

Critical Issues
Critical Trends
in Workforce
Development in
Franklin County

May 2005



The Columbus Workforce Alliance

“An Interagency Workforce Development Consortium”

WHO WE ARE

The Columbus Workforce Alliance (CWA) is a consortium of community- and faith-based nonprofits committed to providing high quality education, training, and employment services to low-income, unemployed and underemployed Columbus residents. The CWA seeks to produce long-term change by empowering community residents to take control of their futures and evolve into agents of change for their communities by becoming actively employed citizens.

As community champions, the CWA members have established advocacy as a key component of their strategy to support low-income unemployed and underemployed residents and job seekers. Using research data and analysis to identify the trends and barriers to employment for this segment of the community, the CWA seeks to engage elected officials, key decision makers and other stakeholders, and to inform state and local public policy.

The CWA members are:

Central Community House	Jewish Family Services
Columbus Urban League	Neighborhood House
Community Connection for Ohio Offenders	St. John Learning Center
Godman Guild Association	St. Stephen's Community House
	The Salvation Army

ACKNOWLEDGEMENTS

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Critical Issues, Critical Trends in Workforce Development in Franklin County

Columbus and Central Ohio can look with justifiable pride on an economic and social climate that has been booming for several decades. Columbus is one of the few cities in the Northeastern quadrant of the country that has continued to grow over the past quarter century. Indeed, since 1970, Columbus' population has increased from around 570,000 to an estimated 725,000 in July of 2002—more than 27 percent—while the State of Ohio's population has stagnated.¹ Moreover, Columbus' unemployment rate has remained lower than the national average. There are some serious and disturbing trends, however, that place a real cloud on the future of Columbus and Franklin County. These trends are not insurmountable; with aggressive and focused action, they can be effectively addressed by our business and community leadership, but they must be aggressively and proactively addressed.

They are:

1. A population that is growing increasingly minority, foreign-born, and poorer.

The minority population of Franklin County has grown almost two and a half times in size since 1970, from approximately 108,000 minorities to about 262,000 thirty years later. This reflects a significant increase in the African American population, but it is also much greater than that. For example, the Somali population of Columbus and Franklin County has grown from almost nothing in 1990 to 20,000 residents today—the second largest Somali population in the country, behind the Minneapolis-St. Paul area. In the past decade, we have also seen a significant increase in the number of Hispanics and Asians in Franklin County (see Table 1).

**Table 1 Racial and Ethnic Population Composition
Franklin County, 1990-2000**

	1990 Population	2000 Population	Percent Change 1990-2000	Percent of 2000 Population
White	783,714	806,851	3.0	75.5
Black or African American	152,840	191,196	25.1	17.9
American Indian and Alaska Native	2,056	2,899	41.0	.03
Asian, Native Hawaiian and Other Pacific Islander	19,437	33,250	71.1	3.1
Some other race	3,390	10,992	224.2	1.0
Two or more races	NA	23,790	NA	2.2
Hispanic or Latino (of any race)	9,236	24,279	162.9	2.3
Total Franklin County	961,437	1,068,978	11.2	100.0

Sources: Census 2000, Summary File 1; 1990 Census of Population and Housing, Summary Tape File 1

The reality is that the minority population, except for Asian Americans, is poorer than the population of Franklin County as a whole. It is less well-educated; more likely to have a criminal record; more likely to be unemployed or underemployed. It is also more likely to be in the workforce age than the white population. Thus, at a time when it is most critical for this emerging population to be able to find jobs, it is confronting educational and other barriers that make it more difficult for this population to be employed.

As the minority and foreign-born population of Columbus and Franklin County has risen, so has the poverty rate in Franklin County. According to the Franklin County Department of Job and Family Services, the estimated 128,989 people living in poverty in Franklin County in 2000 represented a jump over the previous decade. In addition, an estimated 175,000 persons in Franklin County “are living in families insufficient to meet basic living costs.” And the situation may be worsening, as the unemployment rate today is higher than it was in 2000.

