

Employment Equity: Putting Georgia on the Path to Inclusive Prosperity



PolicyLink



Alexandra Bastien
November 2017



Preface

Georgia needs a new direction. As our state faces major economic and demographic headwinds, the task of economic inclusion is more urgent than ever. Georgia's economy is growing, and we simply will not be able to fill all of the jobs we are creating by attracting new talent—we must act strategically to leverage the existing untapped talent right here in Georgia.

Our economic future depends upon the participation and inclusion of all of our residents, especially those who are currently struggling to make ends meet or are locked out of the economy. This means addressing lingering race and gender barriers to full economic inclusion, because people of color and women are disproportionately among these struggling workers.

Employment equity—when everyone who wants to work has a good job that pays family-supporting wages and the lack of a good job cannot be predicted by race or gender—must be our North Star. Achieving employment equity would strengthen Georgia's economy at its core, and move us toward a more inclusive and sustainable prosperity.

Employment equity would reduce economic insecurity in our state, bringing more people into the economy and boosting incomes. Today, 1.7 million working-age people in Georgia are economically insecure, lacking sufficient incomes to support the basic needs of their families or save for their futures. The most immediate thing we can do to reduce that number is to address our lingering jobs challenge. Only half of these economically insecure adults have a job compared with four out of every five economically secure Georgians. We must also take action to ensure that all jobs pay living wages.

Employment equity would also meet employers' needs for talent and bolster economic growth. As our research reveals, achieving true “full employment” across all racial and gender groups—bringing 384,000 more workers into employment—would grow Georgia's economic output by \$12 billion every year and add \$2.4 billion in new state and local tax revenue every year. Increasing employment would bring a host of collateral benefits to Georgia's communities as newly employed workers spend money locally, supporting small businesses and revitalizing distressed commercial areas.

Georgia can realize these gains, but only if we align around a meaningful policy agenda to connect all Georgians to good jobs that lead to careers and remove the barriers that prevent so many from being a part of our rising tide. Through our JUST Opportunity Circle, the Partnership for Southern Equity has been building momentum around this agenda and it is time to scale our work.

I hope that you will join us in moving the solutions proposed in this report forward, improving the lives of our struggling neighbors, and putting our state on a trajectory of inclusive prosperity.

Nathaniel Smith
Founder and Chief Equity Officer
Partnership for Southern Equity

Introduction

Marcus Brown was offered a job during the summer of 2017 after a long search, and was looking forward to catching up on past-due bills. On his third day at work, he was told he had to be let go because a background check listed a felony charge from 1989. In 2016, Stacey Ross, a working mother of four, left her full-time job as a medical coding specialist paying \$14 an hour for a more flexible position that would allow her to juggle multiple school pickups. She took a pay cut to \$8 per hour and, while she expected to work 20 hours a week, business was slow and her shifts were often cut. Some months she did not even work the anticipated 20 hours total, and her family has struggled to make ends meet.¹

Marcus and Stacey are far from alone. Despite Georgia's booming economy, 1.7 million working adults—one out of every three—are economically insecure, defined as living below 200 percent of the federal poverty line, or about \$41,000 for a family of three.² While economic insecurity is a widespread challenge for an increasing number of Georgians of all races and ethnicities, workers of color and women are disproportionately economically insecure.³

Georgia's economically insecure working-age adults are struggling to find good jobs: jobs that pay enough to support a family, offer safe working conditions, and provide meaningful opportunities to move up the economic ladder. Four of every 10 adults are out of the labor force—some have given up on finding work and others are caring for family members, attending school, or have a disability that prevents them from working.⁴ One out of every 10 adults is actively looking for work. And the remaining half actually have jobs, but those jobs are low-wage, precarious jobs that do not pay enough to ensure economic security.⁵

Changing this situation and achieving employment equity—when everyone who wants to work has a good job that pays family-supporting wages and the lack of a good job cannot be predicted by race or gender—is crucial to Georgia's economic future. This is particularly true given the state's changing demographics. In 1980, 72 percent of the state's population was White. Today, 54 percent of Georgia's youth under age 18 are people of color and by 2030 the majority of Georgians will be people of color. While the White population continues to grow, communities of color are growing more rapidly, especially Latinos and Asian Americans and Pacific Islanders.⁶

These demographic trends make racial economic inclusion an urgent imperative. Without a change in course, Georgia's economically insecure population will grow as it becomes more diverse and the negative impacts of racial inequities will weigh more heavily on the state, both socially and financially.

This brief describes why employment equity is critical to Georgia's economic future and lays out a policy roadmap to achieve employment equity. It is based on data analysis and modeling of a "full-employment economy" (defined as when everyone who wants a job can find one), which was conducted by the Program for Environmental and Regional Equity (PERE) at the University of Southern California as well as policy research and focus groups conducted by PolicyLink and the Partnership for Southern Equity. Unless otherwise noted, data presented in this brief are from PolicyLink/PERE analysis of the Integrated Public Use Microdata Series (IPUMS) 2015 5-year American Community Survey.⁷ For more information on data and methodology, see <http://plcyllk.org/2ApazHr>. The JUST Opportunity Circle, convened by the Partnership for Southern Equity, oversaw the research and is ready to take the lead on implementing the recommendations presented in this report. This is the first of five briefs about employment equity in southern states co-produced by PolicyLink, PERE, and local partners with support from the W.K. Kellogg Foundation.⁸

Key Findings

- **The state of Georgia is experiencing economic growth, but this growth is not translating into shared prosperity for all.** Georgia is at a moment of historically low unemployment and has a strong economic outlook. Yet, this growth is unequal—many Georgians are still waiting on the sidelines and too many of Georgia’s jobs do not pay enough to support families. Workers of color and their families are disproportionately being left out of the state’s rising-tide economy.
- **Economic inclusion is critical for Georgia’s long-term competitiveness and prosperity.** The exclusion of many Georgians from the job market negatively affects families and hinders businesses from filling their needs for new talent—needs that are expected to grow. If the state achieved full employment across all racial and gender groups, bringing 384,000 people ages 16 or older into employment, Georgia’s economy could be \$12 billion stronger every year, with lower poverty, and higher tax revenues. While not part of our economic modeling, if all workers also earned a living wage, the benefits would be even greater: poverty would decrease even further, workers would spend more in their local economies, and more would become entrepreneurs and contribute to innovation and growth.
- **Bringing more Georgians into the labor market requires removing barriers to employment that extend beyond skills and abilities.** In addition to continued racial discrimination in the labor market and lack of access to education and skills training leading to careers, workers face multiple barriers to employment. Barriers include the high cost of childcare, limited transit options, lack of affordable housing near job centers, poor credit, and criminal records.

Employment equity is the path to long-term prosperity. By implementing policy changes that remove barriers to employment and by investing in hiring and training strategies to ensure that all Georgians can work in good jobs that lead to careers, we can put Georgia on the path to inclusive prosperity. Policymakers, the business community, foundations, and community-serving organizations must work together to implement multifaceted jobs and workforce strategies to achieve employment equity.

Georgia Is Experiencing Economic Growth, but It Is Unequal Growth

By all accounts, Georgia has a robust economy and a positive economic outlook. Comparative analyses of state economic activity generally place Georgia among the top 20 states.⁹ The state does particularly well on measures of economic growth, and economic output (measured by gross domestic product, or GDP) has outpaced the national average for the past four years.¹⁰ Georgia attracts corporate headquarters, is doing well in manufacturing, and is home to a strong distribution and logistics industry, growing business services and tech sectors, and the world's third largest television and movie production industry. Rapid population growth from domestic and international migration, as well as natural population increases and increasing home values are also powering the state's economy.¹¹

This robust growth is expected to continue for years to come. Forecasters anticipate that Georgia will experience increasing economic output, declining unemployment, and higher incomes.¹² The Georgia Department of Labor projects that between 2014 and 2024, the state will add 477,000 new jobs.¹³

