

Alabama

Arkansas

Delaware

District of Columbia

Florida

Georgia

Kentucky

Louisiana

Maryland

Mississippi

Missouri

North Carolina

Oklahoma

South Carolina

Tennessee

Texas

Virginia

West Virginia

**SOUTHERN BUSINESS LEADERSHIP COUNCIL  
CHARLOTTE METRO AREA  
EMPLOYER INITIATIVE  
Project Report**



**September 2007**



## MISSION STATEMENT

The Southern Institute on Children and Families is an independent, non-profit organization that improves the well-being of children and families through knowledge, leadership and action. We educate through research of policies, systems and practices. We generate greater awareness and equip community and business leaders and policymakers with knowledge to make informed decisions. The Southern Institute on Children and Families is funded through grants and contributions. The southern states included in the work of the Southern Institute on Children and Families are:

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North Carolina  
Oklahoma  
South Carolina  
Tennessee  
Texas  
Virginia  
West Virginia

While the primary focus of the Southern Institute on Children and Families is on the South, the Southern Institute directs national programs related to its mission.



**Southern Business Leadership Council  
Charlotte Metro Area Employer Initiative  
Project Report**

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**September 2007**

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**Southern Business Leadership Council  
Charlotte Metro Area Employer Initiative  
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September 2007**

**Executive Summary**

Employer voices are critical to the development of actions needed in both the public and private sectors to promote stable employment in the lower-wage workforce. While there is substantial research available on the perspectives of lower-wage workers related to barriers to employment stability, there is little information available on employer views. Engaging employers in sharing their perspectives and their ideas regarding solutions will significantly strengthen the development of action strategies. Also, involvement of employers will greatly enhance the momentum for significant public and private sector action that will mutually benefit employees, businesses and communities as a whole.

The Southern Institute on Children and Families is a non-profit organization that works to improve opportunities for lower-income families and children, with a focus on 17 southern states and the District of Columbia.<sup>1</sup> The Southern Institute established the Southern Business Leadership Council (SBLC) to lead a regional initiative to engage business and public policy leaders in the development and implementation of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce.

The Charlotte Metro Area Employer Initiative is an important component in the development of the *SBLC Employment Stability Action Plan*. The Charlotte Metro Area Employer Initiative also yielded pertinent information that can be used immediately by Charlotte businesses, foundations, community organizations and public policymakers in assessing workforce stability issues and developing strategies to improve employment stability among lower-wage workers.

The Southern Institute is conducting additional employer projects to gather insights from employers in several southern communities, as was done in Charlotte. The information collected from the Charlotte Project and from other southern communities will contribute to the development of the *SBLC Employment Stability Action Plan*. Upon completion of all projects, the Southern Institute will synthesize for the SBLC the information collected on employer perspectives related to the barriers to employment stability of the lower-wage workforce and promising strategies to address the barriers.

The *SBLC Employment Stability Action Plan* will identify public actions, private sector actions and public/private partnerships needed to address identified issues and opportunities, and it will include employment stability action strategies that are central to workforce development, retention and economic development plans. It will provide summaries on public and private

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<sup>1</sup> The Southern Institute on Children and Families' work focuses on Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

sector promising practices that can be replicated in communities across the South and the nation and contacts for information on design and implementation.

High profile dissemination and promotion of the *SBLC Employment Stability Action Plan* is planned for 2008 through business, civic and public policy networks. All business and trade organizations that assisted with the SBLC employer research projects will receive the *SBLC Employment Stability Action Plan* when released. The *SBLC Employment Stability Action Plan* will provide a roadmap for business, community and public policy leaders in 17 southern states and the District of Columbia to improve employment stability in the lower-wage workforce.

This report presents findings from the Charlotte Metro Area Employer Initiative. The report describes employer perspectives on issues related to lower-wage employment stability gathered through the Charlotte Metro Area Employer Survey interviews and provides summary information on employer views collected during the Charlotte Metro Area Employer Dialogue Session held in Charlotte, North Carolina. The appendices provide demographic data and other information related to the Charlotte Metro Area Employer Initiative.

### **Charlotte Metro Area Employer Survey Results**

A sample group of employers located in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area (MSA) were surveyed via telephone interviews. In this report, the Charlotte-Gastonia-Concord, NC-SC MSA, also referred to as the Charlotte Metro Area and the Charlotte MSA, includes five counties in North Carolina and one in South Carolina. The Charlotte Metro Area Employer Survey was designed to gauge employer views regarding work/life issues of their lower-wage workers that may impede employment stability. In the survey, lower-wage was defined as earning less than \$15 per hour, which was the rounded median hourly wage for the Charlotte MSA based on data collected by the US Department of Labor, Bureau of Labor Statistics. Forty-eight percent (48%) of all workers in the Charlotte Metro Area earn at or below the median hourly wage of \$14.55. Survey data from employers responding were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees.

#### ***Employee Attendance and/or Tardiness***

Twenty-eight percent (28%) of Charlotte Metro Area Employer Survey participants *agreed* they experience problems with employee attendance and/or tardiness, while 72% of employers *disagreed*.

- Employers with five or more lower-wage workers were significantly more likely (44.4%\*) to *agree* they have an employee attendance and/or tardiness problem.

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\* Statistically significant at the 95% level

- Employers with less than five lower-wage workers were significantly more likely to *disagree* employee attendance and/or tardiness is a problem (82.1%\* of employers with less than five lower-wage workers and 88%\* of employers with no lower-wage workers).
- 71.6% of small businesses *disagreed* attendance and/or tardiness is a problem for their workforce.
- 75%<sup>◇</sup> of large businesses *disagreed* their business experiences problems with employee attendance and/or tardiness.

### ***Reasons for Employee Attendance and/or Tardiness Problems***

Survey respondents who indicated they had an attendance and/or tardiness problem were asked to identify what they perceived as the major reasons their business experienced these problems.

- 46.2%<sup>◇</sup> of all employers with one to five part-time employees were significantly more likely to report child care as a reason for attendance and/or tardiness problems.

Of small businesses with attendance and/or tardiness problems:

- 52% *agreed* the health of a family member is a reason employees are late or miss work.
- 56% stated other reasons for attendance and/or tardiness problems in the workplace with the most often cited reasons being lack of work ethics and lack of a sense of responsibility.

The number of large businesses that reported problems with employee attendance and/or tardiness was too small to perform any additional analyses.

### ***Employee Turnover***

The majority of Charlotte Metro Area Employer Survey participants (77%) *disagreed* their business experiences problems with employee turnover, while 21% of respondents *agreed* their business experiences difficulty retaining employees.

- 28.9%\* of employers with five or more employees earning less than \$15 per hour were significantly more likely to report turnover problems.
- Employers with a retention problem were slightly more likely to *agree* employees leave their business because of disciplinary problems such as unacceptable work performance.

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\* Statistically significant at the 95% level

<sup>◇</sup> Statistically significant at the 90% level

Small employers gave the following reasons for problems with employee turnover:

- Small employers were significantly more likely (55.6%<sup>◇</sup>) to report their business experiences problems with employee turnover because of disciplinary problems.
- Small businesses were more likely to *agree* their business experiences problems with employee turnover because employees seek better benefits.

The number of large businesses that reported problems with turnover was too small to perform any additional analyses.

### ***Major Reasons for High Employee Retention***

Employers who *disagreed* employee turnover is a problem for their business offered the following explanations as to why they believe it is not a problem for their businesses.<sup>†</sup>

- 53.2% cited excellent work environment/team spirit/job satisfaction.
- 14.3% cited good pay.
- 13% cited long-term dependable employees/loyalty.

### ***Employee Health Benefits***

The majority (67%) of all survey respondents offer health insurance as a benefit to employees.

- 64.8% of the small businesses surveyed offer health insurance, compared to 83.3% of large businesses.
- One-third (33%) of employers surveyed do not offer health insurance, the majority (94%) of which are small businesses.
- A significant percentage (72.7%<sup>\*</sup>) of employers with five or more lower-wage workers stated cost as the major reason for not offering health insurance to their workforce.
- Of all employers that cited cost as the major reason for not offering employer-sponsored health insurance, 69.2%<sup>\*</sup> were significantly more likely to report problems with employee attendance.

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<sup>◇</sup> Statistically significant at the 90% level

<sup>†</sup> Employers could indicate more than one explanation for why turnover is not a problem for their businesses.

<sup>\*</sup> Statistically significant at the 95% level

## **Charlotte Metro Area Employer Dialogue Session**

The Charlotte Metro Area Employer Dialogue Session was held on March 14, 2007, in Charlotte, North Carolina. The purpose was to gain insight on employer perceptions of barriers to employment stability in the lower-wage workforce, strategies they have tried to improve employment stability and recommendations for public and private sector actions and public/private partnerships to improve employment stability in the lower-wage workforce. Employers attending the dialogue session shared their perceptions on issues that affect the ability of lower-wage employees in their workplace to be stable and reliable employees. Some of the employment stability issues identified by employers, which are described in greater detail in the Charlotte Metro Area Employer Dialogue Session section of this report, are listed below:

- Language issues present barriers to stable employment.
- Multi-cultural workforce issues can affect employment stability.
- Lack of child care presents barriers to stable employment.
- Lack of public transportation affects employment opportunities and stability.
- Competition for lower-wage workers contributes to turnover.
- Lack of work schedule flexibility affects employment stability.
- Inappropriate placement of lower-wage workers can lead to employment stability issues.
- Limitations in education and training for lower-wage workers may affect employment stability.

Employers participating in the Charlotte Metro Area Employer Dialogue Session also were asked to share their thoughts and recommendations on public and private sector actions that can be taken to improve employment stability in the lower-wage workforce. Some of the employer recommendations are listed below:

- Negotiate service with the public transportation system.
- Develop a realistic job preview program for potential employees.
- Seek public grants and other opportunities to support partnerships with community child care centers.
- Implement recognition programs for lower-wage employees.
- Leverage workforce development resources in the community.

- Offer work schedule flexibility.
- Provide industrial Spanish lessons to supervisors and pay incentives to bilingual employees in businesses with Spanish-speaking customers.

The last section of this *SBLC Charlotte Metro Area Employer Initiative Project Report* summarizes next steps. Please visit [www.thesoutherninstitute.org](http://www.thesoutherninstitute.org) for additional information on the Southern Institute and the SBLC.

