



Help Wanted

Connecting
Inner-City
Job Seekers
with
Suburban Jobs

By Bruce Katz and Katherine Allen

LLOYD WOLF

Cities have historically been the hubs of economic activity in America—the focal points of commerce where farmers brought crops and livestock, where office buildings bustled, and where manufacturing industries thrived. In short, cities were the places where people worked. Suburbs began growing up around the cities in the 1950s and 1960s, but they were originally mostly residential. People commuted from them to jobs in the city. Now, though, after decades of decentralization from city to suburb to exurb, the landscape of home and work has radically changed.

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Today, work is still central to the role of cities in the new knowledge-based economy. With the U.S. economy booming, many new jobs are being created in central cities. Between 1993 and 1997, for the first time in nearly 30 years, central city job growth rivaled both national and suburban growth rates. Urban unemployment rates fell nearly 40 percent between 1993 and 1999.

But the new jobs in the cities are not available to everyone. The decentralization of people and jobs in American society today has left many in our cities struggling. People in poor, spatially isolated urban neighborhoods are ill prepared to compete in the new economy. Ironically, the entry-level jobs they need abound—but in the suburbs, out of reach. And efforts by government to connect less-skilled workers in the city with jobs in the suburbs are generally fragmented and needlessly parochial; in the end they hinder rather than help inner-city residents gain access to regional job opportunities.

Decentralization Is the Rule

Between 1980 and 1997, 23 of the 25 largest U.S. cities either gained population more slowly than did their surrounding regions or lost population while the region gained. Overwhelmingly, whether a city is growing, maintaining its population, or shrinking, it is losing ground to its larger metropolitan area.

Especially damaging is cities' loss of middle- and upper-income households, the backbone of economically strong communities. From 1989 to 1996, 7.4 million such households left cities for suburbs while only 3.5 million moved from suburb to city. Median household incomes of cities and suburbs thus continue to diverge. In 1989 suburban median income was 58 percent higher than central city median income; by 1996 the gap had widened to 67 percent.

Despite relatively healthy 1.8 percent

central city job growth over the past four years (compared with 1.8 percent nationwide and 1.9 percent in the suburbs), the long-term picture for many cities is one of continuous and rapid decentralization of people and jobs, especially in sectors most vital to low-skilled inner-city residents. Cities' share of regional employment is falling, particularly in older industrial cities. From 1994 to 1997, Ohio's seven major central business districts (Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown) gained only 636 net new jobs, while their suburbs gained 186,410. Atlanta had 40 percent of all metropolitan area jobs in 1980, but only 24 percent in 1990. Washington, D.C.,

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had 33 percent of its region's jobs in 1990, but only 24 percent in 1997, while the outer suburbs' share grew from 38 percent to 50 percent.

The decentralization rule—like all rules—has its exceptions. Cities retain a stock of existing jobs that, at times, is substantial and should not be neglected. In Ohio, for instance, while central city job growth has been relatively stagnant, the central city still has many jobs in absolute terms. While the suburbs of Ohio's seven major cities captured 90 percent of all employment growth between 1994 and 1997, the central cities still have more than a third of the regional jobs (1.2 million out of 3.3 million).

But despite the numerous jobs, the central cities still lag behind their suburbs. During 1993–99, while the central city jobless rate fell from 8.5 percent to 5.2 percent, the suburban rate fell from 6.7 percent to 3.8 percent.

Urban Residents and Central City Jobs

In the wake of this decentralization, central cities increasingly have become home to those who rely on welfare, subsidized health care, and other social services. Although poverty has declined in central cities, urban poverty rates are still twice suburban rates, 18.8 percent as against 9.0 percent in 1997. Urban neighborhoods of concentrated poverty—those where at least 40 percent of residents are poor—more than doubled in number between 1970 and 1990.

People in these neighborhoods often face a triple whammy: poor schools, weak job information networks, and scarce jobs. They are more likely to live in female-headed households and have less formal education than residents of other neighborhoods. Education expert Diane Ravitch has found that fourth graders from high-poverty urban neighborhoods have dramatically lower National Assessment of Educational Progress scores than their suburban counterparts. Although nearly two-thirds of suburban children achieve “basic” levels in reading, less than a quarter of children from high-poverty neighborhoods do so. Only about a third achieve basic levels in math and science, half the fraction of suburban students.

As poverty concentrates to the detriment of the life chances of the residents, many cities are shifting to a more knowledge-intensive, white-collar service-oriented economy. Many traditionally urban employment sectors—banking, health care and hospitals, manufacturing—are growing more slowly than they once did, if they are growing at all. They have declined particularly in

the “Rustbelt” cities in the Northeast and Midwest.