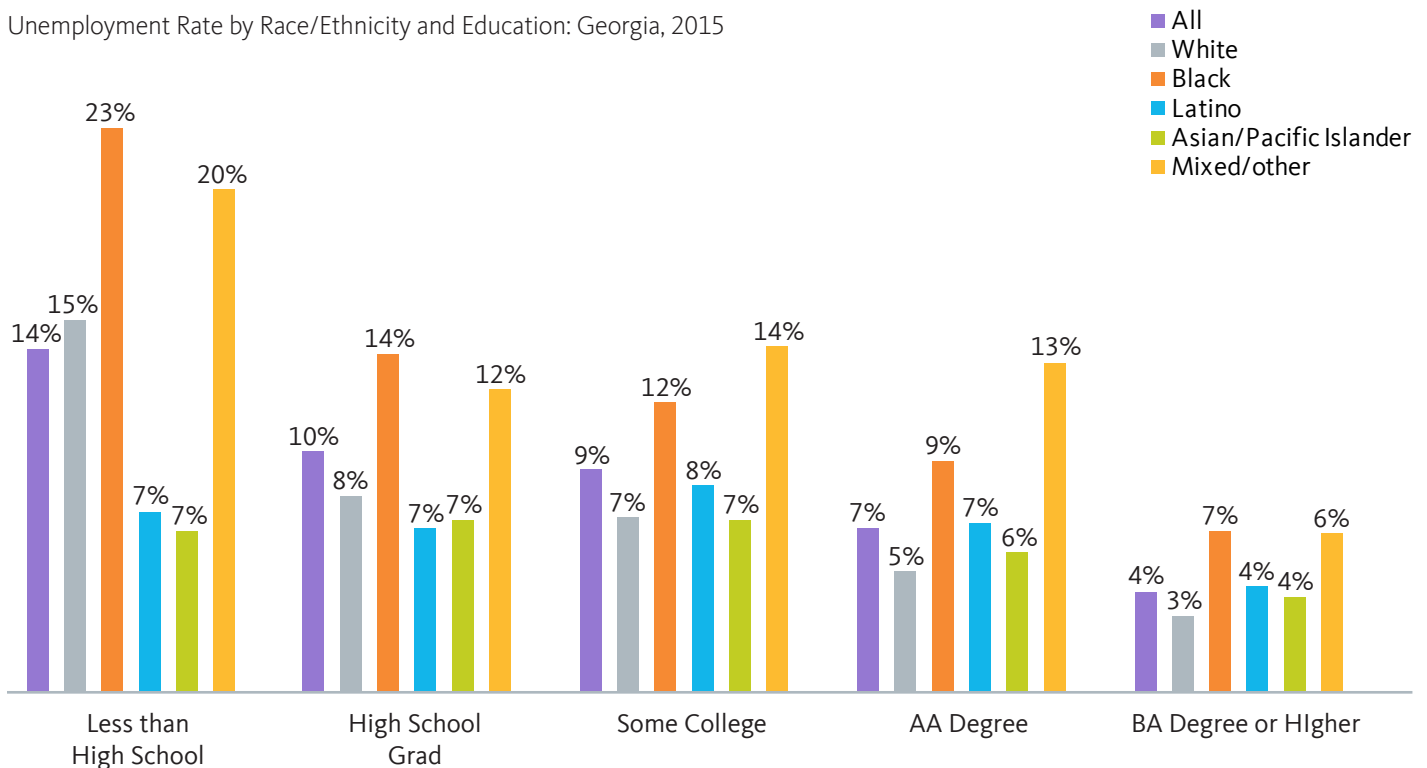
Despite Georgia's strong growth and positive economic outlook, this growth is unequal and it is not translating into increased inclusion and improved living standards for all. The following are key indications that Georgia's growth has been unequal.

Wide racial and gender inequities in employment

Although overall unemployment in the state in 2016 was relatively low at 6.0 percent, the unemployment rate for Black Georgians was twice the rate for White Georgians (9.0 percent compared with 4.5 percent).¹⁴ Disaggregating unemployment rates by gender as well as race reveals that Black men as well as Black and mixed-race women have the highest unemployment rates in the state, followed by Latina women and mixed-race men. And while Georgians with higher levels of education are less likely to be unemployed than those with lower levels of education as shown below, Georgia's Black and mixed-race workers, in particular, face higher unemployment rates than their White counterparts across all education levels.

Georgia's Black and mixed-race workers experience higher unemployment rates than White workers, even when they have a bachelor's degree

Unemployment Rate by Race/Ethnicity and Education: Georgia, 2015



Source: PolicyLink/PERE analysis of Integrated Public Microdata Series 2015 5-Year American Community Survey data.

Note: Data reflects a 2011 through 2015 average. Universe includes the civilian noninstitutional population ages 25-64.

Too many of Georgia’s jobs do not pay enough for workers to make ends meet, much less save for the future

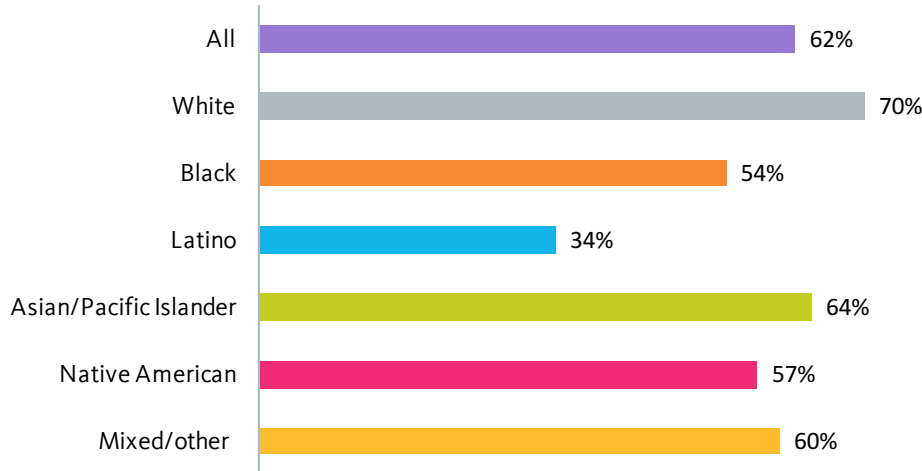
A growing share of jobs do not pay a living wage. Since the Great Recession, Georgia’s job growth has been polarized, with significant growth in low-wage jobs in the service sector and some growth in high-wage industries. There has been less growth in middle-wage jobs, the types of jobs that tend to provide pathways into the middle class for workers without college degrees. According to an analysis from the Georgia Budget and Policy Institute, of all jobs added since the recession, a full 43 percent are in low-wage industries (paying under \$31,600 per year). Middle-wage jobs (paying between \$31,600 and \$57,500 per year), accounted for more than half of the jobs lost during the recession, but only 15 percent of jobs recovered.¹⁵ Projections through 2024 show these trends continuing; service sector jobs will provide the most job openings.¹⁶

Workers are losing ground, especially workers of color

Georgia’s workers have seen their wages decline since 2000 after accounting for inflation, and this is a particular challenge for workers of color who had far lower wages to begin with and represent a growing segment of the workforce.¹⁷ Looking at the share of workers earning at least \$15 an hour, all workers have lost ground since 2000. By 2015, 62 percent of all workers earned at least \$15 an hour as shown in the graphic below compared with 72 percent in 2000. The wage gap between workers of color and White workers has widened. By 2015, more than two-thirds of White workers were earning at least \$15 an hour compared with about half of workers of color. Latinos are particularly likely to be concentrated in low-wage jobs.

Fewer Georgian workers earn a living wage now than in 2000, and racial inequities in wages have widened

Share of Workers Earning at least \$15/hour by Race/Ethnicity: Georgia, 2015



Source: PolicyLink/PERE analysis of Integrated Public Microdata Series 2015 5-Year American Community Survey data.

