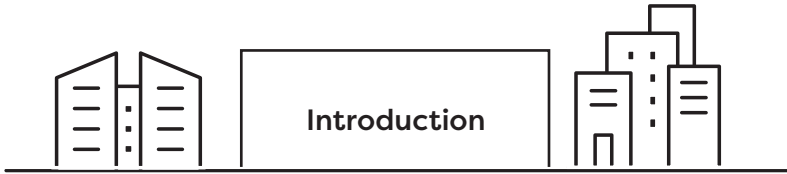


1



Our economy needs to work for more Americans. Current and future workers need realistic pathways to living wage jobs. They need access to the training and education necessary to qualify for better jobs. They need adequate transportation and childcare. In this book, we will meet local leaders who are creating opportunity—for residents seeking their first job and employees seeking their next job. We will see communities that have come together to make a difference and hear from the individuals they helped. The past several decades have witnessed dramatic economic growth, but the benefits of that growth have not been equitably shared. Fair growth requires local action and rethinking how we skill and support working age adults.

While we come to this project with different political philosophies and with work experiences in different sectors, we share a common belief. Economic opportunity lies out of reach for far too many people because of where they live, their race, or their access to quality education.

Stephen, as a mayor of Indianapolis in the 1990s, visited hard working blue-collar employees at the International Harvester foundry, Chrysler foundry, RCA television assembly plant, and General Motors and Ford assembly plants. These facilities historically had provided thousands of reliable jobs with good wages and benefits. RCA, for ex-

ample, once employed 8,200 workers at its plant, and the GM facility at its height utilized a 5,600-person workforce.

Today, these factories are closed. All their jobs are gone.

Plant closings and other changes in the local economy have been devastating. Indianapolis saw a 20 percent decline in its manufacturing base in the decade ending in 2020 and an 80 percent increase in the number of residents living in poverty.

Kate brings a different perspective to our work. She left the world of fintech in 2001 to join the YMCA of Metro Chicago. Later, she became executive vice president for strategy and advancement for the national YMCA. Kate's experiences at work reflected changes in the city at large. Given the geographic distribution of YMCA branches in Chicago, she literally could visit a Y in a working class all-white community, and on her way to the next branch several blocks away find herself in an entirely Black neighborhood. Segregation in the city was and continues to be stunning. During her fifteen years of YMCA experience, she saw poverty worsen in the city and middle-class workers lose ground—even as the wealth of top earners in the city grew dramatically.

Intracity disparities disclose a harsh reality. A baby born in 2015 in Chicago's mostly white Streeterville neighborhood populated by college-educated families could expect to live to ninety, thirty years more than a baby born the same year in the largely Black Englewood neighborhood. University of Illinois, Chicago maps show that fully half of the city was middle-income in 1970, including large swaths on every side of town. In 2018, just 16 percent of the city's 797 census tracts were considered middle-income, and those areas are confined mostly to the corners of the city and to thin middle-class strips between areas of wealth and poverty.¹

The story in both cities, and, indeed, across the country, is one of juxtapositions: the upper middle class has expanded even in the face of the overall middle class losses. At the same time Indianapolis lost thousands of manufacturing jobs, it developed a prospering technology sector, with companies such as Salesforce growing significantly alongside an already vigorous healthcare sector. Chicago witnessed the same contrasts as a new tech neighborhood sprouted on the west side of the city's Loop.

This book is about people and potential. It highlights initiatives that have successfully lowered barriers to urban workers' aspirations and their economic mobility. We hope to convince leaders across sectors that collective community action can make a difference. We also aim for a broader audience of those concerned about civic life, hoping to motivate them to come together around a more inclusive narrative that will bridge political divides and produce support for comprehensive solutions.

For more than two years, often in-person pre-COVID-19 and then, subsequently, by video conferencing, we traveled across the country, from San Diego and Los Angeles to New York and Boston, interviewing leaders and staff from high performing organizations. We met with mayors, chiefs of staff, and other leaders from across the country in forums at Harvard's Kennedy School. We interviewed participants involved with dozens of programs, sometimes labeled "workforce" and other times referred to as "education" or "training."

