



rooting
opportunity
doing economic
development
differently

2016 CED Grantee Conference
Bringing Quality Jobs to Communities
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THE ASPEN INSTITUTE
Community 
Strategies Group

For the next few minutes, let's...

- *Consider* the CED Grantee **opportunity** and **challenge**
- *Consider* **development** and what it is for (**goals**)
- *Consider* what **prizes we must keep our eyes on** to achieve true “development”
- Ask ourselves **some good questions**

A Little Unsolicited Advice

**CED Grant =
Rare
Opportunity**

You can show:

**Federal funding can
change people's lives.**

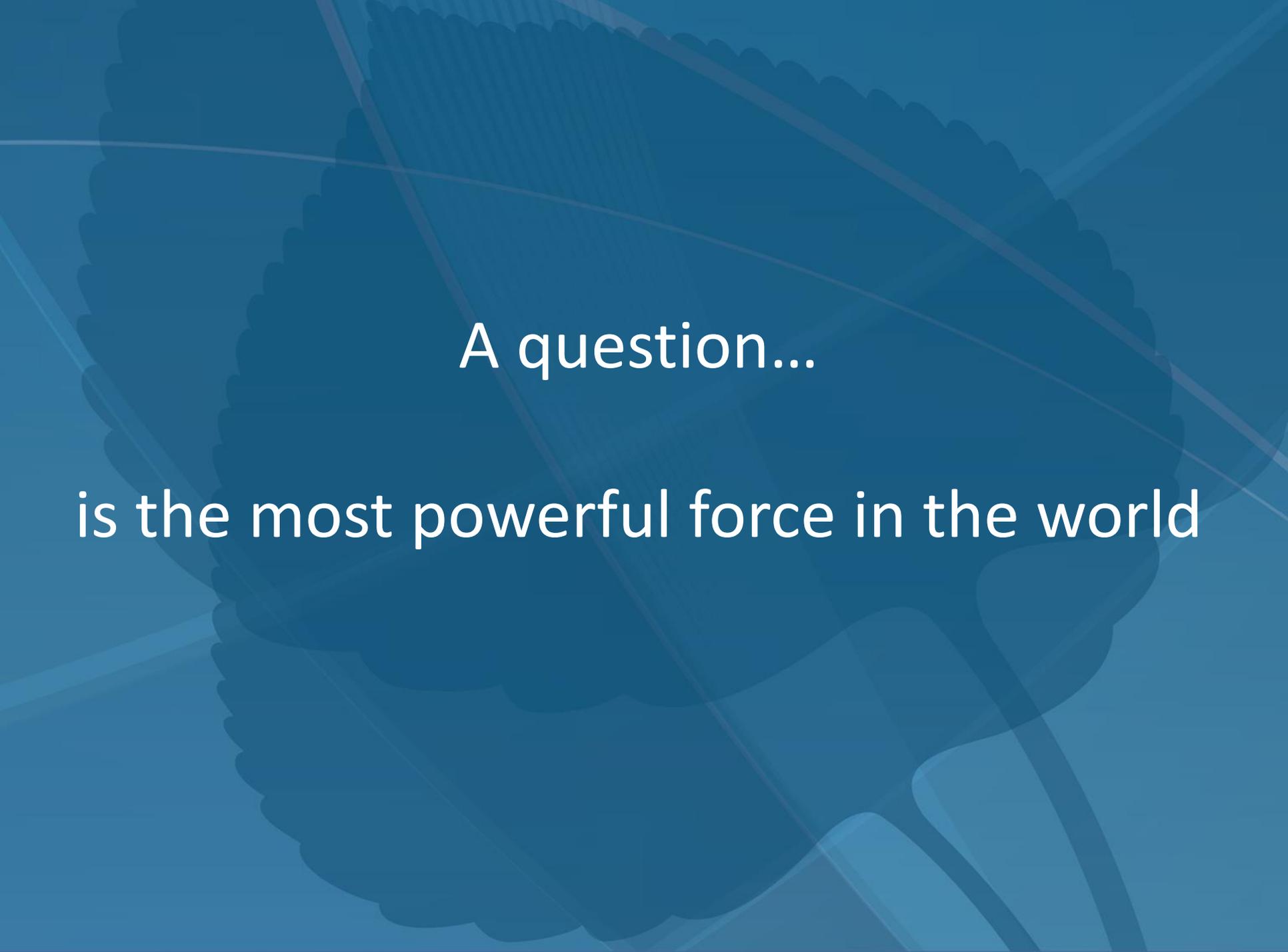
Risk

- **Thinking of this as only a transaction**
- **Missing potential for transformation**

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**“I want you to find a bold and innovative way
to do everything exactly the same way
it’s been done for 25 years!”**



A question...

is the most powerful force in the world

I think a lot of people in this room often ask themselves this question.

