

Workforce & Economic Opportunity

FACT SHEET — WORKFORCE & ECONOMIC OPPORTUNITY

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Appropriate employment for the poor is a primary ingredient to promote self-sufficiency instead of perpetual poverty. However, the many low-income individuals and families in our communities face barriers to obtaining gainful employment that would provide them with enough income to support themselves and their families.

As part of the 2009 Community Needs Evaluation, 1,736 people in Nashville (including clients of DHS, Catholic Charities, MAC, MSS, etc.) and 627 social service professionals were surveyed, and more than 100 consumers participated in focus groups, to help identify the greatest needs in Nashville. In addition, research findings from existing data were included about the areas of Food & Nutrition, Workforce & Economic Opportunity, Housing & Related Assistance, Home & Community Based Services and Transportation.

Key Findings

To obtain and maintain appropriate employment, potential employees need adequate levels of education, basic job skills, credentials, development of interpersonal and other life skills, and access to work-related support services such as child care and reliable affordable transportation.

Workforce preparation is essential to many low-income job seekers as they develop the capacity to earn adequate income through employment. There may also be other circumstances that make stable employment more difficult, such as substance abuse, domestic violence, lack of employment background, insufficient credentials, or past criminal convictions.

As our local economy continues to move into global competitiveness, it becomes more challenging for workers who have limited skills to compete in the “knowledge economy.” The knowledge economy requires employees to have skills in reading, writing, and basic math, and the ability to use computers. Many who live in poverty do not have access to opportunities that would help them acquire these skills.

To better understand how to increase employment opportunities for the poor, it is important to identify the industries that are creating jobs. This is the first step in creating programs to help potential employees gain needed work skills.

Many job seekers face barriers that make it difficult to attain gainful employment. Low-income persons often face additional challenges such as fewer skills, less education, etc.

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To be effective with the populations in greatest need, job developers must assess promising job sectors, provide customer-friendly job development services, and identify businesses that are supportive to disadvantaged adults, including those with fewer skills and ex-offenders.

Based on comments from survey and focus group participants, there is a need to help job seekers, service providers, and businesses create pathways to better jobs, through enhancing the availability of statistical information on employment and training opportunities, maintaining an accessible catalog of resources for job training, life navigation skills, education, and job readiness; and promoting promising practices.

Because of its economic diversity, Nashville enjoyed long-term continuous employment growth. It had been stable and relatively low until the recent global financial crisis. In January 2008, Davidson County's unemployment rate was 4.2% and rose to 9.4% in June 2009.

Consistent with the demographic patterns of poverty rates, Nashville unemployment rates vary by age, race/ethnicity, and gender. Unemployment rates are highest for 16- to 24-year olds. African Americans are at greatest risk of being unemployed than other racial/ethnic categories, with women of color at greatest risk of being unemployed.

From 1997 to 2007, Nashville's economy moved from a goods-producing economy to more of a service economy, consistent with other places where the communities lost factories that had been the primary employers and replaced by businesses that provide services.

Nashville's employment patterns and leading sectors are growing in the areas of health care, education, and professional and business services. In health care, these include Therapeutic Services, Diagnostic Services, Health Informatics, Support Services, and Biotechnology Research and Development. These require a highly skilled work force for the increasing share of new employment growth. However, about 41% of Davidson County residents have no more than a high school education.

The report also notes the benefit of beginning education early and that participation in Head Start by low-income children improves the likelihood of these children completing high school and attending college. However, Head Start programs do not have the resources to serve a sufficient number of children in need. Metropolitan Action Commission reports that the Head Start program in Nashville serves 1,485 children, while there are an estimated 13,000 children under the age of 5 in Davidson County who would be income-eligible to attend Head Start.

In order to address the challenge of unemployment, unemployed Nashvillians will need to be trained, prepared for, and placed in jobs in the growth sectors of the local economy.

