EXPLORING RACIAL ECONOMIC EQUITY IN WORKFORCE DEVELOPMENT

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PROSPERITY NOW

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Exploring Racial Economic Equity in Workforce Development

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Introduction

The wage gap is one of the most significant drivers of racial economic inequality. The income poverty rate in the United States for households of color is more than two times greater than that of White households. For example, Black workers are more than twice as likely to be unemployed as their White counterparts.[1] Further, the median net worth for White households is more than 15 times greater than that of Black households, and more than seven times greater than that of Latinx households.[2] Moreover, data shows that households of color do not have enough resources to cover necessities, and that they experience cost burden[3] at higher rates than their White counterparts. Ultimately, households of color face obstacles to saving for emergencies or for the future because of this structural inequality – obstacles that limit their ability to transfer wealth from generation to generation.[4]

To make matters worse, federal workforce development programs have either been race-neutral or racially exclusive from inception. Given that there has been little to no focus on eliminating—let alone recognizing—the structural barriers that exist for people of color, workforce development programs have had vastly different outcomes and impacts for these populations. People of color did experience limited benefits from a number of initiatives, such as the establishment of land grant colleges and the protection of labor unions. But this has often been the result of spillover rewards from programs and policies designed to advance or assist White workers, rather than from efforts intentionally designed to address racial economic inequity.

Workforce development programs developed prior to the Civil Rights Era Economic Opportunity Act of 1964 focused specifically on putting White Americans back to work. This was done in an effort to train workers, and to counter the unemployment that resulted from industrialization and the Great Depression. This codified exclusion limited the ability of people of color to benefit from the federal workforce system and limited opportunities for labor force participation, economic growth or self-sufficiency. Beginning at the close of Jim Crow, Civil Rights Era programs were enacted between 1964 and 1973 that forced race to the forefront of public workforce development systems. Those programs offered training to workers, expanded education options and addressed workplace segregation.

However, as we see in racially disparate outcomes today, these changes to law and policy still did not adequately address the challenges of workplace discrimination nor reverse racial economic inequality. Additionally, the shift to decentralize federal workplace programs led to further discrimination and funding cutbacks for vital programs, including affirmative action. Taking a cue from history, modern public workforce programs do not have an explicit focus on race or racial equity and are woefully underfunded. Those two problems contribute to limited and retrogressing economic mobility in communities of color, as illustrated by growing racial disparities in wage and wealth distribution.

This workforce development training manual has been created to educate frontline staff and service providers on the structural challenges driving racial economic inequality, highlight emerging promising practices to consider when developing and implementing race-conscious programs and empower communities to promote racial economic and wealth equity through economic development programs.

Training Manual Objectives

- Advance nonprofit frontline staff's understanding of the root causes and legacy of racially discriminatory policies and practices as it relates to workforce development
- Explore promising practices nonprofit leaders utilize as they encounter challenges resulting from this legacy while working to render effective service delivery to their clients
- Recognize that integrating racial economic equity design into the development and deployment of workforce development services can be effective in addressing racial economic inequality
- Provide a tool for staff to understand the opportunities and challenges of implementing workforce development programs within the context of growing racial economic inequality
- Highlight areas where racial inequity exists in workforce development
- Discuss and uplift strategies to shift the status quo

Policy and Legislative History

History of Workforce Development and Racial Economic Inequality

Objectives

- Provide a historical overview of U.S. workforce development policies and practices implemented to advance economic opportunity and mobility for workers through employment
- Frame workforce challenges people of color have faced, and continue to face, as systemically and institutionally driven problems rather than resulting from individual or cultural deficiencies
- Offer a glimpse into the structural challenges impacting the creation of sustainable opportunities for people of color in industries that provide living wages, career mobility and economic stability
- Highlight policies and programs that serve as barriers to entry or increase opportunity and mobility for people of color.

UNEMPLOYMENT RATE IN THE US

WHITE	WORKERS OF COLOR	BLACK	ASIAN	HISPANIC
3.5%	5.5%	7.1%	3.1%	5.0%

INCOME POVERTY RATE IN THE US

WHITE HOUSEHOLDS	HOUSEHOLDS OF COLOR	BLACK HOUSEHOLDS	NATIVE AMERICAN HOUSEHOLDS	ASIAN HOUSEHOLDS	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER HOUSEHOLDS	LATINO HOUSEHOLDS
9.9%	20.4%	22.9%	25.8%	12.2%	17.6%	21.3%

MEDIAN NET WORTH IN THE US

WHITE HOUSEHOLDS	HOUSEHOLDS OF COLOR	BLACK HOUSEHOLDS	ASIAN HOUSEHOLDS	HISPANIC HOUSEHOLDS
$127,390	$19,790	$8,050	$146,580	$16,610

Workforce development began as a federal initiative in the 19th century and was designed to foster individual, regional and national economic stability. This initiative later ensured that the nation's economy and workforce remained competitive after the Great Depression. As with other federal and state government sponsored policies of their time, the workforce development field systematically and intentionally excluded people of color. Using a racial economic equity lens, we find that many historic and contemporary policies intentionally and unintentionally exacerbated racial economic inequality by excluding people of color from participation in and becoming a beneficiary of government policies and programs designed to build wages, wealth and prosperity for all.

1863 — **The Emancipation Proclamation** was issued on January 1, changing the federal legal status of enslaved African Americans in Confederate states. Slavery was ended in the United States in **1865** when the 13th Amendment was passed.

1862-1890 — **The Morrill Acts** were the first federal government attempts at workforce development, establishing land grant colleges and historically Black colleges and universities.

