

BALTIMORE'S CHOICE:  
Workers and Jobs for a  
Thriving Economy



ABSTRACT

**The Job Opportunities Task Force**

## ACKNOWLEDGEMENTS

This report is the result of the cooperative efforts of many people, and we are deeply grateful for the expertise and perspective that each contributed to the project.

Richard Clinch, Director of Economic Research, University of Baltimore; Allison Kreisberg, Research Analyst, Evaluation and Accountability Committee, Baltimore Workforce Investment Board; and David Stevens, Director, Jacob France Institute, University of Baltimore, were the principal researchers. They together with Burt Barnow, Associate Director for Research, Institute for Policy Studies, Johns Hopkins University; Diane Bell, Chief Executive Officer, Empower Baltimore Management Corporation; Clifford Collins, former Executive Director, Job Opportunities Task Force; Kevin Griffin Moreno, Program Associate, Job Opportunities Task Force; Joanne Nathans, President, Job Opportunities Task Force; Marion Pines, Senior Fellow, Institute for Policy Studies, Johns Hopkins University; Deborah Povich, Executive Director, Job Opportunities Task Force; Sabrina Rhodes, Program Assistant, Job Opportunities Task Force; Melanie Styles, Program Manager, Abell Foundation; and Jessica Traskey, Office Manager, Job Opportunities Task Force, comprised the committee that shaped and guided this project.

In the course of many passionate and enormously valuable discussions, the committee deepened our understanding of issues relating to jobs, wages, low-skill job seekers, race and employment, and the economy of the Baltimore region. We hope this is reflected in the report.

Many individuals read drafts of the chapters and generously provided suggestions and additional material. We are especially indebted to Diana Bailey, Prison to Work Program Coordinator, Maryland State Department of Education; Stephen Crawford, Director, Division of Economic and Social Policy, National Governors Association; David Jenkins, Educational Liaison, Maryland Division of Correction; Avis Ransom, Director, SSC Employment Agency, and OSI Community Fellow; Karen Sitnick, Director, Mayor's Office of Employment Development; and Jane Sundius, Program Officer for Education and Youth Development, Open Society Institute–Baltimore.

We wish to thank Molly Rath for her work in the early stages of this report, and for the vignettes that tell the human stories between the lines of tables and text. Thanks also to Sam Holden for the accompanying photographs.

We hope this report will generate the changes needed to improve the lives of thousands of low-skill, low-wage workers and job seekers and strengthen the region's economy.

Joanne Nathans  
*President*

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*January 2003*

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# Baltimore's Choice: Workers and Jobs for a Thriving Economy

*"...if you don't find time to change the world, then you're busy keeping it the way it is."*

—Albert Jones, a school bus driver in Boston in 1967, who volunteered to help when African-American children began to attend public schools outside of their neighborhood. From *Lives of Moral Leadership* (2000) by Robert Coles.

One of the most significant challenges facing the Baltimore region is the extent and concentration of unemployment and poverty in the urban center. Two keys to reducing the problems are jobs, especially jobs that pay family-supporting wages, and a local workforce with the skills needed to do those jobs. Unless we act to reduce these problems, they will continue to dampen the economic vitality of the region.

This report describes the region's economy, the total job market, wages, skills needed, current low-skill workers and job seekers, and the workforce development system. It documents an urgent need for change—from the perspective of employers seeking skilled workers, and from the perspective of individuals seeking jobs that offer opportunities for advancement. It shows that we have numerous programs intended to alleviate the problems of low skills, low wages, lack of job readiness, and culture gaps. It shows the need to address systemic aspects including transportation and job creation. It also points to the importance of support systems such as child care, health care, and income supplements.

We offer this report to spur discussion and action. The recommendations are addressed to all sectors—private, nonprofit, and

government. Each sector brings critical assets to the table. Each has a compelling interest in the outcomes. Together we can mobilize resources and energies to improve the economic vitality of the region for the benefit of everyone in it. Together we have the power to change our part of the world.

## Baltimore's Choice

In the past several years, Baltimore has begun to join the ranks of U.S. "comeback cities."

Many of our public schools are improving; crime is decreasing; the teen-age birth rate is down; our capacity to treat substance addictions has greatly increased; there is growing demand for downtown property for residential and commercial use; and Mayor Martin O'Malley's energy and passion encourage optimism. We have greater public awareness of what it takes to address the decay, poverty, and frustration still found in many neighborhoods. But in many ways, we are not yet a real comeback city.