## Introduction

Economic development plans in the southern region of the United States have given little attention to the need for comprehensive public and private sector actions to build the capacity of lower-wage workers, particularly parents, to be stable employees. Investments in education and training are essential, but there also must be recognition of the “off-the-job” challenges that can and do negatively impact job performance and employment stability of lower-wage workers.

Providing greater opportunities for lower-wage workers to achieve employment stability requires business and public policy leaders to actively and effectively collaborate on development and implementation of policies and programs that will mutually benefit lower-wage employees, businesses and communities as a whole. Business, public and civic leaders who are armed with a strategic plan of action will achieve far reaching economic and societal gains.

The Southern Institute on Children and Families is a non-profit organization that works to improve opportunities for lower-income families and children, with a focus on 17 southern states and the District of Columbia.<sup>1</sup> The Southern Institute established the Southern Business Leadership Council (SBLC) to lead a regional initiative to engage business and public policy leaders in the development and implementation of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce. The SBLC is co-chaired by the Honorable Richard W. Riley, former United States Secretary of Education, former South Carolina Governor and Southern Institute Board Member, and Anne Doss, Executive Vice President, Wachovia. SBLC members represent southern-based businesses, corporate philanthropy and local, state and national business organizations. A list of SBLC members appears in Appendix D.

The SBLC is currently developing the *SBLC Employment Stability Action Plan*, which will provide specific public and private sector strategies to promote stable employment in the lower-wage workforce. The first phase of the SBLC Employment Stability Action Plan Initiative is focused on research. Research activities began in December 2005 and will continue through 2007. The research phase will be followed by the development of the *SBLC Employment Stability Action Plan* and promotion of its recommendations through business, civic and public policy networks.

The southern region of the United States is the nation’s target area for investment of resources aimed at improving opportunities for lower-wage employees. Some of the employment statistics that point to the need for leadership and action are:

- One out of five southern workers lives below 200% of the federal poverty level (\$34,340 annual income for a family of three in 2007).
- Southern per capita wages are the lowest in the nation.

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<sup>1</sup> The Southern Institute on Children and Families’ work focuses on Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

- Labor turnover rates are higher in the South than the national average.
- More than one out of four lower-wage workers in the South work in retail trade, an industry with high turnover and low rates of health insurance coverage.
- The South's generally low unemployment rate is misleading because it is affected by lower than average labor force participation.

The children of lower-wage workers in the South will benefit greatly from efforts to improve the employment stability of their parents thereby enhancing their opportunities for child development. Conditions placing children in the South at risk include:

- Eleven (11) southern states and the District of Columbia have a higher percentage of children living in poverty than the nation as a whole.
- Nine (9) southern states and the District of Columbia have a greater percentage of fourth-grade students reading below grade level than the rest of the nation.
- Nearly half (46%) of all lower-income uninsured children in the United States live in the South.

Employers are key players in achieving bold action at the local, state and national levels to promote greater employment stability in the lower-wage workforce. Establishing effective partnerships with business and industry is essential. Providing employers with information they can use is an important building block in creating effective partnerships. Employers especially want information on promising practices they can implement in the workplace and they also are interested in having information on how they can encourage action in the public sector to improve employment stability, especially among lower-income parents and caretakers.

Development of comprehensive employment stability action strategies begins with research and analysis. While there is substantial research available on the perspectives of lower-wage workers related to barriers to employment stability, there is little information available on employer views. Engaging employers in sharing their perspectives and their ideas regarding solutions will significantly strengthen the development of action strategies. Also, involvement of employers will greatly enhance the momentum for significant public and private sector action that will mutually benefit employees, businesses and communities as a whole.



## Charlotte Metro Area Employer Initiative

The Southern Institute on Children and Families received support from the Bank of America Charitable Foundation, Coca-Cola Bottling Co. Consolidated, GlaxoSmithKline and the Wachovia Foundation to conduct the Charlotte Metro Area Employer Initiative described in this report. The Charlotte Metro Area Employer Initiative engaged local employers in the identification of issues related to employment stability and captured their views on opportunities for improvement.

The Charlotte Metropolitan Statistical Area (MSA) has a high concentration of businesses with high rates of employee turnover – leisure and hospitality, retail trade and construction. The Charlotte MSA also has a high percentage of lower-income families who fall within the target group that will benefit from implementation of employment stability action strategies. State level data for North Carolina as well as local level data illustrates a compelling need to identify and address actions that will promote employment stability in the lower-wage workforce:

- 48% of all workers in the Charlotte MSA earn at or below the median hourly wage of \$14.55.
- 43% of children in families in North Carolina are lower-income (\$34,340 annual income for a family of three in 2007).
- 36% of families in the Charlotte MSA with a female head of household and children under 18 years old live below poverty (\$17,170 annual income for a family of three in 2007).
- 80% of children in lower-income families in North Carolina have at least one parent who is employed full-time, part-time or part-year.

This *Charlotte Metro Area Employer Initiative Project Report* contributes information to support efforts in the Charlotte MSA to improve employment stability in the lower-wage workforce, particularly parents. It also provides valuable information for the Southern Business Leadership Council (SBLC) in its development of the *SBLC Employment Stability Action Plan*. The Southern Institute conducted employer research projects similar to the Charlotte Metro Area Employer Initiative in several other southern communities. Upon completion of all projects, the Southern Institute will prepare a synthesis on the employment stability barriers and strategies collected from the employer research projects, enabling the SBLC to have data from frontline employers as it develops the *SBLC Employment Stability Action Plan*. The *SBLC Employment Stability Action Plan* will provide a blueprint for public and private leaders across the southern region to enact progressive policies and programs to promote employment stability in the lower-wage workforce. It also will provide the information business leaders and frontline employers say they need on promising practices. Summaries of public and private sector promising practices that can be replicated in communities and states across the southern region and the nation will be included in the *SBLC Employment Stability Action Plan* and contacts will be provided for information on design and implementation of the promising practices.

This report presents findings from the Charlotte Metro Area Employer Initiative. It describes employer perspectives on issues related to lower-wage employment stability gathered through the Charlotte Metro Area Employer Survey interviews and provides summary information on employer views collected during the Charlotte Metro Area Employer Dialogue Session held in Charlotte, North Carolina. The appendices provide demographic data and other information related to the Charlotte Metro Area Employer Initiative.

## **Charlotte Metro Area Employer Survey Results**

The Charlotte Metro Area Employer Survey was conducted as a part of the Southern Business Leadership Council (SBLC) Charlotte Metro Area Employer Initiative. A sampling of employers located in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area (MSA) were surveyed via telephone interviews. In this report, the Charlotte-Gastonia-Concord, NC-SC MSA, also referred to as the Charlotte Metro Area and the Charlotte MSA, includes five counties in North Carolina and one in South Carolina. Employers were interviewed to gather their perspectives and insights on the barriers to employment stability and to identify potential promising practices and opportunities related to increasing employment stability in the lower-wage workforce.

### **Survey Instrument**

The Charlotte Metro Area Employer Survey instrument was developed by the Southern Institute on Children and Families. The questions were designed to gather information about work life issues faced by lower-wage employees from the perspective of their employers. The survey instrument has been field tested and a version of it was used for a previous project, the District of Columbia Metro Area Employer Project, to survey employers in the District of Columbia and surrounding metropolitan area. The types of questions included in the Charlotte Metro Area Employer Survey fell into two categories.

The first category of questions was designed to gather demographic information about employers that were being interviewed. Respondents were asked to describe their role in the business and then to describe certain features about their business. The survey asked for demographic information such as the number of employees, the number of full-time and part-time employees, the business industry classification and occupation classification.

In addition, respondents were asked to indicate the percentage of their employees who were lower-wage workers. For the survey, lower-wage was defined as less than \$15 per hour. This amount was based on May 2005 Metropolitan Area Occupational Employment and Wage Estimates for Charlotte-Gastonia-Concord, NC-SC which includes five counties in North Carolina (Anson, Cabarrus, Gaston, Mecklenburg and Union Counties) and one county in South Carolina (York County) as collected by the US Department of Labor, Bureau of Labor Statistics. To define the baseline for lower-wage, the median hourly wage, which is \$14.55 for all occupations in the Charlotte MSA, was adopted. To simplify calculations and provide ease of answering for respondents, \$15 per hour was used for the survey instrument.

The survey also included one optional demographic question related to whether the business' workforce was unionized, not unionized or partially unionized.

The second category of questions was designed to assess the extent to which a business had problems with the employment stability of its workforce and to assess the extent to which benefits were provided to employees, including referrals for assistance from public programs. Several questions were included regarding issues related to absenteeism, tardiness and turnover.

Follow-up questions were asked in some instances to gather employers' impressions of why they did or did not have problems with employees reporting to work and doing so on time. Also, follow-up questions were asked about why employers did or did not have a turnover problem. In addition, respondents were asked to identify benefits and incentives they make available to employees. Additional questions were asked to gather more detail about the provision of health insurance.

Respondents were not required to identify themselves or their business names and were assured survey responses will be kept confidential and no individual employer will be identified in reporting the data.

In an attempt to increase participation, respondents were given the opportunity to win an iPod by entering their name and contact information into a drawing. This identifying information about the respondents was used only for that purpose and identities remained confidential.

## **Methodology**

The Southern Institute contracted with MarketSearch, a Columbia, South Carolina based market research firm, to perform telephone interviews using the survey instrument with employers in the Charlotte Metro Area. MarketSearch has extensive experience in designing and conducting studies for business, government and non-profit organizations worldwide.

MarketSearch obtained a random sample of 2,000 businesses in Anson, Cabarrus, Gaston, Mecklenburg and Union Counties in North Carolina and York County in South Carolina using Standard Industrial Classification (SIC) codes provided by the Southern Institute (See Appendix C). These codes were selected based on the Southern Institute's knowledge and statistical data related to industries that are more likely to employ lower-wage workers.

MarketSearch staff dialed a total of 1,701 numbers between February 15 and February 21, 2007 to obtain the target number of 100 respondents. Almost three-fourths of the respondents entered their names in the drawing to win the iPod.

## **Results Analysis**

### ***Profile of the Lower-wage Workforce in the South***

Previous research commissioned by the Southern Institute provided a profile of the southern economy.

