

Bridge and Transform:

Action for Equity's Proposal for Additions to the Office of Economic Development Budget

5.12.20

Attachments:

- Base data for budget 5.12.20
- Data background to Action for Equity OED proposal 5.12.20

Even before today's pandemic impacting our economy, residents and neighborhoods of color bore the brunt of our racialized economy: In the hot economy working—but tracked into low wage, unbenefited, part-time, unstable jobs and industries. Less income coming back into our neighborhoods, so our small businesses could not flourish as they should. Majority of jobs—and higher shares of good jobs—going to people from the suburbs rather than Boston residents. Resident of color are paid less even with the same educational credentials as white and suburban residents. This is about tracking, not training, and needed to change.

Recent data shows the City of Boston 55% people of color. Our Black and other residents of color are testing positive more and dying more than white people. Our neighborhoods of color have infection rates that—were they cities unto themselves—would put them in the top 10 highest infection rates in the state.

For the last 6 years, our network of community organizations has been demonstrating that our residents have the skills needed for jobs, but not the connections. We have been working with the City of Boston to implement the Community Pipeline to Good Jobs, so we recognize the City's interest and support. But even before the pandemic, we felt that necessary capacity was not in place.

The City's budget reflects 3 primary OED programs: small business support and marketing, improving minority and women city contracting rates, and Boston Residency Jobs Policy. There is also funding for training through Office of Workforce Development.

This is not sufficient.

- In spite of the city rhetoric, funded programs reflect the old idea that Boston's residents of color can only enter the labor market successfully through a few doors at the lower rungs, tracked through training programs because of their deficits.
- Construction is only 2.6% of the jobs in the city. BRJP-covered-work appears to be less than a quarter of that. Even if resident hiring went from the current 30% to the required 51%, only about 500 additional FTE workers would be hired—important, but nowhere near enough.
- We support the city's efforts to sustain our local small businesses. They matter to our neighborhoods and to our residents. But as data from the city shows, about 70% to 80% of our residents get jobs from bigger employers. Our neighborhood small businesses are sustained by the dollars brought home each week by residents working in good jobs downtown, in the medical area, in the Seaport. Good jobs for our residents and strong local small businesses are a symbiotic pair of economic arenas.

We are proposing an expanded focus on good jobs for Boston residents, particularly residents of color, using the city's bully pulpit and leverage from the huge public subsidies Boston employers receive to win commitments to hire residents and residents of color, coupled with a funded effort to support the grassroots community organizations already working to connect residents to good jobs.

We also need to focus on our neighborhoods as the locus of connecting people to work—that is how the labor market works. People get a job based on who they know. We need to build on the connections and relationships already in our neighborhoods, building the connections between good jobs and our

neighborhoods of color. That is why we need to focus programming in our neighborhoods of color. This is what our Community Pipeline pilot successfully demonstrated at scale.

We are proposing that the city invest in 6 neighborhoods-based offices in the most impacted, neighborhoods of color to support the grassroots organizing and programs already underway. We take the term “1st Source program” from many public programs already underway in other cities. These programs connect residents to employers. When a community has been left out of job access, winning access often means being able to be the “first source” that an employer looks to.

We also know we will be faced with unprecedented unemployment in general, but particularly in our neighborhoods of color, as the economy returns. So we are also proposing a major job creation investment—an historic range of Service Year programs that bridge and transform economic pathways for a significant number of people in our neighborhoods of color.

We believe this programming should be considered an investment—akin to the capital budget. As much as possible, Service Year work should be funded to carry out work planned in the current proposed budget—whether it is environmental capital investment or investing in ending the digital divide.

These Service Year programs must include a range of models that appeal to our residents. They must be designed to provide pathways into the improving labor market. Finishing a GED and earning credentials must be included, no matter the model. In addition, this proposed budget items overlap other items being discussed elsewhere in the budget process. When youth jobs advocates want funding for older youth and younger adults, that can be part of this program. If the capital budget includes Climate Ready Boston, there needs to be a Service Year component built in.

Given the potential unemployment levels we may see in our communities of color, we are proposing that 10,000 residents be served. We expect the funding to come from some mix of operating budget, capital budget, deferment of proposed capital spending, and outside non-profit contributions.