The rising tide of the U.S. economy in the 1990's did not lower the jobless rate or increase family incomes in many of the nation's poor neighborhoods, including

## Introduction

Baltimore's. The current very gradual recovery from the recent recession is not expected to bring substantial improvement in these conditions. At the same time, opportunities for better wages and benefits do exist in the region's job market; if we create a skilled workforce, it will enable local businesses to grow and will help to attract good new jobs.

Today's problems do not need to be tomorrow's problems. Low-skill men and women can learn higher skills. Literacy levels can be improved. Employers can improve their interactions with a non-traditional workforce. New jobs that pay family supporting wages can be created. All this is happening in the Baltimore area, but it needs to be vastly expanded and intensified.

Baltimore's untapped economic and human potential is here to be cultivated. As a solid base for investment, the City offers major resources and opportunities:

- The City is the hub of the region's legal, financial, and health services, and houses a concentration of educational and cultural institutions.
- The City has economically competitive critical clusters of companies and institutions.
- We have an underdeveloped, underutilized, geographically concentrated workforce.
- Residents' market needs and buying power are underserved by local businesses.

The challenge now is to tap this potential. In 1999 the Job Opportunities Task Force issued its report, *Baltimore Area Jobs and Low-Skill Job Seekers: Assessing the Gaps*. That report provided basic information and analysis as a foundation for creating a comprehensive workforce development system, with a focus on the low-skill workforce, and warned of the costly social and economic ills that will continue if we fail to take action.

Since 1999, the City, the region, and the State have been taking steps in the right direction, but the national economy is growing very slowly now, and the problems and gaps that we described in 1999 have not changed substantially, as this new report shows. Much remains to be done. Will we rise to the challenge? Will we use our public, private and nonprofit resources more effectively?

This is Baltimore's choice. It is our choice.

# Strategies for a Healthy Regional Economy

—“(L)ively, diverse, intense cities contain the seeds of their own regeneration...”

—Jane Jacobs, *The Death and Life of Great American Cities*.

Baltimore has major choices to make that affect the future of the entire region and the quality of life of many of its residents. For an economy to be healthy, it needs good jobs, growing industries, and a skilled, competitive workforce. For individuals to develop their talents and contribute to the community they need incomes sufficient to maintain a decent standard of living for themselves and their families, with government providing the foundation of good public education, transportation, a safe, healthy living environment, and a safety net for those who need help.

For many years, Baltimore’s unemployment rate, average family income, literacy level, and crime, have placed us near the bottom of the nation’s major cities.

These problems are being addressed. Thousands of people in the Baltimore region are working to bring about positive change for others and for themselves. Their determination and their successes are contagious. They prove that today’s low-skill worker can be tomorrow’s higher-skill worker, and that many barriers to employment can be reduced. A competitive, skilled labor force will help local businesses grow, and will help attract good new jobs to the region.

But the numbers of job seekers compared to the numbers of job openings show that education and training alone are not

