



**CSW**  
Corporation for a  
**Skilled Workforce**

**Good Jobs. Thriving Communities.**

## **CSW Detroit Workforce System Mapping Project**

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Full Report

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**Produced April 2015 for Detroit  
Mayor's Workforce Development  
Advisory Council**

**Full Report Release - March 2016**

[www.skilledwork.org](http://www.skilledwork.org)

# Contents

- Executive Summary ..... 1**
- Introduction ..... 7**
- Section 1 – Understanding the Detroit Resident Labor Pool..... 8**
  - Defining our Terms ..... 8
  - Who Participates in the Labor Force in Detroit? ..... 8
  - What Do We Know About Detroit Residents Who Work?..... 10
  - What Do We Know About Detroit Residents Who Are Not Working? ..... 13
- Section 2 – Understanding the Detroit Labor Market..... 16**
  - The Big Problem: Not Enough Jobs..... 16
  - The Other Problem: Not the Right Kind of Jobs..... 18
- Section 3 – Understanding the Workforce Development Infrastructure ..... 24**
  - Detroit’s Workforce Development System Infrastructure: Where Demand Meets Supply ..... 24
  - Funding & Investment Strategies: Resources into the Infrastructure ..... 24
  - Programs: the Heart of the Infrastructure..... 28
  - Partnerships: A Cornerstone in Detroit’s Workforce Development System ..... 36
- Section 4 – System Observations ..... 40**
  - Using a Systems-Approach to Understanding Detroit’s Workforce Development Infrastructure ..... 40
- Looking Forward: Opportunities for Systems Innovation ..... 50**
- Acknowledgments ..... 51**
- Appendices..... 53**
  - Appendix A: Methodology ..... 53
  - Appendix B: List of Educational Institutions ..... 58
  - Appendix C: List of Community-Based Organizations..... 60
  - Appendix D: List of Communities included in Five Mile Radius..... 64
  - Appendix E: Additional Sector Specific Analysis ..... 65

## Executive Summary

In November 2014, JPMorgan Chase & Co. engaged Corporation for a Skilled Workforce (CSW) to undertake a mapping project to further inform the investments that JPMorgan Chase is making in Detroit as part of its *New Skills at Work* initiative as well as other public- and philanthropic-sector investments. CSW developed a “workforce systems map” that depicts the labor market context for Detroit and key components of the workforce system and related infrastructure.

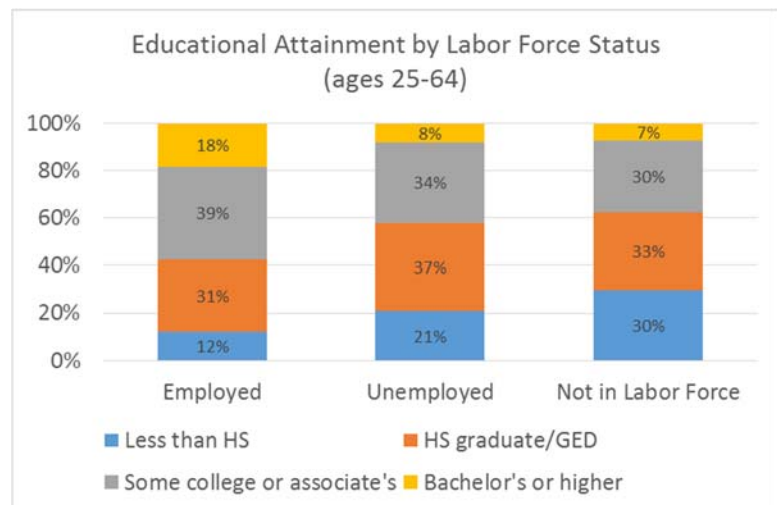
### Understanding the Detroit Resident Labor Pool

**Detroit residents participate less in the labor market than do residents in neighboring counties and compared to the nation as a whole.**

- The labor pool (which includes those currently working and unemployed individuals actively looking for work) comprises only 61% of all Detroit residents aged 16-64 (275,000 people).
- This means there are 175,000 residents aged 16-64 who were not working and are not actively seeking a job.
- Only 53% of Detroit residents aged 16-64 worked any time in the last year, compared to 75% of the US as a whole.

**The city of Detroit struggles with an overall low educational attainment rate, which is a significant driver of low labor force participation.**

- Working Detroit residents have higher educational attainment than non-workers: 18% of Detroit workers have a Bachelor’s degree compared to 13% of all Detroit residents and 7% of those not in the labor force.
- The less education a Detroit resident has, the less likely he or she is to be part of the labor force; 30% of Detroit residents who are not participating in the labor force have less than a high school diploma, and almost two thirds (63%) have no more than a high school diploma.



**Detroit residents who are working tend to earn low wages and work outside the city limits.**

- Even when Detroit residents are working, almost a fifth are in poverty (39,000 individuals in 2013), even though 31% of workers in poverty were working full-time, full-year jobs.
- To find jobs that match their skills, Detroit residents tend to leave the city, and the jobs are often low paying. Among workers who live in Detroit, 37% of those who leave the city for work earn in the lowest wage bracket, compared to 23% of those who live and work within the city.

### Detroit residents who are not working have low educational levels/literacy skills.

- According to a sample of over 2,500 individuals assessed and served by Detroit Employment Solutions Corporation (DESC), the average reading grade-level equivalent was 8.9 and the average math grade-level equivalent was 7.0.
- These scores are below the ninth-grade level that is typically taken to correspond to the basic skills needed for entry-level employment, as well as the tenth-grade level typically needed for community college entry (after which remedial education would still be necessary before entering college-level classes).

### Unemployment impacts some Detroit residents disproportionately.

- Although White residents and Black/African American residents tend to participate in the labor market at about the same rate, Black/African American residents are twice as likely to be unemployed as White residents (31% vs. 15%).
- Men and women are equally likely to be engaged in the labor force, but men are more likely to be unemployed than women (28% vs. 24%).
- Youth are also more likely to be unemployed. For example, 38% of 20 to 24 year olds in the labor force are unemployed, compared to only 22% of 35 to 44 year olds.