1933 — **The Wagner-Peyser Act** established a public workforce development system using an individual meritocracy framework, benefitting White workers and actively excluding a large portion of the Black workforce.

1935 — **The Social Security Act** was passed creating a pension program for the elderly and providing unemployment insurance for displaced workers. Agricultural and domestic workers were barred from this legislation, leaving about 67% of Black workers ineligible for benefits.

1938 — **The Fair Labor Standards Act** created the right to minimum wage and overtime pay but again excluded agricultural and domestic workers from protections, further exploiting a significant segment of the Black workforce.

1950s — **Labor unions reached peak membership,** offering legal protections including the right to organize, engage in collective bargaining, and take collective action against employers. Workers of color unionized at much higher rates in comparison to White workers, allowing them to negotiate for and benefit from improved employment conditions.

1964 — **The Economic Opportunity Act** catalyzed the War on Poverty which aimed to eliminate poverty, expand educational opportunities, and increase the safety net.

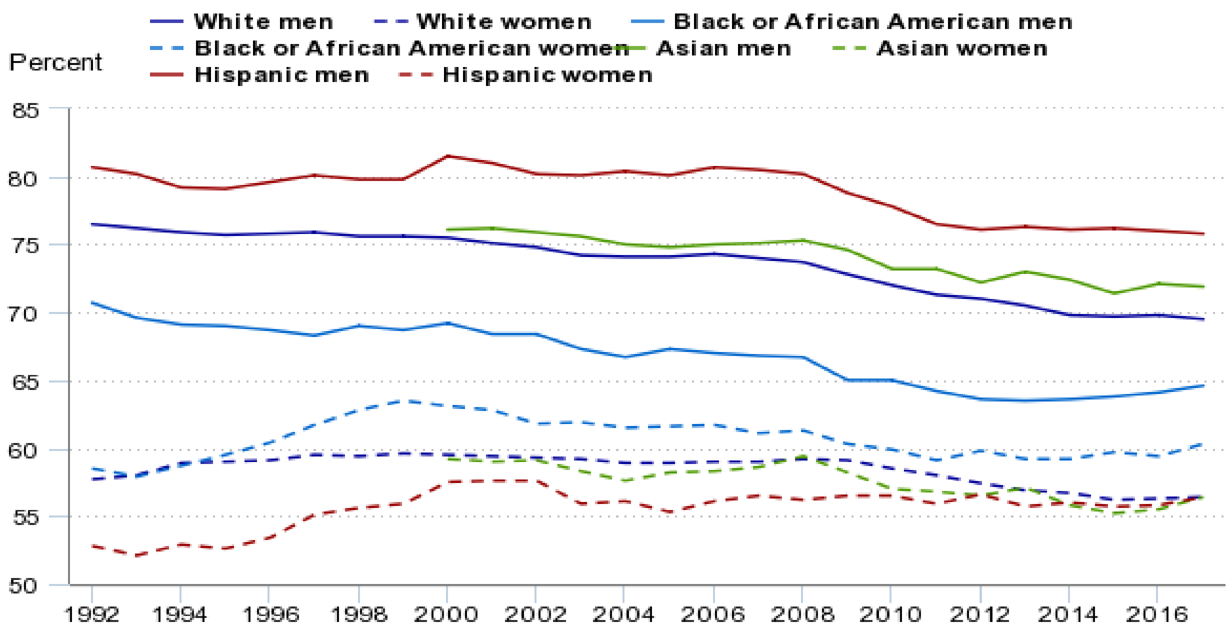
1973 — **The Comprehensive Employment and Training Act** marked the beginning of decentralization of workforce development initiatives shifting to block grants which resulted in reduced funding and cuts to social programs. This year also began a steady decline in unionization rates.

1998 — **The Workforce Investment Act** continued to downsize federal workforce programs and stratified workforce services, creating further barriers to access comprehensive service provision.

2014 — **The Workforce Innovation and Opportunity Act** established predefined barriers to employment but provided no supplemental funding to increase access to training or employment opportunities.

- **Wagner-Peyser Act of 1933**: This act was a part of New Deal legislation which established a public workforce development system. However, the system relied on a meritocratic framework, rewarding and advancing people based on individual merit, talent and ability without accounting for implicit and explicit biases or barriers that created and maintained an uneven playing field. This arrangement benefited White workers while actively excluding people of color through Jim Crow laws that perpetuated racism in employment and hiring practices.[6]
- **The National Labor Relations Act of 1935**: This act guaranteed private sector employees the right to organize in trade unions, engage in collective bargaining with their employers and take collective action against employers if necessary.[7] During this time, however, less than 1% of all union members were Black workers.[8]
  - Labor unions, established in the mid-19th century, reached peak membership in the 1950s after benefiting from New Deal legislation that offered legal protections to unions, including the right of their members to organize. Public sector unions, regulated by federal and state laws, continued to see larger growth and membership rates as they determined wages and working conditions for public service positions. As legislation to strengthen unions developed, there was a significant increase in the representation of workers of color in both private and public labor unions.
  - Workers of color unionized at much higher rates compared to White workers and have benefited greatly from labor union protections. An example of this is the authority to negotiate employment conditions, higher incomes, increased job security and a safer and higher-quality working environment.[9]
  - After 1973, there was a steady decline in private sector unions, which has had a recognizable impact on the racial wage gap and demonstrates the vital role that unions play in insuring wage parity for workers of color.[10] A study completed in 2012 predicted that the wage gap between Black and White workers would be lower among both men and women if unionization rates remained at the high levels found in the 1970s.[11] However, overrepresentation in the public sector has left people of color disproportionately affected by economic fluctuations, such as recession job cuts, government shutdowns and wage stagnation. In 2012 several states, including Indiana and Michigan, adopted "right-to-work" rules that diminished the power of unions and organizing workers, particularly impacting workers of color. These "right-to-work" laws prohibit collective bargaining agreements between companies and labor unions, but do not guarantee rights to employment. This eliminates a significant portion of worker protections in states that have adopted the legislation.[12]
- **The Social Security Act of 1935**: This act created the Social Security pension program to support the elderly and the unemployed in an effort to address the lack of social welfare and eliminate poverty. It also established unemployment insurance for workers that have been displaced from jobs. However, the legislation barred agricultural and domestic workers, who were mostly Black, from benefits in order to exploit this segment of the workforce.[13] At the time, about 67% of Black workers were ineligible for Social Security, with the rate rising up to almost 80% in some areas.[14]

