SOM Inclusive Economic Development Lab: Future of Work/WFD

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IEDL Spring 2023 review
VISION STATEMENT

The work of inclusive economic development requires bold action, mobilizing narratives, community engagement, and alliances across unlikely partners.

The Inclusive Economic Development Lab brings together academics, practitioners, students and local stakeholders to explore a different topic related to Inclusive Economic Development each Spring.

Through the IEDL, we aim to be a place where practitioners, public officials, academics, students, and engaged citizenry come together to learn about cutting-edge practices and scholarship on inclusive economic development.

The goal is to develop insight, analysis, and models for action.

Learn more: https://iedl.yale.edu/
Podcast Season 5: Future of Work and Workforce Development
(Summer / Fall 2023 publication date)!

Nik Theodore, University of Illinois, Chicago
David Langdon, US Department of Commerce
Gustavo Ustariz, Main Streets America
Carmen Rojas, Marguerite Casey Foundation
Meralis T. Hood, E for All
Taj Eldridge, JFF
Gail Harrity, Phil. Museum of Art

Grand Ave Special Services District
Frank Alvarado, Grand Ave SSD (former), Paul Weiss, Grand Ave SSD (former), Jobana Maldonado, Business consultant, Carlos Eyzaguirre, City of New Haven, Logan Singerman, SINA, Mel Camacho, Yale SOM EMBA, Reinaldo Rojas, Central Connecticut SU

New Haven Office of Climate & Sustainability
Steven Winter & Max Theirstein, Lilia Snyder, The Small Contractor Development Program, Gioia Connell, Leticia Colon de Mejias, Efficiency for All, Mike Uhl, I Heart My Home, Annie Harper, Yale University School of Medicine, Bill Villano & Jill Watson, Workforce Alliance, Bernard Pelleiter, People’s Action for Clean Energy, Marina Marmolejo, CT Department of Housing

King County, WA
Kalayaan Domingo, Carrie Cihak, Jessica Tollenaar Cafferty, Jessica Valand, Results for America, Justin Doromal, Urban Institute, Marisol Tapia Hopper, Workforce, Development Council, Natalie Renew, Home Grown, Casey Osborn-Hinman, Central Consulting
Key Themes

Automation and the Future of Work
Low wage work and the informal economy
Renewed focus on Industrial Policy
Job Quality
Climate as WFD Opportunity
Future of Main Streets
Key Themes
The Role of Automation in the Future of Work
Automation & The Future of Work

- Technology is changing the **content** of jobs, but is less likely to reduce the overall **number** of jobs
- Adoption of new technologies depends on industry and firm context
- Use of new technologies threatens to further degrade wages and working conditions
  - Deskilling, declining autonomy and privacy, and entrenchment of existing labor market inequities

UC Berkeley Labor Center (2019, 2022)
Nik Theodore
Department of Urban Planning & Policy,
University of Illinois Chicago

Future of work and automation
Characteristics of low wage work & the informal economy
Current trends in the labor movement
Low Wage Work & The Informal Economy

- Crucial to understand the role of boundary institutions (immigration, criminal justice system, welfare) and social structures (gender, race) in the labor market.

- Research found rampant wage theft and employer discrimination in precarious, low-wage employment (day labor, temp agencies, domestic work).

- Decades of neoliberal policy have eliminated social supports for vulnerable workers and replaced welfare with “workfare”.
Worker Centers

Community-based organizations created to improve employment conditions through worker organizing

- 200+ worker centers in the United States today
- Surged in the 2000s after a period of economic restructuring & decline of organized labor
- Alternative & complement to labor unions

Theodore, Gutelius, Gonzalez-Vasquez: “The Worker Center Ecosystem in California” (2019)
Current Trends

Upsurge of interest in labor rights and job quality; pandemic as inflection point

- Domestic worker bill of rights
- Rise of worker centers and other grassroots organizations
- State legislation

Guaranteed income as a way to put a floor under most vulnerable workers in the informal economy

- Equity and Transformation (EAT) program in Chicago for formerly incarcerated individuals
Project: Supporting a Wage Boost Pilot for Child Care Workers in King County, WA

Member of the Good Jobs & Equity Cohort, a collection of local governments across the US launching pilot projects to improve job quality.

