2010-2020

The North Central population has grown more slowly than the state overall since 2010. This is especially notable, because Massachusetts itself is a slow-to-moderate growing state when compared to the country overall. Massachusetts was the fastest growing state in the Northeast of the United States, but between 2010 and 2020 it fell in the middle of all states for percent population growth.

² The 2020 Census came in higher than the Population estimates would have predicted, so there is a sharp increase at the end of the graph. Estimates will be revised between the two Censuses to smooth this out.

Figure 3 Population Change in North Central and Massachusetts, 2010-2050



Source: UMDI V2020 Population Projections

Comparing the regional projections to the state overall, North Central is projected to decline in population while the state overall is projected to experience continued, albeit slowed growth out to 2050. Again, the slower growth is due to a combination of demographic factors – aging population, lower fertility, and domestic out-migration.

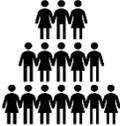
Between 2010 and 2020 the 65 and over population of the state grew an estimated 32 percent. North Central region’s 65+ population grew 41 percent in that same time period.³ This combination of slow and declining growth and faster aging suggest that North Central will feel future demographic pressures on its labor market more acutely than many other parts of the state.

³ Based on UMass Donahue Population Estimates count of persons by age for 2020. Official 2020 Census count by age will be released in 2023.

Worker and Labor Force Characteristics

As the demographics of a community change, so do its economic characteristics. Most relevant for Massachusetts and the North Central Region are changes in the Labor Force Participation Rate (LFPR). The share of the population that is actively employed or seeking employment of those that are of working age, known as the working population, is how labor force participation is measured.

$$\text{Labor Force Participation Rate} = \frac{\text{Economically Active Population}}{\text{Total Working Population}} = \frac{\text{Employed + Unemployed}}{\text{Civilian, Non-Institutionalized Population}}$$

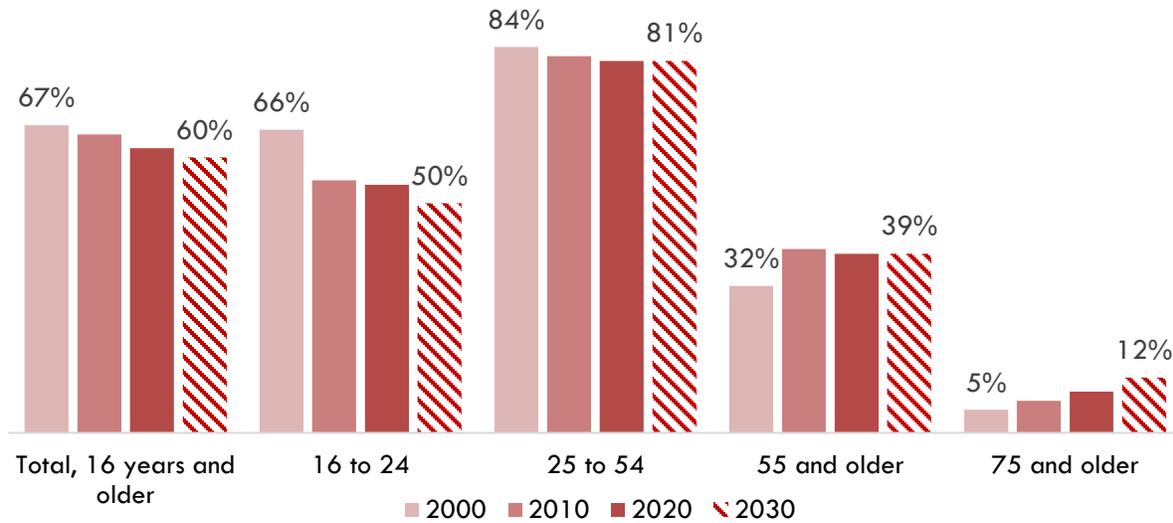


The working population is made up of civilians aged 16-65 who are NOT in an institution. Institutions include people confined to, or living in:

- Prisons, jails, and other correctional institutions and detention centers.
- Residential care facilities such as skilled nursing homes.

Labor force participation tends to decline with age. Older persons who retire or become unable to work, leave the labor force, lowering LFPR. Young persons are usually in school rather than at a job, so they also have a low LFPR. The highest labor force participation is found among 25- to 54-year-olds, these people are considered prime working age and tend to have the highest participation, although activities like taking care of family or disability may pull these persons out of the labor force.

Figure 4 Labor Force Participation Rate (LFPR) National Projection to 2030

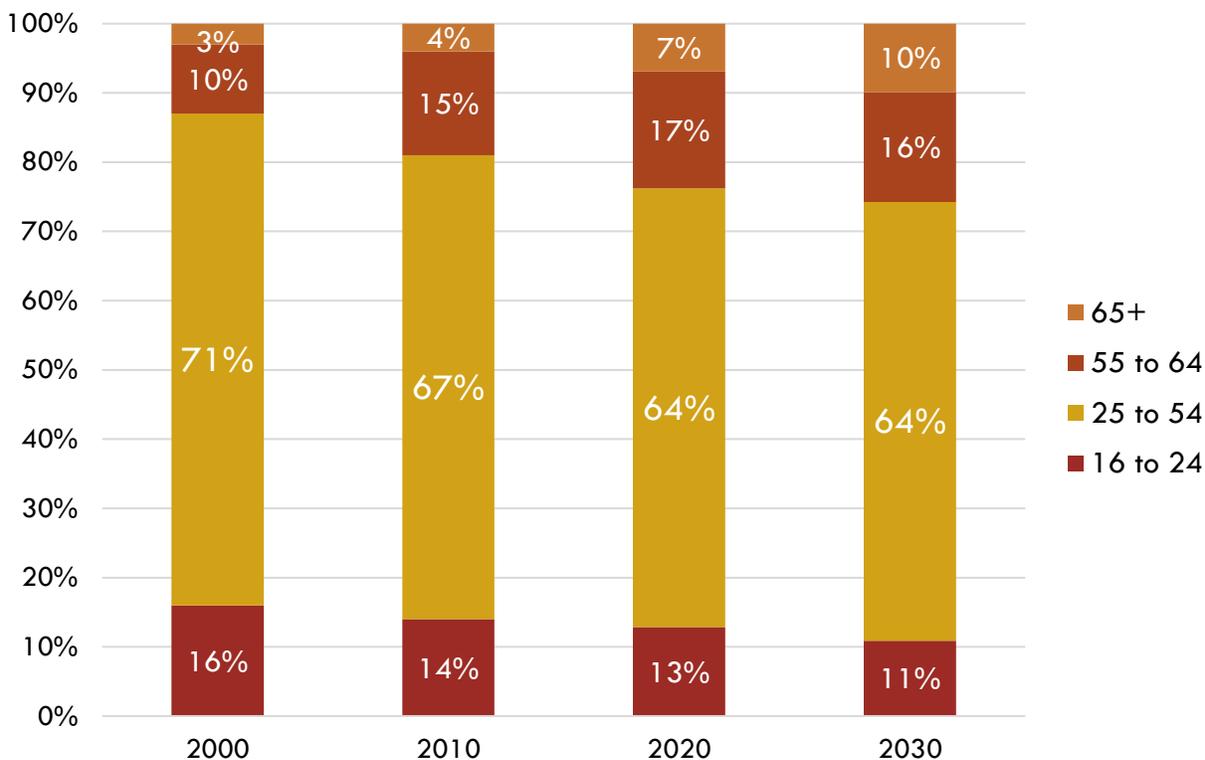


Source: BLS Labor Force Projections, Civilian Labor Force

Note: National LFPR here and in Figure 5 is calculated using a different dataset than in subsequent figures and tables

Throughout the United States, as depicted in **Figure 4** labor force participation has been declining since 2000. Primarily due to an aging workforce. LFPR was 67 percent in 2000 nationwide and had declined to 62 percent by 2020. The age group of 75 and older is of note as it is the only age group with a documented growth in labor force participation from 2000 to 2020. This growth can also be seen in the 2030 projection.

Figure 5 Projected United States Labor Force Share by Age to 2030



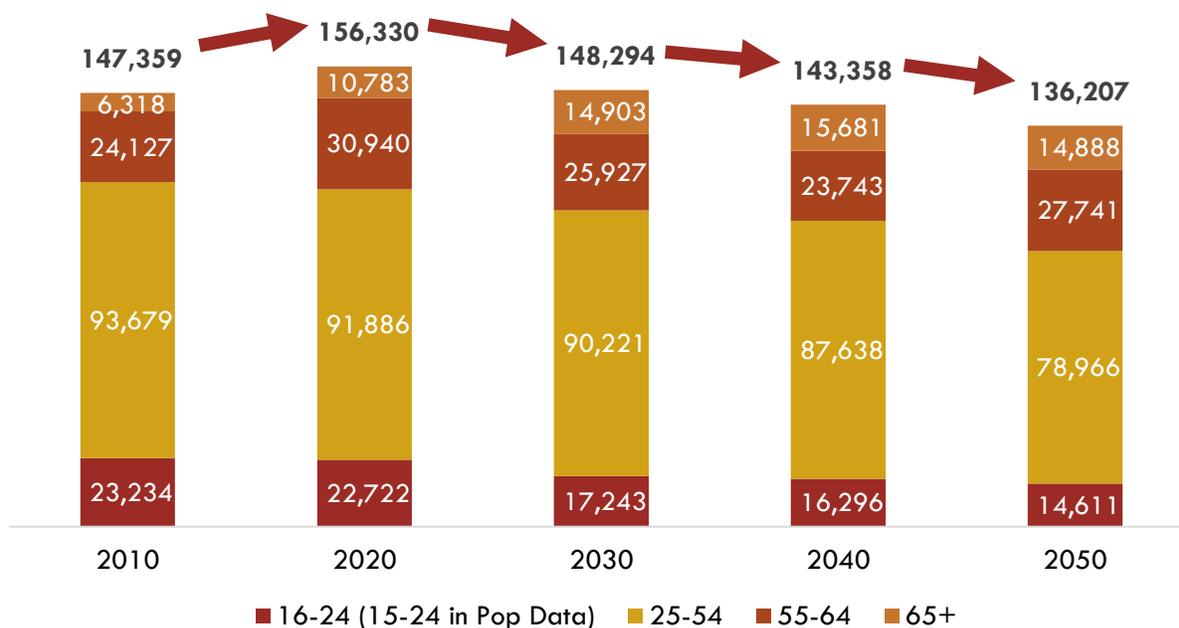
Source: BLS Labor Force Projections, Civilian Labor Force
 Note: National LFPR here is calculated using a different dataset than in subsequent figures and tables

Nationally, the labor force share has decreased for age groups 16 to 24 and 25 to 54, as seen in **Figure 5**. This trend is projected to continue through year 2030 with age group 16 to 24 falling from 16 percent in 2000 to 13 percent in 2020 and is projected to continue to fall to 11 percent by 2030. Similarly, age group 25 to 54 fell from 71 percent in 2000 to 64 percent in 2020. It is projected remain at about 64 percent through 2030.

While the share of the labor force populated by under 55 workers has fallen, the over 55 share has grown. As the workforce ages, older workers displace younger workers as a share of the total. The age group of 55 to 64 is expected to grow from ten percent in 2000 to 17 percent in 2020, with a slight contraction out to 2030 down to 16 percent. Ages 65+ are also expected to grow from just three percent in 2000 to seven percent in 2020 rising to ten percent in 2030.

These national projections give us an idea of the overall trends in labor force participation. To examine the North Central region as a whole by age we need to look at U.S. Census data, particularly the American Community Survey (ACS), and the Public Use Microdata Sample dataset (PUMS) which allows for cross tabulation of all Census geographies.

Figure 6 Projected Labor Force in North Central Massachusetts



Source: ACS PUMs 2010 and 2020 5YR, UMDI V2020 Population Projections

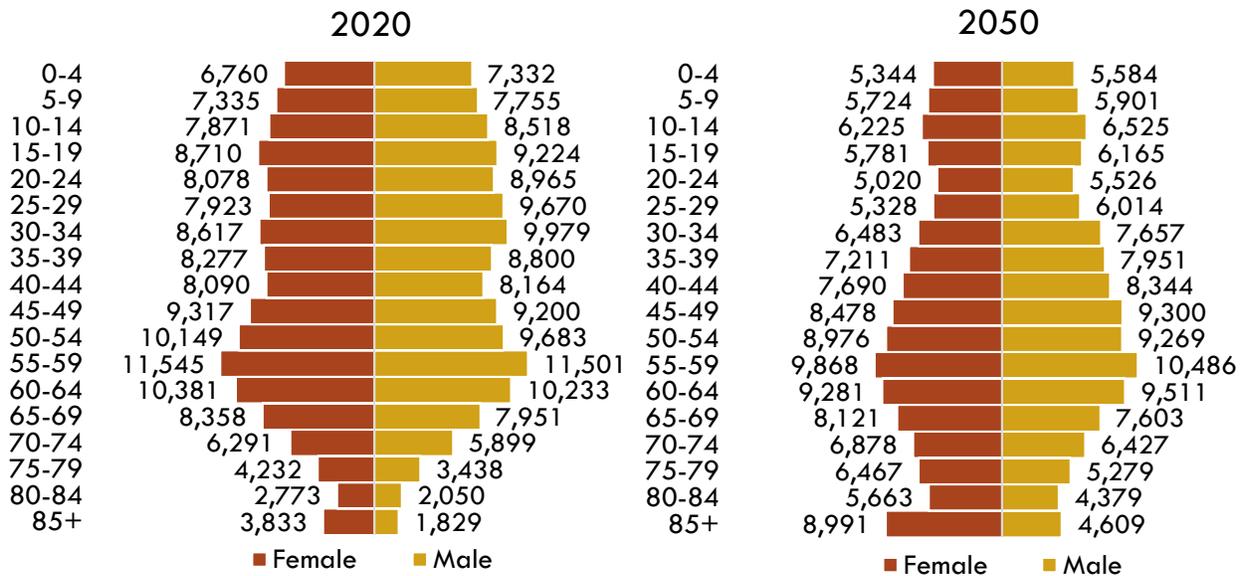
Note: LFPR by year multiplied by projected population 2020-2050, LFPR for 2020 applied to 2020-2050 population, 2010 LFPR is applied only to 2010 population.

Figure 6 shows the change in North Central’s labor force from years 2010 to 2020 and then from 2030 to 2050 as a projection. The LFPR for each age group in 2020 was applied to population projection data for 2030-2050 for the region. This simple projection assumes that LFPR will be held constant for each age group. However, this projection can give us an idea of what the labor force in the region might look like given time.

Similar to population, the labor force overall is expected to decline in the region. Between 2010 and 2020, the labor force in North Central grew six percent, but between 2020 and 2050, if LFPR stays the same, it will decline six percent overall. Despite the increase of labor force participation from 2010 to 2020, there is a decrease each of the following years. The sharpest decrease is among the under 55 population which fell two percent between 2010 and 2020 and is projected to fall 18 percent between 2030 and 2050. Meanwhile, the 55+ population is projected to grow two percent, 2030 to 2050 after rapid growth of 37 percent between 2010 and 2020.

The projected changes in demographics shed light on why this change is happening to North Central.

Figure 7 North Central Age Distribution 2020 and 2050



Source: U.S. Census Bureau Population Estimates, UMDI Population Estimates Program V2020 Projections; UMDI analysis Note: Age groups are modelled based on births, deaths, and migration data.

In 2020, **Figure 7** shows the share of ages 65+ at 17 percent of the population while for 2020 there is a projected share of 25 percent for ages 65+ in 2050. In 2020, ages 55-59 is the largest five year age group. By 2050, it still is the largest single group but shows a significantly smaller difference in distribution for that age group from its neighbors and an overall more uniform distribution across all age groups. The 85+ female population in particular is projected to grow to be larger than nearly all other age groups. This shift reflects an aging population, and that population will continue to need support from services in an increasingly tight labor market.

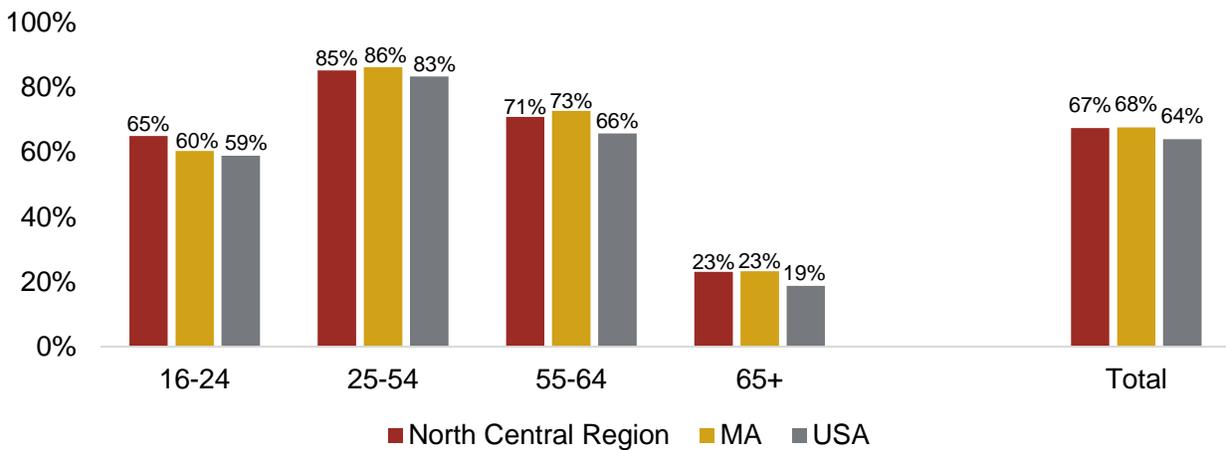
Table 2 Median Age

Geography	Median age (years)
Maine	44.8
New Hampshire	43.0
Vermont	42.8
Connecticut	41.1
North Central	41.0
Rhode Island	40.0
Massachusetts	39.6
US	38.2

Source: ACS 2020 5YR S0101 Age and Sex, North Central is based on 2020 5YR PUMS data.

