

Action for Equity comments and questions on Commercial Linkage Policy

1.11.23

Our comments are focused on the intended, prioritized, and allowable uses of Neighborhood Jobs Trust Linkage funds. These comments and questions are focused on the uses, not sources or amount of Linkage funds.

We appreciate any increase in funds, but it not used to increase our residents'—and particularly BIPOC residents'—access to the growing number of quality jobs in Boston, it will not be good policy.

We reached out and began a discussion with the city on the upcoming Nexus analysis starting last February 2022. We shared our questions, information, and concerns. We met with the city and their researcher. We kept asking when we could be in discussion with the city on this important matter. So here we are.

Having read the proposed new zoning language and Nexus study from Karl F. Seidman (November 2022), we are still left with questions and concerns.

A little background on the situation we face and why we need to ensure that NJT resources can be used to meet these needs—and then we will flag our questions and concerns with page citations from the Nexus report.

Boston has over 300,000 jobs paying over \$70,000—what we think is the minimum needed to remain living in the city. Based on analysis from the city, over 80% of these jobs are held by white people even though the city is less than 45% white. We know from industry statements and this data that the growing biotech and tech industries are about 5% BIPOC.

Ten's of thousands of our BIPOC residents have some college or BA's or more, but do not get access to the quality jobs. Half of Boston's Black and Latinx residents have an AA or BA degree. Data from City of Boston tells us that while a white Boston resident with a BA has a median wage of \$70,678, a Black resident with a BA has a median wage of just \$37,771.

It is particularly notable that our growing biotech industry overlaps our huge hospital and health care sector. The two sectors have many of the same jobs. But hospital work is often paid less. Many of our BIPOC residents work in hospitals. Few in biotech.

While important, we are not talking about youth thinking about taking STEM classes. We have residents ready right now to takes steps towards these quality jobs, but the connections, relationships, commitment to hire and on-ramps are not there.

You get—and keep—a job based on who you know. Our BIPOC residents do not know people in higher paying quality jobs in our growing industries.

- BIPOC residents get STEM and other technical degrees but cannot get hired in their fields.
- BIPOC residents complete an AA or BA or more education, but can only find temporary or contractor jobs in their field.

- BIPOC residents are already working in substantially similar jobs, with transferable skills, but have no on-ramp to higher paid positions.

While there are many types of services needed for people in many situations, we are focused here on gaps in services and in the labor market.

We want assurances that the new policy defining uses of NJT funding:

1. Allows for all needed services to connect residents already working but not making enough to stay in Boston with the higher quality jobs here in the city and to ensure retention.
2. Allows for activities that go beyond or differ from what are currently provided to make this happen and includes many services that go beyond training or traditional job counseling.
3. Prioritize explicit upward mobility paths for participants starting in jobs that pay below what it takes to live in Boston.

We recognize the City’s interest in new, effective programming for BIPOC/low- and moderate-income residents and want to ensure that what we think is our shared interest is reflected in clearly allowable uses of NJT funding.

Questions and concerns related to zoning language

The proposed zoning in Section 80B includes the same words “job training programs”.

Do the words “job training program” have any meaning that excludes uses for related income-development purposes such as job explorations, development and implementation of OJT programming, “2-sided bias” modules, targeted recruitment and support, community-based study/support centers, etc.?

Can we have assurances that the zoning language allows for all needed services to connect residents already working but not making enough to stay in Boston with the higher quality jobs here in the city?

From Section 80B: “The Jobs Contribution Exaction requirement is designed to increase the opportunities for job training for low and moderate income people by requiring developers, as a condition of the grant of Zoning Relief, to make a development impact payment to the Neighborhood Jobs Trust or to create or expand job training programs.”

Questions and concerns related to Nexus study language

We recognize that the 2022 report makes significant changes from prior reports, but it still leaves us with wanting assurances about City intent. Overall, the report is backward-looking, naming problems, but without full analysis and so identifying the only solutions as more of the same.

With so little zoning language related to uses of the funds and because we have been told in the past that the Nexus report impacted potential uses of the funds, we have the following questions and concerns.

In the report, there seems to be a conflation of low wage and low skill.

Page 3 Executive Summary. *While the target group is “low-income and moderate-income”, the intervention is to provide “employment and training services”.*

Page 4 Executive Summary. *New DIP development over the next ten years is expected to create almost 10,000 jobs in low- and middle-skill occupations that are the most accessible to low-income and moderate-income workers.*

Page 52. Boston Labor Force and Inclusionary Employment

A key issue as Boston updates its jobs linkage policies is how well future employment growth generated from new development aligns with the city’s existing workforce, especially for low- income and racial and ethnic communities that have historically lacked full access to jobs that provide a living wage and career advancement opportunities.