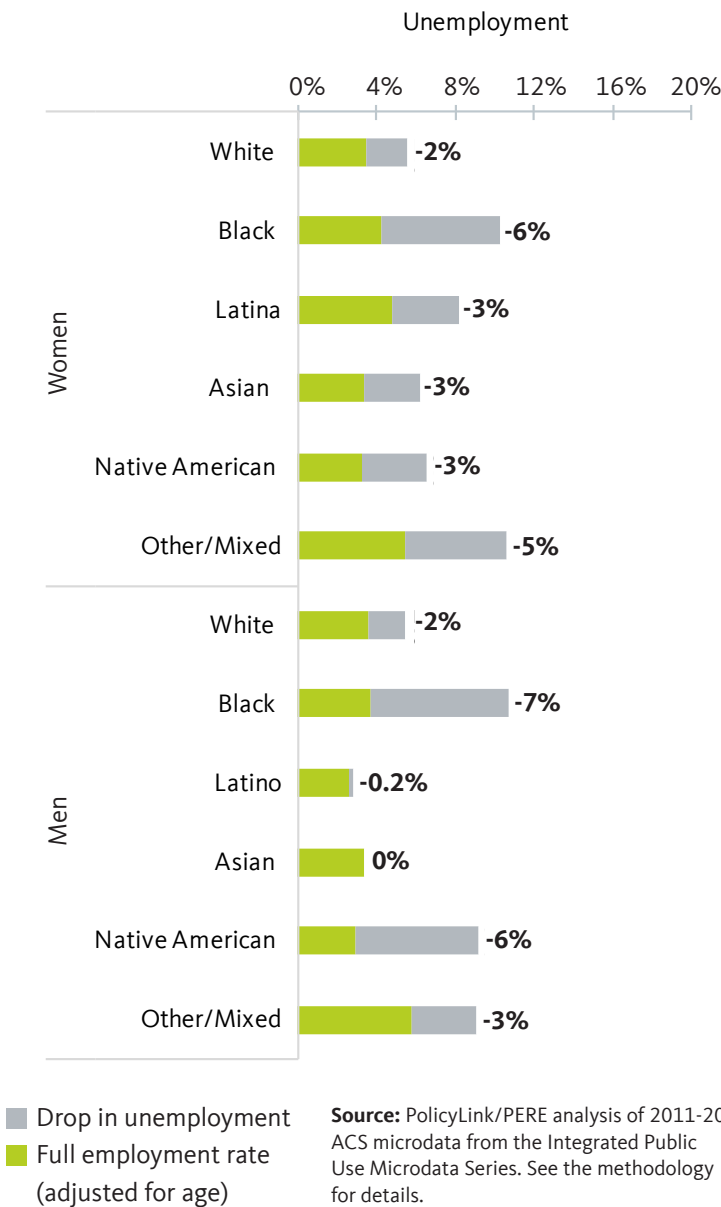
Note: Data reflects a 2011 through 2015 average. Universe includes civilian noninstitutional full-time wage and salary workers ages 25-64.

Employment Equity Will Strengthen Georgia's Economy

Georgia's path of unequal growth is not benefitting all workers, and ultimately will undermine the state's competitiveness. It will not be possible to fill the nearly half-million jobs that will be created in the state by 2024 by recruiting workers from elsewhere; Georgia needs to tap the talent already embodied in its workers and young people.

In a full employment economy, unemployment would decrease for all, with the steepest decreases for Black men and women

Unemployment Rates by Race and Gender in Full-Employment-for-All Model: Georgia, 2016



Bringing many more Georgians into employment would be a win-win-win, for workers, their families and communities, and the state's employers. To estimate these potential benefits, PolicyLink and PERE modeled a "full employment for all" economy, defined as one in which full employment—when everyone who wants a job can find one—is achieved not simply for the workforce as a whole but for each major racial/ethnic and gender group. This full-employment scenario set the unemployment rate at 4 percent maximum with labor force participation rates of at least 71 percent for men and 57 percent for women.

Defining a "Full-Employment-for-All Economy"

A full-employment economy is one in which everyone who wants a job can find one in a reasonable time frame. Economists typically characterize the economy in the year 2000 as a full-employment economy because the unemployment rate reached 4 percent for the first time since 1969. Despite having reached "full employment" in 2000, the United States has never achieved full employment for all. While Black workers experienced employment gains and the Black/White gap in employment began to narrow during the economic prosperity of the late 1990s, Black unemployment remained twice as high as White unemployment in 2000 (7.6 percent compared with 3.5 percent).

For the purpose of this analysis, we modeled a "full employment for all" economic scenario for the year 2016, using benchmarks for unemployment and labor force participation based on the full-employment economy of the year 2000, but with labor force participation rates adjusted downward to reflect the aging of the population that has occurred since then. The benchmarks we apply set the maximum unemployment rate at 4 percent and the minimum labor force participation rates at 71 percent for men and 57 percent for women, but with adjustments made to account for the different age structure of each racial/ethnic and gender group. This is necessary because young workers have consistently higher unemployment rates, and some racial/ethnic groups include many more young people.

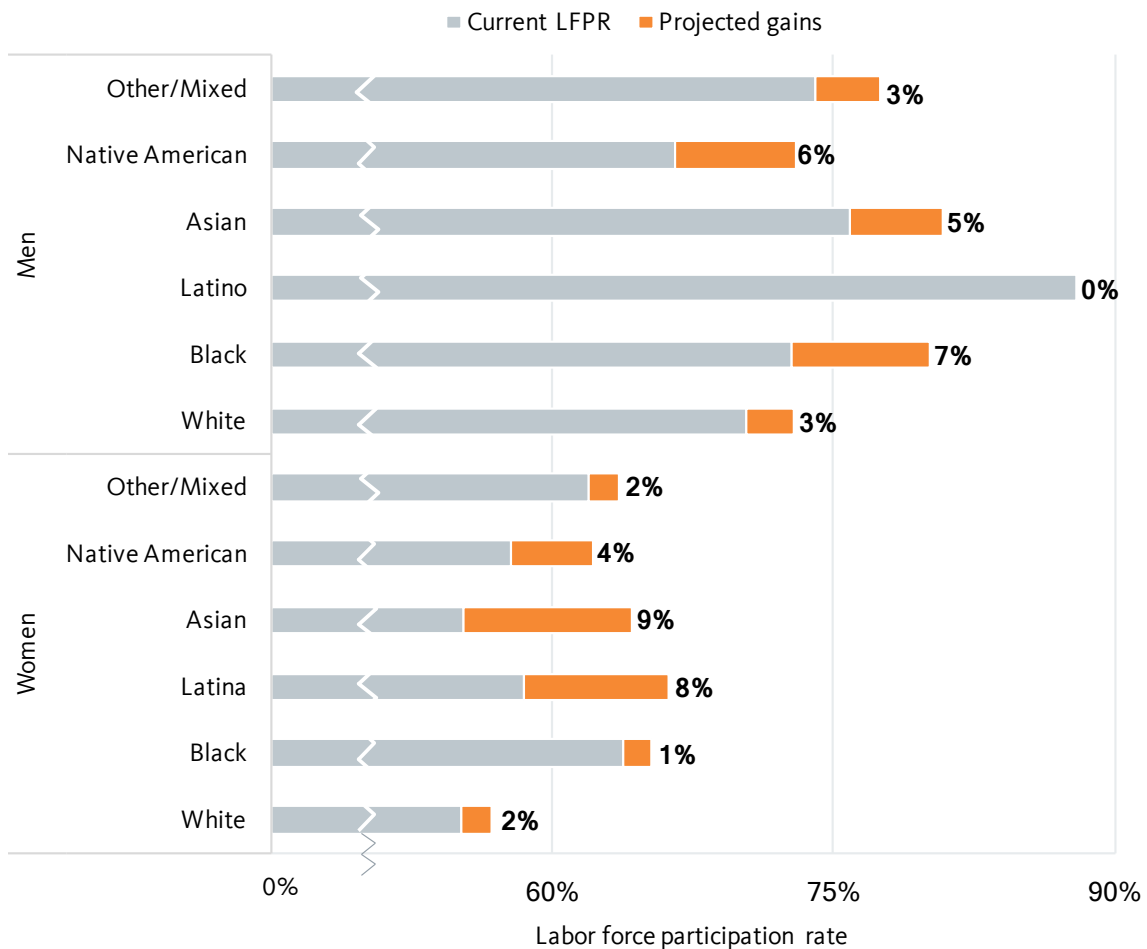
For our full methodology, see <http://plcyllk.org/2ApazHr>.

Achieving full employment in Georgia would mean decreasing unemployment for all racial and gender groups, except for Asian men, as shown on previous page, and with only a small decrease needed for Latino men. With full employment, the unemployment rate would decrease by 5 to 7 percentage points for Black men and women, Native American men, and mixed-race women. Most other groups would experience drops of 2 to 3 percentage points.

