



JOBS

**Recommendations from the
Half Day Summit**

December 10, 2016

INTRODUCTION

The 2015 Baltimore Uprising brought to the surface many of the deeply rooted problems that have plagued the city for decades, including concentrated poverty, mass incarceration, the health crises of addiction and trauma, substandard housing, ineffective schools, and systemic racism. These and many other challenges are integrally connected to the lack of family-supporting jobs and economic opportunity for residents of Baltimore's disinvested neighborhoods.

The 2016 election has brought a sea change in Baltimore's leadership, with a new mayor and eight out of 15 new City Council members. Open Society Institute-Baltimore recognizes this as an opportunity. It is an ideal moment to present the new leadership with a set of priorities that Baltimore residents want them to pursue.

This paper is one in a series that OSI-Baltimore has commissioned for the Solutions Summit, a community-driven effort to generate practical ideas and action items in the area of jobs and workforce development that can inform the new mayor and City Council. The paper is the synthesis of the diligent work the Jobs Planning Group formed by OSI-Baltimore, research and content area expertise provided by our consultant and author of this paper, Kingslow Associates, and input from scores of Baltimore residents, practitioners and leaders during a half-day public forum. (A list of the Jobs Planning Group's members may be found in Appendix A.) The forum allowed participants to discuss 20 recommendations that were put forth by the Jobs Planning Group and vote for ten that they would most like to see Baltimore's new leadership pursue. The ten selected recommendations form the basis of this paper, which is organized under the following sections.

- Economic Development for Equity and Inclusion
- Education, Training, and Other Job-Driven Strategies
- Coordination of City-Wide Systems

At the outset, the planning group agreed on a set of overarching frames and values that would inform all of the recommendations. (They are listed in the next section). From there, the planning group began discussing recommendations that not only would address the crisis of unemployment (37% of Baltimore's young black males ages 20-24 are unemployed, compared to 10% for whites), but do so with solutions that are within the domain of the mayor and the City Council.

Although the issues and strategies under the three sections and in many of the recommendations are interrelated, the ten recommendations are addressed separately and include an overview of issues, challenges and opportunities that shaped the recommendation and highlights of efforts in Baltimore and national best practices that address it. Recommendations that were not selected in the half-day forum are listed at the end of each section.

OVERARCHING FRAMES AND VALUES

The Jobs Planning Group identified a set of frames and values that informs all of the recommendations:

- Link workforce and economic development to achieve equity and economic inclusion
- Apply a structural racism lens and conduct a racial impact analysis of all policies and programs

- Increase collaboration across public, private, and nonprofit sectors
- Incorporate community voices in design, implementation, and monitoring
- Reduce over-incarceration and the impact criminal records on employability
- Recognize the distinct needs of youth and young adults

The concepts of equity and inclusion are essentially about fairness, impartiality, justice and full participation in all aspects of civic and economic life. Systemic equity, which is needed to dismantle institutional and structural racism, is "a complex combination of interrelated elements consciously designed to create, support and sustain social justice. It is a robust system and dynamic process that reinforces and replicates equitable ideas, power, resources, strategies, conditions, habits and outcomes."¹

Economic inclusion is designed to address the structural and systemic consequences of long-term disinvestment and segregation by race and class through strategies that increase jobs and business opportunities for affected populations. Although the Jobs Planning Group primarily focused on the role of the workforce development system in increasing access to good jobs for jobseekers who face barriers to work, they understood that success in this area is dependent on economic development policies that promote equity and inclusion.

Despite the region's strong growth potential, Baltimore City's projected job growth rate for the period 2014-2020 is 3.5% – the lowest in the metropolitan region.² It is projected that only 19 percent of these jobs will be available to people with a high school diploma or less.³ Although Baltimore's high school graduation rates have increased from year to year to a high of 69.5% in 2015,⁴ approximately 93,000 working age residents do not have a high school diploma or equivalent credential.⁵ By some estimates, 42,600 of Baltimore's youth ages 16-24 are neither in school or working; 38% of them do not have a high school credential,⁶ and many of those who do cannot meet grade-level basic skills required for community college or job training. Without a high school credential and access to college and career pathways, many will be relegated to low-wage jobs, the informal economy or worse, and Baltimore's economy continues to underperform the region's.

A two-fold effort is needed to: (1) improve the employment prospects of Baltimore residents for local and regional jobs by increasing access to education and training; and (2) accelerate traditional job creation strategies and identify proven nontraditional approaches that can absorb more jobseekers. Increasingly, cities are developing equity and inclusion departments and initiatives, beefing up hiring, procurement and contracting policies, and forming partnerships with community organizations, employers, trade associations, unions, foundations and other stakeholders to advance economic inclusion. The recommendations developed by the Jobs Planning Group are designed to help Baltimore explore its options.

¹ Annie E. Casey Foundation, *Race Equity and Inclusion Action Guide*, (Baltimore, MD: Author, 2014).

² Chris Seal, *Baltimore Regional Workforce Development Strategic Plan*, (Baltimore, MD: Baltimore Metropolitan Council, Opportunity Collaborative, 2014).