Current data on age reinforces the idea that North Central is an older age region in an older aged state. **Table 2** shows the median age of North Central at 41 years old. North Central’s median age is higher than that of the state and nation, but lower than neighboring states such as Maine, New Hampshire, Vermont, or Connecticut and has a similar median age to Rhode Island.

Figure 8 LFPR by Age in North Central Compared to Massachusetts and the Country



Source: ACS PUMs 2016-2020 5YR

The labor force participation rate by age of North Central is compared to the state and nation as seen in **Figure 8**. North Central has a total LFPR higher than the nation but lower than the state. North Central’s LFPR is lower than the state’s in all categories except age group 16-24. North Central’s LFPR is higher than the nation in all age groups.

Table 3 16+ Labor Force Participation Rate by WDA

16+ LFPR by 2020 Share	2010	2015	2020
Metro North	68.5%	68.7%	68.2%
Brockton	67.5%	67.2%	67.6%
South Shore	67.4%	65.8%	65.5%
Metro South/West	67.5%	67.3%	65.4%
Greater Lowell	67.6%	65.4%	65.3%
Lower Merrimack Valley	67.0%	66.6%	65.2%
Boston	65.3%	65.6%	65.1%
State	66.0%	65.5%	64.4%
North Shore	66.4%	66.2%	64.4%
Central MA	66.9%	65.9%	64.3%
NORTH CENTRAL	66.4%	64.8%	63.9%
Bristol County	65.4%	64.4%	63.5%
Greater New Bedford	65.0%	64.8%	63.4%
Franklin/Hampshire	64.7%	63.8%	62.2%
Cape & Islands	61.4%	61.8%	59.6%
Hampden County	60.1%	59.4%	58.2%
Berkshire County	62.0%	59.7%	57.4%

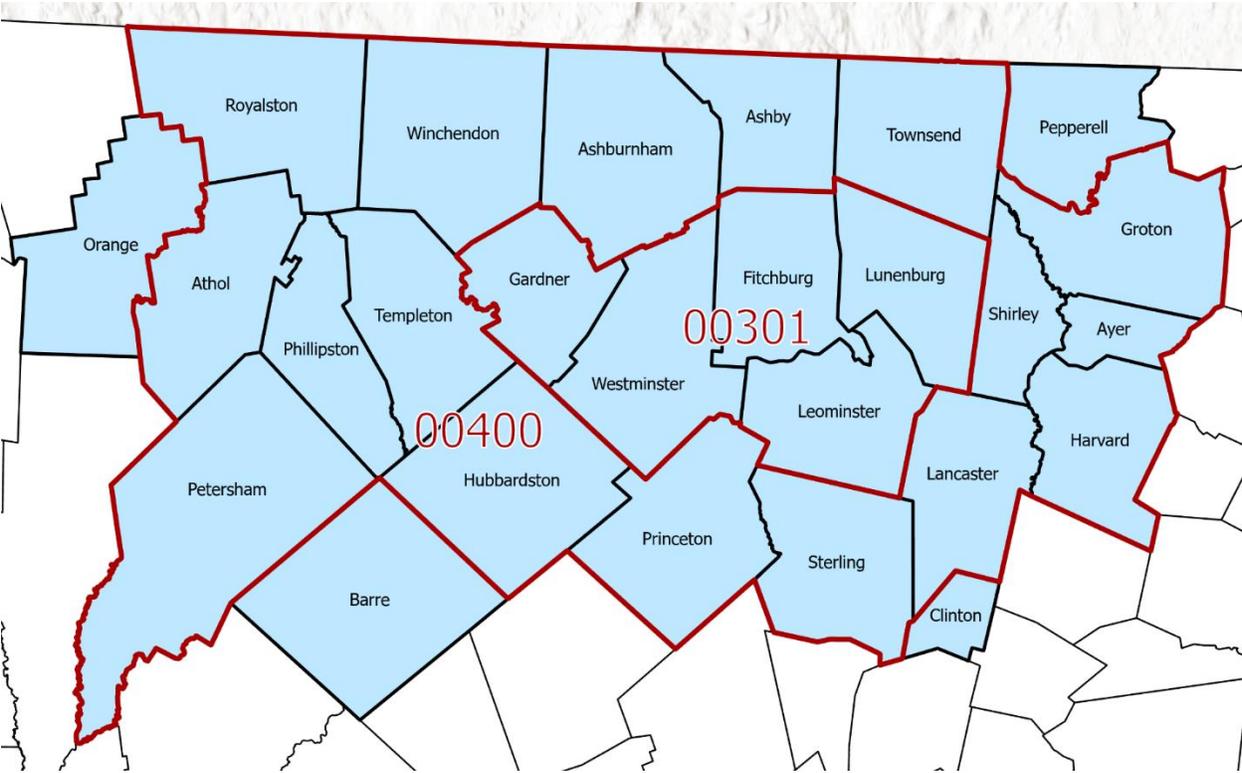
Source: LAUS Data provided by MA EOLWD, compared to 16+ ACS Population Data

Note: LFPR is calculated here based on LAUS Data, in subsequent tables it is based off of ACS PUMs data in order to get a closer look at demographics.

For a regional comparison of LFPR around the state we can look at Workforce Development Areas. The North Central WDA (The red outline on the map in the “Defining the Region” section.) has a lower LFPR than about most of the WDAs around the state, falling in the middle of the distribution. **Table 3** shows that in 2010 North Central and the state had about the same labor force participation rate, with the region’s rate dropping below the state in 2015. In 2020, North Central and the state both find their LFPR at 64 percent, but higher than Western Massachusetts, the Cape, and the area around Bristol County.

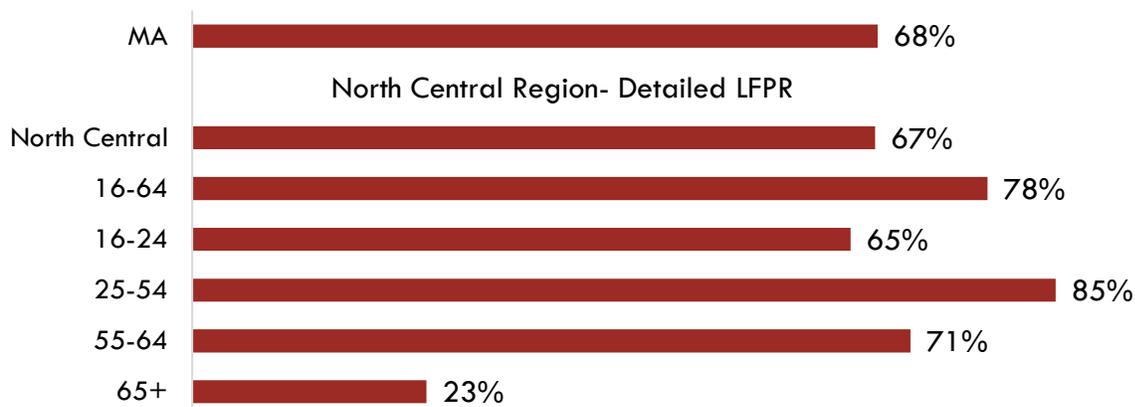
Detailed Labor Force Participation Rate Analysis

The following section uses ACS PUMs data to look at labor force participation rate. This data is microdata based, allowing the user to tabulate counts of persons by any demographic variable in the American Community survey. However only limited geographies are available for this dataset. For this analysis, we use two Public Use Microdata Areas (PUMAs) to approximate the region, outlined in red below.



We can then estimate labor force participation in these regions for any combination of variables in the American Community Survey.

Figure 9 Labor Force Participation Rate (LFPR) by Age

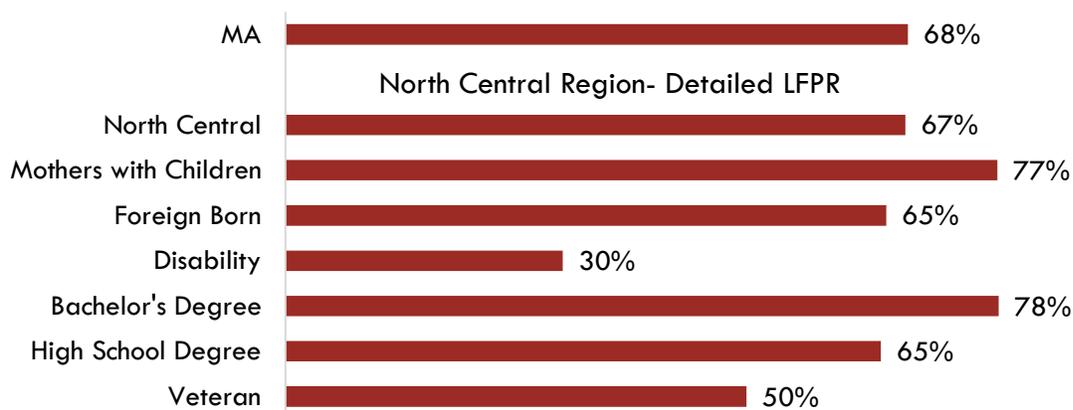


Source: ACS PUMs 2016-2020 5YR

Note: All Groups are Civilian, Non-Institutionalized and are age 16+ unless otherwise noted

The overall LFPR for North Central at 67 percent, is lower than the state. If we look at the rate by age group, we see considerable variation. For example, the age range of 25- to 54-year-olds, those of prime working age, have a much higher LFPR than the overall rate and the 65+ population has a far lower rate, 23 percent. Older persons are often retired, pulling them out of the labor force. Younger people including the 16-24 age group are usually in school, driving their lower participation in the labor force.

Figure 10 Labor Force Participation Rate (LFPR) for Selected Groups



Source: ACS PUMs 2016-2020 5YR

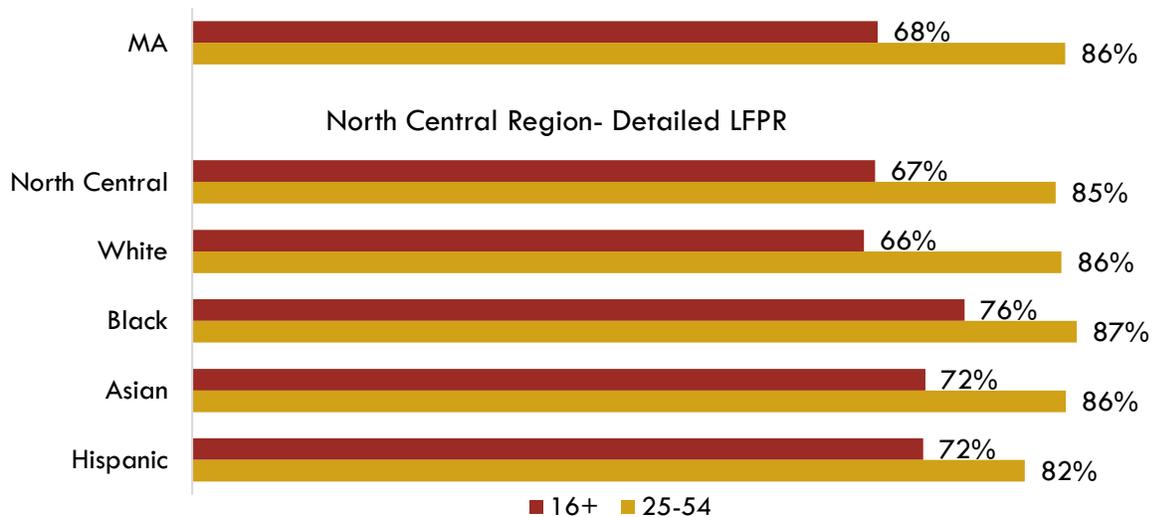
Note: All Groups are Civilian, Non-Institutionalized and are age 16+ unless otherwise noted

Figure 10 shows the labor force participation rate for selected groups and compares it to the overall state rate. Foreign born, people with disabilities, high school degree and veterans all have lower participation

rates than the overall worker population. People with Disabilities have the lowest LFPR at about 30 percent in the North Central region.

In North Central, mothers with children and people with bachelor's degree have higher LFPRs than North Central's overall workforce with LFPRs of 77 percent and at 78 percent, respectively.

Figure 11 Labor Force Participation Rate (LFPR) by Race and Ethnicity



Source: ACS PUMs 2016-2020 5YR

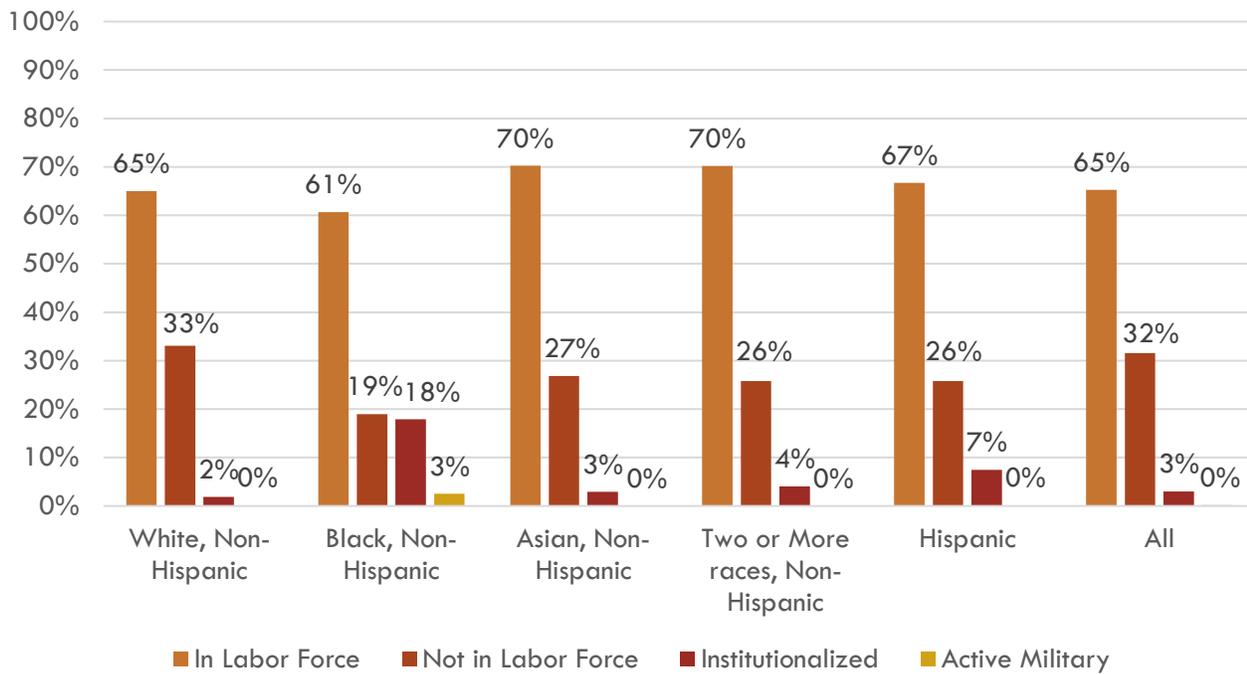
Note: All Groups are Civilian, Non-Institutionalized and are age 16+ unless otherwise noted

For age group 16+, North Central's White population is the only group to fall lower than the region overall with an LFPR at 66 percent. The other populations, Black, Asian, and Hispanic, are higher than the state and region averages at 76 percent, 72 percent, and 72 percent respectively. The North Central Black population has the highest overall LFPR for ages 16+.

One reason for this disparity is a higher concentration of over 65-year-old persons in the White population, when you control for prime working age people, the gap in LFPR between White and Black in North Central closes substantially, from ten percentage points to just a single point difference.

For age group 25-54, the LFPR is significantly higher than that of 16+ for MA, North Central and each region. Again, this is due to the impact of retirement age persons, who leave the labor force in large numbers. For this age group, the North Central Hispanic population is the only group to fall below the regional average at 82 percent. The White and Asian population both stand at 86 percent which is higher than North Central. The Black population has the highest overall LFPR at 87 percent for ages 25-64.