Achieving full employment would also mean increasing labor force participation rates for all groups except Latino men—who typically have higher labor force participation rates, but tend to have lower wages. Asian and Latina women would see the greatest increase in labor force participation as shown below (9 and 8 percentage points, respectively), followed by Black men (7 percentage points), Native American men (6 percentage points) Asian men (5 percentage points), and Native American women (4 percentage points). Other/mixed race and White men and women and Black women (except for Latino men) would see increases of 1 to 3 percentage points.

In a full employment economy, labor force participation rates would increase the most for Asian and Latino women along with Black and Native American men

Labor Force Participation Rates by Race and Gender: Georgia, 2016



Source: PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series. See the methodology for details.

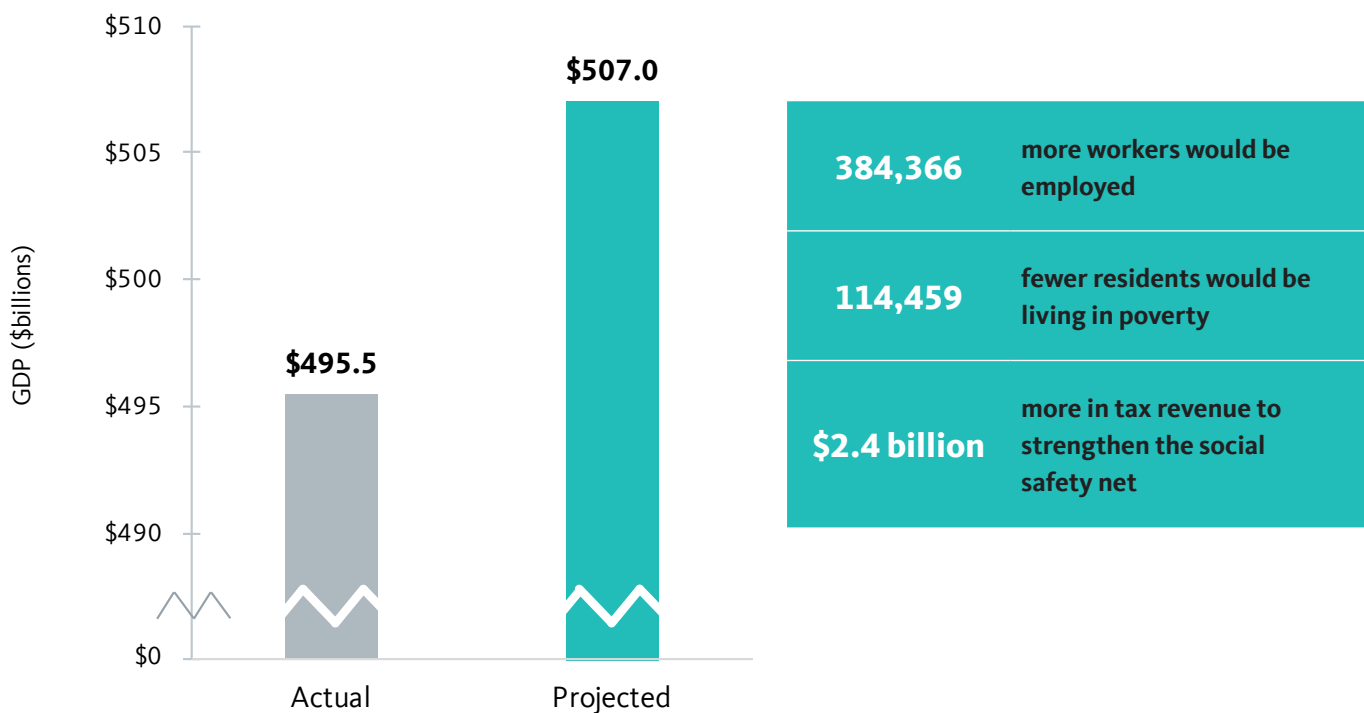
Decreasing unemployment and increasing labor force participation in this way—achieving full employment for all in Georgia—would bring cascading benefits, including the following.

- **Increased economic output:** With full employment for all, the state’s economy would be \$12 billion stronger *every year*.
- **Increased employment:** Decreasing unemployment and increasing labor force participation rates would bring about 384,000 workers into employment.
- **Increased incomes:** Black and Native American households would see their median incomes grow by 4 percent on average, mixed-race households would see a 3 percent increase in incomes, and all other groups would see average incomes rise by 1 percent.¹⁸

- **Decreased poverty:** Employment is the surest way to decrease poverty, and achieving full employment for all would mean about 114,000 fewer Georgians living in poverty, including 44,000 children.
- **More tax revenue:** More employed workers means higher incomes and more state and local tax contributions, adding up to \$2.4 billion in annual tax revenues to support needed programs and services throughout the state.

If there were full employment for all in 2016, Georgia’s economy would have been \$12 billion stronger.

Economic Gains to State Economy Under Full-Employment-for-All Scenario: Georgia, 2016



Source: PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. See the methodology for details.

Every region in the state would benefit from achieving full employment for all. Applying the same model to Atlanta, Savannah, and Augusta, we found that:

- Atlanta’s economy would be \$6.9 billion stronger per year with \$1.4 billion in additional tax revenues to deliver high-quality services to needed communities;
- Savannah’s economy would be \$300 million stronger each year with \$45 million in additional tax revenue; and
- Augusta’s economy would be \$500 million stronger annually with \$113 million in additional tax revenue.

The benefits of increased employment extend far beyond a paycheck. Work reduces social isolation by providing networks of friends and colleagues with whom to build community relationships, connects people to critical institutions such as banks, and provides many health benefits both in the literal form of health insurance as well as broader mental health benefits associated with economic security and the ability to manage financial obligations.

Full employment for all would also produce an “equity dividend” for businesses. Bringing more of Georgia’s communities of color and women into the workplace would increase the diversity that is known to drive business success and growth. A more diverse workforce attracts more customers, produces higher revenues, and captures a larger share of the market.¹⁹ Increasing employment boosts the incomes of the newly employed and also creates a “tighter” labor market that lifts wages. These increases in income would generate more consumer spending in the local economy, creating a “multiplier effect” that leads to stronger local businesses and more entrepreneurial opportunities, and also brings in additional sales tax revenue for local governments.

Getting to Employment Equity Requires Dismantling Barriers to Accessing Good Jobs

How can Georgia move toward employment equity? Focus groups with adult workers in Atlanta and Douglas County who are seeking employment or higher wages underscored how the lack of affordable and accessible childcare and transportation, employer discrimination based on criminal records and credit history, and other barriers harm their chances of securing family-supporting jobs and careers.

“”

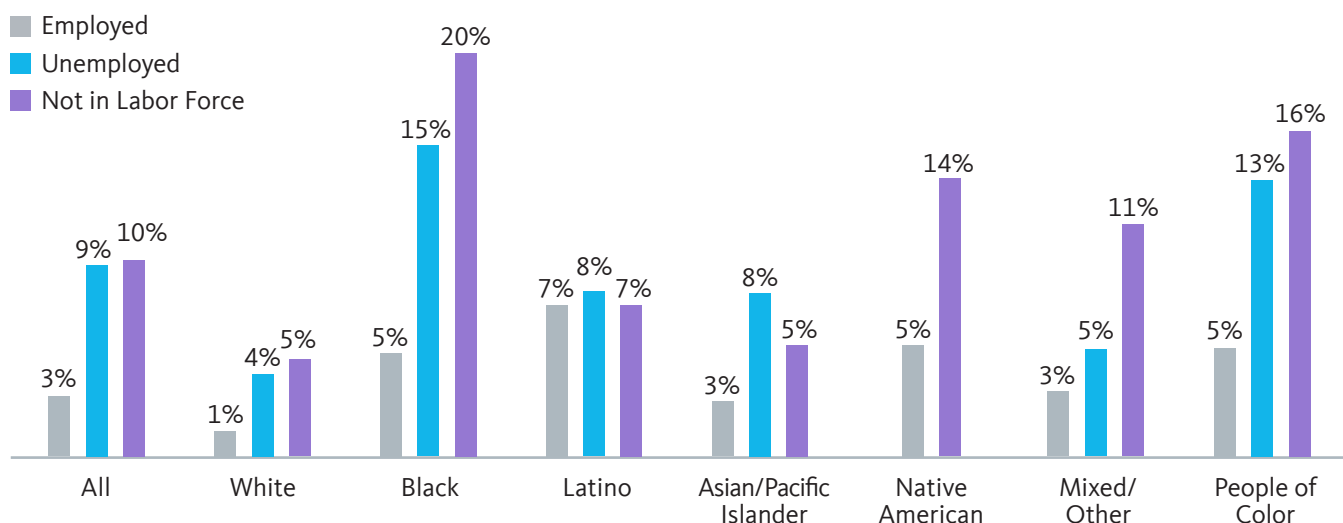
If you're not working, you can receive childcare assistance, but if you are working, you can't. They tell you your income is too high, but if you have to spend all of your money on childcare, why should you bother?

