



**BETTER
TOGETHER
CHICAGO**

Memo Template

Name: Brenda Palms Barber, President and CEO, North Lawndale Employment Network and Sweet Beginnings, LLC; Chair, Workforce Committee, North Lawndale Community Coordinating Council

Transition Committee: Business, Neighborhood, and Economic Development

- **A potential initiative (please describe in one sentence) that the memo advocates for**

Reduce the racial wealth gap by eliminating barriers to employment experienced primarily – but not exclusively – by African American men, especially those with criminal backgrounds.

We propose to advance this initiative through three specific strategies identified through decades of working to train and employ this population:

- 1) Eliminate a significant barrier to entering the workforce by offering a debt forgiveness, reduction, or repayment slowdown program for city debt and child support payments for the very low income, so high levels of debt are not a deterrent to legitimate work.
- 2) Make transportation to jobs across the city and into the suburbs affordable or free for those newly entering the workforce.
- 3) Extend the duration of Transitional Jobs from 90 days to six months.

- **How the new administration can infuse the values of equity, transparency, accountability, diversity and inclusion, and transformation in that initiative**

The new administration should develop a set of guidelines to steer all new policy decisions that reflect these values and use it as a measuring stick when making important decisions. It will be important to include in these guidelines listening to the voice of very low-income people, those facing significant barriers to employment, and those living in communities with high rates of violence – including victims and perpetrators, as often these are one and the same.

- **And, to advance this initiative:**
 - **What is happening today that we need to keep?**

We need to keep, support, and expand the successes of community based workforce development programs that offer Transitional Jobs and supports, such as the North Lawndale Employment Network, Bright Endeavors, Jane Addams Resource Corporation, Safer Foundation, Inspiration Corporation, CARA, and others, along with new programs that are showing signs of success but still in pilot form such as Chicago CRED by the Emerson Collective, led by Arne Duncan, and the Rapid Employment And Development Initiative (READI), led by the Heartland Alliance. Both of these programs tackle violence through employment. The city needs to continue to provide these organizations with funding – including for public transportation subsidies – and offer ticket amnesty days, but also examine who these amnesties are helping the most and find ways to expand upon them.

- **What we need to implement in the next 100 days**

Within the first 100 days we recommend the new Administration immediately freeze penalties on city debt for low income people who are engaged in workforce development programs and/or in their first 90 days of employment. This will keep debt from accruing as a result of a person's low income – basically another poor tax – and give the new Administration time to develop a policy on the issue.

- **What we can plan for longer-term implementation**

- 1) Eliminate a significant barrier to entering the workforce by offering a debt forgiveness, reduction, or repayment slowdown program for city debt and child support payments for the very low income, so high levels of debt are not a deterrent to legitimate work.

Debt for child support, traffic or parking tickets, and other city bills can accrue exponentially for someone who has been unemployed for years or has time spent incarcerated. While a working class or middle income person may have to make a sacrifice to pay off a \$100 ticket, this amount is insurmountable for the unemployed and quickly balloons astronomically. Because government agencies have the ability to garnish wages, this becomes a major disincentive for legitimate work.

We suggest a program to incentivize work for people in this situation, by initially deferring repayment during the first six months of work so the new worker can stabilize his finances. After that, a program that matches a worker's payments toward the debt 1-1 or even 1-4, prioritizing child support and any payments enabling a worker to become a legal driver again – restoring a driver's license and/or retrieving a booted or confiscated vehicle needed for transportation to work. With a matching program, the debt is paid, not waived, and provides an incentive to work and to pay down the debt.

- 2) Make transportation to jobs across the city and into the suburbs affordable or free for those newly entering the workforce

A significant barrier to work for those attempting to enter the workforce after many years with very little or no income is transportation. The time when this is the greatest problem is the first two to four weeks of employment, when the new worker has work-related expenses (such as a uniform or tools) and has not yet received a first paycheck. This is exacerbated by the fact that many good jobs are located well outside the service area of public transportation, and so are very expensive to reach without a car.