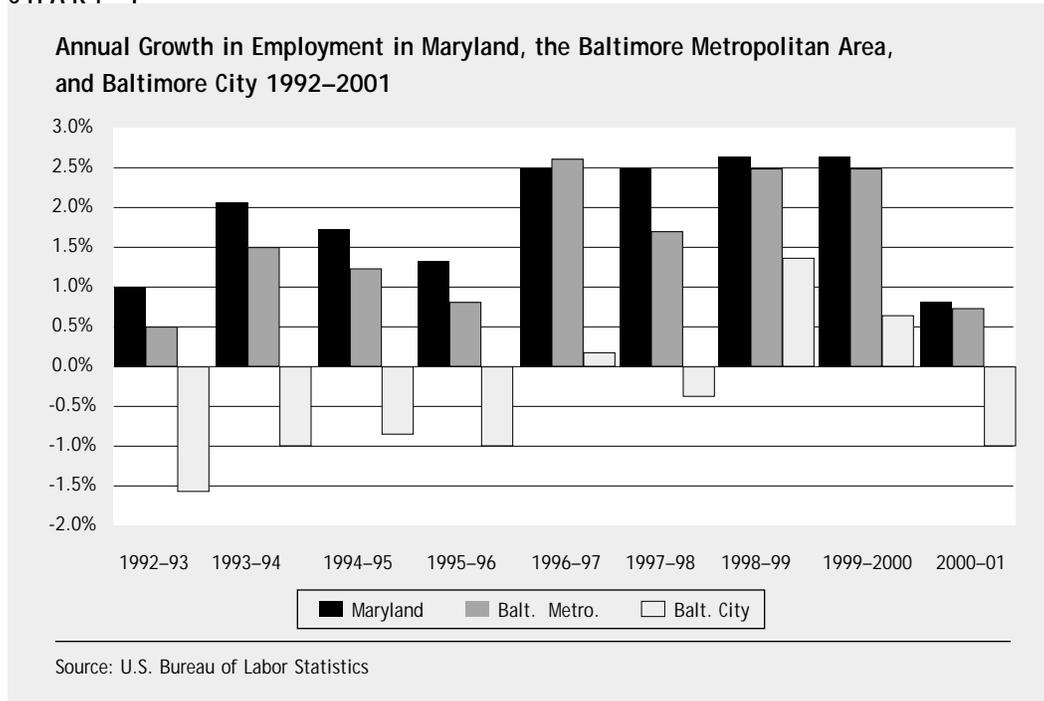
enough. The region needs more jobs, and we need adequate income supplements and subsidies for low-wage workers and their families.

The key *long-term strategy* to reduce unemployment and poverty is to create more medium and high skill jobs throughout the region, combined with strong programs ensuring that job seekers have the education and training needed for these jobs. An *immediate strategy* is to create enough jobs to increase the labor force participation rate<sup>1</sup> in Baltimore City, and to insure that income supplements such as earned income tax credits, food stamps, health care, and child care subsidies, are adequate and are fully utilized by low-income men and women.

Today’s efforts need to be vastly expanded and intensified. These actions are essential:

We, as a community, must invest the effort and allocate the resources to build an accessible, comprehensive, effective workforce development pipeline that offers lifelong learning opportunities for all residents and produces the skilled workforce that employers need. This requires the integration of workforce development, economic development, and the education system. To assure that our public dollars are being well spent, we must develop common definitions of “success” in order to effectively evaluate our workforce development programs.

CHART 1



We must open the workplace doors and welcome the abilities and energies of individuals of all backgrounds and descriptions, all races and cultures, to tap the value of a diverse population in both economic and human terms.

We must support the creation of jobs that pay self-sustaining wages to reduce the numbers of poor families and jobless men and women.

We must have the will to do this.

## Major Findings

### 1. Shift in People and Jobs Creates a Geographic Mismatch

Changes in the economic structure of the Baltimore Metropolitan Area have resulted in a more dispersed population and a shift in the location and type of employment opportunities (see **Chart 1**). In 1970, the City was home to 23 percent of Maryland's

population and 32 percent of its jobs. By 2000, it was home to 12 percent of the State's population and 15 percent of its jobs.

Deconcentration of employment and economic restructuring have reduced the number of jobs in the City. Retail and personal services industries followed middle class residents to the suburbs. These jobs are located far from the urban concentrations of lower skill workers, leading to a *geographic mismatch* between urban residents and suburban job opportunities.

Key challenges include providing access to employment opportunities through public transportation and improving the education and skill levels of City residents to assure they are prepared for employment in the job sectors that pay family-supporting wages. As the City works to attract and create good jobs, those jobs will be filled by suburban residents if City residents do not have skills needed by employers.

Meanwhile, many suburban jobs remain inaccessible to City residents.

**2. Mismatch Exists Between Skills of City Residents and Skills Needed by Employers**

Today’s higher wage jobs require higher levels of education and training than the manufacturing jobs they replaced, leading to a *skills mismatch* between job opportunities and low-skill workers, a gap that is filled by high-skill workers commuting into the City from the suburbs. Despite high unemployment rates in the City, 61 percent of Baltimore City firms and 62 percent of Baltimore suburban firms reported difficulty in finding workers in 2001.

The current mismatch could grow larger as new economic ventures such as the East Baltimore biotech park and the University of Maryland research park proceed. For these projects to benefit the City’s low-skill residents, residents must be linked to

training programs that provide the required education and occupational skills.