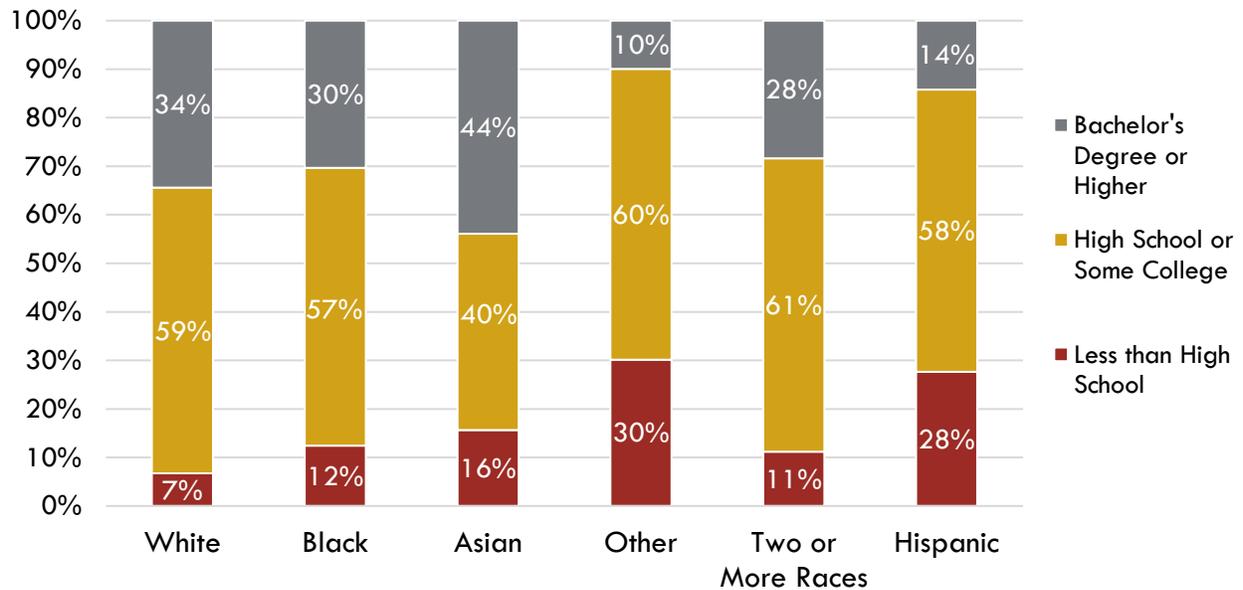
Figure 12 Share of the 16+ Population by Employment Status in North Central Massachusetts



Source: ACS PUMs 2016-2020 5YR

For most of these rate comparisons, institutionalized persons are excluded, including active military and prison populations, but also nursing home residents. In **Figure 12** we look at the 16+ population by employment status for the region. It reveals that the Black and Hispanic populations are institutionalized at a much higher rate than White and Asian persons. This highlights the importance of excluding institutionalized persons because if they are included in measurements of labor force participation, the LFPR for these groups can be pulled down substantially. It is also worth noting that Black residents of North Central are the only group in the above figure to have a noticeable share of the population actively in the military.

Figure 13 Educational Attainment by Race, North Central



Source: ACS 2020 5YR S1501 Educational Attainment, North Central Region is based off the summation of the region's component towns

Another factor to consider when looking at LFPR rates is differing levels of educational attainment by race and ethnicity. **(Figure 13)** Massachusetts has very high educational attainment overall, but slight variations exist. In North Central, Black residents are less likely to have a bachelor's degree than White or Asian residents. Meanwhile, Hispanic persons have 4-year degrees at half the rate of the Black population. Lower educational attainment can restrict the job openings that are available to a population, making it difficult for employers to access all labor pools in a community. This should serve as a reminder that a lower level of LFPR may not be due to a particular group's choices, but rather their access to opportunities, such as education and jobs that fit their skillset. Someone working in agriculture may not find many opportunities in a region which has become a center for advanced manufacturing for example. On the job training, education stipends and jobs programs can help these workers adapt to changing educational requirements.

Framing the Issue of Labor Force Participation

As we have established above, labor force participation rate differs by race, age, educational attainment, and many other factors. Some groups have particularly low labor force participation, many of which represent historically marginalized groups. To address workforce growth, we have categorized each of these groups into two types of workers who are outside of or not fully participating in the labor force: “Hidden Workers” and “Future Workers.” The workers in each category share similar barriers to entry, meaning that there are overlapping solutions and strategies to enhance the engagement of these types of workers.



The term “Hidden Workers” refers to workers who are left out of the workforce, either as applicants who are screened out of consideration or those who have no choice but to remain out of the workforce. These types of workers are willing to enter the workforce but are not able to due to conflicts with personal responsibilities, company policies, discrimination, language, environment, fear, stigma, and any other factors that make working more difficult. Targeting these people requires making amendments to the way business operates currently to meet these people where they are at.

The term “Future Workers” refers to these workers, who will be in the labor force in the future due to age, location, technology, and other factors. These workers are not yet able to enter the workforce, mostly because they are too young or too far away, but who need structures in place so that they may find meaningful employment in North Central Massachusetts. Addressing these worker’s needs may come in the form of traditional workforce development for youth in the area and for those who may be looking to migrate into the area.

These are just two ways to describe the people who are marginally attached to the North Central workforce, though they are not an exhaustive list.

Hidden Workers

The term “Hidden Workers” refers to workers who are left out of the workforce, either as applicants who are screened out of consideration or those who have no choice but to remain out (entirely or partially) of the workforce.

The experiences for this diverse group of workers can be put into three broad categories:

Missing Hours

People who are working one or more part-time jobs but are willing and able to work full-time. The Bureau of Labor Statistics often includes these persons under the heading “Part-time for economic reasons.” These people have the ability to work more but cannot find a full-time job that fits their schedule or one that fits their lifestyle.

Missing from Work

This category includes workers who have been unemployed for a long time but are returning to the labor force and seeking employment. In the wake of the 2008 Financial Crisis, these workers were often “discouraged workers” who had been unable to find work for such a long time that they gave up searching, falling out of the labor force. More recently, this may include retirees who left the workforce of their own accord and are not interested in part-time work, or parents who became full-time caretakers to children, but now are interested in stepping back into their careers.

Missing from the Workforce

This group includes those who are not working and not seeking employment due to economic reasons, but willing and able to work under the right circumstances. This might include a stay-at-home mother or father who might be able to take a part-time job but hasn’t found one that fits their parenting schedule and has stopped looking, or a person with a disability who was unable to find work that was accessible and has since stopped their search.

Future Workers

Each generation faces new pressures in finding suitable employment. Additionally, the constantly changing demographic landscape transforms the makeup of the labor force on a regular basis, for example through an aging population, through changes in the natural growth rate of the resident population and through shifts in in- and out- migration. The term “Future Workers” refers to these workers, who will be in the labor force in the future due to age, location, technology, and other factors.

Among these future workers are three primary groups:

Young People

This naturally includes young people in the 0-14 age cohort, including children who are not yet eligible to work due to age, or young people over age 14 who are currently in education or training but plan to enter the workforce in time.

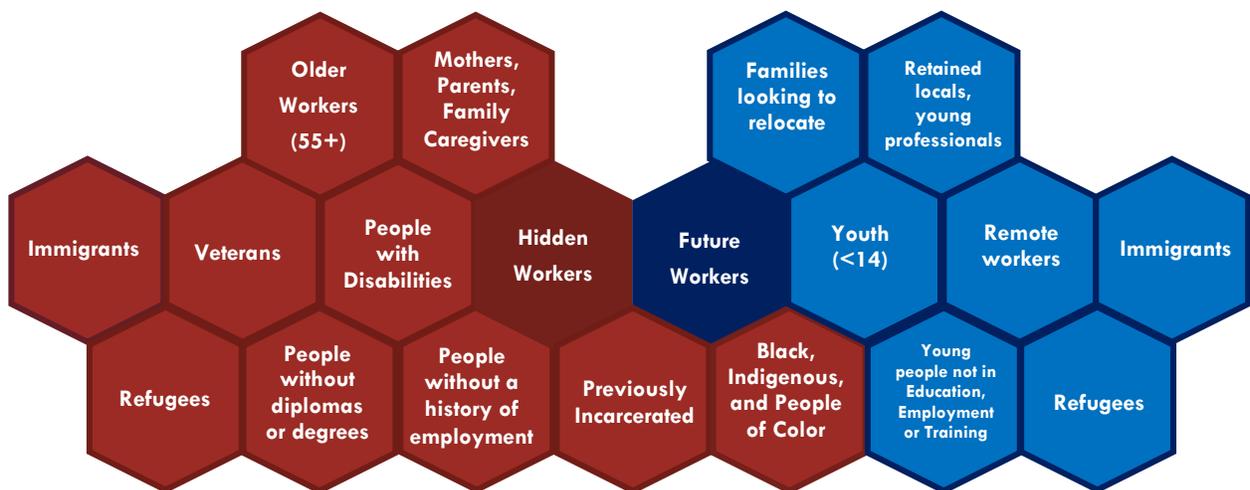
Future Residents

This category involves the group of people who can be attracted to the region. It includes people from out of state as well as in-state populations, such as those who work in the city and are looking for more affordable housing. This group includes young families and immigrants who may choose to move to the region for a variety of reasons.

The Future of Work

This includes the population of remote workers who will become accessible to employers in North Central given technological innovations in the future economy. Remote work greatly expands the reach of North Central Employers, but other innovations, like flexible scheduling expand the ability of workers to participate in the North Central Workforce regardless of their current location.

Figure 14 Types of Hidden and Future Workers

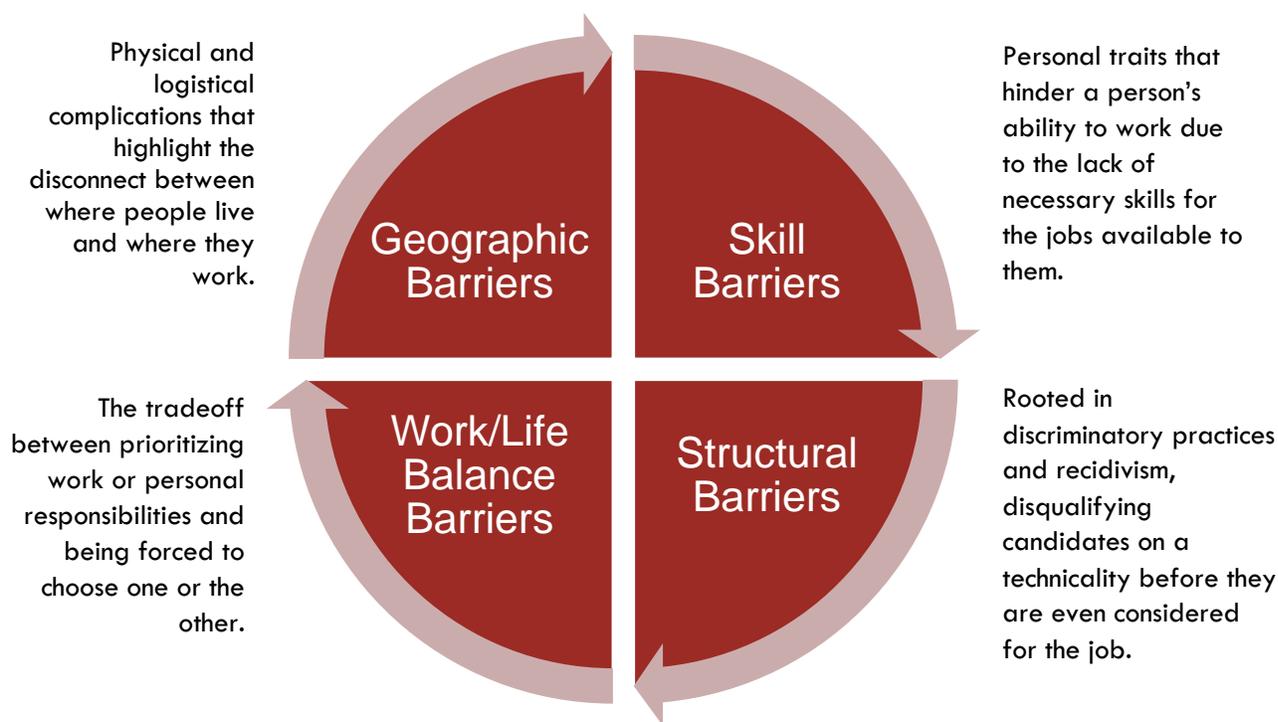


Hidden and Future Workers are two broad categories used to summarize the experiences of a wide range of workers, and an individual can be a part of multiple groups.

Barriers to Entering the Workforce

In our research, we identified a range of different issues that complicate labor force participation, which we categorized into four types of barriers: Geographic, Structural, Skill and Work/Life Balance barriers. Some of these issues are barriers in that they physically prevent people from accessing employment, like transportation. Other barriers are technical, like turning away people without certain backgrounds, or based on individual capabilities, such as requiring certain degrees. The most robust of all barriers lie in the choices that workers are forced to make when work and home life conflict. This report focuses on these four key issues that keep hidden workers out of the labor force and which may prevent employers in the North Central Region from fully capitalizing on the potential of future workers.

Figure 15 Barriers to Entry



Geographic barriers are rooted in a lack of affordable housing adjacent to jobs, or a lack of transportation from where affordable housing is available, to jobs. The Massachusetts housing market is experiencing plummeting inventories and rising prices both in the owner and renter markets. This makes it very unlikely that a newly employed worker will quickly find housing that is both affordable and near their job. As a small state, a slightly longer commute is a practical trade for more affordable housing, but affordability issues are growing in most places and commutes remain particularly dependent on access to a car, especially outside of the Metro Boston region.

Skill Barriers are perhaps the most common challenge for someone seeking gainful employment, not all workers have the skills needed to do a given job. Workers earlier in their career may not be getting the on-the-job training they need to advance, and financing other training options may not be in their budget.

Workers may find that the skills they once used are no longer compatible with the industries in the area. Before even that, students may not have knowledge of or be on educational paths that will lead them to productive careers. These problems may also come from the employer, for example, a job description may entail skills and levels of education that are excessive for the salary and benefits package available.

Structural Barriers are forces outside of a worker's ability to do a job that prevent them from getting employed. Discrimination is a long-standing barrier to employment, where an employee may be denied hiring because of prejudiced reasons. Discrimination can be racist, sexist and ableist⁴ in nature. Diversity, equity, and inclusion are increasingly important practices in many industries, but there are still moments where workers are denied employment out of hatred and ignorance. A structural barrier can also entail a restriction on certain types of workers for practical reasons. For example, a person with a criminal history of driving under the influence, may be perceived as a high risk to employ as a commercial driver, additionally their background may trigger other issues, such as raising the premiums on insurance for the employer. These restrictions may begin as practical considerations, but it is easy for them to become overly strict policy even as evidence emerges that a certain type of worker is fully compatible with certain jobs. Another structural barrier can come in who is allowed to apply for a position. Overly aggressive applicant filters, for example based on a strict degree requirement, may filter out workers who can do the job but do not have the exact recipe of credentials needed to get an interview. If a job posting is put in a channel, say through Linked-in rather than Facebook or a newspaper ad, certain types of workers may not find them. For example, someone who is not actively searching for work, may not frequent online job boards, but by not doing so they might miss a posted job that would interest them and bring them back into the labor market. That same worker may use a local newspaper daily or spend time on other social networks where a job posting might be enough to bring them back to employment

The fourth issue is a problem of work/life balance, where available jobs do not accommodate a person's lifestyle. A person may avoid geographic, skill and structural barriers, get a job offer and then discover that some quality of their job is incompatible with their life. They may find that their new employer is more inflexible with scheduling than they thought, making it hard for them to take time to care for their family, or to find time to work a second job. They may be offered pay below what is required, or that is high enough that the worker no longer qualifies for certain social assistance benefits such as rental assistance or childcare vouchers. Problems of work/life balance may be the most diverse set of issues faced by workers and employers. Particularly in the wake of the pandemic, there is evidence that workers are re-evaluating their priorities. This can make it very hard for employers to retain employees, and for workers to find a job they can actually thrive at.

The following section will dive deeply into each of the barriers listed above, it will also look at the many factors that impact work/life balance.

⁴ Discriminatory and prejudiced against people with disabilities or who are perceived to be disabled.

Workforce Growth Barriers and Solutions

Geographic Barriers

Classified by physical and logistical issues, geographic barriers include complications that highlight the disconnect between where people live and where they work.

The housing market in Massachusetts is plagued by rising prices and plummeting inventories both in the owner and renter markets. As a result, workers, particularly those earning lower incomes, are often forced to choose between unaffordable housing close to job centers or long commutes from places where housing is less expensive. For those who choose the commute, the need for personal transportation is essential since the presence of public transit is scarce outside of the 495 corridor and designed to bring people away from the region to Boston. Even with a car, the highways and infrastructure within the state are overwhelmed with the volume of commuters that use it daily. Finding suitable housing is often easier for higher income households who, in turn, drive up prices for the limited housing stock around the state. Regardless of the number of jobs available in the state, high housing costs and lack of transportation infrastructure makes it difficult to address the mismatch between where people are and where jobs exist.