Tasha,
Atlanta Focus Group

- **Childcare:** Childcare is a growing expense for Georgia's working families, leaving them facing difficult choices in terms of the cost, quality, and availability of care. With the average annual cost of center-based care at about \$7,600 for an infant and \$3,585 for a school-aged child, a low-income family can expect to pay nearly 40 percent or more of their income on childcare.²⁰ For some, the tradeoff between paying for care and working for low wages simply does not make financial sense.
- **Transportation:** As one focus group participant put it, "If you want to work, you have to travel." Yet traveling to work is often challenging for low-income workers and workers of color given the combination of lack of car access; the "spatial mismatch" between where workers of color can afford to live and where jobs are located;²¹ and reliance on public transit systems that have long failed, and even torn apart communities of color and do not effectively connect people to jobs.²² There are wide racial disparities in car ownership among adults in Georgia—9 percent of African Americans and 7 percent of Latinos live in households without a car, compared to just 2 percent of Whites. And the data below show a clear relationship between car access and employment. Georgians who are not working are about three times as likely to be carless as those who are working, and jobless African Americans have the highest rate of living in a carless household.

Jobless Georgians are much more likely to be carless than their employed counterparts

Percent of Georgians Living in Carless Households by Race/Ethnicity, Employment, and Labor Force Status: Georgia, 2015



Source: PolicyLink/PERE analysis of Integrated Public Microdata Series 2015 5-Year American Community Survey data.

Note: Data reflects a 2011 through 2015 average. Universe includes the civilian noninstitutional population ages 25-64 living in households (excludes group quarters).

- **Criminal records:** Having a criminal record has multiple economic consequences that follow people well after incarceration. In Georgia, more than 2.6 million people have a criminal record.²³ The state has the ninth largest prison population in the country.²⁴ Each year, roughly 20,000 people are released from prisons and jails.²⁵ Studies show that those who are able to find employment after release can expect to take home 40 percent less income on average than what they earned prior to incarceration.²⁶ Overall, the economic prospects for reentering citizens in the state are grim. Although a Georgia policy prevents public employers from asking about a job applicant's criminal history on the job application, that law does not apply to private-sector employers, who provide the vast majority of jobs. Many people cannot get over the hurdle of having to check off a box around felony convictions.
- **Credit checks:** Nearly half of employers nationwide require good credit checks as a condition of employment, which unnecessarily locks out many potential candidates. A national survey conducted by Demos found that one in seven unemployed respondents reported losing a job opportunity because of a credit check.²⁷ In the same survey, participants reported that negative marks on their credit reports were often due to their job loss, thus creating a vicious cycle.²⁸
- **Skills:** Georgia's education and workforce system is not adequately preparing workers for the jobs of the future. Projections from the Georgetown Center on Education and the Workforce show that by 2020, 42 percent of jobs in Georgia will require at least an associate's degree, yet only 31 percent of the state's Black adults and 19 percent of its Latino adults have that level of education today, compared with 42 percent of White adults.²⁹ Georgia also has the fifth highest share in the nation of disconnected youth—16- to 24-year-olds who are not in school or working.³⁰ In 2015, Black youth had the highest rate of disconnection at 22 percent, but this is a challenge across all groups: 16 percent of Latino youth and 14 percent of White youth are not pursuing education and are not employed.³¹

“ ”

My child's father, he is a former veteran, but he has a felony from more than 10 years ago. It could have been removed from his record after 7 years, but he had so many court fees that he couldn't afford it. It's a burden because even though he has a job, it's not a decent job. He doesn't make enough.

Crystal,
Atlanta Focus Group

Focus group participants raised several other challenges. Strict limitations on the availability of social safety-net programs, such as unemployment insurance, childcare support, and cash assistance, leaves those who are in the search for well-paying work with few options. The lack of affordable housing and displacement were also a concern. Speculation and new developments, such as condos, has caused rising rents and property tax increases, forcing residents with limited incomes to move to more affordable places that are often further away from jobs. Finally, the shift to an almost exclusively on-line application process has confounded older workers. Job-training programs often do not consider the unique training needs for older workers trying to reenter an economy that has drastically changed. These issues entrench what is already a precarious situation for many as they try to navigate the job market.

The Way Forward: Employment Equity

To secure a prosperous future for Georgia, leaders at the state and local level must take action to ensure that all Georgians can participate in the state's impressive economic growth and contribute to building the "next" Georgia economy that is competitive, just, and sustainable. We suggest three policy priorities for achieving employment equity and inclusive growth in Georgia.

- Remove the barriers that prevent economically insecure workers from accessing good jobs
- Scale up workforce development efforts that connect struggling workers to quality jobs and career pathways
- Grow the base of employers committed to hiring disadvantaged workers and providing quality jobs

Remove the barriers that prevent economically insecure workers from accessing good jobs

Addressing background checks, childcare, and transportation needs can alleviate some of the most significant barriers job seekers and low-wage workers face when trying to improve their economic conditions. Removing these barriers is a winning proposition for both workers and employers, who benefit from accessing new employees and reducing costly turnover due to their workers being unable to find childcare or get to work on time.

- **Ban the box on criminal background checks.** More than 28 states and 150 cities have established policies to help reduce potential discrimination of candidates who have criminal backgrounds, allowing them to at least get to an interview stage of the employment process. Georgia's ban-the-box policy was established by executive order in 2015; however, this policy applies only to candidates seeking public-sector employment with the state. A number of cities as well as the states of California and Minnesota extend their ban-the-box policies to private-sector jobs. Policymakers and employers may also want to consider additional fair-chance hiring policies, such as only screening for criminal activity directly related to the type of work the candidate would be doing.
- **Ban employer credit checks.** Poor credit bears no relationship to a person's ability to perform on the job, and should not be a barrier to employment. Research has shown that states that have passed laws banning employer credit checks saw an increase in employment in low-credit census tracts, yet only 11 states, none of which are in the South, have established these laws.³² For several years, including in 2017, legislation has been introduced in Georgia that would ban credit checks except for jobs with a fiduciary responsibility, a managerial position, or that require accessing consumer financial information. The bill has not made it through the legislature.³³ Passing this ban would be a needed first step, but exempting certain job categories is unjustified.³⁴ To effectively reduce the impact of credit checks on employment opportunities, Georgia should pass a credit-check ban covering all employers.

Six Principles for Economic Inclusion

The Partnership for Southern Equity defines economic inclusion as “increasing equity in the distribution of income, wealth building, employment, and entrepreneurial opportunities for vulnerable populations.” The following principles guide their economic inclusion efforts in the metro Atlanta area. These principles can serve as a road map as policymakers decide on strategies to grow the workforce, engage community members, and achieve maximum economic prosperity in the Atlanta metro area and throughout the state.

