

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work in Progress. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators, and decision-makers, people with solutions to today's workforce challenges.

Ramona Schindelheim, WorkingNation editor-in-chief:

The Families and Workers Fund was started early last year with the goal of helping ease the financial pain being suffered by low wage workers, some who lost their jobs, and some who had to continue working despite the risk to their health because they needed the money to survive. The fund has since expanded in size and its mission. Rachel Korberg is the executive director of The Families and Workers Fund, and it's my pleasure to welcome you to the podcast today.

Rachel Korberg, Families and Workers Fund executive director:

Thanks so much for having me here. I'm really glad to be with you.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Rachel, let's talk about the beginnings of the fund. It was created as a safety net for frontline workers in the early days of the pandemic. So, what was its origin? How did you bring it all together?

Rachel Korberg, Families and Workers Fund executive director:

Yeah. So, it was the spring of 2020 and the COVID-19 pandemic was really deepening its grip in the United States. And I got two back-to-back calls. I was at the Ford Foundation at the time as a grant maker. And the first call was from a grantee partner that focuses on the restaurant industry. And in two weeks time, 90% of the workers in their network were unemployed. And then I got a very similar call from partners in the farm worker and agriculture space. The swiftness of it, the severity of it, the lack of certainty about when people would have access back to their jobs was really profound.

Rachel Korberg, Families and Workers Fund executive director:

We were watching philanthropy organize around the health and public health crisis, and that was really exciting to see. There was some fantastic coordination and we wanted to make sure that there was the same scale of collaboration around the economic hardship and the equity impacts of the COVID-19 pandemic. And that was the idea behind the fund. We immediately reached out to some colleagues, first at Schmidt Futures, Eric and Wendy Schmidt's philanthropic initiative. And we said, "Let's just move quickly. Let's pool some resources and let's find ways to get this out in cash to the people who are being hardest hit."

Ramona Schindelheim, WorkingNation editor-in-chief:

So, how were you getting that money out to the workers? I believe at the very beginning you did about 10 million in grants and a lot of cash payments.

Rachel Korberg, Families and Workers Fund executive director:

Exactly. Yeah. So, our group grew. Open Society Foundation joined. Annie E. Casey joined. It was really a sleeves rolled up group. We pooled about \$10 million over the course of 2020, and rather than do cash transfers directly, which we didn't think was the right role for us, we supported nearly 30 grassroots groups and worker networks that were already in long-term, authentic, trusting relationships with the

hardest hit workers and families. And we supported them in doing cash transfer efforts. For some of them, they had already done work like this in the past, but for a lot, this was a new muscle that they were building and it was really exciting. And what's powerful about them doing this cash transfer work is it's more than just a payment. It's also an opportunity to join up around advocacy, community building, training opportunities. So, there's this really virtuous cycle of beyond just the payment.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, the pandemic showed us just how vulnerable some of these workers are, living paycheck to paycheck, and losing a paycheck or losing a job would've just been devastating. What kind of workers are these? What kind of jobs are these folks in?

Rachel Korberg, Families and Workers Fund executive director:

Yeah. I mean, that's exactly right. We know that before the pandemic, 40% of people in the United States did not earn enough money to just afford the basics of rent, childcare, food. So, people were already in a very precarious position. And then the layoffs hit hardest among people who were already at the bottom of the labor market. So, we like to talk a lot about average unemployment. What was the overall unemployment rate? Right now it's about 4.8%. Well, actually in 2020, nearly half of the lowest paid workers lost their jobs. I mean, that's worse than Great Depression averages. This is a profound crisis. And to your question, those jobs are people who work in restaurants, people who worked in big box retail, people who worked, often in many cases, in hospitality. Tourism and hotels were really hard hit. So, the effects were really far and wide-reaching, but they were clustered in people who were already earning the least, who are either in poverty wage jobs or just above that.

Ramona Schindelheim, WorkingNation editor-in-chief:

A lot of the focus, too, has been on the lack of the supporting systems, the wraparound services. Childcare you've mentioned already. It's a really big issue for people trying to come back into the workforce as well.