³ Baltimore Integration Partnership, *Skill Level of Employed Residents: Powerpoint Presentation*, (Baltimore, MD: Association of Baltimore Area Grantmakers, n.d.).

⁴ <https://outcomestat.baltimorecity.gov/Better-Schools/Graduation-Rate/dsyb-g7am>.

⁵ U.S. Bureau of the Census, *American Community Survey Estimate*, 2014.

⁶ Chris Seals, *Connecting Baltimore's Opportunity Youth to Careers*, (Amarillo, TX: Field Guide Consulting, 2015).

ECONOMIC DEVELOPMENT FOR EQUITY AND INCLUSION

1. Develop an equity-driven economic development plan that advances job strategies targeting high-growth industries and emerging sectors and engages employers to support local jobs.

Equity-driven economic development aligns job growth and retention and local and regional competitiveness with values that ensure that all residents contribute to and benefit from growth. **Data shows that greater economic and racial inclusion corresponds with stronger economic growth.**⁷ In other words, less concentrated poverty and racial segregation and greater income equality results in increased employment, productivity and per capita income gains. According to PolicyLink, equity-driven growth strategies would increase the Baltimore metropolitan region's GDP by 17%, or \$26 million – 65% of which would come through wages.

The City of Boston's Economic Inclusion and Equity Agenda was created to reduce racial and economic disparities and track progress across city departments in four critical areas: 1) income and employment, 2) wealth creation, 3) business development, and 4) economic mobility. This work is housed in the Mayor's Office of Economic Development, and each element of the Economic Inclusions and Equity Agenda is linked to Boston's My Brother's Keeper initiative.

The City of Cleveland's Economic Inclusion Plan expands economic opportunities for jobseekers and businesses by supporting emerging and existing entrepreneurs, cooperatives, small businesses and minority-owned companies and connecting this activity and related workforce development to targeted economic growth sectors and anchor initiatives. The City's public stance has been reinforced with private sector commitments to economic inclusion. Cleveland's Greater University Circle anchor initiative hired an economic inclusion manager to facilitate equitable hiring, procurement and business development. Greater Cleveland Partnership created a Commission on Economic Inclusion with the explicit goal of helping companies increase diversity at the board, senior management, workforce and supplier levels and expanding minority-owned businesses.

The Government Alliance on Race and Equity (GARE) is a national network of local and regional governments that are working to achieve racial equity and inclusion. It has tools to help elected officials, government staff and community organizations develop strategies and policies.

Targeting Industry Sectors. Sector strategies typically target dominant industries in local and regional economies and rely on strong partnerships between employers, industry associations, workforce training providers, community colleges, public workforce agencies, labor unions and other stakeholders. They focus on preparing jobseekers for family-supporting jobs using best practices such as career pathways, integrated basic skills, job readiness and occupational skills training, and wraparound support. Some partnerships work closely with employers to plan for mid- and long-term job growth and provide college and career navigation services to help incumbent workers advance.

Sector strategies have proven to be effective at putting less prepared jobseekers on a path to middle-skilled jobs and are a cornerstone of the U.S. Workforce Innovation and Opportunity Act (WIOA). They are also central to the Baltimore Opportunity Collaborative's regional workforce

⁷ S. Treuhaft, J. Scoggins and Jennifer Tran, *The Equity Solution: Racial Inclusion Is Key to Growing a Strong New Economy*, (Oakland, CA: PolicyLink, 2014).

plan, which identifies 39 entry-level jobs requiring an Associate degree or less (but more than a high school diploma) that lead to middle-skilled careers. The National Network of Sector Partnerships offers many examples of partnerships that serve different populations across a range of industries.

Currently, Baltimore has sector partnerships in most of the region's leading industries, including biotechnology, construction, green industries, healthcare, hospitality and food service, information technology, manufacturing and transportation, logistics and distribution. Many of these partnerships have participated in the National Fund for Workforce Solutions (through the Baltimore Workforce Funders Collaborative) and have received funding from the State of Maryland's EARN program.

Several challenges affect Baltimore's ability to expand its sector activities. (1) At less than 1,000 training slots combined, the existing programs serve a small number of the jobseekers and employers who could benefit from this model. (2) The pipelines into sector programs for jobseekers who face high barriers are underdeveloped – both in terms of the level of access and preparedness of jobseekers and the organizational capacity of training providers and support service organizations. (3) The projected job growth for Baltimore City is dwarfed by that of the surrounding counties, which underscores that sector partnerships and workforce providers will need to build regional alliances in order to increase job access for city residents – a central premise of the Opportunity Collaborative's plan.

Engaging Employers for Local Jobs. Access to a skilled labor force is a primary business citing and retention criterion. Sector partnerships and other business networks provide organized platforms to engage employers in local jobs strategies. Employers in Boston's financial services partnership, for example, became vocal advocates for policies that improve public education and community colleges and strategies to close the opportunity divide once they realized they could reduce employee turnover by hiring local youth who had earned a sub-Associate, industry-recognized credential rather than hiring graduates of four-year colleges. Small manufacturers in Milwaukee who worked with Wisconsin Regional Training Partnership advocated for improved public transportation routes from low-income neighborhoods to job centers and appealed to local police to stop harassing black and Latino employees on their way to and from work.