The turnover rate for child care workers in Washington state is currently 43%

Workers earn in the 3rd percentile of wages

4 out of 5 child care providers report staffing shortages and cite low wages as the primary barrier to recruitment

The child care workforce is disproportionately comprised of women of color

The Investment

$30 million over 6 years

$3/hour wage supplement provided to 1,400 licensed child care workers in center-based and home-based setting

Funded by Best Starts for Kids tax levy
Goals & Research Questions

Program Goals

- Improve job stability and reduce turnover at child care providers
- Increase continuity of care and improve social & emotional development for children
- Facilitate worker well-being and financial stability
- Challenge systemic racial and gender wealth inequality in the sector

IEDL Research

1. How strong is the causal relationship between increased wages for child care workers and reduced turnover at child care providers, based on existing research?
2. How well does the existing research base apply to this pilot in King County, given current labor market conditions and other relevant context?
Takeaways

Findings

➔ Strong evidence of correlation between increased wages and decreased turnover at child care providers
➔ Research base limited in size and evidence of causation
➔ Contextual factors:
   ◆ Home-based vs. center-based workforce impacts
   ◆ Housing and displacement risk
   ◆ Rising wages in alternate sectors

Recommendations

➔ Incorporate worker perspectives in implementation and evaluation
➔ Identify and evaluate key differentiators of King County pilot
➔ Consider long-term career supports for workers to facilitate economic mobility
➔ Minimize administrative burden on child care workers
Key Themes
The Role of Government in the Future of Work
Renewed focus on industrial policy: implications for workforce development

**CHIPS and Science Act (August 2022)** - provides roughly $280 billion in new funding to boost US research and manufacturing of semiconductors.

**Inflation Reduction Act (August 2022)** - provides around $391 billion in funding for clean energy and climate change programs.

What next?
Role of Department of Commerce in Workforce Development

Good job principles

Registered apprenticeship program

David Langdon
Deputy Director of Strategy and Planning
Department of Commerce
Three pronged approach:

➢ Invest in employer-driven regional workforce education and training systems that lead to quality jobs (e.g. the Economic Development Administration's Good Jobs Challenge).

➢ Foster transformative employer practices to address their challenges in recruiting and developing a diverse, skilled workforce (e.g. the Good Jobs Principles).

➢ Produce and disseminate timely, clear data and information to help Americans discover and participate in opportunities for skills development and economic advancement (e.g. the Census Bureau).
Good job principles

- Growing federal focus on jobs quality.
- Important for both the DoC’s two key stakeholders: businesses (to ensure they have access to pipeline of skilled employees) and workers (to improve access to high quality jobs).
- DoC and Department of Labour developed “Good Jobs Principles” aimed at supporting small and medium sized businesses to think about job quality.
- Job quality defined across 8 areas:
  - Recruitment and Hiring
  - Benefits
  - Diversity, Equity, Inclusion, and Accessibility (DEIA)
  - Empowerment and Representation
  - Job Security and Working Conditions
  - Organizational Culture
  - Pay
  - Skills and Career Advancement
- Offered as a toolkit for employers but also being embedded into federal grant programs.

High-Quality Jobs: All members of the workforce are respected and valued as important to an organization’s success. The organization’s policies, practices, and environment ensure high levels of wellbeing, compensation, empowerment, and growth. Leaders create systems to foster a diverse, equitable, and inclusive workplace.
Registered apprenticeships

- **Credentials** - graduates receive national credential and there tend to be opportunities for further industry specific certifications.
- **Academic credit** towards university degrees.
- **Pay** - which increases over time during the program
- **Mentoring** from those with industry experience
- **Work experience** - offered in range of industries from care economy to manufacturing and cybersecurity.

Benefits for Employers according to DoC analysis

- High economic returns (in some cases upwards of 50%).
- Improved workforce retention: Companies experience reduced turnover and improved recruitment.
- Soft skills: Improved employee engagement, greater problem-solving ability, flexibility to perform a variety of tasks, and a reduced need for supervision.
Key Themes
Climate and the Future of Work
Climate and the Future of Work

- Upskilling in the modern economy
- Job’s for the Future’s approach
- Climate innovation and inclusive workforce development: $25M plan to upskill and diversify the climate workforce

**Spotlight: Jobs for the Future**
Boston-based nonprofit that works at the national, state, and local levels, to facilitate collaboration among leading educators, employers, workforce development specialists, and policymakers who share the goal of expanding economic opportunity for all.