Labor Force Participation Rates, by Gender and Race and Ethnicity, Annual Averages, 1992-2017[15]



Source: U.S. Bureau of Labor Statistics, Current Population Survey

- **The Fair Labor Standards Act of 1938**: This act was developed to further bolster the economy after the Great Depression. The legislation created the right to minimum wage and overtime pay for those working more than 40 hours per week. This act resulted in increased wages for more than 700,000 workers, but it explicitly excluded agricultural and domestic workers and tip-based jobs that were predominately held by Black workers.[16]

Minimum Wage Laws

"It seems to me to be equally plain that no business which depends for existence on paying less than living wages to its workers has any right to continue in this country."
– PRESIDENT FRANKLIN D. ROOSEVELT, 1933

Minimum wage legislation emerged in the 19th century, coinciding with the growth of trade and labor unions in the United States. Early laws were designed to establish a race-neutral minimum wage for workers in an effort to block Black workers, who typically accepted lower wages for work, from employment opportunities. Union members felt minimum wage would remove "the incentive for employing the Negro" and successfully shifted many Black workers from underpaid to unemployed.

[1] Calton, Chris. "The Racist History of Minimum Wage Laws." Mises Wire, Mises Institute, 16 Apr. 2017, mises.org/wire/racist-history-minimum-wage-laws.

- **The Economic Opportunity Act of 1964**: This act was passed by President Lyndon B. Johnson and catalyzed the War on Poverty, which aimed to eliminate poverty, to expand educational opportunities and to broaden the safety net of government-provided social services designed to prevent people from falling into poverty.[17]
  - This act also prompted the development of Community Action Agencies (CAAs) and increased civic engagement, ensuring African American participation in federal workforce programs such as Job Corps and Neighborhood Youth Corps. These CAAs are local organizations funded by the Community Services Block Grant that carry out activities and programs to address local poverty and promote self-sufficiency, or the ability to support oneself with limited supplemental assistance.
  - President Johnson's anti-poverty legislation focused mostly on Black poverty because the majority of the Black population was experiencing poverty during that time.[18]
- **The Comprehensive Employment and Training Act of 1973**: This legislation marked the beginning of decentralizing federal workforce programs and shifting responsibility for design and outcomes to individual states.[19]
  - This act established block grants for workforce development programs, which allocate a lump sum to state and local governments to be used for a wide variety of services rather than stipulated federal initiatives. These grants are subject to less federal oversight and offer more

flexibility in designing and implementing programs. The goal was to allow states to identify state-level needs and directly allocate federal funding to workforce initiatives that address these needs. Block grants are praised because they can save on costs and increase government efficiency. However, it has been demonstrated that block grants reduce overall funding and can exacerbate inequities by scaling back on social programs as a result of cuts.[20]

  - Funding for state and local programs was determined by employment and training outcomes. This shifted the focus away from racial equality and disparities in workforce development— a target that had been established during the War on Poverty.

- **The Jobs Training Partnership Act of 1982**: This act promoted individual responsibility which, again, failed to address systemic barriers to entry for workers of color. It also offered a "pay for performance system" that focused on participant earnings as a success indicator. This system received criticism based on evidence that the legislation was ineffective for women in poverty, who experience a gender wage gap, and that Black workers were consistently placed in jobs with lower wages and also experienced a racial wage gap.[21]
- **The Violent Crime Control and Law Enforcement Act of 1994:** While not directly related to workforce development policy, this act resulted in major repercussions for Black people, and for returning citizens and low-income populations, all of which are target demographics for workforce service providers.
  - Specifically, the law provided funding for prisons and prevention programs while expanding and establishing punishments for a variety of nonviolent crimes. This funding led to a significant increase in policing and incarceration rates in Black neighborhoods and ultimately limited opportunities for gainful employment for those who had been convicted of crimes.
  - The law also eliminated the ability of prison inmates to receive a college education and federal funding for higher education, ensuring that their education levels did not increase while incarcerated, further limiting employment prospects when they returned to society.
- **The Workforce Investment Act of 1998**: This act continued to downsize federal workforce programs and promoted traditional academic rather than vocational education.[22] Rather than funding holistic service provision, services were labeled and funded as core, intensive or training. Core services were available to all and included job search and placement, while intensive services referred to comprehensive assessment, counseling and career planning, which were only available to those who could not obtain employment using core services. Training services included vocational and technical education programs and had more stringent eligibility requirements.[23]
  - The act also provided incentive grants to states exceeding performance levels. An unintended consequence of this was its motivation of service providers to work with populations that demonstrated fewer barriers to employment, as grants and funding were secured through tangible outcomes and performance indicators, often increasing inequity.
- **The Workforce Innovation and Opportunity Act of 2014**: This act placed a priority of service requirement for individuals with a predefined barrier to employment (listed below).[24] Guidance on the legislation identifies the implications of these barriers and offers suggestions on potential solutions to

overcome barriers. There is no requirement, however, for agencies receiving funding to implement these solutions in their work. These barriers include populations that are disproportionately made up of people of color, such as ex-offenders, English-language learners or low-income individuals. However, priority of service is only afforded at American Job Centers where job placement and retention rates are lower than other workforce development agencies. Additionally, while people of color are disproportionately over-represented in each category, a focus on race remains implicit rather than explicit.

