

Expanding Baltimore's Black Middle Class:

WORKFORCE STRATEGIES FOR ADVANCING PROSPERITY

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Working one's way into the middle class is at the core of the American Dream. Yet for many families – particularly those of color – this dream remains out of reach. In Baltimore City, half of all African-American households earn less than \$35,000 per year, while only one-third of white households fall under this low-income threshold. The prevalence of poverty among black city residents is almost double that for whites.^{1,2} In a city where nearly two-thirds of residents are African-American, this has a major impact on the health of the broader community.

In many cases, the key barrier to economic advancement is the inability to find and keep a good job. To revitalize the city and re-establish Baltimore as a thriving urban center, we must face the underemployment problem head on, and invest in the vast potential of the city's untapped human capital. Building pathways out of poverty into the middle class could increase the total income earned by African-American city residents by over \$3 billion per year, which would in turn bolster local business and city tax revenues.³

This report describes the challenges and opportunities facing Baltimore's African-American workforce, and provides concrete recommendations for advocates and policymakers. A comprehensive, long-term strategy for expanding Baltimore's black middle class must include three elements. First,

leaders must work to expand the number of good jobs within the city. Second, there must be pathways available to help city residents access these opportunities and move up the career ladder. Finally, the city must tackle the issue of racial disparities head on. While expanding opportunities for low-skill, low-income residents will improve employment prospects for African-American workers, this alone will not close the gap. The city must create and enforce policies that ensure equal opportunity, and must work with the business community to promote unbiased hiring practices.

By re-building Baltimore's middle class – and by focusing on the African-American families who make up the core of the city's population – the city can be revitalized and firmly establish itself as a place of economic opportunity.

What is “Middle Class”?

The term “middle class” carries significant meaning in American culture. It is often associated with cultural ideals, from homeownership, to a college degree, to a steady job with good pay and benefits – the iconic notion of the American Dream. At its core, being middle class means achieving economic stability. It’s difficult to detach the phrase from its cultural (and sometimes value-driven)

meaning, but for the purpose of this report, we strip the idea down to its most basic element: a family’s annual income. This is the essential piece needed for a family to enter and remain in the middle class. Here, when we refer to the middle class, we refer to families earning between \$35,000 and \$75,000 per year.

BALTIMORE’S UNTAPPED HUMAN CAPITAL

Since reaching its population peak in the 1950s, Baltimore has been shrinking. Over the past few decades, working families – often middle-class, and often white – have migrated from the city to the surrounding suburbs, creating a city that today is two-thirds African-American and largely low-income. Many neighborhoods have declined with the population, losing the cultural and retail centers that residents once relied on. In turn, local job opportunities have also disappeared. Residents, businesses, and community leaders have been working to revitalize the city and re-build the urban economy, but many neighborhoods remain blighted, and physical decay serves as a marker of the economic disparities that persist.

Many of these disparities fall along racial lines. Per capita, black city residents earn about \$17,000 per year, while white city residents earn nearly \$36,000.⁴ What explains such a dramatic income gap? High rates of unemployment and labor force detachment explain part of the disparity. Even before the worst of the recession, 13 percent of black city residents were officially unemployed, and another 33 percent were not in the labor force at all. For whites, a comparable 32 percent were out of the labor force, but only 4 percent were unemployed.⁵

Another contributing factor is the types of jobs held by city residents of different races. African-American workers are concentrated in lower-paying occupations, such as administrative support, service, and sales, while white workers are more likely to hold jobs in professional fields or management.⁶ In some cases, white workers have the advantage in accessing higher-paid positions through their social networks, turning to family and friends who already have a foothold in the business community. In other cases, African-American workers are left out due to skills and experience gaps. Until

these gaps are closed, African-American workers will struggle to move into higher-paying fields.

Underlying the problem is the education gap. Most African-Americans in Baltimore have a high school credential or less. Only about one-third have any college experience, and just 17 percent have completed a degree. In contrast, almost half of white city residents have an Associate’s degree or higher.⁷ Until the education problem is solved, black city residents will continue to lag behind and will struggle to find a stable place in the middle class. Education is directly linked to income. The further a worker advances – whether it’s to a GED, a career certificate, or a college degree – the greater their earning power, and the better their odds of finding and keeping a good job. As indicated in the adjacent table, city residents have educational needs at all levels, with large numbers needing Adult Basic Education, GED preparation, and supports for college success.