### Understanding the Detroit Labor Market

#### Part of the reason Detroit has a low labor force participation rate is that Detroit has too few jobs.

- Detroit had 258,807 jobs in the city in 2014, compared to 706,663 residents (of any age), which means that Detroit had jobs for only 37% of its population. In contrast, Atlanta had almost twice as many jobs as residents (183%), Cleveland had closer to a 1:1 ratio (118%), and other out-commuting cities analyzed ranged from 46%-68%.
- Compared to other cities, Detroit significantly lacks jobs in the private sector, particularly minimal-preparation jobs like those in retail, accommodation and food service, and arts and recreation.
- This lack of service sector jobs is not particularly surprising given the high levels of poverty in the city which reduce residents' ability to spend in these sectors. But it does contribute to a self-perpetuating cycle, since these entry-level jobs provide on-ramps to employment and fuller employment contributes to the creation of more service-sector entry-level jobs.

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*“While clearly on the rise, the comparatively low level of economic activity in Detroit drives several dynamics: Too few employers, too few jobs, and inadequate resources to address basic workforce problems.”*

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#### The job preparation needs of Detroit employers are higher than in the surrounding areas which results in significant in-commuting to fill jobs that Detroit residents cannot.

- In 2011, seventy-one percent of all jobs within the Detroit city limits (including Hamtramck & Highland Park) were held by people who do not live in Detroit.
- Workers who held these jobs tended to have higher education attainment levels, were more likely to be White, and earned higher wages.
- This model of heavy services in suburban areas and professional jobs in the city is not unique, but it is particularly unbalanced in Detroit.

### **Detroit's industry mix does not provide enough on-ramps for low-skilled individuals who require jobs.**

- The industry sector with the highest percentage of low-preparation jobs in Detroit is retail, hospitality, arts, and recreation, where 75% of all jobs require minimal preparation.
- The jobs pay correspondingly low wages, but they do provide important on-ramps to employment for low-skilled workers, and the opportunity to gain basic job skills.
- Yet this industry makes up only 15% of all Detroit jobs, and total employment has declined over the past 5 years.
- These jobs are more plentiful in the suburbs, and employment there grew by 3.9% from 2009 to 2014, which makes these jobs viable options for out-commuting workers. But transportation to work is a significant barrier for many.
- The growing transportation and warehousing industry is also a source of minimal-preparation jobs (41% of jobs).

### **Understanding the Workforce Development Infrastructure**

To understand Detroit's workforce development infrastructure, CSW analyzed the financial resource available, the 300+ organizations providing some kind of workforce development supports or services, and the partnerships in play in the system.

### **The high volume of Detroit residents with low skills and experience in minimal-preparation jobs indicates a need for a wide range of programming dedicated to work readiness and helping Detroit residents increase their skills to the level needed for even minimal-preparation jobs.**

- CSW found that a wide range of organizations are offering work-readiness services, with organizations in adjacent fields, like community development and economic development, working alongside typical workforce development providers, and a number of partnerships are focused on increasing academic levels, such as Reading Works and Earn and Learn.
- A 2013-2014 calendar-year snapshot analysis of funding in Detroit's workforce system shows that a combined \$119 million was invested through federal (59% of funds), state (12%) and philanthropic dollars (29%), with the vast majority going to credential training and employment assistance programming.
- Given the typical eligibility requirements attached to federal funding, philanthropic resources afford the most flexibility in terms of being able to provide programming that supports holistic work-readiness training and job placement support.

### **The increasing focus on career pathways systems and pathways for individuals is also reflected in Detroit's landscape, with providers and funders supporting organizational programs which help individuals move along a continuum of support.**

- CSW's analysis revealed a large number of organizations providing services that connect individuals to the labor market through work readiness support services (i.e., employment assistance), as well as educational offerings targeting minimal-, moderate-, and high-preparation jobs.
- Providers are attuned to the needs of specific populations such as youth and persons with disabilities.

### **There are deep complexities to aligning Detroit's workforce infrastructure to its industry mix and labor pool.**

- For example, while the manufacturing industry is historically important in Detroit, is growing in the city, and offers mid-to-high wages, 66% of its jobs require moderate preparation, and only 13% of its jobs require minimal preparation, as defined by CSW's analysis (see section beginning on page 19).
- Workforce development efforts to connect Detroit residents to these middle skill jobs have a large hurdle to overcome because the proportion of minimal-preparation jobs is low, and many Detroit residents need intensive support to be ready to enter middle-skill occupations.
- Meanwhile, hundreds of Detroit residents require support to develop skills that would make them eligible for jobs in any minimal-preparation industry sector, and the city has too few of those kinds of jobs overall. The workforce system provides some programming and partnerships in this arena, notably Earn and Learn, but its capacity is far outstripped by need, and this kind of service provision is relatively resource intensive.

### **Although there are clear partnership efforts related to basic skills development and some occupational skills development tied to industry sectors, the overall range of the system's partnerships is complex and confusing.**

- Though funders and service providers each value partnerships, and there are a number of outstanding examples of partnerships in Detroit, these shining models exist alongside a disconnected patchwork of one-off, under-funded, uncoordinated initiatives delivered by a network of providers who are keenly aware of their disconnectedness.
- Stakeholders across the system echo a common sentiment: A growing concern that their programs and services are not orchestrated or integrated enough to deliver what the community needs.

### **Reflecting on Systems Observations**

CSW's review and analysis of Detroit's workforce infrastructure reflects a holistic perspective by looking at a diverse mix of funding and organizations that support workforce development more generally in Detroit as well as what's in place to specifically support career pathway development into middle-skill and middle-income opportunities. We reviewed three components of Detroit's infrastructure — investments, programs, and partnerships — through a career pathways system lens to identify those areas in which the infrastructure may not be aligned with the workforce development needs of businesses and residents in Detroit. Based on our review of data and stakeholder input, we reflect on how all of the relevant actors — funders, service providers, educators, etc. — work together as a system.

#### **1. The system lacks an overarching vision, shared agenda, and unified commitment toward achieving outcomes.**

- The vision for Detroit's workforce development system is unclear.
- The absence of a vision means goals and outcomes are driven by funding requirements and specific customer needs.
- Across the system, roles are unclear, and organizational capabilities lack alignment and coordination.