2. Educate employers about the financial benefits derived from policies and practices that encourage diversity and counter workplace discrimination, and encourage employers to access training to combat bias.

The Center for American Progress estimates the annual economic costs of employee turnover in the U.S. due to discrimination to be \$64 billion. Research has shown that many employers hold negative perceptions about workers of color.⁸ These views are more pronounced in firms that employed fewer workers of color, in blue-collar industries and in workplaces located in predominantly white areas, though they are not limited to these environments. Employers are less likely to grant

⁸ William Julius Wilson, *When Work Disappears: The World of the New Urban Poor*, (New York: Alfred A. Knopf, 1996); Philip Moss and Chris Tilly, *'Soft' Skills and Race: An Investigation of Black Men's Employment Problems*, (New York: Russell Sage Foundation, 1995); Devah Pager and Bruce Western, "Identifying Discrimination at Work: The Use of Field Experiments" in *Journal of Social Issues*, 2012 June; 68(2): 221–237; and Abt Associates, Inc., *Taking the Initiative on Jobs and Race: Innovations in Workforce Development for Minority Job Seekers and Employers*, (Baltimore: Annie E. Casey Foundation, 2001).

interviews and make job offers to black and Latino jobseekers and more likely to assess black male jobseekers, in particular, on the basis of non-technical soft skills than on technical or occupational skills. Employers also tend to use subjective information and stereotypes when assessing the soft skills of people of color. In the absence of soft skills disqualifiers, jobseekers of color are more likely to be asked for credentials that are higher than the work requires.

Employers are more likely to change discriminatory policies and workplace practices or address hostile work environments once the adverse impacts on retention and productivity are quantified. Companies that set a tone of inclusion and treat workplace diversity as an asset are more likely to eliminate hiring criteria that adversely affect jobseekers of color (such as the use of criminal background checks, requiring a driver's license or credentials that are not germane to the job) and address workplace biases. To this extent, **cultural competence is a two-way street: It is just as important to train front-line supervisors and managers who lack the communication, problem-solving and other behavioral skills needed to manage a diverse workforce or who do not understand the cultural norms of different racial and ethnic groups or nontraditional workers as it is to train jobseekers about workplace norms.**

Most small- and medium-sized companies lack the resources to institute diversity programs on the scale commonly found in large corporations. Including cultural competence training in the suite of services offered by local economic development agencies and business support organizations can help fill this gap. Proven models were developed by the Annie E. Casey Foundation's Jobs Initiative and remain in use by employer-driven workforce development initiatives.

3. Use local government hiring, procurement and contracting mechanisms to generate jobs for residents and business opportunities for minority-owned companies, small businesses and microenterprises.

Economic Inclusion. Equity-driven development incorporates a range of economic inclusion strategies that are designed to address the structural and systemic consequences of long-term disinvestment and segregation by race and class – factors that have led to concentrated poverty, reduced economic mobility and limited opportunities for businesses and entrepreneurs of color. Some of the tools in the economic inclusion toolkit include the following:

- *Community benefits agreements* (CBAs) are legally binding agreements between community groups or coalitions and real estate developers that are designed to mitigate the negative impact of development projects on low-income neighborhoods. CBAs typically include contracting, procurement, job creation and/or hiring goals that are designed to spread economic benefits.
- *Project labor agreements* or community workforce agreements have been used since the 1930s to establish hiring rules and employment conditions for public and private construction and infrastructure projects. They provide collective bargaining rights for construction and building trades unions that apply to all project contractors and subcontractors.
- *Local hiring* strategies attempt to correct labor market disparities by targeting geographic areas. However, an area can be so broadly defined as minimize opportunities for jobseekers most in need. *Targeted hiring*, on the other hand, sets goals based on worker characteristics (such as low-income residents, people of color, (previously-incarcerated) returning citizen,

immigrants or women), economically distressed neighborhoods or other criteria designed to achieve equity. The City of San Francisco and the City of Los Angeles, for example, both use zip codes to target hiring. Hiring programs typically include job pipelines comprised of multiple education, training and service providers. Training is highly customized to the needs of the employers working under economic inclusion agreements. (Job pipelines are also used in sector partnerships.)⁹

- *Local hiring ordinances* can advance economic inclusion objectives, but Baltimore's rules are comparatively weak. Legislation passed in 2013 requires that 51% of new employees on contracts for city-funded projects be city residents, as opposed to specifying geographic areas or other proxies that would better ensure that economic inclusion objectives are met. Waivers that exempt employers from these requirements deprive residents of jobs. A 2011 mayoral executive order requires firms receiving city contracts over \$50,000 to post job openings with the city's one-stop centers and work with the Mayor's Office of Employment Development to *attempt* to fill jobs, but it does not have a hiring mandate.