**3. Low Levels of Education and Labor Force Participation Hurt Baltimore’s Economic Health**

Baltimore City residents have lower levels of educational attainment than the populations of the region and State. Thirty two percent of Baltimore City residents 25 years and older did not complete high school, compared to 16 percent of Maryland residents. Nineteen percent of Baltimore City residents have earned a bachelors degree or above, compared to 31 percent of Maryland residents.

Fifty-seven percent of Baltimore City residents report being in the labor force, compared to 68 percent of Maryland residents (see **Table 1**). Workforce participation rates are significantly higher in the surrounding counties, ranging from

**TABLE 1**

Labor Force Participation							
	Maryland	Anne Arundel County	Baltimore City	Baltimore County	Carroll County	Harford County	Howard County
Population 16 and Over	4,085,942	379,394	507,534	595,770	113,461	164,126	164,126
In Labor Force	2,769,525	269,772	287,159	396,897	80,767	116,981	116,981
Civilian Labor Force	2,737,359	258,331	286,735	396,226	80,624	115,314	138,861
Employed	2,608,457	250,254	256,036	379,705	78,444	111,792	135,504
Unemployed	128,902	8,077	30,699	16,521	2,180	3,522	3,357
Armed Forces	32,166	11,441	424	671	143	1,667	1,024
Not in Labor Force	1,316,417	109,622	220,375	198,873	32,694	47,145	45,496
Percent of Population 16 and Over							
In Labor Force	68%	71%	57%	67%	71%	71%	76%
Civilian Labor Force	67%	68%	56%	67%	71%	70%	75%
Employed	64%	66%	50%	64%	69%	68%	73%
Unemployed	3%	2%	6%	3%	2%	2%	2%
Armed Forces	1%	3%	0%	0%	0%	1%	1%
Not in Labor Force	32%	29%	43%	33%	29%	29%	25%

Source: U.S. Bureau of the Census

TABLE 2

**Income and Poverty in Baltimore, 1999  
(Percent of Population)**

	Maryland	Anne Arundel County	Baltimore City	Baltimore County	Carroll County	Harford County	Howard County
Median Household Income	\$52,868	\$61,768	\$30,078	\$50,667	\$60,021	\$57,234	\$74,167
Per Capita Income	\$25,614	\$27,578	\$16,978	\$26,167	\$23,829	\$24,232	\$32,402
Families in Poverty	6.1%	3.6%	18.8%	4.5%	2.7%	3.6%	2.5%
Individuals in Poverty	8.5%	5.1%	22.9%	6.5%	3.8%	4.9%	3.9%

Source: U.S. Bureau of the Census

76 percent in Howard County to 67 percent in Baltimore County. Baltimore City's low workforce participation rate is due in part to high unemployment and jobless levels. In September 2002, the City's official unemployment rate was 7.5 percent compared to the State's 3.9 percent. However, the total jobless population includes many more people such as those who have not actively looked for work in the past four weeks because of a problem with transportation or child care, or those who have given up the search.

High unemployment, low labor force participation, low levels of education, and a concentration of employment in low-wage occupations have taken their toll on the City's economy. Household and per capita incomes in the City are both much lower than the State average and surrounding suburbs. The family poverty rate in Baltimore City is three times the State average (see **Table 2**).

**4. Skills and Educational Levels Impact the Business Climate**

The availability of a skilled and educated workforce is a chief determinant of a region's economic development success. While the attractiveness of an area for the start-up, expansion, and recruitment of businesses is determined by a number of factors, labor availability is ranked as the

second most important factor (after real estate costs) in evaluating an area's business climate. Recently, almost two thirds of the employers in Baltimore City and surrounding counties reported difficulty in finding skilled workers.

**5. Projected Job Openings Will Not Meet Residents' Financial Needs**

Projected low-skill openings are concentrated in relatively few occupations in the Baltimore region. The fastest growing low-skill occupations have lower overall earnings levels than low-skill occupations in general, with 33 percent of the occupations with the most openings paying less than \$8.50 per hour, compared to 28 percent of all low-skill jobs paying less than \$8.50. Thus low-skill workers face limited opportunities for wage growth.

