

Truth and Reconciliation in the Labor Market and the Co-Creation of Opportunity¹

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July 6, 2021

All the upskilling in the world won't address deeply embedded social exclusion in hiring and discrimination in labor markets.² --Goger, Jackson, Brookings, 9.9.20.

The black-white wage gap is as big as it was in the 1950's.³ There is occupational segregation in our labor market, in which BIPOC residents earn less regardless of having the same academic credential.⁴ Residents drop out or never enter training and education when they don't see any positive results.⁵ Our immigration laws are part of our system of labor laws that have created groups of people less able to assert rights to good jobs.⁶ Mass incarceration is a system of disenfranchisement with an intended economic outcome.⁷ "...one factor accounts for the racial wealth gap almost entirely by itself: the racial income gap."⁸ Formal exclusion, as in the use of occupations as proxies for race, to limit which groups had the rights to unions, or informal exclusion embedded in hiring biases and assumptions of inferiority have created the labor market we have inherited today.⁹

Black, Indigenous, Latinx, and other working adults of color with credentials, transferable skills, and strong labor market attachment, are now tracked into low wage jobs and sectors. The current system is the result of hundreds of years of exclusion structured into the labor market. We need access to good new economy jobs. This is not the only labor market issue, but it is the one we are focusing on here.

We are not yet at the table. In spite of the attention now being paid to diversity in higher paid, new economy jobs, the community—residents, people, workers—is being acted on.

Without a direct voice, the critical effort to increase access to jobs that are now segregated will be deprived of people's own knowledge of what we need to enter these fields as well as our own effort and efficacy. Community pressure is necessary. It strengthens employer champions. It pushes opponents.

Over the last nine years of work and the last year of this project, we have both demonstrated and documented what we believe is needed. These are changes to the labor market, rather than just intervention fixing a small number of people.

We want to thank the companies, service providers and people who have shared their honest views of what they are trying and what is working or not. We have listened and learned.

We have identified three situations in which a new pipeline can connect these excluded adults to good jobs.

1. Two-tiered sectors where there is no way to get from the lower tier employers to the higher paid employers
2. Positions with historic occupational segregation where people have transferable skills from other jobs

- Expanding new economy jobs where employers are eliminating 4-year degree entry requirements now used for signaling job readiness

We have defined new entry stages that do not now exist. We are also able to identify gaps and barriers in the current training system that also need to be strengthened.

Bright red—community-centered
 Darker red—employer-community jointly
 Black—employer-centered

Stage 1 Target opportunities	Stage 2 Understand my strengths	Stage 3 Exploration + relationships	Stage 4 A commitment + a plan	Stage 5 On board	Stage 6 Upward mobility
Employer identifies specific jobs that fit profile of working adults, commits to pipeline and 2-sided communication	Deep outreach: understand own transferable skills, thinking about 2-sided communication, build trust that the opportunity is real	Learn about sector/employer business, joint 2-sided communication, short skills spark experiences	Skills training as needed (short, medium) Business education Action Learning projects, internships	Hiring and entry steps Steps to increase “belongingness” ¹⁰ Training for employer supervisors, mentors	Internal upgrades, intentional connections/ supports

There are over 85,000 residents in Dorchester, Roxbury, Mattapan and Hyde Park with some college, a 4-year degree, or master’s degree or more. There are another 50,000 people with a high school diploma. But 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 \$37,771.¹¹

There is potential for a huge opportunity.¹² By coming together, being honest and following through on the needed corrections, we can create that opportunity. We can create new structures of inclusion. We now need an intervention—a correction. We believe that with new structures in place, better labor market functioning will not require deficit-focused interventions to the same extent.

While there is a ways to go, we already see examples of great progress, experimentation, and commitment

Each of these points is from a specific source. We are not naming them here unless it is already public information but can follow up to provide additional information if wanted.

- Major companies are moving away from requiring 4-year degrees for new economy positions.
- Sector associations are identifying and piloting entry programs for applicants of color without 4-year degrees that marry industry and business knowledge with skills training.
- An industry association hosting a specialized training program is stepping in to provide a bridge to good quality employment for people with some training or education.
- A large established corporation is investing deeply to define a first-year upgrading and support model that allows them to hire people with just some of the skills they need, since they expect employees to have to keep learning over much or all of their career.
- Employers say “It’s no longer plug-and-play hiring.” Tech hiring in particular was known for this in the past.