We concentrated primarily on the actions of nonprofits and local and state government but also, albeit to a more limited extent, looked at college and employer-based programs. The review included organizations that help the unemployed and underemployed as well as those fully employed but seeking upward mobility to better jobs. We included programs that focus on education and training and initiatives that support persons struggling to overcome personal, family, or location-based roadblocks. We searched for the key elements that should be incorporated as part of an optimal regional response.

Ours is an expansive definition of "workforce" that includes the larger set of activities designed to improve the skills and opportunities of workers, not just those associated with the federally funded workforce investment boards.

As a joint project of a Republican and a Democrat, this book rejects choosing between conservative views that assume that anyone who works hard will succeed and more progressive views that simply demand more government support. We argue, instead, for a broader shared narrative about potential, one that demonstrates how greater cross-sector collaboration can enhance upward economic mobility for those whose prospects have dimmed.

We are not economists—these chapters do not rely on original em-

pirical research. Nor do we hold ourselves out as the most preeminent workforce experts. We met the experts in our interviews and research, and you will, in turn, meet them in this book. We write from the perspective of local action, as two long-time practitioners who have spent their careers addressing social problems in and with people in dozens of areas across the country.

Both Stephen and Kate have funded, participated in, or overseen programs where a dedicated coach or caseworker helped people find pathways to better lives. As a prosecutor, Stephen was a leader in reforming child support enforcement. He used data to increase collections and initiated fatherhood and jobs programs, as well. He met almost weekly with single mothers receiving Aid to Families with Dependent Children. He heard their aspirational stories but also their realistic pleas for the help they needed in order to work more regularly. Kate crafted national strategy for the Y by visiting local affiliates. She saw how a single staff member's care or participation in a carefully structured program could change a child's trajectory. An advocate for cooperation across organizational boundaries, she also saw the community-wide impact of bringing together multiple organizations with overlapping missions.

We have been fortunate to have thousands of public and nonprofit employees work for us and to fund hundreds of programs with government and philanthropic dollars. Our proximity to individuals serving others and to those they served produced for us insights, context, and empathy.

The chapters that follow reflect the people we met, their lessons, and their successes. Our goal is to identify the various principles of success and then braid them together for regional implementation. The people we met, both those who needed a lift up and those doing the lifting, provide the voices. We provide the vehicle for their stories and connect the threads between their insights and our design principles.²

Our Focus: Cities, Individuals, and the Centrality of Work

Not only in Indianapolis and Chicago but across the country in many cities, low-income individuals increasingly live in economically and racially segregated neighborhoods. These deeply impoverished communities lack access to opportunities and suffer the ill effects of historically willful neglect and polluted environments. Residents exposed to the trauma of scarcity and violence start the search for good jobs many laps behind the competition. Workers in many struggling neighborhoods face day-to-day challenges, like inadequate transportation, poor housing, and few childcare options.

A half-century ago, urban design expert Jane Jacobs, in her book *The Death and Life of Great American Cities*, wrote that a “metropolitan economy, if it is working well, is constantly transforming many poor people into middle-class people, many illiterates into skilled people, many greenhorns into competent citizens.” Putting aside her questionable labels, that progression has stalled in too many urban areas. Loss of manufacturing jobs is, of course, one reason. But there is also the changing nature of work that puts a premium on content creation and the ability to juggle complex tasks. Many jobs have been displaced by robotics and artificial intelligence. The growth of independent contracting work has often severed the attachment between employers and employees, who once enjoyed the fringe benefits and career ladders their companies offered. Disinvestment, explicit and implicit bias, and unequal access to quality education compound the problem.

The New York City and urban middle class that Jacobs imagined featured integrated and successful public schools, manufacturing jobs, and vibrant neighborhoods. Yet, today, achieving the American Dream, which promises each successive generation will do better, is not remotely achievable for many of our fellow citizens. The urban ladders that supported upward mobility either no longer exist or, at the very least, are missing several of their rungs.