Current Problem

- **High cost of living encourages talented professionals to seek opportunities elsewhere.** Massachusetts has a very high cost of living and followed Hawaii as the second most expensive state in the second quarter of 2022⁵. Despite the attractiveness of educational institutions, cultural amenities, and the availability of jobs, individuals are leaving or turning down job offers for opportunities in less expensive states, particularly those located in the Southeast U.S.
- **Workers are compelled to choose long commutes to find more affordable housing.** Moving westward and away from Boston is usually the cheapest option for most people, but jobs typically pay less, and commuting costs get higher the further west you go. Although it is a short-term compromise to the rising housing costs, gas prices and other transportation costs erode the affordability edge that places like North Central have historically held.
- **Public transportation to bring workers in and around North Central is limited.** Bus routes through Montachusett Area Regional Transit (MART) and the commuter rail provide support for some workers but are not designed to support the ecosystem of employers in the region. The commuter rail stretches as far west as Wachusett with stops in Fitchburg, Shirley, and Ayer but its main purpose is to bring workers from North Central into Boston. MART routes are helping to connect the gaps between eastern and western transit, but do not yet have the availability that

⁵ C2ER Cost of Living Index, collected by State of Missouri: <https://meric.mo.gov/data/cost-living-data-series>

North Central workers need. Getting from commuter rail through the “last mile” to their workplace is a challenge for workers in the area unless their employer happens to be along an existing route.

- **Personal transportation is essential yet complicated by outdated, restrictive infrastructure.** Statewide, 60 percent of workers drive to work alone, an additional six percent carpool, similar to the share who use public transit (6.6 percent).⁶ Nonetheless, in our interviews with North Central employers, no employer offered subsidies for the commutes of their workers, though a few did benefit from close proximity to existing rail and bus networks.
- **Higher-income earners push lower-income earners from job centers, driving up housing cost mismatch.** Within the Commonwealth, housing costs in the eastern part of the state are pushing low-and-moderate income families further from the urban core around Boston, exacerbating already tough commutes.

Future Problem

- **In Massachusetts, housing sale and rental prices remain high, and inventories have fallen continually since 2017.**⁷ Inadequate housing production has created persistent housing shortages in many parts of the state. Housing production in the 2010s was about 52 percent of housing production in the 1980s, at the same time, the northeast underwent rapid population growth for the last several decades. Production has seen some improvement, for example, the number of multi-family building permits more than tripled between the tail end of the recession in 2010 and 2015 before dipping then rising again to an 11 year high in the midst of the pandemic, in 2021.⁸ However, a recent report found that this production still was inadequate, estimating a shortage of 100,000 units statewide in 2019.⁹ While work is being done to boost real estate development, it does take time to build housing. With that, it is likely that low inventories will persist for the foreseeable future, keeping prices high and options low in proximity to jobs.
- **Investment in public transportation and infrastructure is limited.** The federal government has allocated large amounts of investment for public transportation throughout the nation but targeting areas in which funds could benefit the largest number of people is difficult. The Infrastructure Investment and Jobs Act contains funding for improving intercity rail, which may contribute to the creation of rail service through the Northern Tier and improvements along the East-West corridor. Funding is also provided for improvements to walking and biking infrastructure which could enhance worker access to their jobs throughout the state. Massachusetts is estimated to

⁶ Department of Transportation and U.S. Census Bureau ACS Series B08006: <https://www.bts.gov/browse-statistical-products-and-data/state-transportation-statistics/commute-mode>

⁷ Redfin, Homes for Sale, August 2017: <https://www.redfin.com/state/Massachusetts/housing-market>

⁸ Massachusetts State Data Center, UMass Donahue Institute, Building Permit Data: <https://donahue.umass.edu/business-groups/economic-public-policy-research/massachusetts-state-data-center>

⁹ Up for Growth Dataset Metropolitan State Underproduction: <https://upforgrowth.org/apply-the-vision/housing-underproduction/>

receive \$4.2 billion for road improvements and \$2.5 billion for enhancing public transit systems.¹⁰ Work will need to be done to ensure that these funds are distributed throughout the state including to North Central.

- **Remote work is rapidly becoming the norm, but many industries will still depend on in-person presence, such as manufacturing and healthcare.** Over 20 percent of Massachusetts workers worked from home in 2020, and many found the lack of commuting to be a huge benefit. Though the future of remote work could alleviate some of the pressures on transportation, many entry-level and manual labor jobs do not offer flexible options. Entire industries like manufacturing and hospitality are dependent on most workers being physically present.
- **Young people looking to establish families and potential in-migrants are deterred by housing costs.** Many people are attracted to Massachusetts and North Central in particular for its accessibility to Boston and education for their families. With housing costs so high, many families cannot afford to live here, and young people are discouraged from starting families for fear of financial instability. Coupled with a decline in immigration, the shrinking population in the state and region will continue to strain the future workforce.

People who face this barrier

There is a variety of groups for whom transportation and housing are especially difficult barriers. For example, refugees and immigrant populations will often settle in existing communities with other immigrants and refugees. Those communities may then get concentrated in certain parts of the state which may not always have compatible jobs for everyone. This means these workers have to seek out transportation strategies to get them to where they are able to work, or employers need to develop a plan to bring them to the job each day. (For example, one employer we spoke with setup a system for busing Somali immigrant workers to the job site from Worcester.)

Other groups who face this barrier include:

- The previously incarcerated
- Older workers
- Black, Indigenous, (and) People of Color (BIPOC)
- Veterans
- Mothers, parents, caretakers
- People with disabilities
- Low-income people
- Immigrants
- Refugees

¹⁰ Office of Senator Ed Markey, A Summary of the Infrastructure Investment and Jobs Act and What It Means for Massachusetts: <https://www.markey.senate.gov/imo/media/doc/Senator%20Markey%20Short%20Summary%20of%20IIJA%201-20-22.pdf>

Each group experiences transportation issues in different ways but our interviews did not reveal any form of transportation subsidy. Certain employers we spoke with had direct access to public transit, but many did not, with their workers dependent on cars for transport. In our interviews with local colleges, transportation for students was viewed as a major issue with one person we spoke with seeing it as the biggest single issue they faced. If students cannot attend their courses reliably due to transportation and housing issues, they are setup for failure once they enter the labor market as they may be unable to complete their courses or get the most out of their education.

Solutions

Short-term:

Set up and incentivize carpools among coworkers. Carpooling is underutilized in the state, with about seven percent of commuters in 2019 using the method statewide, compared to a national average of nine percent. Particularly for work such as in manufacturing, where shift times are standardized, carpooling is a practical means of getting people to work at a lower cost. App-based solutions exist to conveniently enable carpooling among employees and positive incentives can encourage employees to use that method of transport.¹¹ Through shared travel costs, employees can save money, while reducing emissions and building a supportive network so that employees can get to the jobsite when something goes wrong with their preferred method of transport.

Create a pick-up point in a central location. When public transit does not have adequate stops, employer provided pickup can be practical if there is a large community of workers who can gather in a central location. One employer we interviewed had implemented a van for a group of workers based out of Worcester for example.

Coordinate shift times with transit schedules. Rearranging the schedules of employees to make sure they can access public transit can be a practical solution. Existing bus routes may be available, but the travel time to make it from the nearest stop to the worksite while still being on time may be impractical. Allowing flexibility to account for employees making the trek over the last mile could help keep people in their jobs or make a new position more attractive to candidates.

Provide some form of travel compensation or commuting subsidy. Identifying workers with longer commutes and subsidizing that commute in some way is a practical way of investing in employees. Incentives to use public transit could also soften the impact of new candidates realizing that the housing they can afford is not the housing closest to their job. A more affordable house a few stops away on commuter rail is even more practical if the cost of using that rail line is subsidized.

Mid-term:

Adjust transit schedules to closely match shift changes and advocate for more transit routes. As a complement to adjusting shift schedules to match existing public transit routes, employees could compare notes on what transportation challenges their workers are facing. They may find that there are

¹¹ DOT, Expanding Traveler Choices through the Use of Incentives: A Compendium of Examples:
<https://ops.fhwa.dot.gov/publications/fhwahop18071/ch4.htm>

small practical changes to the existing transportation network that might help everybody. In Vermont, a group of employers gathered as part of the United Way's Working Bridge Program. Their discussions made them realize that the local bus departed a centrally located station, 15 minutes before the end of the second shift. They were able to work with the local transit authority to make sure their workers could catch the bus without having to leave early. As with the example in Vermont, by coordinating with other employers, issues in transportation can be identified and mitigated. That employer group can also be an advocate for improvements in transportation routes, to create stops closer to workplaces. Something the Working Bridges program found was that workers were less enthusiastic about public transportation than their employers were. That is something to keep in mind, having a car allows for a higher level of independence, but solutions can be found to make public transit a more attractive option for employees.

Cooperate with ride share companies. Along with app-based car-pooling solutions, ride-share companies like Uber and Lyft offer programs where employers can hire their drivers to operate a carpool for workers.¹² In many parts of North Central this may not be practical because it is dependent on a concentration of drivers, but it is a highly flexible option that may be right for certain situations. The cost of such a program could be deducted from employee paychecks pre-tax, potentially achieving a cost savings for the worker over other forms of transport.

Offer relocation expense coverage. Providing funds for employees to relocate can make accepting a job offer that much easier and get them started on the right foot in a new place. This could initially be a small expense such as money towards the costs of a truck or movers.

Advocate for all-income housing developments in close vicinity to public transport. As a group, employers in the region should advocate for more housing construction in the vicinity of existing transit infrastructure. This provides housing for future employees and reduces the cost of living in the state by tying housing and public transit together. Changes to zoning requirements should make it easier to build homes in the vicinity of transit stops¹³, but a pressure will be ensuring that housing has room for North Central workers and is not immediately occupied by Boston Metro area employees.

Long-term:

Develop a Transportation Management Association for the North Central Region.

Transportation Management Associations (TMA) are membership based, public-private partnerships. They are made-up of employers, local institutions and municipalities that are joined together under a formal agreement and dedicated to providing and promoting transportation options for commuters that can reduce traffic congestion, promote alternative transportation methods, and improve air quality. They support carpooling services for employees and run programs that incentivize activities like biking through raffles and events like free bike-tune ups, they can then relate those programs directly to the employer's carbon footprint, so that the employer can use the greener commutes of their workers as a carbon mitigation strategy. They often offer Emergency/Guaranteed Ride Home programs which ensure that

¹² Lyft Shared Ride Commuter Benefits: <https://help.lyft.com/hc/e/all/articles/115013080828-Lyft-Shared-ride-commuter-benefits> and Uber for Business: <https://www.uber.com/us/en/business/solutions/rides/commute/>

¹³ Multi-Family Zoning Requirement for MBTA Communities: <https://www.mass.gov/info-details/multi-family-zoning-requirement-for-mbta-communities>

employees participating in a green commute mode such as carpooling, vanpooling, biking, walking or public transit will be provided free transportation home in the event of an emergency, illness, or unexpected overtime while at work. Sometimes referred to as a “commuter insurance”, an Emergency/Guaranteed Ride Home helps alleviate concerns of being stranded at work without a car if you have commuted by an alternative mode. Most Massachusetts TMAs exist in the immediate vicinity of Boston, but some are available in the vicinity of Route 128.

A recent example of a TMA in action is a two year pilot program in the Somerville/Cambridge area, intended for employees of the city of Boston, Google, Sanofi, and retailers at Assembly Row in Somerville which allows these workers to ride the MBTA subways and buses for free under a two-year pilot program paid for by the employers.¹⁴ The program is an extension of the MIT Access program which offered similar perks to students, and is managed by Assembly Connect a Somerville based TMA. The program is pay as you go, so that employers only pay for trips that actually get taken. An intent of the program is to make it easier for employers to get workers by lowering the cost of new hires to actually get to the job. Employer subsidized bus fares may not be a perfect fit for the North Central region, but TMAs can implement a very wide array of strategies to smooth worker access to the job site and reduce emissions.

Extend transportation routes. The North Central Chamber and employers should be advocating for expansion of transportation using some of the funding mentioned earlier. As a group, employers can make a case for where transportation infrastructure should be and what it should look like. They can also advocate for the expansion of transportation services oriented to specific groups. For example, Montachusett Regional Transit Authority already offers a para-transit service for people with disabilities, but the Chamber and employers can advocate for more investment in this service to open up local employers to more types of workers.

Coordinate with other local firms to fund worker transportation. Groups of employers could pool resources and knowledge together to create a supportive transportation network. If one employer establishes a carpool program that works, it could be shared with others. Such a change would improve the attractiveness of the entire region to new employees.

Provide funding assistance towards down payments or first and last month’s rent to encourage prospective employees to move to the area. Directly funding housing expenses for employees may be worthwhile for employers. Particularly for highly skilled workers, helping to finance rent or a home could be a long-term investment in your workforce. An employer does not need to shoulder the full cost of a down payment, for example there are programs like Employer Assisted Housing through Fannie Mae¹⁵ which offers up to \$10,000 towards a down payment at favorable terms and incentivizes employee retention without putting that employee completely on the hook should they find that the job isn’t a good fit for them.

¹⁴ Boston, businesses to pay for employee bus, subway rides: <https://commonwealthmagazine.org/transportation/boston-businesses-to-pay-for-employee-bus-subway-rides/>

¹⁵ National Housing Conference Employer Assisted Housing: A solution for companies, employees and communities: <https://nhc.org/employer-assisted-housing-a-solution-for-companies-employees-and-communities/>

Provide funding to get employees stable transportation. Sometimes a worker cannot take a job, or reliably attend their current job because they are tied to a car that is unreliable or a transit route that is unpredictable. In such a case, it may make sense for an employer to invest in their employee's transportation directly. For example, Vermont's Working Bridges program also created a resource coordinator position, hired by the United Way, whose sole purpose was to work with employees across multiple companies and identify ways to help them do their job. In one case, an employee's car was constantly breaking down, the resource coordinator worked with the employer to support a car loan with a reasonable payment schedule, the employee got a new car and was able to get to work reliably once again.

Skill Barriers

Skill barriers are those that hinder a person's ability to work due to the lack of necessary skills for the jobs available to them.

In more recent years, there has been a primary focus on sending high school students to 4-year universities which has hindered the technical schools' ability to accept students who need alternate modes of learning. This dichotomy between education and trades has left many people choosing neither, or attempting college because the pressure of social norms only to ultimately drop out before earning a degree. Those students who attend and successfully complete their 4-year universities tend to leave North Central and move closer to their places of work. North Central businesses typically require either a degree or technical skills from their employees leaving those without said qualifications as discouraged workers. Many discouraged workers could be trained or educated but are not able to pursue it due to financial or familial reasons. Instead, they work jobs that do not suit them and their skills and remain stuck in a job with no career path for fear of losing income. This barrier has been exemplified following the pandemic; the pandemic has pushed a technological revolution on our workplaces, creating a need for technological skills in nearly every position. Current workers are not learning the skills that future workers are being taught, so they are not able to meet the needs of a company compared to more traditionally qualified candidates, despite having the potential for success.

Current Problem

- **College is increasingly expensive and there is a historical over-emphasis on college prep at the high school level.** This puts pressure on young students to pursue a college education rather than exploring options of technical schools or trade-work. Many students choose to attend a 4-year university despite the high prices and fears of debt due to societal pressure. A 2021 survey of high school students found that over 85 percent of respondents felt pressured to pursue a four-year degree, with much of that pressure coming from family and society.¹⁶
- **Technical schools cannot keep up with demand.** Technical schools are forced to limit the number of students who attend despite students who need different modes of education. The average age of trade workers is older than many other industries; these people with trade skills are aging out of the workforce, and not being replaced by new tradespeople. Instead, students with pathways to college and careers choose trade schools to round out their education and continue to follow the path to 4-year universities. These students then end up in professional or service-oriented jobs and not in the manufacturing industry or trades that are in need of workers in North Central.
- **Pipeline bringing young people into the local labor force is ill-defined.** For young people who remain local during prime working-age, the path to enter the local labor force is not always clear. There is a lack of mentoring within companies and education systems to help guide people early in their careers into fields that are local and in-demand. Some students train for jobs that

¹⁶ Inside Higher Ed, High School Students Are Uncertain About College:
<https://www.insidehighered.com/admissions/article/2021/11/15/high-school-students-arent-sure-about-going-college>

will take them away from where they grew up. Others stay locally, but their education may not be compatible with surrounding industries. This either leaves them out of the labor force entirely or forces them to find work elsewhere. When beginning in an industry, wages do not always match those necessary for housing costs of the region. Fitchburg State University has incorporated housing for staff as an optional benefit—allowing workers in entry-level positions to stay locally and avoid the competitive housing market. Assisting young people in their transition from student to employee can encourage younger workers to remain local and seek out opportunities within industries in the region.