Understanding these basic gaps provides a framework for building solutions. While Baltimore’s racial disparities are pronounced, policymakers and community leaders can gain traction by making targeted inroads in the three areas described in the following sections of this report.

Educational Attainment, Baltimore City Residents Over 25, By Race

	AFRICAN-AMERICAN	WHITE
Less than High School	25.8%	16.0%
High School Diploma or GED	35.7%	22.1%
Some College, No Degree	21.9%	14.4%
Associate's Degree or Higher	16.6%	47.6%

SOURCE: U.S. CENSUS BUREAU, 2008 AMERICAN COMMUNITY SURVEY

EXPANDING ACCESS TO GOOD JOBS

Closing the employment gap and expanding Baltimore's black middle class will take a long-term, coordinated effort, and the collaboration of educators, community stakeholders, business leaders, and policymakers. The first step to expanding pathways into the middle class is to ensure that city residents have access to good jobs.

POLICY SPOTLIGHT: MORE GOOD JOBS

What policy actions can state and local leaders take to expand access to high-quality jobs for African-American city residents?

Immediate Action Items

1. Establish stronger targeted hiring policies for projects using public funds
2. Consider job quality in the city contract selection process
3. Create employment pipelines linked to major public infrastructure projects
4. Increase mobility by improving state driver's licensing laws
5. Create a low-cost automobile insurance program to make car ownership more affordable

Long-Term Goals

1. Foster the growth of industries that are thriving in the city, such as healthcare and education
2. Improve mass transit links to help residents access job opportunities

Much of the projected job growth in the region, however, is expected to happen outside of the city. When the Maryland Department of Labor, Licensing and Regulation made their last projections, the only sectors expected to experience

significant growth in the city were healthcare, education, and food service. Overall, the city is expected to lose a net 3,600 jobs by 2016. In contrast, Baltimore County is expected to gain more than 47,300 jobs, with growth in a range of sectors from construction to healthcare to business operations.⁸

The county will experience job growth at all skill levels – from jobs requiring a high school credential to those requiring advanced degrees. While overall employment will decline in the city, projections show that all of the net jobs lost will be low-skill. In fact, there will be slight growth in jobs requiring at least some post-secondary education. Middle-skill jobs – those requiring a post-secondary certificate or Associate's Degree – will be the strongest area for job growth.⁹

This has a number of implications for city leaders. First, Baltimore must continue to foster the growth of industries that are thriving, ensuring that major employers in healthcare and education continue to develop employment hubs within the city. Mayor Stephanie Rawlings-Blake's Transition Team Report also identified ports, biosciences, information security and the emerging energy sector as strong prospects for growth. The report calls on the city to develop a cohesive, inter-departmental economic development strategy.¹⁰ The Mayor should take the lead in advancing a strategy that is both coordinated and accountable.

Second, the city must ensure that existing job opportunities are open to local residents. This will require a two-pronged effort. On the supply side, city residents must be ready to work and must meet the needs of employers by obtaining the right hard and soft-skill training. This is addressed in the next section of this brief.

On the demand side, the city should expand opportunities for minority and disadvantaged workers by establishing targeted hiring goals on projects that use public funds and working closely with employers to achieve them. Such policies help maximize the impact of public spending by spurring human capital development alongside infrastructure development. In the long run, effective local hiring policies can increase prosperity, expand the city's tax base, and ease the burden on public assistance programs.

To achieve these ends, the city must build on and strengthen its existing Baltimore City Residents First policy. The policy requires city contractors to meet with the Mayor's Office of Employment Development, interview qualified city residents first, and report back on hiring, but does not set specific targets, or provide incentives and recourses for success or failure.¹¹ Two Missouri cities have taken the lead in developing stronger policies to get disadvantaged local residents to work on publicly-funded construction projects. In Kansas City and St. Louis, local leaders have established clear hiring goals for city-funded projects, and oversight boards to monitor success.^{12,13} These model city policies provide a roadmap for strengthening Baltimore's approach to local hiring.