In 2012, a Pew Charitable Trust Economic Mobility Project report showed that not only do Blacks struggle to exceed their parents’ income more than whites, they are more “downwardly mobile” as well. Over half of Black children raised in the middle tumble to the bottom or second rung compared to only a third of whites.”³

Tens of millions of Americans are unemployed or underemployed. While various experts define and categorize these populations differently, all end up with large numbers. One group, called opportunity youth, consists of approximately 6 million young people between the ages of sixteen and twenty-four who are neither enrolled in school nor working. More than 50 million Americans between the ages of twenty-five and forty-four do not have post-secondary degrees and earn less than \$35,000 annually.

Harvard Professor David Elwood points out that “while economic success is an essential principle, it does not fully capture people’s experiences with poverty and mobility. As important as money are power and autonomy—a sense of control over one’s life and a chance to make choices and craft a future. Some refer to this principle as agency.”⁴

We believe that work provides people with some sense of power over their lives, depending, of course, on the conditions and pay of that work. In this book, we look for solutions and programs that support work and build worker capabilities, believing those capabilities produce not only economic self-sufficiency but self-esteem, as well. As AEI and Brookings write in their joint project “Work, Skills, Community: “Work is vital for many reasons. It’s a way to provide for yourself and your family. It helps grow the economy. For most people, it’s more satisfying than almost any other activity, including consumption. And it’s character-forming—a first good choice that usually leads to other good choices and essential values like purpose, diligence, responsibility, and self-reliance.”⁵

We hosted a discussion group organized by and about the 2019 movie *American Factory*, produced by Barack and Michelle Obama, a documentary that shines a light on the meaning of work by examining the consequences to workers and their families when General Motors closed a major assembly plant in Dayton, Ohio. The factory was subsequently downsized and opened with different working conditions by Fuyao, a Chinese company. One can see vividly in the movie and in the comments by those in our discussion group (which met at the foot of a similarly closed Indianapolis GM factory) the degree to which identity is connected to work. *American Factory* profiles the importance of an adequate income as well as the way workplace con-

ditions can enhance or diminish the self-esteem that derives from employment. These tensions play out on the screen as the workers Bobby and Shawnea, who, unlike many of their colleagues, kept their jobs under the new owner, struggle with the lower pay and reduction of factory floor freedoms:

Bobby: For a year and a half, [after the plant closed] I didn't have anything. When I started at Fuyao, I was thankful. I was blessed. I was just on my knees, thanking God that I had something. This is the best game in town right now.

Shawnea: At General Motors, I was making \$29.00 and some change an hour and at Fuyao, I make \$12.84. Back then if my kids wanted a pair of new gym shoes, I could just go get 'em. I can't just do that now. We lost our home. We lost a vehicle.

Watching this documentary with local residents who saw themselves reflected on the screen brought to mind the words of Indianapolis Archbishop Daniel Buechlein, with whom we spoke at a lunch not far from that night's location. Reading from Pope John Paul II's encyclicals, Father Daniel directed us to the encyclical on "Through Work," which underscores its importance to man's humanity because that is how he "achieves fulfilment as a human being and indeed, in a sense, becomes 'more a human being.'" But the encyclical also links industriousness as a virtue with fairness, which requires that man not be degraded through damage to the dignity and subjectivity that are proper to him.⁶ Both these themes present themselves in the movie, and the discussions that night underscored the importance of fair economic growth.

This book focuses on programs and policies that create promising pathways for city dwellers who lack jobs or whose upward mobility has stalled, leaving them without a living wage. We examine these pathways in cities and regions across the country. We reject binary, polemic choices. No one-size-fits-all formula works, and the degree and type of support depends greatly on the worker and their circumstances. Although these lessons apply broadly across the country, the book concentrates primarily on cities and their metro areas; in part because it is their leaders who disproportionately participate in our

work at the Kennedy School and elsewhere and because their regions often possess the greatest income disparities. Therefore, we start with a quick review of recent developments in the economic ups and downs of workers in America's cities.

