



## Position Paper on Economic Opportunity and Job Training

*Approved by Board of Directors, June 21, 2018*

### 1. Scope and Objective

This paper seeks to identify the key issues facing EFAA participants in accessing the labor market in Boulder County, including community conditions affecting low-skill, low-wage workers, as well as opportunities for mid-skill mid-wage jobs and training.

There are four key messages:

- Most poor people already work
- Wages for an increasing number of jobs won't support families
- Mid-skill mid-wage jobs exist, are in demand, and can be obtained for some through training
- There will always be low-wage jobs and low-income families; EFAA will be needed

### 2. **The current reality and evolving dynamics of our environment relative to employment and economic mobility**

An increasing number of jobs in Boulder County do not pay enough to support families. The currently very low unemployment rate at 2.5 percent<sup>1</sup> masks the quality and wage levels of many occupations that comprise the Boulder County economy.

The Colorado Center on Law and Policy *Self-Sufficiency Standard for Colorado 2015* defines the income needed to realistically support a family, without public or private assistance. For a single adult with one preschool and one school-age child in Boulder County, it takes income of \$67,837 to be self-sufficient. A recognized measure of *low income* based on twice the federal poverty level for a family of three is \$41,560. One-third of Boulder County households (excluding students under 25) have incomes under \$40,000, the standard used in this report. (See EFAA position paper on Income and Wages).<sup>2</sup> Low-income families have work but many EFAA participants have barriers to employment mobility and higher wages due to lack of education, skills, work supports and opportunity. The challenges are also structural and systemic affecting the economy as a whole.

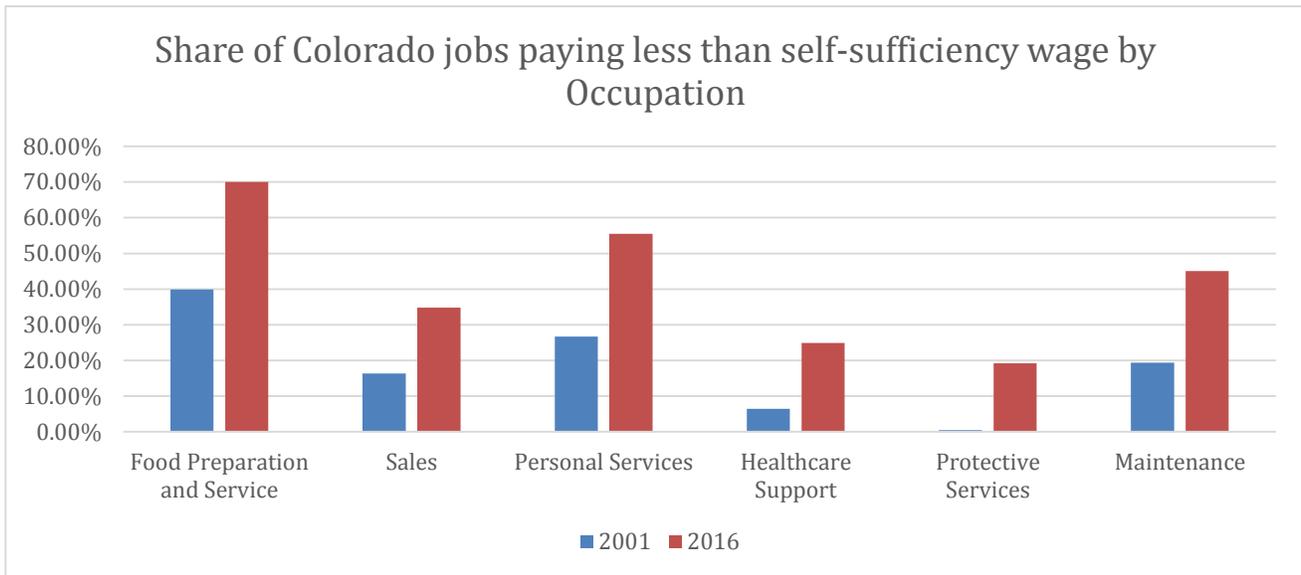
Low-wage jobs in tourism/hospitality, personal services and retail—all important parts of Boulder County's economy—are among the fastest growing and have median wages well below the self-sufficiency level especially for supporting children.