Rachel Korberg, Families and Workers Fund executive director:

Yeah. All of those wraparound supports and benefits are critical. One of the things we focused on right away that's still very core to our work is the fact that our benefit system in this country actually has some really troubling origins. So, about a hundred years ago in the New Deal era when so many of the policies were passed that we had to rely on during the pandemic. Unemployment insurance, for example. There were a lot of people who were excluded from those policies. So, domestic workers, farm workers, jobs that were disproportionately held at the time by African Americans and especially by black women, and today are still disproportionately held by that population and by immigrant workers. So, we know that these systems were at the very least not designed for them, but in many cases actually designed intentionally with racist and sexist exclusions baked into them.

Rachel Korberg, Families and Workers Fund executive director:

So, as a result, our system that really should kick in to support families in times of crisis, they're not fully up to the task. And I give so much credit to the many policymakers that dealt with this on the fly. I mean, we passed really exciting policies that, for example, extended unemployment insurance to gig workers. But we need to make sure that those policies are permanent and that we also deliver them well, really investing in the delivery infrastructure. Because you can have the best policy on paper, but if it's not really people's lived experiences, we may as well not have it.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Rachel, you mentioned that part of the problem was getting the benefits into the hands of the people who needed them. What are you advocating? How are you trying to help change that?

Rachel Korberg, Families and Workers Fund executive director:

Yeah. One of the big challenges is with unemployment insurance. In the last time I looked at the data, early 2020, only about 30% of people who were unemployed were actually getting unemployment insurance benefits. The numbers are much higher when you look at benefits like SNAP, which is food assistance or Medicaid, Medicare, et cetera. So, we have to make sure that we have a strong, robust unemployment insurance system because staying afloat and staying connected to the labor market, when you do lose your job, we know is a critical part of ensuring people do have long-term, upwardly mobile careers and economic mobility. So, what we're doing is building a cohort of grants to states that want to really innovate and find ways to improve access to unemployment insurance for people who are typically left out. And we started doing this by supporting New America and they built this playbook on improving unemployment insurance that can inform the \$2 billion in American rescue plan funding that's going to UI systems.

Rachel Korberg, Families and Workers Fund executive director:

It is an awesome look at some of the ways states innovated on the fly in really challenging circumstances during the pandemic. And now we're providing a bunch of grants to groups on the ground that are actually going to pilot and figure out how to better get UI to workers who too often face barriers or are excluded. So, for example, we recently made a grant to The Workers Lab in partnership with the state of Alabama and the tech company Steady. And they're finding a streamlined way to help gig workers and multiple job holders get unemployment insurance. So, one of the big problems is for people who are living in poverty or are on very low income, they're often working multiple jobs. They've got a side hustle. They're driving on a ride hail platform. To be able to pull all that together and really prove that they've had a loss in income is really challenging to do. So, this is a great opportunity for workers and for the state and for tech companies to come together and figure out how to make that work.

Ramona Schindelheim, WorkingNation editor-in-chief:

I remember that at the height of unemployment, when all the workers in April were filing, they had a shortage of programmers who knew how to program COBOL, right? I believe it is. And that they couldn't find anybody to go in and update the systems. And I found that pretty shocking, but I guess this was the biggest shock to our unemployment system in decades.

Rachel Korberg, Families and Workers Fund executive director:

Yeah. I mean, these systems have been under-invested in and they really do deserve the support to be there. Unemployment insurance is so key to what makes our economy more resilient. It's how we can navigate shocks like a pandemic or a financial crisis, a natural disaster. It's really critical. And we need to invest in these systems. And to your point, the fact that a lot of it is built on COBOL computing language and people had to literally come out of retirement to come in and program the updates, that's not necessarily where we want to be.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Rachel, this is a very personal issue for you. You consider yourself a success story. Tell me the story.

Rachel Korberg, Families and Workers Fund executive director:

Yeah. I do consider myself a product of unemployment insurance. So, my grandfather, who was the first person in our family to receive formal schooling of any sort, was a first generation kid and son of Jewish immigrants fleeing violence in Eastern Europe. So, he got a scholarship to a public university, go New York City and the investments that were made in public education, and he became an accountant. And when he was ultimately fired for being Jewish, when he had young kids and a family that was depending on him, unemployment insurance hadn't been around for that long and he was able to be a recipient of unemployment insurance. And every day he would get dressed up in his full suit and he would take the bus into New York City and he would sit in the lobby of a hotel and he would go to the payphone and call all of the accounting firms that he could find, just one after the other, asking for interviews.