**Taj Eldridge**, Director of Climate Innovation at Jobs for the Future (JFF)
Upskilling in the Modern Economy

- Automation, in tandem with the COVID-19 pandemic, is creating a ‘double disruption’ for workers.
- Lost jobs will most likely be offset by job growth in the 'jobs of tomorrow'—the surging demand for workers who can fill green economy jobs, roles at the forefront of the data and AI economy, as well as new roles in engineering, cloud computing and product development.
- **Skills gaps continue to be high** as in-demand skills across jobs change over the next few years.
- **Online learning and training is on the rise.**
- Employers recognize the value of investing in employees’ skill set.
- The **public sector needs to provide stronger support** for re-skilling and upskilling at-risk or displaced workers.
Jobs for the Future’s Approach

Support Non-Degree Pathways
- Shift focus from traditional degrees to skills-based learning programs
- Expand work-based learning and apprenticeships that prioritize real-world experience

Mediate Labor Market
- Clarify the learning ecosystem by organizing and vetting the marketplace
- Make trusted information about what works widely available to learners, workers, investors, policymakers, and partners

Innovate to Scale
- Conduct research on innovative best practices for workforce development
- Apply best practices at the local level to grow regional economies—and scale effective local programs at the national level.
Climate Resilient Employees for a Sustainable Tomorrow (CREST)

“At a time of broad-based income inequality and growing climate threats, climate resilience and economic inclusion are two sides of the same coin.” – Ana Bertha Gutierrez, “California Workforce Innovation Fund Will Invest in Pathways to Green Jobs in Underserved Communities”

1. **The goal:** train at least 25,000 individuals and place them in clean energy jobs over the next five years
2. **The investment:** $25 million plan, backed by Ares Charitable Foundation, to upskill and diversity the climate workforce in the United States and India
3. **The process:** workforce research → company development → regional pilot programs
4. **An inspiration:** Los Angeles-based, WMBE ChargerHelp!, which repairs electric vehicle charging stations and trains people to be EV charger repair technicians.
The City of New Haven’s Sustainability Office is considering how to accelerate work to improve the energy efficiency of homes in the city, especially for lower-income households who face high energy costs.

The Inclusive Economic Development Lab were asked to examine the issue of health and safety hazards, which have been a barrier preventing energy efficiency improvements in many homes across New Haven.

Our task was to help the Sustainability Office understand the scale of the issue, how effective existing programs are at alleviating the problem and whether the City should take a more active role in addressing it.
Leveraging the political context: why is improving the energy efficiency of homes important now?

**Inflation Reduction Act (August 2022)** - provides around $391 billion in funding for clean energy and climate change programs.

**Importance of improving the energy efficiency of homes**

- **Homes are a significant contributor to US emissions** - residential sector accounts for about 21% of total U.S. energy consumption.

- **Energy costs are a growing financial burden, especially for low-income households** - cost burden in Connecticut one of the highest across country with households at federal poverty level spending 25% of their income on energy.

- **Investment in the energy efficiency sector is a substantial job creator** - in 2021, the number of energy efficiency jobs grew by 2.7%, 57,741 new jobs.

- **Improving energy efficiency is a Connecticut state priority** - one of CT’s 5 priorities in Plan for the American rescue Act 2021 was “Creating a more affordable Connecticut [including] through...home remediation, energy efficiency and clean energy retrofits that will improve respiratory health and reduce burdensome energy costs for low-income residents”
What are the barriers to improving the energy efficiency of homes in New Haven?

