

SUN SPECIAL REPORT | SHIFTING FORTUNES

Falling short on training

Second of two parts: New economy asks more of workers, but job help wanes

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The knowledge economy that Maryland is pushing as its future - a promised land filled with high-paying jobs in health care, defense, biotechnology and professional services - is shutting out tens of thousands of the region's residents.

As lab coats replace work shirts, the underside of the new economy becomes clear: The more dominant it becomes, the harder it is for people without specialized training to participate. That disconnect could become even more pronounced in a state that has made the pursuit of biotechnology official policy.

Success in this new economy is tied to education. Many of the best jobs go to those with advanced degrees. A high school diploma, once a ticket to the middle class, now guarantees little more than low-paying service work. Dropouts are in even more trouble.

But help beyond high school is diminishing. Federal funding for career centers, training and counselors has been slashed - down \$34 million statewide since 2000, adjusted for the rising cost of living. That's a 55 percent drop. Stopgap efforts by the state and city have not made up the difference.

"Our diplomas used to get us everywhere. They don't anymore. They just don't," said Baltimore resident Phyllis Owens, 59, a high school graduate who has been doing temporary work since she lost her job as an office manager in 2000. "Job descriptions used to be a paragraph and they paid well. Now they're three pages and they pay squat."

As the state embraces the high-tech economy, it is not focused on people like Owens. State leaders prefer to talk about the benefits. They say Maryland is adding good jobs and attracting educated people while states dependent on manufacturing lose ground.

But biotech jobs are largely out of reach for the 460,000 adults in the Baltimore area with just a high school education and the 250,000 who never finished. Gov. Martin O'Malley, who wants to invest \$1.1 billion over the next decade in the biotech industry, has not proposed anything remotely close to that to expand worker training or adult education.

Foundations, nonprofits and school systems are trying to help. Major hospitals are working together to train their own workers. And the city's fledgling bioparks are pointing residents of their poor neighborhoods toward work and training. It is still not enough.

"They're all sort of running on their own fumes, and as a state, that's not going to get the job done," said Jason Perkins-Cohen, executive director of the Job Opportunities Task Force in Baltimore. "We need a bigger investment, and we need the state to step forward and take leadership. ... We have employers who need good workers and we have workers who need good jobs, and we spend almost nothing on worker training."

Without a concerted effort, poverty will likely become more entrenched. The gulf is already starker in Maryland than most states. Since the late 1980s, the average income of the highest-earning Maryland families has risen 47 percent while the income of those at the bottom increased only 9 percent. That gap grew faster here than in all but six states, according to the Economic Policy Institute and the Center on Budget and Policy Priorities.

There are growing fields that need workers, from nursing to engineering. And in Baltimore, there are plenty of people who need work: About 120,000 city adults under age 65 are officially out of the labor force, which means they are not working or actively seeking employment. Many of them lack the skills they need to land steady jobs.

But slots in training programs for all kinds of jobs are being cut, even as the need grows. The nonprofit Civic Works is training 75 people for health care jobs this year, down from 108 two years ago. The number of metro-area students with federal Workforce Investment Act training grants fell by half in four years, to about 500 in the 2007 fiscal year.

Federal money to the state for career and technology education has been reduced by 14 percent since 2001 - a loss of \$2.7 million, accounting for inflation. And as the sinking economy compels mid-year cuts in the state budget, higher education is taking a hit. Among the \$300 million in reductions approved last week by the Board of Public Works were \$15.6 million from the state university system, \$8.2 million from community colleges and \$1.3 million from a scholarship program for needy students.

"There's far less opportunity for people who don't have education and skills to compete, so they're going to be trapped in the lower end of jobs," said Richard P. Clinch, director of economic research at the University of Baltimore's Jacob France Institute. "Workers with higher education and skills will win in the new economy."

'No hope out there'

On a recent morning, Baltimore schools CEO Andres Alonso was touring an electrical trade school in West Baltimore, where a five-year apprenticeship program leads to jobs paying \$60,000. Alonso asked 10 young men in a classroom how many had graduated from a city high school and no one raised a hand. Essex, said one. Milford Mill, said another.

"If the Baltimore County kids are getting here, why aren't the city kids?" Alonso asked. One of his chief goals is to get more students into trade and training programs. In August, the city school system opened three career-prep middle-high schools run by businesses and nonprofits - two for science and engineering and one for health care and construction.

"Ultimately, what matters is how we are preparing a student to live for the rest of their life," Alonso said, not whether they graduate from college.

He knows that training needs to begin in high school. But federal money for training after high school is shrinking. While the city has significantly increased its contribution, it has made up only three-quarters of the cuts.

Some turn to the career counselors at East Baltimore Development Inc., a nonprofit that manages the work on one of the city's two new bioparks. Most people who come to EBDI have not finished high school. The typical reading level is third to sixth grade. For them, a knowledge economy job is out of the question. Instead, they are pointed to security, transportation and catering companies outside the biopark.

EBDI has found jobs for about one in six residents seeking help, at an average hourly wage of \$8.79 - below the \$11.30 an hour that the state considers a "living wage" in most of the metro area. Some clients are referred to training programs. Many, though, lack math and reading skills required to enter training.