Another way to improve the city's ability to spend local dollars in ways that benefit minority and disadvantaged residents is to establish goals early in the bidding process. When the bidding process focuses too heavily on bottom-line costs, this can encourage a race to the bottom in terms of job quality and responsible hiring. Baltimore City should use its leverage to fund the development of good jobs with good pay, reasonable benefits and opportunities for training. The city should reward high-road employers through a best-value contracting process that considers these factors and awards point for proposals that meet or exceed certain job quality and targeted hiring criteria.

Local leaders must also acknowledge the reality of spatial mismatch, and make sure that those who live in the city can get to and from employment centers located in the surrounding metro area. Creating reverse commute options will open up the possibility of city living to a broader base of residents, and will ensure that existing local residents have access to the full metro area labor market. Without efficient, affordable personal and public transportation options, too many residents – especially those living in neighborhoods that are largely African-Amer-

ican, but severely economically depressed – will continue to face limited options, low-wages, and bleak prospects for advancement. Better regional mass transit options should be the long-term goal, but we must also recognize the critical role of car ownership for some families.

Addressing the barriers to getting a driver's license and the high cost of car insurance are an essential piece of the puzzle. Maryland has some of the strictest driver's licensing rules in the nation, requiring all new drivers to take an expensive driver's education course and complete 60 hours of supervised practice. In most states, these more stringent learner's laws apply only to teenagers – not to mature adult learners who often need a license to juggle work, school, grocery shopping, and family obligations. Maryland is alone in applying laws intended for teens to working adults. Legislators should revisit these laws, and tailor them more appropriately to different age groups.¹⁴

In Baltimore City, many drivers struggle to afford car ownership because of high insurance rates. Due to territorial rating and the use of credit scores to determine rates, low-income city drivers tend to pay far more than more financially secure drivers in other parts of the state. Some are forced to abandon car ownership, while others drive illegally without insurance. The Insurance Research Council estimates that 12 percent of Maryland drivers are uninsured, and an Abell Foundation report estimates that in Baltimore City, the rate is as high as one in four.^{15,16} This not only places these families at risk, but also increases rates for those who are insured.

State leaders should address the problem, and help more low-wage city workers get on the road and into the workforce, by following California's lead in creating a Low-Cost Automobile Insurance program. To reduce the number of uninsured drivers and increase access to insurance in low-income communities, California created a pilot low-cost auto insurance program in 1999. The program has slowly grown and is now available to all California families earning less than 250% of the federal poverty level. The state insurance agency assigns policies to participating private insurers, with annual rates under \$400. The program is fully self-funding, so premiums are set with the goal of covering all basic claims and administrative costs. In 2008, California had over 10,000 low-cost policies in force.¹⁷ Exploring a low cost plan similar to California's could be the first step in closing the mobility gap.

Leveraging the Red Line

Baltimore is currently pursuing a major transit development known as the Red Line. The project will create a fixed East-West rail line from Woodlawn to Johns Hopkins Bayview Medical Center, through West Baltimore, Downtown, and Canton. The project is expected to generate a total of 15,000 jobs over a decade, the majority linked directly to construction of the line. While the project will benefit the region by spurring general job growth, this major investment of public funds can have a greater impact on the health of the community if area residents with limited skills are trained and given access to these employment opportunities.

Models developed in other cities can provide a starting point for Baltimore. In St. Louis, transportation planners worked closely with community leaders to develop a Workforce Utilization agreement, through which the Missouri Department of Transportation agreed to key goals, including:

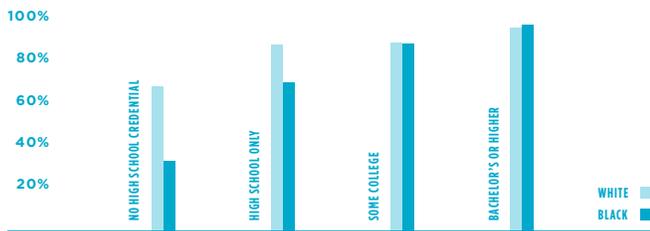
- Filling at least 20% of the project's workforce with minority, women, and economically disadvantaged on-the-job trainees
- Awarding incentives to contractors who exceed workforce utilization goals for workers on an apprenticeship track
- Maximizing pathways for low-skill workers by committing the full federally-allowed ½ of one percent of federal dollars to training¹⁸