- The South has a low labor force participation rate.
- More than one out of four lower-wage individuals work in Retail Trade – an industry with high turnover and low rates of health insurance coverage.

- Approximately one out of 60 lower-wage workers in the South works for the government – an employer offering low rates of turnover and high rates of health insurance coverage.
- More than 40% of lower-wage workers are employed in very small businesses where benefits are often limited.

### ***Profile of the Charlotte Metro Area Employer Survey Respondents***

The results from the Charlotte Metro Area Employer Survey show the following:

- 23% of employers describe their industry classification as Retail Trade.
- Approximately 23% of employers indicate their occupational classification is sales and related occupations and 16% are food preparation and serving related occupations.
- Most (93%) employers are for-profit organizations with a non-unionized employee workforce.
- More than one-third (38%) of businesses have no part-time employees and 40% have five or fewer employees who work part-time.
- Many (45%) of the businesses have five or more lower-wage employees (earning less than \$15 per hour).
- One quarter (25%) of businesses have no lower-wage workers.
- 67% of businesses offered health insurance as a benefit to employees.

Employers responding to the survey were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees.

- More than three-fourths (88%) of employers participating in the survey were small businesses, while 12% were defined as large businesses.

### ***Employee Attendance, Tardiness and Turnover***

Lower-wage workers often face challenges that interfere with job stability, attendance and tardiness. Workforce related issues such as lack of stable child care and transportation can negatively impact employers of lower-income individuals. The challenges faced by lower-wage workers are reflected in high employee absenteeism, high turnover and low morale. Employee issues such as attendance, tardiness and turnover are stressful to families and contribute to higher training costs and lost productivity for businesses. Results from the Charlotte Metro Area Employer Survey regarding attendance, tardiness and turnover issues are outlined below.

### Employee Attendance and/or Tardiness

Employee absenteeism and tardiness can prove to be costly for employers. In 2005, an annual survey on unscheduled absences conducted by CCH, Inc. found that the average per-employee cost for unscheduled absenteeism was \$660. According to CCH's 2006 survey, absenteeism could cost some large employers as much as \$850,000 per year in direct payroll costs. The high cost of employee absenteeism not only hurts individuals who risk losing their jobs, but also can result in lost productivity, low morale and temporary labor costs for employers.

#### Findings:

- 28% of employers *agreed* they experience problems with employee attendance and/or tardiness.
- 72% of employers *disagreed* they experience problems with employee attendance and/or tardiness.
- Employers with five or more lower-wage workers were significantly more likely (44.4%\*) to *agree* they have an employee attendance and/or tardiness problem.
- Employers with less than five lower-wage workers were significantly more likely to *disagree* employee attendance and/or tardiness is a problem (82.1%\* of employers with less than five lower-wage workers and 88%\* of employers with no lower-wage workers).

Survey respondents who indicated they had an attendance and/or tardiness problem were asked to identify what they perceive as the major reasons their business experienced these problems.

- Child care was significantly more likely to be reported as a reason for attendance and/or tardiness problems for 46.2%<sup>◇</sup> of employers with less than five part-time employees.

Employers in the Charlotte MSA were less likely to perceive there is an attendance and/or tardiness problem with their employee workforce for reasons associated with dependent adult care, housing, health of the employee or health of family member. Employers were evenly split on the issue of transportation as a reason for attendance and/or tardiness problems. Some 57.1% of employers who indicated their business experiences problems with employee attendance gave other reasons for employee tardiness and absenteeism; the majority of them citing irresponsibility, lack of work ethics and laziness.

### Employee Turnover

High rates of turnover, absenteeism and staff vacancies have been identified as having a negative impact not only on the families of lower-wage workers but also on employers and consumers. Direct costs for replacing workers, which include recruitment, orientation, training and

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\* Statistically significant at the 95% level

◇ Statistically significant at the 90% level

termination of the worker being replaced, are expensive. In a study of paraprofessional direct care workers, lower-wage workers in the health care industry, the estimated recurring annual cost of training due to direct care worker turnover was more than \$34 million. A commonly used conservative rule-of-thumb calculates the per worker cost of turnover at 25% of the employee's annual compensation amount. Using the 25% rule-of-thumb estimate yields a total cost of turnover in the range of \$4,200 to \$5,200 per direct care worker.

#### Findings:

- 21% of employers *agreed* their business experiences difficulty retaining employees and 77% *disagreed*.
- 28.9%\* of employers with five or more lower-wage employees (earning less than \$15 per hour) were significantly more likely to report turnover problems.
- Employers with a retention problem were slightly more likely to *agree* employees leave their business because of disciplinary problems such as unacceptable work performance.

Employers with retention issues were less likely to perceive wages, benefits and advancement opportunities contribute to employee turnover. Work hours also were less likely to be viewed by employers as a retention issue for their workforce. For those few employers who noted work hours as an issue related to employee turnover, irregular work shifts (e.g., swing shifts), irregular work hours and long work hours were stated as reasons for employee turnover in their business.

#### Major Reasons for High Employee Retention Among Respondent Businesses

Thirty-nine percent (39%) of all employers reported a 0% employee turnover rate and 42% reported a 1%-24% employee turnover rate. The majority of Charlotte Metro Area Employer Survey participants (77%) *disagreed* their business experiences problems with employee turnover. It is important to note that of all employers reporting no problems with employee turnover, 96%\* of them did not have any lower-wage workers.

Employers that *disagreed* they have a turnover problem offered the following explanations as to why they believe employee turnover is not a problem for their businesses.<sup>†</sup>

- 53.2% cited excellent work environment/team spirit/job satisfaction.
- 14.3% cited good pay.
- 13% cited long-term dependable employees/loyalty.
- 6.5% cited mature staff.

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\* Statistically significant at the 95% level

† The percentages add up to greater than 100% because employers indicated more than one explanation for why turnover is not a problem for their businesses.

- 5.2% responded staff is treated well/with respect.
- 42.9% cited other reasons for their low employee turnover rates.

***Benefits and Incentives Employers Made Available to Employees***

Research shows employee benefits and incentives are important to employee retention, morale and job satisfaction. Offering benefits to employees, particularly to part-time workers who are most likely to also be lower-wage workers, is increasing and serves as a turnover reduction tool for employers. Making benefits available to part-time workers can have a significant impact on retention, particularly in service occupations where there is a higher rate of lower-wage workers.

The Charlotte Metro Area Employer Survey responses about benefits and incentives offered to employees, as well as previous research done regarding the relationship between benefits, perks and employee retention, may lend support to the idea that offering benefits and incentives to employees can assist in increasing workforce retention. Table 1 lists benefits and incentives employers participating in the Charlotte Metro Area Employer Survey made available to their employees.

<b>TABLE 1</b>	
<b>Charlotte Metro Area Employer Survey Results</b>	
<b>Benefits/Incentives Made Available to Employees</b>	
<b>Benefits/Incentives</b>	<b>Response Rate<sup>◆</sup></b>
Paid Vacation	70.0%
Health Insurance for Employees	67.0%
Pension/Retirement Plans	45.0%
Short-term Disability	41.0%
Paid Sick Leave	39.0%
Long-term Disability	37.0%
Health Insurance for Dependents	33.0%
Flexible Work Options	33.0%
Investment Planning	23.0%
Paid Maternity Leave	15.0%
Employee Assistance Programs	14.0%
Tuition Reimbursement	13.0%
Cafeteria Plan/Flexible Spending Accounts	12.0%
Transportation	10.0%
Information About Public Benefits and Programs	10.0%
Paid Sick Dependent Leave	9.0%
Paid Paternity Leave	7.0%
Advance Earned Income Tax Credit	6.0%
Child Care	6.0%
Housing Assistance	3.0%
Dependent Adult Care	1.0%
Other Benefits/Incentives	27.0%
None	14.0%
<b>Source:</b> Southern Institute on Children and Families. <i>SBLC Charlotte Metro Area Employer Survey</i> , 2007.	
◆ The Response Rate column refers to the percent of all employers who responded to the question of what benefits/incentives they offered to their employees. Employers were asked to list all benefits/incentives they offer.	



### Employee Benefit: Health Insurance

Employer-sponsored health insurance is one of the most commonly offered benefits to employees. Although employer-sponsored health care coverage is continuing to erode in America due to costs, this form of health insurance remains the primary way working families obtain health care coverage. Yet lower-income families with at least one full-time worker are much less likely than middle-income families to receive employer-sponsored health insurance (49% versus 77%).

#### Findings:

- Most (67%) employers offer health insurance as a benefit.
- One-third (33%) offer health benefits to employees' dependents.
- A significant percentage (76.2%\*) of employers with no lower-wage workers and a significant percentage (80%\*) of employers with less than five lower-wage workers report a 75%-100% participation rate in the company's health insurance plan.
- One-third (33%) of employers surveyed do not offer health insurance, the majority (94%) of which are small businesses (less than 50 employees).
- A significant percentage (72.7%\*) of employers with five or more lower-wage workers stated cost as the major reason for not offering health insurance to their workforce.
- Employers that cited cost as the major reason for not offering employer-sponsored health insurance also were significantly more likely (69.2%\*) to report problems with employee attendance.
- Other reasons for not offering health insurance to employees included not enough employees and not enough participation from employees.

#### Of employers offering health insurance:

- 43.3% indicated all of their employees participate in the employer-sponsored plan.
- 20.9% of employers pointed out their employees do not participate in the employer-provided health care coverage plan because they are enrolled in a health insurance plan offered through a family member's employer.
- 13.4% of respondents indicated cost (too expensive) as the reason employees do not participate in the employer-sponsored health care plan with a significant percentage (23.5%\*) of employers having five or more lower-income workers.

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\* Statistically significant at the 95% level

- 7.5% of employers stated employees do not want health insurance.
- 3% of employers indicated ineligibility of employee due to working less than 40 hours as a reason some employees do not participate in the employer-sponsored health care plan.
- 3% of employers indicated participation in public health insurance programs as a reason employees do not participate in the employer-sponsored health insurance plan.

### **Business Size and Lower-wage Workforce Stability**

Small-scale cross analyses were conducted to determine whether there were any differences between employer responses based on the size of the business. Survey data from employers responding were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees. Survey findings based on business size for the Charlotte Metro Area Employer Survey are reviewed below.