2. A minority population with major educational gaps from the majority.

In most of the school districts in the Central Ohio area, African American students trail white students in graduation rates. And what is even more disturbing, the graduation rate of African American students in the Central Ohio area overall is significantly lower than that of white students, since the majority of African American students in the Central Ohio area are educated by the Columbus Public School system, which has the lowest graduation rate of any district in the region (see Tables 2 and 3).

**Table 2 High School Graduation Rate
Franklin County Public School Districts, 2001-2002 School Year**

School District	White (NH)	Black (NH)	Asian/PI	Hispanic	All Students
Bexley City	97.1	90.0	NC	NC	96.8
Canal Winchester	95.2	NC	NC	NC	94.9
Columbus	51.4	58.6	72.2	62.9	56.0
Dublin	94.6	82.6	95.2	84.6	94.2
Gahanna-Jefferson	89.0	87.8	90.0	NC	88.2
Grandview Heights	89.7	NC	NC	NC	90.1
Groveport-Madison	78.0	75.9	91.7	NC	78.4
Hamilton Local	85.1	100.0	NC	NC	87.0
Hilliard	91.3	82.6	97.3	NC	90.8
Plain Local	97.0	NC	NC	NC	96.4
Reynoldsburg	90.7	96.9	83.3	NC	91.2
South-Western	76.6	63.3	66.7	58.3	75.3
Upper Arlington	98.0	NC	94.7	NC	97.9
Westerville	93.1	88.2	100.0	NC	92.7
Whitehall	93.2	83.3	NC	NC	91.0
Worthington	93.2	88.2	98.5	NC	93.4

Source: Ohio Department of Education NC – Not Calculated; PI – Pacific Islander; (NH) – Non-Hispanic

**Table 3 Educational Attainment by Race
Percent of Persons Age 25 and Over, Franklin County, 2000**

Race/Ethnicity	Less than High School	High School Diploma Only	Some College, No Bachelor's	Bachelor's or Better
White	12.3	26.8	26.4	34.5
Black or African American	21.8	31.9	31.2	15.1
American Indian/AN	27.0	27.4	29.9	15.7
Asian/NHPI	14.1	13.0	13.1	59.8
Hispanic or Latino	33.5	21.4	24.0	21.1
Franklin County Total	14.3	27.1	26.8	31.9

Source: Census 2000, Summary File 3 AN – Alaska Native; NHPI – Native Hawaiian or Other Pacific Islander

There also remains a significant achievement gap between African American and white children in area schools, which will ultimately contribute to gaps in educational attainment and future opportunity as these children grow older (see Table 4).

**Table 4 4th Grade Reading Proficiency Test Results
Franklin County School Districts, 2001-2002 School Year
Percent of Students at or above Proficiency Level**

School District	White (NH)	Black (NH)	Asian/PI	Hispanic	All Students
Bexley City	88.4	NC	NC	NC	82.6
Canal Winchester	77.6	57.9	NC	NA	75.8
Columbus	57.3	37.7	63.7	47.7	45.1
Dublin	86.8	64.0	78.1	NC	84.5
Gahanna-Jefferson	80.9	55.8	70.0	NC	78.2
Grandview Heights	81.9	NC	NC	NC	80.2
Groveport-Madison	74.8	52.6	NC	NC	69.7
Hamilton Local	66.7	46.2	NC	NC	64.7
Hilliard	81.7	54.5	84.8	37.5	79.8
Plain Local	86.7	NC	100.0	NC	87.1
Reynoldsburg	93.0	76.6	NC	NC	89.4
South-Western	66.5	40.6	57.6	51.4	63.2
Upper Arlington	88.0	NC	85.2	NC	87.5
Westerville	84.5	51.8	76.0	58.3	78.8
Whitehall	54.3	30.2	NC	NC	49.3
Worthington	89.7	76.1	86.8	NC	88.4

Source: Ohio Department of Education NC – Not Calculated; PI – Pacific Islander; (NH) – Non-Hispanic