- 1. Economic inclusion accounts for the financial well-being of families throughout the region. This means deploying people-based strategies that build financial skill and decision-making; creating access to financial products, savings, and assets; and advancing policies that protect consumers.**
- 2. Regional business communities and key decision makers must recognize that low-income communities and communities of color are untapped economic assets.**
- 3. Access to equitable and diverse educational opportunities with appropriate support systems are central components of a successful regional economic development effort.**
- 4. Improved workforce training and soft-skills development for low-income communities and communities of color enable these populations to more fully participate in the surrounding economy.**
- 5. The leadership, wisdom, and innovation found in underresourced communities must be positioned to inform and benefit from positive market outcomes.**
- 6. Place-based approaches for economic inclusion, enabled by authentic public–private–community partnerships, will revitalize underdeveloped areas and invigorate metropolitan economies.³⁵**

- **Make childcare more accessible.** Addressing childcare needs can boost employment outcomes. When Atlanta’s Center for Working Families began providing subsidies for childcare, employment among their program participants increased by 30 percent.³⁶ Addressing childcare needs also benefits employers, who experience high turnover and lost productivity due to the insecure childcare situations of their workers.³⁷ Georgia can increase access to quality, affordable care in several different ways.
 - Provide parents pursuing a postsecondary degree with childcare assistance. Georgia is among eight states that do not offer childcare assistance to parents while they pursue a four- or two-year college degree.³⁸
 - Develop local revenue sources to increase childcare subsidies. In nine counties in the state of Florida, including Palm Beach County, voters approved the creation of a special tax to fund additional services for children and families, including childcare.³⁹
 - Encourage employers to expand childcare benefits for low-wage workers. ConAgra Foods, Inc., in partnership with a local Head Start program in Huntsville, Arkansas, helped to open a childcare center with extended operating hours to accommodate parents’ late-night schedules and unexpected overtime.⁴⁰
- **Expand public transit options and supports for low-income residents.** Inequitable transportation policy stunts the economic prospects of people of color and job-seekers dependent on public transit, and limits the economic prospects of the whole region. In Atlanta, a history of racially driven decisions has limited investments in public transit, investments that would bring economic growth to the benefit of the entire region.⁴¹ For example, the expansion of the federal highway system as well as the wave of Urban renewal policies were used as tools to level thriving Black neighborhoods such as the Sweet Auburn district, creating car-dependent communities and displacing approximately 70,000 almost exclusively Black residents from downtown Atlanta in the 1960s.⁴² Black neighborhoods have continued to bear the burden of those decisions today.

Expanding transit options should not simply result in the displacement of current residents to new areas of concentrated poverty. Emphasis must be placed on connecting communities that are most in need to opportunity, and ensuring that existing residents can benefit from any expansion in the form of direct employment. In addition to more mass transit options, policymakers throughout the state should shore up transit subsidies to incentivize work by keeping costs affordable to low-income passengers.

Scale up workforce development efforts that connect struggling workers to quality jobs and career pathways

Policymakers throughout the state can take up several strategies to help workers build the skills needed to obtain and maintain employment. Additionally, they should ensure that skill-building and job-creation efforts target the most underserved populations.

- **Expand apprenticeships and paid training opportunities.** Apprenticeships are a win-win for workers who gain valuable skills on the job and employers seeking a steady source of employees, and states can lead on expanding apprenticeship opportunities. Iowa, for example, established the Apprenticeship and Training Act in 2014, allocating \$3 million to expand apprenticeship programs throughout the state. Since then, Iowa has been among the top states to register new apprenticeship programs with the federal government.⁴³ Colorado has expanded apprenticeship opportunities by reimbursing small businesses (less than 100 employees) up to \$5,000 for offering paid internships in certain industries.⁴⁴ South Carolina increased its apprenticeships by 750 percent by establishing a comprehensive expansion plan including direct state funding, tax credits, technical assistance, and access to training programs through technical colleges.⁴⁵
- **Steer workforce development efforts toward growing sectors.** Fully tapping into Georgia’s talent base requires opening up employment opportunities across all sectors of the economy, particularly the high-growth innovative industries that are driving the state’s competitiveness and growth.

The EARN Maryland program was established by the state to support employers that were struggling to find workers. Cohorts or partnerships of at least 5 employers are eligible to apply for funds from the state to support employee training after coming together to assess their labor needs and designing a program that suits them while filling employment gaps for target populations.⁴⁶

In Northern Georgia, home to a large flooring industry, business leaders recognized a shortage of workers with the skills to handle modernized machinery. Twenty-five percent of the jobs in northwest Georgia are in the manufacturing industry, yet only 5 percent of students were in vocational programs at local colleges and career programs. A robust group of leaders including the community college system and seven flooring industry leaders worked closely together to establish the Advanced Manufacturing Business Academy which enrolled its first 200 students in the fall of 2016.⁴⁷

- **Invest in youth employment.** Youth employment is a proven strategy to help youth build employment skills and earn a paycheck, and it also serves as a violence-prevention strategy because youth violence peaks during summers, when kids are out of school. In St. Louis, STL Youth Jobs target students in underserved neighborhoods, offers them job training and skill development, and then places each youth in a summer internship. For 51 percent of their participants, this program offers them their first job. Also, 60 percent of youth continue to be employed years after participating in the program.⁴⁸ In Chicago, youth violence was decreased by 43 percent with the city's summer youth employment program.⁴⁹ Youth employment is not only an opportunity to help youth earn their first paycheck, it is also a prime occasion to help young people build savings habits and form a healthy relationship with their finances. MyPath partnered with the City of San Francisco's summer youth employment program to teach kids about building savings and building credit. Youth in the program collectively have saved more than \$1 million. The MyPath model is now being replicated across the country.⁵⁰
- **Implement targeted and local hiring.** Local and targeted hiring policies require or incentivize businesses that receive public resources, such as government contracts or tax breaks, to hire workers living in a particular geographic area or from specific populations within the community. These policies can be passed citywide, adopted by government agencies, or negotiated on large development projects (e.g., community workforce agreements and community benefits agreements). In New Orleans, Mayor Mitch Landrieu developed a hiring program as a strategy to reduce the city's 52 percent jobless rate among Black men. Since the launch of the program, Black male unemployment has decreased to 44 percent.⁵¹

Grow the base of employers committed to hiring and providing quality jobs for struggling workers

Georgia's economic development and growth efforts should foster inclusive growth, prioritizing strategies that strengthen and multiply the number of employers who provide good jobs to the state's workers who do not have a college degree. Below we describe strategies to support the growth of businesses owned by people of color as well as worker-owned cooperatives and other businesses that are more likely to provide these jobs. Strategies that shift the private sector are also critical. Georgia should ensure economic development subsidies are accountable and deliver quality jobs and other community benefits. Additionally, community leaders in the state should promote employer understanding of how providing quality jobs and fostering greater racial economic inclusion can boost a company's competitiveness and growth by reducing turnover and improving performance.⁵²

- **Support the growth of minority- and women-owned business enterprises (MWBs).** MWBs are crucial agents in any effort to improve economic inclusion. Not only are these entities a significant wealth-creating engine for low- and moderate-income communities, they are also job centers. Minority-owned businesses have a strong record of hiring people of color and women.⁵³ The City of Atlanta has a substantial history in creating opportunity for minority-owned businesses under former Mayor Maynard Jackson, who focused on contracting opportunities and community engagement in policymaking.

The City of Cincinnati conducted a disparity study to assess the number of city contracts going to MWBs. The results showed that in a city that is 43 percent Black, less than 1 percent of contracts went to Black firms. The city leadership moved into action and developed a Minority Business Accelerator (MBA) program. Since its founding, there are three times as many Black-owned companies with revenues greater than \$10 million in the region. The MBA's member companies employ more than 3,500 individuals; the average portfolio revenue of an MBA business is \$34 million.⁵⁴

States can set aside a portion of funds to spur growth among MWBs. The state of New York was the first to establish a \$2 million MWBE investment fund in 2015. Funds are to be used to support innovation and job creation in high-growth sectors throughout the state. The fund is making seed investments in start-ups, with a focus on the fields of advanced materials, clean technology, life sciences, and medical devices.⁵⁵

- **Leverage the economic power of large “anchor institutions.”** State and local governments can coordinate with universities, community colleges, hospitals, and large private-sector employers not only to fill open job positions, but also to help grow new local businesses through contracting. This can be done with a focus on communities with high unemployment. The Chicago Anchors for a Strong Economy (CASE) is a network of 16 anchor institutions within the city that have made a commitment to using their procurement dollars for goods and services from local businesses. CASE has worked with more than 236 businesses, has created 180 new jobs, and has facilitated \$50.6 million in revenues to the local economy.⁵⁶
- **Develop a cooperative ecosystem.** Cooperative businesses can achieve multiple goals of economic inclusion. They are not only a job creation mechanism, but they are also a wealth-building tool for workers who typically would not be able to earn enough to build assets on their own. Cooperative businesses are inherently inclusive, as they typically have a governance structure that allows worker-owners to have a voice in the decision-making processes of the company, and they contribute to economic development directly in the communities in which they operate. Developing a cooperative ecosystem involves many steps; however, policymakers can play a significant role by developing pro-cooperative legislation or allocating funds for technical assistance and capital access.⁵⁷ In Atlanta, the seeds of a cooperative ecosystem have been planted through the Atlanta Wealth Building Initiative. The Initiative used an anchor strategy to develop BetterLife Growers, a company that produces lettuce. By 2021, BetterLife is projected to provide half of the lettuce used by food companies in the Atlanta metro area, and will transition ownership of the company to its 25 employees.⁵⁸