#### Findings:

- 88% of businesses participating in the study are small businesses (less than 50 employees).
- 12% of respondents are large businesses (50 or more employees).
- 59% of small business respondents have less than 10 workers.
- 25%<sup>◇</sup> of small business respondents are in the Retail Trade industry.
- 19% of small businesses were classified as a part of the Accommodation and Food Services industry.

Survey results from the Charlotte Metro Area Employer Survey do not align with findings from previous research on small businesses, including studies conducted by the Southern Institute. Previous research has shown that small businesses commonly pay lower wages, offer little or no benefits and often have part-time positions.

#### Findings:

- Of all the businesses participating in the study, small businesses were more likely to have employees earning more than \$15 per hour.
- 91.7%<sup>\*</sup> of large businesses have five or more employees earning less than \$15 per hour.

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<sup>◇</sup> Statistically significant at the 90% level

<sup>\*</sup> Statistically significant at the 95% level

- 38.6% of small businesses have five or more lower-wage workers, while 60.2% have less than five lower-wage employees.
- 42%\* of participating small businesses have no part-time workers, 44.3%\* have one to five and 12.5% have six or more who work part-time.
- About 75%\* of large businesses have six or more part-time workers.

Findings highlighting differences between small and large businesses and the benefits they offer employees are discussed on subsequent pages.

### ***Employee Attendance and/or Tardiness Based on Business Size***

Findings about small businesses:

- 71.6% of small businesses *disagreed* attendance and/or tardiness is a problem for their workforce, while 28.4% *agreed* they experience these problems.

Of small businesses with attendance and/or tardiness problems, 52% *agreed* the health of a family member is a reason employees are late or miss work, while 56% stated other reasons. Lack of work ethics and sense of responsibility were cited most often by small businesses as the other reasons for attendance and/or tardiness problems in the workplace.

Almost three-fourths (71.6%) of small businesses *disagreed* their business experiences attendance and/or tardiness problems.

- 28.6% of small businesses credited good employee attendance to an excellent work environment, a “like family” environment and job satisfaction.
- 22.2% of small businesses indicated attendance is not a problem for their workforce because the employees are happy to work/enjoy working.

Findings about large businesses:

- 75%<sup>◇</sup> of large businesses *disagreed* and 25% *agreed* their business experiences problems with employee attendance and/or tardiness.

The number of large businesses that reported problems with employee attendance and/or tardiness was too small to perform any additional analyses.

### ***Employee Turnover Based on Business Size***

All of the businesses in the Charlotte Metro Area that responded to the survey were more likely to report high employee retention.

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\* Statistically significant at the 95% level

◇ Statistically significant at the 90% level

## Findings:

- Almost 80% of small businesses *disagreed* they have an employee turnover problem.
- 58% of large businesses *disagreed* they have an employee turnover problem.
- 44.3% of small businesses reported having a 0% turnover rate and 38.6% reported a 1%-24% turnover rate.
- 66%<sup>◇</sup> of large businesses reported a 1%-24% turnover rate, while no large businesses reported a 0% turnover rate.

Small employers gave the following reasons for problems with employee turnover:

- Small employers were significantly more likely (55.6%<sup>\*</sup>) to report their business experiences problems with employee turnover because of disciplinary problems.
- Small businesses were more likely to *agree* their business experiences problems with employee turnover because employees seek better benefits.

Twenty-one percent (21%) of all businesses participating in the study indicated employee turnover was a problem for their workforce.

- All businesses surveyed were more likely to *disagree* employees leave their business to become employed with another business paying higher wages.
- All employers were more likely to *disagree* employees leave to seek better advancement opportunities.
- All businesses were less likely to view work hours as a contributor to turnover problems for their workforce.

## **Benefits and Incentives Small and Large Businesses Made Available to Employees**

The findings in this study are similar to other research that has shown businesses with a greater number of employees usually make more benefits available to workers than businesses with fewer employees. Businesses with a large workforce usually offer more attractive and a greater range of employee benefits including retirement benefits and paid holidays and vacations. Businesses with few workers find themselves financially unable to match the benefits offered by large employers. Data results from the Charlotte Metro Area Employer Survey show health insurance and paid vacation are two of the most frequently available benefits to employees of all business sizes.

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<sup>◇</sup> Statistically significant at the 90% level

<sup>\*</sup> Statistically significant at the 95% level

Findings:

- 67% of all businesses offer health insurance.
- 70% of all businesses offer paid vacation time.

Although a large percentage of participating businesses of all sizes make health insurance and paid vacation available, there are differences between small and large businesses in the rate at which these benefits are offered.

- 64.8% of small businesses offer health insurance to employees.
- 83.3% of large businesses offer health insurance to employees.
- 70.5% of small businesses offer paid vacation.
- 66.7% of large businesses offer paid vacation.

Almost 16% of small businesses did not offer any benefits to employees, whereas all of the large businesses offered one or more benefits to employees. Survey results also showed some statistically significant differences between the types of benefits large employers offered compared to small employers. These differences are outlined in Table 2.

<b>TABLE 2</b> <b>Charlotte Metro Area Employer Survey Results</b> <b>Comparison of Select Benefits/Incentives Offered by Small and Large Businesses</b>		
<b>Benefits/Incentives</b>	<b>Small Business Response Rate<sup>□</sup></b>	<b>Large Business Response Rate<sup>□</sup></b>
Pension/Retirement Plans	42.0%	66.7% <sup>◇</sup>
Short-term Disability	37.5%	66.7% <sup>*</sup>
Health Insurance for Dependents	29.5%	58.3% <sup>◇</sup>
Cafeteria Plan/Flexible Spending Accounts	8.0%	41.7% <sup>*</sup>
<b>Source:</b> Southern Institute on Children and Families. <i>SBLC Charlotte Metro Area Employer Survey, 2007.</i> <sup>□</sup> The small and large business response rate columns refer to the percent of all employers who responded to the question of what benefits/incentives they offered to their employees. Participants were asked to list all benefits/incentives they offer.		

Table 4 in Appendix A shows all of the benefits and incentives participating small businesses made available to their employees by percentage of those responding.

<sup>◇</sup> Statistically significant at the 90% level

<sup>\*</sup> Statistically significant at the 95% level

## ***Health Insurance Benefit***

Businesses of all sizes are reducing the availability of health insurance to their employees due to growing costs associated with health care coverage. Studies reveal a strong association between business size and whether employees have health insurance coverage through their employer. Employees of businesses with few employees are at greatest risk for lacking employer-sponsored health care coverage. Further, lower-wage workers in all size businesses are at higher risk of being uninsured.

Results from the Charlotte Metro Area Employer Survey, however, differed slightly from what is usually observed regarding business size, lower-wage workers and the availability of and participation in health insurance plans offered through employers. Nearly two-thirds (64.8%) of small businesses and over three-quarters (83.3%) of large businesses participating in this survey offer health insurance as a benefit to their employees. Of the 67% of employers that offer health insurance as a benefit:

- About 55.2% of all employers reported an employee participation rate of 75%-100% in the employer-sponsored health insurance plan.
- 50% of large businesses reported a 75%-100% employee participation rate in the employer-sponsored health insurance plan.
- Almost 56.1% of small businesses indicated an employee participation rate of 75%-100% in the employer-sponsored health insurance plan.
- A significant percentage (47.4%<sup>◇</sup>) of small businesses reported all employees participate in the employer-sponsored plan.
- The majority of large businesses also have high participation rates in the employer-sponsored health insurance plan.

However, cost is a deterrent for participation in the employer-sponsored health insurance plan when there are a considerable number of employees earning less than \$15 per hour.

- Of employers with five or more workers earning less than \$15 per hour, a significant percentage (23.5%<sup>\*</sup>) reported cost (too expensive) as a reason employees do not participate in the employer-sponsored health insurance plan.

For all employers that do not offer health insurance to employees, the most commonly stated reason for not offering the benefit was cost – too expensive. Not enough employees was the second most common reason small businesses gave for not offering health insurance as a benefit, followed by not enough participation from employees.

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<sup>◇</sup> Statistically significant at the 90% level

<sup>\*</sup> Statistically significant at the 95% level

## **Charlotte Metro Area Employer Dialogue Session**

The Charlotte Metro Area Employer Dialogue Session was held on March 14, 2007, in Charlotte, North Carolina. The Southern Institute on Children and Families worked in collaboration with the Charlotte Chamber of Commerce to recruit a mix of local employers to participate in the session. Nine representatives of private businesses employing lower-wage workers participated in the dialogue. The Southern Institute commissioned a professional moderator to facilitate the employer discussion. The purpose of the Charlotte Metro Area Employer Dialogue Session was to gain insight on employer perceptions of barriers to employment stability in the lower-wage workforce, strategies they have tried to improve employment stability and recommendations for public and private sector actions and public/private partnerships to improve employment stability in the lower-wage workforce.

This section summarizes the dialogue among employers participating in the Charlotte Metro Area Employer Dialogue Session. The summary is presented by major themes and includes first-hand insights offered by the Charlotte Metro Area employers in attendance.

### **Employer Perceptions of Employment Stability Issues Related to the Lower-wage Workforce**

Charlotte Metro Area employers attending the dialogue session shared their perceptions of issues that affect the ability of lower-wage employees in their workplace to be stable and reliable employees. The issues are described below.

#### ***Immigration Requirements Affect Employment Stability***

Several employers stated they are hiring immigrant workers with temporary visas in both full-time and part-time positions. A number of employers indicated agreement with a statement by one employer who noted, “Recently we can’t find your typical American who will fill these jobs... anyone born and raised in the United States.” It was indicated that employees filling many lower-wage positions come from Mexico, Central and South America, Russia and Eastern Europe. Employers reported these workers present unique challenges in terms of visa requirements. They are required to return home periodically, some every three to four months, therefore disrupting their employment.

#### ***Language Issues Present Barriers to Stable Employment***

Lack of proficiency in understanding and speaking English impedes obtaining and retaining employment in many available lower-wage positions in retail, hospitality and health care. Frontline customer service jobs are affected the most. Employers indicated that while there is competition for hourly workers who can work in customer service those jobs are not available to individuals who do not speak English, which affects both hiring and promotion potential. Those most affected are non-English speaking Hispanic workers. One employer representing the retail sector noted, “... the biggest challenge with Hispanics is language and communication with the customer is important. If we could improve that we would hire more.”