Workforce Innovation and Opportunity Act Predefined Barriers to Employment

▪ Displaced homemakers	▪ Low-income individuals
▪ Indians, Alaska Natives and Native Hawaiians	▪ Individuals with disabilities
▪ Older individuals	▪ Ex-offenders
▪ Homeless individuals, children and youth or runaway youth	▪ Foster care youth, including those that have aged out of the system
▪ English-language learners or individuals with significant cultural barriers or with low levels of literacy	▪ Migrant and seasonal farmworkers
▪ Individuals within two years of exhausting TANF eligibility	▪ Single parents, including single pregnant women
▪ Long-term unemployed individuals	▪ Other groups as governor determines

Race-Conscious Program Development

Considering Racial Equity in Workforce Development Programs

Racial equity is "the condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, how one fares."[25] The current racial wage and wealth gaps exist because of the legacy of past and current policy problems that contribute to and expand economic disparity between people of color and their White counterparts. Achieving racial economic equity requires an explicit focus on transforming our entire economic system rather than focusing on individual or family behaviors. Being proactive while building a program with the goal of racial economic equity in mind can help to ensure that select program activities are working toward the desired outcome of a racially equitable workforce system.

Objectives

- Identify ways that data can be used to support workforce development agencies looking to create and emphasize racial economic equity in the provision of services
- Highlight emerging promising practices for crafting services that are responsive to client, customer and industry needs while establishing career pathways to ensure long-term client success
- Discuss strategies to develop relationships and partnerships that can facilitate program and client success

Collecting and Using Data

Both primary and secondary data should be collected and utilized by workforce development service providers. Primary, or internal, data refers to that which is generated and collected by the organization about its clients. This data should be specific to programs and services and include customer demographic information, socioeconomic condition, service utilization and customer placement and retention, among other points.

> *"We use data to be responsive and develop pathways to move from a place of frustration."*
>
> LAUREN WESLEY
> NORTH LAWNDALE
> EMPLOYMENT NETWORK

Secondary, or external, data refers to information that has been collected or gathered from other sources. This data should be specific to the racial group and economic condition being targeted for involvement as well as for the workforce system as a whole. This includes labor market information, local/regional workforce data, income, education, unemployment, and demographic data, among other relevant information. Disaggregated data is preferable, where available.

Using data to design a racial economic equity approach to program development can help ensure they center and benefit service providers and clients by:

- **Informing programs and services**—Labor market and locally produced data can help workforce service providers to understand which barriers are impacting demographic groups, and to determine prominent sectors in the region to target for client placement. This data can also be used to inform the training provided to clients. To be clear, despite the quality of workforce training, not all employment opportunities pay a livable wage. Therefore, it is just as important to evaluate average annual salaries or wages available for workers, analyze the concentration of racial demographics in each of the identified industries and have a firm understanding of the cost of living index in the city or county of interest.
    - To apply an equity lens, providers should evaluate data by race, average annual wages and labor force participation whenever possible. This practice helps to identify potential living wage gaps before endorsing a workforce development strategy and informs alternate approaches.
- **Reinforcing career placement**—Understanding the root causes and consequences of structural, systemic and institutional barriers can help ensure that available placement opportunities that lead to long-term retention meaningfully support racialized and marginalized populations. Increasing the capacity of service providers as they develop skills to design for racial economic equity, refine referral systems and upgrade case management approaches to create feedback loops that provide data to inform workforce development programs can place clients on career pathways that can lead to growing incomes, financial stability and secure employment.
- **Tracking outcomes**—In addition to collecting and analyzing data related to service provision, providers should focus on tracking racial and economic disparities in client outcomes. This can help identify specific challenges and opportunities in retooling services for the modern workforce. Identifying and analyzing disparities in outcomes also helps service providers make the case for a shift toward an equity-centered program model to stakeholders that have not yet adopted this as a program priority. Additionally, tracking racial and economic disparities can help providers identify the root causes of inequities, help to weed out partners and funders that do not demonstrate a commitment to racially equitable outcomes, and/or design advocacy strategies to change systems.
- **Crafting narratives**—Client stories and testimonials can be even more influential when paired with data to build support for racial economic equity in workforce development programming. By determining the barriers that exist and documenting how they act as roadblocks to economic opportunity for clients, workforce development organizations can advocate for racial economic equity on a micro and macro level.
- **Documenting racism—**Organizations should also document issues of racism faced by their staff or clients in interactions with partners, employers, funders or other entities. Maintaining a record of the ways in which racism manifests in workforce development can support efforts to dismantle systemic racism by providing reliable data and evidence on the nature and prevalence of incidents.

