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## Community and Sectoral Strategies for Vulnerable Workers

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A fundamental reason for the practice of local economic development is job creation. This is the case even when there are distinct differences in how economic development is defined. Long-standing, traditional definitions prioritize the objectives of wealth and job creation and the methods of business attraction and expansion. In the last two decades of the twentieth century, however, alternative definitions have developed in recognition of traditional economic development's negative consequences for the environment and income distribution. This author, for example, articulated a definition of sustainable local economic development with three key objectives: 1) attains a minimum standard of living that rises over time, 2) decreases inequality, and 3) reverses negative environmental consequences (Leigh 1994; Leigh-Preston 1985; Leigh and Blakely 2017).

While traditional economic development practice with job and wealth creation as fundamental goals still dominates, today's extreme level of income inequality has become a central concern in national as well as urban political and policy discourse. It also has become a major topic in the popular news media.

Income inequality can derive from earned and unearned sources of income. In this introduction, however, we focus on inequality in earnings. The *New York Times* (2018) recently published data on the extent to which the CEO compensation of 200 companies with revenues of at least \$1 billion exceeded that of the median pay of their workers. The amount ranged from between 64 and more than 5,900 times greater. The median compensation of workers for all 200 firms averaged \$77,127, while the median for the S&P 500 was \$70,244.

These median incomes are a far cry from the wages of those employed in "degraded work," which is the subject of Marc Doussard's

chapter in this section. Even when hard-fought campaigns across the United States to raise the minimum wage to \$15 per hour are successful, they only provide workers annual wages of slightly more than \$30,000.

Wages in the \$70,000 range may be attainable in manufacturing, which is the focus of the other contributing authors, Benjamin Kraft and Nichola Lowe et al. As these two chapters illustrate, however, achieving higher wages for the most vulnerable workers, who could otherwise end up doing low-wage and inflexible work, takes very careful intervention.

Returning to the traditional definition of economic development, the strategy to increase wealth and create jobs is largely focused on attracting new businesses to a state, and often a specific community within that state. This certainly can create new jobs and even help shift the local economy to a more advanced and competitive composition. However, often the newly created jobs do not go to local job seekers. Instead, incoming businesses bring in new, more skilled workers who, in turn, can drive up housing and other costs of living within the community. This may result in greater economic hardships for existing community members and exacerbate the level of income inequality.

## **ILLUSTRATING THE BENEFITS OF STRONGER LINKAGES BETWEEN WORKFORCE DEVELOPMENT AND ECONOMIC DEVELOPMENT**

The three main authors of this section, Marc Doussard, Benjamin Kraft, and Nichola Lowe (with coauthors Julianne Stern, John R. Bryson, and Rachel Mulhall), are each affiliated with university degree programs in urban and regional planning. One of the specializations that students (typically graduate and professional degree level) can choose to pursue within these programs is economic development planning. In practice, it has long been observed that economic development and workforce development specialists do not collaborate sufficiently to maximize their objectives (Eberts and Erickcek 2002; Eyster and Briggs 2017; Harper-Anderson 2008). Thus, it is encouraging to have the thoughtful analyses of workforce development issues and approaches by the planning scholars in this human capital-centered section.

In “Workforce Development at the Bottom of the Labor Market,” Doussard observes that “economic development and job training programs often ignore jobs, industries, and firms at the very bottom of the labor market” because these jobs are found primarily in the retail and personal services industries rather than manufacturing (p. 247). Thus, community and labor organization employees and activists have responded to the need for helping workers at the bottom of the labor market. Notably, when their successes result in higher minimum wages and employment benefits, these policies can “lead employers to seek higher productivity, stronger commitment, and greater degrees of skill from their increasingly well-paid workforces” (p. 248). Consequently, activists and organizers working to improve the lives of the most vulnerable workers are achieving the goals of economic and workforce development without public support and against significant odds.

Doussard identifies key characteristics of degraded work, such as “wage theft” (illegal withholding of wages and benefits from an employee) and on-call or flexible scheduling. He observes that these characteristics are not problems for immigrant workers only; they also exist for the large workforce presence in the retail sector that are U.S. citizens. Both wage theft and on-call scheduling contribute to income inequality and prevent workers from participating in education and training efforts that could lead to better jobs.

After detailing the forces creating and maintaining degraded work, Doussard focuses on community organizing and intermediary initiatives that have been created to solve the problems of the “degraded work labor market.” Notably, these initiatives can contribute to traditional workforce and economic development objectives. Direct impacts are those of higher paying and higher-opportunity jobs, while indirect impacts include higher employer expectations of workers and greater willingness to invest in workers’ skill development. It is likely that income inequality would be reduced more quickly if practicing economic and workforce developers were to collaborate with these initiatives’ intermediaries.

The other two chapters of this section focus on a sectoral strategy—providing manufacturing education and training to high school students. The highlighted programs offer valuable skills to new entrants to the labor market, so they won’t be limited to degraded work. In “High School Manufacturing Education: A Path toward Regional Economic

Development,” Kraft notes that “although manufacturing training interventions usually take place at the postsecondary level, a robust body of evidence shows that the most effective and efficient educational strategies start much earlier than college” (p. 265). After discussing the rationale for providing manufacturing education, he reviews different models for delivering it within high schools, noting the requirement for a dedicated industry partner.

Kraft then profiles five high school manufacturing programs from around the country: 1) Francis Tuttle Technology Center in Oklahoma City; 2) School of Manufacturing and Engineering within Hawthorne High School in Los Angeles; 3) Austin Polytechnical Academy in Chicago; 4) Cardinal Manufacturing job shop within Eleva-Strum High School in Strum, Wisconsin; and 5) MTU Apprenticeship Program in Aiken, South Carolina. Drawing on the experiences of these programs, Kraft identifies and discusses key lessons, including the importance of creating small learning communities, engaging parents and other stakeholders, and understanding community context.

“Youth Job Creation and Employer Engagement in U.S. Manufacturing,” by Lowe, Stern, Bryson, and Mulhall, provides a more detailed case study of one of the programs that Kraft profiled: Austin Polytechnical Academy, and more specifically its Manufacturing Connect (MC) program. Based in a high-poverty and historically black Chicago neighborhood, MC helps students and graduates of the academy attain jobs in small- and medium-sized manufacturing firms. This program is worthy of an in-depth exploration since, as the authors note, “MC goes well beyond student education—it positions itself as an influential workforce intermediary, engaging employer firms in ways that shift perceptions of inner-city youth and help them recognize the contribution of younger workers for industry innovation and survival” (p. 286).

Lowe et al. provide an extensive discussion of the role and best models of workforce intermediaries for influencing employer hiring behavior. They detail insights gained from 25 in-depth interviews with staff and participating employers about strategies to engage employers. The authors chronicle how MC staff were effective in highlighting that the ways in which employers typically hired employees (networks, employee referrals) impeded the hiring and retaining of black youth. MC staff motivated employers to adjust their practices to increase interns’ success and to advance the larger mission of “[improving] socioeco-

conomic outcomes for low-income students” (p. 298). The interviews illustrate the success of MC and why it subsequently was replicated in two other Chicago high schools. Lowe et al. conclude that the program is an important example for federal and state policymakers advancing sectoral workforce intermediation.

The three chapters in this section feature strategies to narrow the separation between economic development and workforce development practice through locally articulated solutions. In turn, some of these strategies are evolving into national movements and policies. Insights from these chapters demonstrate the critical need for, and value in, providing fair employment opportunities and employer-driven career paths for those at the bottom of the labor market and for those who may find themselves in such a position in the future.

## References

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