Some employers had resources within their own businesses to assist with language issues and others indicated an interest in having more community resources aimed at helping the hourly workforce with language and other issues that would improve their potential to obtain and retain stable employment. One employer stated the approach to resolving language issues that impede stable employment should be balanced, “It shouldn’t all be on the employer or the employee.”

### ***Multi-cultural Workforce Issues Can Affect Employment Stability***

Lack of understanding of cultural differences among immigrant workers can contribute to turnover among employees. Differences in culture and values can lead to misunderstandings between lower-wage employees and their supervisors, affecting work relationships and employment stability. In particular, cultural differences regarding family relationships may lead to misunderstandings.

An employer knowledgeable of the Hispanic culture explained the importance of family to Hispanic workers, “Family is the highest core value and in the United States work is the highest core value.” An example was provided by the employer, “If the cousin of an employee dies, he is going to Mexico...If they don’t understand, that will cost him the job...The employee doesn’t understand why the employer says they cannot go [to the funeral] and the employer doesn’t understand why the employee has to go.” This employer also indicated Hispanics are here to work and building their loyalty will produce benefits for a company, “If a company builds loyalty, they would not go anywhere for 50 cents.”

One employer said, “...we are expecting them to do jobs that a lot of Americans will not do and we need to stop and figure out how to integrate them into our companies...I think we need to do a better job of understanding and embracing.” Another employer noted, “...we have encountered the tremendous need for employees but no support to be able to retain them.”

### ***Lack of Child Care Presents Barriers to Stable Employment***

Many employers identified child care as a problem. Employers indicated child care is a major issue with jobs in the retail, hospitality and health care areas where women of child bearing age make up a large component of the workforce. Employers also indicated shift work creates child care challenges and can result in two-parent families working different shifts to care for children, which affects family life.

One employer indicated that lack of stable child care can result in tardiness and unexcused absences for lower-wage employees. The employer said, “... really you have to have a workforce that is dependable. If [there is] a lot of tardiness, unexcused absences, it becomes a terminable offense.”

One employer noted some immigrant workers bring their families with them to the United States and many are of child bearing age so child care is a problem. Referring to Hispanic families, one employer familiar with Hispanic culture stated, “Child care is done by family. If you lose the infrastructure, you lose the job.” The employer indicated Hispanic women generally are not



willing to place their children in a child care center because they want their children close to them or with a relative.

### ***Lack of Public Transportation Affects Employment Opportunities and Stability***

Several employers indicated transportation is a major issue for their lower-wage employees. They reported the availability of public transportation varies based on the geographic area or market. Employers also noted access to transportation is affected by the way in which work must be scheduled and/or the individual employee's work schedule. Lower-wage employees working on prescribed shifts can carpool with other employees. However, carpooling may not be an option for employees working in jobs where their work schedules may vary from day to day, e.g., grocery stores and retail outlets. Referring to carpooling, one employer stated, "For shift work it is good but for flexible scheduling, it makes carpooling more difficult. They have to rely on public transportation."

Employers indicated employees working at locations not on a bus line or working hours when the bus system does not operate experience more problems in arranging transportation to and from their jobs. As one employer in the retail industry noted, "If no bus line is running to a store, that is a problem." An employer in the hospitality industry said, "Transportation is a big problem." This employer described a discounted ticket initiative he tried with the Charlotte Area Transit System that was not successful. It appeared communications with employees may have been an issue and the employer indicated he may try again.

### ***Competition for Lower-wage Workers Contributes to Turnover***

Several employers noted there is significant competition for lower-wage employees. One employer indicated seasonal jobs lure employees away, creating turnover in the lower-wage workforce. These jobs are available at certain times of the year and some lower-wage workers will leave one job to take a higher paying job although it may be short-term. The employer indicated some of the employees do return once the seasonal jobs are no longer available.

Challenges related to retaining lower-wage workers can vary by industry. One employer indicated that in some industries there is competition for certain types of workers.

### ***Lack of Work Schedule Flexibility Affects Employment Stability***

Flexibility in work schedules is an issue particularly for lower-wage employees working two and three jobs. One employer noted, "Most associates have two and three jobs. They don't have one primary job and then you have to work around those flexible schedules."

Work schedule flexibility also is an issue for employers in industries that rely heavily on a part-time labor force, e.g., grocers and retailers. As one employer noted it used to be you could mandate when the employee worked but that is not the case today.

Another aspect of work schedule flexibility is the employee's need for time off to take care of personal business and family responsibilities. One employer that provides good benefits stated

research conducted by their business indicated two primary reasons for lower-wage employees changing jobs. The employer said, “One reason was that they could make 50 cents more down the street and the other was the inability to be flexible with work hours.” The employer indicated the business is not as flexible as they want to be with many of their jobs, but their ability to do so is limited because of hours of operation.

### ***Inappropriate Placement of Lower-wage Workers Can Lead to Employment Stability Issues***

Employers indicated inappropriate placement of workers can increase turnover. One employer said it is very important to match skills and to make the effort to be sure “perceptions meet the reality of the job.” Another employer reported research conducted by his business on turnover that showed putting people in the “wrong job” leads to higher turnover rates.

### ***Lack of Motivation to Work in Lower-wage Jobs Affects Employment Opportunities***

One employer stated immigrant workers are more motivated to work in lower-wage jobs. He indicated that unlike some Americans, immigrant workers understand lower-wage positions can lead to better opportunities, saying, “Their perspective is to get a foot in the door.” The employer also noted the differences between the United States and Europe in perceptions of the service industry. He stated, “If you work with McDonald’s [in the United States], the mindset is you must be down on your luck or you don’t have much of a work ethic,” and further stated, “Employees in the European service industry are more respected and are paid more.”

### ***Limitations in Education and Training for Lower-wage Workers May Affect Employment Stability***

Employers identified education and training for lower-wage employees as a problem for both the employer and the employee. Employers need workers with the knowledge and skills to perform the work. As one employer noted, “You expect as a store manager to have a fully trained person, but it doesn’t happen that way.” Another employer indicated the need for vocational skills training. He stated, “There is less focus in high school to prepare people for vocational skills whether it is service or mechanics.”

Employers indicated the training available to lower-wage workers varies according to the type of business and the job being performed. In some cases, lower-wage workers may receive formal training and in others only on-the-job training is offered. Several employers reported most of the training opportunities are offered to employees in management. As one employer stated, “...most of the training is geared for people in management and above.” Another employer estimated that 20% of the training is provided to lower-wage employees. She stated, “...80% of the training provided in the workplace is to people with bachelors, masters or PhDs [degrees].”

## **Employer Recommendations to Improve Employment Stability**

Employers participating in the Charlotte Metro Area Employer Dialogue Session were asked to share their thoughts and recommendations on public and private sector actions that can be taken

to improve employment stability in the lower-wage workforce. The employer recommendations are outlined below.

### ***Negotiate Service with the Public Transportation System***

Negotiating with the local transportation authority regarding hours and routes of service appears to be worthwhile. One employer reported some success in getting the local transportation authority in another market to extend their hours of operation for the bus route on which one of their stores operated. This allowed better access to transportation for employees working later shifts at night. Another employer reported similar success working with the bus system in the Charlotte Metro Area to "... put bus lines into stores or if bus lines run till nine and we need it till eleven..." getting the schedule changed.

An employer in the hotel industry had previously described working with the Charlotte Area Transit System to get discounted bus tickets for employees but the employees did not want to participate. Indications were employees may not have participated because they did not understand the benefit being offered due to language barriers. An employer knowledgeable of Hispanic culture indicated that a good communication strategy is to identify a leader who can engage the other employees.

### ***Assist Employees with Parking Expenses***

Assisting employees with downtown Charlotte parking costs was a strategy described by one employer. Employees can get a small supplement or they can have the option of selecting parking as a pretax expense.

### ***Develop a Realistic Job Preview Program for Potential Employees***

One employer reported success in using a technique referred to as a realistic job preview and indicated that it can have a positive impact on retaining lower-wage employees. This strategy allows job applicants to experience a typical day in the job in order to determine if the job is a good fit. The potential employee gains a better understanding of what is expected to perform the job and it provides the employer more opportunity to observe the job applicant in the work setting. Referring to the employees, the employer stated, "When they get here they are not surprised because they understand the work...and we are not having to manage their expectations."

### ***Seek Public Grants and Other Opportunities to Support Partnerships with Community Child Care Centers***

One multi-state employer reported they partnered with a child care center to offer child care to their second shift employees working in a call center in another state. Through a public grant, the child care center was able to expand its hours to 11:00 p.m. This resulted in reduced turnover among employees. As the employer stated, "My heart goes out to the little guys putting on their PJ's and being taken to the daycare but it is better than unemployment." The program has since been integrated into the business at that location.

One employer reported having a program for employees to select child care benefits on a pretax basis and indicated this strategy is part of a package of benefits that help improve retention. Other employers stated they offer discounts on child care services through partnering with community child care facilities. One employer reported that prior to offering discounts, the business had experimented with onsite child care for customers and employees. They found it was expensive from a liability standpoint and employees and customers did not participate as anticipated. One employer who had previously identified child care as an employment stability issue stated, “We are not in the child care business. This is not what we do.”

### ***Implement Recognition Programs for Lower-wage Employees***

One employer reported retention success in using a recognition program with lower-wage workers in a nursing facility. Strategies included setting up a recognition program with varying levels of achievement, increases in pay for every level achieved and visible symbols of achievement (lapel pins, jackets). Employee loyalty increased. The employer noted, “The turnover rate went to zero and we started to be choked by applications.” The employer stated, “People want to be valued and they want to bring value.”

Another employer described an “Employee of the Month” program where the employee can choose from restaurant or retail gift cards. The business also has a “customer compliment line” and the recognized employee receives movie tickets. Both programs are well received.

### ***Provide Employee Benefits to Lower-wage Employees***

Many employers reported their businesses offer various benefits to retain employees and several are described below. Employers did not have information on which benefits their lower-wage employees use.

In addition to more traditional employee benefits, such as health care coverage and 401K matching programs, many employers indicated they offer discounts on goods and services, housing assistance, profit sharing, tuition assistance and help with paying parking costs. One employer stated, “The whole package of benefits we offer helps with retention.”