- The absence of a unified vision and plan may cause duplication of effort or gaps in service for Detroit residents.
2. **Detroit's lowest skilled job seekers still face complex challenges.**
    - Low-skilled Detroit job seekers still face literacy, numeracy, and work-readiness challenges.
    - The lack of public transportation makes it hard for low-skilled Detroit residents to find and keep jobs.
    - Policies and practices are sometimes in conflict with sustainable solutions to deeply rooted problems.
    - The system is sometimes inaccessible to those who need it most.
  3. **Although promising relationships have formed, employer engagement is still low.**
    - Low levels of employer engagement means information about workforce needs and job and career pathway opportunities isn't readily exchanged.
    - Employers don't have current insights into the labor market.
    - Public and private investments into the system aren't optimized.
  4. **Funders and investment strategies are not always aligned.**
    - Funding and investment strategies in Detroit are largely uncoordinated.
    - The public system has tough choices to make about its target customers and scope of services.
    - Funding and investment strategies are the key drivers of how Detroit's system operates.
  5. **Data, information, and knowledge sharing are inconsistent.**
    - The system lacks common ways to collect or evaluate system-wide quantitative and qualitative data and outcomes.
    - There are very few — if any — shared communication channels across the system.
    - Though available, labor market data is not as widely used as it could be.
    - The absence of data is costly.
  6. **Individual and organizational capacity is unclear.**
    - The lack of shared metrics makes it difficult to identify, test, or share promising practices.
    - There's no clear line-of-sight between what the system promotes, measures, or rewards.
    - Front-line staff has little opportunity for professional development.
  7. **Detroit's system does not yet reflect a culture of transparency, accountability, collaboration, or innovation.**
    - Detroit's system still reflects an historical culture of competition.
    - Despite decades of distrust, many are hopeful that this process will produce markedly different outcomes for the system and those it serves.

## Looking Forward

Encouragingly, there is a growing appetite for an inclusive approach to strategic discussions and an interest in a clear agenda for a change in how Detroit's workforce development system operates. From the front line to the corner office, leaders across the system indicate significant interest in a shared agenda, clear measures of success, transparency, and greater collaboration. A collaborative approach to thinking, planning, and action is likely to produce outcomes that reflect two important characteristics: 1) They can be better tracked against overall objectives; and 2) The system moves toward greater impact on the issues most important to Detroit residents.

Detroit residents and stakeholders in the broader workforce ecosystem are resilient. The need isn't always exactly as it's been described. Solutions aren't always successful. Partnerships don't always work. Infrastructure sometimes fails. But Detroit residents always bounce back and move ahead.

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*"I hope we take advantage of the opportunity to examine the system and make transformational change — not incremental change. This report is an opportunity to build a compelling case for operating differently. Chase could create balance in the system by doing something outside of the typical mode. And Detroit could create an opportunity to make recommendations to the Governor about how to best direct workforce system funding in Detroit."*

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## Introduction

In November 2014, JPMorgan Chase & Co. engaged Corporation for a Skilled Workforce (CSW) to undertake a mapping project to further inform the investments that JPMorgan Chase is making in Detroit as part of its *New Skills at Work* initiative as well as other public- and philanthropic-sector investments. CSW developed a “workforce systems map” that depicts the labor market context for Detroit and key components of the workforce system and related infrastructure.

This effort resulted in a product that illuminates the current state of Detroit’s workforce system, further informs investments from the philanthropic, private, and public sectors, and guides the alignment of existing resources in ways that build upon the system’s strengths and address gaps. This “map” allows JPMorgan Chase to further refine its investment strategy in Detroit and set the stage for a citywide workforce development action plan.

The mapping effort included:

- Conducting analysis of labor market demand (complementary to the JPMorgan Chase-funded Driving Opportunity in Detroit Skills Gap report currently under development by Jobs for the Future (JFF));
- Painting a picture of the characteristics of the available workforce (demographics, educational level, skill-development requirements, etc.); and
- Identifying the available network of nonprofits, public sector providers, and educational institutions who provide educational and skills training opportunities for that workforce and its employers.

The results of our research, analysis, and stakeholder engagement follow. The report is organized into 4 sections, as outlined below.

- Section 1 – Understanding the Detroit Resident Labor Pool
- Section 2 – Understanding the Detroit Labor Market
- Section 3 – Understanding the Workforce Development Infrastructure
- Section 4 – System Observations

# Section 1 – Understanding the Detroit Resident Labor Pool

## Defining our Terms

In order to understand the environment in which the workforce system operates, and the services needed by the people who engage with it, it's important to define our terms and understand who we are talking about. The first section of this report discusses the characteristics and skills of both working and non-working Detroit residents.

One key to understanding the data to come is the concept of labor force participation. We used the American Community Survey for data on labor force participation in the city of Detroit. According to that data source, a person is counted as in the labor force if they are a) currently employed or b) unemployed, but actively looking for work (defined as having taken some job-seeking action within the last 4 weeks).

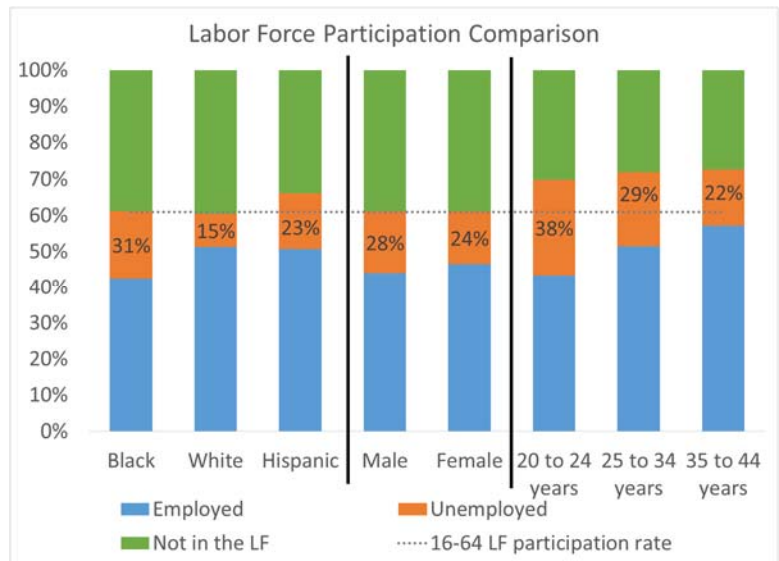
In any population, there are people who are not engaged in the labor force. This group includes people who cannot work (such as the institutionalized, disabled, or sick) as well as those who choose not to work (such as homemakers, full-time students, or retirees). Also included in the not-in-the-labor force pool are those who may wish to work, but are not actively looking for a job.

This definition of labor force participation is key to understanding “unemployment rate” data, since the unemployment rate is calculated based on the number of unemployed people in the labor force. People who are not included in the labor force are not considered unemployed, even though some of them may wish to work.