It is a **context** question.

What, really, is “development”?

What is development for?

How is wealth typically defined?

Wealth is **not just money.**

Wealth is the reservoir of all assets that can contribute to the well-being of people, places or economies.



Wealth: More than Just Money

8

- You cannot achieve a good livelihood and sustain it – a family's, a firm's, a community's or a region's – with **financial capital alone**.
- You must have other types of capitals to actually ***produce something***.
- **Increasing many types of capital** sets regions, communities, firms and families up for better livelihood outcomes over time.



Goals of a Wealth-Building Development Framework



#1 – **Create wealth**, broadly defined, and aspire to do no harm.

#2 – Root wealth in local people, places and firms through **local ownership, control and influence**.



#3 – Build **lasting livelihoods** by intentionally including people and firms on the economic margins.

#1: Wealth – broadly defined

Eight Capital “Stocks”

Intellectual

- Knowledge and innovation

Individual

- Skills, education, health

Social

- Trust and relationships

Natural

- Natural resources

Built

- Infrastructure

Political

- Influence on decision makers and shapers

Financial

- Savings and investment

Cultural

- Traditions, customs and ways of doing



All are required to grow and sustain a healthy economy!

#2: Ownership Makes Wealth Stick

Capitals that are “owned” locally build wealth

- Benefits – e.g., income, know-how, better technology – flowing from local ownership of capitals can be re-invested and re-circulated locally, enriching many.
- Local ownership increases the chances of preserving local jobs.
- Local ownership is the **anchor** that helps wealth stick.
- Local ownership allows **change** to stick.



#3: Build Lasting Livelihoods



“Lasting livelihoods” means...

- Ability to overcome vulnerability, maintain dignity and control, take risks to seize opportunities.
- People at the margins are **earning (and saving!) more.**
- They have **improved skills** to qualify for **higher-paying jobs** and to **build their careers.**
- They are putting something aside for the future, e.g., **building assets**, so they are more resilient.

Wealth-Building Blocks

- Work is about **Systemic Change** – this is not project work!
- Focus on tackling **root causes** to really transform your regional economy
- Building **deep collaborations**
 - Planning
 - Implementation
 - Problem solving
 - Across private / public sectors.
- Identify **self-interest** of each collaborator
- Think **regionally** – wealth building opportunities may be **anchored in place** but bring new resources into community