Creating a framework that gives minority and economically disadvantaged workers access to Red Line jobs must be the first step. The next is ensuring that employers have a pipeline of well-trained candidates ready to work. Developing an effective, integrated employment pipeline will require time and expertise, but in this case, Baltimore is well-positioned to succeed. City leaders took the first step by creating a Community Compact early in the planning process. The Compact provides a set of goals and principles for planners to build on.¹⁹

To make the Compact's vision a reality, work must begin now to create a comprehensive pipeline. Under the leadership of the Red Line Economic Empowerment Officer, and in collaboration with the Department of Transportation, a system must be created that serves as a hub for workers at all skill levels – bringing them in, assessing their training and employment needs, directing them to the right set of providers, and linking them to jobs. While the process will require a full scan and the coordination of existing resources, the work cannot end there. The current system has gaps that must be filled in order to effectively serve local workers with needs ranging from GED preparation, to hard skill training, to the removal of personal barriers to stable employment. Working with providers to fill gaps in existing programming must be part of the process.

If Baltimore succeeds in creating an effective training and employment pipeline for local residents on the Red Line, it can be used as a model and replicated on public infrastructure projects across the region for years to come. Capitalizing on the momentum and resources of the Red Line project can help revitalize the city's vision for workforce development. The opportunity should not be missed.

Employment Rates for Maryland Young Adults, 20-24, by Education and Race



SOURCE: SUM, 2008

BUILDING PATHWAYS TO CAREERS

To access the high-quality jobs that can launch a family into the middle class, many local workers need further education and training. A top priority for city leaders should be to advance the skills of underemployed local residents. Ensuring that every Baltimorean is ready to work will have a major impact on the expansion of the black middle class.

POLICY SPOTLIGHT: JOB-READY WORKERS

What policy actions can state and local leaders take to build pathways to careers for African-American city residents?

Immediate Action Items

1. Create more slots in local Adult Basic Education and GED prep programs
2. Expand programs that merge basic education and hard-skill training
3. Provide state funding for developmental education improvements and student supports
4. Increase need-based financial aid for non-traditional students
5. Ban the Box on state employment applications

Long-Term Goals

1. Encourage innovation in the delivery of developmental education
2. Better coordinate Baltimore City's workforce pipeline
3. Integrate financial literacy and asset building with workforce development
4. Strengthen programs serving people with criminal records

Data indicate that the link between education and employment is particularly strong for African-American workers just

beginning their careers in Maryland. Even without a high school credential, about two-thirds of white young adults manage to find employment. Only about one-third of their African-American counterparts are employed. The gap grows smaller for young adults entering the workforce with a high school credential, and is eliminated for those who achieve at least some college education.²⁰ Since the impact of education is magnified for African-American workers, it must become a key policy focus for those seeking to advance the city's workforce.

Expanding Access to Adult Basic Education

The place to start is with those who lack a high school diploma or GED. In Baltimore City, there are nearly 88,000 adults without a high school credential, of whom seventy-five percent are African-American.²¹ To gain traction in the workforce, these residents need a range of services, starting with Adult Basic Education and GED preparation. While these services are available at little or no cost, demand often outstrips supply. Due to low investment on the state level, there are not enough slots to meet the need for services. Maryland invests \$36.74 per adult in need of a high school credential – almost half the national average of \$65.55. As a result, only about 32,000 students across the state are able to enroll each year, and the rest move onto waiting lists.²²

While expanding the number of adult education slots will address part of the problem, service delivery models must also be improved. Since many adult students must also meet the demands of work and family, their choice to enroll in further education is often driven by the practical need to build applicable workforce skills. Often, however, hard-skill training programs require a GED as a prerequisite. Models

The I-BEST Bridge Program Model

Washington State’s Integrated Basic Education and Skills Training program (I-BEST) serves as a national model for merging adult education with career-oriented post-secondary training. The program was created after the State Board for Community and Technical Colleges found that students who enrolled in traditional adult education programs were struggling to transition into and complete post-secondary training programs. To advance in the workforce, their research showed that students needed to reach a “tipping point” of at least one year of college-level courses leading to a credential.²³

Placing adult education as a chronological pre-requisite was creating a barrier to advancement. To eliminate the barrier, the state created I-BEST – a new model where basic skills and vocational training would be taught side-by-side. The program began as a pilot at ten community colleges. In the pilot, participants earned five times more college credits and were 15 times more likely to complete workforce training than traditional students.²⁴ Today I-BEST has expanded to all community and technical colleges in the state, with programs in a range of fields:

- Architecture/Engineering
- Automotive/Engine Repair
- Commercial Driver’s License/Transportation
- Corrections/Law Enforcement
- Early Childhood Education/Childcare
- Healthcare
- Manufacturing/Trades
- Office Support/Technology

There are a few critical elements that make I-BEST a success. Classes are co-taught by two instructors – one who focuses on basic education, and the other who focuses on hard-skill training. Having two instructors teach each course requires higher per-student funding, but the payoff is significant, as many more students achieve credentials and graduate ready to work, pay taxes, and offer employers the skills they need. To ensure linkages to the workforce, I-BEST programs must provide evidence that they meet local labor market demand and funnel students into living-wage careers (jobs paying \$13/hour statewide, and \$15/hour in the Seattle area). Colleges are expected to work with local businesses and community-based organizations to build support for their programs.²⁵

I-BEST students are also eligible for the state Opportunity Grant program. Opportunity Grants are designed to help low-income students enroll in training that will move them onto high-demand, high-wage career pathways. The program targets students earning less than 200% poverty, and provides grants for tuition, fees, and up to \$1,000 toward the cost of books and supplies. The program addresses broader student needs by providing support services – from tutoring to emergency childcare to transportation. The Opportunity Grant program is designed to meet the needs of non-traditional students who are not well-served by other financial aid programs.²⁶

Student Success at Public Colleges & Universities in Maryland

		ALL STUDENTS	AFRICAN-AMERICAN STUDENTS
Four-Year Schools, Statewide	2-Year Retention Rate	78.5%	69.7%
	Graduation Rate	64.2%	44.7%
	Graduation Rate for Community College Transfers	48.6%	34.1%
Community Colleges	Transfer Rate	26.3%	17.7%
	Graduation Rate	8.7%	4.0%
Baltimore City Community College	Transfer Rate	14.7%	15.4%
	Graduation Rate	5.7%	4.9%

SOURCE: MHEC 2009 DATA BOOK

such as bridge programs merge basic education and hard-skill training. Students build the academic foundation needed for any job, and a set of applied skills to get them started on a career path. While bridge programs often take place at community colleges, they can also be offered through non-profit service providers. The Baltimore Workforce Investment Board should bring employers and providers together to foster the development of these types of programs in high-demand fields.

Strengthening the Post-Secondary System

Workers with a high school credential face a different set of barriers. Nearly 200,000 adults in Baltimore City have a high school credential, but no college degree. Unfortunately, many barriers stand in the way of success at the college level, especially for low-income, non-traditional, and first-generation students. As a result, retention and graduation rates are low, particularly for African-American students. At public four-year colleges in Maryland, thirty percent of first-time, full-time African-American students drop out by the end of their second year. Less than half go on to graduate. At community colleges, only 22 percent of African-American students graduate or transfer to a four-year school in a timely manner. For those who do transfer from community colleges to four-year schools, only one-third go on to graduate.²⁷

Many students who attempt college coursework – whether they are working toward a certificate or a degree – are first placed into development education. At Baltimore City Community College, less than 10 percent of entering students are determined “college ready.”²⁸ The rest must complete

at least some remedial coursework before moving on to credit-bearing curriculum. For students, this can be demoralizing, expensive and time-consuming, since students must pay tuition and enroll in semester-long courses that earn them no credit. As a result, these students struggle to graduate on time, if at all. This is a barrier to advancement for local workers, and a challenge for local employers seeking to hire qualified program graduates.

Local colleges must align program requirements with employer needs, to ensure that entrance exams and program curricula match the practical demands of the workplace. Schools should also explore innovative delivery models for developmental education. Accelerating remedial courses, allowing co-enrollment, and integrating developmental work with vocational training (much like a bridge program) are just a few ideas being successfully tested across the country. The state must support colleges as they work to improve developmental education. Some states support the success of developmental education programs by weighing these courses more heavily in their funding formulas. Others provide incentives for strong performance, funding for pilot programs, or intensive student support systems that address issues such as child care, transportation, and study skills.