## Who Participates in the Labor Force in Detroit?<sup>1</sup>

For this report, we chose to focus our analysis on the population 16-64 years old, since only about 10% of people 65 years and older in Detroit are engaged in the labor force. In 2013, there were 275,000 residents of Detroit aged 16-64 years in the labor force, compared to 175,000 residents who were not in the labor force. The overall labor force participation rate for city of Detroit residents in this age range was 61%, which is much lower than in neighboring Macomb and Oakland counties (76% and 77% respectively) and the state of Michigan (72%). It is also lower than comparison cities such as Cleveland and Atlanta (68% and 71%). Of the 275,000 residents in the labor force, 71,000 were unemployed (26%). To reach the state of Michigan participation rate, 49,000 Detroit residents would need to enter the labor force.

Figure 1



Labor force participation and unemployment varies based on age, sex, race, and ethnicity (Figure 1). In Detroit, labor force participation is highest from age 20 to 45, with labor force participation rates from

<sup>1</sup> All data in this section from American Community Survey 2013 1-Year Estimates for city of Detroit

70-73% across this age range. Unemployment is much more unevenly distributed, however, and the younger you are, the more likely you are to be unemployed. For example, 38% of 20 to 24 year olds are unemployed, compared to only 22% of 35 to 44 year olds.

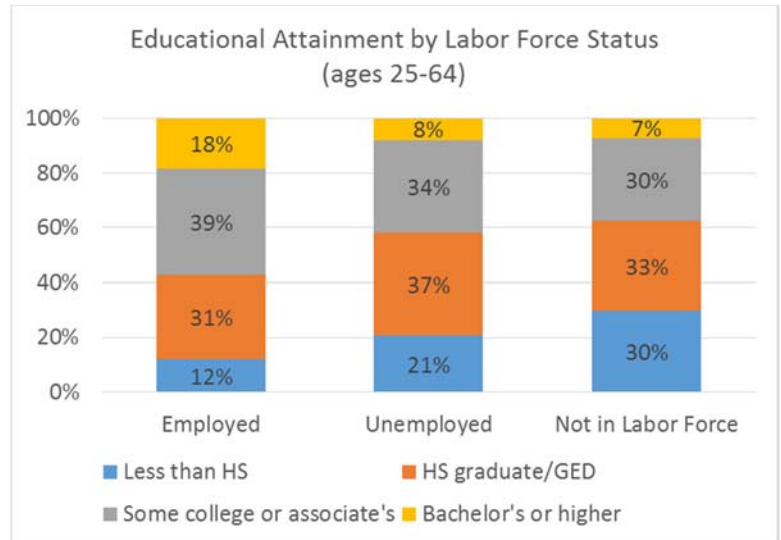
Labor force participation among Black/African American and White residents of Detroit is very similar, but Black/African American residents are twice as likely to be unemployed (31% vs 15%). Men and women are equally likely to be engaged in the labor force, but men are more likely to be unemployed than women (28% vs 24%).

Twenty-two percent of Detroit’s population age 18-64 has some kind of disability. Twenty-eight percent of them are in the labor force, and their unemployment rate is 39%.

Educational attainment is perhaps the most significant driver of labor force participation and unemployment. The less education one has, the less likely one is to be part of the labor force (Figure 2). Of the population not in the labor force in Detroit, 30% have less than a high school diploma, and almost two thirds (63%) have no more than a high school diploma. Only 12% of the working population has less than a high school diploma, and 57% have at least some education beyond high school.

As noted previously, Detroit’s labor force participation rate is lower than in comparison cities, and this can be attributed at least in part to lower educational attainment rates. Only 13% of Detroit residents have a Bachelor’s degree or higher, compared to 17%-48% in comparison cities, all of which have higher labor force participation rates than Detroit.

**Figure 2**



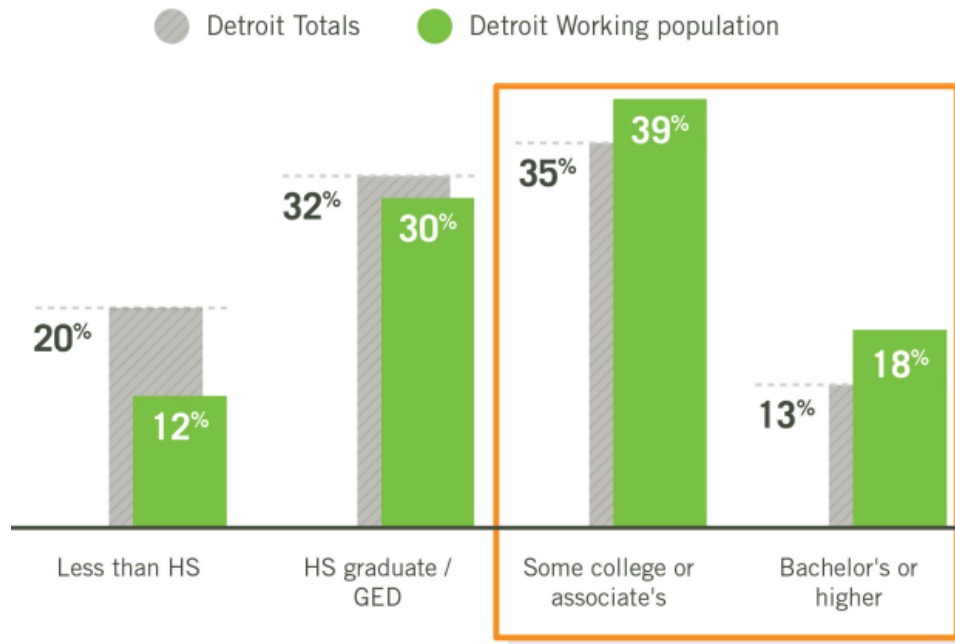
## What Do We Know About Detroit Residents Who Work?<sup>2</sup>

### Detroit Residents are Less Likely to Work

In 2013, 53% of Detroit residents aged 16-64 years (238,000 people) worked any amount of time.