Using public contracts for economic inclusion requires investments in operational infrastructures, job training programs, support services, capital and technical assistance for businesses, and data and monitoring systems. In addition to orientating their workforce and economic development agencies toward equity, some cities, states and quasi-government agencies have created sustainable sources of funding and leveraged loans and equity investments to achieve economic inclusion objectives. Portland, Oregon, for example, has used community benefit agreements to create funds that support training and services for jobseekers and incumbent workers and bonding and other services for minority-, women- and locally-owned businesses. The State of Missouri established a training fund from set asides from transportation projects. The Port of Oakland used project labor agreements to create a training fund held by a community foundation. Notably, these funds also support monitoring and oversight of economic inclusion goals.

Ultimately, the key to effective economic inclusion is enforcement, transparency and accountability, typically advanced by an entity that has the authority to ensure that economic inclusion goals, targets and agreements are upheld. Data and monitoring systems are needed to support implementation and accountability. Compliance should not be entrusted to the agency responsible for administering economic inclusion programs; instead an independent body, such as an office of civil rights or an external monitor, should be designated.

Small Business Development and Entrepreneurship. Small businesses are important economic development engines. Small business procurement strategies, including public sector procurement programs that target local, women, and minority-owned small businesses, help stabilize companies and supply chains. Entrepreneurship strategies help commercialize innovations that lead to further business development. Innovation hubs and accelerators help new businesses and entrepreneurs maintain cost, perfect their business model and build networks. Mom-and-pop businesses add

⁹ Local hiring strategies have also been used to mandate residency requirements for police in cities that have large populations of color. These rules attempt to increase racial/ethnic representation in police departments, build stronger community-police relations and reduce the level of police violence and abuse against people of color by white officers, a disproportionate number of whom reside outside of the jurisdictions they serve. (See *Reexamining Residency Requirements For Police Officers* at <http://fivethirtyeight.com/features/reexamining-residency-requirements-for-police-officers>.)

vitality and stability to neighborhoods and provide an important economic foothold for immigrants, while microenterprises have proven effective in helping people move out of poverty.

Despite these and other benefits, small business are not significant job creators. However, they can play a vital role in providing work experience for young adult workers and jobseekers with barriers. Neighborhood jobs are also a source of employment for people living in areas with poor public transportation options. Entrepreneurship allows solo practitioners to move from informal livelihoods, which are a central part of the economies of low-income neighborhoods, to the formal economy, such as the alley-based mechanic who opens a garage or the home-based hair stylist who opens a salon.

Small businesses face considerable hurdles to achieving success, particularly small businesses and entrepreneurs of color. Additionally, minority-owned small businesses tend to be clustered in low-growth sectors and offer entry-level workers low wages and limited career advancement opportunities. An Associated Black Charities' study found that most small businesses in Baltimore consist of a self-employed business owner and have no employees.

Many Baltimore organizations provide assistance to small businesses, but there is considerable duplication in the services offered. There is limited capacity to: serve a broad range of small businesses; work closely and on a sustained basis with individual operations; address sector-specific technical needs; and serve growth companies. Small business development organizations also have weak ties to workforce development and sector-specific economic development strategies – a particular gap for growing companies that are in a position to create jobs.

Baltimore Development Corporation (BDC), the City's economic development arm, offers a range of services to small businesses and entrepreneurs. Unlike in most cities where the economic development and small business functions are managed by city agencies, BDC is a non-profit organization. The question is not whether this structure is effective, but rather whether BDC can organize the broader small business and minority business support infrastructures to effectively address capacity gaps and other limitations that affect economic inclusion.

Minority Business Development.¹⁰ While there is an important role for small businesses in equity-driven economic development, they will not yield an appreciable number of jobs. A targeted focus on larger, established minority business enterprises (MBEs) is essential to address the lack of jobs for people of color. This include large- and mid-sized enterprises, high impact companies and those that are already on a growth trajectory. **Studies showing that minority-owned companies are much more willing to hire jobseekers of color and those who face job barriers underscore how critical it is to involve MBEs in economic inclusion strategies.**¹¹

MBE's face a number of challenges, including unequal access to capital, markets, partnerships, technical assistance and growth supports. Baltimore's business development programs are dominated by those that serve small businesses and start-up companies. Far fewer resources are available to companies that are further along in their growth cycles and poised for expansion. MBEs

¹⁰ We recognize that the use of the term "minority" is a dated misnomer, particularly in a city that is nearly 70% people of color. However, minority business development and similar terms are standard in economic development and are used in this report with no intended insensitivity or disrespect.

¹¹ Timothy Bates, "Understanding the Urban Development Potential of Black-Owned Businesses," in *Journal of the American Planning Association*, 2006, 72(2): 227-38.

are also much less involved the city's industry sector partnerships and other workforce development initiatives.