Rachel Korberg, Families and Workers Fund executive director:

And it was unemployment insurance that allowed him to do that. If that hadn't existed, he would've had to go back into the poverty wage, really back-breaking jobs that his dad and uncles were working at the time. And instead there he was, continuing his focus on his career path and what economic mobility looked like for his family. And then he eventually found another accounting job. I think it took nearly a year, and it continued our family's climb into the middle class. And I think without UI, all of his talent just would've been left on the sidelines and our family would've continued to really struggle. So, UI is kind of the benefit everybody loves to hate, and it just doesn't have the same constituency around it as other ones. But I think it's one of the secret ingredients of America's middle class. And I think we really need to invest in it and make sure that it's inclusive to everyone, because there should be more stories like my grandfathers.

Ramona Schindelheim, WorkingNation editor-in-chief:

It's one of those stories of, just as we discussed childcare, if you don't have that support, you're never going to get back into the workforce. You're never going to be able to do what your grandfather was able to do for your family. So, I think that's a lovely story. So, in addition to looking at how we deliver these benefits, you've said this recovery, as we move forward in a recovery, is now an opportunity to really reimagine the labor market itself. What do you mean by that?

Rachel Korberg, Families and Workers Fund executive director:

So, we started as this rapid response effort focused on people who didn't have access to public benefits and the social safety net. But while we started as rapid response, we very quickly realized that actually, strangely, we were headed into a moment of unprecedented opportunity to build a more equitable economy. And that's why we still exist. So, rather than being this one-time \$10 million emergency response fund, today we're a \$51 million coalition of about 20 diverse philanthropies investing in building a more equitable economy. And I would point to three forces that, for us, speak to the possibility and the potential of this moment. The first is the unprecedented public investment into jobs and communities. I mean, the trillions of dollars that are going out the door from this administration to strengthen our social safety net, to fund good jobs, to build infrastructure is really powerful and is a once in a generation shot.

Rachel Korberg, Families and Workers Fund executive director:

Secondly, there have been incredibly powerful social movements for racial justice, for gender justice, that have created a new conversation about equity in this country and that have inspired employers to really think about equity in new ways and to center it in their hiring and retention and cultures, and

that's exciting. And then lastly, the focus on essential workers. Before the pandemic, unfortunately a lot of people did not spend time thinking about the day-to-day realities of the folks who bag your groceries or get you your medicines or even care for your children or parents. And that was exactly what we learned to focus on and appreciate during the pandemic with all of the gratitude for essential workers, the cheers for everything that they were doing each evening. So, I think the confluence of those three forces, essential workers, equity, and unprecedented public investment, that really comes together to create this huge opportunity to reimagine our labor market and economic systems and to go big on ultimately advancing good jobs and delivering a more effective and equitable social safety net.

Ramona Schindelheim, WorkingNation editor-in-chief:

Part of creating those good jobs is helping re-skill and train the workforce, the low wage workers, into jobs and careers that could be family-sustaining. What are some of the programs that you're funding?

Rachel Korberg, Families and Workers Fund executive director:

Yeah. It's interesting. We see two main strategies. One is, to your point, building ladders into these upwardly mobile jobs, and that's usually a train in place model. And then we see approaches that are more about growing the pie of good jobs. So, maybe starting with a job that might not pay very well, that might not have great benefits, and look at what are the different set of incentives or shifts that we can catalyze to make this a better job? So, for example, rather than only re-skilling home healthcare aides to become x-ray technicians, how can we also make home healthcare aides a job that pays better and that is a good job and that many people are called to that work and to care work? And there's no reason that the people who are caring for us shouldn't be able to care for themselves and their families.

Ramona Schindelheim, WorkingNation editor-in-chief:

To that point, though, how do you do that? How do you make that a better paying job?

Rachel Korberg, Families and Workers Fund executive director:

So, we back a range of different strategies and organizations. I'll lift up one example of an amazing grantee partner, and this is an organization called Resilience Force. So, they focus on the workers who rebuild after a natural disaster. They do everything from mucking out houses to hardening homes to wildfires. I mean, they are exactly who you need when you go through one of the worst emergencies you may in your life, a hurricane or a tornado or a wildfire. And there are a number of jobs in that industry that are really highly technical and earn high wages, but most of them unfortunately are really low wage, often even poverty jobs, disproportionately held by immigrant workers. So, what we're excited about in supporting Resilience Force is their model, which puts forward a set of standards and a pathway for career advancement for resilience workers.