Labor Force Alignment with Industry and Employment Growth. A gap appears to exist between the type of jobs being created in many of Boston’s high growth industries and the occupational profile of Boston’s Black/African American, Hispanic/Latino and multi-racial work force.

Many people working in low wage sectors such as human service, social service, and health care are high skill. Many have credentials. These are sectors that were not allowed—by federal law—the rights to unionize almost a hundred years ago because their workforces were Black. That impact on wage levels remains today.

As NJT-funded programs are designed, there must be an explicit recognition that this is not just about fixing, preparing or upskilling unskilled or low skilled people. It is also about connecting and creating the more nuanced on-ramps for under-employed residents looking to bring their skills, experience, and credentials to higher wage sectors. The activities and services that are needed are not typically provided by today’s workforce development system or by today’s “employment and training services”. While these words could mean what we believe is needed, we have no reason to assume they do, so we would like assurances and discussion on this point.

We believe it is important that the City of Boston not plan on filling low wage positions with high skilled BIPOC people or subsidize low wage employers by continually placing people in jobs they cannot afford to stay in.

There is no acknowledgement of bias as a source of exclusion from quality jobs or a factor shaping today’s labor market. After providing summary data (not for individuals) showing exclusion, the jump is made to the reason being lack of education.

Page 3. *Consequently, a gap exists between the type of jobs being created in many of Boston’s high growth industries and the occupational profile of Boston’s less educated labor force and particularly for Black, Latino and multi-racial workers.*

Yes, there are BIPOC residents with less education, but there are also BIPOC residents with education, credentials, transferable skills, and strong labor market attachment. Many of these residents are also not getting quality jobs in Boston’s high growth

industries either. Saying “consequently” defines a cause that we do not think is accurate.

Lower employment in higher quality jobs by BIPOC residents is defined as due to lack of experience and skills, but this is not shown by the data.

Page 52. *However, many Boston residents lack experience and skills in these occupations, as indicated by their low share of employment in these occupations in 2020.*

Not getting hired does not mean our BIPOC residents do not have the needed skills and experience to get hired. We need analysis and allowable use of funds that goes beyond blaming residents.

If you start with the premise that not getting a better job is due to lack of skills or education or some other individual flaw, it makes sense to use funds for training and education. If there are other barriers to access, such as not knowing about the jobs, needing to build relationships, or needed redesigns for ongoing skill acquisition after hire, then funds need to be used differently.

In addition, income and skills are again conflated. There is no analysis of the income level of the 35% BIPOC workers in higher level occupations.

A “living wage” that allows someone to stay in Boston is at least \$70,000. NJT policy should be to support reaching this income level, which may take multiple steps.

Page 52. *A key issue as Boston updates its jobs linkage policies is how well future employment growth generated from new development aligns with the city’s existing workforce, especially for low- income and racial and ethnic communities that have historically lacked full access to jobs that provide a **living wage** and career advancement opportunities.*

The City of Boston’s “Living Wage” is now well below what it takes to live in Boston and not much more than minimum wage. However, it is cited as a performance standard for job placement for some workforce programs in the city.

It is important that a clear goal is set for supporting upward mobility in general, but reaching a reasonable family-sustaining wage to live in Boston.

That means that NJT focus must go beyond just having people hired, particularly if it is into a job with no clear upward mobility and significant churn.

Barriers are defined entirely as roadblocks due to people’s personal characteristics: (low individual skills, very low income, past court involvement.) There are no barriers identified as due to labor market gaps, program design or employer behavior.

Page 52-53. *Opportunity and Employment Barriers. Many Boston residents, including low-income and non- white workers, face barriers to stable employment in better quality jobs. These barriers, discussed in several recent reports²⁰ on the city and regional workforce system, include: see continuing list*

This list of barriers focuses on what are often seen as individual flaws. Other barriers such as the following are not identified: not knowing anyone in high paid positions, lack of information on job openings, short time lines to decide to enter training programs, training programs for jobs in Boston located far from public transportation, lack of intentional upward mobility inside employers leaving people dependent on their relationships for skill information, and more.

- It is possible that the reference to “cultural fit” does intend to mean that employers also need to change their behaviors, in which case this would be one item that is not just an individual barrier.

Is the NJT funding intended to be used only for jobs at new projects? Are there any priorities, guardrails, or assistance for developers proposing to use funds for specific programs?

Page 109. *Skill Upgrading and Training Stipends section*

We request an opportunity to learn more about what is intended in this section. Much of this section was not clear to us.