While the above strategies focus on state and local efforts, the federal government has an important role to play in achieving employment equity in Georgia and elsewhere. The most effective approach to achieving employment equity would be to establish a federal job guarantee that would ensure everyone who wanted a job had one. Job-creation strategies typically require a very large infusion of capital, and no entity is more well-positioned to provide that infusion than the federal government. Scholars Darrick Hamilton and Sandy Darrity have proposed a National Employment Investment Corps (NEIC)—a program that would guarantee employment through the federal government as a last resort for those who are not successful in the private market.⁵⁹ Not only would the NEIC provide many societal and economic benefits of employment, it would provide the opportunity to upgrade our national infrastructure—roads, bridges, green homes, better education facilities, higher quality childcare and eldercare, and more.⁶⁰

Conclusion

Economic inclusion in the state of Georgia will be key to maintaining a competitive edge in an evolving, more global economy. The state is experiencing a period of sustained and notable growth with an increase in the number of jobs in the pipeline. However, the prosperity that many presume will come from this growth is not being shared by all Georgians. Low-income communities and communities of color continue to be on the margins of the economy and are locked out of opportunity. Helping these residents more fully participate in the economy is clearly a win-win for all in Georgia. A focus on employment equity, or full employment for all—a scenario in which all people who want to work, regardless of their race or gender, are able to find employment—will bring many benefits throughout the state. If leaders invest in critical strategies, such as targeted and local hiring, ensuring that reentering citizens can access employment, and expanding work supports such as childcare and transportation, Georgia will see billions of dollars in increased incomes, a lower poverty rate, and increased revenues to support needed programs for all Georgians.

Notes

- 1 These are examples of employment situations and barriers described to us during focus groups held in Atlanta and Douglasville, Georgia, during the spring of 2017. All names have been changed to protect the identities of the participants.
- 2 U.S. Department of Health and Human Services, Federal Poverty Guidelines, (accessed September 10, 2017). <https://www.federalregister.gov/documents/2017/01/31/2017-02076/annual-update-of-the-hhs-poverty-guidelines>.
- 3 National Equity Atlas, Percent Working Poor by Race/Ethnicity and Gender (accessed October 25, 2017), http://nationalequityatlas.org/indicators/Working_poor/By_gender:40271/United_States/false/Poverty_Level:20/
- 4 Reasons for not participating in the labor force are based on PolicyLink/PERE analysis of the Current Population Survey basic monthly files for 2011 through 2015, from the U.S. Census Bureau and the U.S. Bureau of Labor Statistic. The reasons listed are the most commonly cited reasons for not looking for work during the past four weeks.
- 5 The universe of economically insecure working-age adults described in this paragraph includes the civilian noninstitutional population ages 25-64. They have a low rate of full-time employment (58 percent) and low median annual earnings of about \$16,400.
- 6 National Equity Atlas, Race and Ethnicity, Georgia, (Accessed October 25, 2017), <http://nationalequityatlas.org/indicators/Race-ethnicity>.
- 7 Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek, Integrated Public Use Microdata Series: Version 7.0 [Machine-readable database] (Minneapolis, MN: University of Minnesota, 2017).
- 8 Additional reports are being produced in 2018 for Alabama, Louisiana, Mississippi, and North Carolina.
- 9 See, for example, Andy Kiersz, “RANKED: The Economies of all 50 US States and DC from Worst to Best,” *Business Insider*, August 3, 2015, <http://www.businessinsider.com/state-economy-ranking-july-2015-2015-7> and “Best States for Growth,” *U.S. News*, <https://www.usnews.com/news/best-states/rankings/economy/growth>.
- 10 U.S. Bureau of Economic Analysis, https://www.bea.gov/iTable/index_regional.cfm.
- 11 Jeffrey Humphreys, “Economy: The Economic Outlook for 2017,” *Georgia Trend*, January 2017, <http://www.georgiatrend.com/January-2017/Economy-The-Economic-Outlook-for-2017/>.
- 12 Ibid.
- 13 “Occupational Outlook,” Georgia Department of Labor, Office of Workforce Statistics and Economic Research, (accessed September 10, 2017), <https://explorer.gdol.ga.gov/gsipub/index.asp?docid=389>.
- 14 PolicyLink/PERE analysis of 2016 American Community Survey 1-Year Estimates, accessed via American Factfinder. Universe includes the civilian population ages 16 or older. Data for Black Georgians reported here includes Latinos who identify racially as Black—less than 2 percent of all who identify as Black.
- 15 Wesley Tharpe, “Bad Times for Good Jobs: Georgia’s Shrinking Middle Class Opportunity,” Georgia Budget and Policy Institute, July 2014, <https://gbpi.org/wp-content/uploads/2014/07/Bad-Times-for-Good-Jobs-07302014.pdf>.
- 16 “Occupational Outlook,” Georgia Department of Labor.
- 17 “Median Wages: Georgia,” National Equity Atlas, (accessed October 25, 2017), <http://nationalequityatlas.org/indicators/Wages-Median/Trend:40186/Georgia/false/>.
- 18 The race/ethnicity of households is defined by the self-identified race/ethnicity of the head of the household in responses to the Census American Community Survey.
- 19 Cedric Herring, “Does Diversity Pay?: Race, Gender, and the Business Case for Diversity,” *American Sociological Review* 74 (2009): 208-22; Stanley F. Slater, Robert A. Weigand, and Thomas J. Zwirlein, “The Business Case for Commitment to Diversity,” *Business Horizons* 51 (2008): 201-209; “Growing the Future: The Case for Economic Inclusion in Metro Atlanta,” Partnership for Southern Equity, 2016, <http://eventpse.org/wp-content/uploads/2016/08/Growing-the-Future-Full-Report-2016.pdf>.
- 20 Melissa Johnson, “Help Needed to Fund Georgia’s Laudable Child Care Goals.” Georgia Budget and Policy Institute, July 2017, <https://gbpi.org/wp-content/uploads/2016/07/Funding-Georgia-Child-Care-Plan.pdf>.
- 21 Elizabeth Kneebone and Natalie Holmes, “The Growing Distance between People and Jobs in Metropolitan America,” The Brookings Institution, March 2015 https://www.brookings.edu/wp-content/uploads/2016/07/Srvy_JobsProximity.pdf.
- 22 “Opportunity Deferred: Race, Transportation, and the Future of Metropolitan Atlanta,” Partnership for Southern Equity, (accessed September 10, 2017) <http://45tkhs2ch4042kf51f1akcju.wpengine.netdna-cdn.com/wp-content/uploads/2017/02/2017-PSE-Opportunity-Deferred4.pdf>.
- 23 “The State of Corrections Fact Sheet,” Georgia Center for Opportunity, (accessed October 25, 2017) <http://georgiaopportunity.org/assets/2014/10/GCO-prisoner-reentry-fact-sheet-2014.pdf>.
- 24 State-By-State Data, “State Imprisonment Rates – Rankings” The Sentencing Project, (accessed October 25, 2017) <http://www.sentencingproject.org/the-facts/#rankings?dataset-option=SIR>.
- 25 “The State of Corrections Fact Sheet.”
- 26 “Americans with Criminal Records,” Half in Ten and The Sentencing Project, (accessed October 25, 2017) <http://www.sentencingproject.org/wp-content/uploads/2015/11/Americans-with-Criminal-Records-Poverty-and-Opportunity-Profile.pdf>.
- 27 Amy Traub and Sean McElwee, “Bad Credit Shouldn’t Block Employment: How to Make State Bans On Employment Credit Checks More Effective,” Demos, February 2016, <http://www.demos.org/sites/default/files/publications/BadCreditShouldntBlockEmployment.pdf>.
- 28 Ibid.