Food Preparation and Serving	\$21,730
Personal Care and Services	26,750
Healthcare Support	31,660
Sales	36,260
Office/Administrative Support	36,420

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<sup>1</sup> Colorado Department of Labor and Employment March 2018

<sup>2</sup> US Census 2015 ACS income and poverty data; [www.city-data.com](http://www.city-data.com)



Source: State of Working Colorado 2017, Colorado Center on Law and Policy

According to the Boulder Economic Council “Boulder’s most important asset is its people who drive the economy and shape the region’s quality of life.” They recently reported:

*Tourism is the second largest industry in Colorado and a major contributor to the Boulder economy. With an estimated 3.3 million visitor nights in 2015, the tourism industry contributed to an estimated \$515.4 million total economic impact on the City of Boulder. The industry is supported by the area’s scenic beauty and recreational opportunities, variety of entertainment and attractions, support for arts and culture, and broad range of dining, shopping and lodging options.*<sup>3</sup>

Yet jobs in the Boulder County entertainment, hospitality and food service industries pay, on average, \$20,000 - \$25,000 per year.<sup>4</sup> Low wages are also prevalent in the personal services and retail sectors, other important parts of the Boulder County economy. This is unlikely to change as there will always be low-skill low-wage jobs. People in these jobs need pathways to higher wage occupations.

Jobs in lower-wage occupations frequently do not provide health insurance, paid time off or retirement programs. Typical low-wage work in Boulder County such as housecleaning, landscaping, home health care and day labor are done on a free-lance basis without benefits, regular hours or job protections. Many such as personal services, hospitality and sales do not provide regular or predictable hours (“on-demand scheduling”) making it difficult, for example, to enroll in classes, arrange child care or work a second job when the work schedule may change week to week. Fewer employers offer on-the-job or subsidized training for advancement, leaving it up to employees to enhance or develop these skills at their own time and expense—resources few low-income families can spare.

While much attention is paid to Boulder County’s high paid scientific and technical workforce, the economy includes a spectrum of industries that rely on mid-wage mid-skill workers such as educational services, construction, natural foods, communications, transportation, health care, warehousing, and public administration. Even high-wage companies employ a range of occupations including janitorial, truck drivers, equipment repair, data processing, customer service and production specialists.

<sup>3</sup> [www.bouldereconomiccouncil.org](http://www.bouldereconomiccouncil.org)

<sup>4</sup> Business Research Division, University of Colorado, 2015

Education and Training: Training for mid-skill jobs can be provided by employers, community colleges, labor unions, internships and apprenticeships, nonprofit community-based training organizations, and private career schools. Aims, Front Range and other metro-area Community Colleges offer certificate programs for mid-wage occupations such as heating and cooling installers, dental hygienists, emergency medical technicians, mechanics and paralegals.

Mid-wage jobs such as health technicians, testers and inspectors, construction trades, and maintenance and repair technicians require education, training and/or licensing that can usually be learned in 12 – 18 months. There are some lower-mid-wage jobs that require only a high school diploma and short term on-the-job or other training, including production workers, community health workers, customer service representatives, financial services clerks, cargo agents and specialty sales.<sup>5</sup>

Workforce Boulder County provides a range of services for those looking for jobs or to advance their skills. These include career counseling and assessment, GED preparation, resume assistance, interview preparation, intensive job search assistance, access to formal apprenticeships and referrals to training programs. Additionally, the Workforce Center offers limited training assistance for short-term training programs that lead directly to jobs identified as “in demand” in the local labor market. Employers are increasingly offering paid internships and apprenticeship program, some in cooperation with educational institutions, to provide both training and work experience.