Large Cities Attract Growth, Tech, and Inequality

Five metropolitan areas—Boston, San Diego, San Francisco, Seattle, and San Jose—accounted for 90 percent of all U.S. high-tech job growth between 2005 and 2017.⁷ These cities—and Los Angeles—are home to the largest median income differences between the bottom and top quintiles in the country. Generally, larger cities produce more wage inequality—a situation that was not the case forty years ago.⁸

Ideas and people flow to tech firms in high performing locales, adding value to those areas. In the United States as a whole, 30 percent of the population has a college degree. In Seattle, that number is 57.4 percent (for those over twenty-five) and just a few points lower in San Francisco and Washington, D.C. In these cities, a person or their significant other can find or switch jobs more easily and has casual access to new ideas.⁹ Regional agglomeration economies, according to leading urban expert and Harvard economist Ed Glaeser, occur when industrial clusters of firms and people locate near one another in cities, which, in turn, supports a “strong relationship between density and high wages.”¹⁰

Approximately ten to fifteen years ago, recognizing the benefits produced by attracting qualified college educated talent, many mayors shifted their economic development efforts from chasing jobs to chasing what leading urban theorist Richard Florida called the creative class. Touted as “the great reset” by Florida in *The Rise of the Creative Class*, this strategy identified quality-of-life assets—parks, neighborhoods, amenities, and culture—as the key to retaining or attracting the local talent that would drive a new economy powered by innovation, technology, and sustainability. The imperative to build and maintain attractive cities to entice talent to relocate or stay is insufficient. Cities must develop local talent and invest in neglected neighborhoods if we are to achieve greater equity and enhance upward mobility.

Uneven Growth Produces Even More Uneven Opportunity

Of course, cities differ greatly, and much of the most salient research occurred before the devastation of COVID-19. Yet, as we look out and try to guess the future of work in cities, trends from the recent past provide important guidance. In the first half of the last decade, cities generally gained population. Larger cities, however, began losing residents during the last half of the decade.

A city's center makes a difference. Downtowns tend to be the image of the region, the site of many professional and financial jobs and the locus of tourism, retail, and hospitality clusters that help many into their first jobs. Downtowns often sit adjacent to important education and medical centers. The first fifteen years of the twenty-first century saw large numbers of professionals and others with college degrees return from the suburbs to downtowns, where they found more amenities and improved safety.

Downtowns do not represent entire cities. Even with this resurgence at the core of large regions, many cities registered slowing or declining growth overall. As the country rebounded from the Great Recession in 2008, population once again dispersed toward suburbs and smaller areas. Poverty also increased. For example, in Philadelphia, while the central city fared well between 2000 and 2014, the situation was different for the city as a whole. Twice as many areas of the city suffered income declines versus those that experienced gains.¹¹

This shift aggravated the disparity between those born into low-income zip codes and those into wealthier ones. Harvard economist Raj Chetty, whose breakthrough research on cities has changed the way the country discusses opportunity, identified the immensely favorable outcomes for those better positioned by family, education, and living standards in wealthier zip codes where it is easier to take advantage of the new economy. Research by the Urban Institute traces growing wealth disparity and racial wealth gaps not just to differences in income and earnings but also to rates of homeownership and to student loan debt burdens that make it difficult for low-income families to build financial assets.¹² These gaps relate, as well, to historic policies that worked against wealth.

Increasing Segregation Magnifies Inequality

The segregation of cities by race and class vividly reflects differences in opportunity, as well. In 1970, 65 percent of the residents of large metropolitan areas lived in neighborhoods with median incomes close to the median for the entire area. A Stanford Graduate School of Education report shows income segregation growing beginning in the 1980s, with the proportion of people living in middle-income neighborhoods declining to 40 percent in 2012.¹³

Due to the nature of our work in cities over the last two decades, we have seen up close the stark contrasts between affluent neighborhoods with thriving shopping areas and economically challenged neighborhoods with vacant homes, boarded up shops, too few jobs, and too much environmental contamination. Not enough people understand the full scale of these gaps and the consequences to residents living in struggling areas. Those with wealth can distance themselves from the reality of poverty. As Chetty and colleagues summarize, “the spatial variation in intergenerational mobility is strongly correlated with five factors: (1) residential segregation, (2) income inequality, (3) school quality, (4) social capital, and (5) family structure.”¹⁴