In 2013, City of Baltimore's Advisory Council on Minority and Women-Owned Business Enterprises undertook considerable work to examine the challenges facing large- and mid-sized MBEs and develop a comprehensive set of recommendations and strategies. The report, *A New Day, A Better Way*, is an important blueprint that should be revisited and its strategies aligned with broader economic development, workforce development and economic inclusion objectives. Additionally, the Presidents' RoundTable (PRT) comprises the presidents of approximately 20 longstanding, large, black-owned companies in the Baltimore/Washington region that collectively have over \$1 billion in assets and employ over 1,750 employees. It was created to counteract the historical inequities facing black-owned growth companies. PRT's is an untapped resource whose companies and networks can help expand hiring, procurement and subcontracting opportunities for jobseekers and workers of color. Similar networks in other communities of color should also be engaged.

4. Support the development of social enterprises, worker-owned cooperatives and other alternative business models to increase employment and self-employment for jobseekers who face barriers to work, returning citizens, independent workers and small entrepreneurs.

Social enterprises are businesses expressly created to address a human or social needs while producing an income stream that advances the social mission. These organizations can be structured as a nonprofit or as any number of for-profit business types. Social enterprise models commonly provide job readiness, occupational skills training, support services, hands-on training and jobs. These programs have been especially effective with youth and young adults, returning citizens, people with disabilities, and others who face barriers to entering the labor market, allowing them to build skills and confidence in a supportive workplace before transitioning to traditional employment.

Increasingly, social enterprises are being developed in growing industry sectors and embedding themselves into procurement and supply chains. Some social enterprises target the public sector as potential customers. Notable social enterprises include: the Center for Employment Opportunities in New York, which provides maintenance and labor services to transit agencies, housing authorities, parks departments, and other public sector agencies; Pioneer Industries in Seattle, which trains and employs ex-offenders, former drug users and others through multiple businesses that generate \$81 million in revenues (including a metal fabrication business that supplies Boeing); and Homeboy Industries in Los Angeles, which provides training and employment for former gang members through seven food-related businesses.

Worker-owned cooperatives also offer employment options for nontraditional jobseekers. Cleveland's Evergreen Cooperatives has created worker-owned enterprises that support supply chains for Cleveland's anchor institutions. Evergreen's laundry and food production cooperatives have generated good jobs for residents of distressed neighborhoods and helped anchors reduce their cost by replacing imported goods and services with local options. The City of Rochester, New York, created a 501(c)3 community cooperatives corporation under the city's Department of Neighborhood and Business Development to provide technical assistance to cooperative businesses and help them establish partnerships with anchor institutions. Cities as diverse as New York, Denver and Oakland have also helped finance cooperatives.

Benefits corporations (B-corps), low-profit limited liability corporations and employee stock ownership plan (ESOPs) also generate social benefits. However, many local economic development and small business development organizations are less familiar with how to support these businesses, and they usually are not targeted by workforce training providers.

Independent workers. Independent workers account for one-third of the U.S. labor force and the number is growing. Independent workers are freelancers, consultants, independent contractors, part-timers, and the self-employed. Companies are increasingly looking toward this sector of the workforce for business flexibility and agility while also seeking highly skilled independent workers due to difficulties in attracting and retaining employees with hard-to-find specialized talents. For independent workers, the advantages of contingent work include greater work/life flexibility, autonomy, control over career choices and often a higher income than a traditional job.

The challenges to the growing independent workforce are that some companies continue to look for ways to cut labor costs and circumvent unions. Although the use of contingent labor has risen in all industries, it is common in occupations that offer entry-level opportunities to low-skilled workers in a number of sectors, including healthcare, hospitality, retail services, office/administrative, maintenance, manufacturing, and warehousing/distribution. Professional workers may find that temporary jobs in the gig economy work to their advantage (Uber drivers, for example), but they are less advantageous for middle- and low-skilled workers. Contingent workers earn less, receive fewer benefits and do not have the same level of worker protections as permanent, full-time workers. Low-wage temporary workers are more likely to require public assistance to make ends meet. Immigrant workers, women and people of color are more likely to work in temporary jobs. Better enforcement of wage laws affecting contingent workers is needed. Public sector contracts can be used to restrict the use of temporary workers and require living wages.

RECOMMENDATIONS RECEIVING LOW VOTES

- Develop a comprehensive strategy to retain existing and attract new businesses and corporations to Baltimore.
- Enhance conditions for workers by rewarding companies that demonstrate a commitment to positive employee conditions and enforcing laws that protect workers.

EDUCATION, TRAINING, AND OTHER JOB-DRIVEN STRATEGIES

- 5. Address Baltimore's severe basic skills gap by expanding the availability of community-based and workplace-based adult education, GED and ESL services and by linking curricula and instruction to the occupational skills required to obtain available jobs.**

Baltimore has a basic skills crisis.

According to the U.S. Census Bureau's American Community Survey estimate for 2014 for Baltimore, 38% of Latinos and 22% of African Americans 25 years of age and over do not have a high school diploma or equivalent credential, compared to 14% for whites. Across races and

ethnicities, this translates to over 80,000 residents. An additional 13,000 young adults ages 18-24 also lack a high school diploma or equivalency. A high school diploma or credential is required for the most basic entry-level job. Jobs that do not require postsecondary education generally do not offer pathways to family-supporting wages.