Proposed Additional Annual Budget

Item	Amount
6 additional staff: see list below	\$660,000
6 “1 st Source” offices in neighborhoods—costs allocated to multiple programs operated out of those offices	\$100,000
Contracts/grants for community organization for Community Pipeline	\$100,000
Service Year program	\$200,000,000

6 new staff-- \$660,000

- Director—Income and Equity
- OED Staff—research capacity, data management, program implementation capacity
- OED Staff—train and manage 1st Source sites
- 1st Source staff (3)—based in the 6 locations

2 new programs

1. Community pipeline to good jobs for Boston residents

- a. Community Pipeline to Good Jobs: Job/Service Year access of Boston residents from Fairmount Corridor and low income neighborhoods (neighborhood end of the pipeline)
 - i. Identify and partner with specific employers and jobs
 - ii. Connect residents to good jobs

- iii. “1st Source” offices in at least 6 neighborhoods (local office for job/Service year access and small business support
 - iv. Grant program to community organizations in FC/low income/neighborhood of color neighborhoods to connect residents to Community Pipeline
 - b. Job standards and jobs access from employers receiving public money committing to hire through the Community Pipeline (central/city end of the pipeline)
 - i. Task force set up with resident leaders from Fairmount Corridor, East Boston, etc. supporting the Community Pipeline to Good Jobs
 - ii. Research completed on who gets the jobs coming out of COVID-19, particularly employers receiving public subsidies (POC, Boston, etc.)
 - iii. Bully pulpit—how do we get this done
- 2. **Service Year program for 10,000 residents** over 2 years— focus on 18-to-34 years olds, low income, communities of color, including education and work credentials, work experience and pay

Examples could include:

- a. Expansion of Year Up, City Year, tech/digital access service year
- b. Digital divide service year—connect our neighborhoods, train/certify our residents
- c. Small Business service year—join from a small business, be assigned to a small business, accounting, marketing, management training and certification
- d. EJ/Environment service year
- e. Green economy service year
- f. WPA-type/Arts service year
- g. ESOL/literacy Corp
- h. Capital projects

Background to Action for Equity proposal for additional funding for the Office of Economic Development: Data and scale

5.12.20

The spreadsheet with data referred to here and in our proposal is named: **Base data for budget proposal 5.12.20**

Who are the communities of color in Boston?

Boston is a segregated city. 62% of people of color live in just 5 neighborhoods: Roxbury, Dorchester, Mattapan, Hyde Park and East Boston, while only 43% of all residents live in those neighborhoods.

Infection rates

As of the May 6, 2020 state report, Boston as a whole has the 13th highest infection rate in the state.

Boston has 16% more cases in this report than in the most recent BPHC report.

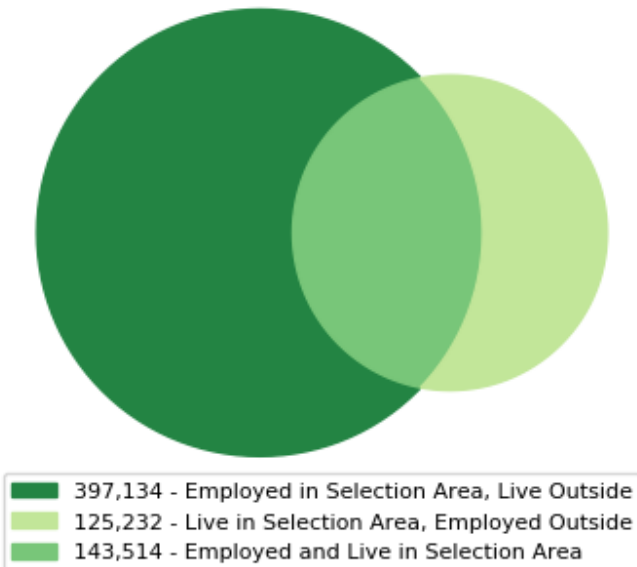
Even without the 16% increase, Hyde Park, East Boston, all of Dorchester, South End, Mattapan, Roxbury, and Roslindale are all well into the top ten areas by rate of infection in the state. With the rate increase based on the new cases, the situation is even more stark in Boston’s communities of color.

Who worked in Boston before the pandemic?

Most Boston jobs went to people from the suburbs, even in companies receiving public subsidies. Only about half of Boston residents could even find jobs in Boston.

Source: Census, LEHD, On the Map.