Several employers representing large businesses indicated they negotiate discounts for goods, e.g., food, and services, e.g., dry cleaning, for their employees. The discounts are available for full-time and part-time employees. Several employers indicated that they have arranged to offer employee discounts for child care or provided assistance through pretax options.

In terms of housing assistance, one employer in the banking sector reported his business offers assistance to employees in making a down payment on the purchase of a home. The employer provides up to \$5,000 forgivable for up to five years to be used for a down payment.

One employer offers both full-time and part-time employees the opportunity to participate in company profit sharing. The employer emphasizes the value of this benefit and highlights quarterly profit sharing through newsletters and events, at the store level. As the employer noted, “It is about another paycheck, which is an extra paycheck with the profit sharing.”

One employer offers tuition assistance to employees attending school. The amount of assistance (tuition refund) depends on the type of job held by the employee. The employer indicated the tuition refund program has helped in retaining employees.

One employer described a large Charlotte packaging company that had many seasonal workers and three shifts. The employer explained the business owner was aware workers were focused on family and totally restructured the business to serve family needs 24-hours a day. Transportation was provided as needed. Other services addressed by the business included child care, laundry and language training. The employer said the owner, "...took into consideration the acculturation aspect and knew it was a critical factor because he could not find Americans to do what he needed to do." The employer said the business was successful and was later bought by a Fortune 500 company.

During the dialogue employers made no mention of public benefits available to lower-wage workers and their families that support efforts to work, including public health coverage for children in working families through Medicaid and the State Children's Health Insurance Program (SCHIP). Follow-up questions indicated a general lack of awareness of these programs.

### ***Provide Skill-based Vocational Training***

One employer suggested that more skill based vocational training should be developed in order to get employees into the workplace with a skill that promotes employment stability. Noting the differences in immigrant workers and American workers with "no skills, no high school degree," the employer stated that when immigrant workers come to the United States "... they know a skill and they have been doing it for three years."

### ***Leverage Workforce Development Resources in the Community***

One employer reported that there are workforce development resources available for "incumbent" work programs. These funds can be used to provide training to existing employees and training can be offered in English or Spanish. The employer indicated that Charlotte Metro Area employers were not taking advantage of the training resources. The response from many of the other employers was that they were not aware of this assistance and would be interested to know more about it.

Another employer reported they have partnered with a public sector youth development program in Washington, DC to prepare youth for employment in their stores inside the district. The program offers English language classes. As the employer noted, "We can't employ them until they can speak English." The employer said that in terms of language barriers, employers could work with a local public or non-profit agency to get employees ready to apply for jobs and take them through the application process.

### ***Offer Work Schedule Flexibility***

Several employers with part-time employees offer some flexibility in work hours and/or work scheduling as a way to retain employees. Employers reported work schedule flexibility is

particularly important for workers with two or three jobs, for families in which the parents work different schedules in order to have one parent caring for the children while the other parent works and for employees caring for parents and older family members. Employers also stated not all employers are able to offer flexibility in work schedules, e.g., manufacturing and retail.

One employer said his business has a large population of telecommuting workers and workers at satellite locations so they can have schedule flexibility that allows them to care for their family.

### ***Provide Industrial Spanish Lessons to Supervisors and Pay Incentives to Bilingual Employees in Businesses with Spanish-speaking Customers***

One employer reported management decided that due to the turnover rate it was not feasible to offer English courses to the Hispanic workers and instead decided management should take Spanish courses. The business provided industrial Spanish classes to their managers and supervisors through an arrangement with a faculty member at a local community college. Supervisors are now able to provide basic information in Spanish concerning the work being performed, e.g., safety warnings. An unanticipated benefit was the positive response from the lower-wage workers. As the employer noted, "... when we started communicating in their native tongue, we earned some respect...and a level of appreciation."

Two employers noted businesses with Spanish speaking customers, e.g., hospitals and retailers, offer pay incentives to bilingual employees. One employer representing the health care industry offers Spanish classes to nurses and physicians to learn "medical Spanish."

### ***Offer English Classes During Work Hours***

An employer familiar with the Hispanic workforce said employers need to consider making English courses available during work hours. The employer indicated Hispanic workers would be very receptive to this approach. The courses could be part of the company's occupational training program. Another employer indicated he did not think businesses were aware that an English language skill building approach would be welcomed by Hispanic workers. It was pointed out by another employer this approach would not work for employers who cannot hire workers who are not English speaking.

### ***Focus Attention on Middle and High School Students to Build Vocational Skills and Job Awareness***

Employers indicated schools can play a larger role in teaching vocational skills. One employer said, "You have employers saying they can't find workers and you have workers who can't find jobs. We have to find a way to bridge."

Some employers reported conducting educational programs at middle and high school job fairs in order to educate students about career opportunities in their industry. One employer indicated talking with middle school students rather than high school students is a good strategy.

## Next Steps

Employer voices are critical to the development of actions needed in both the public and private sectors to promote stable employment in the lower-wage workforce. The Charlotte Metro Area Employer Initiative yielded pertinent information that can be used immediately by Charlotte Metro Area businesses, foundations, community organizations and public policymakers in assessing workforce stability issues and developing strategies to improve employment stability among lower-wage workers.

The Charlotte Metro Area Employer Initiative is an important component in the development of the *Southern Business Leadership Council (SBLC) Employment Stability Action Plan*. The Southern Institute on Children and Families conducted employer projects to gather insights from employers in several southern communities, as was done in Charlotte. The information collected from the Charlotte Metro Area Employer Initiative and from other southern communities will contribute to the development of the *SBLC Employment Stability Action Plan*. Upon completion of all projects, the Southern Institute will prepare a synthesis for the SBLC of the information collected on employer perspectives related to the barriers to employment stability of the lower-wage workforce and promising strategies to address the barriers.

The *SBLC Employment Stability Action Plan* will identify public actions, private sector actions and public/private partnerships needed to address identified issues and opportunities, and it will include employment stability action strategies that are central to workforce development, retention and economic development plans. It will provide summaries on public and private sector promising practices that can be replicated in communities across the South and the nation and contacts for information on design and implementation.

High profile dissemination and promotion of the *SBLC Employment Stability Action Plan* is planned for 2008 through business, civic and public policy networks. All business and trade organizations that assisted with the SBLC employer research projects will receive the *SBLC Employment Stability Action Plan* when released. The *SBLC Employment Stability Action Plan* will provide a roadmap for business, community and public policy leaders in 17 southern states and the District of Columbia to improve employment stability in the lower-wage workforce.

Please visit [www.thesoutherninstitute.org](http://www.thesoutherninstitute.org) for additional information on the Southern Institute and the SBLC.

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## **APPENDICES**

**APPENDIX A**  
**SELECT CHARLOTTE METRO AREA EMPLOYER SURVEY DATA**

<b>TABLE 3</b>		
<b>Charlotte Metro Area Employer Survey Results</b>		
<b>Percent of Workforce that is Lower-Wage</b>		
<b>(Earning Less Than \$15 Per Hour)</b>		
<b>Percent of Workforce Earning Less Than \$15 Per Hour</b>	<b>Number of Employees</b>	<b>Number of Employees Earning Less Than \$15 Per Hour</b>
100%	50	50
100%	32	32
100%	25	25
100%	23	23
100%	17	17
100%	17	17
100%	16	16
100%	15	15
100%	13	13
100%	12	12
100%	9	9
100%	8	8
100%	7	7
100%	7	7
100%	6	6
100%	6	6
100%	5	5
100%	5	5
100%	4	4
100%	4	4
100%	4	4
100%	4	4
100%	3	3
100%	3	3
100%	3	3
100%	2	2
100%	2	2
100%	2	2
100%	2	2
96%	23	22
89%	45	40
88%	26	23
86%	7	6
86%	7	6
86%	7	6
<b>Source:</b> Southern Institute on Children and Families. <i>SBLC Charlotte Metro Area Employer Survey, 2007.</i>		

**TABLE 3 (CONTINUED)**  
**Charlotte Metro Area Employer Survey Results**  
**Percent of Workforce that is Lower-Wage**  
**(Earning Less Than \$15 Per Hour)**

Percent of Workforce Earning Less Than \$15 Per Hour	Number of Employees	Number of Employees Earning Less Than \$15 Per Hour
85%	1000	850
85%	26	22
83%	6	5
80%	20	16
80%	5	4
80%	5	4
80%	5	4
78%	9	7
75%	12	9
75%	8	6
75%	8	6
75%	4	3
67%	3	2
64%	11	7
60%	5	3
60%	5	3
60%	5	3
58%	12	7
57%	7	4
57%	7	4
50%	70	35
50%	4	2
50%	4	2
50%	2	1
50%	2	1
50%	2	1
42%	60	25
40%	140	56
34%	50	17
33%	6	2
30%	1700	510
29%	70	20

**Source:** Southern Institute on Children and Families. *SBLC Charlotte Metro Employer Survey, 2007.*

**TABLE 3 (CONTINUED)**  
**Charlotte Metro Area Employer Survey Results**  
**Percent of Workforce that is Lower-wage**  
**(Earning Less Than \$15 Per Hour)**

Percent of Workforce Earning Less Than \$15 Per Hour	Number of Employees	Number of Employees Earning Less Than \$15 Per Hour
25%	28	7
25%	4	1
20%	40	8
20%	20	4
9%	400	35
0%	15	0
0%	15	0
0%	12	0
0%	12	0
0%	11	0
0%	10	0
0%	10	0
0%	10	0
0%	10	0
0%	9	0
0%	9	0
0%	8	0
0%	7	0
0%	7	0
0%	6	0
0%	4	0
0%	4	0
0%	4	0
0%	4	0
0%	4	0
0%	4	0
0%	3	0
0%	3	0
0%	3	0
0%	2	0
0%	2	0
0%	2	0
N/A	18	Don't Know
N/A	400	Don't Know

**Source:** Southern Institute on Children and Families. *SBLC Charlotte Metro Employer Survey, 2007.*

**TABLE 4**  
**Charlotte Metro Area Employer Survey Results**  
**Benefits/Incentives Made Available by Small Businesses (< 50 Employees)**

<b>Benefits/Incentives</b>	<b>Response Rate<sup>Δ</sup></b>
Paid Vacation	70.5%
Health Insurance	64.8%
Pension/Retirement Plans	42.0%
Paid Sick Leave	38.6%
Short-term Disability	37.5%
Long-term Disability	34.1%
Flexible Work Options	30.7%
Health Insurance for Dependents	29.5%
Investment Planning	21.6%
Paid Maternity Leave	13.6%
Tuition Reimbursement	11.4%
Employee Assistance Programs	11.4%
Transportation	11.4%
Information About Public Benefits and Programs	9.1%
Cafeteria Plan/Flexible Spending Accounts	8.0%
Paid Sick Dependent Leave	6.8%
Paid Paternity Leave	5.7%
Child Care	4.5%
Advance Earned Income Tax Credit	4.5%
Housing Assistance	2.3%
Dependent Adult Care	1.1%
Other Benefits/Incentives	27.0%
None	15.9%

**Source:** Southern Institute on Children and Families. *SBLC Charlotte Metro Area Employer Survey, 2007.*

<sup>Δ</sup> Column 2 refers to the percent of all employers who responded to the question of what benefits/ incentives they offer to their employees. Participants were asked to choose all that they offer.