The level of occupations that requires vocational/post secondary training is relevant in light of job prospects for the less skilled in the region. These occupations are accessible with moderate training and education, and tend to offer more stable employment opportunities, higher wages, and a higher probability of benefits. Nearly 80 percent of workers in occupations requiring vocational/post secondary training earn more than \$10.00 per hour, and 72 percent earn more than \$11.25 per hour. However, these

occupations are projected as a small share, four percent, of regional employment and openings. Less than half of these jobs are from growth. The next rung on the job classification scale, jobs requiring an Associate degree, also provides wage advancement, but comprises less than five percent of employment and job openings in the region. Almost 60 percent of projected openings at this level are from growth (see **Table 3**).

**6. The Region Needs More Jobs, Especially Good Wage Jobs**

Even with the strong economic growth that occurred in the late-1990s, the region did not create sufficient employment opportunities for low-skill workers. On an average day in the Baltimore metropolitan region, there are 27,000 officially unemployed individuals seeking full-time low-skill jobs, and an additional estimated 26,000 involuntary part-time and marginally attached individuals who want full-time low-skill jobs but are not officially counted as actively searching for work. On this average day, there are approximately 30,000 low-skill job openings, resulting in nearly two low-skill job seekers for every low-skill job in the region. The regional job gap increases as the earnings levels increase. The job gap increases to three workers per

job opening paying \$10.00 an hour and four workers per job opening paying \$11.25 per hour (see **Table 4**).

A critical shortfall continues of jobs with wages sufficient to meet the basic living needs of low-skill workers and their families.

**7. Race Impacts Hiring and Income**

Few studies have been done on the impact of race and employment in the Baltimore region. However, national data point to major disparities in income and wealth between white and black populations. In 1998, the latest year for which data is available, the median net worth of black households was \$10,000, compared to \$81,700 for white households. Almost twice as many black households had zero or negative net worth as white households. In 1998, the median income of black households was about \$25,000, compared to \$41,000 for white households.

Minority-owned businesses offer a good opportunity for employment for minorities. Whether minority businesses are located in non-minority areas or in minority neighborhoods, they are more likely to hire minority employees than white-owned businesses.

**TABLE 3**

**Projected Baltimore Region Annual Job Openings Through 2006 by Type and Education Level**

	Annual Openings	Low-Skill	Vocational/Post Secondary Training	Associate Degree and Above	Baccalaureate Degree and Above
Replacement	24,778	18,535	963	804	4,476
Growth	18,042	11,396	804	1,155	4,687
<b>Total</b>	<b>42,820</b>	<b>29,931</b>	<b>1,767</b>	<b>1,959</b>	<b>9,163</b>
Replacement	58%	62%	54%	41%	49%
Growth	42%	38%	46%	59%	51%

Source: DLLR Data analyzed by the Jacob France Institute

**TABLE 4**

**The Regional Job Gap: Estimated Number of Low-Skill Job Seekers Compared to Projected Low-Skill Job Openings by Wages**

	Total	\$5.75/hr	Openings Paying More Than		
			\$8.50/hr	\$10.00/hr	\$11.25/hr
Total Low-Skill Job Seekers	53,284	53,284	53,284	53,284	53,284
Total Low-Skill Job Openings	29,931	29,077	19,999	16,184	13,627
Low-Skill Job Gap	23,353	24,206	33,285	37,100	39,656
<b>Ratio of Job Seekers to Net Openings</b>	<b>1.8</b>	<b>1.8</b>	<b>2.7</b>	<b>3.3</b>	<b>3.9</b>

Source: DLLR Data analyzed by the Jacob France Institute

**8. Dropouts and Ex-prisoners Require Special Attention**

Each year in the Baltimore region, approximately 6,000 high school students leave school in grades 9 to 12 and do not enroll in another school or other educational program. More than half of these students live in Baltimore City. A strong correlation exists between education, employment opportunities, and lifetime earnings. Compared to a male high school dropout, a male who completes high school has an additional \$400,000 in lifetime earnings.

Approximately 75 percent of inmates in Maryland’s correctional institutions are high school dropouts, and 20 percent of inmates were at or below the third grade reading level when they entered prison. The majority had little or no mainstream work experience. Current education and employment-related programs in Maryland’s correctional institutions reach a small portion of the inmate population. Research shows that prisoners who participate in education and occupational skills training programs while in prison have higher wages and are more likely to enroll in substance abuse treatment and counseling, are more likely to continue education and training, and are 23 percent less likely to return to prison.