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For many low-income families, public benefits supplement the gap between what they earn or have and the income needed to meet their basic needs. A widely used public benefit is the Food Stamp Program (renamed in 2008 as the Supplemental Nutrition Assistance Program), but were 18,818 households with income below the poverty level that did not receive food stamps. Some of them were ineligible because of procedural reasons (having excess resources or failing to comply with requirements). Others may not have been willing to go through the application and eligibility verification process, or may have difficulty in complying with requirements (such as verifying unemployment, providing proof of residency at a specific address, or documenting the amount in a checking account), while others choose not to apply due to the perceived stigma of using public benefits or due to pride.

It is beneficial for low-income families to begin to save and build assets to improve their lives. One of the most beneficial programs for low-income households is the Earned Income Tax Credit (EITC). Although use of EITC has increased in recent years through the efforts of the Nashville Alliance for Financial Independence, it is projected that up to \$25 million in EITC refunds are not claimed in Davidson County by eligible filers.

One of the most effective ways to increase family income is through higher education of the parents, since data shows a correlation between higher educational attainment and higher earnings. For example, the nationwide unemployment for persons who have completed some high school is 7.6%, it is 2.1% for those with a master's degree and 1.1% for those with a professional degree.

The median weekly income for those with some high school averaged \$409, while it was \$1,129 for those with a master's degree and \$1,370 for a professional degree.

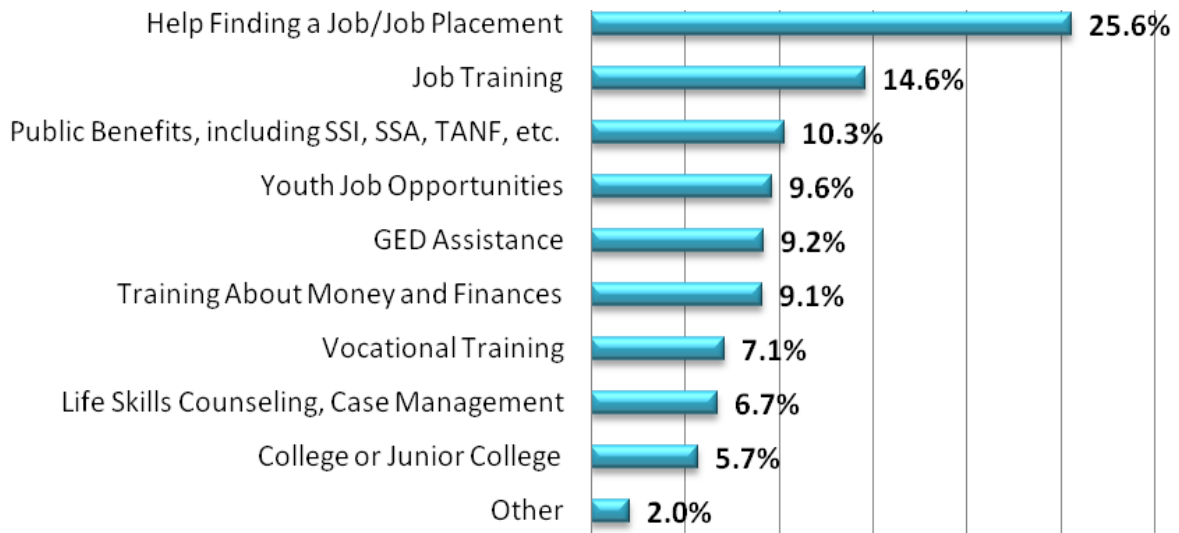
A possible reason that some low-income persons do not continue their education during adulthood is the current policy that provides support to those who attend school full-time. Most low-income students need maintain full-time jobs in order to be self-supporting, and this prevents them from attending school on a full-time basis. Full-time employees may lack the financial resources to attend additional educational or training programs. Without assistance, full-time workers who have low incomes experience difficulty continuing their education.

There are special populations that may experience additional barriers to employment. Some of these include people who are homeless, ex-offenders, immigrants, and seniors. There are many other populations with similar barriers who may need additional supportive services, including victims of domestic violence, and youth aging out of foster care.

