



Workforce Development for Chicago: Recommendations to Prioritize Individuals, Communities, and Systems Reform

The next Mayor will have the opportunity to lead the city of Chicago into a new phase of growth and innovation. As a world-class city that competes globally for its businesses and workers, developing a 21st century workforce development strategy is critical to Chicago's future economic growth. Businesses will continue to locate and expand in Chicago *only* if there is a trained workforce to respond to ever-evolving skill needs. The next Mayor cannot afford to leave any Chicagoan behind in this effort. Luckily, Chicago has a history of workforce development innovation on which to build, enabling the next Mayor to further position Chicago as a regional and national leader. In fact, all Chicagoans will depend on the next Mayor's leadership to advance strategies that support the network of community-based organizations, training providers, and other service providers that work to ensure that *all* Chicagoans—especially those with barriers to employment—have the tools and skills they need to contribute to the city's economic prosperity.

Innovative and effective workforce development strategies will lead to an economically strong and thriving Chicago by transforming individual lives, revitalizing communities, and reforming public systems to be more responsive. It is critical that the next Mayor prioritize workforce development because:

- *Budget crises threaten innovation.* There are several ways that the Mayor can ensure that Chicago has sufficient resources to continue and expand successful programs, such as creating a dedicated corporate funding stream for workforce development or taking a leadership role in the implementation of the state level 21st Century Workforce Development Fund.
- *Public safety depends on economic opportunity.* There is a positive correlation between employment and public safety, which is critical right now as the city struggles with increased violence, especially in communities with high unemployment rates.
- *Funding opportunities require leadership and vision.* Strong Mayoral leadership ensures that Chicago is well positioned to leverage upcoming federal, state, and local funding opportunities (e.g.: the transitional jobs pilot program funding included in the President's 2010 and 2011 budgets).

Unemployed Chicagoans depend on coordinated, comprehensive, and accessible workforce development services

Our current workforce development system is funded through a patchwork of federal, state, local, and private funding sources including the Workforce Investment Act, Community Development Block Grant, Community Services Block Grant, Employment Opportunities Grant Program, Job Training and Economic Development Program, city corporate dollars, and private foundations. Despite the array of funding streams supporting this system, their combined dollar amount is modest, enabling the system to serve a relatively small number of Chicagoans each year. Especially in this economic climate, there are tens of thousands of individuals who need assistance preparing for and obtaining employment, but for whom there are no resources to support.

Young adults suffer extremely high unemployment

One population particularly hard-hit by unemployment is young adults, especially in some of Chicago's most impoverished communities. According to an article in the *Chicago Reporter*, "in 2008, 18,600 of the 35,700 people between ages 16 and 30 in a census region that includes East Garfield Park, Humboldt Park, North Lawndale and West Garfield Park had not worked during the previous five years or longer. The figure of 52 percent was the nation's highest. The second highest rate of long-term unemployment in Chicago was recorded in a South Side region that includes Auburn Gresham, Englewood, Washington Heights and West Englewood. In 2008, 14,700 of 36,000 residents there between ages 16 and 30—or 41 percent—had not worked during the previous five years or longer¹." These exceptionally high levels of unemployment are detrimental on multiple levels—negatively affecting the unemployed individuals, the communities in which they live, and the city as a whole.

In addition to insufficiently supporting the number of individuals who need it, the current workforce system also does not adequately serve those with significant barriers to employment, such as ex-offenders, out-of-school youth, and public housing residents. High unemployment rates among these already vulnerable populations can have substantial effects on entire communities. However, through innovative initiatives that have combined public and private funding, we have learned about program models that do work well for these groups of job seekers. For example, transitional jobs programs combine wage-paid, short-term subsidized employment with skill development and supportive services. This model provides a way to link individuals with limited work history to the labor market. Bridge programs, another program model that works well for disadvantaged job seekers, prepare those who lack adequate basic skills to enter and succeed in post-secondary education and training, leading to career-path employment. Though successful in meeting the employment needs of job seekers with multiple barriers, these programs are not adequately funded, and consequently, serve relatively limited numbers of Chicagoans.

It is the Mayor's responsibility to prioritize the provision of targeted services for the most disadvantaged job seekers and use every available resource to ensure that Chicago is adequately preparing all of its residents to participate fully in the labor market.

Communities thrive with locally-based workforce development services

Many things contribute to vital communities, and employment of residents is one important factor. Employed individuals contribute to the community economy by purchasing goods locally, which, in turn, leads to growth of local businesses. This tie between workforce development and economic development may be implicit, but is not fully realized in many communities. There is infrastructure from which to build (like the TIFWorks program²), but Chicago would greatly benefit from a more explicit strategy around the integration of workforce and economic development, especially at the community level.