- **Securing funding**—In some cases, having racially and economically disaggregated data can better undergird requests by illustrating the systemic factors limiting individual potential. This illustration is valuable as it helps to secure additional or increased funding for targeted racial economic equity approaches that center specific populations as supporting data.
- **Influencing policy**—Similar to securing funding, racially and economically disaggregated data can help to make the case that policy produces disparate outcomes for people of color and other protected class clients. This data can then be used to equip and empower service providers and their clients to influence policy by building from the strength of intentional programs, innovations and solutions designed with racial economic equity at the center.

Tips for establishing successful employer partnerships:

Successful partnerships are those where support and benefits are mutual for all parties involved. It's important to set clear expectations and establish shared equity values at the onset of a partnership in order to build trust and ensure that a racial economic equity lens undergirds the practices and agreements between partners. Providing information and data on your city's (or state's) racial economic equity, their sector and your organization's results demonstrates that you have spent time thinking about how to craft a successful partnership. This also allows you to set goals and develop strategies toward achieving those goals. It's also important to understand that you may invest in a partnership that doesn't work out because of a lack of alignment in vision or strategy. Learning from this and moving on is preferred to maintaining a stagnant relationship or one that keeps clients away from desired outcomes.

Developing Community Relationships

Relationship building and harnessing the power of networks are additional aspects of program development that increase efficacy, impact and longevity. Leveraging connectivity to clients, local communities, institutions and sectors often translates into increased capacity and expertise housed at workforce development agencies.

Establishing direct relationships with community members from impacted populations, as well as with established leadership that share values of racial economic equity, creates an opportunity to hear community-level ideas and solutions for how to bring about racial economic equity. By sharing the strengths of racially equitable workforce development programs, knowledge, information and resources, organizations can work with affected community members and leaders to coordinate services, identify gaps and find areas of opportunity that draw on and leverage collective strengths and experiences. Once service organizations have established their commitment and built trust in this way, they become valued community partners. The strengthened relationships can be leveraged to develop a reliable and skilled workforce and ensure the equitable treatment of community members.

Additionally, intentionally developing relationships with employers across public, private and nonprofit sectors can also be beneficial to clients as they work to navigate and mitigate structural barriers and challenges faced when entering into or participating in the workforce system. Leveraging these networks and relationships is also instrumental in securing funding and other resources and engaging in activities such as advocacy that lead to the success of client-centered programs and equitable outcomes for their participants. It is also important to evaluate multi-sector relationships as they evolve to ensure they remain equitable and free of bias or discrimination against clients.

Workforce development organizations should be intentional about entering into partnerships with employers who demonstrate a commitment to racial economic equity. This includes those that have or are adopting standards of racial equity in their hiring and employment practices and are champions for systems-wide change to promote economic opportunity for people of color.

Establishing Partnerships

Partnerships have proven to be vital to both the impact and longevity of workforce development programs. Sustainable partnerships are those that facilitate client success, generate positive racial economic equity outcomes and dedicate resources to the benefit of all involved.

Because racial economic equity program development is not “race-neutral,” it is critical that practitioners also consider and analyze power dynamics in their employer partnerships. This includes ensuring that they speak about their programs and clients in a way that emphasizes the strengths and value that they bring to an employer rather than speaking in a way that highlights perceived deficits or shortcomings. Further, conversations should be held about an employer’s hiring and workplace practices to identify areas where White supremacy (i.e. racially biased dress codes or standards of professionalism) may hinder a potential employee’s opportunities for success.

For example, if a corporation is looking to partner with an agency to employ its clients but the hourly wage offered upon completion of the training is substantively below the livable wage, the agency has the opportunity to challenge the employer to increase the hourly wage being offered, choose not to partner with that industry provider or choose to partner but, at a minimum, be honest with clients about the outcomes from the onset of their training. Either way, the practitioner becomes more empowered at the beginning of the relationship and is presumably better positioned to determine whether this will be a fruitful partnership to pursue.

Ecosystem and asset mapping are tools that can be utilized as part of establishing and evaluating partnerships in order for organizations to take stock of their allies and adversaries.[26] This includes identifying those who are willing to champion and support their efforts by using privilege and access to support the work, and those who need education and/or training on the causes, consequences and remedies to racial economic equity. Doing so can help practitioners determine areas of opportunity, leverage and resistance. By looking at staff, board members, funders and private and public sector connections, service providers can determine strategies for community engagement, including data collection, partnership and advocacy. This type of analysis positions practitioners to identify strategic partnerships that can inform services and education programs offered, while also supporting clients as they exit programs to be equipped with appropriate training and credentials for employment.

Brenda Palms-Barber, Chief Executive Officer of the North Lawndale Employment Network, an urban workforce development agency, and founding social entrepreneur and CEO of Sweet Beginnings, LLC, shares her story of benefit from effective ecosystem mapping. Through this process, the North Lawndale Employment Network, which services communities of color, has benefitted significantly from successful vetting of partnerships with local employers. An additional perk she has found is that, beyond shared values, these organizations also have less bureaucracy in their hiring process, better employee retention and a dedicated focus on catering to community needs.

> *"There needs to be a clear, long-term plan to increase wages and integrate financial literacy, otherwise they're just poor people working."*
>
> **TONA CRAVIOTTO,**
> *BONS SECOURS COMMUNITY WORKS*

Building Through Local Employers: Workforce development programs that cater primarily to communities of color and low- to moderate-income clients often fare better when maintaining relationships because they are able to exert influence with local and community employers and decisionmakers since they demonstrate a shared commitment to reducing racial economic inequality by investing in their communities and the clients that they serve. Employer and community partnerships should be explicit in naming, creating and funding a racially equitable workforce system that creates economic parity for clients of color as an outcome. Successful relationships require alignment around values, outcomes and a strategy and/or process that allows for the formation of the aforementioned. Without a common set of equity-focused values and agreed-upon outcomes, the benefit of the partnerships may be limited. Moreover, given the causes and consequences of racial economic equity, partnerships with community organizations can provide much-needed access to wraparound and support services that have proved instrumental in promoting client success.