- **There is a lack of training within companies that allow current employees to advance.** Companies do not always train and for employees to continue to advance, additional education may be required, and employers are not always equipped to provide that next level. This lack of training puts current workers at a disadvantage when competing against more well qualified applicants.
- **Adherence to strict measures of skill such as degrees or certification.** Many businesses require college degrees or technical certifications. These credentials can be expensive, time consuming and sometimes excessively difficult to achieve. Many students drop out or do not complete the college accreditation that is a baseline qualification for applying to many jobs. Many never even pursue a degree because of the cost and time required. Even when a degree is not required technical certifications might be. These requirements are meant to ensure that a candidate can do the job but may also artificially reduce the available labor pool if the requirement is too far out of reach.
- **Aging workforce may lack the latest skills despite a wealth of experience.** Older workers also face the skills barriers as societal expectations have changed over the years. Technological advancements and degree requirements are new expectations of employers and older generations may find they do not possess these requirements or have a ready means for earning the new skills.

Future Problem

This barrier has seen an increase in prevalence following the evolution of societal pressure for advanced degrees and technological advancements. Due to its growing presence, the skill barrier will likely lead to future problems.

- **It is difficult to educate for an economy that is actively evolving.** The factors that go into creating this barrier, formal education, and technological advancements, are still relatively new. As technology is rapidly evolving, workers are struggling to keep up with necessary skills and by the time they master a new skill, there is yet another requirement to be learned before being deemed qualified by employers. Additionally, it is difficult to prepare for an evolving skill set that is progressing as fast as technological advancements.
- **Imbalance of education between trades and 4-year degree type programs will carry forward.** Many students with pathways to college and careers choose trade schools to round out

their education despite the ability to attend a school focused on college preparation. While these students benefit from the skills learned from trade schools, they may end up in jobs which do not actually require the technical education those schools offer.

- **COVID-19 has had lasting impacts on students, and it is not yet clear what the enduring impacts will be.** COVID-19 reshaped workplace expectations in a variety of ways. For students, many classes were moved remotely, requiring an adjustment to new learning styles. With these and other types of changes, many students left the educational environment entirely. The longer-term effects COVID-19 has had on students has yet to fully hit the labor force, and therefore the impact remains unknown.

People who face this barrier

Older workers did not always need the required skills that are now necessary to participate in the labor force. Many older workers do not have college degrees, and even those who do have not advanced their knowledge at the speed of technology. **People without a history of employment** also face this barrier as they cannot showcase skills that they may have without formal training or certifications. These skills, which may be mastered by a worker, have yet to be proved and backed by a previous employer and therefore are not recognized by future employers. **People without a 4-year degree** tend to be deemed unqualified for a job based solely on their lack of educational attainment despite potentially having skills or knowledge that may be beneficial to the company. **Low-income people** may not have the financial or familial freedoms to further their education/skillset. Many programs such as college or trade schools require payments that may be out of reach for low-income people. Additionally, the time needed to gain a new skill can often interfere with their current job—being considered low-income many people cannot afford to take the time needed to earn qualifications continuing to leave them disadvantaged.

Other people who face this barrier include:

- Young Families
- Young people Not in Education Employment or Training (NEET)
- Immigrants
- Refugees
- Black, Indigenous, (and) People of Color (BIPOC)
- Previously Incarcerated
- Mothers with Children

Solutions

In order to get these communities past the skills barrier, there needs to be a system to get them education and training so they can fulfill their workforce potential. Organizations such as MassHire have funding to help train select populations, for example they operate a Commercial Driver's License program for reentry/formerly incarcerated persons. They also partner with other organizations such as the Massachusetts Rehabilitation Commission to get people with disabilities working again. Programs specifically tailored to populations can bring them into the workforce, there was a sense in interviews that resources have never been more abundant for these types of programs, but that work is needed for those

programs to efficiently meet the workforce need. The Commonwealth Corporation is another resource that could provide programs for mentoring and other pipelines to careers. The Safe and Successful Youth Initiative creates pathways for youth to find jobs, encourages employers to utilize re-entry populations and aims to help socialize employers around their own biases about discouraged populations such as those with disabilities, youth, etc. These programs exist and could be utilized to address the skill barrier that prevents certain populations from fulfilling their labor force potential and could be paired with a variety of solutions that vary from short-term to long-term.

Short-term:

Offer paid training and education vouchers. Paid training and education vouchers would assist populations that cannot afford to do so on their own. Many people cannot afford to take time from work to give the necessary attention to learning a new skill, or do not have the proper funds to continue their education. Mount Wachusett Community College and Fitchburg State University offer a variety of courses, many of which are geared toward entry-level employees or corporate programs. The corporate programs focus on language skills, initiatives for companies to offer pathways for success and training customized to the employers. To succeed in these programs, workers will need to be given the time to attend, with the promise that they will be more productive in the future.

Continue to coordinate with local institutions on breaking down skills barriers. Further coordination can provoke conversations about what practices are currently providing training and support for the populations affected by the skills barrier. This can lead to implementation of future initiatives and resources for current and future employees. Local institutions such as Mount Wachusett and Fitchburg State coordinate programs towards community and employer needs. In collaboration with employers, Mount Wachusett has begun developing a new Veteran Worker's Initiative that assists local veterans with the transition from military skills to college/civilian skills. This program connects regional employers to students on campus, hosts panel discussions with organizations that educate employers on how to be responsive and sensitive to veteran needs and utilizes the college's career services by connecting students with business partners in the area. This program also provides resources that are useful to veterans such as resume writing and interview techniques workshops. MassHire engages with local high school students that show interest in local industries. This engagement provides a resource for students to explore their industry of interest and creates a future labor pool for said industries. SMC LTD. in Devens also has affiliation with UMass Lowell, Worcester Polytechnic Institute, and other universities which lead to co-op and internship programs that act as a resource for college students to learn more about their industry of choice and potentially help onboard them with local employers once they graduate. Bemis in Devens has been able to hire workers from the Mount Wachusett manufacturing certificate program. These are examples of programs in affiliation with local education institutions that directly feed workers into local employers.

Establish mentors within the workplace. Establishing mentors within the workplace can allow current employees to have first-hand experience and training on a new skill that may be needed going forward. This experience can be useful resources for the employer and strengthen the employee's ability to grow within the company. These mentorships can also be provided to new employees who may need additional experience to master a necessary skill.

Offer incentives for employees who return to school or training. Many employees either cannot or do not seek further education or training once in a job that meets their current needs. Offering incentives can provide an opportunity for employees to further their knowledge within the industry in which they work, benefitting both the employees' offered skills and the employers' resources. Additional trainings and education can also provide overall room to grow within a company or industry.

Adjust skill requirements in job postings. When within a job posting, skill requirements can deter potential applicants from pursuing certain jobs due to lack of formal credentials. Adjusting these requirements to allow for the substitution of experience rather than a strict degree, could broaden the pool of applicants to include people who may face a skills barrier. Springfield Works, a program which is part of the National Fund for Workforce Solutions¹⁷ and seeks to boost labor force participation rates (LFPR), developed skill-based job descriptions for its partners, which emphasized skills rather than degree requirements.

Schedule regular performance reviews and provide incremental promotions. Regular performance reports could provide insight on performance as an employee. They could explain skills or other factors that could be worked on. These practices help the employee generate momentum at the company, helps them address problem areas and identify what skills may be useful for them to continue advancing. The transparency in performance reviews could allow the employee to grow at a realistic rate within the company. Providing incremental promotions would detail a path for employees to follow and checkpoints to strive for with each performance review. The opportunity of promotions would encourage workers to put forth effort within the company and pursuing future skills. These reviews should be a constructive process and not a punitive one so that workers feel safe to be honest about their own performance.

Mid-term:

Offer student loan forgiveness programs. These programs can be utilized to incentivize education for employees. Many employees do not further their education due to the student debt that usually pairs with degrees or certifications. Student loan forgiveness programs can help alleviate the stress of finances while also providing an incentive to join industries. Fitchburg State Nursing students are included in a program where they are invited on-site at Heywood Hospital to learn skills and hands-on practice. If these students take employment at the hospital, they can receive student loan debt forgiveness.

Part-time training for at-home for moms. Mothers with children usually find it difficult to re-enter the labor force. Many mothers choose to stay at home as a cheaper alternative to daycare. Note that fathers may also need similar assistance but men are much less likely to be the at-home parent. If parents choose to further develop their skills, the financial burden is not just that of education but also childcare. Part-time training would allow mothers to gain skills necessary to participate in the labor force while being accommodating to their needs. Part-time education can also benefit parents. Mount Wachusett Community College has incorporated flexible programming that offers a lot of support and customization that can be of use to stay-at-home mothers as well as fathers facing similar conditions. The particular burden on mothers does reflect a long-standing cultural gender bias that needs to be addressed for a more efficient

¹⁷ Springfield Works, Working Together to create pathways to opportunity: <https://springfieldworks.net/>

and functional labor market. The withdrawal of women from the labor force to provide care was particularly acute during the early stages of the pandemic.

Collaborate with local colleges, high schools, and vocational schools to offer training or credentialing for the current and future workforce. Local colleges and vocational schools could provide affordable training for people who are currently facing the skills barrier in their workplace. Local vocational schools such as Nashoba Valley Technical High School has established the Nashoba Career Technical Institute in collaboration with MassHire that is geared towards adults without training or credentialing. This program offers a flexible schedule to achieve vocational certificates in a way that is designed for adults seeking industry-approved technical skills in high demand industries. Fitchburg State has a high-school future educator program which allows high school students to earn a leadership certificate related to education and credit towards an educational degree in college. Alongside dual enrollment, these programs can jumpstart a teaching career and get local students into important working roles in their community.

Collaborate with K-12 educational institutions to help orient the curriculum to create pathways for students into the local labor market. Conventional K-12 schools should think about career pathways for all their students, particularly when those students do not intend to go to college. Local employers should advise teachers and administrators about how to educate kids for the jobs that already exist nearby. More schools could provide work-based learning opportunities so that kids can experience jobs and career paths that may fit them better. Schools could incorporate some courses similar to vocational schools so that students can learn more about possible career paths without having to attend an entirely different school. Ideally, schools would be better able to present their students with more options for after high school graduation.

Expand career exploration opportunities for young students. In 2020, about 64 percent of Massachusetts high school graduates attended college¹⁸, close to the nationwide rate of 63 percent¹⁹. College is not an ideal fit for every student, so it is important to make sure young people know about alternative pathways. Expanding career exploration in the K-12 school system will allow students to explore career options and gain knowledge on industries before applying to college or entering the workforce. Career exploration can include access to internships, career fairs, job shadowing or mentors for students which will offer insight on how to enter a specific industry. These programs may also be geared towards those not interested in college by providing opportunities in local industries which could use the help of high school graduates. Some states have stricter requirements on career readiness. For example, the state of Alabama mandates that all high school students take a career preparedness course. This course places importance on industry exposure and the development of soft skills such as work ethics, communication, and leadership. It also walks students through the practicalities of paying for and applying to a college if they are interested. The course also covers tasks like resume writing, interviewing and basic budgeting for when that first paycheck does arrive. Alabama also runs career fairs with an emphasis on experiential learning to help young people get a sense of possible career paths. Exposing students to the

¹⁸ MA DOE 2019-20 Graduates Attending Institutions of Higher Education (District) - All Students - All Colleges and Universities: <https://profiles.doe.mass.edu/statereport/gradsattendingcollege.aspx>

¹⁹ National Center of Education Statistics, Immediate College Enrollment Rate: <https://nces.ed.gov/programs/coe/indicator/cpa>

full range of options after high school could help young people stay in their community by exposing them to local jobs they can succeed in.

Establish career ladders for more positions. Establishing career ladders for more positions will allow employees to grow at a rate that is beneficial for both the worker and the employer. Growth within a company allows necessary skills to be obtained by current employees while creating openings for others in entry-level positions. Great Wolf Lodge has created a clear pathway for its employees to grow from starter positions such as cashier to shift manager. UMass Memorial Hospital has also incorporated ladder programs for their nursing aides to have a clear pathway for advancement.

Reach out to community, plan events for youth and for other groups that could work locally.

Local youth can be encouraged to work in local industries before reaching the age where skills or education are mandatory for labor force participation. MassHire utilizes workforce training grants that are used to create relationships with high schools and employers. These grants are used primarily for those students not heading for higher education. This focus is to provide more opportunity for those not going on to college to prevent a skills barrier in the future.

Long-term:

Create, promote, and expand programs which offer micro-credentialing. Micro-credentials are assessment-based certifications that prove a skill has been learned or achieved through study programs or stand-alone practices. Micro-credentialing can be used to showcase skills that do not necessarily come from formal education. The primary benefit of micro-credentials is that unlike typical college or training credentials, these certifications should not take much time or money to complete. They may only provide insight on one particular skill but creating “stackable” programs to enhance previous skill sets can provide a path for career growth while remaining in the workforce. If desired, a series of micro-credentials can add up to a certificate or traditional degree. Mount Wachusett Community College offers a certified nursing assistant (CNA) program for the health care industry, which is industry recognized, and a CNA2 program focused on acute care settings. The CNA2 program is not industry recognized, but developed locally by the college with input from local employers to help meet their demands. It would be the next step after completing the CNA and starting pay is higher, with direct pathways into acute care settings. For the manufacturing industry, the college offers production technician, robotics technician, and computer numerical control (CNC) machine operators, among others. A further expansion of these types programs could be beneficial to the local workforce.

Push for reform in schools to prioritize students needing different modes of education.

Recently, vocational schools are facing an influx of students who plan on entering college following their secondary education, rather than into trades. There is still a large body of students who need an alternate mode of education that vocational schools offer such as hands-on learning but are not planning on going to college. The trades are desperately in need of young employees. Instead of limiting the number of students who can access hands-on workforce training, there should be more alignment with industry needs in all high schools to prepare students for careers or college. By connecting with employers in the region, educators could design courses to teach workforce skills that the local economy needs and help ensure success after graduation.

Partner with local training programs to offer career exploration and work-based learning opportunities in all schools.

The growing attractiveness of tech schools in Massachusetts has a lot to do with the pathways it paves to careers. To promote more career-oriented, hands-on learning in all schools, the Department of Elementary and Secondary Education offers a Chapter 74 Partnership Program called “After Dark” which recognizes innovative Career Vocational Technical Education pathways with an alternative delivery schedule through the partnership of a student’s enrolled district and a district established Chapter 74 program.²⁰ This program gives traditional high schools the opportunity to partner with local schools or districts with established Chapter 74 programs and facilities to create pathways for students from traditional and technical high schools to access work-based learning opportunities that are aligned with regional economic and workforce development priorities or labor market demand. The program specifically creates training opportunities after the typical work or school day to accommodate students with priorities during the day, hence the name “After Dark.” There are currently no schools in North Central that have implemented the “After Dark” program specifically, though some local schools do have Chapter 74 related programs already, and some have nighttime programming, such as MT Nites at Montachusett Tech²¹ and there are plenty of other accredited programs available. Expanding “After Dark” to the North Central region could be a great step to take for the smaller high schools in the area.

Create internship programs for high school students; create internship/temporary roles for non-traditional and life-long learners.

Establishing a focus for those who are non-traditional learners will encourage youth to participate in the future labor force. Internships can provide a hands-on learning opportunity for students to get involved in high-demand industries. MassHire’s program for high school students’ places emphasis on students not heading for higher education. For those interested in higher education, Heywood Hospital has created “Camp Med” that shows high school students how hospitals work and provides early career exposure. Mount Wachusett Community College has a program called College Access which provides students in middle and high school with opportunities for academic, college, and career awareness. For high school juniors and seniors in the North Central region, the community college offers an “Early College” or dual enrollment program. In the dual enrollment program, students may take college courses for credit. In the Early College program, these students can enroll as full-time students of Mount Wachusett Community College and work towards, and possibly complete, an associate degree at the same time as their high school diploma. These programs offer an affordable option to high school students and career exposure. The benefits of these programs also include access to community college programs which are already oriented to local industry needs. Another interesting program, though not yet established in the Commonwealth is P-Tech²², an international network of schools which combine a science, technology, engineering, & math (STEM) and information technology oriented high school education with the ability to get an associate degree simultaneously at no extra cost. These programs allow students to get college experience quickly and affordably without a full 4-year commitment and set them up to join the workforce rapidly.

Offer cohort-based training to keep up to date with workplace standards. Cohort-based training would allow for employees to work together through new skills and certifications. Collaboration over

²⁰ Chapter 74 Partnership Program (“After Dark”): <https://www.doe.mass.edu/ccte/cvte/afterdark/>

²¹ MT Nites School of Continuing Education: <https://www.montytechnites.com/>

²² P-Tech, Learn about P-TECH schools: <https://www.ptech.org/about/>

course material is shown to increase productivity and accountability as such training provides an opportunity to share ideas and knowledge with co-workers when completing and achieving skills. These trainings encourage engagement between learners, instructors, and other support resources. Coworkers already operate as a team to do their daily job, by working as a team on training they can advance their skills more effectively together.

Structural Barriers

Rooted in discriminatory practices, structural barriers disqualify candidates on a technicality before they are even considered for the job.