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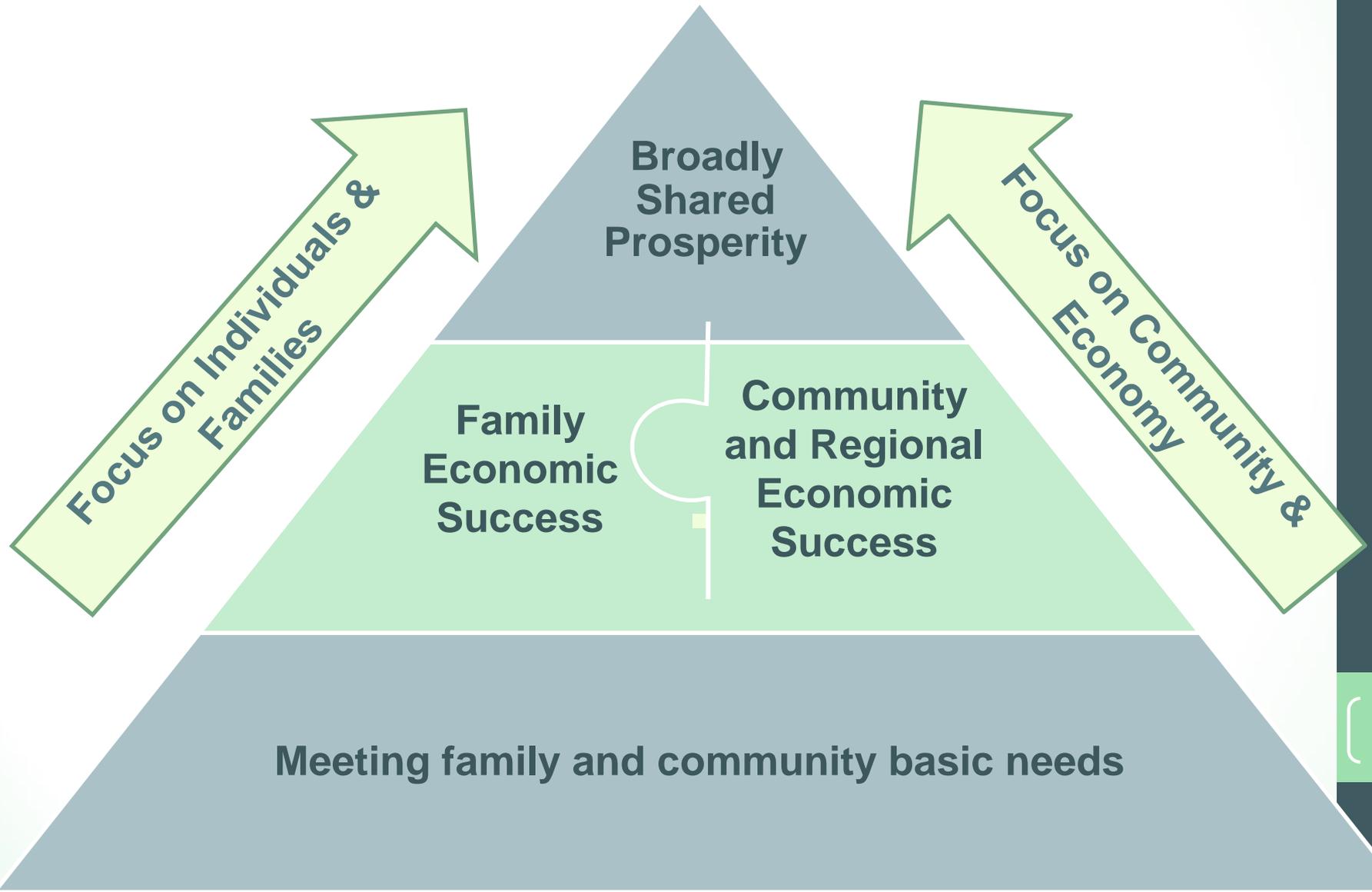
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The Jobs

THE JOBS

- Who is getting the job?
- Will they be able to stay on the job?
- Is it a good job?
- Where might the job take them?

Keeping the End in Mind





Family Economic Success: A Framework for Action

Helping families move
from the margins
into the **mainstream**

How Are Families Doing?

Most families **work hard**.
Many **struggle** to get ahead.

- **Environments vary**
 - Some live in struggling communities
 - Some struggle in thriving communities
- **Special obstacles** in rural and low-income areas
 - Limited opportunities
 - Hard to find appropriate supports
 - Easy to find predatory practices

How do community struggles affect family struggles?

Many communities face tough transitions

- Old economic drivers have lost their engine
- New economic drivers are slow to develop
- Economic gains increasingly bypass the middle class
 - The average income for non-supervisory, non-farm private employees has seen no real growth since 1965.
- Stressed communities (economically, socially)
+ stressed families => heightened vulnerability

What would Family Economic Success look like?

**Families getting by
and getting ahead today**

**Building strong financial futures
for tomorrow**

**Contributing to and buoyed by
thriving communities**

The *FES* Framework

13 Family-Focused Results
Required to Advance
Family Economic Success



What does it take to increase Family Economic Success?

- **Earn It** – Increase earnings and income
- **Keep It** – Stabilize financial lives
- **Grow It** – Acquire assets and build wealth in thriving communities



Earn It

Make work **work**.

Make work **pay**.

Confident, predictable, sufficient earnings
and income.

Earn It: Desired Results

1. Qualify for a job

- Readiness to earn. Skills match jobs.

2. Establish pipelines to a job – *or to creating your own!*

- System and people links to available jobs.

3. Land and keep a job

- Work infrastructure: transportation, dependent care.

4. Advance in job quality and a career

- Access to new skills and credentials
- Ladders to better paying jobs
- Jobs with benefits.

