

The CHRISTIAN SCIENCE
MONITOR WEEKLY

OCTOBER 16, 2017 \$4.00

JOBS ARE BACK, BUT...



The US is nearly at full employment, yet many people still feel anxious. How a split-screen economy is changing the culture of work.

BY MARK TRUMBULL



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Brenda Marshall shows how to take blood pressure during a nursing training class in Winston-Salem, N.C.

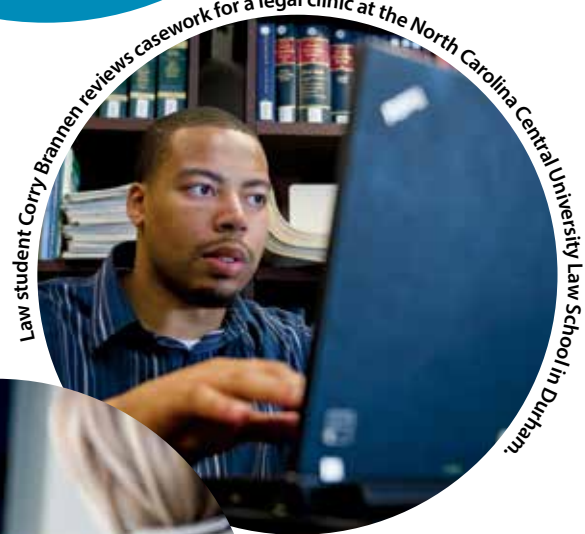


Former soldier Logan Kibler is using a veteran services program at a Goodwill center in North Carolina to find a job.

The US is nearly at full employment, yet many people still feel anxious. How a split-screen economy is changing the culture of work.



Jose Barbosa works on an electric vehicle that relies on pedaling and solar power at Organic Transit in Durham, N.C.



Law student Corry Brannen reviews casework for a legal clinic at the North Carolina Central University Law School in Durham.



University of North Carolina student Ashley Lee practices greeting people at a networking event.

STORY BY MARK TRUMBULL / STAFF WRITER
PHOTOS BY ANN HERMES / STAFF PHOTOGRAPHER

WINSTON-SALEM, N.C.

The revival of the great American job machine has very tangible implications for Osvaldo De Los Santos. It means that when he was recently unemployed, the time he spent without work lasted only a month. And his new job came with an increase in pay and better opportunities to use his skills, which range from plumbing to carpentry.

“I think I’ve found the right fit for now,” says Mr. De Los Santos, who works for a commercial maintenance business near Raleigh, N.C.

A similar tale of progress holds true for lots of others here in North Carolina. Michelle Bulla, a Coast Guard veteran who fell on hard times, now has a job in Winston-Salem coaching other military vets on how to find work. Ryan Gillespie, a young graduate of Appalachian State University, has just been hired to put his mechanical skills to use for a Durham, N.C.-based company making solar-electric vehicles. For Antwain and Andrea Goode, an improving economy is helping them build a consulting business they launched last year to provide leadership training.

“We are hitting a stride where we are growing,” Ms. Goode says.

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These personal narratives are emblematic of a larger story: The United States is finally getting close to what economists call “full employment.” That doesn’t mean that everyone who wants a job has one, but the country has definitely reached an inflection point: It has now created enough new jobs to make up for the huge losses suffered in the 2007-09 Great Recession, according to The Hamilton Project, an economic research group in Washington.

Yet not everyone feels like waving pompoms. People are working longer hours than prior generations did. A sizable number are doing it for less money. Even many who are in well-paying positions face stress over things such as child care or potential layoffs.

The result is a split-screen economy, where workers are both seeing advancement and feeling persistent anxieties. It adds up to rising expectations, but also the risk of political turmoil if those anxieties aren’t addressed.

“The job market has improved in the sense that the unemployment rate has gone down,” says Arne Kalleberg, a University of North Carolina at Chapel Hill sociologist who studies workplace issues. But both on the political left and right, he says, “the 2016 election indicated the enormous amount of insecurity and concern on the part of large swaths of the American population.”

Beneath all this is a shift in the culture of work. Americans know the world of the old-style social contract has eroded – the model in which employers delivered middle-class pay, pensions, and a high degree of job security in the era of Levittown and the GI Bill of Rights.

In the rapidly changing economy of the 21st century, workers are more likely to switch jobs – particularly Millennials – and the bonds between employees and companies are much more tenuous. Yet the desire for financial security hasn’t gone away.