Many Massachusetts' workers are willing and ready to work but cannot find work due to spoken (and unspoken) rules and regulations, some of which can be racist, sexist and/or ableist in nature. Rules and regulations in this case refer to the set of expectations for workers at a workplace, conceived by multiple sources over time. Federal or state laws and policies disqualify some workers from getting certain jobs, such as restrictions on the types of workers who can operate certain equipment in the workplace due to their previous criminal record. Structures such as company policies, hierarchy, and culture define the types of people who the company has always and will continue to expect in their workforce. For example, a person who is hard of hearing might require visual instruction to complete their job and they might complete it very well, but they are not even considered by a hearing hiring manager because the role is traditionally filled by a hearing person. Job requirements and application processes discourage workers from applying by unnecessarily marking up credentials and disqualifies capable workers using restrictive filters. Collective or personal beliefs and morals, implicit biases, and precedent or tradition might result in a hiring manager choosing a white man for a promotion over a well-deserving woman or person of color. No matter the source, systemic practices that are inherently discriminatory in nature have kept workers out of the workforce for years, creating a population of hidden workers in the state.

Current Problem

- **Perceived risk of hiring justice-involved individuals remains despite 'banning the box.'** Massachusetts adopted the Obama administration's ban the box or fair chance policy at its inception in 2010, but that doesn't prevent employers from asking about criminal records at the interview stage or beyond. Many justice-involved individuals are turned down from jobs due to fear of recidivism even though they are often required to seek employment as a part of their parole agreements.
- **Federal and state restrictions create obstacles for people with a history of incarceration to find meaningful employment.** Depending on the nature of their products, some companies are not able to hire workers due to legislation that prohibits people with certain criminal records from working on the production of medications or medical devices. Other companies may be able to hire workers at the floor-level but are not able to offer them promotions because there are restrictions on job duties at that level such as driving trucks worth over a certain amount.
- **Over-credentialing job postings and adding unnecessary requirements discourages some workers from even applying to jobs.** With 45 percent of people in Massachusetts having a bachelor's degree or higher, it is no surprise that employers have an expectation for

highly credentialed applicants. However, some job postings are listing bachelor's degrees as the minimum requirement for jobs that could be done by someone without a degree. Between educational requirements and extraneous job descriptions, many workers will not even apply for jobs that could suit them out of the fear of rejection.

- **Employers use automation and other exclusive metric-based approaches to choose applicants for interview.** It is helpful and necessary for some large companies to create a smaller pool of applications to review, but some automated programs are filtering out qualified candidates based on a technicality or error. Some qualified candidates might have the level of education required, but it could perhaps be written differently and therefore dropped from the pool. Others are capable of exceeding job expectations but might be filtered if they do not have degrees or a history of employment.
- **The nature of certain jobs creates practical restrictions for some workers.** Sometimes, structural barriers are not made intentionally but inadvertently exclude potential workers. Not all jobs can create remote work or be flexible with start times and some jobs require a great deal of physical or mental exertion, which means that not all workers are able to apply to those postings.
- **Benefits cliffs - certain jobs pay too much for people to remain in social assistance programs, but too little for workers to seek those benefits in the private market.** Low-income persons who use social assistance programs face a unique pressure related to the benefits they receive. Many social assistance programs are tied to income. This means that any promotion or pay raise could disqualify these people from benefits whose value greatly exceeds the increase in pay or quality of the new job. The structure of certain government social assistance programs prevents a part of the labor force from advancing in their careers which in turn forces them to remain on social assistance.

Future Problem

- **Implicitly (or explicitly) biased hiring committees are not choosing to hire workers who are historically disadvantaged.** Instead, they end up hiring people who have similar beliefs to them, speak like them and look like them. Discrimination can look like racism, sexism, ableism, or even hiring a person who has taken extra classes because it makes them look more dedicated than the person who was also taking care of children during college.
- **People who use legal marijuana are not able to take jobs that drug test.** Though it has been made legal in the state of Massachusetts, cannabis is still a federally regulated substance and is illegal at the national level. Employers with projects for the federal government must adhere to federal guidelines which prohibit cannabis use, even though it is legal in Massachusetts where the business is located. People who use cannabis for medicinal purposes are effectively disqualified from those positions, which will continue to happen until there is progress at the federal level.

People who face this barrier

Older workers face this barrier because many jobs have tasks that become more difficult with age, particularly work involving physical action. Older workers also face challenges because they are less likely to be equipped to navigate a world where automatic filtering might take them out of the running for a

position on technicalities. An obstacle that younger workers may be more prepared for. People of color face structural barriers in the form of prejudice, with different groups of people sometimes being judged as better or worse for a job simply on their race or ethnicity. Immigrants face many structural barriers as simply being allowed to work in this country can require an immense amount of paperwork and even if they have the skills and experience from their country of origin, making the transition to working in the US can be a challenge because employers are not always equipped to work with people with a slightly different educational or work background than is typical. The formerly incarcerated face many structural barriers, in particular, the fear of recidivism is strong among many employers. Who worry that a person who has served their sentence might cause problems at the employer or get in trouble again and no longer be able to work. Additionally, people with certain types of criminal record are treated differently. One person we spoke with suggested that many employers will often take a person with a violent criminal record over someone with any sexual offense or arson. Sometimes the employer is making a choice based on risk, an employee with a history of driving under the influence may not make the best commercial driver, but other times the rules are somewhat arbitrary.

Other groups who face this barrier include:

- Refugees
- People with formal education (diplomas/degrees)
- People with disabilities
- People without an employment history
- Young people

Solutions

Short-term:

Change applicant filtering. Employers should look at their applicant filters and make sure they are not filtering out people who could do the job but do not display the exact right flags on their resume. There may be candidates who are filtered out before receiving an interview who have nearly everything the employer needs and would be more impressive if given an interview. For example, one study by Harvard Business Review²³ found that half of businesses they surveyed filtered out people with a “work gap,” if a resume has a gap in working of six months or more, they are dropped from the pool of applicants. During the pandemic employers laid off their employees because they could not operate. At the same time, employees left jobs because of fears of health and safety. These forces led to gaps in resumes for many people and filtering out people on that basis may be unfair and an act of employer self-sabotage if these workers are otherwise qualified.

Change application and interview protocol to fit people with different lifestyles. The Harvard Business Review found that of the 8,800 hidden workers they surveyed, the top three employer practices that helped workers get their jobs were an easy job application process, jargon free job descriptions and links to good info and advice on jobs. Interviews should be flexible because applicants need to fit them into their work and life responsibilities. Automation has also caused issues here, as some larger companies will automate interview scheduling, preventing candidates from finding a time that works for them. More

²³ Harvard Business Review, Hidden Workers: Untapped Talent. Study of 8,000 hidden workers and more than 2,250 executives.

remote interviews and a wider interview period will help accommodate more types of candidates. In a labor shortage, where workers have more options, an interview that does not fit an applicant's schedule may be an interview that gets cancelled.

Remove low priority job requirements. Ensure that job requirements are reduced to their essentials. Consider positive filtering, create a list of people who meet the requirements, rather than negative filtering, filtering out on particular items in their resume, and then identify from that group the people who seem the most promising. Employers implemented this technique for certain roles, a March 2021 study of job postings by analytics company Burning Glass found that the number of postings with “no experience required” increased by two-thirds over 2019.²⁴ Whenever possible, adjust non-job requirements to be more relevant to the tasks that needs to be done. The Harvard Business Review found that only 19 percent of employers surveyed significantly modified their job posting templates for middle-skill level positions²⁵ when posting for a position. By only making modifications to existing requirements there can be a tendency to simply tack on new needs to the description, creating a job that is hyper focused to only a specific kind of worker which may be difficult to find. Practical considerations should be made for the place that the employer is operating in. For example, a mandatory drug test that is not required for a federal contract may be excessive in a state with legalized cannabis. Physical requirements, often inserted into every role to ensure all an employer's bases are covered, may not be necessary for the job at hand and workarounds can be developed ahead of time, for candidates who might not be able to do physical aspects of their job due to age or disability. Unnecessary physical requirements are general illegal under the ADA, but for some roles there may be creative solutions to physical requirements that could expand the number of eligible candidates for a role.

Mid-term:

Work with experts on post-carceral employment. Employers may be hesitant to work with post-carceral workers. Organizations like Commonwealth Corporation can help prepare employers to work with previously incarcerated workers and identify and remove points of tension at each workplace. Commonwealth Corp already operates an adult re-entry program which begins work with incarcerated persons three months before release. By starting support services before release, they can help find jobs that justice-involved individuals have the skills and are interested in, with local employers. After leaving prison, people face a huge number of barriers, outright discrimination because of their criminal status as well as gaps in their work experience and education. Finding housing for example, is an immense struggle for them as their criminal history may be considered on a rental application. Resources are available to help smooth the transition for these workers if employers can make the connection with groups like the Commonwealth Corporation or MassHire.

Establish and expand diversity, equity, and inclusion (DEI) initiatives. Diversity, equity, and inclusion efforts should continue, and ideally put into practice across employers both for consistency and to reduce the burden on individual businesses to expend resources in designing, developing, and implementing their own programs. DEI initiatives should always elevate the business case as well as arguing for the moral responsibility of employers in hiring. Hiring hidden workers is not simply the right

²⁴ New York Times “Workers Are Gaining Leverage Over Employers Right Before Our Eyes,” June 5, 2021

²⁵ Harvard Business Review, Hidden Workers: Untapped Talent, Page 22.

thing to do, nor is it an act of charity. Hidden workers help create a more creative and robust workforce. They help form a more welcoming business environment. These benefits lead to a better business while also improving our communities. With increasingly diverse regional, national, and international customer bases, there is a business imperative to reflect DEI in HR and operational practices. Engaging in these practices can increase competitive advantage, profitability, innovation, and morale. One of the services the Commonwealth Corporation also provides is socializing employers to a variety of groups of potential workers, from young people to those with disabilities, among others. They help frame how different types of hidden workers could fit into a given workplace and help overcome entrenched bias.

Customize recruiting efforts to each group. Every group of hidden workers has their own needs, job postings should be targeted at different groups. The Harvard Business Review study found that employers who hire hidden workers only tend to hire workers from five or fewer groups. Posting for jobs in places where different groups are more likely to find them and making posts accessible for non-English speaking audiences or for people with accessibility needs like screen readers can broaden the potential applicant pool. One employer we spoke with had dedicated recruiting drives for different groups, in one week they would target their hiring efforts on social media to a particular group, they would hold a career fair and extend invites to representatives of those hidden workers. Part of the effort was community outreach but there was also a strong business case as this employer had vacancies that needed to be filled.

Sometimes recruiting can be done through a group that has direct experience and connections with a certain type of hidden worker. An interview with an employer pointed us to the Seven Hills Foundation based in Worcester²⁶, which has a program of worker placement for people with disabilities. Seven Hills helps the employers identify what kind of roles these workers could fill. This helps employers get help they need by getting expertise of people who already know these hidden workers well. Programs like Open Sky Community Services partner with individuals and families with intellectual disabilities, substance use disorders or other complex challenges to provide wrap-around support services. In particular, their Career Services arm offers employment-based skills training, job development and placement, initial employment supports, ongoing and interim flexible support services. Partnering with organizations like these is a great way to skip the variability of advertising to the public and create a pipeline from workers to employers.

Make workplaces American Disabilities Act (ADA) compliant. Employers are required to provide reasonable accommodation for any disabled persons that apply or are hired. Preemptively thinking about ways in which the job site can be made more accessible and making those improvements ahead of time can help create a workplace that is immediately accessible to more types of hidden workers.

Engage with the Workforce Competitiveness Trust Fund. The Commonwealth Corporation administers the Workforce Competitiveness Trust Fund (WCTF)²⁷ which helps develop industry-focused job training for many of the types of hidden workers discussed in this report. Employers can partner with local workforce development organizations to apply for funding for occupationally targeted training of underemployed and unemployed workers. Since 2010 programs supported by this fund have placed employees with 650 employers statewide and 85 percent were low-income persons. Programs supported

²⁶ Seven Hills Workforce Readiness & Employment: <https://www.sevenhills.org/programs/workforce-readiness-and-employment>

²⁷ Workforce Competitiveness Fund: <https://commcorp.org/program/workforce-competitiveness-trust-fund/>

by this fund can help hidden workers get their foot in the door and help them overcome structural barriers that prevent them from getting the skills they need or from getting noticed when applying for jobs. In 2021 the fund distributed more than \$7 million in funding around the state, primarily to educational institutions and workforce development boards such as those through MassHire.

In general, the workforce development experts we spoke with indicated that there was a large amount of funding for training people, the issue is getting people in the door and making sure they follow through. Cooperation with employers is one way to ensure that these programs are bringing in people and training them for good jobs they can get excited about.

Long-term:

Act as a reference for previously incarcerated people. Whenever an employer hires previously incarcerated persons, it is important that they advocate for them whenever possible. In our discussions with workforce experts and research, the lack of good references and work experience for previously incarcerated persons made it very difficult for them to be hired. Someone's incarceration can follow them from job-to-job, when they decide to transition to another employer it is important that they get support as a reference from the old employer if their work was satisfactory. Not only is this the right thing to do, it also helps ensure that the worker remains in the industry. Supporting them in their transition to a job that might fit them better will increase the chances that they come back if their circumstance's change, and they may come back with even more skills to share. Investments in workers in each industry should not be seen as only benefiting their main employer. North Central can cultivate a pool of labor, including many types of hidden workers that all local employers can call upon.

Create innovative job roles to hire people without breaking requirements. Sometimes, hiring hidden workers can be difficult if the role is not a good fit, so the easiest way to get those workers in the door is by creating new roles. Previously incarcerated persons, for example, or those with a history of drug use, may be incompatible with certain roles at places like a medical manufacturing plant where pharmaceuticals are close by, but a role could be created that avoids that point of tension and allows an employer to find use for more people. This reflects the earlier suggestion of modifying requirements. Employers should ask themselves, can a role be created that achieves a certain goal at the employer, without disqualifying various classes of hidden worker? If that work is done, the employer will have a role that is flexible and widely accessible, and somewhat immune to fluctuations in local demographics or the labor market more generally.

Hire and promote hidden workers as leaders. In the long term, hidden workers should be given chances to have more of a say. Their unique experiences and talents can help guide future decision making and build an employer that is better able to use whatever talent is available. Hiring hidden workers is good business. The Harvard Business Review found that "Nearly two-thirds of all such business leaders [who hired a substantial number of hidden workers] reported that, once hired, previously hidden workers performed "better or significantly better" in six key areas that matter most to employers: attitude and

work ethic, productivity, quality of work, employee engagement, attendance, and innovation”²⁸ These workers can do the job and may offer distinct advantages.

Implement Universal Design to make workplaces more accessible to a wider range of employees. An extension of the ADA accessibility suggestion shown earlier in the report, “universal design” means that a workplace is designed for people of all abilities, as opposed to designed for the average person and then accommodations are made for people with say, various handicaps. It means designing your facilities, programs, and services with all types of abilities, ages, reading levels, learning styles, languages, and cultures in mind. This is a broad suggestion to think about work in a way that makes it doable by as many types of people as possible, because the idealized worker is rarely available, so the work should be able to fit who is available. Not only does Universal Design provide more opportunities for the workforce, it is also good for business since creating a welcoming environment, respectful treatment and readily available needed information satisfy pillars of Universal Design. One example from our interviews was an employer which provided instructions for workplace processes in multiple languages. More examples and resources for implementing Universal Design in the workplace can be found on the U.S. Department of Labor’s website.²⁹

Enhance internet accessibility. For a variety of reasons, many of the Commonwealth’s workers are not able to access internet in their homes. Whether it be the knowledge needed to choose a plan and set up the equipment, the income it requires to keep on monthly, or the proximity to certain broadband infrastructure, these requirements are preventing some workers from securing work from home opportunities or job offers. For employers who require internet access, reimbursing employees for the money they spend on internet could help attract and retain workers. The IRS formally announced in 2020 that employers can make tax-free reimbursements to cover home internet, home office, and phone expenses that arose directly from the COVID-19 pandemic.³⁰ Similar to how some employers cover cell phone expenses, employers could cover internet expenses or offer guidance with the necessary set-up.

Continue work to eliminate benefits cliffs. Some workers will be kept out of the labor force due to benefits cliffs, where a job offering a higher income or benefits will disqualify that worker from social assistance programs whose value exceeds the additional compensation the work provides. Programs like the Earned Income Tax Credit (EITC) account for this by tapering assistance off gradually as someone earns more wage income, but other programs have hard cutoffs. Many programs for example are a function of the federal poverty line, which is a very low level of income. Any promotion or a new job that pays more than that threshold will cause a person to lose access to vital programs and that may make additional work simply not worth it. Most recipients of social assistance programs do work, with many programs requiring some amount of work for single adults. As an example, nearly three-quarters of individual SNAP recipients worked in the previous year according to a 2018 study of program

²⁸ Harvard Business Review, Hidden Workers: Untapped Talent, Page 28.

²⁹ U.S. Department of Labor, Office of Disability Employment Policy, Universal Design.
<https://www.dol.gov/agencies/odep/program-areas/employment-supports/universal-design>

³⁰ IRS Code Section 139

participants, with that value rising over 80 percent if you look at SNAP participation by household.³¹ However, they often work in positions with high volatility and use programs like SNAP as support in between jobs. As of early 2022 a bill is in the state senate for a three-year pilot program that would provide a state EITC for 50 individuals and families that experience cliff effects in an attempt to get them working again. It would also offer case managers and workplace mentorship for participants to keep them moving forward. The bill is supported by groups like Springfield WORKS, a Western Massachusetts initiative to assist low-income residents in finding and keeping employment.