- Honest statements are made, even if in private settings, by global leaders saying that they are failing to hire the diverse workforce they have promised.
- Industry training and education leaders can now put their finger on the exact disconnect that keeps people from moving forward.
- Academic analysis is now available that can reassure and validate the need to do the hard work of 2-way communication that breaks down assumptions and internalized stereotypes.¹³
- Even the pay at the bottom of the labor market is rising, with a regional hospital just raising the bottom wage to \$15—and needing to raise pay for 1000 people.
- Academic centers are piloting and documenting mentoring and teaching structures that increase and retain diverse candidates.¹⁴

Are there opportunities?

We have been able to document an array of opportunities.

We are targeting jobs that (1) the employer hires in significant numbers or where we know other employers are hiring for that position, (2) the employer can see hiring continue out several years, (3) the position pays at least \$50,000 with benefits and usually higher entry wages, (4) only high school or some college is an entry requirement, (5) there is currently occupational segregation, and (6) the employer is willing to identify what they consider transferable skills for the specific position, share how they support ongoing learning and retention once hired and is willing to work with us to design the pipeline to their own company's positions.

Reports are documenting 40,000 to 50,000 new job openings in the next few years in positions that meet criteria 1 through 5. The following are positions have been identified by specific companies or sector associations:

Sector	Positions under discussion	Entry pay	Details
Tech	Entry data scientist	\$95k	High school required Java, but not required to have full stack skills Structured 1 st year training Awareness of the business Ability to work in team
Tech	Entry data analyst	\$60k-\$70k	High school required Excel, Tableau, SQL Training provided, upward mobility Awareness of the business Ability to work in team
Tech	Entry project manager	\$60k entry \$100k+ certificate	High school required Public certificate internal upward mobility path Awareness of the business Ability to work in team
Green	Technical energy efficiency rater	Trainee: \$45k Certificate: \$50k	High school required Public certification Employer will train and pay for test
Life science	Biotech manufacturing	\$45k+	High school required Short/medium training Awareness of the business Quality awareness

We have also begun exploring additional positions flagged by specific employers that appear to meet our criteria:

- Cyber security
- EEG/sleep techs
- Environmental services with Good Manufacturing Practice/clean room certifications
- Genetic counseling
- Nursing
- Occupational therapy
- Physical therapy
- Radiology tech
- IT system and cloud positions
- Vet tech with certification

Barriers and gaps limiting access to opportunities

We think the labor market as just that—a market. From a resident’s perspective, there are barriers and gaps that are market failures.

We recognize different people have different service and access needs. What works for an unemployed person may not work for an underemployed person. We have been looking at gaps and barriers that keep underemployed working adults from being able to move to better jobs.

We have heard these examples from **residents**:

- Lack of information about the job opportunities that exist, what jobs pay, and how to find out that information
- Lack of information about training programs that do exist
- Lack of information about training programs that meet their schedule needs
- Information from both personal experience and from others of training programs that do not result in the good jobs that are promised or leave people still in poverty without upward mobility
- Information from both personal experience and from others of wasted money and time on training programs and education

There are also barriers and gaps in the services themselves. We have heard these examples from **service providers**:

- Programs are advertised as occupational, but the majority of contact time is spent on ESOL.
- Training programs are like pop-ups. Even for positions with well documented needs to fill vacancies with training, a resident cannot plan around a training schedule.
- Not knowing what training is coming up next or being unable to wait without any plan, residents often take whatever training comes up first, even if it is not what they want. People take classes based on the time it is scheduled, rather than whether it is the right fit.
- Training is on day shift for a night shift job.
- Training is full time days, making it impossible to access for an under-employed person. There appears to be limited willingness of training providers to change time times.
- Externship at an employer is on days for a job that will be on nights. Training provider is the program manager. Operations does not appear to be asked to change the externship to night.
- In one specific example we heard, nursing in hospitals requires both a BA and an RN, while lower paid nursing positions require only an AA and an RN. People of color are counseled to get into nursing through an AA degree. New public funding also encourages this path. But later, as AA

nurses try to move up to better paid hospital jobs, only then do they discover that AA credits are not transferable to BA programs. They need to start all over again. This barrier has been identified. Remedies need to be put in place.

- The initial online application for any training at a specific large training provider requires sharing extensive, invasive personal information—dollar amount of TANF, SNAP, etc; familial relationships in the household; income of others in the household; name of person who will provide child care and pick up the child if class runs late. This is BEFORE someone can even get much information about the training program and has not been initially accepted.¹⁵
- Extensive application processes for “diversity gateway” programs lead to a final selection among those already deemed strong candidates. A few people are selected and the rest are left on the curb.
- Training program are placing people in jobs that pay \$7,000 less but provide a steady shift rather than trying to ensure a steady shift at other employers for much higher wages.
- Individual training providers say they do not have the deep community connections they need for outreach, but at the same time are only doing outreach for specific programs with few seats. Publicizing themselves and winning funding pushes them against collaboration.