◆ Demand Side
  ➢ Uptake
    ■ Low uptake among low-income households, who often have highest energy burdens, and renters

◆ Supply Side
  ➢ Workforce Challenges
    ■ Not enough sufficiently trained or ready-to-train workers for energy efficiency contractors
    ■ Utilities are increasingly strict about background checks for HES-providers
    ■ For HVAC companies, typical services often take precedence over energy retrofits, which creates longer waiting lists for customers
  ➢ Funding Cycle
    ■ Variations in federal, state and utility allocations over time; requirements for provider companies and community agencies may vary by year
  ➢ Data Accessibility
    ■ Data needed for planning (census, program, eligibility, remediation, environmental) not readily available to planners or energy organizations

◆ Housing Quality
  ➢ Older housing stock in CT
  ➢ Nearly a quarter of CT homes occupied by low-income residents have remediation barriers
Why are safety hazards a particular challenge in New Haven’s homes?

**High costs to address issues**

- Barriers are expensive to address but costs vary significantly.
  - Average cost of completed job in CT (2014-18) about $20,000. 20% of these jobs involved more than 1 barrier.
  - Range of costs from $3,000 to $60,000 per home.
  - In Virginia, cost estimates $5,000-8,000 per house.
- Most existing funding programs can’t be used to address these costs and new program REPS will have long backlog once established.

**Old housing stock**

- Asbestos and lead paint were phased out around 1980.
- New Haven has very old housing relative to other parts of the US - around 44% of homes in New Haven were built before 1940.
- Of small cities in the US, only Cambridge, MA (47%), Berkeley, CA (47%) and Lowell, MA (46%) have older housing stock.

**Widespread issue among low income households**

- Energy efficiency programs, such as WAP and HES-IE, require these barriers to be addressed before homes can have insulation or heat pumps installed.
- Significant proportion of low-income homes can’t have energy efficiency improvements because of health and safety issues:
  - Nationally: 10-30%
  - Connecticut: 21-23%
What are the benefits to a workforce development strategy aimed at home remediation?

**Provide well-paying jobs**

- Minimal education requirements with high starting salary ($33) and progression opportunities, especially for lead workers.
- Skills-based training programs → good wages

**Address backlog to enable full use of existing funds**

- Utility providers estimate that 165,000 homes in CT have health and safety hazards.
- Around 1,000 have had energy assessments under WAP or HES/HES-IE but are ineligible for further improvements until these hazards are addressed.
- About $6M of WAP funding has been left unspent since about 2017. Addressing hazards would enable more of this to be spent.

**Tackle Climate Change**

- Reduce reliance on fossil fuels, like coal and oil, which contribute to air pollution and greenhouse gases that contribute to climate change.
- Cut indirect emissions from electricity generation
Key Themes
Entrepreneurship and Reskilling in the Future of Work
What is EforAll and what did we learn from their model for entrepreneurship?

What does entrepreneurship look like in the Future of Work?

What is inclusive entrepreneurship?

What is EforAll and what did we learn from their model for entrepreneurship?

How does EforAll affect our think of the Future of Work?
In 2020, there were a total 5,775,258 U.S. firms in all sectors.

Approximately 20% or 1.2 million of these employer businesses were owned by minorities, employing about 9.9 million employees.

Women started 49% of new businesses in the US in 2021, up from 28% in 2019. From 2014 - 2019, 42% of all women businesses at the time were owned by black females.

The largest minority group of businesses were Hispanic businesses at 7% of all US firms, 3% were Black owned. Most jobs for Latinos were in construction, transport and warehousing. Most jobs for African Americans were in healthcare and social assistance.

Context of Today’s Entrepreneur

Latinos are becoming an economic engine for the US.

“They are the fastest growing minority: by 2030, 1 in 5 workers will be Latino. And they have the highest rate of entrepreneurship of any race: their businesses have grown by 12.5 percent over the past five years (2017 - 2022), compared to 5.3 percent for White-owned businesses.”
With a focus on underrepresented, economically disadvantaged communities, EforAll supports small businesses who are just starting out through a business accelerator model in nearly 12 communities across the US, at no cost.

Key Issue
Information and Resources Gap
Many small businesses fail to access the capital and resources for skills development e.g. pricing, branding, marketing, capital access and risks.

Opportunity
Community Impact
Small businesses generate jobs, financial independence and community revitalization.

Approach
- Being Inclusive
  Expanding a business accelerator model for underserved populations must incorporate language needs, diverse staff and support that is sensitive to local backgrounds.

- Starting Local
  Ensuring that senior management, mentors, instructors and volunteers represent the local community and their voices in build small businesses and the entrepreneurship ecosystem.