We propose a transportation subsidy and/or program for new workers that would last at a minimum until the first paycheck but ideally for two months, allowing the participant to stabilize his finances and budget for transportation. A subsidy could be paid to employers for providing transportation or to nonprofits serving workers entering the workforce. These entities, in turn, would offer transportation programs to ensure new workers can get to work. To help fund this, we also propose a payback program, where once stabilized in the job, the participating worker would pay into the fund – either covering her or his own costs for continued participation or simply “donating” towards transportation for others who need it once he has a car or some other means of transport.

One avenue could be a partnership with Uber or Lyft, which already employ a “pool” option to reduce costs for riders. A city partnership or subsidy could ensure that even long distances are affordable for riders and possibly develop set routes for specific workers to rideshare. Concerns about these companies' employer practices would be alleviated by applying specific rules for participating.

Another model that could be explored and expanded is the Taxi Access Program (TAP) that allows paratransit customers to ride in taxis at reduced rates and the Emergency Medical Transportation Service, also currently serving the elderly and those experiencing disabilities.

- 3) Extend the duration of Transitional Jobs from 90 days to six months

Transitional Jobs are time-limited, subsidized, paid jobs combined with job skills training and supportive services to help individuals facing barriers to employment succeed in the workforce. They ensure a new worker with multiple barriers to employment has the training and supports needed to transition into the workforce. The benefits of transitional jobs are well-documented,¹ including the opportunity to stabilize with income, learn experientially, address barriers, build work history, access incentives, develop skills, and transition to permanent

¹ <http://socialimpactresearchcenter.issuelab.org/resource/michigan-earn-and-learn-an-impact-outcome-and-implementation-evaluation-of-a-transitional-job-and-training-program.html>

employment.² These programs positively contribute to the economic health of employers by lowering the cost of hiring new employees, increasing business productivity, financial well-being, and customer satisfaction.³

However, it is clear to those workforce agencies that have been providing Transitional Jobs – such as the North Lawndale Employment Network and others listed above – that the prevalent model of 90 days of subsidized work is insufficient to attach those with the most significant barriers to the workforce. More time in a structured environment is needed for a new worker to fully acclimate to the workforce and the rigors of daily work. New habits are just starting to stick and finances are barely stabilizing. These individuals have been subjected to high levels of trauma, lack family support, oftentimes have been incarcerated, and have never been a part of a community where most adults work.

- **What challenges we might encounter in executing on this initiative**

As with any attempt to move people out of poverty, the biggest challenge will be funding these strategies. However, the City of Chicago is wealthy. If racial economic equity were to be a priority, funding could be identified. If the city can find \$2.25 billion in incentives to offer to Amazon to add jobs and strengthen the local economy, the city can also find funding for initiatives to return low-income people to the local economy. There will be pushback from those who do not understand the root causes of poverty, unemployment, and crime and therefore do not believe those living in these conditions are deserving of assistance. Together we must educate those willing to listen and move forward regardless of the position of those who will not. Aligning budget to values is the only way to achieve economic parity, transparency, accountability, diversity and inclusion, and transformation.

These recommendations are based on nearly 20 years of helping people attach to the labor market. Chicago's North Lawndale Employment Network (NLEN) is a workforce development nonprofit whose mission is to improve the earnings potential of community residents through innovative employment initiatives that lead to economic advancement and an improved quality of life. We have been serving job-seekers, with a special focus on individuals returning from incarceration, for 17 years. We launched the Sweet Beginnings social enterprise in 2004 to provide our clients with Transitional Jobs. To date, we have helped over 2700 people enter the workforce and directly employed nearly 500 through Sweet Beginnings.

² <http://nationalinitiatives.issuelab.org/resource/transitional-jobs-under-wioa-better-serving-chronically-unemployed-jobseekers.html>

³ <https://www.heartlandalliance.org/nationalinitiatives/our-initiatives/faq/>