As a result, a new model may be emerging, hastened by the improving economy. As the job market tightens, many employers are creating more perquisites and positive work environments for workers. Foosball

tables are back. Paychecks are rising. Yet still uncertain is how far the transformation in the workplace will go – the extent to which it will include such things as job training, family leave, and retirement help, benefits that will be dictated by politicians as much as corporate chieftains.

North Carolina provides a window into how all these forces are playing out. It straddles the old economy of tobacco farming, textiles, and furnituremaking and the new economy of university-bred start-ups and social media boutiques.

As in much of America, the official unemployment rates in major cities here are low,

yet they mask wide disparities in income and job opportunities – sometimes in towns just a few miles apart.

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For a benchmark of how tight today’s job market is just ask Clay Harris, the affable founder and chief operating officer of a burgeoning tech-support services company. Mr. Harris runs WorkSmart out of a cinnamon-brick building near the University of North Carolina, where he went to school. He’s in one of the industries where skilled workers have been in short supply for a good while. But Harris says he’s noticed the scramble to fill positions becoming even more intense.

One employee was recently able to leave for another company in Manhattan at nearly double the salary. Another quit simply by walking out the door at lunchtime, with no notice. (Harris telephoned him and recalls the reply being, “Oh, I had to start a new job.”)

Half an hour down the highway near Raleigh, another fast-growing company, The Select Group, has also noticed the changes. The firm operates a nationwide

business that matches tech consultants with talent-hungry clients. One consultant recently got six job offers within 72 hours of being listed as available, says Zach Earls, the company’s vice president of sales.

Not every industry is desperate for skilled workers, but the job market is becoming more competitive for people other than software coders and network analysts. In Winston-Salem, Virgil Cobb says he’s struggled lately to find reliable workers for his concrete-and-steel contracting business.

Nationwide, some 35 percent of small-business owners said there were jobs they couldn’t fill during July, the highest reading since 2001 in the National Federation of Independent Business survey.

So, the question looms: Is the economy really at full employment? Probably not, but it’s getting close enough that the Federal Reserve has been in the news for moving to tighten the money supply.

August’s unemployment stood at 4.4 percent, which is low by historical standards. True, there were times in the late 1990s and mid-1960s when the jobless rate dipped below 4 percent. In 1953, it hit an all-time low of 2.5 percent. Yet the economy is considered relatively strong today – April’s 4.3 percent jobless rate, notably, was the lowest level in 16 years.

The real test of whether the economy is advancing, though, may revolve around whether more people are being drawn from the fringes of the labor market back into the workforce. For years, the so-called labor force participation rate has been stagnant or declining – reflecting the dark

side of the split-screen economy. The low rate has been driven by baby boomers retiring, but also by a weak post-recession recovery and the large pool of people whose skills don’t match today’s workforce needs.

Yet the participation rate has turned a corner and risen, even if modestly. It stands at 62.9 percent of all Americans age 16 and up; late in 2015 it was 62.4 percent.

Those returning to the workforce include people like Michelle Bulla, whose experience illustrates how personal challenges can push people to the sidelines. After about a decade of service in the US Coast Guard, she began an even longer period of

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35% OF SMALL-BUSINESS OWNERS COULDN'T FILL ALL THEIR JOBS IN JULY – THE HIGHEST READING SINCE 2001.

– National Federation of Independent Business

ONLY 1 OF EVERY 4 JOBS IS BEING CREATED IN THE BOTTOM 60% OF ZIP CODES.

– Economic Innovation Group



struggle as she fell into drug abuse, sought to care for her mom, and then had to cope with her mother’s death in 2002. Ms. Bulla had some jobs during this time, but getting her life together seemed out of reach.

“I was at my lowest of lows,” she recalls. “I was checking myself in for detox. I remember the exact date.” It was Aug. 7, 2010.

Something happened that day that gave her a new sense of purpose and a new drive to drop drugs: Bulla discovered she was pregnant.

“He saved my life,” she says of her son, Dante. The way forward since then hasn’t been simple. The road has run through a drug treatment center in Virginia, a layoff from a job in 2014, and a move back near her hometown of Winston-Salem. She signed up for government support – a program called Work First – and began volunteering at Goodwill Industries of Northwest North Carolina. Now she’s found a steady job at the same Goodwill center, allowing her to leave all government assistance behind.