- 29 “Education Levels and Job Requirements: Georgia,” National Equity Atlas, (accessed September 10, 2017), http://nationalequityatlas.org/indicators/Education_levels_and_job_requirements.
- 30 “Disconnected Youth: Georgia, Rankings,” National Equity Atlas, (Accessed September 10, 2017) http://nationalequityatlas.org/indicators/Disconnected_youth/Ranking%3A43046/Georgia/false/Race~ethnicity%3AAll.
- 31 Ibid.
- 32 Traub and McElwee, “Bad Credit Shouldn’t Block Employment.”
- 33 “HB 182 Fair Chance at Employment Act,” 2017-2018 Regular Session, Georgia General Assembly, (accessed September 10, 2017) <http://www.legis.ga.gov/Legislation/en-US/display/20172018/HB/182>.
- 34 Traub and McElwee, “Bad Credit Shouldn’t Block Employment,” 8.
- 35 “Growing the Future: The Case for Economic Inclusion in Metro Atlanta.”
- 36 Melissa Johnson, “Child Care Assistance: Georgia’s Opportunity to Bolster Working Families, Economy,” Georgia Budget and Policy Institute, March 2015, <https://gbpi.org/wp-content/uploads/2015/03/Child-Care-Report-2015.pdf>.
- 37 “Why Should Employers Care? Relationship between Productivity and Working Parents” Early Care & Learning Council, July 2014 <https://childcarecouncil.com/wp-content/uploads/2014/07/Why-Should-Employers-Care-ECLC.pdf>.
- 38 Melissa Johnson, “Child Care Assistance,” 8.
- 39 Pamela Winston, “Meeting Responsibilities at Work and Home: Public and Private Supports,” Urban Institute, 2007, http://www.urban.org/UploadedPDF/411537_meeting_responsibilities.pdf.
- 40 “Opportunity Deferred: Race, Transportation and the Future of Metropolitan Atlanta.”
- 41 Ibid.
- 42 Ibid.
- 43 Angela Hanks and Ethan Gurwitz, “How States Are Expanding Apprenticeship,” Center for American Progress, February 9, 2016, <https://www.americanprogress.org/issues/economy/reports/2016/02/09/130750/how-states-are-expanding-apprenticeship/>.
- 44 “Innovative Industries,” Colorado Department of Labor and Employment, <https://www.colorado.gov/pacific/cdle/innovativeindustries>.
- 45 Hanks and Gurwitz, “How States Are Expanding Apprenticeship.”
- 46 Lauren Eyster and Amanda Briggs, “State Workforce and Economic Development: Opportunities for Collaboration.” Urban Institute, November 2016 https://www.urban.org/sites/default/files/publication/86131/2001004-state-workforce-and-economic-development-opportunities-for-collaboration_4.pdf.
- 47 “Northwest Georgia: Partnering to Connect Workers to Jobs in the Floor Covering Industry,” Communities that Work Partnership, Aspen Institute, August 2016, <http://www.aspenwsi.org/wordpress/wp-content/uploads/CTWP-NWGA.pdf>.
- 48 STL Youth Jobs, (accessed October 25, 2017), <http://stlyouthjobs.org/>.
- 49 Sarah B. Heller, “Summer Jobs Reduce Violence Amongst Disadvantaged Youth,” Science Magazine, December 5, 2014. Issue 346. Vol. 6214 <http://urbanlabs.uchicago.edu/attachments/store/7ff57c6b05ffa643108ae0e42ca8b7bacdb4d2b6121e8e4573c8ad487dc3/Summer%2BJobs%2BReduce%2BViolence%2BAmong%2BDisadvantaged%2BYouth%2B-%2BScience.pdf>.
- 50 “MyPath” (accessed October 23, 2017) <http://mypathus.org/>.
- 51 Jessica Williams, “Black Unemployment Among Black Males Down to 44 Percent, City Officials Say,” *The New Orleans Advocate*, October 1, 2016 http://www.theadvocate.com/new_orleans/news/politics/article_2af961a6-8426-11e6-a816-f7af16269fdf.html.
- 52 See Zeynep Ton, *The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits*, (New York, New York: New Harvest, 2014), and Angela Glover Blackwell et al., *The Competitive Advantage of Racial Equity* (Oakland, CA: PolicyLink and FSG, 2017) .
- 53 “Minority Owned Businesses: Capital, Contracts and Supplier Diversity,” Greenlining Institute, (accessed September 10, 2017) <http://greenlining.org/issues-impact/diversity-inclusion/minority-owned-businesses-capital-contracts-supplier-diversity/>.
- 54 Alexis Stephens, “A Business Accelerator Is Literally Cementing Equity into Cincinnati’s Economy.” *America’s Tomorrow*, (PolicyLink, Oakland, CA), April 21, 2016, http://www.policylink.org/focus-areas/equitable-economy/americas-tomorrow-newsletters/evicted-author-matthew-desmond#How_A_Business_Accelerator_Is_Literally_Cementing_Equity_into_Cincinnati_s_Economy.
- 55 “Governor Cuomo Announces Launch of \$2 Million Investment Fund to Support MWBE and Small Business Growth” New York State, Office of Governor Andrew Cuomo, May 8, 2015, <https://www.governor.ny.gov/news/governor-cuomo-announces-launch-2-million-investment-fund-support-mwbe-and-small-business>.
- 56 “Chicago Anchors for a Strong Economy (CASE),” World Business Chicago, (accessed October 25, 2017), <http://www.worldbusinesschicago.com/case/>.
- 57 Melissa Hoover and Hillary Abell, “The Cooperative Growth Ecosystem: Inclusive Economic Development in Action,” Project Equity and the Democracy at Work Institute, January, 2016, <http://www.ecosystem.coop/wp-content/uploads/2016/01/InclusiveEconomies2.pdf>.
- 58 “Growing the Future: The Case for Economic Inclusion in Metro Atlanta,” 23.
- 59 Mark Paul et al., “Returning to the Promise of Full Employment: A Federal Job Guarantee in the United States.” Insight Center for Community Economic Development. June 2017 https://insightccd.org/wp-content/uploads/2017/06/insight_fjg_brief_2017.pdf.
- 60 Ibid.

Acknowledgments

We would like to thank the W. K. Kellogg Foundation for funding this report. We are also grateful to Sarah Treuhaft, senior director at PolicyLink, for editing this report. Additionally, we would like to thank PolicyLink staff and partners who contributed to this document including James Crowder, Pamela Stephens, and Justin Scoggins at the Program for Environmental and Regional Equity (PERE) at the University of Southern California, Nathaniel Smith and Joy Wilkins at the Partnership for Southern Equity, and the members of the JUST Opportunity Circle. Finally, we would like to extend our sincere thanks to all of the focus group participants who contributed to this report as well as the Center for Working Families, the Douglas County Economic Development Authority, and the Urban League of Atlanta for their assistance in organizing the focus groups.

©2017 PolicyLink. All rights reserved.

PolicyLink is a national research and action institute advancing racial and economic equity by **Lifting Up What Works**[®].
www.policylink.org

Author Biography

Alexandra Bastien is a senior associate at PolicyLink. In this role, she works to lift up policy solutions pertaining to wealth inequality across the nation. She conducts research, provides technical expertise, and develops programs and strategies related to asset building and equitable economic development.



Lifting Up What Works®

Headquarters

1438 Webster Street
Suite 303
Oakland, CA 94612
t 510 663-2333
f 510 663-9684

Communications

75 Broad Street
Suite 701
New York, NY 10004
t 212 629-9570

Washington, DC

1200 18th Street, NW
Suite 1200
Washington, DC 20036

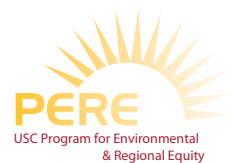
Los Angeles

1000 North Alameda Street
2nd Floor
Los Angeles, CA 90012

policylink.org

Facebook: /PolicyLink

Twitter: @policylink



University of Southern California
950 W. Jefferson Blvd.
JEF 102
Los Angeles, CA 90089
t 213 821-1325
f 213 740-5680

<http://dornsife.usc.edu/pere>



100 Peachtree Street
The Equitable Building
Suite 1960
Atlanta, Georgia 30303

www.psequity.org