Keep It

Lower “the high *cost* of being poor”

Avoid “money *traps*”

Tap all available and earned *benefits*

Financial stability

Families get by and begin to get ahead



Keep It: Desired Results

1. Build financial capability and health

- Set goals and budgets
- Reduce debt and repair credit.

2. Establish financial footings

- Get banked.
- Avoid predators.

3. Protect income / Decrease costs

- Make good purchasing choices.
- Options are available for fairly priced goods.

4. Close the gap

- Access all benefits and tax incentives.



Grow It

Help families
help themselves

Double Bottom Line for Communities and Families
Families get ahead. Communities thrive.

Grow It: Desired Results

- 1. Build an emergency cushion**
 - At least three months of standard family expenses
- 2. Save regularly towards goals**
 - Consistent and increased savings habit
 - Save for retirement
- 3. Accumulate family assets**
 - Purchase assets: homes, businesses, autos
- 4. Leverage toward future assets**
 - Finance for entrepreneurship and family education
- 5. Increase value of family assets in the community**
 - Maintain/improve homes and property
 - Participate in community!

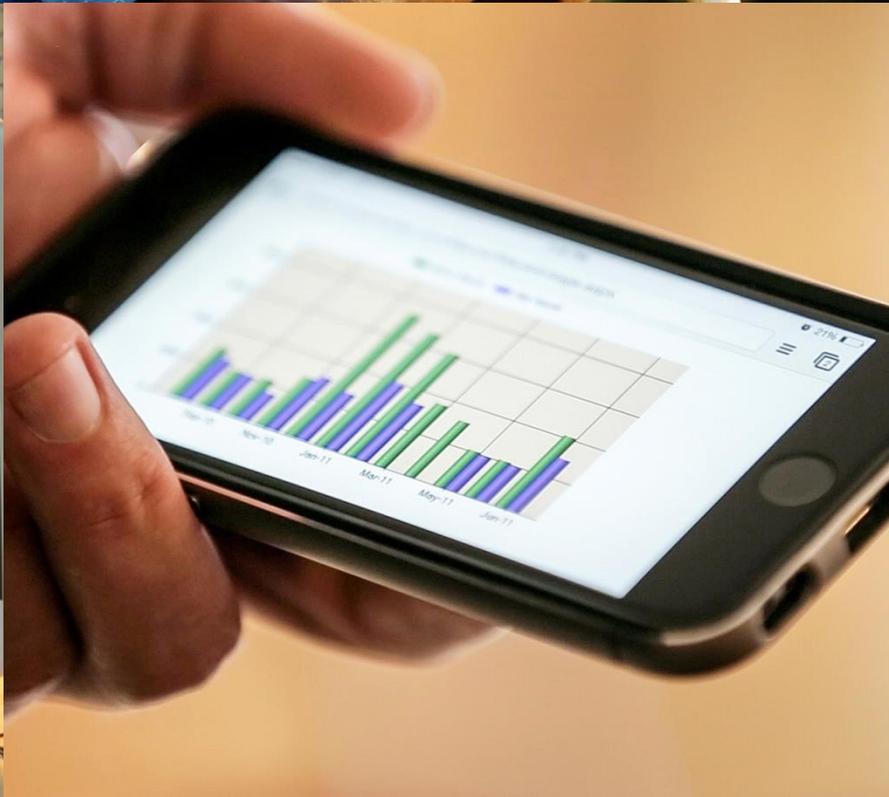
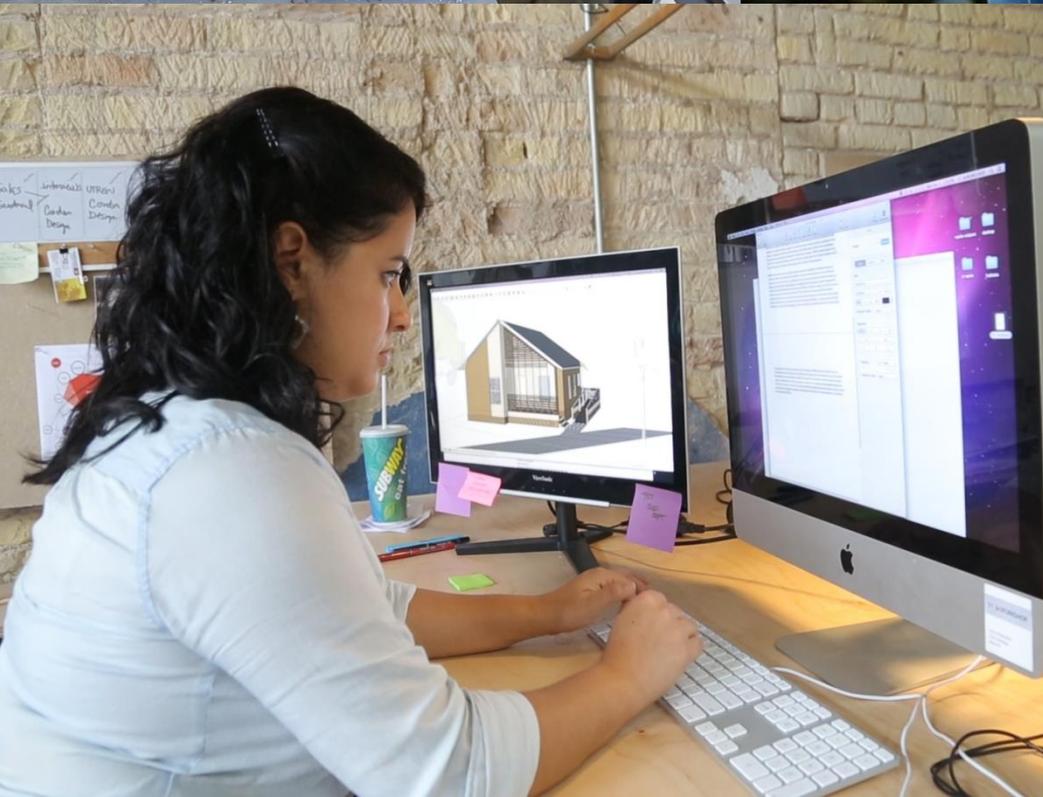
Readiness / Action Factors