3. An increase in the number of working families that are unable to meet their basic needs.

In the State of Ohio, one out of four working families with children had incomes that were too low to reach a level of self-sufficiency.² Minority working families in Ohio are twice as likely to be low-income or poor. These families often find themselves in occupations that do not offer health insurance, paid time off, or retirement benefits. Economists estimate the real cost for a family of four living in Columbus is \$37,730. This two-parent, two child family budget allows \$620 for housing, \$571 for food, \$776 for child care, \$269 for transportation, \$229 for health care, \$369 for other necessities, and \$310 for taxes each month. This basic budget includes no savings, no restaurant meals, and no funds for emergencies.³ Although research shows that working full-time substantially lowers the likelihood of being poor, in 2002, 2 in 3 working poor individuals worked full time.⁴

4. The impact of welfare reform, which has brought thousands of Columbus and Franklin County unemployed into the workforce, has not necessarily led to self-sufficiency for everyone.

Ohio has seen a massive reduction in the number of persons receiving cash welfare assistance since the state and federal government passed welfare reform measures several years ago. Statewide, the number receiving cash assistance has dropped from 749,000 to 195,000—almost a 75 percent decrease. But this massive drop in welfare dependency reflected a significant, though obviously not parallel, increase in workforce participation.

The impact of welfare reform in Columbus and Franklin County has contributed to at least three critical concerns. First, former welfare recipients have not been able to find jobs paying family-sustaining wages. Many of these individuals have little to no work history and often lack the education and skills necessary for securing such jobs. Second, there is the increasing “blackening” of welfare dependency in Franklin County. In 1994, 53 percent of the almost 67,000 recipients of Aid to Dependent Children were African American, and 44 percent were white; by contrast, of the 25,678 recipients of Workfare and Temporary Assistance to Needy Families in 2003, 65 percent were African American and 31 percent were white. Third, the drop in employment in Columbus and Franklin County since its peak in February, 2001—a drop that at one point was double the national average—has created strains for everyone, though especially for minorities.

5. A shift in the Columbus and Franklin County economy— as the percentage of high-wage, low-skilled manufacturing jobs continues to decline, the number of service jobs are increasing.

According to the Ohio Department of Job and Family Services “Job Outlook 2000-2010,” the Ohio economy is projected to create more than 660,000 new jobs with nearly 150,000 being created in Columbus. Jobs in the service producing industries (e.g. retail trade, health, and business services) will account for most of the job growth, though construction is expected to add a significant number of jobs to the goods producing sector. But one sector of the economy is not growing: manufacturing. In fact, this sector of the economy has been declining as a portion of the workforce of Columbus and Central Ohio for more than a decade.

Manufacturing jobs represent only 8.2 percent of the jobs in the Central Ohio marketplace in 2005, according to projections of the Greater Columbus Blue Chip Economic Forecast of the Greater Columbus Chamber of Commerce. This was a decline of 1.5 percent from the previous year’s total—a decline even greater than the national average of 1.0 percent. And this has been part of a long-term trend, both in Columbus and statewide, as Ohio lost more than 150,000 manufacturing jobs over the past five years. It was in these low-skilled, high-wage manufacturing jobs that many marginally-skilled high school graduates (and even high-school dropouts) were able to make a comfortable living, while developing the resources to prepare their children for life in a more skilled environment. But the virtual elimination of this initial rung on the job ladder has made it difficult for many low-skilled workers in the Columbus marketplace to rise out of poverty.

6. A decline in the region’s retail economy — once one of the major engines of regional growth.

From the employment peak of February 2001 through October 2003, the Greater Columbus economy lost 34,000 jobs—double the national job loss rate during a time of national recession.⁵ And, while that loss has been stanching, the economy has not recovered. In addition to the loss of manufacturing jobs, the region has been hit with a loss of retail jobs. “Retail now ranks as the largest single contributor to the relatively poor performance of the Greater Columbus economy since the 2001 recession began,” according to the Blue Chip Economic Forecast. This is important because in the years since the focused effort to reduce welfare dependency due to the changes in State and Federal law since 1997, anecdotal evidence indicates that retail employment in Columbus and Franklin County, while comparatively low-wage, has been a key element of opportunity for low-skilled workers entering the workforce.