Building Through Anchor Institutions: Another type of partnership is cross-sector collaboration which includes anchor institutions (e.g., hospitals or university systems) and community organizations. Anchor institutions not only serve as employment opportunities for program participants, but can also assist with program development and monitoring, where appropriate.

Partnerships with universities can be multi-faceted. In addition to providing much-needed training, certification and educational opportunities as well as legitimizing training courses by providing continuing education credits, universities can also work in partnership with community economic development efforts by providing programmatic research–including data collection and analysis—and evaluation. These partnerships may strengthen the organization’s work by helping to measure, verify and codify program design and results using credible research and evaluation tools.

Program Development in Action

Bons Secours Community Works is a nonprofit located in Baltimore, MD, that offers community and economic development programs and services to the West Baltimore neighborhood.

The organization conducts an annual community assessment survey to ensure that the services provided to the community are relevant to clients' needs. This primary data is collected and utilized in conjunction with labor market and regional data in order to develop a catalogue that promotes long-term economic and social viability.

Survey results showed that health care is a solid and growing industry in the service area, and that workers with criminal records or those with limited educational backgrounds are a large population of need. This analysis led to development of vocational and training programs that lead to steady and lucrative opportunities for clients. By researching industries that are receptive to workers with criminal records, the organization has been able to develop sustainable career pipelines through partnerships with local and community entities in the healthcare and landscaping industries.

In the future, Bons Secours seeks to establish partnerships with a greater number of healthcare employers and secure contracts with the local government to guarantee employment for a larger portion of the organization's training cohorts.

Mediating Challenges

Strategies to Bridge the Gap and Remedy Inequities

Many workforce development programs inadvertently operate in a way that perpetuates structural and systemic inequality and reinforces racial bias and discrimination. This happens within recruiting, training and placement practices. While the ultimate goal is to dismantle systems of oppression and those that do not facilitate racial economic equity, it is understood that in the interim there must be solutions to mediate challenges on the front end. This will ensure that clients do not face barriers in attaining opportunities to achieve economic mobility and financial empowerment.

Objectives

- Identifying systemic barriers faced by clients and discussing interventions that may facilitate positive outcomes
- Reviewing strategies that may help partners adopt and promote equitable hiring and employment practices

> *"The racial wealth divide is so daunting, so that, in and of itself, is a challenge when thinking about how you're going to implement a program that will catapult your clients out of poverty."*
>
> **BRENDA PALMS-BARBER**
> NORTH LAWNDALE EMPLOYMENT NETWORK

Identifying and Addressing Barriers to Success

The Workforce Innovation and Opportunity Act (2014) identified 14 barriers to employment (see page 11), that federally-funded workforce development programs must address and prioritize. Many of the barriers identified serve as a proxy for race, which is not explicitly named on the list as a barrier to employment. This act also requires racially disaggregated reporting on intake and service provision but does not require outcome tracking by race. As a result, there is no way to adjust for racial disparities in program outcomes and impact. Further, the act offers limited guidance on servicing and supporting clients that face employment barriers and provides no supplemental funding to ensure that providers can adequately address and eliminate these barriers.

As discussed, tracking racial and economic disparities can help to highlight where inequity exists, what's causing it and which populations are most impacted. Considering growing racial economic inequities, lack of required comprehensive employment planning and counseling that takes these barriers into account, serves as a failure of the system to adequately serve clients of color.

Yet, in response, workforce development service providers committed to advancing the economic mobility of communities of color have an opportunity to integrate supplementary services for underserved clients to ensure their success. Social service provision, either directly or through a well-networked, curated referral system, can help to ensure that clients access services to maintain a basic standard of living while remaining enrolled in programs that prepare them to enter the workforce upon completion. Further, providing supplemental resources helps to foster clients' trust in service providers, which can increase participation and accountability.

The following strategies, when provided in conjunction with comprehensive employment services, can positively impact client outcomes:

- **Intake and assessment**—A comprehensive and streamlined intake and assessment process allows service providers to understand each client's educational attainment levels, skillset and employment history to get an idea of their goals and background. This can also help to determine how skills that clients already possess can translate into the roles that are available or that they are seeking to obtain. A common misconception is that clients from communities of color share similar experiences and values when, in reality, there is significant diversity within these communities. Therefore, the intake and assessment process can help to illuminate differences in needs and strengths and move practitioners away from assuming there is a one-size-fits-all solution. It is important to know who our clients are and what their assets, motivations and challenges are, in order to provide them with the proper tools and supports to be successful.
- **Career awareness and preparation**—Includes exposing clients to various sectors and employers in their community, as a way to allow them to make informed decisions about their intended career pathway and the opportunities they'd like to pursue. The options presented to clients should be attainable and would, ideally, provide a living wage and opportunities for career growth and advancement. Further, programs should provide support for clients needing to obtain education, certifications or credentials in order to obtain employment.
- **Social and professional network development**—As the axiom goes, "it's all about who you know." Relationships and networks can be essential to career development and progression. Keeping clients engaged after they have completed your workforce program not only allows them to provide feedback on their experiences, but it also opens the door for the development of new relationships or partnerships. Furthermore, it can provide an opportunity to build a mentorship network of alumni for incoming clients, as well as to learn more about employers' racial economic equity policies, practices and procedures.
- **Providing wraparound services**—A PolicyLink study determined that "A key first step toward employment is ensuring that workers have access to and are equipped with the human, social and cultural capital and support to facilitate their transition into the workforce."[27] This includes maintaining a relationship with them along their career pathway, as well as increasing access to

Tips for promoting client success:

One mistake that service providers often make is making assumptions about the background and challenges of clients or applying a universal lens when providing services. It's important to ensure that a comprehensive intake assessment is performed to get a full picture of the client's individual journey, resources and goals before developing a plan with them. The ultimate goal of employment and economic mobility remains. However, every client's situation and needs are different.

holistic services including, but not limited to, housing support, legal services, education, financial assistance and childcare services.