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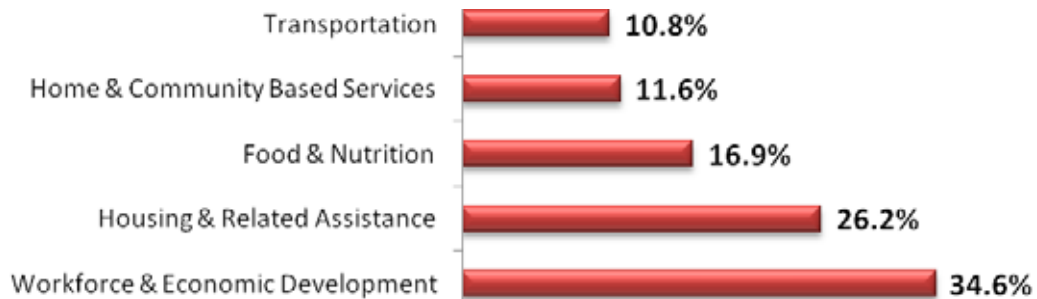
Grassroots Community Survey participants most frequently identified Help Finding a Job/Job Placement (25.6%) as the greatest unmet need. The second most frequent choice was Job Training (14.6%), with other responses spread among other answer options.

Greatest Need in Workforce & Economic Opportunity, Grassroots Community Survey



In ranking among all issue areas, respondents to the Grassroots Community Survey identified Workforce & Economic Development as the number one need among gaps in services from all identified categories.

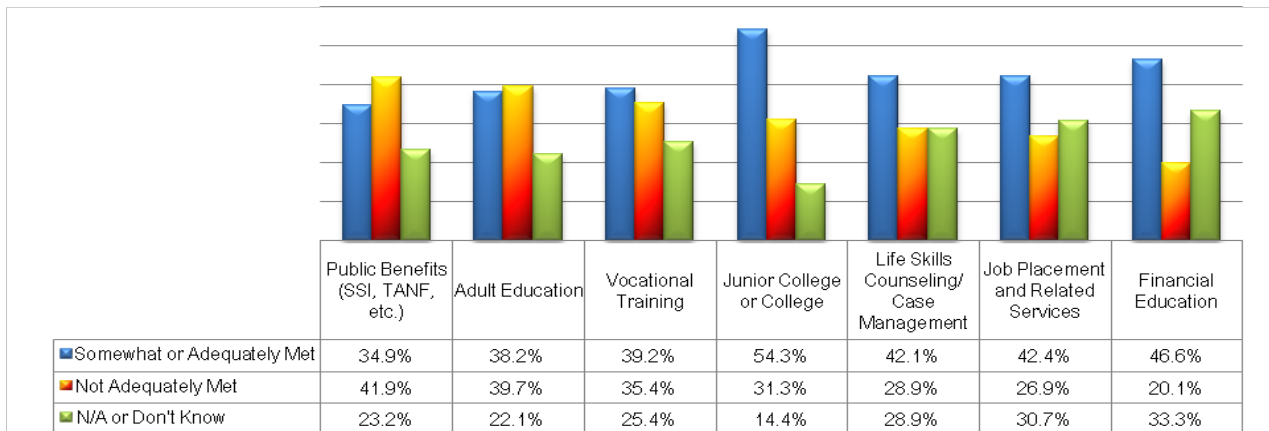
Gaps in Services (All Categories) Grassroots Community Survey