³¹ Most Working-Age SNAP Participants Work, But Often in Unstable Jobs: <https://www.cbpp.org/research/food-assistance/most-working-age-snap-participants-work-but-often-in-unstable-jobs>

Work/Life Balance

These barriers arise when workers are forced to prioritize work over personal responsibilities.

Public opinion on the responsibility that employees have to their employers has changed. For many people, prioritizing work over family is neither an option nor what they want to do. Those seeking employment are increasingly looking only for positions that allow them to create a healthy work/life balance, prioritizing things like shift times, benefits, and location over things like the industry, company or job title.

People around the world have witnessed and experienced immense loss since the beginning of the pandemic in 2020, and many of them are realizing that “life is short”. Some people used to give all their time and energy to a job that would replace them tomorrow if they left today, but there has since been a huge emphasis put on the importance of mental health and the role that work/life balance plays in it. Now that we are ascending into a new normal, people have had the time to consider what parts of ‘normal’ are worth returning to, and collectively they have decided to leave jobs without career pathways and/or competitive wages. Armed with the temporary security of additional federal unemployment relief, some workers left the workforce or their previous employment since they could afford to ‘shop around’ in search of a job that suits them. And they were able to do that while putting themselves and their families first, much like the way consumers buy products and services.

Many people who were receiving Pandemic Unemployment Assistance (PUA) were able to collect more than they would earn from a minimum wage job. Employers are feeling the impacts of the shrinking labor force and are scrambling to keep up with competitive wages and benefits packages, causing them to identify the shift as “people not wanting to work”. Nonetheless, only workers who were laid off or fired because of pandemic related reasons are eligible to get these funds, and others who found the now expired PUA benefits attractive are not coming back to the workforce for a variety of work/life balance reasons. In reality, people are no longer willing to work in the way that they previously would have.

Current Problem

- **COVID-19 has reframed the conversation around work-life balance.** Previously, workers were conforming their lives around work. Since the pandemic began, people are reconsidering what obligations they have to their employers and what parts of their lives they want to protect.
- **The traditional 9-to-5 workday does not fit all lifestyles.** The 9-to-5, 5-day work week has long been a standard, but with the increase in productivity and innovative work solutions, there is no longer a need for all workers to conform to that schedule.
- **In a high-cost state during a period of inflation, wages and limited benefits packages can quickly become inadequate.** Minimum wage is \$14.25 in Massachusetts, which is higher than the federal minimum wage, but the living wage a Massachusetts worker must earn to support only themselves without children is \$21.88³². Places like McDonald’s, Dunkin’, and Target are

³² MIT Living Wage Calculation for Massachusetts: <https://livingwage.mit.edu/states/25>

beginning to offer between \$15-\$17 an hour (or more) to start, and outcompeting essential professions like home health aides and others. Without the higher wages, jobs in several critical professions will likely continue to go unfilled.

- **Workers may maintain a particular work/life balance to avoid a “benefit cliff.”** As mentioned earlier, benefits cliffs exist when improved compensation or a new job boosts a worker’s income beyond where they qualify for essential social assistance benefits. For example, low-income people, families and children, pregnant women, the elderly, and people with disabilities and other eligible persons can receive free or low-cost healthcare through MassHealth, but eligibility depends on staying below a certain income level. Part-time workers may be unable to accept additional hours or pay that might get them to a full-time or benefitted position because they will lose benefits they depend on. Some might choose to take a raise and then discover that they make too much to be eligible for public benefits like MassHealth, while simultaneously not making enough to support themselves and their household while paying for a private health insurance plan.
- **Lack of childcare support is a burden, particularly on working mothers.** Massachusetts is one of the most expensive states for childcare, with daycare programs averaging \$15,000 - \$21,000 annually.³³ For a lot of people, the cost of childcare alone is greater than their take home pay, causing them to leave the workforce entirely to care for their children. For those who can afford it, availability and capacity do not always match up with job locations and times.

Future Problem

- **Without career ladders or the sense of upward mobility, employees feel underappreciated, pushing turnover rates higher.** Most people are willing to work extra hard and take on more responsibilities to achieve promotions and earn more money. Many people are not willing to put in the same effort for an employer who intends to keep them at entry-level positions and salaries. Workers are finding that the only way to get raises is by leaving their jobs for a new position at a company that pays more, leaving employers to constantly be hiring and training new employees.
- **Future generations of workers will have expectations about work/life balance that will persist beyond the pandemic.** Though the prioritization of mental health and work/life balance arose due to COVID-19, the chance of that changing quickly is very low. Workers will continue to expect employers to offer a range of perks, benefits and competitive wages in return for hard work, meaning that business responsiveness to these standards will be imperative to maintaining their attractiveness as an employer.

³³ Boston Magazine How To Choose the Right Childcare Option for Your Family: <https://www.bostonmagazine.com/news/2021/08/26/choosing-childcare/%23~:text=Average%20cost%3A%20Daycare%20programs%20run,most%20expensive%20state%20for%20childcare>

- **Increasing childcare costs will continue to drive parents out of the workforce.** Parents and mothers in particular have resorted to leaving their careers in order to care for their children. Some do this out of choice, but for those who do not earn much to begin with, there is no other option but to leave the labor force. Parents are beginning to plan for leaving the workforce, or refraining from starting a family altogether, hindering size of the future generation's workforce.
- **A growing number of aging workers will have to choose between a rigid work schedule and early retirement.** As pointed out in the demographics section of this report, the North Central region's workforce is aging. Initiatives like flexible schedules and targeted benefits will be needed for employers to retain older job holders. Otherwise, these types of often very skilled workers are choosing to retire early and leave the workforce entirely.

People who face this barrier

Work/life balance is a major factor for nearly every worker. Some groups who are particularly sensitive to it include working parents, who must be able to drop work to take care of their kids at a moment's notice and who must navigate childcare in a state where that service is immensely expensive. Similarly, people with elderly relatives will need to take time away from work to care for them for much the same reason, professional care is immensely expensive, and these people have a serious responsibility to care for their loved ones, even at the expense of their working life. Older workers need flexibility because they may not have the ability to work a full-length shift or a full 40-hour week but can contribute substantially on a slightly reduced schedule. Our interviews revealed that young people in general are more interested in work/life balance than other groups. Not only do they want and expect flexibility, particularly through remote work, but they also want to know their work is meaningful and worth their time, in ways that previous generations of worker did not.

Other groups who face this barrier include:

- Immigrants
- Veterans
- Refugees
- People with disabilities
- People without diplomas or degrees
- People without a history of employment
- Previously Incarcerated
- BIPOC
- Young families
- Young professionals and retained locals.
- Young People Not in Education Employment or Training (YEETs)

Solutions

Short-term:

Take employee 'pulse' surveys to monitor worker satisfaction. Anonymous surveying of employees to identify what they need may be a practical solution to identifying issues of work/life balance. Trust must

be established as workers will not share what they are unhappy with if they suspect honesty will cause tensions in the workplace. But, doing so may help in identifying simple solutions that might improve quality of life.

Offer sign-on, quarterly, or other bonuses. A technique already being implemented by some employers we spoke with was to reward employee progress as a retention strategy. Sign-on bonuses are a popular means of getting people in the door as well. Most workers are looking for competitive pay, and an expectation of regular bonuses can benefit workers while helping retain the workforce. They are not always enough though, one employer we spoke with in a high skill field offered substantial sign-on bonuses but still had trouble filling jobs in high demand positions. Regardless, these gestures make workers feel appreciated and in a time of rising costs for everyone, can be a relief for workers budgets.

Reward employees for recommending people to the company. Several employers we talked to have a policy where if an employee got a friend to apply and join the company, the original employee would get a bonus for a period of time, if the new employee remained at their new job. This strategy was successful with employers sharing examples of workers who had brought multiple people on board. Having employees help recruit allows you to engage existing social networks in the community and find workers who otherwise may not have applied without a gentle prodding from someone they know.

Begin creating flexible schedules around employee needs. Scheduling changes such as shorter work week, flexible work agreements, remote and hybrid work options, ad-hoc work, flexible start/end times, can make it possible for some hidden workers to participate in the labor force. Creating a variety of flexible work approaches is key to reaching a wide range of workers. Where possible, remote work is being implemented, when it is not possible, modifying shift schedules to give workers flexibility has been a means of retaining employees. For example, one employer we spoke with runs on four days a week for 12-hour shifts. A lot of workers like this option because it means less workdays. Other people are not able to work that long of a shift, so they offer 8-hour workdays as needed.

Begin to expand benefits for time off and schedule flexibility. Offering time off for specific needs, such as for childcare, as well as allowing for options for time off in general is an excellent strategy for improving employment retention and recruiting. Workers want to know that they will be able to find time to focus on their personal lives without abandoning their work. Offering at least a limited menu of time-off options up front give people that flexibility.

Provide employee discounts/perks. Some employers we spoke with took time to celebrate their employees through special events and other incentives. This helped employees view the workplace as somewhere they found enjoyable to spend time rather than just a regular job. For people who might benefit from goods or services that an employer sells, such as childcare or groceries, employee discounts or perks could alleviate stress in other areas of need, providing more incentive to join the labor force.

Mid-term:

Increase wages and benefits. Employers throughout the region are offering higher wages and more benefits to try to provide a living wage in a high-cost state. Jobs that traditionally did not offer certain kinds of benefits like 401k matching or dental, now do. Employers might also consider expanding benefits

and pay increases to part-time workers. One employer we spoke with had raised wages as much as 20 percent in some positions and had implemented third party wage studies to identify what the right pay level should be.

Create incremental promotions and define career ladders for all roles. Turnover is high in industries or jobs that do not have well defined ladders for advancement. By creating incremental promotions, workers are able to measure their progress and feel good about what they contribute to the company. Incentives for measurable progress motivate workers to put in hard work because they know it will pay off, and competitive wages rewarded helps bolster longevity. Even jobs which may be seen as entry-level or minimum wage should have career ladders because all workers deserve meaningful employment and the chance to gain skills.

Provide incentives for career advancement and reward career longevity. Along with bonuses, providing incentives for people who put the time in to take on more responsibility or to receive more training can be an effective method of retaining them. Our research suggests that workers often get frustrated if they feel they are not achieving some kind of momentum in their roles, creating milestones and rewarding career development can help workers stay on track and with the company. Workers today switch careers often, but employees with a long history can become vital resources for the company as well as their coworkers. Rewarding long term employees can help build a sense that a company is a place worth dedicating ones working life to.

Create positions without requirements to fulfill all parts of a typical job description.

Reconsidering what parts of a job are really necessary can open the door for a lot of non-traditional workers. For example, some service industry jobs might require workers to work on the weekends. Designing a position that does not require weekend work can make that position open to more willing and able workers who might have other obligations on the weekends. This applies especially to people with disabilities as well. For example, a movie theater job might require workers to rotate shifts ushering, working concessions, or ticket ripping. For a person with a physical disability, a stationary ticket-ripping job might be well within their skill set, but due to the requirements for ushering and concessions, they are ineligible for the job.

Offer new benefits such as overtime pay and childcare benefits for part-time workers.

Childcare costs are a huge burden on employees. Many employers we spoke with used existing federal childcare programs such as the childcare tax credit and childcare flex spending account to support childcare, but more could be done to directly support workers childcare needs. Extending benefits to workers who are not full-time would be very attractive for workers with disabilities and others who face benefit cliffs. This will also help address the cliff issue as workers with limited hours and pay, who an employer may want to retain for more hours in the week, will be unable to accept the extra work or risk losing social assistance tied to a certain level of income.

Adjust days/hours of operation to fit employee schedules. Creating hours of operation that match up with employee availability so they can be on the job when it fits their schedule the most can improve retention. For example, adding a night shift option might allow for students or parents to work after they are done with school or childcare during the day.

Long-term:

Offer on-site or nearby childcare in coordination with other community stakeholders to increase supply of childcare. Once again, no employers we spoke with had onsite childcare. Some coordinated with third parties to help workers find childcare and some offered a limited set of days of free childcare at 3rd party centers. Organizations such as Make Opportunity Count (MOC) are partnered with different childcare programs to help families in poverty find options for childcare, but many of the state's funded childcare slots have been utilized and the supply of care overwhelms the demand. In the long term, employer-run childcare centers may become a practical solution to encourage employees to stay in the workforce. Tax credits exist for the construction of childcare facilities and for contracting with childcare providers³⁴, but uptake can be low. As an individual employer it may be impractical but local employers might be able to band together and offer something in cooperation with local government and the Chamber.

For example, the Town of Eastham collaborated among the Finance Committee, Select Board, and administration to create a "Family Support Package" addressing the rising cost of childcare, housing and food for all of its residents. The Family Support Package was funded at \$490,500 for the first year through a property tax assessment of 16 cents per \$1,000 valuation. The program is partnering with existing child-care providers offering full-day preschool for 4-year-olds, half-day preschool for 3-year-olds, as well as setting funds aside for free lunches, food programs and after school programs. A local town administrator found that parents were using it to return to work, even on a limited basis with some parents using it only twice a week."³⁵ Even a small amount of childcare service support can help people take jobs that would have otherwise been inaccessible. Though this is a publicly funded model, it provides great evidence for the structures and funds that can be created to make this happen among private firms in the area. A private model can be even more targeted at the day-care level and include initiatives to partner with licensed childcare centers as well as the process of licensing and funding new centers.

Cultivate a positive work environment and promote healthy work-life balance. Workers may have access to time off and other balance promoting benefits, but if they do not feel they can take advantage of those resources, it does not especially matter. This can be a recipe for worker burnout. Employers should ensure that that workers feel they can maintain their personal balance by making sure employees are not hesitant to take time off. Not only will this improve worker performance by avoiding burnout, it will also make workers feel respected and valued. Workers who maintain a healthy work/life balance should be encouraged and supported as an example to others.

Create a schedule to re-visit benefit packages and wages annually. In the course of regular business, most employers will revisit wages and benefits to see if they are still competitive. But that should also be an opportunity to identify benefits that may set a particular employer apart. One employer we spoke with offered several days of fully paid childcare, so that in an emergency, a worker could get someone to watch their kids. That kind of benefit may not solve the problem of childcare but is something that will make employees feel like they have a backup plan if their normal childcare routine is interrupted.

³⁴ Employer Guide to Childcare Assistance and Tax Credits: <https://www.uschamber.com/workforce/employer-guide-to-childcare-assistance-and-tax-credits>

³⁵ Eastham Preschool Funding Program: <https://www.eastham-ma.gov/624/Eastham-Preschool-Funding-Program>

A healthcare or retirement plan with slightly better benefits may be enough to make a worker choose one place over another, and in North Central Massachusetts, where there is a cluster of advanced manufacturers, those small differences can decide where a worker goes or stays.

Focus on training and retraining employees. Recruiting new talent is important, but investing in incumbent workers can increase productivity as well as attract new talent. People are looking for jobs that offer them a pathway to a career or the potential to learn new skills. Not only is it attractive, but it also a way to promote longevity and mitigate turnover. When employees feel valued by their employer, they are more likely to work hard and remain loyal.

Steps to Growing the North Central Workforce

Though the barriers to entry in North Central's labor force are many, the potential solutions are equally as robust. Some solutions are geared towards the specific needs of hidden workers, and many could yield small but impactful changes. To maximize benefits, UMDI identified a set of steps the Chamber and regional leaders can take to offer solutions that reach the widest range of people. In doing so, we have made some important assumptions about workers' needs.

Most workers' needs cannot be summed up by one barrier to entry or addressed by a single solution, but rather, workers' needs should be addressed holistically. Many workers who leave the workforce do so because they have needs and responsibilities that are not being met. Needs related to childcare, reliable transportation, and even getting enough sleep all impact a person's ability to get to and do good work. A lot of people in the workforce are also enrolled in education of some form and getting them into career pathways requires a level of flexibility in the workplace that needs to be recognized and offered by employers. Part of the work the Chamber can do involves openly recognizing these facets of work/life balance and sharing these beliefs with members.

Addressing these needs requires a wraparound approach where routes to careers are navigated by identifying and adjusting for personal needs. Offering this kind of support does come with a cost though, one that is usually too great for a single business or organization to bear. Mount Wachusett Community College and others in the area are taking steps in the right direction towards wrap around services, but they do not have the funds or the staff to offer complete support in this capacity. Employers in the area are looking feverishly to hire new workers who are already trained and whose resumes align perfectly with job descriptions, which does not always match the skills of the hidden worker population in the North Central region. Monty Tech and other tech schools in the area are filling skill gaps with post-grad training, but they are getting an overwhelming number of applications who they do not have the capacity to enroll. Working aged people in the justice system are seeking work but are turned down by the same employers who are very much in need of labor. With many organizations acting independently towards a similar goal, the efforts to increase the labor force participation rate in the region often go unnoticed or underutilized by those who need them. In order to effectively address a problem (and future problems) of this size, employers, educators, stakeholders and community organizations need to work in tandem on multi-purpose solutions that make working more convenient and rewarding while supporting business growth as well. In short, the first step to attracting and keeping workers in the labor force requires multi-pronged and coordinated efforts between businesses, educators, government, service providers, and institutions.