Many occupational training programs bar enrollment to those without a high school diploma or GED. These providers report routinely encountering applicants who cannot meet minimum grade-level proficiency in reading and math to enroll in training – typically 8th or 9th grade. YO! Baltimore, the City's youth employment program, reports the average grade-level proficiency of its participants to be 7th grade for reading and 5th grade for math. For jobseekers who have graduated high school from Baltimore public schools, 77% of them, according to Baltimore's Promise, require developmental education (remediation) upon enrolling in college, compared to 56% statewide.

Regardless of whether one has a high school credential or not, if they are a young adult of color from one of Baltimore's distressed neighborhoods the odds are high that they do not possess the baseline academic skills needed to enter training without some sort of intervention. Programs designed to increase college enrollment will quickly exhaust the pool of college-ready applicants, consigning the majority to developmental education purgatory, where students will exhaust their Pell grant allocations without earning any college credits. In a city where the public school district is 84% black and 6% Latino and 86% of students qualify for free and reduced-priced meals, the equity concern is clear and apparent, as are the implications for the city's economic competitiveness.

Contextualized learning models that combine basic academic instruction with occupational skills training and confer both a GED and an industry-recognized credential have demonstrated efficacy for jobseekers with low basic skills. These programs reduce developmental education requirements for those who pursue college. The approach is used in many career pathway programs, which typically add life skills, wraparound supports services and career navigation. Career pathway strategies are a core component of WIOA. Baltimore City Community College participated in Accelerating Connections to Employment (ACE), an initiative of the U.S. Department of Labor's Workforce Innovation Fund that replicates Washington State's renown Integrated Basic Education and Skills Training program (I-BEST). Maryland Department of Labor, Licensing and Regulation (DLLR) has created a task force to explore the feasibility of creating an adult high school(s) in Baltimore that would incorporate similar instructional models.

Some training programs have applied the principles of accelerated, contextualized learning components to bridge programs that improve participants' skills enough to meet grade-level proficiency requirements for training. This approach is acceptable for training programs and employers that do not require a high school diploma for entry and for jobseekers who need to secure employment quickly, but it is no solution for long-term career advancement.

Several years ago, adult basic education in Maryland was moved from the Department of Education to DLLR. Although multi-service organizations, workforce training providers and community-based organizations provide some adult basic education and GED services, the network of dedicated literacy organizations has declined. Only four Baltimore literacy organizations receive funding from DLLR. Many other literacy providers that are rooted in neighborhoods are unfamiliar with practices that link basic skills training to occupational skills training. Workforce providers, for their part, typically do not have the resources to adequately address basic skills (nor is it clear that these organizations should bear this responsibility).

One notable approach to increase access to adult education services has emerged from One Baltimore for Jobs (1B4J), a U.S. Department of Labor demonstration implemented by the Mayor's Office of Employment Development (MOED).¹² One of 1B4J's many objectives is to build a referral network involving workforce training providers and adult education providers to better serve jobseekers who lack a high school diploma or GED and those who have a high school credential but have low basic skills. Participant-level objectives are to help jobseekers earn a GED or achieve a two-grade level improvement in their basic skills and be placed in a training program or a job. System-level objectives are to address the gaps in services and capacity and align adult education and workforce development.

6. Connect youth, young adults, returning citizens and others who have limited work experience to work-based learning opportunities, such as apprenticeships, internships and paid work experience, and entrepreneurship training.

Work-based learning models, such as apprenticeships, paid internships and on-the-job training, are effective ways to increase the likelihood that youth and young adults can find a pathway to family-supporting, middle-skilled jobs. These programs provide paid work experience and intensive instruction that blend academic and technical skill building and lead to an industry-recognized credential. Work-based learning is an important component of WIOA's youth programming, and the State of Maryland is conducting a piloting a program to develop a youth apprenticeship program.

Registered apprenticeship programs typically require a high school diploma or GED, as do many pre-apprenticeship programs. To achieve equity and inclusion objectives, some cities have directed funds to apprenticeship programs or mandated that apprenticeships be part of public projects. The City of Berkeley, California, for example, offers 13 weeks of construction pre-apprenticeship training through its youth employment program and partners with the state Department of Transportation for slots. The City of Rochester requires recipients of construction contracts in excess of \$250,000 and their subcontractors to include apprenticeships for city residents program.

Summer jobs programs provide valuable paid work experience to youth and young adults. At their best, summer jobs programs provide youth with structured orientation before work commences, engaged employer supervision, meaningful work experience, job readiness and life skills training, career development support, mentoring and continued support and skill-building during the academic year. Most programs do not have the resources to address all of these elements. Since the 2015 Uprising, Baltimore's summer youth program has served approximately 8,000 youth, up from 5,000. The increase was largely made possible by contributions from private foundations. However, the length of the program was scaled back from six weeks to five.