As urban economies shift from blue- to white-collar industries, from goods producing to information processing, higher skill requirements place these new jobs out of reach of many inner-city residents. So while many new knowledge-intensive jobs are physically accessible to residents of poor city neighborhoods, they are functionally inaccessible. And the problem may only get worse: the Educational Testing Service estimates that individuals with “minimal skills” will qualify for only 10 percent of all jobs generated between now and 2006.

Furthermore, in high-poverty neighborhoods, the social networks crucial to connecting people to work—networks that most of us take for granted—often break down. Employed people, with the inside track on their firms’ job openings, tell their friends or families about open positions and then vouch for applicants to their employers. In poor neighborhoods, where relatively few people work and even fewer have good jobs, these networks are circumscribed and overburdened. Low-wage workers also tend to keep their job search close to home, cutting themselves off from plentiful suburban jobs.

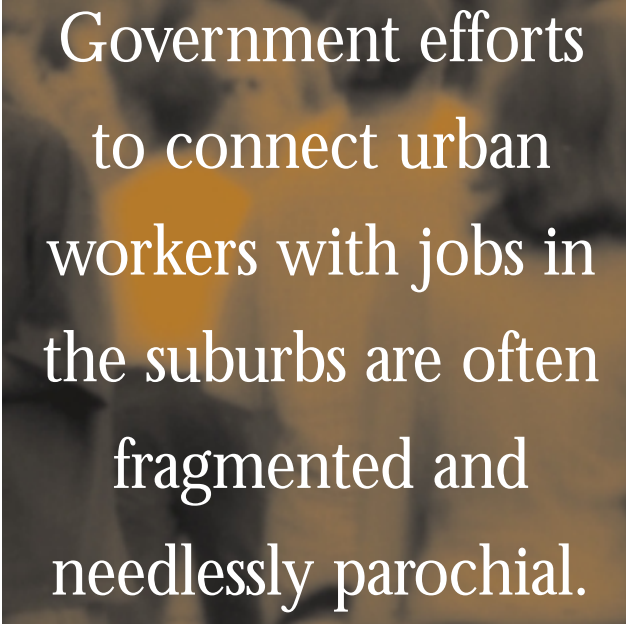
Although overall urban joblessness is in decline, unemployment and underemployment rates remain high within low-wage labor markets. Overall unemployment in New York City, for example, was 7.9 percent during 1994–96, and underemployment—including those who are unemployed, discouraged about work (looked for work in the past year but gave up for lack of job prospects), involuntarily part time, or constrained by factors like inadequate child care or transportation—was 13.4 percent. And both un- and underemployment hit young, non-college-educated inner-city minorities hardest. According to economist Jared Bernstein, for example, un- and underemployment rates in New York City

during 1994–96 were 48.8 percent and 61.1 percent, respectively, for young black men (ages 16–25) without a high school diploma.

Inner-city residents are clamoring for the scarce jobs for which they are qualified. Anthropologist Katherine Newman counted 14 job seekers for every minimum wage, fast food job in Harlem. Welfare reform could exacerbate this competition for entry-level positions by moving large numbers of unskilled people into urban labor markets. In New York City, researchers found that only 29 percent of adults leaving the welfare rolls between July 1996 and March 1997 found full-time or part-time jobs. In Philadelphia, to

employment rates were stable. At the same time, single mothers’ nonemployment fell from 43 percent to 31 percent.

Although the nation’s economy is booming, the economy alone is not enough to connect the nation’s urban poor to work, let alone move them toward self-sufficiency. Self-sufficiency—getting by without help from the government or private charities—is a high hurdle to clear. A single parent with a pre-school-aged child living in Boston would have to earn \$15.28 an hour, or \$32,000 a year, working 40 hours a week, 52 weeks a year, just to make ends meet on a no-frills, no-subsidy budget. Low skills and lack of work experience put \$15-an-hour jobs out of reach for most poor inner-city residents.



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Can Government Make Connections?

In the suburbs, entry-level jobs abound in manufacturing, wholesale trade, and retailing. All offer opportunities for people with limited education and skills, and many pay higher wages than similar positions in the central city. But persistent residential racial discrimination and a lack of affordable suburban housing effectively cut many inner-city minorities off from regional labor markets. Low rates of car ownership and inadequate public transit keep job seekers in the core from reaching the jobs at the fringe. Often, inner-city workers, hobbled by poor information networks, do not even know that these jobs exist.