**APPENDIX B  
DEMOGRAPHICS OF THE CHARLOTTE METRO AREA**

**TABLE 5  
Median Income for the Charlotte-Gastonia-Concord, NC-SC  
Metropolitan Statistical Area (MSA)**

	Median Hourly	Median Annual
<b>Charlotte-Gastonia-Concord, NC-SC MSA</b>	<b>\$14.55</b>	<b>\$30,270</b>
National	\$14.15	\$29,430

**Source:** US Department of Labor, Bureau of Labor Statistics. *May 2005 Metropolitan Area Occupational Employment and Wage Estimates: Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area*. Washington, DC: US Department of Labor, Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, January 2007.

**Note:** These estimates are calculated with data collected from employers in all industry sectors in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area, a metropolitan statistical area that includes five counties (Anson, Cabarrus, Gaston, Mecklenburg and Union Counties) in North Carolina and one county (York County) in South Carolina.

**TABLE 6**  
**Lower-wage Workers in the Charlotte-Gastonia-Concord, NC-SC**  
**Metropolitan Statistical Area (MSA)**

Standard Occupational Classification (SOC) Major Groups in the Charlotte-Gastonia-Concord, NC-SC MSA	Number of Occupations with Incomes at or less than \$14.55 <sup>□</sup> per hour under each SOC Major Group	Number of Employees with Incomes at or less than \$14.55 <sup>□</sup> per hour under each SOC Major Group
13-0000 Business and Financial Operations Occupations	1	270
19-0000 Life, Physical, and Social Science Occupations	1	50
21-0000 Community and Social Services Occupations	4	1,166
23-0000 Legal Occupations	1	90
25-0000 Education, Training, and Library Occupations	4	5,390
27-0000 Arts, Design, Entertainment, Sports, and Media Occupations	6	1,640
29-0000 Healthcare Practitioner and Technical Occupations	6	3,650
31-0000 Healthcare Support Occupations	10	14,200
33-0000 Protective Service Occupations	4	8,990
35-0000 Food Preparation and Serving Related Occupations	15	58,680
37-0000 Building and Grounds Cleaning and Maintenance Occupations	6	20,630
39-0000 Personal Care and Service Occupations	15	11,600
41-0000 Sales and Related Occupations	7	49,530
43-0000 Office and Administrative Support Occupations	27	98,210
45-0000 Farming, Fishing, and Forestry Occupations	3	120
47-0000 Construction and Extraction Occupations	22	17,350
49-0000 Installation, Maintenance, and Repair Occupations	12	2,410
51-0000 Production Occupations	46	38,390
53-0000 Transportation and Material Moving Occupations	14	43,960
<b>Total Number of Occupations with Income = &lt; \$14.55 per hour</b>	<b>204</b>	
<b>Total Number of Workers Earning = &lt; \$14.55 per hour</b>		<b>376,326</b>
<b>Total Number of Workers</b>		<b>784,340</b>
<b>Percentage of Workforce Earning = &lt; \$14.55 per hour</b>		<b>48%</b>

**Sources:** US Department of Labor, Occupational Safety & Health Administration. *Standard Industrial Classification (SIC) System*. Washington, DC: US Department of Labor, 2005, [http://www.osha.gov/pls/imis/sic\\_manual.html](http://www.osha.gov/pls/imis/sic_manual.html).

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<sup>□</sup> Refer to the survey instrument discussion on page five of this report.

**Note 1:** SOC Major Groups in bold have an overall median hourly income at or below the median hourly income for the PMSA.

**Note 2:** Standard Occupational Classification (SOC) system: This system is being adopted by Federal statistical agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data. All workers are classified into 1 of more than 800 occupations according to their occupational definition. To facilitate classification, occupations are combined to form 23 major groups, 96 minor groups and 449 broad occupations. Each broad occupation includes detailed occupations requiring similar job duties, skills, education or experience.



**TABLE 7**  
**Percentage of Population 16 Years and Over in Labor Force With Children Under 6 Years Old**

	<b>Population 16 Years and Over in Labor Force</b>	<b>With Children Under 6 Years</b>	<b>Percentage</b>
<b>Charlotte-Gastonia-Concord, NC-SC MSA</b>	<b>814,431</b>	<b>133,996</b>	<b>16.5%</b>
Anson County	19,582	1,831	9.4%
Cabarrus County	80,504	13,046	16.2%
Gaston County	99,559	14,376	14.4%
Mecklenburg County	438,495	76,093	17.4%
Union County	84,384	14,400	17.1%
York County	101,618	13,552	13.3%
<b>National</b>	<b>147,299,391</b>	<b>23,088,234</b>	<b>15.7%</b>

**Sources:** American Community Survey. *American FactFinder*. Washington, DC: US Census Bureau, 2005.  
[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

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**Note:** All information based on 2005 American Community Survey, except Anson County which is based on the 2000 Census.

**TABLE 8**  
**Percentage of Families Earning Below Poverty Within the Last 12 Months**

	<b>All Families</b>	<b>Families with Female Householder no Husband Present</b>	<b>Female Householder no Husband Present with Related Children Under 5 Years</b>	<b>Female Householder no Husband Present with Related Children Under 18 Years</b>
<b>Charlotte-Gastonia-Concord, NC-SC MSA</b>	<b>9.3%</b>	<b>29.3%</b>	<b>43.0%</b>	<b>35.5%</b>
Anson County*	15.5%	37.5%	55.4%	42.7%
Cabarrus County	7.2%	20.3%	0.0%	31.7%
Gaston County	10.9%	32.3%	56.8%	37.1%
Mecklenburg County	8.8%	27.0%	38.8%	32.1%
Union County	8.3%	32.2%	58.7%	37.8%
York County	10.2%	38.4%	65.8%	49.1%
<b>National</b>	<b>10.2%</b>	<b>29.4%</b>	<b>47.4%</b>	<b>37.7%</b>

**Sources:** American Community Survey. *American FactFinder*. Washington, DC: US Census Bureau, 2005.  
[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

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[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

**Note:** All information based on the 2005 American Community Survey, except Anson County, which is based on the 2000 Census.

\*Poverty Status as of 1999

**TABLE 9**  
**Demographics of North Carolina and South Carolina**  
**Familial and Parental Characteristics of Children Under Age 18 by Income Level**  
**(Figures are Percentages)**

<b>FAMILIES</b>				
	NC		SC	
Poor	20		19	
Low Income	43		43	
Above Low Income	57		57	
<b>PARENTAL EDUCATION</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
Less Than High School	23	20	2	3*
High School Diploma	35	39	19	18
Some College or More	43	41	79	80
<b>PARENTAL EMPLOYMENT</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
Employed Full-Time, Year Round	50	54	93	91
Employed Part-Time or Part-Year	30	28	6	6
No Parent Employed	20	18	1*	3*
<b>PARENTAL MARITAL STATUS</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
Married Parents	44	40	83	82
Single Parents	56	60	17	18
<b>AGE OF CHILDREN IN FAMILY</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
Less Than 6 Years Old	37	36	33	32
At Least 6 Years Old or Older	63	64	67	68
<b>HOME OWNERSHIP</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
Own Home	40	52	84	90
Rent Home	60	48	16	10
<b>FAMILY STRUCTURE</b>				
	Low Income		Above Low Income	
	NC	SC	NC	SC
At Least One Parent Present in the Household	94	91	96	98
No Parent Present in the Household	6	9	4	2*

## REFERENCE AND NOTES

**Source:** National Center for Children in Poverty (NCCP). *50-State Demographics Data Wizards*. New York, NY: NCCP, 2007. <http://www.nccp.org/tools/demographics/>

*\*This estimate should be used with caution. It may be unreliable due to a small sample size.*

**Note 1:** Poor is defined as families and children with a family income below the federal poverty threshold.

**Note 2:** Low Income is defined as families and children with a family income less than twice the federal poverty threshold.

**Note 3:** Above Low Income is defined as families and children with a family income at or above twice the federal poverty threshold.

**Note 4:** The Federal Poverty Threshold is \$10,210 in 2007 for an individual. These thresholds vary by family size, for example the Federal Poverty Threshold for a family of three with two children was \$17,170 in 2007, \$16,600 in 2006, and \$16,090 in 2005.

**Note 5:** State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2004, 2005 and 2006, representing information from calendar years 2003, 2004 and 2005. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2006 data, representing information from the previous calendar year.