This book focuses on programs that help individuals move up the economic ladder regardless of where they might live. But that is not enough. We must acknowledge both how government helped aggravate racial segregation and the role it must play in correcting spatial inequities. HUD policies in Indianapolis and other cities concentrated Black families in certain neighborhoods, which, in turn, contributed to schools segregated by race. FHA policies, until the 1960s, redlined Black neighborhoods. Between 1934 and 1962, whites received 98 percent of the government-backed loans.¹⁵ Banks, in many cases, followed suit. As Stanford’s Jennifer Eberhardt in her insightful book *Biased* reminds us, “The instruments of government-sanctioned bias—zoning restrictions, racial covenants, mortgage refusals, and a building boom in suburbs open only to whites—had already taken their toll, forcing Black families to crowd into undesirable areas where amenities were few, the housing stock was often decrepit or cheaply built, and the streets were lined with factories spewing industrial pollution.”¹⁶

However, even the distinction between wealthy and low-income

neighborhoods obscures the fact that communities similar in terms of wealth differ in the degree of mobility. Upward mobility can be affected by the strength of social networks and community involvement, by family structures, as measured, for example, by the fraction of single parents, as well as by school quality.¹⁷

Less Middle

Too many solidly middle-class families have slipped downward—and not just those in industries like manufacturing. Twenty years ago, Stephen toured Golden Rule Insurance, a large Indianapolis employer with substantial back-office functions. He observed floors filled with closely packed desks and workers (mostly women) opening, reading, and processing claims and then filing papers in appropriately colored, marked folders. Office automation destroyed many of these jobs in a manner not dissimilar to the decline of manufacturing jobs. As David Autor notes: “We have shunted non-college workers from middle-skill career occupations that reward specialized and differentiated skills into traditionally low-education occupations that demand primarily generic skills; it has disproportionately depressed middle-wage employment among non-college workers in urban labor markets, thus directly reducing average non-college wages and—to a startling degree—attenuating the urban non-college wage premium that prevailed in earlier decades.”¹⁸

Thus, the women we observed who once performed these back-office jobs mostly moved to lower-skill work. During this same twenty years, more workers achieved college degrees, and they, in turn, increased their return on that investment, driving up their real wages, while those without degrees saw their wages stagnate at best.¹⁹ The labor market tightening that preceded the COVID-19 outbreak increased demand for college-educated workers, but it did not do much to raise the real wages of those pushed down the ladder.²⁰

Economists label in various ways what we saw in our work: cities with fewer middle-class people and neighborhoods and not enough workers with mid-tech skills. Autor calls it the hollowing of the middle.²¹ Stephen Rose of University of Connecticut, examining the twenty-year period up to 2016, calls it a shrinking middle with some

moving to upper middle-class and more slipping down. As troubling, Rose finds that, even before COVID-19, fewer people moved up and out of poverty and more slipped back into it.²² And Barnard sociologist Angela Sims underscores the challenges faced even by more suburbanized Black middle-class communities as they battle for a sufficient tax base for schools and other essential services.²³

This book summarizes promising practices, not just for the underemployed and for lower-income workers, but also for lower middle income families who, depending on family size, earn approximately \$30,000 to \$50,000 a year.

The Growing Middle-Skills Deficit

Major changes in labor availability now and over the next few decades, and the growth of new occupations, will create opportunities. Baby boomers, who as a group are well educated, retired in greater numbers in 2020 than in the prior eight years, from an average annual increase of two million to an increase of three million in 2020.²⁴ Record low labor force participation also affects the middle skill deficit. The male labor workforce has been declining steadily since the 1980s, recently accelerating as a result of the opioid epidemic. And the effect of COVID-19 greatly reduced the ability of women to work. Plummeting birth rates will compound these and other factors, producing what Korn Ferry predicts will be a deficit of six million workers in ten years.²⁵

Digitization will produce new jobs that will require more middle- and high-skill workers, far more than the four-year college pipeline can produce,²⁶ creating opportunities for those well trained but without four-year degrees. An educational pedigree is not an indispensable requirement in tech.²⁷ Today, as many as 17 percent of core technical workers in high-tech lack a bachelor's degree. For some jobs, requiring a degree unnecessarily creates misalignment in the labor market, which has important implications for both the economy and individual workers. An insufficient number of middle-skill workers reduces the rate at which employment and output can grow,²⁸ but it creates opportunity for aspiring workers who can be skilled to meet the demands of current and emerging middle-skill jobs.