- Partnerships
  Championing local entrepreneurs requires local support from government, civil society, and foundations for success.
Inclusive Entrepreneurship

What does it mean?

According to the OECD, *inclusive entrepreneurship policies aim to ensure that all people, regardless of their personal characteristics and background, have an opportunity to start and run their own businesses*.

Her Story

EforAll Entrepreneur Maria, Uvida

“So many great stories. My favorite is Maria, from U.V. there in Boston, if you go to Boston anytime soon and you want to see a great place, look up U-value Vida. It’s a zero waste store. It’s a fantastic store. And her idea? She came up with her idea when she was 19 and her idea was to have a zero waste store and sell products.”
Entrepreneurship and the Future of Work

Connecting their EforAll to The Future of Work

Current Status of Work

Rethinking the relationship to the labor market post the COVID-19 pandemic

- There is a large sense of jobs and livelihood insecurity in the United States
- Many individuals appear to rely on multiple streams of income
- There is rising desire for job autonomy and the need to create one’s own venture, have more control one’s schedule and income.

The Future of Entrepreneurship

Models like Efor All are becoming increasingly important

- Entrepreneurship can be successful with intentional and inclusive investment
- The creative impetus of entrepreneurs has immense benefit for community social and economic well being
Key Themes
Commercial Corridors and the Future of Work: Communities of Entrepreneurs
Supporting Commercial Corridors: The Main Street America Approach

Nearly half of all U.S. employees work for small businesses. Strengthening local commercial corridors where these jobs are located is a critical part of ensuring a better future of work for all.

Main Street America seeks to revitalize and build stronger communities through preservation-based economic development. Their transformational approach works to deeply understand the community and local market before applying four key points:

Podcast Guest

Gustavo Ustariz
Program Officer for Neighborhood Services, Main Street America
Shifts to the Main Street Approach Over Time

**Original Aim**
Started in the 1970’s to address the trend of business leaving commercial corridors to move to shopping malls and other higher-traffic areas; focuses on revitalization of historic downtowns through economic development and historic preservation

**Now**
- **Not just focused on the downtown area of a small town or city** — shifted to helping a wide range of communities, including larger towns and areas with multiple commercial corridors
- **Not only coming in when businesses shift out of downtown** — being proactive in anticipating issues that might arise in a community
Main Street America is all about listening to community context and adding value. The four points approach emphasizes the creation of a strategy that incorporates all of the community’s existing plans and vision, extracts out what matters most, and then provides structure and organization around those components.

1. **Economic Vitality – Building a Diverse Economic Base.** Analyzing market conditions & crafting a plan to retain existing businesses or attract businesses that fill a gap within the community.

2. **Design – Creating Spaces People Want to Be In.** Intentionally creating inviting & inclusive atmospheres, celebrating historic character, and centering people in community design.

3. **Organization – Building Overall Capacity and Long-Term Partnerships.** Understanding funding sources, building stronger leaders, and forging connections across community organizations.

4. **Promotion – Getting the Word Out.** Marketing unique community assets, adding storytelling components to existing promotions, and supporting buying local.
Unique Aspects of Working Across Different Stakeholders and Types of Communities

### Working with Merchant Communities

- **Merchants face challenges they cannot overcome without help**: Merchants in many areas face issues with customer traffic and property damage due to drug use and other criminal activity.

- **Bridging the gap through connections**: Main Streets is not able to do everything in a neighborhood, but the organization can understand the landscape of relationships and who might be able to help – it has a strong role as a *connector*.

- **Solutions are different from community to community**: Before providing advice on things outside of purview, it is critical to know the context of local community, existing relationships, and where to build stronger relationships.

### Working in Latinx Communities

- **Strong community diversity means you need diversity of engagement mechanisms**: Latinx communities are extremely diverse in terms of political viewpoints, socioeconomic status, etc. This precludes a one-size-fits-all strategy for community engagement and development.

- **Developing trust is critical. Do so through listening**: These communities have varied relationships with formal stakeholders and newer entrants to the community. Take time to listen and learn the context.

- **Informal networks abound**: Latinx communities have informal mechanisms to make up for community needs. Understand the relationship landscape to know where gaps are.
Key Themes

Connecting our Podcasts to our Projects
New Haven’s Grand Avenue Special Services District is in a reactivation phase and looking to revitalize the street.