Rachel Korberg, Families and Workers Fund executive director:

And they work in partnership with government to make sure that they can bake those standards in to the types of contracts that government is putting out after a disaster. And they partner with employers to actually help connect them with workers who are trained in these standards and are ready to go and can do a really great job. And likewise, they're working with workers directly to help train them, to help place them, also to make sure that their vision for what a good dignified job looks like in this industry is really embodied in these standards.

Ramona Schindelheim, WorkingNation editor-in-chief:

That brings to mind conversations I've had with a lot of different organizations, that there's more value placed on a knowledge-based job than a physical-skilled job. And this is an example. So, these are people out there doing work. Physical work. It's not just sitting at a computer and thinking about what you're doing. I don't know how to put it in any better way than that, but it's a knowledge-based versus skilled-base. And I think the skilled base gets caught up in that lower wage conundrum.

Rachel Korberg, Families and Workers Fund executive director:

Yeah, absolutely. And to me, it really raises the question of, what is a skilled job anyway? This is something I've done a deep dive into recently because I find it so strange what we consider to be skilled work and unskilled work. I mean, if you ask me to go in and muck out a house after a hurricane and point to where there are structural deficiencies and where there's not, and get rid of the toxic waste and the not, I mean, I would not know where to start. So, to me it seems like highly skilled work yet it's not compensated as if it is. And there's a really interesting history to this, actually. Zeynep Ton and Sarah Kalloch at the Good Jobs Institute and over at MIT just did a great paper of just looking at the history of that term. And one of the things they found is that the word emerges from the Census Bureau a very long time ago.

Rachel Korberg, Families and Workers Fund executive director:

And actually, there's archival research that shows originally the framework that the Census Bureau had created for what was skilled and unskilled, that too many people who were young and women actually were doing jobs they considered skilled. So, then they just changed the standards and removed those jobs from skilled. So, actually we talk a lot about why are so many women and people of color in unskilled jobs? It was actually designed that way. It was the people first and the job second.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's a really good point, too, and I stand corrected in my use of the term skilled. Because what you said earlier, I wouldn't know how to go in and look at a house and see if it was structurally sound. So, we're asking people that do this very vital to our recovery from a disaster, we're asking them to do this job, which is maybe not pleasant, but it's also, they understand what needs to be done to make sure that house is habitable again, but they're not being paid for it.

Rachel Korberg, Families and Workers Fund executive director:

Yeah, absolutely. And it's hard because we don't have another language. We've been using this language of skilled and unskilled for so long. And I do think we need a new way to talk about the value of work and to show the very different ways and different types of skills that workers are bringing to the job.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, you're about ready to make a bunch more grants in the next coming months. What are you looking for in the programs that will help career building for low wage workers find their pathway?

Rachel Korberg, Families and Workers Fund executive director:

The two biggest criteria we focus on are equity and scale. A lot of times we talk about those two things are at odds, like you can really center equity and really do things right, or you can do things at a large scale. We don't believe that that's true. We think that you don't have to think of them as a dichotomy. So, we're looking for programs that really center workers and center equity in that way, that turn to workers to say what a good job looks like, what advancement looks like, what the challenges have been

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to getting the training and benefits that they need on the job, and programs that have really viable models for scaling, whether that's through employers or for government.

Rachel Korberg, Families and Workers Fund executive director:

We know that philanthropy, our dollars are much smaller than government and employers, and they should be and they always will be, but our dollars are flexible and we can really provide risk capital to try new things, to see if they work, and to set them up to ultimately be scaled by government and employers. So, we want to be in that position of case-making and being really clear on what the pathway is to scale from the start.

Ramona Schindelheim, WorkingNation editor-in-chief:

We'll be looking for those announcements. Thank you very much for joining me. I really appreciate it.

Rachel Korberg, Families and Workers Fund executive director:

Thanks so much for having me. It was great to talk with you.

Ramona Schindelheim, WorkingNation editor-in-chief:

I've been speaking with Rachel Korberg, the executive director of the Families and Workers Fund. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Thank you for listening.