For working adult students, financial aid is also a challenge. Students who are working and attending school part-time are often ineligible for the full slate of aid programs geared towards traditional full-time students. While Maryland has a Part-Time Grant program, limited funding means that late applicants may not receive awards. Furthermore, the program

More in the Middle

This report supports the work of More in the Middle – a wealth-building initiative of Associated Black Charities that aims to close the wealth gaps and strengthen the region’s economic competitiveness. In spite of gains over the recent decades, differences in income, employment, educational attainment, housing and business ownership rates persist between African-American and White communities.

More in the Middle seeks to increase economic assets in communities through strategic interventions focused on five core investment areas: Homeownership and Foreclosure Prevention; Workforce Development/Career Training and

Advancement; Higher Education: College Readiness and Access; Business and Economic Development; and Asset Building and Financial Literacy.

These investment areas are designed to *retain, grow, and attract* “More in the Middle” – more middle income residents who will help grow the economy of the region and spread their economic gains across the state. Through the retention, growth and attraction of an African-American middle class, Baltimore would experience an economic renaissance that would significantly alter its economy, workforce and socio-economic conditions. *To learn more, visit www.ABC-MD.ORG.*

is not open to non-degree-seeking students. Maryland must continue to increase its support for need-based financial aid for non-traditional students. The Washington State Opportunity Grant program highlighted in the I-BEST text box provides a good model for supporting workers on a vocational track, not just with tuition and fees, but also with books and supplies.

Building a Coordinated Workforce Delivery System

Rather than entering the formal post-secondary system, many local workers turn to public and non-profit workforce development agencies for training and career development. While the city is home to a range of opportunities, residents often don’t know where to start. Those who take the first step are often frustrated by gaps in coordination and missing links that leave them at square one when a particular provider does not have the right solution. Baltimore’s training providers, job developers, social workers, and community service agencies need to be better coordinated in order to fully serve local residents.

Rather than islands of workforce providers, Baltimore should strive for a comprehensive workforce pipeline. To create such a system, we must first know what exists today. Baltimore should undertake an intensive mapping process to identify all of the players involved in workforce development – both publicly and privately funded – and the range of services they provide. With this information, the city can create a job-seeker’s pipeline that identifies concrete pathways for workers at all skill levels. Where there are gaps, city leaders should work with employers and service providers to fill them.

A comprehensive workforce system must also include safety nets that effectively move families through difficult times while improving their ability to maintain self-sufficiency. Baltimore’s goal for workforce development should start with a job, but end with long-term financial security. For the city’s African-American families to gain a real foothold in the middle class, financial literacy and asset building must become an integrated component of job training.

Integrating Workers with Criminal Records

Many of Baltimore’s low-income African-American communities are held back by a revolving door of residents moving in and out of the criminal justice system. Nearly 6,000 Baltimore City residents entered state correctional institutions in 2009, and in turn, thousands came home. Within these institutions, 59 percent of the individuals incarcerated are from Baltimore City, 75 percent are African-American, and 96 percent are male.²⁹ For community members with a criminal record, it’s often difficult to find a foothold in the workforce – a reality that makes recidivism all the more likely.

Particularly for those just transitioning out of incarceration, there are a range of critical supports that must be coordinated to facilitate a successful re-entry. An Urban Institute survey of Baltimore prisoners returning home highlights some of the key challenges. The survey found that the majority had multiple convictions and a history of substance abuse. Less than half had a high school credential. Most were parents of young children.³⁰ While there are programs to help ex-offenders deal with these diverse issues,

The Johns Hopkins Hospital has made it a goal to serve and employ the local community, which includes residents with criminal records. They have found that workers looking for a second chance are often the most dedicated employees. The hospital recently analyzed data on employees hired between 2003 and 2006 to compare retention rates for workers with and without criminal records. Over those four years, they hired almost 500 employees with criminal records – about five percent of all new hires. Those with criminal backgrounds were almost 10 percent more likely to be employed after 20 months, and were equally likely to be employed after 40 months. These positive outcomes show that a well-crafted ex-offender hiring strategy can be beneficial for both workers and employers.

there are still wide gaps. Maryland must make it a priority to invest in services behind the fence to help prepare inmates for release, and ensure that they are well-coordinated with a spectrum of services in the community to achieve a smooth transition.