Quad Communities: home to innovative workforce collaborative

There are already successful neighborhood collaborations that provide workforce development services to the residents of their communities on which to expand. For example, the 741 Workforce Collaborative is an integrated workforce service-provider network for the Quad Communities³, comprised of eleven nonprofits that deliver a range of community outreach, employment training, job placement services, and other related resources to jobseekers, existing workers, and their families. Seven of the member organizations are direct-service providers. The remaining four provide complementary services, including financial literacy and tax preparation, funding, technical assistance for providers, and advocacy services. Together this workforce network has developed the principle mission of helping address the current and future staffing needs of employers within the Chicago metro area, while providing career advancement and asset-building services to Quad Community residents.

As Chicago seeks to strengthen services to community residents and raise employment rates in disadvantaged communities, it is critical that job seekers have access to high-quality employment preparation services. The provision of these services is often best accomplished through community-based organizations, many of which have historical ties to the areas in which they are located. Even more successful can be the collaboration of several neighborhood institutions to create a web of services to more fully meet the employment needs of community residents. Neighborhood-based collaboratives also enable the City to partner with a range of stakeholders (including residents, community-based organizations, and faith-based groups) collectively rather than spreading its support thinly across many groups. However, in some communities there is a lack of organizations to provide services or create collaborations, leaving residents struggling to find employment assistance. In response, the city must invest in capacity building, technical assistance, and the creation of neighborhood-focused partnerships.

Better integrating workforce and economic development, as well as ensuring that the communities across Chicago have the capacity to provide needed employment services to residents will lead to more vibrant communities. The Mayor should ensure that a person with decision-making authority within the administration is charged with achieving these goals through increased collaboration across City departments and others engaged in relevant work.

Aligned systems result in effective and efficient public services

Workforce development service provision also needs to be strengthened at the systemic level. There is relatively little dedicated workforce funding to begin with, and what exists is not well coordinated, largely due to administrative oversight by many federal, state, and city agencies. The combination of multiple administrators and different performance goals has led to poor alignment across the education, workforce development, and economic development systems. This results in confusion about accessing services among job seekers and unnecessary duplication of efforts across oversight bodies. Thus far, most coordination across systems has happened on a relatively small scale, and due to service providers' willingness to innovate.

However, there is a mechanism in place that seeks to better align the investments of various workforce development funding: the Chicago Workforce Investment Council (CWIC). It was created in 2009 to ensure that Chicago has a skilled and educated workforce and is chaired by the Mayor and governed by a 13-person board of business CEOs and civic leaders. CWIC monitors over \$300 million of public investment in education and workforce training, and coordinates resources to ensure they support the overall health of the city's economy. Since its creation, CWIC has made efforts to better align the systems involved in education and workforce development, and it should be maintained under the new administration.

Systems align to serve public housing residents

Opportunity Chicago is a major initiative to prepare and place 5,000 Chicago Housing Authority (CHA) residents in employment in 5 years (2006-2010). It involves the public workforce system, private foundations, and community-based service providers all working collaboratively to meet the employment needs of CHA residents. By aligning and pooling resources across these systems, new program models were designed and implemented. One such model was the combination of contextualized literacy and transitional jobs. Combining these two typically distinct program models, CHA residents achieved significant literacy gains while engaging in work activities and earning income. This sort of cross-system program design and implementation holds great promise for more comprehensively meeting the needs of disadvantaged job seekers.

For more information please contact:

Jennifer Keeling
Director of City Policy
jennifer@cjcn.net

Chicago Jobs Council
29 E. Madison St., Suite 1700
Chicago, IL 60602
www.cjcn.net

As Chair of the CWIC Board, the Mayor should continue existing systems reform and human capital development efforts. The next Mayor should also enhance the transparency of CWIC activities and develop a series of community-based public meetings to educate residents about CWIC, and seek their feedback.

Additionally, the new mayor should ensure that the CWIC Board is informed by the needs of community members by adding three representatives from community based organizations to the board.

¹ Lowenstein, Jeff Kelly (2010). *Is Anything Working?* Accessed on 12/9/10 at: http://www.chicagoreporter.com/index.php/c/Cover_Stories/d/Is_Anything_Working%3F

² TIFWorks funds workforce-training costs for companies located in City of Chicago TIF districts. With TIFWorks' support, employees receive needed training and participating businesses become better equipped to improve performance and productivity, expand product lines and gain new customers.

³ Communities include: Douglass, North Kenwood, Oakland, and Grand Boulevard.