- ✓ Understand your region's primary economic drivers and trends
- ✓ Understand the specific conditions and challenges of your **targeted** low-income families
- ✓ Understand what the community infrastructure “system” provides – and does **not** – in relation to those specific challenges
- ✓ Have a clear **commitment to flex and sustain** your tools to address the gaps

THE JOBS

- Who is getting the job?
- Will they be able to stay on the job?
- Is it a good job?
- Where might the job take them?





Doing Economic Development
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Two Stories

Story One

Helping workers:

- **Stay on the job**
- **Increase financial stability**

The logo graphic consists of two thick, curved, golden-yellow lines that arch from the left towards the right, resembling a stylized bridge or a rising sun.

WORKING BRIDGES

Simple solutions, major impact.

An employer collaborative managed by

United Way of Chittenden County

Lisa Falcone, Working Bridges Project Director

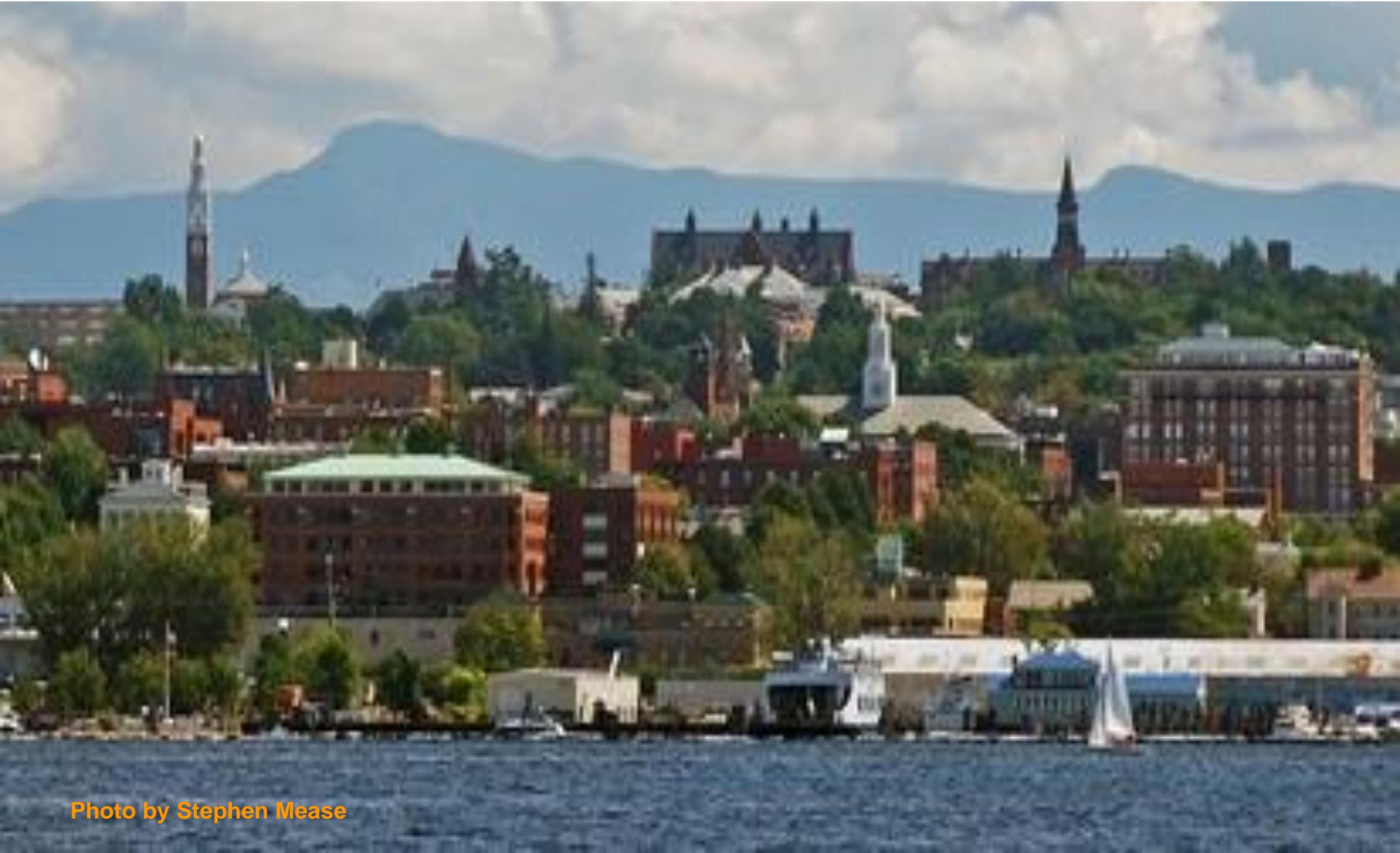


Photo by Stephen Mease

Innovation: Employer Resource Network

A public-private, multi-sector, employer collaborative that is focused on business solutions that benefit both employers and employees — job retention, productivity and advancement of workers earning between \$10 and \$19 / hour.

Premise One—Behind Working Bridges

A good, steady, reliable job puts people on the pathway to financial stability.

Premise Two

Life issues can overwhelm a good employee's ability to get to work, be present at work and succeed at work.

Premise Three

A group of employers can design and test innovative workplace practices to help employees--*regardless of life circumstances*-- minimize work disruptions, retain jobs, advance jobs and improve financial stability.