## Occupational Projections Boulder County > 1,000 new jobs by 2026



Source: Colorado Department of Labor and Employment, Labor Market Information

<sup>5</sup> Occupational Outlook Handbook, US Bureau of Labor Statistics

### **3. What do we know about EFAA households relative to employment?**

“Why don’t they just get a job?” In fact, the majority of people in poverty work or are disabled, in school or retired. In 2016, for adults in EFAA participant households, 38% were full-time workers, 26% were part-time workers with reliable hours, 13% were part-time workers with sporadic or unpredictable hours, 7% were self-employed, 9% were retired and 8% were unemployed.<sup>6</sup> Despite this relatively high level of employment, the average income of an EFAA participant household in 2016 was \$15,000.

Many jobs held by EFAA participants have hours that fluctuate seasonally. This is not limited to the obvious careers such as construction and landscaping; it also includes jobs in the hospitality industry such as restaurants and hotels where hours are abundant in the summer months and scarce in the winter.

### **4. Responses to employment and economic mobility issues – EFAA’s role**

EFAA’s programs are designed to help families experiencing crisis or lack of stability by providing food, housing and direct financial assistance. EFAA case managers also help families move beyond these setbacks to increase their earning potential and move toward financial stability. Boulder will continue to have a number of employers with jobs that pay low wages for the foreseeable future so it is important for EFAA to engage in advocacy for public policies and programs that increase income while we continue to partner with individual families.

Many of the factors influencing wage stagnation and lack of upward mobility are national, structural and affect employers who operate in competitive environments. With national dialogue suggesting that poor people do not work or do not desire to work, EFAA can help educate that most people in poverty have jobs, the realities of finding and keeping jobs, about wage stagnation and challenges to mobility. We can educate Boulder County employers about the consequences of their policies such as on-demand scheduling and lack of paid time off.

With the support from outside grants, EFAA inaugurated the Job Update for Motivated Parents (JUMP) program in 2016. In cooperation with Workforce Boulder County, this program provides extra support to parents seeking to advance their careers. This flagship program pairs unemployed or underemployed parents with a case manager over a twelve-month period and coordinates with Workforce Boulder County’s paid internship and on-the-job training programs. JUMP also has funding dedicated to overcoming barriers to employment such as child care and transportation. Initial impacts include:

- For those finishing the program, the average monthly household income rose from \$966/month to an average of \$2,506, an increase of 250 percent.
- The participants have received training in core employability skills that has allowed them to grow their human capital with the help of WFBC, and this will allow them to continue to thrive in the future.
- Household well-being improved both because of individual increases in wages for participants, as well as stabilization that allows other household income to increase such as attaining child support, finding childcare that allows other family members to work, and other similar factors.
- The program fosters self-esteem among its participants.

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<sup>6</sup> EFAA records for adults whose households had contact with EFAA in 2017

As a result of this pilot experience, EFAA has been invited to join the Women's Foundation of Colorado WAGES cohort of promising approaches to increasing employment and income among low-income women in Colorado and Workforce Boulder County is currently using the JUMP model to scale up internships across the County twinned with family support. However, given that only 25 families are in the JUMP program out of 2,500 participants in EFAA services, there is a need to continue to explore means of supporting better employment outcomes for EFAA participants beyond the JUMP program.

EFAA's low-intensity programs also support work opportunities. For families in crisis who are unable to come in during the standard work day we offer phone appointments. The food pantry is open until 6 pm one day each week to facilitate access for working families. EFAA case managers help participants identify resources to reduce barriers to work such as financial assistance for car repairs.

### **5. Other Factors Influencing Employment Opportunity**

EFAA participants face many barriers to training and education. Workers face losing wages to take time off work, finding transportation and child care, inadequate study skills, not possessing a GED or other preparation, inadequate language/literacy/numeracy skills, lack of strong social support, and lack of knowledge and information about the job market and training opportunities. There are similar barriers as workers seek employment.

The cost of two-semester certificate programs at public community colleges generally range from \$2,500 to \$4,000. Tuition at Colorado public universities has doubled since 2001. Some workers qualify for Pell grants and other limited financial aid.

Single-parent households have more significant challenges. One-quarter of households in poverty are single parents with children. With only one income, wages must be higher to pay for family essentials such as housing, transportation, child care and health care. Work becomes more fragile when there is only one adult to manage child care, illness, variable work schedules and other factors. Workers can jeopardize their jobs just to care for a sick child.