Bulla’s story is hardly unusual: Statistics show that millions of Americans are not working because they are struggling with drug abuse. Some employers have said that as many as half of their job applicants do not clear drug tests. In congressional testimony this summer, Federal Reserve Chair Janet Yellen cited opioid use as a specific reason for the decline in the labor force participation rate.

Bulla’s new job, as she describes it, is to now give “tough love” to other military vets seeking help. In the room where she works, on a lower level of the sprawling Goodwill building, pushpins on a world map show the places where these men and women have served, from Iraq to South Korea to Germany. She says she knows firsthand that what they need is not simply a job: “To get back into life again, that’s the challenge.”

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On a warm September evening, Bailey Park in Winston-Salem is abuzz with adults chatting and children playing. It’s a movie night in the park, which is located pretty much at the intersection of this city’s past and future.

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Construction is under way in downtown Winston-Salem, N.C., a city once dominated by Big Tobacco; it now has an Innovation Quarter that attracts high-end, new economy jobs (top, left). Michelle Bulla works with veteran Logan Kibler at a Goodwill center in Winston-Salem that offers skills training to military veterans (left).



Rob Cotter, founder of Organic Transit, stands next to a vehicle that his firm produces in Winston-Salem, N.C.; it relies on pedaling and solar power.

Group, a nonprofit research and advocacy organization, found that the vast majority of new jobs in the US are clustered in the country's most well-off places. From 2011 through 2015, only 1 of every 4 new jobs was created in the bottom 60 percent of ZIP Codes.

To some extent, a growing economy is a natural solution for many of the inequities, if the growth can be sustained. (Organic Transit, the company that just hired college grad Ryan Gillespie, is weighing Winston-Salem as the possible location for a new factory to build its solar-powered three-wheeled cycles. That could mean some decent jobs for less-skilled workers here.)

But historically, the US economy has experienced downs as well as ups. And today, even as many households become better off, Americans generally see inequality as a serious problem.

That's why Mr. Kalleberg, the sociologist and author of a book titled "Good Jobs, Bad Jobs," says a new contract is needed. He thinks it will require a three-way effort by government, business leaders, and workers.

The impetus could come through labor unions or other channels – from the ballot box to occupational associations and grassroots groups.

He points to Europe, where nations have been honing a "flexicurity" model, which accepts job insecurity but buffers it with shock absorbers – the income supports and retraining available to workers during bouts of unemployment.

The US has things such as unemployment insurance, and already some signs hint that a new framework of policies or supports may take shape. Recent polls, for instance, show rising public support for labor unions. A raft of states and localities have

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38% OF U.S. JOBS WILL BE DONE BY ROBOTS AND ARTIFICIAL INTELLIGENCE BY THE EARLY 2030s.

– PwC, an accounting and consultancy firm

Allan Younger, one of those leaders, who runs the small business center at Forsyth Technical Community College.

This neighborhood is known as Innovation Quarter, a magnet for high-end jobs. But here, as in cities across America, a challenge is how to ensure that opportunities ripple beyond a top tier of highly educated workers. In other words, the quest for full employment is not just about having enough jobs, but also about the quality of those jobs.

One sign of the challenge is that the jobless rate in Winston-Salem stands at 4.3 percent, yet the US Census Bureau estimates poverty here at 25 percent, compared with about 15 percent in Raleigh.

Economic disparities vary widely both within states and across the country. A recent study by the Economic Innovation

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As a salmon-colored sunset fades into twilight, the hulks of old tobacco warehouses and processing plants loom just a few blocks away, topped by water tanks once used in making cigarettes. Resident Larry Coza recalls walking these streets in past years and feeling like he was in a ghost town. "This was desolate," he says.

What does a free outdoor movie have to do with the job market? A lot, actually. Building a full-employment economy is something that happens one locality at a time. A downtown where people enjoy going to eat, hearing a concert, or walking in a park is also a magnet for businesses to put down roots. As parents and kids settle in nearby to watch "Back to the Future," Mr. Coza puts it this way: "Success breeds success."

Local leaders from the public and private sectors have put considerable effort toward making the spiral here an upward one.

"One of the biggest changes from 10 or 20 years ago is our central city, [where now] people want to go to hang out," says

passed laws raising the minimum wage, requiring employers to offer paid family leave, or putting limits on the practice of making last-minute changes to employee work schedules. Employers and others are also increasingly providing workers with opportunities to develop and gain relevant skills in the workplace.