"You can see it in the young people's eyes," said J. Howard Henderson, president and CEO of the Greater Baltimore Urban League. "There's no hope out there. They don't see that there's a future."

Paying for a college education is often not an option. The most recent National Report Card on Higher Education, in 2006, gave Maryland an "F" for the affordability of its community colleges and public universities. The situation, it warned, "could limit the state's access to a competitive work force and weaken its economy."

O'Malley says the state is doing what it can by freezing college tuition. His administration also added \$1.3million to adult education programs in the past year, accounting for inflation. But there is, he acknowledges, a "troubling dichotomy" in Maryland.

"We have the highest median income of any state in the union and yet there are a half a million of us who are living below the poverty line," O'Malley said at a work force summit this year. "We lead the nation in advanced degree attainment, but we have about 750,000 of our neighbors who are functionally illiterate."

A need for better skills

Those already out of school must rely on a thin network of training programs and career centers to adapt to the new economy. It's not easy when just applying for a job has become a test of technical competence. Many applications must now be filled out online, and applicants often do not have Internet access.

On a June morning at the city's Eastside One-Stop Career Center, two dozen people crowded around half as many computers for a crash course in basic job-hunting skills. They were learning how to apply online for jobs at the new Hilton Baltimore Convention Center Hotel.

David Hilton put in his application for a maintenance job. Hilton, 57, was laid off in March after working in warehouses most of his life. He was making \$17.25 an hour. The openings he's finding now pay about \$9.50 an hour - what he earned 25 years ago.

"I know I won't get what I had," said Hilton, a high school graduate. He hopes to be able to hold on to the house he shares with his wife in Northeast Baltimore. More than six months after losing his job, though, he still has not found work.

The new hotel employs more than 400 people. But economists warn that hospitality jobs are often low-wage and part-time, not enough to lift people into the middle class.

"It's obviously a good thing that more jobs are being created," said Marc Levine, a professor at the University of Wisconsin-Milwaukee who is writing a book on Baltimore's post-1950s economy.

"But how do you make sure those jobs pay anything approaching family-supporting wages so they become routes to economic well-being and not simply creating a class of the working poor?"

There is no simple answer. In fact, workers will need even more skills in the future, experts say. Seven of the 10 occupations that the state expects will grow the fastest through 2014, from database administrator to paralegal, require either certification or associate's or bachelor's degrees. In the bioscience industry, which employs 27,000 people in Maryland, nine out of 10 workers have a bachelor's or higher degree.

Standards are rising in manufacturing, too. Many of the manufacturing employees at BD Diagnostic Systems in Sparks have associate's degrees or trade school experience. Government contractor Northrop Grumman Corp., which employs 10,500 in Maryland and has about 700 openings, is looking for electronics technicians and assemblers with associate's degrees.

Barred from many jobs

Michael A. Coleman Jr., 31, said he applied for every job he could think of as a teenager in West Baltimore, desperate to bring in money for his family as his mother slipped into drug addiction. No employer called back.

"I felt like I didn't have any options - I felt trapped," said Coleman. At 18, he was arrested for bank robbery. He earned his GED, took business courses and learned carpentry while serving his time. But most of the jobs he's had since he got out in 2003 - stock clerk, temp, grounds worker - have paid about \$8 an hour. Unable to rent his own apartment on that wage, he lives with a relative.

Like more than 8,000 people who leave prisons every year and settle in Baltimore, Coleman's record is a roadblock. Former felons are at a particular disadvantage in an economy that has become more high-tech and security-conscious. Businesses that used to hire ex-felons in knowledge fields are cutting back. The National Center on Institutions and Alternatives in Woodlawn says it now turns away former offenders for home health care work because of state rules.

"This is supposed to be a Judeo-Christian society, which means that the human being is redeemable," said NCIA Vice President Earl El-Amin. "But when it comes to the job market, you're not."

But Coleman has not given up. When he learned about a fiber-optic and copper cabling installation program for ex-offenders, taught at Baltimore City Community College in partnership with Goodwill Industries of the Chesapeake, he enrolled.

"I feel as though this is a door that hasn't been opened previously," said Coleman, who is still looking for a fiber-optics job several months after completing the program. "And if it's opened, I'm going to jump through."

He might be the last one. The program, launched this year with a state grant and called a success, will continue only if another funder steps in. State officials say they do not have the money. Many efforts have a frustratingly small footprint. Civic Works expects to help 115 this year prepare for jobs in health care and environmental construction. The BioTechnical Institute of Maryland, which trains people without college degrees to work in labs, instructs 45 to 50 a year.

"I think there is big potential for low-income folks who have been left out of the knowledge economy to have middle-income jobs," said Dana Stein, president of Civic Works. "But right now, what we and other nonprofits are doing is not enough."

Little wonder that those who do get training feel as if they have made a lucky escape.

"You learn a trade, it's not something anyone can ever take away from you," said Cory McCray, 25, a city resident who graduated from the electrician trade school this year. "I try to get the message out to everybody. The only options now are to get a trade or go to college. What else is there?"

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