Inflow/Outflow Job Counts in 2017



Small business impact on jobs

Source: City of Boston Small Business Plan March 2016

While this data may be somewhat out of date, it provides a sense of scale. While an important part of the economic ecosystem, they provide only a portion of employment. To the extent they are neighborhood based and marketing to fellow neighborhood residents, they are dependent on those residents having money to spend with them.

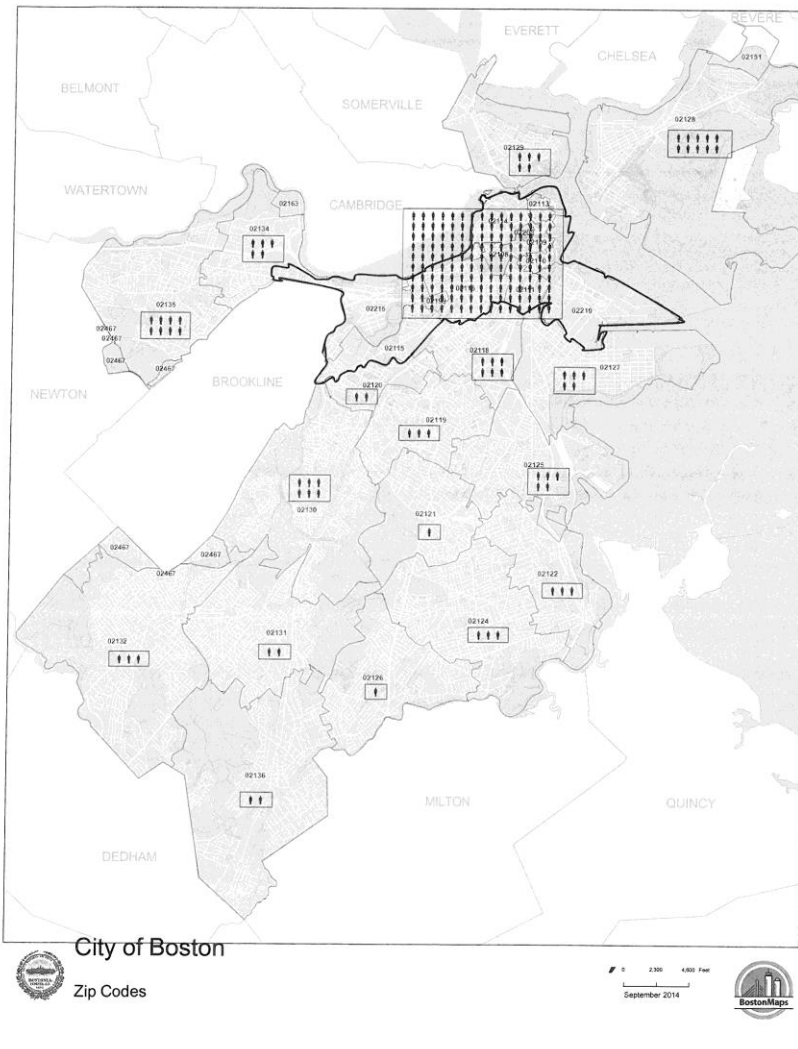
Minority owned business employed 32,000 people, city-wide.

To provide a sense of scale, over 150,000 residents of our 5 neighborhoods of color are working. Small businesses, alone, will not meet this need.

Where are the jobs?

The overwhelming majority of jobs are downtown, in the Financial District, in the Seaport, and in the Longwood Medical Area. Each little figure represents 2000 jobs.

Source: County Business Patterns by zip code



What additional unemployment are we facing in our neighborhoods of color?

With about 150,000 people 20-to-64 years old working now in our 5 neighborhoods, we face an additional 30,000 to 75,000 people unemployed coming out of the medical phase of the pandemic.

Boston's residents, majority People of Color, are tracked into lower wage industries and occupations

BPDA and City of Boston researchers have documented this in a number of compelling ways, including by share of residents by industry.

Here is the wage discrepancy by education.

Source: Boston's Workforce: An Assessment of Labor Market Outcomes and Opportunities, BPDA/OWD, March 2016.