The same Goodwill center where Bulla works, for instance, is offering free courses in various trades that local businesses are interested in, from nursing to welding. Antawn Hairston is one of the people who's benefited from such local efforts to broaden the base of prosperity. He says that when he showed up at the Goodwill center nine years ago, he had experienced bouts of homelessness while doing jobs such as temp agency work.

Mr. Hairston knew he liked to cook, and culinary training at Goodwill got him ready to chop, sauté, and grill in professional kitchens. From there he found not just a job but a ladder upward. "Line cook. Lead line cook. Sous-chef." He rattles off the path he's climbed. And now he's not just executive chef at a pizza restaurant that specializes in locally grown ingredients, he's also becoming a co-owner of a food truck

and helping to manage another restaurant. "Now I'm stable," he says. "People are always going to eat."

Antwain Goode feels passionate about his career, too. In fact, the birth of his consulting firm last year – just a few miles from where Bulla works – had less to do with simply seeking a new job than with wanting nothing less than a revolution in the American workplace.

The change that this management PhD envisions is actually for others to find their own sense of mission – everyone from organization leaders to clerks or truck drivers. "If [people] don't like the culture, if they don't feel like they're profiting, they will quickly leave.... All of a sudden you're short 20 or 30 people," he says, explaining why he sees companies starting to invest more in staff development.

Employers are thinking harder about how to attract and retain workers. This is partly because finding talented staff has become more difficult in a tightening economy. It's also because many Millennials put such a premium on pursuing careers that hold

meaning for them.

Yet even with companies' new attentiveness toward their employees, many workers remain dissatisfied. According to Gallup, only 33 percent of US workers feel truly "engaged" while on the job. That's up modestly from 26 percent in 2000 and 28 percent in 2009. Some 16 percent of workers are disengaged or unhappy in their jobs, while fully half the workforce is in a neutral zone, committed to essentially just showing up.

Another poll, by the payroll firm ADP, finds that nearly two-thirds of US workers are actively or passively looking for other jobs. Retaining talent remains a huge challenge. The ADP survey finds that part of the answer will be addressing work-life balance and paths for professional development.

"Workers are now expecting things from the workplace that are a little bit different," says Jim Harter of Gallup. Yes, they're eager for rising pay and solid benefits, but "now they're [also] coming in wanting work to express who they are. They want a job that expresses their purpose."

The Select Group in Raleigh tries to do that through a mix of fun, personal development, and an emphasis on collective mis-

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GERRY BROOME/AP



Employees Stephen Cheek and Lashanda Mitchell work on an automated teller machine at a manufacturing plant in Greensboro, N.C.

**ONLY
33% OF
U.S. WORKERS
FEEL TRULY
'ENGAGED' AT
WORK. 16% ARE
UNHAPPY IN
THEIR JOBS.**

– Gallup

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sion. One step was creating a new job of chief experience officer – to both improve what workers get from their jobs and better cater to their clients.