### Workers Have Higher Educational Attainment than Non-Workers



<sup>2</sup> All data in this section from American Community Survey 2013 1-Year Estimates for city of Detroit

## A Quarter of them Work in Health Care and Education



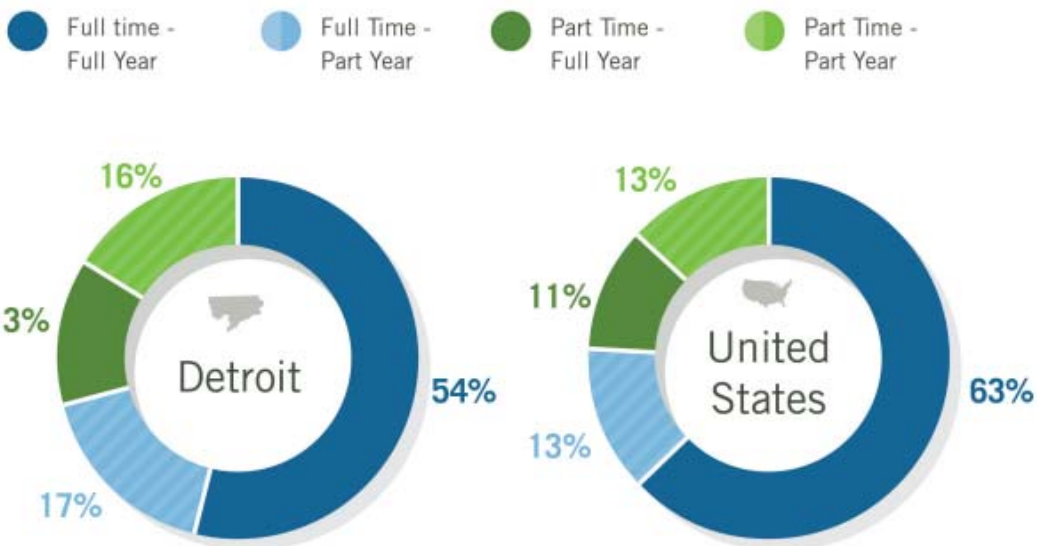
## Even if They are Working, Many are Still Poor

**18.5%** of employed residents 16 years and older were in poverty in 2013 (39,000 people)



Even though... **31%** of them (12,000 people) worked full-time, full-year jobs over the last year.

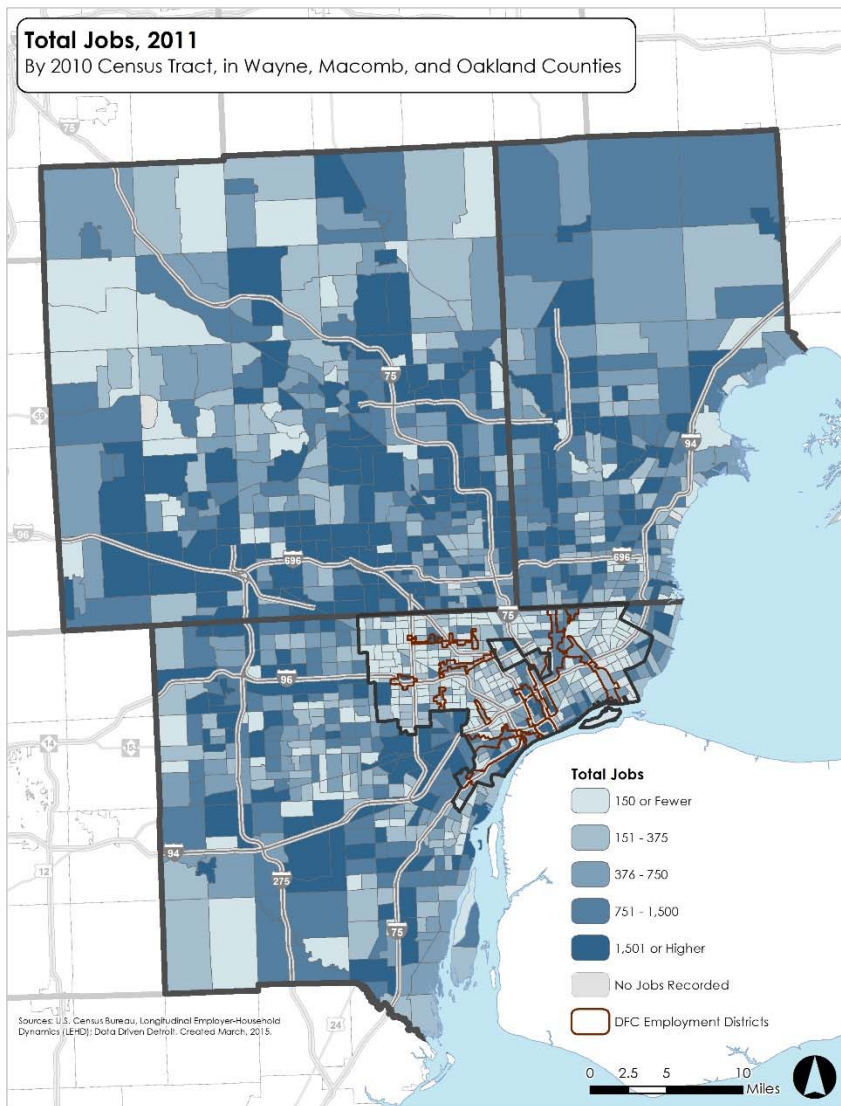
## They Are Less Likely to Work Full-Time, Full-Year Jobs





## Many of Them Leave the City for Work<sup>3</sup>

Due to the dynamics of the Detroit labor market, Detroit sees both a tremendous amount of in-commuting and out-commuting labor. In 2011 (the most recent year for which data is available) only 29% of jobs within the city limits (including Hamtramck & Highland Park) were held by people who lived within the city limits. That means that 71% of all these jobs were held by people who commute into Detroit to work.



Even while 170,000 people commute into the city for work each day, the majority of workers who live within Detroit city limits commute outside the city for their jobs – 61% of them (108,000 people).<sup>4</sup> There are many reasons for this pattern, which are explored in greater detail in Section 2. However, the map to the left illustrates one reason, which is that there is a lower density of jobs within the Detroit city limits than outside of it.

Among workers who live in Detroit, 37% of those who leave the city for work earn in the lowest wage bracket (less than \$1250/month as defined by OnTheMap), compared to 23% of those who live and work within the city. This statistic points to the absence of entry-level job opportunities within the city (see Section 2), and adds a significant transportation burden to those who can least afford it. Forty-six percent of Detroit-resident workers live at least 10 miles from their workplace.

Out-commuting workers are younger than those who both live and work in Detroit. They are more

likely to work in goods-producing industries (construction, manufacturing) and trade/transportation/utilities industries than those who stay within the city. The most common destination cities are Warren, Southfield, Dearborn, Sterling Heights, and Farmington Hills, but they are widely dispersed throughout the Metropolitan Detroit region.