Lower-Wage Workers Invoke Different Circumstances

Non-college-degree urban workers are pressed on all sides. Persons of color disproportionately suffered from higher rates of COVID-19 and its effects. Some 54 percent of Hispanic households reported income losses between March and September 2020, along with 47 percent of Black households.²⁹ Even before the pandemic, urban workers experienced a squeeze as what used to be a wage premium versus their rural colleagues collapsed. At the same time, the cost of urban living increased.

What qualifies as “low wage” varies by place, and low wage can be defined in different ways. The Bureau of Labor Statistics (BLS) considers it as less than “what it would take a full-time worker to earn an income lifting his or her family above the federal poverty threshold.”³⁰ In figure 1-1, Brookings researchers Martha Ross and Nicole Bateman helpfully distinguish among vulnerable and less vulnerable low-income workers; the former should be a higher priority for help.³¹

The chapters that follow feature organizations that work more on the right side of this chart by assisting vulnerable low-wage workers.

Kate often witnessed the challenges confronting vulnerable low-wage workers who were forced to make tradeoffs due to their uncertain employment status. Particularly troubling was the impact these tradeoffs had on their families. In 2011, the Y began scaling several programs to address the achievement gap across its national network. Funded largely by an internal foundation falling into her portfolio, Kate visited early learning, out of school time, and summer learning loss prevention sites around the country. Among the predominately low-wage workers whose children participated in these programs, differences were obvious. Some of the parents and caregivers to whom Kate spoke clearly struggled to get their children to and from classes while working at low-wage jobs that afforded them little if any flexibility. These workers were confronted with difficult choices that their less vulnerable peers were not. For this, they and their children paid a price.

Figure 1-1. A Note about Economically Vulnerable Workers

Less vulnerable low-wage workers	More vulnerable low-wage workers
Secondary earners College students, especially those enrolled full time right out of high school or otherwise are likely to graduate Have a postsecondary degree or credential Early in their careers	Sole earners Parents, especially single parents Have low education levels Involuntarily working part time Dislocated workers who take a lower-paying job after a layoff Have a disability Workers who are older, female, Black, or Latino or Hispanic

Source: Martha Ross and Nicole Bateman, “Meet the Low-Wage Workforce,” Brookings Institution, November 2019, www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf, p. 12.

Cities and a Post-COVID-19 Future

Some say the era of the city is over—hammered by COVID-19 and troubled by issues of racial inequity. We find this view overwrought. Cities will retain the considerable array of physical and soft assets that have for so long attracted residents. Yet, growing concerns, valid or not, about murder rates and instability may deter the professionals who flocked to cities drawn by the amenities and the energy of urban life. While we are loath to predict, we are willing to speculate. Center city population growth may slow or, indeed, abate, and flight from other areas of large cities into prosperous suburbs will continue. Yet cities will likely drive future economic growth, albeit differently than in the past.

One way to strengthen cities is to grow jobs and skill more people to take those jobs. When we began this book, unemployment was at 4 percent, and employers could not fill their open positions. Our focus on improving the workforce development system was born out of this misalignment and our belief that a more equitable approach to skill-ing would create opportunity for unemployed and underemployed workers. We still believe this, although the challenge has intensified. Two years later, in 2021, unemployment, though abating, is still up and labor market participation is down.

As we emerge from the pandemic with a rebounding economy but without new coordinated efforts, we expect no end to the trends we have seen over the past decade, trends that adversely impact low-wage and nonworking Americans. Even during the COVID-19 resurgence in the summer of 2020, 8 million jobs remained unfilled across the country. Without predicting the exact future of cities, we can, in fact, predict that if more people have more skills and the necessary support to apply them, the result will be enhanced urban opportunity and increased regional wealth and income.