Before WB, Employers Said...

I have a really good employee who leaves work at the same time every day, without clocking out and without permission from her supervisor.

I tried to give an employee a \$.50 per hour raise and he refused it. It does not make sense.

I am hiring great people and workers from the new American population, but realize our typical benefits do not address their needs. Can you help?

Employers Working to Solve...

- High turnover in the ranks of low-wage workers
- Unscheduled tardiness & absenteeism hurt productivity
- Too much time of supervisors and managers dealing with non-work related issues
- Workers unprepared for advancement
- Benefits and wellness strategies did not meet the needs of lower-wage workers
- Low morale and stability of the workforce

Working Bridges—The Model

- Employers create a set of shared resources to minimize employment barriers and improve financial stability and wellbeing of lower-wage earners and their families.
- Employers are the innovators of key strategies.
- The workplace is the platform for services.
- UWCC is the backbone, lead and partial funder.

Working Bridges Key Activities

- Training for employers -- HR, supervisors
– on living in poverty
- Employer Innovation Collaborative
- Shared Resource Coordinators who Ride to each Business Site
- Programs at workplaces
 - Income Advance Loan
 - Financial Education Workshops and Coaching
 - GED, ELL, Sector-based Skill Training and Classes
 - Mobile Tax Preparation/EITC program
- Evaluation—measure retention and productivity (RBA)



Integrated Financial Stability Model

Goal: Employees achieve family financial stability.