The North Central Massachusetts Chamber of Commerce is uniquely positioned to facilitate and coordinate work on these key labor force issues facing the region. To begin this process, we recommend the following steps:

Convene employers to discuss geographic barriers. Identify what issues the workforce is facing in terms of transportation and housing and share best practices between employers. This discussion may come

after the employers meet with their workers to identify these issues. Discuss possible solutions to problems as defined in the geographic barriers section, including but not limited to, identifying improvements to existing transit routes and services, incentivizing carpooling, offering travel compensation for distant workers, relocation and housing expense reimbursement and advocating for the North Central region as a group to get infrastructure funding.

Convene employers and local educational institutions to discuss skills barriers. Relationships with local colleges and technical schools already exist for many employers. The North Central Chamber could act as a convener to make sure that efforts are optimized across multiple institutions. These discussions could involve the expansion of existing programs to incorporate more types of students and more employers. They could also discuss ways of implementing continuing education for current workers so that they can continue to advance at the same employer and potentially fill positions with higher skill or educational requirements.

Identify structural barriers and work with employers to reduce them. As an outside party, the North Central Chamber can take an impartial look at hiring practices in the region and find ways to make them fairer and increase the participation of specific groups.

Facilitate cross-employer discussions on work/life balance. A recurring theme throughout interviews was the idea that many people were no longer interested in working in the same way they did prior to the pandemic. As the pandemic winds down but the labor shortage persists, it would appear that the pandemic has shifted priorities for people in terms of work/life balance. The North Central Chamber should help employers redefine what work is in the post-pandemic era. The employers themselves may have a sense of what people need—many brought up the cost of living locally and the abundance of more flexible work opportunities. But different employers, individually, see only segments of the whole picture and only by combining what they know can we get a holistic view of what strategies will help the largest numbers of people. A survey of local workforce sentiment created by the Chamber could provide data on what workers really need from their jobs right now, and it would come from a third party that may allow for more objectivity about what is happening on the ground.

Establish best practices around barriers. The Chamber could cultivate and disseminate the solutions suggested in the barrier and work/life balance sections. The Chamber could create a menu of options for employers on what they might do to find more help. The North Central Chamber can point employers to educational institutions, workforce training programs and grants to help them find workers. This will make the region's labor force more robust into the future.

Create a resource coordinator for North Central Massachusetts. One of the most interesting ideas that we came across in our research was the concept of a resource coordinator. As discussed earlier in the context of solving geographic barriers related to transportation, this is a role that exists outside of any single employer. The Working Bridges program in Vermont implemented this role to help local businesses retain workers and help pull people out of poverty.³⁶ As an employee of the United Way, the coordinator was able to respond to worker needs without putting them in the awkward position of asking their own

³⁶ Working Bridges, Getting, keeping, and growing stable employment: <https://gmunitedway.org/our-work/working-bridges/>

employers directly for help, which can sometimes be difficult and may disrupt work. The coordinator does lots of things for the employees who come to them for help, including finding housing programs to help them stay in the area, working with employers if that employee needs a loan for a new car and working with insurance around health-related payments. The independence of the resource coordinator allows them to work freely with workers and their knowledge of resources in the area helps them get those workers what they need so they can stay on the job. The coordinator may be able to connect employees with groups like Making Opportunity Count (MOC), based in Fitchburg, which provides emergency housing services, supports access to social assistance programs among a number of other services.

Work with organizations to create a pipeline for bringing hidden workers into the North Central labor force. Organizations like the Commonwealth Corporation, MassHire, and Open Sky have established techniques for working with different groups and bringing them into the labor force, whether it is young people, people with disabilities or the formerly incarcerated, among others, these organizations can work with local employers to make the business case that hidden workers can contribute to many of North Central's industries. Programs, such as those traditionally limited to vocational schools, can incentivize younger workers or those looking to enter the workforce. Local organizations can offer insight on industry needs to the region. Additionally, the Chamber of Commerce can assist with this task in supporting wage studies that would provide employers with insight on what workers in various roles will need for compensation.

Prioritize Working with Employers as a Group

Whenever the North Central Chamber convenes employers to tackle these labor force questions, it needs to establish trust and transparency between the people involved. These employers must see themselves and the Chamber as colleagues tackling an issue together.

Our discussion with an expert in Chamber-led workforce development explained that if the trust is not there and employers hold too tightly to their own resources or data then the discussion and finding of solutions is not going to move quickly. Employers must keep in mind that while they may be competitors for business and workers, they often share the same labor pool. Any work to bring workers into the labor pool will help them fill positions. Techniques already exist to get people into high growth, high wage jobs, but employers and workers don't always know about them. It's important to have strong community ties, and work with people active in these programs to establish best practices.

Regular meetings, at least monthly, are necessary to remain on task, otherwise efforts and ideas get lost. When possible, it also helps to have dedicated staff working on these issues, someone to push things along, for whom the work of tackling these issues is their primary task. North Central has made tremendous progress, and already implements many of these strategies but should always keep these factors in mind.

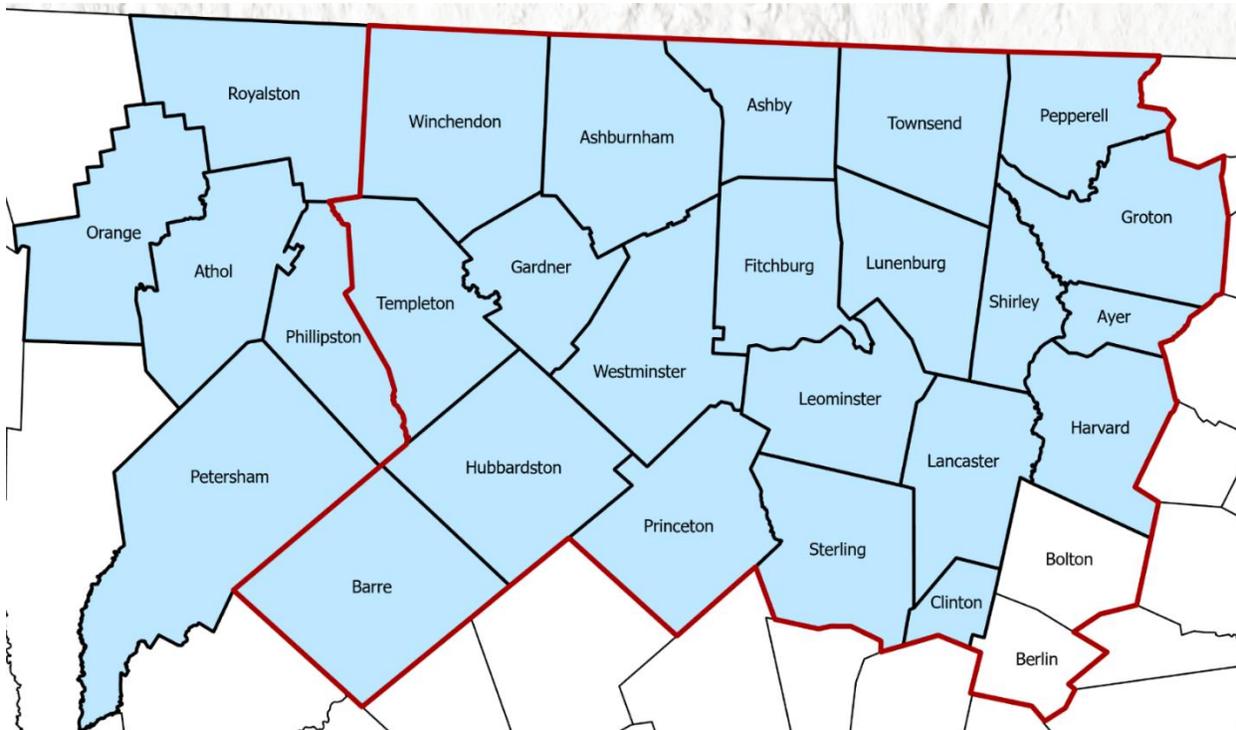
Conclusion

In short, to get workers into the labor force, going to work must be easier. This involves tackling problems that arise outside the job description or before business hours, targeting the logistics of how workers do work. Making work easier involves addressing the obstacles current and future workers face in skills development, discriminatory hiring, and overcoming transportation and life responsibility barriers preventing people from working at all or advancing in their careers. These obstacles differ depending on the lens of the individual and it has become abundantly clear that workers do not have homogeneous needs. In order to increase labor force participation in North Central Massachusetts, the Chamber of Commerce can act as a coordinator between employers, key stakeholders and workers in the development of wrap-around services in the region. Wrap-around services refer to programs which support multiple facets of a person's life in pursuit of work, such as addressing transportation barriers, closing the skills gap, rewriting structural norms, and accommodations for a work/life balance. Once they have a detailed understanding of their employees' needs, businesses in the area should convene and, together, strategize how to make working easier in the region. By working together to offer wrap-around services needed by workers, businesses and institutions would be better able to develop, attract, and retain labor in the region and at less of a resource burden than addressing the needs on a company-by-company basis. With all parties' best interests in mind, the Chamber of Commerce is in a unique position to establish the business, education, and institutional connections necessary to better meet worker needs and bring additional people into the North Central Massachusetts labor force.

Appendix A

Geographies used in this Report

Figure 16 North Central Towns compared to North Central WDA (Red)

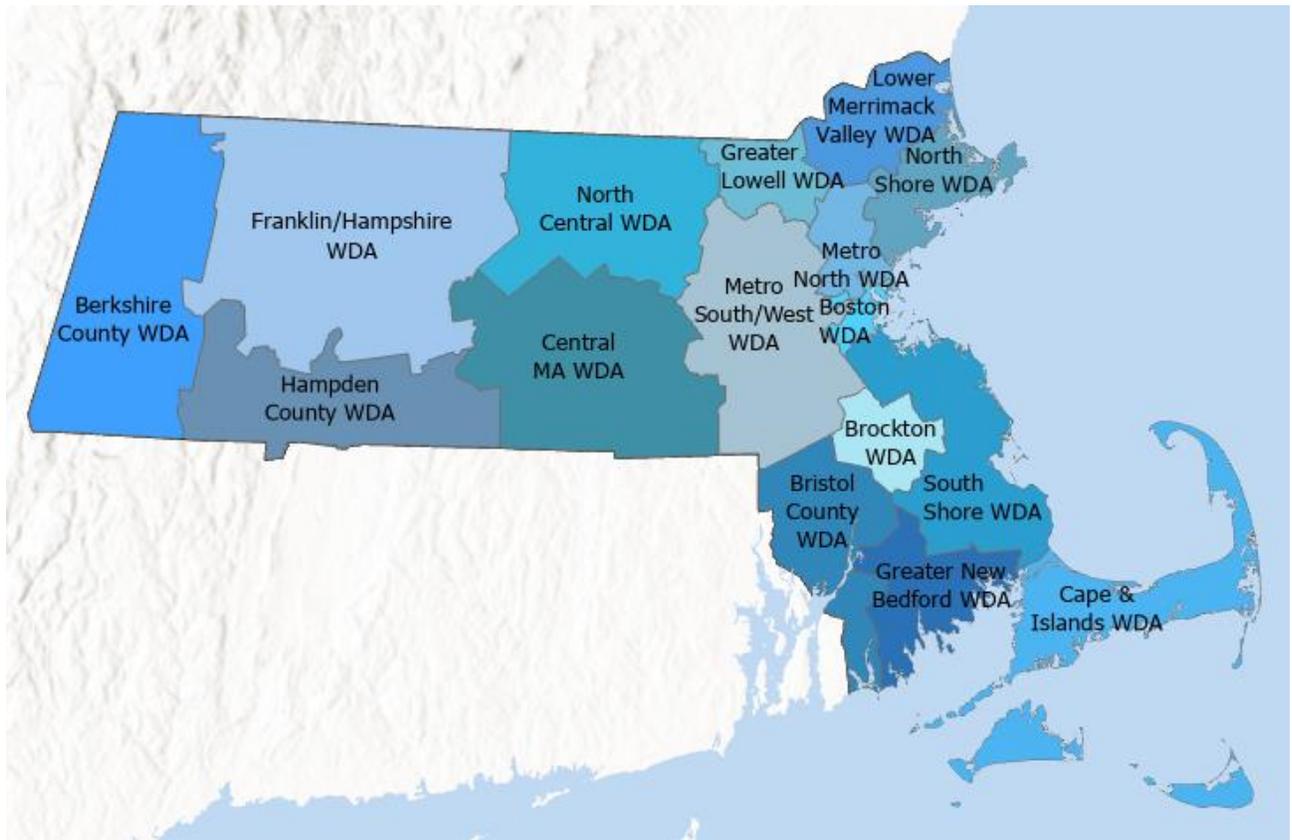


Source: MA GIS, Census TIGERLINE

Geographies used in this Report

Figure 16 above shows the North Central towns (Light Blue) compared to the North Central Workforce Development Area (Bordered in dark red). The two areas heavily overlap but the western portion of the North Central Region falls in the Franklin/Hampshire WDA and the WDA for North Central adds the towns of Bolton and Berlin.

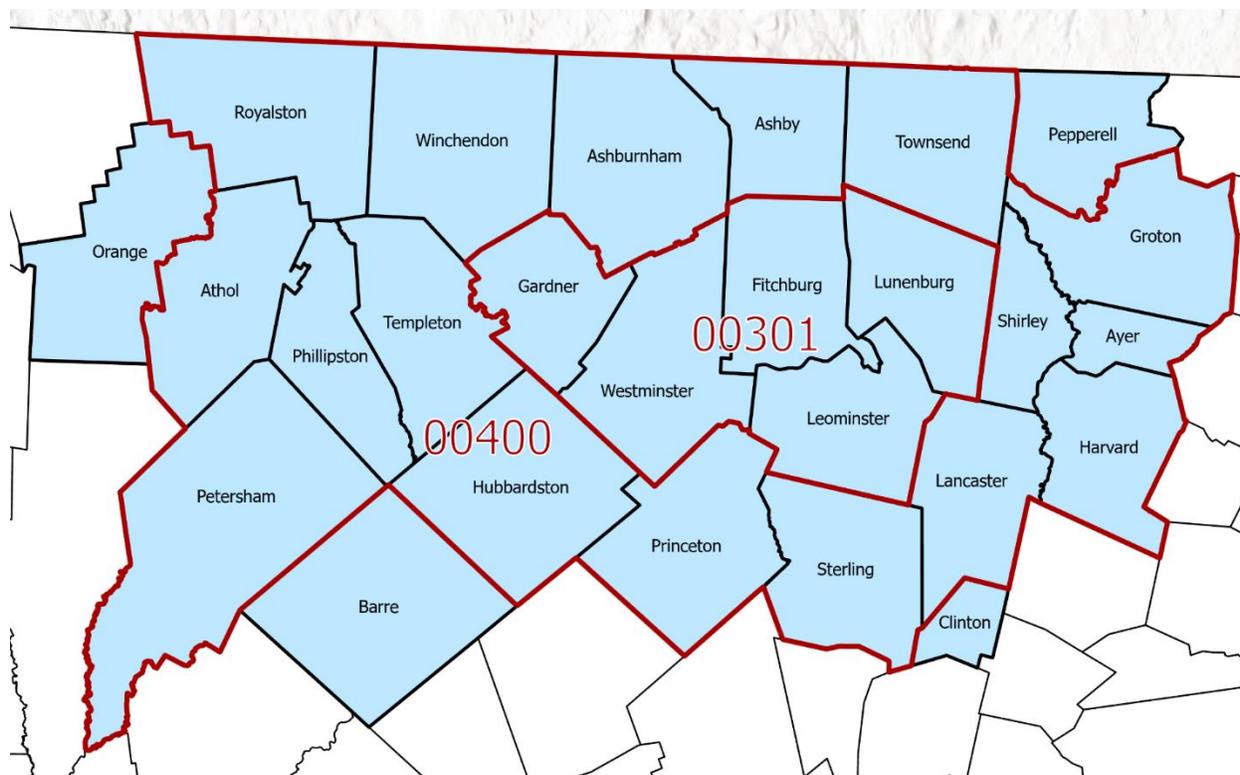
Figure 17 Workforce Development Areas of Massachusetts



Source: MA EOLWD

Figure 17 above shows all Massachusetts Workforce Development Areas. This geography makes it easier to compare other parts of the region to the North Central region, but does not perfectly capture the North Central Chamber of Commerce’s jurisdiction.

Figure 18 North Central Towns as defined by PUMAs (Red)



Source: MA GIS, Census TIGERLINE

An additional geography used in this report is the Public Use Microdata Area (PUMAs), a large Census geography of 100,000 people or more. The Public Use Microdata areas allow us to use Census microdata for the region to compile cross tabulations of every census variable, useful for detailed analysis of demographic groups. See **Figure 18** for a map of the two PUMAs which correspond most neatly to the North Central Region. The downside of this geography are that Orange, Pepperell, Barre and Clinton are excluded from these geographies and are part of their own PUMAs.