Local Leaders Can Make a Difference

There are practical steps officials can take to increase mobility for workers without a college degree. Many of the challenges affecting those struggling to increase their income are systemic; others are individual. Important distinctions in how to approach and support those

in the bottom quintile versus those in the second quintile exist. The future income of children in the lowest (and top) quintiles is sticky, “meaning that the income of children from these quintiles is much more likely to wind up in or near their parents’ quintile.”³² Workers and would-be workers stuck in generational and geographic poverty need a broad range of social and work support services while society addresses the systemic barriers that challenge them. Some of the exemplary nonprofit officials we spoke to believe that addressing the ill effects of scarcity on executive function is, in and of itself, an important first step. Others, often academics, focus on the application of data to determine more carefully which low-wage entry jobs are more likely than others to be engines for mobility. While some programs concentrate on getting the hard-to-employ a job, others concentrate on getting them a job that the evidence shows will be more likely to lead to better opportunity.³³

In the chapters that follow, we examine steps cross-sector local officials can take to improve the lives of those now struggling to make ends meet. We eschew sharp policy differences, looking constructively at improved roles for business while recognizing that government and nonprofits need to address not only neighborhood and racial obstacles but market inefficiencies, as well. Economist Friedrich Hayek observed that market economies operate most efficiently with better information. Imperfect information is a problem that particularly impacts labor markets struggling to price the skills of workers who do not have post-secondary degrees. The highly fragmented approach to workforce initiatives in the United States aggravates these inefficiencies. Imperfections in information create friction not only for workers as they try to make sense of their options but also for employers who would be inclined to hire more inclusively, using skills and not simply degrees. Unfortunately, they lack a common currency by which to make such judgments.

Designing a Labor Market System that Works

The current labor market development system leaves too many individuals unemployed or underemployed. Improvements in our understanding of how and why people learn, coupled with the use of

much better real-time data, makes it possible to build a fairer system that creates greater opportunity. The following chapters articulate ten design principles that create a framework for local action and cross-sector collaboration. Together, these principles form the scaffolding upon which to construct a more equitable workforce system, one that will move more people to work and to better jobs.

While important research underlies the actions we profile, we chose examples using a practitioner's lens—ours and that of the people we interviewed. From our investigations, our national network of nonprofit leaders and the insights of local officials brought together at the Harvard Kennedy School, we identified some of the most promising governmental, for-profit, and nonprofit initiatives helping people get a job or move up the economic ladder. We examined available evaluations of the featured programs but also relied on the words of those we met over two years of research. The voices of both those who deliver programs and those who participate paint a picture of what is possible.

Table 1-1 is an abbreviated index of programs you will meet more formally later in the text. The design principles featured in this book fall into three categories: those that apply to the people the system is intended to serve (chapter 2), those that apply to the organizations supporting those individuals (chapters 3 through 6), and those that apply system-wide (chapters 7 through 10).

In chapter 2, we begin our discussion of principles by describing the broad array of people for whom skilling is a pathway to greater mobility. To accommodate the distinctive characteristics of a population diverse in confidence, skills, and background, the system must bring together a broad array of providers whose efforts are tailored to the varying needs of different segments within the population.

We feature the design elements of high performing programs in chapters 3 through 6. Chapter 3 discusses the importance of personalization in organizations that tailor aspects of their approach to meet the unique needs and circumstances of individual participants. Through personalization, these organizations assess fit, determine readiness, and tailor training and resources accordingly.