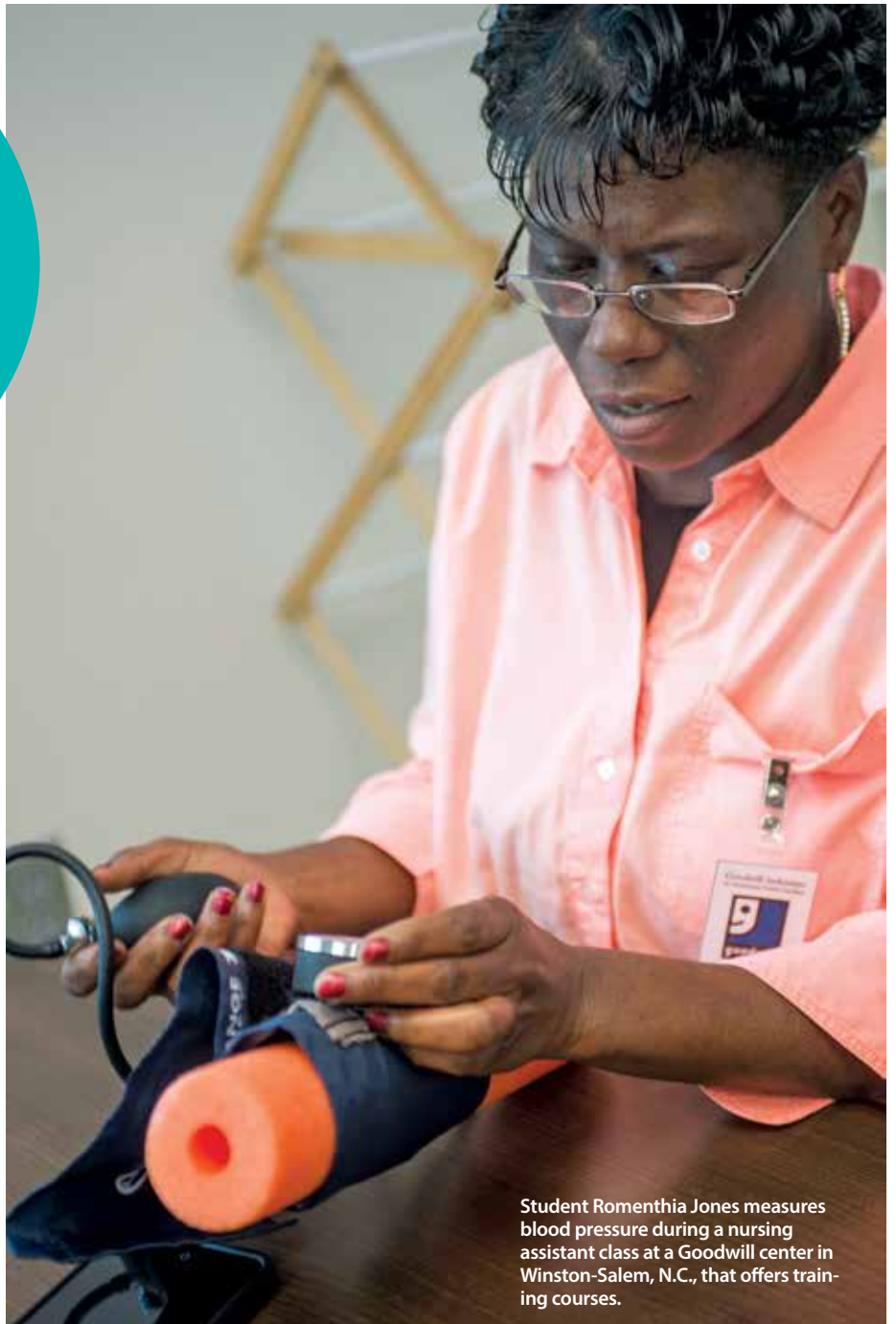
“People really like feeling that the work they’re doing is making a difference,” says Mr. Earls, the company’s sales vice president. The firm tries to convey each worker’s value from Day 1 by cheering new hires as they bang a celebratory gong upon arrival.

For Harris at WorkSmart, part of the answer is giving out modest monetary awards each month to employees who exemplify the firm’s core values, such as engaging with customers, not just tending to their computers. The firm has a foosball table in its main lobby. To build camaraderie off-site, there’s a company kickball team and other sports activities.

Still, workers today face more challenges than just wanting to feel a sense of purpose. They’re also confronting the real possibility of being replaced by a robot. Automation is disrupting industries as much as at any time since the birth of the Industrial Revolution. A recent report by the accountancy firm PwC, also known as PricewaterhouseCoopers, estimates that 38 percent of current US jobs will be done by robots and artificial intelligence by the early 2030s.

Robbie Allen knows something about the march of machines. He’s founder of a company in Durham, Automated Insights, that deploys artificial intelligence called Wordsmith to automate the creation of news bulletins or product promotions at a fraction of the cost of a human writer.

He’s also heading back to school. As he sees it, legions of workers in today’s economy are at risk of being replaced by robots



Student Romenthia Jones measures blood pressure during a nursing assistant class at a Goodwill center in Winston-Salem, N.C., that offers training courses.

and computers over the next few decades.

“I jest that I’m getting my PhD to figure out what jobs will still be viable when my now 2-year-old son hits the workforce,” Mr. Allen says.

With technological change so prevalent, many workers are going to have to learn new skills throughout their careers to stay employed. Fred Nails is one of those people who’s felt the benefit of federal and local training programs. He’s had a job since February hanging drywall for a construction firm – a step up from the fast-food job he

tried first after high school. He credits a federally funded Job Corps program, Goodwill, and his mom for helping him make the change. His work comes with health insurance, which also covers his young daughter.

“I’m just going to ride this wave right now and see where it takes me,” he says. For now, he’s found work that’s satisfying.

“Waking up every day and putting your all into eight hours ... and watching something build into something great is mind-blowing,” he says. “[I like being able to say] I helped build that!” ■