The Yale Inclusive Economic Development Lab Team was tasked with thinking through how to best assist the merchants of the SSD.

Together, the team and its project partners landed on studying a similar commercial corridor – Park Street in Hartford, CT – to learn from their revitalization.
Grand Avenue is a commercial corridor located at the heart of the Fair Haven small neighborhood community. Since the 1960s, it has been home to a significant Black and Latino population.

During the 1940s *Operation Bootstrap* sought out cheap factory labor for manufacturing companies by moving their operations to Puerto Rico. Higher wages and jobs became available for some, but massive unemployment was rampant and forced many Puerto Ricans to migrate elsewhere for job and livelihood security (Rojas, 2009).
What can we learn from the revitalization efforts of commercial corridors?

Historical Timeline
How did Park Street become what it is today?

1990 - 2010
The main focus of the period was to make “housing a stabilizing force” for the local economy (Rojas, 2009).

- Revitalization efforts of the period saw much improvement and resiliency of merchants on Park Street - availability of housing, cleaner streets, facade improvement and landscape design
- Latino communities, however, were left out of these efforts. Many Latino residents were denigrated to poor housing, low household income, scant institutional support and poor education and medical services.

2010 - 2023
The most recent decade has seen continued efforts to improve the built environment.

- Revitalization efforts encompass an expanded focus on the built environment - streetscapes, facades, historic preservation, & housing are top of mind.
- Investments into homeownership, education, and general well-being have not been a strong focus. Over 90% of people who live in the neighborhood work elsewhere and do not own their home. A third are in poverty.
- Adjacent neighborhoods are currently revitalizing.

Interviews
Merchants and Institutions associated with Park Street

Merchants Strategies for Revitalization

- Park Street was a hub for Latino Festivals. Slowly coming back with the DominGO open street festival
- Local strategies to celebrate culture used to happen informally (e.g spit roasts). Love Your Block Initiative has revitalized some community building
- Merchants invest into cameras, railings, bullet proof windows and strong security with some federal support
- Some merchants form coalitions to ensure corridor safety and not have railings to detract customers. Some improve store front aesthetic but keep railings.

Institutional Interventions for Revitalization
Given the vibrant activity of the SSD/merchant association during the early 2000s, other actors took more of a backseat. With less of a strong role in the present, the SSD could benefit from an updated vision and connection to other neighborhood actors.

Neighboring districts are taking distinct approaches to revitalization and formulating larger-scale strategies.

Respond By
- Catalyzing a new period of growth through communication and transparency; developing ties with all merchants.
- Co-learning and working closely with neighboring areas; creating “activation strategies” to tap into their strengths.
Lessons Learned

1. SSDs can be a powerful force for commercial corridors, especially by providing a myriad of services to aid and empower merchants.
   - Merchants on Park St. have benefited heavily from the SSD’s work through financial support, business training, street improvements, etc.

2. SSDs can foster a community of support among merchants.
   - While merchants already talk to and support each other, an active SSD who engages with all merchants can foster a vibrant community. (for a collective vision and resources)

3. SSDs, through robust engagement, can observe merchant- and community-level issues and work to fill gaps it cannot meet on its own.
   - With both a community vantage point and awareness of outside resources, an active SSD is uniquely positioned to address issues.

4. SSDs can deeply benefit from being integrated with other actors.
   - Leverage aggregated merchant feedback to advocate for needs
   - Potential for business vitality is directly linked to other community issues; working with other actors towards a broader vision of neighborhood can provide vital connections to new ideas and funding
Key takeaways

1. New Approaches
2. Urgency of Now
3. Build Capabilities
4. Foundation for Future
Greening New Haven team presentation
Friday May 13, City Hall

Park Street Case Study presentation to Grand Avenue SSD
Recording will be available

Childcare wage boost white paper-posted on IEDL website

CitySCOPE podcast Season 5 Production
ECC-collaboration (exploring now!)

IEDL RAs continuing to extend work of previous IEDL projects
Planning for Spring 24-theme “Place based development”
Thank you!
Inclusive Economic Development Lab

For more information on the IEDL contact: kate.cooney@yale.edu