Maintaining Employer-Employee Partnerships

Employer relationships are vital to the success of workforce development programs and are best leveraged through the partnership strategies outlined above. Relationships should maintain an open feedback loop to uphold accountability to the employee on behalf of the employer. This includes developing systems for employees to express issues or challenge racially hostile work environments without retaliation. Successful service provider-managed employer-employee relationships can serve as a model for other partners and organizations looking to establish a racially equitable workplace.

The strategies below can further develop service provider-employer-employee partnerships and create workplaces that maintain and emphasize racial equity:

- **Advocating for racial equity and racial economic equity training**—Racial equity training helps employers understand the value of internal diversity, equity and inclusion to their workforce culture and bottom line. It also helps them adopt and retool strategies, practices, policies and procedures. Racial economic equity training uses data and research to identify areas where biases and discrimination drive disparities in racial and economic outcomes. This approach makes clear the causes and consequences driving structural inequality and racial economic inequity – such as those that exist in the community at large as well as within the employer's internal systems. Approaches developed from this type of training help institutions and organizations to center the lived experiences and socioeconomic reality of their clients to develop inclusive pipelines and equitable workplace for people of varying backgrounds and walks of life.
- **Developing employment pipelines**—Established partnerships can be used to increase services and training while also securing placements for clients that are matriculating from workforce services.
- **Creating racial economic equity goals**—Working with employers to craft targeted and race and class-explicit outcomes for low- and moderate-income clients of color creates indicators by which progress toward a workplace centered in racial economic equity can be measured and evaluated. Examples include increased representation of people from diverse backgrounds, decreased racial disparities in recruitment and retention, fair allocation of full-time employment positions, equitable compensation, increased attainment of living wage jobs with benefits, tracking and monitoring of attrition and parity in procurement and contracting.
- **Ensuring competitive wages and fair workplace standards**—Workforce development organizations can leverage existing partnerships and agreements to set standards and expectations for all employers they work with. Emphasizing the value added by the organization’s program and its clients, workforce development providers can advocate for employers to pay a living—rather than minimum—wage with benefits. Once established, this standard can be used to advocate for competitive wages from all employers looking to hire clients that matriculate from their workforce development programs and to inform policymaking and workforce protections.

Implementation in Action

The North Lawndale Employment Network (Chicago, IL) assists North Lawndale residents through employment initiatives that lead to economic advancement and an improved quality of life. The organization, headed by CEO Brenda Palms-Barber, also launched a social enterprise called Sweet Beginnings in 2004 which serves as an employment pipeline for men and women returning from prison, supporting them by providing training and skills to help them secure full-time employment.

"One of the challenges that we have is that as people strive and seek pathways to middle-wage jobs, the first-chance system has already failed them. The first-chance system is the educational system. Our first-chance system of education is failing to properly prepare people to enter the workforce. A solution is that the organization must have a culture that is committed to reinvesting, with the understanding that the first-chance system has failed.

"When people show up at our doors, we are already at the second chance and have to find the opportunity to gradually move them to higher test scores. Another barrier or challenge to moving people into middle-wage jobs is that employers demand workers to have a certain level of education. Without this, there are limited options for people to support themselves without going into the informal economy.

"If you really want to advance people to an economic mobility pathway, you have to fill the gap before you can even start working with them on unemployment. It's about bridging the gap from where they are to where they need to be in the context of a specific sector."

Scaling Up

Creating Systems Change for a Racially Equitable Workforce

Service providers operate in a unique space where they can directly impact and improve client outcomes and positively impact the workforce development landscape by advocating for racial economic equity in the employment sector and through policy. As we've outlined, many structural barriers adversely affect both client and program success.

Through work with clients, employer partners and other stakeholders, workforce development agencies can emphasize that economic growth and opportunity cannot be achieved until the systemic barriers that lead to disparity are remedied and racial economic equity becomes the standard in program development, funding and policymaking. The strategies listed in this section are designed to assist with leveraging experiences and client outcomes to remove structural barriers that exist in workforce development.

Objectives

- Develop an understanding of how data and client stories can be used for program evaluation and advocacy.
- Offer suggestions for modeling and growing partnerships and relationships that maintain racial economic equity.
- Discuss how program success metrics can be used to influence funders and policymakers into creating a more racially equitable workforce ecosystem.

Program Impact and Evaluation

Similar to the process of using a racial economic equity lens to improve program design, development and implementation, qualitative and quantitative data can also be used to help providers evaluate the effectiveness of their programs and services. Collecting and analyzing quantitative data that is disaggregated by race and socioeconomic status allows providers to measure program impact and helps with internal goal-setting and strategic planning. This information is also valuable for organizations looking to perform service audits to determine which to adopt, expand, revise or discontinue. An internal review provides an opportunity to look at a program's own policies and protocols to determine where undue burden is being placed on clients or if it is feeding into existing systems of bias or racism. This data also provides insight into unsuccessful client outcomes which can be analyzed to identify further barriers to racial economic equity that need to be addressed to ensure an economic mobility pathway.