Transitional jobs programs provide publicly-subsidized, temporary employment for hard-to-employ jobseekers, such as TANF recipients, returning citizens, youth and young adults and others. Work experience is typically augmented by intensive case management and support services. Many

¹² Following the 2015 Uprising, Baltimore was one of seven cities selected to receive a two-year, \$5 million, Urban Employment for Youth and Young Adults Demonstration Grant from the U.S. Department of Labor. MOED is using these resources to increase job access for youth and young adults ages 16-29 who live in disinvested neighborhoods by: (a) expanding the capacity of sector-focused training providers to serve these populations; and (b) strengthening partnerships between training providers, community-based organizations and specialized support service organizations.

models incorporate contextualized and experiential learning. Transitional jobs are an interim step to unsubsidized employment and have been shown to reduce recidivism among previously-incarcerated individuals. Social enterprises frequently use transitional jobs models.

Youth entrepreneurship programs are a recognized workforce development strategy and included in WIOA's youth provisions. The intent is less about immediately creating young business owners and more about leadership development and building transferrable work readiness, financial literacy, problem-solving and interpersonal skills. There is an important role for small businesses and neighborhood-based enterprises to play. For example, Community Action Partnership in Riverside, California, places high school students in paid internships in neighborhood businesses in which employers act as both on-the-job trainers and mentors to youth. Participants are placed in formal entrepreneurship or other training programs or jobs after they graduate.

7. Provide case management, coaching and supportive services that help jobseekers participate in job training and workers succeed on the job, such as: legal services to address criminal record expungement, child support arrears, immigration status, etc.; transportation, housing and child care assistance; mental health and substance abuse assistance; and other barriers.

Jobseekers of color and people who live in Baltimore's distressed neighborhoods face many barriers that prevent them from participating in job training, remaining employed and navigating pathways to higher paying jobs. Case management and supportive services help people manage life-work challenges and reduce the likelihood that seemingly small problems derail career plans. Often referred to as wraparound services, they include:

- assistance addressing basic needs, such as housing, transportation, food, childcare
- legal assistance, such as child support, criminal records, immigration status
- case management and counseling for mental health, substance abuse, domestic violence
- assistance with resources needed for work, such as uniform, tools, supplies
- wealth building, such as financial literacy, access to public benefits, debt counseling.

Certain populations face especially difficult barriers to work, such as returning citizens, people with limited English language skills, women with young children, youth and young adults, jobseekers and workers who are homeless, the disabled and veterans. The lack of transportation for many Baltimore residents is especially limiting. The Opportunity Collaborative estimates that 85% of new jobs to be created by 2020 will be in Baltimore's surrounding counties, not in the city. The lack of public transit to jobs sites and for second and third shift workers and the difficulty obtaining drivers licenses (especially for people with child support judgements) make it difficult for residents of low-income neighborhoods to reach jobs.

Although case management and supportive services are standard workforce development components, Baltimore's training organizations often lack the resources to implement comprehensive programs. Referral networks and data systems are underdeveloped at an organizational level and system-wide. Often the hand-off from one agency to another is not coordinated or tracked, resulting in many jobseekers falling through the cracks.

Perhaps the most promising effort to address barriers is One Baltimore for Jobs, the federal demonstration being implemented by MOED. The demonstration, which MOED hopes to apply throughout the city, targets youth and young adults who have limited work history, a criminal record, or do not have a HS diploma or GED equivalent. It also targets African American males. A

key objective is to strengthen the connections of neighborhood outreach organizations and occupational training providers to specialized support services organizations that can mitigate barriers in several critical areas: legal services (including criminal record expungement, child support modifications and other barriers); mental health services; and adult education. This is a much more efficient way to deliver support services, but more resources are needed to make this strategy standard practice, build the data and referral systems to support it, and extend it to other neighborhood organizations and training providers.

RECOMMENDATIONS RECEIVING LOW VOTES

- Support a bill to increase the minimum wage to \$15 per hour by 2022.
- Expand and strengthen partnerships among community-based organizations, occupational skills training providers, and industry sector partnerships. Build the capacity of community-based organizations to recruit, screen and connect jobseekers to training and referral services, provide customized job readiness training and provide ongoing case management and support services.
- Build the capacity of workforce training providers to: access and utilize economic forecasts and labor market data; monitor and report outcomes and actively capture lessons for continuous improvement; engage employers in order to customize training programs to employers' needs and industry standards and provide job retention and career advancement services to both workers and employers.
- Create a financial opportunity center that promotes financial inclusion and helps workers and families build wealth by: providing financial education and coaching to build assets and manage debt; increasing access to financial products and services; and increasing the use of incentives and public benefits, such as tax credits, individual training accounts, matched savings, etc.
- Support career pathway strategies in industry sectors that offer access to well-paying, middle-skilled jobs for jobseekers who face barriers to work.
- Prioritize and advocate for reforms at Baltimore City Community College to ensure that it provides education and training services that are aligned with the needs of local employers. Adopt integrated basic skills training models that move more students into credentialed programs in in-demand occupations.
- Address job quality issues by supporting and enforcing rules that protect workers' rights and safety and recognize the unique challenges faced by independent, temporary, and contingent workers.