These are the challenges the Columbus region faces: at a time when the economy is shifting away from low-skilled manufacturing and retail jobs, the region has an increasing number of low-skilled workers entering the workforce because of welfare reform, immigration and in-migration, and the continuing problems in our public school system. Sadly, an ever-increasing number of these low-skilled potential workers are minorities. For those who see limited job opportunities available to them, or for those whose education and skill level only allow for jobs paying less than a family-sustaining wage, opting out of the workforce becomes a viable option.

How the region is responding to the challenges

The City of Columbus, Chamber of Commerce, and The Ohio State University have targeted logistics, creative services, and life sciences as high growth industries that will help to advance the local economy.⁶ But for many in the marketplace—many of the most vulnerable workers—these solutions, while critical, will not help much.

Today's jobs—even those at the entry-level—require far more basic skills than similar positions did a few decades ago.

This suggests that both education and skills training will be critical in helping Columbus to further develop its workforce and prepare its residents to meet the labor needs of local employers.

In an effort to present Columbus businesses with qualified individuals ready to take advantage of future job growth, local stakeholders must acknowledge several national, state, and local challenges related to workforce development and human capital that could have implications for Central Ohio's ability to meet the emerging labor needs of local business.

Consider that:

Nationally:

1. Funding for the national workforce development system (WIA), including training programs targeting low-income adults and youth, has been cut by 33% since 1985.⁷
2. Only 10% of combined TANF federal and state funds between 1997 and 2001 were allocated to work-related activities.⁸

In Ohio:

1. In Ohio the WIA allocation for adult workforce development continues to decline. In 2001 the state provided \$38.4 million; in 2004 that number dropped to \$29.6 million.⁹
2. Only 46,114 individuals were served through the state's public workforce development system (the One Stop Centers) in 2002.¹⁰
3. In PY 2002, Ohio expended \$144.7 million out of \$205.2 million available for WIA programs, leaving \$63.5 million unspent at a time when unemployment was steadily increasing in the state.¹¹

In Columbus/Franklin County:

1. Of the occupations with high employment prospects in the Columbus metropolitan area, almost 60% require some type of training and education beyond high school.¹²
2. 19% of Franklin County residents do not have a high school diploma/GED; in the Empowerment Zone 34% of residents do not have this minimum credential.¹³
3. Unemployment in Franklin County stands at nearly 6% today, up from 2.7 in 1998. Yet the proportion of funding allocated to human services agencies and community-based organizations by local government and philanthropic entities remains unchanged.
 - In 2002 Franklin County allotted \$1.5 billion to the area of human services, yet only \$14 million (0.9%) was provided for employment (this proportion is unchanged since that time).
 - The Columbus Department of Development allocated \$6.7 million to human services, yet employment received the lowest allocation at only \$159,000 (2.4%).
 - Despite rising unemployment and underemployment, top local grantmakers continue to give the area of employment only a limited priority in their annual budgets (6-8%).¹⁴

What can be done to address the above challenges and ensure that Columbus residents are well-prepared for jobs of the future?

Increase Workforce Development Funding for Job Training:

1. The State of Ohio, County, and local Workforce Investment Boards should lobby congressional representatives for additional funds to assist Ohio and Franklin County's workforce development system.
2. Franklin County, the city of Columbus, and local grant makers should consider increasing the proportion in their annual budgets given to the category of "employment" to support human services agencies and community-based organizations that provide workforce development services and training such as GED, ESL, job readiness, computer skills, apprenticeship, and short-term non-degree training, which can increase the skills needed for Central Ohio's jobs of the future and increase the potential earnings of workers.