There are now perverse incentives built in the funding system for providers. Funders will need to play a role reshaping how the overall labor market and training system works.

Some **employers** have also historically made choices that reduce access to opportunities for working residents of color. Along with their specific choices, the main choice many have made is allowing training and education providers to fully control entry to some jobs.

- Company recruiters refer residents to websites with hundreds of jobs available with no way of sorting into major categories. They position themselves as individual gatekeepers, saying “Send me your resume and I will tell you which jobs you are right for.”
- Employers do not share basic information residents need to decide to apply for a position, even including pay.
- Overwhelming majority of employers with hiring targets do not share those targets with potential applicants, even though it is clear that doing so increases the diversity of applicants without reducing white applicants. It is a single manager who makes the decision not to include this information.¹⁶
- Hiring manager says they decide who to hire based on who they would want at a company picnic.
- Even where companies have eliminated the requirement for a 4-year degree, they have not yet defined what they are looking for that in the past the 4-year degree signaled.
- Internships are important to hiring managers. A large source of internships only funded at 4-year institutions even for positions that no longer require a 4-year degree.
- Senior employer leaders are explicit about needing to work hard to bring others on board. One considers how to use an opportunity for a public event to reach out internally. Another says that they have asked all hiring managers to literally take a pledge to do better. She said “We asked them to raise their hands and pledge.”

These examples reflect only the moment of hiring. Employer behaviors after hire that intentionally share critical job information and create “belongingness” are crucial as well.

Labor market change

Our goal is to change the labor market. Excluded people need to enter segregated jobs at big enough scale so that information about the jobs is circulating in neighborhoods from people already working in the jobs, so that both younger people and job changers have confidence there is a real opportunity, and so that employers see these new sources of employees as more routine.

A typical program today is small, targeted to people regarded as disadvantaged, and does not lift people past needing subsidies. There are programs to increase diversity. However they seem to either rely on Black exceptionalism¹⁷ or seem to be bottlenecks rather than gateways: they are expensive with few seats; some seem to focus on remedial behaviors rather than skills; they become an extra hoop that white applicants do not need to jump through; they allow employers to segregate their talent pipelines while thinking they are focusing on diversity.

If we can build on the new programs and steps we already see with an intentional move to broader impact, the economic benefit could be tremendous.

Just 500 people gaining new jobs with \$10,000 raises means \$5 million more to spend in the neighborhood, \$12.5 million more with the multiplier with local businesses, annually. If 2000 people get \$10,000 raises, it is \$20 million and \$50 million. If just 2000 people get \$20,000 raises, the numbers double--\$100 million into our neighborhoods of color—year after year.

Boston had 800,000 jobs pre-pandemic. Only about 250,000 Boston residents even worked in the city, most in lower wage positions.

In the last ten years, we have worked on campaigns that both normalize people reaching back and pulling others into good jobs—normal labor market functioning—and focused on a group increasing their income, rather than an individual.

Achieving these numbers is possible. The key ingredients are confidence and determination.

Proof-of-concept—next steps

There is a common start-up phrase—“think big, start small”. For us, what is key is not just starting small, but also starting with all links in the chain or lengths in the pipeline in place and all the players at the table. Employers say to us all the time, “Who do you have ready for us?” And we answer, “How can people get ready when they don’t know enough about the jobs, or you, to prepare?”

We need to start at the beginning, together. We need to try, learn, critique, improve, and do it again. We hope to hold our first information session for just a few positions just after Labor Day. And then hold other Information Sessions quarterly.

1. Soft opening start-up:

Stage 1 Target opportunities	Stage 2 Understand my strengths	Stage 3 Exploration + relationships	Stage 4 Commitment + a plan	Stage 5 On boarding	Stage 6 Upward mobility
ID 3 to 5 positions 2 to 3 employers Recruit based on positions	Info session Individual advising <u>Workshops:</u> Transferable skills Communication Sector/job exploration	With employer: Business/job exploration Communication Spark experiences Shadowing, exploration	Skills training as needed (short, medium) Understand the business Action Learning projects, internships	Hiring and entry steps Training for supervisors, mentors	Internal upgrades, intentional connections/ supports

2. Create a broad learning community starting with learning panels:

In each case, experts will be charged with developing workshops and other products with input and review from the learning panel.