COORDINATION OF CITYWIDE SYSTEMS

- 8. Develop a map of local, state, and federal funding streams and investments made by private and philanthropic organizations to determine how to maximize and align resources for jobs and equity-driven economic development.**

The workforce development system is designed to prepare and connect people to jobs and help them advance to better jobs while ensuring that these activities advance the workforce needs of employers and industries that drive the local economy. This dual-customer approach – serving both jobseekers/workers and employers – is at the heart of effective workforce systems, but they also depend on a host of other public, private and nonprofit stakeholders, including education and training providers, community-based organizations, supportive services agencies, industry and trade associations, unions, foundations and others. Effective workforce systems also have strong linkages to other systems, such as: economic development, community colleges, secondary education and human services. Besides U.S. Departments of Labor funding, many federal agencies have their own workforce development programs, such as the Department of Agriculture's SNAP-E&T, and various programs under the departments of Health and Human Services and Housing and Urban Development. Local and regional workforce agencies, workforce investment boards, workforce intermediaries, industry partnerships and other structures typically coordinate and align the various stakeholders and resources.

All of these elements exist in Baltimore to one degree or another, but there is no comprehensive map that depicts various stakeholders and levels of funding and how system components are or are not connected, coordinated and aligned. This limits the ability to design effective programs for jobseekers and employers and build system-level and organizational capacities needed to pursue and absorb available workforce development funding. There are examples of city agencies failing to pursue federal funds or co-sponsor proposals being submitted by nonprofit organizations. Similar limitations preclude fully leveraging jobs through public contracts: According to an October 26, 2015 *Baltimore Sun* article, for example, city officials reported not knowing how many contracts go to small businesses or how much those contracts are worth.

Various components of a comprehensive map have been compiled by different stakeholders. MOED has compiled information as part of its updated workforce plan under WIOA. Baltimore's Promise has mapped public and philanthropic funding streams for college and career readiness programs. Baltimore Integration Partnership has conducted an analysis of anchor hiring and procurement and mapped this network. The Annie E. Casey Foundation commissioned a landscaping of the youth and young adult ecosystem, including organizations involved in youth employment and youth entrepreneurship. While there are undoubtedly missing elements, an important first step would be to synthesize the existing resources to determine gaps.

9. Establish citywide benchmarks for economic inclusion and job creation and use funding strategies, performance measures and contract mechanisms to hold public, private, philanthropic and nonprofit organizations accountable for a shared vision and common goals.

The absence of a common vision and citywide goals for economic inclusion (and the supporting data systems to ensure accountability, discussed in Recommendation 10) makes it difficult to know which interventions and investments are effective. Holding public, private, philanthropic and nonprofit organizations accountable to the same set of outcomes helps guide strategies, determine an efficient division of labor across stakeholders and facilitate the learning and continuous improvement needed to achieve population-level outcomes. Goals should not be arbitrary or a convenient round number, but based on: a clear understanding of economic disparities; an inclusive process for establishing citywide goals; realistic contributions that various stakeholders can make; the resources available to improve conditions; and the systems and processes for measuring and reporting results.

10. Increase utilization of data by creating a centralized database that: aligns data collection practices and processes; captures economic and labor market information; provides program descriptions; and tracks performance measures and outcomes across the public, private and nonprofits sectors of the workforce development and economic development systems.

Good data systems are essential to making the case, telling the story and advancing learning, innovation and ongoing improvements. Currently, Baltimore lacks a centralized database that can both provide stakeholders with information about various workforce development programs and generate performance information. The absence of common sets of definitions, indicators and protocols to track participant- and population-level outcomes makes it difficult to gauge the return on public, private and philanthropic investments. At an operational level, the lack of common measures forces providers to collect multiple data points for multiple funders on multiple timetables, making meaningful analysis cumbersome at best. Providers are also hamstrung by the lack of real-time labor market information and long-term employment projections.

There are also issues related to the capacity of public agencies and nonprofit organizations to collect, analyze and use data. The City of Newark, New Jersey, overcame staff resistance to using data by hiring data specialists who provide technical assistance and training to staff and work closely with department heads to develop performance indicators. Helping Individuals Reach Employment (HIRE) in Washington, DC, developed a data management system for nonprofit organizations that lacked the internal capacity or systems to contribute to citywide outcomes objectives.

Prospective program participants also need better access to in-depth information about education and training programs and services. The level of publicly-available information provided through Baltimore's one-stop employment centers, public libraries (which will offer more workforce development information and training under WIOA) and other information portals need to be improved. Information about training programs and eligibility, as well as indicators of efficacy, such as completion and placement rates, actual labor market demand, earnings and career pathways should be readily available. The Minneapolis Saint Paul Regional Workforce Innovation Network developed common metrics and report cards that report education and training outcomes achieved by all publicly funded programs.

Lastly, the disaggregation of data by race, ethnicity and geography is essential to achieve economic inclusion objectives, change discriminatory practices and connect distressed neighborhoods to opportunity.

RECOMMENDATION RECEIVING LOW VOTES

- Increase cross-agency and -organization partnerships and collaborations to align systems, bust silos, streamline processes, and provide a holistic suite of services and supports to jobseekers, workers, and employers.

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