<sup>3</sup> All data in this section is for 2011 and is from OnTheMap from the Census Bureau's Local Employment Dynamics program.

<sup>4</sup> Please note that these numbers are not comparable to the data in the preceding section due to differences in definitions. The important takeaway should be the percentages, not the absolute numbers.

## What Do We Know About Detroit Residents Who Are Not Working?

When looking at the working population, it is possible to draw conclusions about their work skills and abilities by looking at the jobs they currently hold. It does not provide a complete picture, but it is something. It's much harder to know the characteristics of the unemployed population, and harder still to know anything about those who are not in the labor force beyond the basic educational attainment information provided previously.

We do know that non-working residents face significant poverty. In 2013, in the population 20 to 64, 61% of unemployed residents had income under the poverty line, as did 52% of residents not in the labor force.

To try to understand the characteristics and potential skills of these populations, we asked workforce system service providers for information on their participants and looked for useable data in unemployment claims.

One thing we repeatedly heard from workforce providers is that the low level of skills and educational attainment of Detroit residents means that they require significant investment in basic education and skill building in order to qualify to enter a vocational training program.

### Data from Workforce Services Providers – DESC

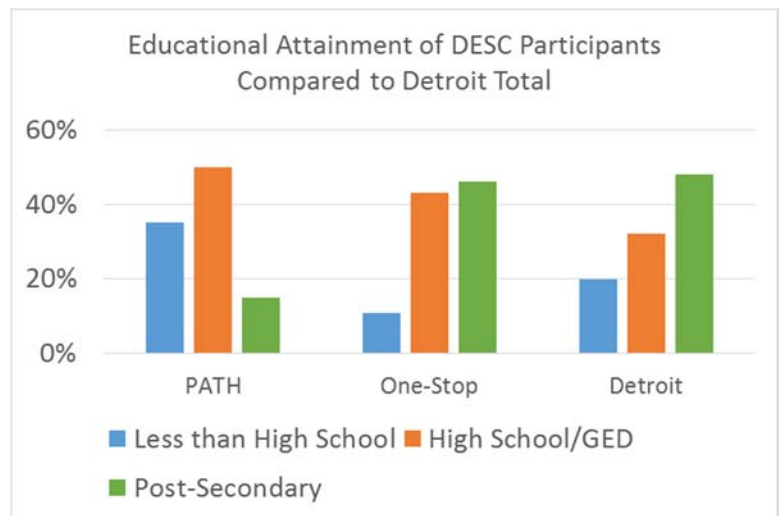
From January to November of 2014, the Detroit Employment Solutions Corporation (DESC) served over 30,000 unique individuals. Approximately 24,000 entered through the One-Stop system and of these, 5,000 qualified for intensive services. An additional 6,000 people were part of the PATH (Welfare-to-Work) program, all of whom qualified for intensive services. All PATH participants were unemployed, as were 82% of the One-Stop participants.

The vast majority (greater than 90%) of both groups were Black/African American, and the PATH population was almost exclusively female. Almost three-quarters of PATH participants were below 29 years of age. PATH participants had the lowest educational attainment with only 15% having any post-secondary educational attainment, compared to 46% of the One-Stop population (Figure 3).

In a sample of 2,611 individuals that have been assessed at the One-Stop, the average reading grade level equivalent was 8.9 and the average math grade level equivalent was 7.0. These scores are below the ninth-grade level that is typically taken to correspond to the basic skills needed for entry-level employment, as well as the tenth-grade level typically needed for community college entry (after which remedial education would still be necessary before entering college-level classes).

DESC also provided data compiled from multiple internal data sources regarding the prior work experience of almost 5,200 participants across its programs. Participants were most likely to report prior

Figure 3



job experience in Production & Manufacturing (16.2%) and Food Preparation & Serving (13.9%), and least likely to report prior experience in Architecture & Engineering (1.8%), Protective Services (2.4%), and Computer & Information Technology (4.4%) (Figure 4).

**Data from Workforce Services Providers – Reading Works**

Adult literacy is a major challenge in Detroit. While data is difficult to come by, estimates on the number of functionally illiterate adults ranges from 1 in 3 in the State of Michigan to 47% for the city of Detroit. Many of the participants served by Reading Works are reading at a sixth-grade level or lower. Due to new higher standards for the GED test, Reading Works indicates that it can take from 12 to 36 months to bring these adults to a level of proficiency needed to pass the GED test or to succeed in many job training programs.

**Unemployment Claimants**

Another way to understand the possible job skills possessed by non-working residents is by looking at what industries workers were in prior to registering for unemployment. In 2014, in the city of Detroit, 20,500 workers in the Administrative Support Services industry (NAICS 56) filed Unemployment Insurance claims. This accounted for nearly a fifth (18.8%) of UI claims, despite the industry only containing 4.7% of the city’s jobs. The most common occupations in this industry are janitors and security guards, which together account for over 30% of all workers in the industry<sup>5</sup>.

Other industries with large numbers of unemployment claims in 2014 included Manufacturing (12,000), Health Care & Social Assistance (10,800), and Accommodation and Food Services (6,700).

Losses in Detroit that outpace losses (based on claims) in the surrounding areas are for workers in Health Services and in Accommodations and Food Services. Nearly 10% of UI claims in Detroit are for health services workers. Given the number of health system mergers in 2014, this variance is not surprising. It is also not surprising that there is a higher share of UI claims by food service and accommodations workers in Detroit, because while the industry is growing in the surrounding region (employed people there are demanding more services), the industry is declining in Detroit.