Government does little to solve—and sometimes worsens—the problem. Fragmented governance of federal and state programs within metropolitan areas, for example, keeps housing voucher recipients from learning about housing opportunities in other jurisdictions. In the Detroit metropolitan area alone, 31 public housing agencies administer separate federal Section 8 programs.

Public job training and worker education programs are similarly fragmented. Labor markets do not stop at jurisdictional lines—people in a metro-

address the needs of more than 36,000 jobless workers and 63,000 welfare cases, state and city governments fashioned an innovative transitional work program to create public jobs. But the program will create a mere 3,000 jobs in a city that lost 100,000 jobs, or 13 percent of its total employment base, between 1989 and 1995.

Not all employment trends are discouraging for inner-city populations. Between 1992 and 1998, nonemployment rates, which include both jobless people seeking work and people officially considered “out of the labor force,” fell from 48 percent to 36 percent for young black men without a college education, although overall non-

politan area may work in one jurisdiction, live in another, and shop in yet another, without even thinking of the political boundaries they cross. But the need to navigate multiple bureaucracies can impede the job mobility of people who depend most on public work force systems. Under current federal law, jurisdictions with a population of 200,000 or more can essentially splinter off and create their own local work force systems. Metropolitan areas with millions of people may have dozens of separate work force bureaucracies. Wealthier jurisdictions have no incentives to serve inner-city populations, and inner-city jurisdictions have little access to information about suburban jobs.

Fragmented governance also abets the concentration of poverty. The territorial administration of federal housing and work force programs makes it harder for low-income urban families to cross political boundaries to reach opportunities outside their neighborhood.

Connecting inner-city residents to jobs that can pull them out of poverty requires at least four important policy shifts. First, city and regional policymakers need better local labor market information so that they can make informed policy decisions in the context of their current economic reality. Second, social programs should be administered to facilitate—not impede—access to opportunities across jurisdictional boundaries. Third, community institutions need incentives and flexibility to broaden the scope of their responses to neighborhood distress beyond affordable housing. Finally, the mismatch of jobs—enough jobs but in the wrong places or at the wrong skill levels—requires a new metropolitan agenda on jobs, transportation, and housing to link inner-city residents to opportunities throughout their region.

Know Your Region


All regions are not created equal. Some, like Detroit and Baltimore, have decen-

tralized radically, leaving the central city economically devastated and potential inner-city workers spatially isolated from job opportunities in the suburbs. In others, like Seattle and Boston, the central city continues to thrive economically despite decentralization, making housing affordability a top concern for inner-city residents who live near plentiful city jobs. This diversity requires that cities and regions take a hard look at their social and economic structure to respond sensibly to their unique situations.

City and regional leaders must gauge their economic competitiveness, identify major social problems, and project significant demographic

households to the outer-suburban entry-level employment.

Building the capacity for such ongoing research—in local universities, city agencies, or community institutions—is essential both to evaluating the effectiveness of existing policies and to developing innovative, targeted policies that can respond to changing economic realities. Federal and state governments should encourage the development of place-based research with new funding sources and more strategic local information-gathering by government itself. Government agencies are already treasure troves of data, much of which should be made available and accessible to the public.



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Mirror the Market

Labor and housing markets are regional, not local. For low-income inner-city residents to avail themselves of regional job, housing, and educational opportunities, the government systems they depend on must reflect the “real” metropolitan marketplace. Many social programs, like welfare and job training programs, are funded at the federal level, devolved to the states in block grants, and then administered by local governments, creating multiple bureaucracies within a single labor market. All these programs should operate at the metropolitan level. Creating metropolitan entities that administer programs across an entire region or, at a minimum, requiring all block grant recipients to demonstrate cross-jurisdictional collaboration would help public systems and programs more closely mirror the market. Seattle and King County are moving in this direction with the creation of a Coordinated Funders Group, designed to coordinate and even integrate the employment training programs in the region. A diverse group of constituencies including city, county, and state agencies dealing with housing, welfare, job training, and education issues makes up the funders group. In addition to local streamlining efforts, the group has

applied for and been awarded millions in federal funds for training hard-to-serve welfare recipients in both the city and county.

Support Community Institutions

Although a broad spectrum of institutions is needed to connect poor inner-city residents to metropolitan opportunities, community-based organizations—local groups that are intimately familiar with distressed neighborhoods and their residents—are indispensable. These groups, including community development corporations and faith-based groups, must complement neighborhood activities with efforts that involve metropolitan solutions. Policymakers should build and support a network of intermediaries—modeled on the housing intermediaries that have been federally supported over the past 25 years—to link residents to local and regional opportunities.