1. Transferable skills: analysis for specific openings, workshops, evaluation
2. 2-sided communication (community only, employer and community)
3. Training models before and after hiring
4. Mentor and supervisor training, models

3. Target opportunities

- Continuing process of gaining employer commitments for specific jobs
- Design how employers who are starting want to learn internally and from each other
- Design how employers considering this process want to learn

4. Define service network

- Recruit service provider network members and design pilot network structure (open funnel for residents)
- Explore goals and commitments from providers
- Create learning and evaluation process

5. Create a table

- Define who is at the table
- Define what is being evaluated
- Design a standing relationship

6. Funding

- Analysis: can the labor market function effectively without being new-funding-dependent for every individual new entrant?
- What is the role of community colleges?
- What start-up funding is needed for the labor market intervention?

¹ We are footnoting not because we think you need proof but to show the breadth of the discussion underway. We are providing specifics rather than summaries because the pipeline to each specific position will need to be built based on the concrete individual situation and mechanics needed.

² Brookings. “The labor market doesn’t have a skills gap, it has an opportunity gap”, Annelies Goger and Luther Jackson, 9.9.20.

³ New York Times, “The Black White wage gap as big as it was in the 1950’s”, David Leonhardt, 6.25.20. “The black-white economic divide is as wide as it was in 1968.” Heather Long and Andrew Van Dam, 6.4.20.

⁴ Boston’s Workforce: An Assessment of Labor Market Outcomes and Opportunities; City of Boston/Boston Redevelopment Authority; March 2016

⁵ “My son wants to drop out of school. He says to me, ‘Mom, you worked so hard for your college degree and you can’t even support our family. Why should I go?’” Comment from a Black mother at an early Action for Equity jobs conference. <https://liberalarts.utexas.edu/prc/directory/faculty/yeagerds> examples.

⁶ Ngai, Mae M., Impossible Subjects: Illegal Aliens and the Making of Modern America, Princeton U Press, 2004.

⁷ Alexander, Michelle, The New Jim Crow, The New Press, 2012.

⁸ Federal Reserve Bank of Cleveland, Economic Commentary, Number 2019-03, 2.28.19; “What is behind the persistence of the racial wealth gap?” Dionissi Aliprantis and Daniel Carroll.

⁹ Economic Policy Institute Briefing Paper, “The low Wages of Black Immigrants: Wage Penalties of US born and Foreign born black workers.” Patrick L. Mason and Algernon Austin, 2.28.11. Federal Reserve Bank of

Minneapolis. Racism and the economy series 12.2.20. Federal Reserve Bank of Minneapolis. Juan F. Perea; *The Echoes of Slavery: Recognizing the Racist Origins of the Agricultural and Domestic Worker Exclusion from the National Labor Relations Act*; Loyola University Chicago, School of Law; 72 OHIO St. L.J.I 95 (2011).

¹⁰ Nilanjana Dasgupta, Implicit Social Cognition Lab, UMass, presentation at UMass STEM conference 6.28.21.

¹¹ All data from City of Boston reports

¹² McKinsey & Company, “The economic state of Black America: What is and what could be”, June 2021.

¹³ Academic analysis 2-side bias, stereotype threat including Ashley Craig, Claude Steele.

¹⁴ Nilanjana Dasgupta, Implicit Social Cognition Lab, UMass.

¹⁵ “I want to stop filling in the application. This is none of their business,” resident comment. “If I’m late once every four months, I don’t think I need to give you a reason. I don’t think I need to give you anything personal about my life of why I’m late.” “The System is Rigged”, TWC, ann haeyoung, about Dr. Henry Hudson, early Black IBMer. Thomas Kochman, *Black and White Styles in Conflict*, University of Chicago Press, 1981.

¹⁶ Edward Chang, Harvard Business School, UMass STEM presentation, June 29, 2021.

¹⁷ Samuel Getachew, Black Valedictorians and the Toxic Trope of Black Exceptionalism, NYT, June 2021. “Five years later, Mr. Ahmad offered his perspective on the fanfare that had surrounded him as a teenager: “My story is told as though it is a positive one, inspirational,” he wrote in *The Atlantic*. ‘But I see it as a grim one, the tale of a harsh reality that wrecks people. There is nothing positive about classifying me as an exception. When a person is exceptional for doing what I have done, the whole system is cruel to its core.’”