**TABLE 10**  
**Demographics of the Charlotte MSA and Select Counties within the Charlotte MSA**

<b>Low Birthweight<sup>1</sup></b>				
	Gaston County (NC)	Mecklenburg County (NC)	York County (SC)	Charlotte MSA
Percent of Babies Born with Low Birthweight	8.0%	8.0%	8.3%	N/A
<b>Single-Parent Households<sup>2</sup></b>				
	Gaston County (NC)	Mecklenburg County (NC)	York County (SC)	Charlotte MSA
Own Children in a Single-Parent Household	24.6%	24.1%	23.0%	22.7%
<b>Educational Levels of Population 25 and Older<sup>3</sup></b>				
	Gaston County (NC)	Mecklenburg County (NC)	York County (SC)	Charlotte MSA
Percent of Population 25+ Without a High School Diploma	24.2%	11.1%	17%	14.5%
Percent of Population 25+ With a High School Diploma	30.7%	21.6%	29%	26.5%
Percent of Population 25+ With a Bachelor's Degree	11.5%	27.6%	17%	21.5%
<b>Housing<sup>3</sup></b>				
	Gaston County (NC)	Mecklenburg County (NC)	York County (SC)	Charlotte MSA
Percent of Housing Units Owner Occupied	68.7%	64.1%	9%	67.9%
Percent of Housing Units Renter Occupied	31.3%	35.9%	71%	32.1%
Percent of Housing Units Vacant	10.4%	10.3%	29%	10.0%
<b>Sources:</b>				
1. KIDS COUNT, CLIKS: Community-Level Information on Kids. <i>Gaston County (2004), Mecklenburg County (2004) and York County (2001)</i> . Baltimore, MD: The Annie E. Casey Foundation, 2001. <a href="http://www.kidscount.org/cgi-bin/cliks.cgi?action=profile">http://www.kidscount.org/cgi-bin/cliks.cgi?action=profile</a>				
2. KIDS COUNT, Census Data Online. <i>Key Facts for Gaston County, Mecklenburg County, York County and Charlotte-Gastonia-Rock Hill, NC-SC MSA</i> . Baltimore, MD: The Annie E. Casey Foundation, 2000. <a href="http://www.kidscount.org/cgi-bin/aecensus.cgi?action=profile">http://www.kidscount.org/cgi-bin/aecensus.cgi?action=profile</a>				
3. American Community Survey. <i>American FactFinder: Gaston County, Mecklenburg County, York County and Charlotte-Gastonia-Rock Hill, NC-SC MSA</i> . Washington, DC: US Census Bureau, 2005. <a href="http://factfinder.census.gov/home/saff/main.html?_lang=en">http://factfinder.census.gov/home/saff/main.html?_lang=en</a>				

## APPENDIX C STANDARD INDUSTRIAL CLASSIFICATION (SIC) SYSTEM

*The SIC system has been used throughout the Federal Government to group establishments into industries. Listed below is the SIC Division Structure.*

### **Division A: Agriculture, Forestry and Fishing**

- Major Group 01: Agricultural Production Crops
- Major Group 02: Agriculture production livestock and animal specialties
- Major Group 07: Agricultural Services
- Major Group 08: Forestry
- Major Group 09: Fishing, hunting and trapping

### **Division B: Mining**

- Major Group 10: Metal Mining
- Major Group 12: Coal Mining
- Major Group 13: Oil and Gas Extraction
- Major Group 14: Mining and Quarrying Of Nonmetallic Minerals, Except Fuels

### **Division C: Construction**

- Major Group 15: Building Construction General Contractors and Operative Builders
- Major Group 16: Heavy Construction Other Than Building Construction Contractors
- Major Group 17: Construction Special Trade Contractors

### **Division D: Manufacturing**

- Major Group 20: Food and Kindred Products
- Major Group 21: Tobacco Products
- Major Group 22: Textile Mill Products
- Major Group 23: Apparel and Other Finished Products Made From Fabrics and Similar Materials
- Major Group 24: Lumber and Wood Products, Except Furniture
- Major Group 25: Furniture and Fixtures
- Major Group 26: Paper and Allied Products
- Major Group 27: Printing, Publishing and Allied Industries
- Major Group 28: Chemicals and Allied Products
- Major Group 29: Petroleum Refining and Related Industries
- Major Group 30: Rubber and Miscellaneous Plastics Products
- Major Group 31: Leather and Leather Products
- Major Group 32: Stone, Clay, Glass and Concrete Products
- Major Group 33: Primary Metal Industries
- Major Group 34: Fabricated Metal Products, Except Machinery and Transportation Equipment
- Major Group 35: Industrial and Commercial Machinery and Computer Equipment
- Major Group 36: Electronic and Other Electrical Equipment and Components, Except Computer Equipment
- Major Group 37: Transportation Equipment

**Division D: Manufacturing (continued)**

Major Group 38: Measuring, Analyzing and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks

Major Group 39: Miscellaneous Manufacturing Industries

**Division E: Transportation, Communications, Electric, Gas and Sanitary Services**

Major Group 40: Railroad Transportation

Major Group 41: Local and Suburban Transit and Interurban Highway Passenger Transportation

Major Group 42: Motor Freight Transportation and Warehousing

Major Group 43: United States Postal Service

Major Group 44: Water Transportation

Major Group 45: Transportation By Air

Major Group 46: Pipelines, Except Natural Gas

Major Group 47: Transportation Services

Major Group 48: Communications

Major Group 49: Electric, Gas and Sanitary Services

**Division F: Wholesale Trade**

Major Group 50: Wholesale Trade-durable Goods

Major Group 51: Wholesale Trade-non-durable Goods

**Division G: Retail Trade**

Major Group 52: Building Materials, Hardware, Garden Supply and Mobile Home Dealers

Major Group 53: General Merchandise Stores

Major Group 54: Food Stores

Major Group 55: Automotive Dealers and Gasoline Service Stations

Major Group 56: Apparel and Accessory Stores

Major Group 57: Home Furniture, Furnishings and Equipment Stores

Major Group 58: Eating and Drinking Places

Major Group 59: Miscellaneous Retail

**Division H: Finance, Insurance and Real Estate**

Major Group 60: Depository Institutions

Major Group 61: Non-depository Credit Institutions

Major Group 62: Security and Commodity Brokers, Dealers, Exchanges and Services

Major Group 63: Insurance Carriers

Major Group 64: Insurance Agents, Brokers and Service

Major Group 65: Real Estate

Major Group 67: Holding and Other Investment Offices

**Division I: Services**

Major Group 70: Hotels, Rooming Houses, Camps and Other Lodging Places

Major Group 72: Personal Services

Major Group 73: Business Services

**Division I: Services (continued)**

- Major Group 75: Automotive Repair, Services and Parking
- Major Group 76: Miscellaneous Repair Services
- Major Group 78: Motion Pictures
- Major Group 79: Amusement and Recreation Services
- Major Group 80: Health Services
- Major Group 81: Legal Services
- Major Group 82: Educational Services
- Major Group 83: Social Services
- Major Group 84: Museums, Art Galleries and Botanical and Zoological Gardens
- Major Group 86: Membership Organizations
- Major Group 87: Engineering, Accounting, Research, Management and Related Services
- Major Group 88: Private Households
- Major Group 89: Miscellaneous Services

**Division J: Public Administration**

- Major Group 91: Executive, Legislative and General Government, Except Finance
- Major Group 92: Justice, Public Order and Safety
- Major Group 93: Public Finance, Taxation and Monetary Policy
- Major Group 94: Administration of Human Resource Programs
- Major Group 95: Administration of Environmental Quality and Housing Programs
- Major Group 96: Administration of Economic Programs
- Major Group 97: National Security and International Affairs
- Major Group 99: Nonclassifiable Establishments

**Source:** Standard Industrial Classification (SIC) system. US Department of Labor, Occupational Safety & Health Administration. [http://www.osha.gov/pls/imis/sic\\_manual.html](http://www.osha.gov/pls/imis/sic_manual.html)



**APPENDIX D**  
**ABOUT THE SOUTHERN BUSINESS LEADERSHIP COUNCIL**

The Southern Institute on Children and Families established the Southern Business Leadership Council (SBLC) to engage southern business and public policy leaders in the development of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce, and to support efforts to achieve greater opportunities for child development. The SBLC is co-chaired by the Honorable Richard W. Riley, former United States Secretary of Education, former South Carolina Governor and Southern Institute Board Member, and Anne Doss, Executive Vice President, Wachovia. SBLC members represent southern-based businesses, corporate philanthropy and local, state and national business organizations. The SBLC is focused on developing research-based employment stability action strategies that will mutually benefit families and employers in communities across the South.

<b>Southern Business Leadership Council</b>		
<p><b>Richard W. Riley, Esq.</b>  <b>SBLC Co-Chair</b>            Nelson Mullins Riley &amp; Scarborough, LLP            Columbia/Greenville, SC</p>	<p><b>Natalie J. Brown</b>            Bank of America            Charlotte, NC</p>	<p><b>Elaine Mendoza</b>            Conceptual MindWorks, Inc.            San Antonio, TX</p>
<p><b>Anne Doss</b>  <b>SBLC Co-Chair</b>            Wachovia            Charlotte, NC</p>	<p><b>George L. Johnson</b>            BlueCross BlueShield of South            Carolina            Columbia, SC</p>	<p><b>Paul Montgomery</b>            Eastman Chemical Company            Kingsport, TN</p>
<p><b>Ingo Angermeier, FACHE</b>            Spartanburg Regional Healthcare System            Spartanburg, SC</p>	<p><b>Stephen Jordan</b>            US Chamber of Commerce            Washington, DC</p>	<p><b>Tony Norwood</b>            Coca-Cola Bottling Co. Consolidated            Charlotte, NC</p>
<p><b>Charlotte Lunsford Berry</b>            United Way of America            Columbia, SC</p>	<p><b>Sabine Lang</b>            Lang-Mekra North America, LLC            Ridgeway, SC</p>	<p><b>William F. O'Connor, Jr.</b>            Results, LLC            Montgomery, AL</p>
<p><b>C. Jeff Cook</b>            Capital Guardian Trust Company            Atlanta, GA</p>	<p><b>Ray Marshall</b>            University of Texas at Austin            Austin, TX</p>	<p><b>Diane D. Rath</b>            Texas Workforce Commission            Austin, TX</p>
<p><b>Cindy Cox</b>            AT&amp;T            Columbia, SC</p>	<p><b>Donald G. (Ike) McLeese</b>            Greater Columbia Chamber of            Commerce            Columbia, SC</p>	<p><b>Kevin C. Sass, FACHE</b>            Columbus Regional Healthcare System            Columbus, GA</p>
<p><b>John E. Davis</b>            Republic Powdered Metals, Inc.            Houston, TX</p>	<p><b>Penelope McPhee</b>            The Arthur M. Blank Family            Foundation            Atlanta, GA</p>	<p><b>Sarah C. Shuptrine</b>            Southern Institute on Children and            Families Board of Directors            Columbia, SC</p>
<p><b>Julio Fuentes</b>            Florida Hispanic Chamber of Commerce            Palm Beach Gardens, FL</p>		
<p><b>Note:</b> The Southern Business Leadership Council (SBLC) is an initiative of the Southern Institute on Children and Families.</p>		

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