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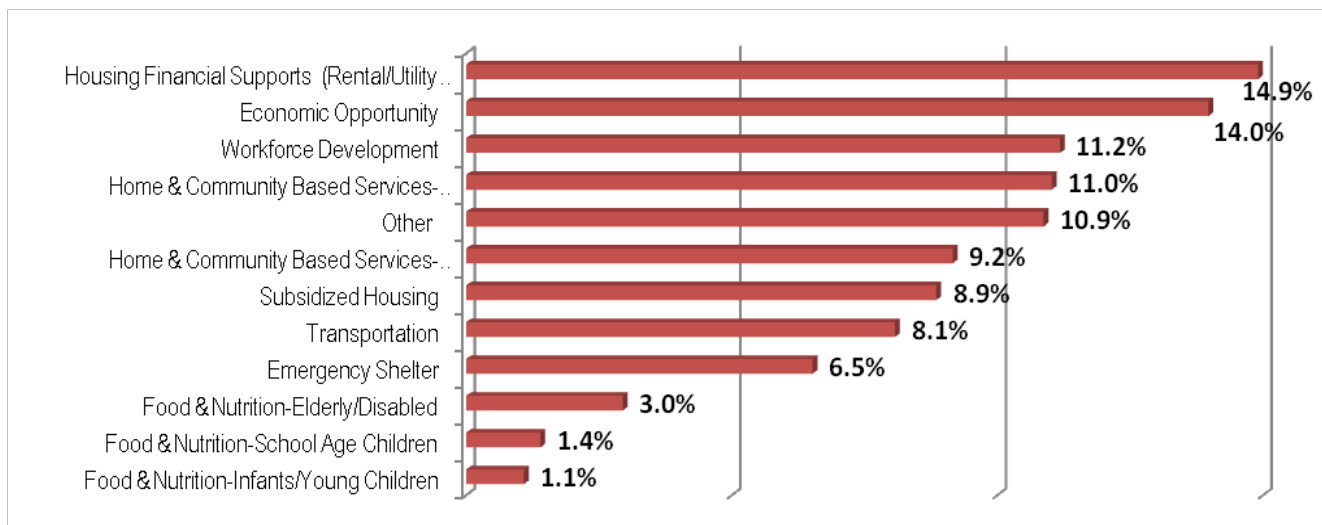
Professional/Agency Survey participants most frequently identified the need for Public Benefits (SSI, TANF, etc.) at 41.9%, followed by 39.7% for Adult Education and 35.4% for Vocational Training. Respondents to this survey were more likely to identify as Somewhat or Adequately Met the needs of Junior College or College (54.3%), Financial Education (46.6%), and Job Placement and Related Services (42.4%).

Greatest Need in Workforce & Economic Opportunity Professional/Agency Survey



In ranking among all need areas, Professional/Agency Survey participants identified Economic Opportunity as the second greatest unmet need, with Workforce Development as the third greatest need. If Workforce Opportunity & Economic Development were combined, as in the Grassroots Community Survey, that would have ranked as the greatest unmet need at 23.2%, far above the other needs identified.

Greatest Unmet Need (All Categories) Professional/Agency Survey



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Focus Group comments included:

Participants expressed the need for services to help them get jobs and to remain employed. They noted a lack of supportive services, including job training and placement, especially for those with additional challenges such as ex-offenders. A barrier to achieving social and economic stability is the lack of pre-employment services.

Even though there are good programs (Salvation Army life skills program, Nashville Career Advancement Center, Project Return, Goodwill, Campus for Human Development, etc.), many people are not aware of the programs available, and often the programs cannot serve enough people to meet the needs.

Participants recognized the importance of better-paying jobs (rather than day labor), which may require additional training in “soft skills” (interpersonal skills such as how people communicate, interact and resolve conflicts). A frequently mentioned barrier to stable employment was the lack of education, job skills and training (for specific jobs as well as budgeting and related issues). They noted that program eligibility requirements exclude some people from services they need (married people, full-time employees, etc.).

They expressed a need for more convenient and affordable public transportation, including extended bus hours for shift workers and additional routes. Without transportation, they said they experience a major barrier both when seeking employment and while trying to keep a job after being hired. “Even when programs provide bus passes for job seeking, usually the number of passes is not sufficient.”

Participants expressed concern that the high unemployment rate and current lack of jobs makes it even more difficult for homeless persons and ex-felons to work.

Hispanic participants noted the importance of learning English in order to access services, but were concerned about the lack of sufficient educational opportunities. They discussed the challenges in accessing adult education, job training, and post-secondary education due to lack of legal immigration status.

Focus group members indicated that while public schools offer training, they do not typically offer programs that provide certification or licensure.

Community colleges and other higher education opportunities are too expensive.

Participants noted that a “one stop shop” would be ideal for service delivery, and that it would be beneficial to have affordable licensed day care to help working mothers, including nights and weekends.

The noted a need for better-paying jobs (not day labor), job interview skills, as well as the need for bus service earlier and later, and in more locations.

*For additional information, please see the 2009 Community Needs Evaluation at:
<http://www.nashville.gov/sservices/docs/2009CNER.pdf>*