Community institutions should also be encouraged to play more tailored roles in their communities, providing child care, transportation, job training—whatever services or programs the community needs. Thus far, the policy infrastructure for such community-guided investment has been limited to affordable housing development. However, some exceptional institutions are already very responsive to community needs despite the lack of more comprehensive support for their efforts. The Delaware Valley Community Reinvestment Fund (DVCRF) in Philadelphia, for example, supports a wide range of local and regional activities, including financial support for affordable housing, community facilities like child care centers, small businesses, and workforce development programs. With support from the Annie E. Casey Foundation, DVCRF combines economic and workforce development by financing the expansion of local businesses that agree to hire disadvantaged workers

recruited, trained, and placed by DVCRF's Jobs Initiative.

Improve Access to Suburban Jobs and Housing

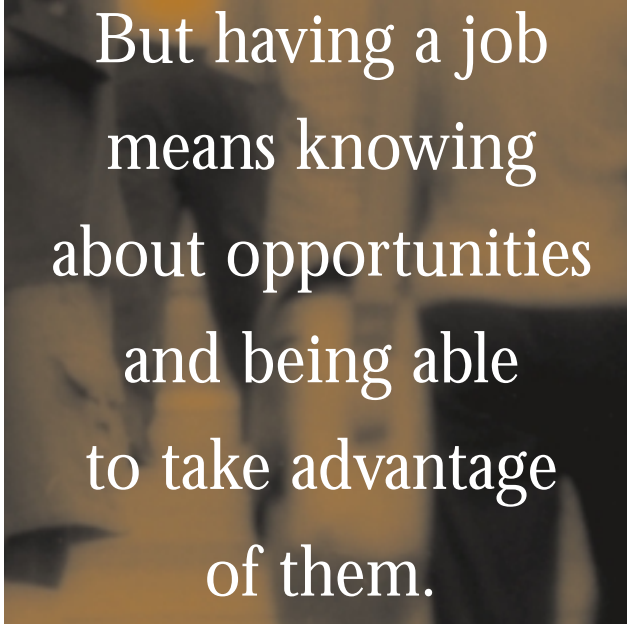
Transportation and housing mobility programs must minimize spatial mismatches. The gap between inner-city residents who need jobs and the suburban employers who need workers can be bridged in two ways—by helping people get to and from their jobs and by helping them move closer to where they work. Improved transportation options are essential to connect inner-city residents to job-rich areas on the exurban fringe. Public transit is the

existing employees. Bell South, for example, recently decided to relocate five Atlanta-area office buildings closer to the regional transit lines to ease traffic congestion and employee commutes.

Housing is more controversial. But research on Chicago's Gautreaux program, a court-ordered, locally administered program that has helped nearly 7,000 families move from poor segregated urban neighborhoods into low-poverty suburban areas, has documented gains in employment and education for families who moved to job-rich locations with better schools. Helping families leave high-poverty, racially segregated neighborhoods and move into areas with greater opportunities requires

a variety of policy strategies: metropolitan administration of housing voucher programs, increased funding for mobility counseling, development of affordable housing in the suburbs, and heightened enforcement of existing federal fair housing laws.

The best antipoverty program, as President Clinton has said, "is still a job." But having a job entails having a reliable way to get from home to work; it means knowing about opportunities and being able to take advantage of them. Now is the time—with a booming economy and welfare reform's new focus on work—for the gov-



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ernment and private sector to create these supports to help poor inner-city residents find better opportunities for themselves and their children. The four strategies mentioned above are necessary but not sufficient components of a larger urban agenda. Strategies to connect people to regional job and housing opportunities should complement more traditional efforts to grow urban economies, revitalize neighborhoods, and stimulate business investment in cities. Federal, state, and local governments, employers large and small, and community institutions must get involved to help prepare inner-city residents to compete in the mainstream economy. ■

strategy most often mentioned by policymakers, but private car ownership—the solution that most nonpoor people choose for themselves—could also be made accessible to the poor through public subsidy or changes in auto insurance laws.

The public sector should not bear the job access burden alone—employer decisions to locate on the fringe of metropolitan areas, away from established transit lines, often cause these problems in the first place. These private-sector firms should be engaged in devising new transportation solutions as well, because it is in their interest both to gain access to the inner-city labor pools and to make commuting easier for their