Employers and job placement services are increasingly modifying job requirements to focus on competencies rather than credentials. According to research by Skillful Colorado, 74% of mid-wage and higher job postings in Boulder County called for a 4-year college degree yet many of these jobs are actually held by workers with less formal education who possess skills or knowledge applicable to the job. For both workers and employers to focus on competencies such as creativity, collaboration, empathy, communication and use of symbols could result in better matches of jobs to skills.

Automation is anticipated to affect low-skill jobs such as office support, transportation, logistics and production. Other jobs will require new skills as technology changes. People will work in jobs that don't exist today and many workers will need new skills, but capable workers can cross industries and occupations.<sup>7</sup>

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<sup>7</sup> Bell Policy Guide to Economic Mobility in Colorado, 2017

The so-called Gig Economy is moving from a way to make some extra money to people's primary sources of income. Employee protections, entry paths and training opportunities will need to catch up for these jobs to provide adequate incomes.

## **6. Public policy issues related to the topic**

Issues of wages, income, training and mobility are largely affected by national, systemic factors and cannot be improved locally or in the short term. However, there are some policies that can help individual workers.

Colorado's fiscal constraints have resulted in fewer dollars for job training and work supports. Only one out of eight children of working families eligible for the Colorado Child Care Assistance Program receives this assistance.<sup>8</sup> Similarly, state and federal funding for preschool, K-12 education, higher education, and adult literacy and training have not kept pace with the need. The Earned Income Tax Credit (EITC) and Child Tax Credits are valuable sources of income for working families; they are tied to federal credits and have been reduced in the past by state legislation.

Colorado voters have already approved increases to the state-level minimum wage. Colorado law prohibits local governments from setting a different minimum wage, even though costs of living vary widely throughout the state. There are state legislative proposals to establish retirement savings pools, paid sick leave, and increased child care assistance<sup>9</sup>. Workforce development and skills training largely rely on public funding. State and federal work supports can both help and hinder occupational advancement by their rules, limits and procedures.

Voters and elected officials in Boulder County and the cities of Boulder and Longmont have proved to be enthusiastic partners for programs that support low-income workers and their families. The City of Boulder has prioritized economic mobility among its strategy for human services. And, the Boulder Chamber of Commerce has begun to look at ways to address labor shortages in mid-level job groups that are currently constrained businesses.

The most promising public policies relating to economic opportunity for EFAA participants are strengthening public work supports, workforce interventions like internships and apprenticeships and enhancing training opportunities. EFAA can provide the family support to help low-income households make the investments necessary in these training and job education programs.

## **7. Priorities for EFAA**

- A. Strategically educate the community about employment and economic mobility issues:
- Educate the public with a more accurate narrative about the working poor, about economic mobility and the structure of the workforce
  - Inform the business community and public officials about these challenges facing lower-income families in climbing the income ladder and how EFAA is responding
  - Take appropriate public policy stances on local, federal and state legislation affecting employment opportunities and income, including increased funding for job training, policies to

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<sup>8</sup> Bell Policy Guide to Economic Mobility in Colorado, 2017

<sup>9</sup> According to the Colorado Center on Law and Policy, only one in eight families eligible for the Colorado Child Care Assistance Program actually receive this benefit due to state budget constraints.

remove barriers for working families to access employment training, policies to increase wages, etc.

- Work with Boulder County Workforce Development Board, chambers of commerce and economic councils to discuss challenges and solutions

B. Promote programming that has a direct impact on employment and economic mobility for EFAA's participants:

- EFAA experience shows great benefits in one-on-one coaching by EFAA caseworkers. EFAA will document these results and expand our programs to support job advancement
- Expand EFAA's JUMP program and diversify beyond internships.
- Promote private-sector training opportunities such as paid internships, apprenticeships, combined "learn and earn" programs that can prepare lower-skill workers for hard-to-fill higher-wage jobs
- Test whether further modifying or expanding EFAA's service hours would increase opportunities for working adults to be served
- Consider convening a symposium on economic opportunity