Make Education/Training Accessible:

1. The "work first" mentality of welfare reform encourages or requires people to find jobs quickly, often without regard for these individuals' education and skill levels or their degree of work readiness. Franklin County should consider stopping the "time clock" to enable more TANF recipients to access education and training opportunities that could help to move them off of the public welfare system for good.¹⁵
2. The state of Ohio should provide additional funding and financial aid for low-income adults seeking short-term, non-degree training that can build career and vocational skills. Currently the state does not provide such aid.¹⁶

Policy Enforcement:

1. Under WIA legislation, the State of Ohio is required to allocate WIA intensive and training funds to disadvantaged populations when resources are limited.¹⁷ Local and state stakeholders should hold local Workforce Investment Boards accountable for their state plans that should prioritize serving disadvantaged populations.
2. Increase access to First Source job opportunities and ensure companies adhere to these agreements. First Source agreements are designed to expand employment opportunities for the economically disadvantaged by offering tax incentives to employers that are able to create new jobs for low-income residents.¹⁸
 - County and city officials should establish a formal process for sharing information with community employment providers and stakeholders on job vacancies created through the First Source agreements. Formal processes should be established for referring and placing job seekers.
 - Officials should closely monitor companies—no less than quarterly—to ensure they are interviewing and/or hiring targeted residents. Officials should enact policies that sanction those companies failing to meet the obligations set forth in the First Source agreements.

Improve work supports for low-income working families

1. Affordable and dependable child care is a must for low-income working parents. By changing the eligibility standards for child care subsidies, Ohio forces more working poor parents out of the labor-market pool. The State of Ohio should reevaluate its current policy on child care subsidies and restore its eligibility criterion to previous levels.
 - In 2003, the State of Ohio reduced the eligibility for subsidized child care for a family of four from 185 percent of the federal poverty level (\$34,040) to 150 percent (\$27,600) and increased the co-payment that families were required to pay. The effect of these changes: an estimated 18,500 children were unable to receive child care subsidies.¹⁹

In the United States we are facing a growing need for a skilled and educated workforce, yet employers consistently note such deficiencies among new hires. Franklin County is no exception. Increasing the qualifications of low-income unemployed and underemployed job seekers will lead to them being more marketable and can result in a win-win situation for all involved: the needs of business are filled when they have quality well-trained employees; the needs of job seekers are filled when they can find jobs paying family-sustaining wages; and the local economy benefits from a larger number of self-sustaining tax-paying citizens.

Agencies such as those that make up the Columbus Workforce Alliance Workforce that offer education, training, and employment services have access to a sizeable number of job seekers who could be a part of the labor market from which employers can choose. Research suggests that residents from poor and distressed communities often do not know about the local One Stops Centers, or feel intimidated by them and therefore do not access those services.²⁰ Neighborhood or community-based organizations, however, are often the first stop, and in many cases, the *preferred* point of entry for those in need of assistance. These organizations tend to draw residents who seek human and supportive services and can therefore serve as an important link between job seekers, local or regional job training programs, and employers. By providing the basic education, pre-employment training, and post-placement and retention services, community-based organizations not only assist residents to become employable for entry- and mid-level positions, but also provide employers with qualified job candidates. Investing in Columbus' human capital by assisting individuals who lack education and occupation-specific skills is necessary if we are to meet the anticipated labor demand and make strides toward bolstering our local economy, fostering the values of economic self-sufficiency, and strengthening our communities.

¹ US Census 1970, 1980, 1990, 2000

² *Average Isn't Enough: Advancing Working Families to Create an Outstanding Ohio*, November, 2004

³ *Ibid*

⁴ United State Department of Labor

⁵ Greater Columbus Blue Chip Economic Forecast Report, January, 2004

⁶ Columbus Chamber of Commerce

⁷ The Workforce Alliance www.workforcealliance.org

⁸ United States Department of Health and Human Services

⁹ Ohio WIA Annual Report 2002-03

¹⁰ *Ibid*

¹¹ *Ibid*

¹² Ohio Department of Job and Family Services, Bureau of Labor Market Information, "Ohio Job Outlook to 2010" December, 2002