TABLE 2: EARNINGS AND EDUCATION FOR BOSTON RESIDENTS AND NON-RESIDENTS WORKING IN SUFFOLK COUNTY AND NOT ENROLLED IN SCHOOL

	LIVES IN BOSTON		LIVES OUTSIDE OF BOSTON	
	PERCENT OF BOSTON RESIDENTS	MEDIAN INCOME	PERCENT OF NON-RESIDENTS	MEDIAN INCOME
Less Than High School	9.1%	\$20,000	4.6%	\$25,300
High School or Equivalent	20.4%	\$29,000	17.2%	\$37,500
Some College, No Degree	13.6%	\$32,100	12.6%	\$46,000
Associate's Degree	5.0%	\$37,400	6.4%	\$55,000
Bachelor's Degree	30.1%	\$52,000	31.9%	\$65,000
Advanced Degrees	21.8%	\$68,000	27.3%	\$89,000
Total	100.0%	\$41,000	100.0%	\$60,000

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, BPA Research Division Analysis
Sample is the non-institutionalized civilian population that works in Boston, ages 16 and above, who are not currently enrolled in school.

The explanation for some of this difference from page 25:

....About half the remaining gap can be explained by the inclusion of industry and occupation controls, meaning that Boston residents are both placed into lower paying industries and occupations, and earning lower pay within these categories, even when controlling for education and demographic factors.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Action for Equity: Base data for Budget 5.12.20																					
2	Source: Boston in Context, BPDA, 2014-2018 ACS, February 2020																					
3		Total population	Per capita income	% nwh	%B	%L	%A	Total population 16+	Labor force participation rate	Labor force participation 16+	Total population 20-34	Labor force participation rate	Labor force participation 20-34	Total population 35-64	Labor force participation rate	Labor force participation 35-64	% income restricted housing units	% working to total population	% working 20-64 to total population	#wnh	#POC	
4	Boston	679,413	\$ 42,010	0.445	0.227	0.197	0.096	581,209	0.688	399,872	236,455	0.805	190,346	226,389	0.783	177,263	0.19	0.348	0.68	302,339	377,074	
5	Dorchester	126,466	\$ 27,846	0.214	0.454	0.186	0.099	101,751	0.684	69,598	35,875	0.835	29,956	44,868	0.766	34,369	0.12	0.284	0.64	27,064	99,402	
6	East Boston	46,927	\$ 28,154	0.332	0.027	0.564	0.048	38,220	0.730	27,901	14,192	0.837	11,879	17,886	0.825	14,756	0.16	0.302	0.68	15,580	31,347	
7	Hyde Park	38,117	\$ 31,622	0.245	0.453	0.258	0.014	30,931	0.694	21,466	8,174	0.846	6,915	15,665	0.823	12,892	0.15	0.214	0.63	9,339	28,778	
8	Mattapan	26,170	\$ 26,068	0.064	0.720	0.160	0.020	20,978	0.683	14,328	5,745	0.804	4,619	10,679	0.783	8,362	0.22	0.220	0.63	1,675	24,495	
9	Roxbury	53,855	\$ 19,784	0.109	0.502	0.311	0.038	42,878	0.603	25,855	14,735	0.718	10,580	18,004	0.968	17,428	0.45	0.274	0.61	5,870	47,985	
10	5 neighborhood total	291,535						234,758		159,148	78,721		63,948	107,102		87,807						
11	5 neighborhood % of Boston	0.43																				
12	5 neighborhood analysis 20-to-64 year olds																				232,008	5 neighborhoods
13	Working 20-64										151,755										0.62	% POC of Boston total
14	Existing unemployment estimated at 10%										18,582											
15	Additional unemployment																					
16	20% additional unemployment										30,351											
17	25% additional unemployment										37,939											
18	40% additional unemployment										60,702											
19	50% additional unemployment										75,877											



Michelle Goldberg (City Council) <michelle.a.goldberg@boston.gov>

Public Testimony for May 12 Hearing on OED

Suya Joint <suyajoint@yahoo.com>

Tue, May 12, 2020 at 3:56 PM

To: "Michelle Goldberg (City Council)" <michelle.a.goldberg@boston.gov>

I will not be able to log in to the Zoom

My testimony is that the relief funding is slow and how we are asked to re open. With my location I am not able to have dinners sit outside. We also don't have a designated parking spots for curbside pickup.

Cecelia from Suyajoint restaurant.

Sent from my iPhone

On May 12, 2020, at 2:24 PM, Michelle Goldberg (City Council) <michelle.a.goldberg@boston.gov> wrote:

[Quoted text hidden]