Access to Income Supports & Resources

- Onsite Resource Coordinator
- Partnership with community resources
- Revamping employment/HR policies
- Income advance loan
- Mobile tax site

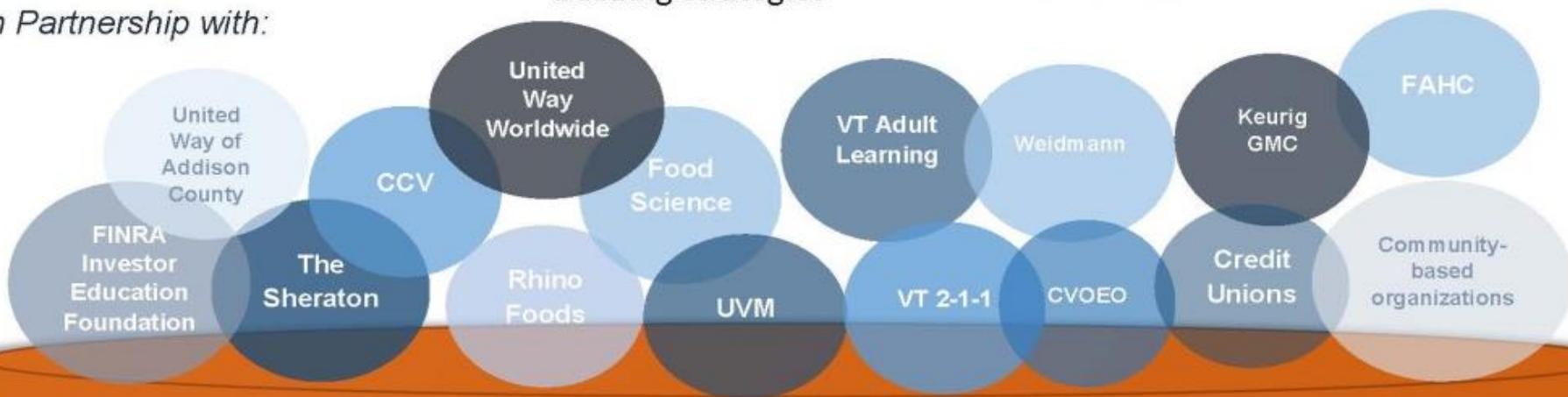
Financial Literacy

- Earn It, Keep It, Grow It (EKG) classes
- Financial coaching volunteers
- RCs as financial coaches
- Income advance loan
- Mobile tax sites with asset building strategies

Workforce Development (Advancement)

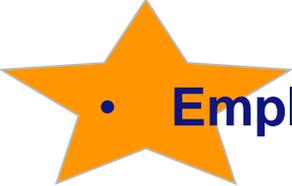
- GED classes
- ELL classes
- Moving to sector-based skill training (i.e. Sheraton)
- Workforce development collaboration

In Partnership with:



WORKPLACE AS A PLATFORM

Triple Results



- **Employees**



- **Employers**



- **Community**

- **Accessing resources**
- **Retaining jobs**
- **Improving financial stability**
- **Standard practice – privacy and dignity**

- **Offer low-cost, highly valued employee benefit**
- **Changing policies and practices**
- **Retaining workers, saving turnover costs improving workplace morale**

- **Reducing poverty**
- **Benefiting from collective response**
- **Engaging employers**
- **More stable family incomes**
- **Changing social services approach**

Story Two

Helping workers:

- **Increase earnings**
- **Build higher-end skills**



Investing resources in our communities for regional success

Boosting Jobs, Profits and Futures:
Strengthening a Regional
Manufacturing Sector

West Central Initiative



- Community foundation that also leads regional development
- Founded in 1986 to increase the viability of nine counties in rural “west central” Minnesota
- Serving 8,500 sq. mi. with 210,000 people *think New Jersey with 2% of the population*
- Main program focus:
 - Business, community and workforce development
 - Family Economic Success
 - Early childhood

Regional Economy



- 1980's failing local economy, driven by agriculture
 - Lowest wages in state
 - Massive outmigration
- Many small locally owned manufacturers struggling to compete with Asia
- Largest manufacturer closed -- costing 500 jobs

Catalysts for Economic Development Focus



- Severe agricultural crises – thousands of farm foreclosures
- Massive outmigration as foreclosed farmers, young adults and laid off workers left to seek jobs
- Domino effect – outmigration saps economy, costing jobs, causing more outmigration
- Diversification – too many eggs in agriculture basket – needed a broader economic base

Why Manufacturing?