Program data can also be used to review employer partnerships to evaluate whether there is true alignment and commitment to reducing racial economic disparity in the employment landscape. For example, if it is discovered that there is a high turnover rate for participants of color or those with specific backgrounds placed with a particular partner, it could indicate that there is a need to explore the factors contributing to this disparate impact. The information learned from this evaluation can help workforce organizations determine next steps, including whether to mediate, train the partner organization, or cease the partnership.

Primary data collected on client outcomes also provides insight into the progress that programs are making to improve racial economic equity in the workforce system. This, coupled with client stories and overall racial debt, income, poverty, asset and wealth data, can assist with crafting a narrative used to educate funders, policymakers, employers and other stakeholders about the root causes of racial economic inequality and to advocate for increased investment in racial equity across the board.

Secondary workforce data can be used to identify fields that are overrepresented by people of color in substandard employment as well as examine and advocate for living wages and advancement opportunities in these areas. Additionally, it can assist with identifying and targeting fields that lack racial and socioeconomic diversity and help to develop an understanding of what is keeping people of color out of these areas. The information gleaned from this process can then be used to inform advocacy and policy opportunities, as well as to strengthen workforce program design.

Establishing Communities of Practice

A community of practice may be an ideal relationship model for practitioners that are seeking to achieve racial economic equity. "Membership [in a community of practice] implies a commitment to the domain, and therefore a shared competence that distinguishes members from other people."[28] Communities of practice have proven to be successful not only in offering space for support but also providing collaborative learning and problem-solving opportunities. For example, the African American Financial Capability Initiative was designed to support communities of practice in implementing pilot projects to strengthen asset-building services, sharpen policy advocacy strategies and grow leadership capacity to benefit local communities.[29] It is clear that the challenge of racial economic equity is too complex and multi-faceted to be solved by one individual organization or entity and, instead, benefits from a network of leaders, employers, clients and advocates "to change the possibilities and variety of economic outcomes for people of color."[30] A coalition of local experts and practitioners serves as a place of empowerment and strengthens an organization's bargaining power and influence. These relationships can be leveraged among potential partners, employers, funders and policymakers to open a dialogue about racially equitable practices in workforce development and to leverage the strength of program design developed with racial economic equity at the center.

Shifting Funding Requirements and Influencing Racially Equitable Policies

Workforce development agencies can wield their outcomes and networks to further advocate for making investments in racially equitable workforce systems for low- and moderate-income clients. As it stands, people of color who live in poverty are excluded from the true economic opportunity and benefits that result from equitable participation in the workforce and fair compensation. To ensure prosperity for all, structural and institutional barriers must be addressed through a lens of racial economic equity to ensure systems-wide change and favorable outcomes. Organizations can craft a narrative, using data as support, that demonstrates the importance of making intentional investments of funding, expertise and resources toward dismantling racial economic inequity in the workforce system, while also demonstrating the power of their innovative tailored workforce development program as core to the solution. Further, they can encourage funders to stipulate racially equitable outcomes in all of their grantmaking, rather than just for organizations of color or those with a racial economic equity focus.

Community organizations are most connected to the strengths and needs of their clients and should amplify their concerns, issues and client-centered innovations in discussions with policymakers and funders to advocate for solutions. Organizational leaders can also work with policymakers to develop targeted and impactful policies to drive systemic change by advocating for a universal living wage, full employment and the elimination of barriers to wage and wealth parity. A racial economic equity approach can ensure that policy is developed with the goal of directly addressing and removing institutional barriers, rather than simply crafting solutions to mitigate issues that result from inequitable policy and practices. To support this process, tools, such as the Racial Wealth Audit,[31] the Racial Equity Impact Assessment Toolkit,[32] or the 10 Essential Questions for Workforce Development,[33] can provide guidance. In addition, participating in tailored technical assistance that has been developed by community and national experts dedicated to dismantling institutional, systemic and structural racism and economic inequality is emerging as a promising practice. Providers that are comfortable discussing data and program metrics can also use this information to help develop funding requirements that integrate racial economic equity into grantmaking criteria and success metrics and indicators. These metrics should be tied to race-explicit, socioeconomic outcomes that demonstrate economic growth and mobility in the lives of the clients they serve.

Conclusion

Income disparity is a major contributor to racial economic and wealth inequality. To solve these issues, we must consider the contributing factors and also name the problem. A longstanding legacy of racism has manifested throughout history in the form of federal legislation, policy and local practices that cause and exacerbate inequality. The structural nature of the problem ensures that people of color will continue to be overrepresented in poverty over multiple generations if we continue to focus solely on individualized interventions. If our racial economic equity goal as community-level practitioners is to help underserved, marginalized and excluded community members of color achieve living wages, accumulate assets and build wealth, then we must retool our programs to shift power and leverage privilege to change the institutions, systems and structures we are in.

Policy has played a major role in dictating the current workforce development landscape—where wage and wealth disparity is predictable by race and socioeconomic background. Practitioners have the opportunity to design workforce development pathways with an explicit racial economic equity focus while working within the community to disrupt systems and advocate for change. Armed with a new way of using data, research, program design, partnerships, advocacy and policy, local communities and their trusted organizations have the power to advocate for systems that support racial economic equity by leveraging solutions born from workforce development programs that generate economic parity and prosperity for people of color.

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