In Fiscal Year 2002, 15,000 inmates were released statewide, including approximately 9,000 to Baltimore, most with very limited education, employment-related skills, or job readiness. Sixty five percent of the ex-prisoners were re-incarcerated within three years of release in 2000. The average cost of incarceration is approximately \$25,000 per inmate per year.

**9. Workforce Development Programs Meet an Important Need, but No Comprehensive Performance Measures Exist**

The foundation of workforce development is a good education, an education that provides the tools to enable people to move into careers. However, when the education system fails to adequately prepare people for work, or other life factors impinge upon employment success, additional programs—sometimes called “second chance” programs—are necessary. Workforce development programs help meet this need.

Workforce development programs are funded and structured by multiple federal, state, local, and private sources, each with specific objectives and outcome measures. While the City has begun to develop an inventory and assessment of services provided, no comprehensive evaluation yet exists to determine how well those services meet the needs of City employers and the job seekers.

#### 10. Income Supports Sustain Families and Increase Employment Retention

Not all jobs pay enough to keep people out of poverty. Many workers employed full-time do not earn enough to provide a minimum decent living level for themselves and their families. One example is the former welfare population. While welfare rolls have decreased dramatically in Maryland, most welfare leavers remain poor. Research conducted at the University of Maryland School of Social Work found that welfare leavers find employment, but the work is often part-time and unstable, and incomes remain very low.

Both low-wage workers and individuals not connected to the workforce need income supports such as earned income tax credits, food stamps, and health care and child care subsidies. These work supports help assure families a decent standard of living.

### Major Recommendations

We offer these recommendations to the region's public, private, and nonprofit sectors as action steps that can bring about concrete improvements for job seekers, workers, and employers.

#### 1. *Spur the creation of jobs with better earning opportunities* by attracting and retaining businesses that provide career advancement.

- Require all recipients of public sector economic development subsidies to create jobs with family-supporting wages and benefits. Priority should be given to jobs that require vocational/post secondary training and associate degrees, which are employment tiers within reach of low-skill workers.
- Require recipients of state and local economic development subsidies to hire and provide skills training for local residents.

- Include enforcement provisions in state and local economic development subsidy agreements; monitor performance for compliance.
- Increase partnerships between employers and training providers for the hiring, training, and advancement of workers from lower skill levels to higher skill levels.
- Support minority-owned business development and expansion.
- Monitor and enforce Baltimore's "living wage" law that requires the City's contract partners and sub-contractors to pay non-professional employees the hourly minimum wage determined annually by the Board of Estimates.

#### 2. *Link education, job training, and job readiness programs* to increase the skills and career advancement potential of Baltimore's workforce.

- Reserve a greater portion of Workforce Investment Act funds for education, skills upgrading, and training.
- Require state and local job centers to provide evening hours.
- Create a mobile career van program for neighborhoods with low labor force participation rates.

#### 3. *Increase public transportation routes from City locations to suburban job centers* to provide City residents with access to jobs.

- Dedicate a portion of Maryland Transportation Administration resources to job access routes.

#### 4. *Invest in youth* to prepare them for successful careers.

- Increase support for effective dropout prevention strategies, such as work-study programs, vocational-technical programs, increased remediation, and flexible schedules.

## Abstract

- Expand dropout recovery programs with high standards to include a menu of learning options in non-traditional educational settings and encourage co-enrollment with community colleges.
- Educate all young people about the importance of education in improving employment opportunities and lifelong earnings.

### **5. Increase access to educational, vocational, and transitional programs for inmates and ex-prisoners to assure that released prisoners can get and retain jobs.**

- Develop and fund a multi-year Waiting List Initiative to reduce the number of inmates on GED, basic education, and job training waiting lists.
- Increase employment opportunities for ex-prisoners by expanding access to the record expungement process and reducing employer liability under the Negligent Hiring Doctrine.
- Reduce the deterrent effect of child support on mainstream employment by temporarily suspending or reducing child support orders when non-custodial parents are incarcerated (if no other assets exist); and expand programs that include reduction of child support arrearages for ex-prisoners.