- Highest wages among potential target sectors
- Only “wealth creating” sector with a good chance for growth
- Strong transferable local skill base because of agricultural roots (good at making and fixing things)
- Nearly all locally owned – wealth would stay here
- Companies saw opportunities to grow if they could get the capital to expand

Insights Driving Strategies



- 1986 – lack of access to capital was holding back firms that otherwise were primed and ready for growth and had identified viable markets
- 1991 – customer demand for “new” productivity and quality systems required a major shift in practices
- 1992 – 1990 census data released showing that region had absorbed available workforce and was facing severe skilled workforce shortages

Approach and Strategies



Three main components:

1. Economic development **revolving loan fund (RLF)** to provide the “gap financing” banks would not provide
2. Created **regional manufacturers association** to partner with MEP on productivity and quality systems, and to allow firms to collaborate to seek expanded markets
3. **Workforce 2020** program to increase worker skills

Workforce 2020



Approaches:

- Researched skills in short supply
- Matching grants to up-skill existing workers – many on site, while being paid by employers
- Grants to expand needed training programs
- Regional council to advise and work on “pipeline”

Implementation partners:

- MEP – administered grants for upskilling
- Community colleges – expanded needed training
- K-12 – school-to-career initiatives promoting jobs
- TANF system – focused retraining \$ on skill gaps

Results



1986

- 195,000 people & trending downward
- Lowest wages among 11 regions in state
- 4,345 mfg jobs
- Ave. mfg wage - \$365/wk



2010

- 215,000 people & trending upward
- Wages 6th among 11 regions in state
- ~10,000 mfg. jobs
- Ave. mfg wage - \$761/wk

National manufacturing employment declined by 33% (1987-2009)
Regional manufacturing employment more than doubled (+104%)

National manufacturing wages fell behind inflation by 7.1% (1987-2009)
Regional manufacturing wages outpaced inflation by 13.0%

Impact on Capitals



- Loan fund invested heavily in built capital
- Huge impact on financial capital – in loan fund assets and on company balance sheets
- More than 6,000 workers increased individual capital (employment skills) and wages and benefits too!
- Intellectual capital greatly increased among manufacturers (technology, productivity, quality, etc.)
- Association increased mfg's social & political capital
- Most firms remain locally owned / controlled

Doing Economic Development **Differently**

Some bottom line questions

- **Who** are the people getting the “40 jobs”?
- What do they need besides “the job” in order to become **financially stable** and get ahead?
- How are you **working with and learning from employers** to address their “pain points” that might **improve those jobs** – and set up career pathways to higher quality jobs?

Hearty Thanks

Reflections? Questions?

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**Now Go Forth
&
Root More
Yourself!**

**rooting
opportunity**
doing economic
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differently

Mason County Employer Resource Network

Lynn Russell

United Way of Mason County

Mason County



Idea 4 *in Action*:

Mason County Employer Resource Network

The Situation

- United Way was in the process of identifying **community's most critical issues**
- Found that employers had job openings but **couldn't keep employees on the job**
- Researched what other places and employers were doing to address this issue
- Decided to set up an **Employer Resource Network** with support from private foundation

Idea 4 *in Action*:

Mason County Employer Resource Network

Foundation Roles

- Private foundation partnered with United Way to establish an Employer Resource Network (ERN)
 - First three years: Private foundation funds $\frac{3}{4}$, United Way funds $\frac{1}{4}$
 - Expectation that employers will fund in the fourth year
- Components of the ERN
 - Full-time Success Coach (4-5 hrs/wk at each employer)
 - Diversity and inclusion training for employers/employees
 - Employees prequalify for loans up to \$3K; loan repayment through payroll deduction
 - Next up: Job readiness curriculum for unemployed & underemployed; certificate indicates hire-ability to employers in network

Idea 4 *in Action*:

Mason County Employer Resource Network

Results

- **11 employers** in the network
 - Ranging from 25-500 employees, mainly in manufacturing sector
- After Year 1, Success Coach has assisted **244 employees**
 - Coaching around life stressors, housing, utilities, loans, food assistance
- HR has said that the number of employees asking to draw from 401K or get payroll advance has decreased tremendously
- Employers now looking at **other ways to support employees**
→ healthcare, childcare, housing
- More productive workforce → **more stable economy**