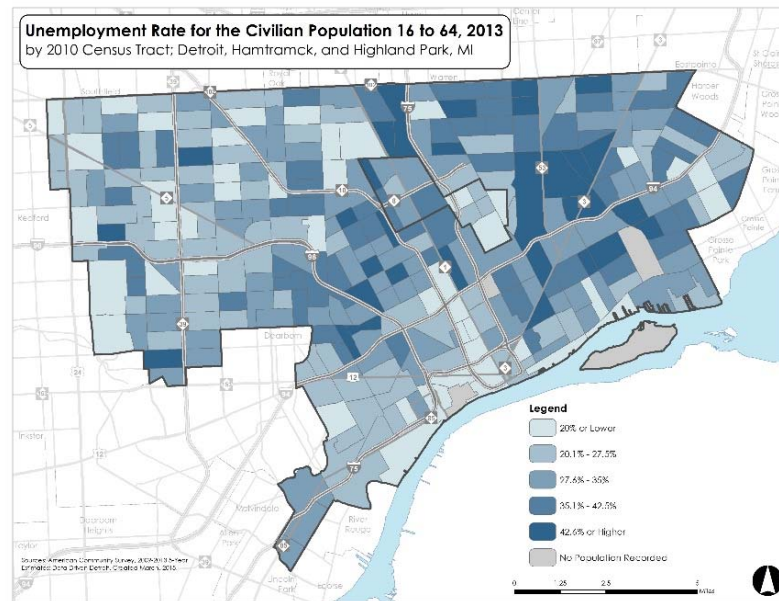
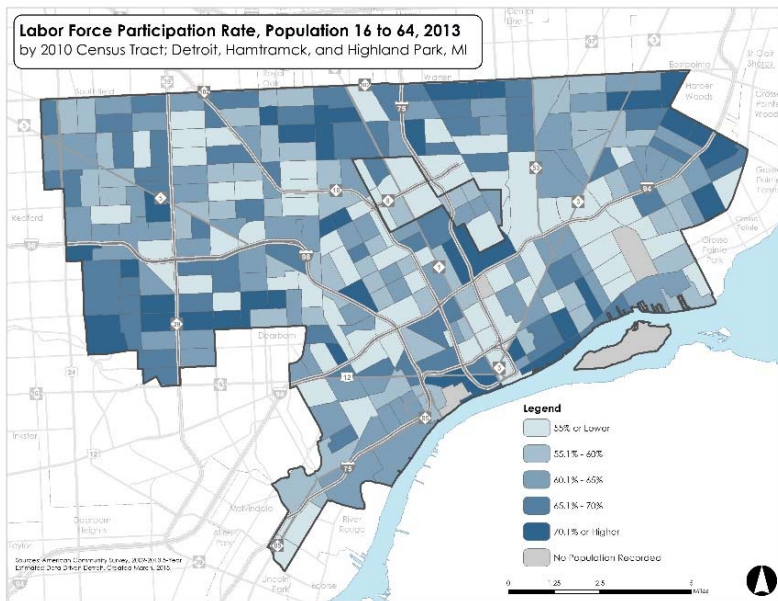
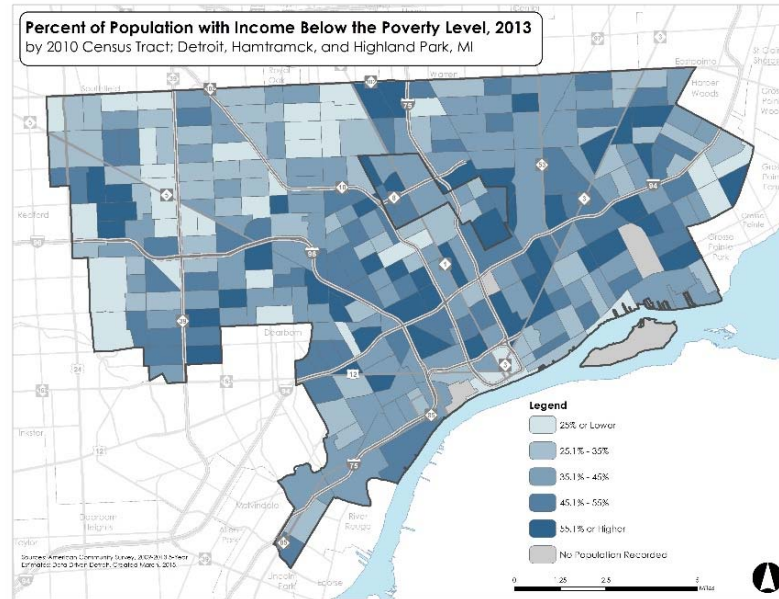
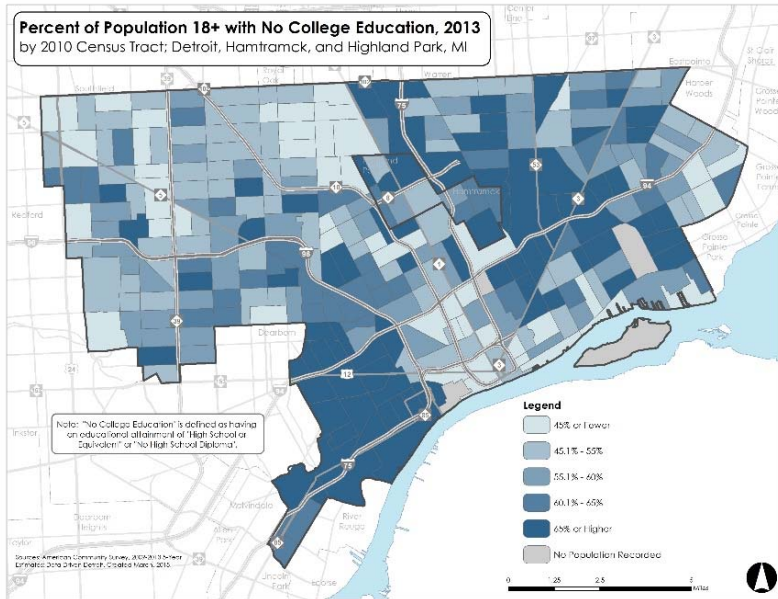
**Figure 4**



<sup>5</sup> Unemployment Claimants data was provided by the Michigan Department of Regulatory Affairs, the Unemployment Insurance Agency. Analysis on claimant data was conducted by WIN.



## Interacting Effects – Labor Force Participation, Employment, Poverty and Educational Attainment in Detroit



## Section 2 – Understanding the Detroit Labor Market

### The Big Problem: Not Enough Jobs

With 71,000 unemployed working-age residents and another 175,000 working-age residents who are out of the labor force (some percentage of whom would like to be working, or should be working to ensure a healthy economy), the scale of need in Detroit is vast. Unfortunately, there are simply not enough jobs in the city of Detroit to meet the demand. Even leaving aside the skills mismatch between the current industry mix of Detroit and its residents, the jobs are just not there. There are many more jobs in the Tri-County area (Macomb, Oakland and Wayne County excluding Detroit), and total employment there is growing, compared to the declines in the city. However, Detroit residents face tremendous barriers to accessing jobs in the suburbs, including a dysfunctional public transit system, strict legal requirements for car insurance that many residents can't meet, and some of the highest car insurance rates in the country.