Skills training and/or education alone is not enough. Individuals face a host of logistical and psychological obstacles that make pro-

Table 1-1. **Abbreviated Program Index**

Chapter 2

**Start with People, Offer
Meaningful Choices**

Roca, Inc.
New Moms
MyGoals for Employment Success

Chapter 3

Listen, Respond, Get Personal

Capital IDEA
JVS
CUNY ASAP

Chapter 4

**Support Learners,
Remove Barriers**

CUNY ASAP
Capital IDEA
Inside Track

Chapter 5

Contextualize Learning

JVS
Year Up
Goodwill
I-BEST
Accelerating Opportunity

Chapter 6

Bridge to Employment

i.c.stars
Year Up
Trio Electric
Targeted Local Hire
Program Los Angeles
Goodwill
Pursuit
Chicagoland Workforce
Funder Alliance

Chapter 7

Use Skills as Currency

i.c.stars
UNCF/Atlanta Project
Walmart
Business Roundtable
IBM
San Diego Workforce Partnership

Chapter 8

Commit to Transparency

Retail and Hospitality
Credentials Initiative
San Diego Workforce Partnership
OnwardCO
Central Indiana Community
Partnership

Chapter 9

Make Places Work

Chapter 10

Organize for Collaboration

Partnerships in Cities

- Birmingham
- Chicago
- Atlanta
- Houston
- Indianapolis
- New York
- San Diego

Chapter 11

The Houston Story:

Putting It All Together

Greater Houston Partnership

- UpSkill
- Trio Electric
- San Jacinto College
- Wesley Community Center

gram participation and completion difficult. Effective programs support learners by working with them to remove or mitigate the barriers that stand in their way. Chapter 4 discusses a range of supports, from wraparounds to incentives, highlighting the important role coaches play in helping students access resources and navigate successful completion.

Chapter 5 explores contextualized learning. Because individuals learn in different ways conditioned by their context and informed by the opportunities they seek, exceptional programs often combine technical skill development with career readiness preparation and adult basic education. These learning contexts also integrate business culture, vocabulary, and protocols into classroom material.

Chapter 6 establishes the importance of building bridges or on-ramps to employment into program design. The chapter looks at experiential learning activities, like intern and apprenticeship programs, and sectoral initiatives that clarify career pathways and provide direct access to employers.

Chapters 7 through 10 feature design principles that improve the way the system operates at the regional level. Chapter 7 lays out the critical design principle of using skills as a medium of exchange. We argue that workers who lack a college degree do, in fact, possess in-demand skills. The chapter examines how to create a regional skill-based system and the implications of such a system on major stakeholders, from worker and employer to post-secondary providers of education and training. This chapter also reviews best practices of employers using skills to advance promotion inside their businesses or industry.

Transparency and performance are the focus of chapter 8, which addresses the type of information learners need to advance their journeys. The chapter shows how delivering useable information on required skills and the performance of training and education programs will help consumers of further education or training make informed choices about their options.

Chapter 9 looks at design solutions that address the many “taxes” communities impose on hard-pressed workers and would-be workers. High housing costs, inadequate transportation, lack of affordable/high-quality daycare options, and discrimination based on race or previous incarceration make labor market participation challenging.

No one entity, no one sector, can meet the demands of an effective workforce development system. Fragmentation too often plagues regional efforts. Chapter 10 discusses the need for cross-sector collaboration managed by respected intermediaries and governed by principles that will lead to agreed-upon outcomes. The discussion of cross-sector collaboration focuses on their role in ensuring that all critical parts of the system are reflected in the community's design. The chapter shows how collaborations benefit from the use of shared data to help learners move up the mobility ladder, assist education and training providers be more precise in their offerings, and assist academics and funders in evaluating efficacy.

Chapter 11 examines Houston, Texas, as an example of a community bringing together the design principles discussed in this book. Houston is a work in progress and an example of how one community is attempting to bridge neighborhood, class, and race divides to produce upward economic mobility.

Over the course of two years, we met scores of heroic individuals who inspired and humbled us. We met people working in government and nonprofits who have dedicated themselves to helping others, all with an eye toward doing more wherever possible. We spoke with dozens of people who, when given the opportunity, overcame personal challenges and neighborhood barriers, lifting themselves and their families out of poverty. These chapters bring together lessons from city leaders, program officers, and once-struggling Americans. We weave them into design principles for a more equitable workforce development system, illustrated in figure 1-2. We hope it will inspire local action that allows communities to grow together fairly.

Figure 1-2. Design Principles