Despite the barriers they face, most ex-offenders are eager to start fresh. More than 80 percent indicate that they are tired of the problems caused by criminal involvement, and that they are ready to move on from the peer groups that got them in trouble.³¹ To do this, they need links to the mainstream economy. While some employers are hesitant to hire people with criminal backgrounds, others have found that by following sound employment screening practices, they are able to hire ex-offenders who are ready to work while limiting their liability.

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months, and were equally likely to be employed after 40 months.³² These positive outcomes show that a well-crafted ex-offender hiring strategy can be beneficial for both workers and employers. The city should work to educate employers on best practices in screening and hiring employees with criminal backgrounds, and point to models being implemented successfully by employers like Johns Hopkins.³³

Baltimore City has taken the lead in reducing this barrier by removing the question about criminal history from initial applications for city jobs. This question discourages applicants with criminal records from applying, even for jobs which they are well-qualified to fill. It also creates an immediate bias against the applicant. The State of Maryland – also a major employer in the city – still asks potential employees to check “yes” or “no” if they have ever been convicted of a crime.

Removing this question would allow participants to get a foot in the door and prove their qualifications rather than being automatically dismissed. While this does not eliminate the need for background checks for certain positions, it gives applicants the chance to be judged on their merits first. The State of Maryland should follow the city’s example and “ban the box” from state job applications. Once the state takes the lead, modeling careful and open hiring practices, only then can they encourage the private sector to follow.

TACKLING DISCRIMINATION

While federal, state and local laws help protect workers against discrimination, race still plays a role in the workplace – sometimes in overt, but often in subtle ways. Race can play a role in the types of jobs a worker chooses to apply for, how a candidate’s resume is received, the dynamics of the interview process, and who is groomed for internal advancement. The effects of race on hiring and advancement have been documented in numerous studies. These differences result in income gaps that increase during the years of employment and cause significant disparities in the total household wealth of black and white families. As a major element in the lives of people of color, employment discrimination adversely affects their emotional and physical health, their income, and the life chances of their children, thus carrying the impact on to the next generation.

POLICY SPOTLIGHT: REDUCING WORKPLACE DISCRIMINATION What policy actions can state and local leaders take to fight employment discrimination?

Immediate Action Items

1. Help small businesses implement non-discriminatory employment protocols
2. Maintain an effective infrastructure for the enforcement of anti-discrimination laws

Long-Term Goals

1. Raise awareness of employment discrimination issues, and work with the private sector to develop best practices for reducing it
2. Empower Baltimore workers with knowledge of their rights, and inform them of legal and civil interventions available

For Baltimore to build a thriving black middle class, these issues must be addressed. Raising awareness is a critical part of the solution. Most employers feel they have tackled the issue by implementing anti-discrimination policies and workplace diversity programs. Nonetheless, racial gaps and tensions within the workforce persist. The city should partner with the Chamber of Commerce, the Greater Baltimore Committee, and other employer associations to explore how these issues impact a company’s bottom line – often due to

turnover and low productivity – and promote best practices in creating neutral workplaces.

While larger companies tend to have more fully developed, standardized human resources procedures to help reduce racial bias in hiring and advancement, small and medium-sized companies may have less capacity and expertise. In addition to encouraging the development of minority-owned businesses in the city, Baltimore should provide training and resources to small businesses on how to implement non-discriminatory employment protocols and healthy work environments that allow all staff to thrive. These resources should focus heavily on interviewing, since the interview process is very susceptible to bias. First, it is often structured to focus on formal qualifications and personal interaction rather than competencies. Second, many hiring managers are not themselves trained to interview effectively. Providing basic tools and training could go a long way towards eliminating subtle types of discrimination that often come into play.

These strategies will help reduce “soft” discrimination. The city and state must also continue to monitor overt discrimination and ensure that local employers abide by the law. We must ensure that the Baltimore City Community Relations Commission – the local agency charged with investigating and resolving complaints of unlawful discrimination – is working effectively alongside the Maryland Commission on Human Relations and the federal Equal Employment Opportunity Commission to enforce the laws on the books and take on companies known to discriminate based on race. Critical to achieving this mission is raising awareness amongst workers themselves. Public enforcement agencies must make sure that employees at all levels know their rights, and also where to turn when they need either mediation or legal assistance.