### **6. Simplify access procedures and increase the utilization of wage supplements such as the earned income tax credit, unemployment insurance, food stamps, health care, and child care subsidies to benefit families and increase the amount of money that comes into Baltimore's economy.**

- Require the Maryland Department of Human Resources to simplify the forms for income support programs and make the qualification process user-friendly.

- Increase outreach to eligible populations about the availability of these programs.
- Expand access to unemployment insurance benefits and increase the allowance for dependents.

### **7. Develop a common set of performance measurements, definitions, and reporting requirements for organizations using public sector funds for workforce development programs. Performance measures should focus on educational competence, certification, and acquisition of skills that lead to higher earnings.**

- Develop a performance measurement system that improves local accountability by documenting employment-related needs of job seekers, workers and employers, cataloguing existing services, determining target populations, and tracking outcomes of service providers.

## The Challenge

These recommendations are intended to spur development of policies and programs that will improve employment opportunities for low-skill workers, provide businesses with a skilled workforce, and increase the region's economic strength.

We as a community can do this. It is Baltimore's choice.

## Endnotes

- i. The Labor Force Participation rate refers to the percent of the population 16 years and older who are actively looking for work or are employed. Those not in the labor force are individuals 16 years and older who are not employed and are either not actively looking for work or are not available for work.



## Overcoming Barriers to Employment

With a high school diploma and seven credits shy of an Associate degree, Michael Pyatt abruptly changed course in the late 1970s and spent the next decade in and out of trouble, addiction, and jail. And strong as his will was in the 1990s to turn things around, it was a difficult past to overcome.

“People have preconceived notions about ex-offenders. My biggest problem was coming out and trying to get a job. I couldn’t survive on the minimum wage they were paying” to work in a deli or clean streets, Pyatt says. “I was like, ‘I’m doing what I’m supposed to be doing.’” But the jobs neither lasted nor paid well. “I had an education so I did have skills; I lacked the information on how to apply them. I was also thinking my criminal background would stop me because it had stopped me before—when I was

a residential counselor [at a mental health institution], they did a background check and didn’t need me anymore.”

Through Narcotics Anonymous, Pyatt “developed a network of people that really cared,” and taught him humility. He began to view minimum wage jobs, and those that paid slightly more, as the start of a progression that in late 2001 landed him an outreach counselor’s position at Project PLASE—complete with office and \$24,000 salary.

“I don’t think I’ve overcome these barriers because they still exist—people don’t take the time to listen instead of making judgment calls,” Pyatt, now 45, says. “I’ve just learned to deal with them. I just endure. Persevere.” ■



## Investing in People

Scott Stevens comes from a family of Baltimore City produce merchants dating back 150 years, and as general manager of Modu Tech in South Baltimore he's continuing the tradition of urban employer. Inner-city businesses need a stable workforce, he says, and he believes they need to take the initiative in making that happen.

Modu Tech, a \$20 million-a-year maker of roof trusses and wall panels for homebuilders, employs 100 people, 80 of them minority—mostly African American—low-skill laborers. These are poor men with personal and legal troubles, who more than anything, Stevens says, need well-paying jobs. “Once we get them to a wage that’s meaningful, the rest of the issues subside. Having said that, how do we provide opportunities for these folk?”

Each year, half of Stevens’ workers lose their jobs over conflicts with supervisors and poor attendance. “In the working world you survive by being able to work on a team. You have to be

able to listen, be compassionate; you have to be able to ask questions,” Stevens says. “A lot of these guys don’t have those social skills, the common courtesy things that make people want to work with you.” As a result, Modu Tech is “always hiring,” spending \$1,000 for every new hire.

“So what we decided to do was invest in these guys,” Stevens says. The company requests personal mission statements and participation in company improvement projects of all its employees. It provides monthly training for all staff. And it strives to increase \$6.50-an-hour starting wages to \$7.50 or \$8 an hour within employees’ first 30 days.

“They want to make a living. They want to be a part of something larger than themselves. They want to add value and receive value. At our core we all want those things,” Stevens says. “The big problem is, businesses don’t understand what the costs of training and retention are.” Or the costs of doing neither. ■

## Statement of Mission

The *Job Opportunities Task Force* works in the Baltimore region to develop and advocate policies and programs, forge partnerships, and leverage investments that increase the marketable skills, income and economic opportunities of low-skill, low-income workers and job seekers.

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