¹³ Columbus Compact Corporation, "Parity Indicators Report" October, 2000

¹⁴ Community Research Partners, "Human Service Analysis Report," November 2002

¹⁵ *Average Isn't Enough: Advancing Working Families to Create an Outstanding Ohio*, November, 2004

¹⁶ *Average Isn't Enough: Advancing Working Families to Create an Outstanding Ohio*, November, 2004

¹⁷ Workforce Investment Act, Public Law 105-220

¹⁸ http://www.franklincountyohio.gov/commissioners/ced/pdf/First_Source_Policy.pdf

¹⁹ J. Corlett ad M. McClung, "Ohio's Early Care and Education System Falls Short." Center for Community Solutions, August 2004.

²⁰ Fleischer and Dressner, "Providing the Missing Link: A Model for a Neighborhood Focused Employment Program," Annie E. Casey Foundation, 2002

Alliance Member Agencies

Central Community House **www.cchouse.org**

1150 E. Main Street
Columbus, Ohio 43205

As one of the seven settlement houses in Columbus, Central Community House has offered neighborhood family-centered services and programs for 70 years. **Mission:** Empower people to reach their full potential, be self-supporting, and live cooperatively with all others.

Columbus Urban League **www.cul.org**

788 Mt. Vernon Avenue
Columbus, OH 43203

The Urban League, founded in 1918, offers education and youth services designed to promote literacy, self-esteem, and leadership skills. **Mission:** Promotes the full participation of African-Americans and other low-income people in the economic and social fabric of our society.

Community Connection for Ohio Offenders **www.communityconnectionohio.com**

993 E. Main Street
Columbus, OH 43205

Formerly known as Man-to-Man/Woman-to-Woman of Columbus, Community Connection has served the reintegration needs of inmates returning to Central Ohio since 1971, with a focus on employment as a key component to successful re-entry. **Mission:** To link offenders and their families to the community in which they live.

Godman Guild Association **www.godmanguild.org**

303 E. 6th Avenue
Columbus, OH 43201

Godman Guild has provided 106 years of settlement house tradition, innovation and excellence providing partnerships and opportunities for empowerment through integrated employment and educational programming. **Mission:** Promoting strong families and a strong community since 1898.

Jewish Family Services **www.jfscolumbus.org**

1070 College Avenue
Columbus, OH 43209

Established in 1908, with roots in Jewish tradition and values, Jewish Family Services educates, empowers and enables people to live full and enriched lives. **Mission:** To strengthen individuals, families and community.

The Neighborhood House, Inc. **www.columbusnh.org**

1000 Atcherson Street
Columbus, OH 43203

Founded in 1909, Neighborhood House has a rich 95 year history of service to residents of the near eastside community. **Mission:** To help children, families, and adults to become self-sufficient and to give them hope to strive for a brighter future.

St. John Learning Center **(614) 252-3132**

640 S. Ohio Avenue
Columbus, OH 43203

St. John offers several programs to help individuals increase their knowledge and skills including: GED, family literacy, Ohio proficiency test tutoring. **Mission:** To encourage literacy, learning and leadership and to promote pride, dignity, civic awareness and economic advancement through education and job training.

St. Stephen's Community House **www.saintstephensch.org**

1500 E. 17th Avenue
Columbus, OH 43219

Established in 1919, St. Stephen's multigenerational programming and wide range of services strive to address the physical, social and emotional needs of its neighbors. **Mission:** To assist residents of the Greater Linden to build community, self-sufficiency, and individual well-being.

The Salvation Army of Greater Columbus **www.sa-columbus.org**

340 S. Fulton Avenue
Columbus, OH 43215

Established in 1865, The Salvation Army helps people in need through ministries and programs that bring hope, focusing on the spiritual, physical, mental and social well being of all people. **Mission:** To encourage empowerment by helping people build skills, strengths and potential within the framework of the family and community.

Columbus Workforce Alliance

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