TOWARDS A THRIVING BLACK MIDDLE CLASS; TOWARDS A THRIVING BALTIMORE

The numbers show that African-Americans in Baltimore are struggling both in real terms and in relation to their white neighbors. Since nearly two-thirds of city residents are African-American, a thriving Baltimore hinges on the health of the African-American population. By expanding economic opportunity for all, we can take a major step towards building a more dynamic city. This issue brief has laid out three key avenues for action, and strategies for improving workforce outcomes within each:

1

Expand the number of good jobs open to city residents.

- Foster the growth of industries that are thriving in the city, such as healthcare and education, through a coordinated, accountable economic development strategy
- Expand opportunities for minority and disadvantaged workers by establishing targeted hiring goals on projects using public funds
- Reward high-road employers through a best-value contracting process that considers job quality and awards point for proposals that meet or exceed certain criteria
- Create employment pipelines linked to major public projects such as the Red Line
- Improve personal and public transportation options to help city residents access jobs in the surrounding metro area

2

Increase the skills and education of local workers.

- Expand access to Adult Basic Education and GED prep programs
- Increase the impact of adult education by creating more programs that merge basic education and hard-skill training
- Improve post-secondary success by implementing innovative delivery models for developmental education, such as accelerated courses, co-enrollment, or learning integrated with program content
- Provide state-level financial support for developmental education improvements and student supports
- Increase need-based financial aid for non-traditional students on a career track
- Create a coordinated Baltimore City workforce pipeline that identifies concrete pathways for job seekers at all skill levels
- Make financial literacy and asset building core components of local workforce development strategy
- Reduce recidivism by strengthening prisoner re-entry services and employment programs for people with criminal records
- Expand job opportunities and model best practices in hiring by removing questions about criminal records from state employment applications

3

Reduce discrimination in hiring and employment.

- Raise awareness of the ongoing impact of racial discrimination in the workforce, and promote best practices for reducing the problem through local employer associations
- Provide training and resources to small businesses on how to implement non-discriminatory employment protocols and healthy work environments that allow all staff to thrive
- Ensure that agencies responsible for monitoring and enforcing anti-discrimination laws are effective
- Ensure that Baltimore workers know their rights and where to turn when they need mediation or legal assistance

By taking on these challenges, Baltimore can improve economic outcomes for families and the community at large. Closing the gaps between black and white and expanding Baltimore's black middle class will have a resounding impact on the health of the city and the region. If we act now, Baltimore can be re-born – allowing today's families to thrive, and passing an economically vital city on to the next generation.

Notes

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8. Maryland Department of Labor Licensing and Regulation, Office of Workforce Information and Performance, 2006-2016 Workforce Investment Area (WIA) Occupational Projections
9. Ibid
10. Rawlings-Blake Transition Team. "Transition Team Report." March 19, 2010.
11. To read the full Baltimore City Residents First policy, visit <http://oedworks.com/Baltimore%20City%20Residents%20Revised-City%20Seal-%20Package%2003.08.071ms.pdf>
12. Code of Ordinances of the City of Kansas City, Missouri, Chapter 38, Sections 38-83.1 through 38-83.13
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24. Washington State Board for Community and Technical Colleges. "I-BEST: A Program Integrating Adult Basic Education and Workforce Training." December 2005.
25. Washington State Board for Community and Technical Colleges. "Application and Guidelines Combined, 2008 Integrated Basic Education and Skills Training, I-BEST." April 2008.
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29. Maryland Department of Public Safety and Correctional Services, Division of Correction. "Annual Report - Fiscal Year 2009."
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32. Das, Kristina and Pamela Paulk. "Reintegration of Ex-Offenders: An Innovative Approach to Community Outreach and Human Resources at The Johns Hopkins Hospital." Delta Omega Scientific Poster Competition, 2010.
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**JOB
OPPORTUNITIES
TASK
FORCE**

The Job Opportunities Task Force works to develop and advocate policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-income workers and job seekers

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Associated Black Charities is a public foundation that facilitates the creation of measurably healthier and wealthier communities throughout the State of Maryland through responsible leadership and philanthropic investment.

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MORE IN THE MIDDLE
INITIATIVE

More in the Middle is a wealth building initiative designed to retain, attract and grow a greater African American middle class in Maryland. Through collaborative and strategic interventions, More in the Middle aims to close the wealth gaps in Maryland and to strengthen the competitiveness of the state and region.

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