To understand the scale of this problem, we compared Detroit to several similar cities. Cities were selected based on a variety of factors such as size, industry mix, racial makeup, and inclusion in previous studies of Detroit.

As the population has declined, Detroit has experienced a hollowing out of the central city. In terms of the percentage of the population living in the central city (Table 1), Detroit is most similar to Cleveland (16% compared to 19%), although Cleveland is roughly half the size in both the city and Metropolitan Statistical Area (MSA). Atlanta is even more hollowed out, with its central city making up only 8% of the MSA population. However, Detroit differs from those cities in one very important way — they both have more jobs in the city center than they have residents (Table 2).

**Table 1: Comparison cities, showing city population as percentage of MSA<sup>6</sup>**

City	City Population	MSA Population	% of MSA
Atlanta	447,848	5,524,693	8%
<b>Detroit</b>	<b>706,663</b>	<b>4,295,700</b>	<b>16%</b>
Cleveland	394,335	2,070,965	19%
Baltimore	622,104	2,770,738	22%
Philadelphia	1,553,165	6,034,678	26%
Nashville	634,465	1,757,424	36%

**Table 2: Comparison cities, showing jobs in city as a percentage of city population<sup>7</sup>**

City	2014 Jobs in City	2013 population in City	Jobs as % of Population
Atlanta	818,462	447,848	183%
Cleveland	466,305	394,335	118%
Nashville	431,378	634,465	68%
Baltimore	378,533	622,104	61%
Philadelphia	711,912	1,553,165	46%
<b>Detroit</b>	<b>258,807</b>	<b>706,663</b>	<b>37%</b>

In fact, Detroit had the lowest percentage of jobs relative to its population of any of the comparison cities. This numerical mismatch compounds the skill gap between labor force demand in the city and the skills of the residents and drives the high degree of out-commuting by Detroit residents to suburban jobs (Table 3).

<sup>6</sup> American Community Survey 2013 1-year estimates

<sup>7</sup> Jobs count from EMSI, population American Community Survey 2013 1-year estimates

**Table 3**

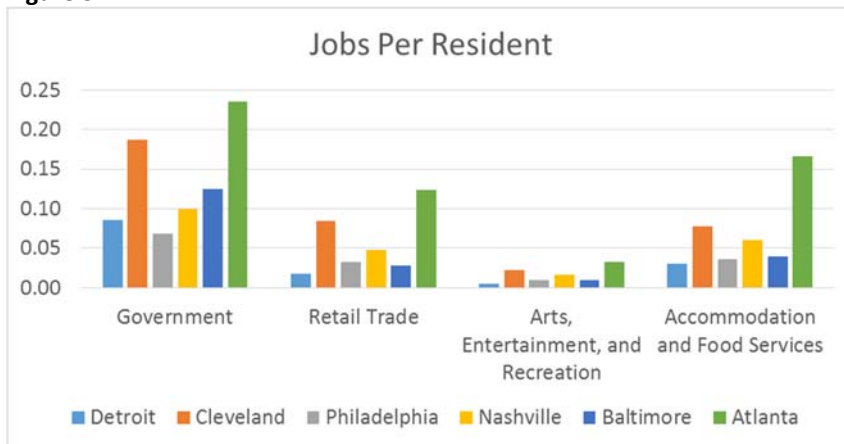
City	% out-commuting
<b>Detroit</b>	<b>62%</b>
Atlanta	58%
Baltimore	54%
Cleveland	53%
Nashville	39%
Philadelphia	37%

**Table 4**

City	Government Jobs as % of all Jobs
<b>Detroit</b>	<b>23%</b>
Baltimore	21%
Cleveland	16%
Philadelphia	15%
Nashville	15%
Atlanta	13%

A major culprit contributing to the shortage of jobs is Detroit’s industry mix. Nearly one quarter of all jobs in the city of Detroit are in Government, a higher percentage than in comparison cities, although Baltimore comes close (Table 4). Based on this, one might conclude that Detroit is government-heavy. However, when looked at from a jobs-per-population perspective, Detroit is not particularly out of line with comparison cities, and actually ranks lower than many (Figure 5). The reality is that Detroit lacks private sector jobs, particularly those in the low-preparation zones of Retail Trade, Accommodation and Food Services (Hospitality), and Arts, Entertainment, and Recreation.

**Figure 5**



Jobs-per-resident numbers are largely driven by the in-commuting/out-commuting status of a city. As noted previously, Cleveland and Atlanta are cities where there are more jobs in the central city than residents. However, looking at the data spread indicates that even cities more similar to Detroit have a higher concentration of jobs in these sectors. For instance, on a per resident basis, for each job in Retail Trade in Detroit, there are 1.8 jobs in Philadelphia, and almost 7 in Atlanta (Table 5).

**Table 5: Ratio of Jobs per Resident, Comparison City to Detroit**

	Closest	Highest
Government	Philadelphia (0.8:1)	Atlanta (2.8:1)
Retail Trade	Philadelphia (1.8:1)	Atlanta (6.9:1)
Arts, Entertainment, and Recreation	Baltimore (1.7:1)	Atlanta (6.1:1)
Accommodation and Food Services	Philadelphia (1.2:1)	Atlanta (5:4:1)

The lack of private-sector jobs is not particularly surprising given the high levels of poverty in the city that reduce residents' ability to spend in these sectors. But it does contribute to a self-perpetuating cycle, since these entry-level jobs provide on-ramps to employment and fuller employment contributes to the creation of more service-sector entry-level jobs.

Jobs in some portions of the retail sector are growing, such as general merchandise stores, food and beverage stores, and miscellaneous retailers, but because they start from such low levels, that growth does not translate into the quantity of opportunity needed.

## The Other Problem: Not the Right Kind of Jobs

While Detroit has a shortage of jobs overall, in the jobs that do exist, there is a mismatch between labor market demand and the skill levels of the population. The previous section illustrated the low skill levels of Detroit residents. Many of the workforce development agencies in Detroit report that they cannot even begin to look at moving workers into middle-skilled jobs, because they need help just to be ready for lower-skilled jobs.

This mismatch is part of the story of the high percentage of out-commuting Detroit workers, because the job preparation needs of Detroit employers are higher than in the surrounding areas. When we compare the job preparation requirements of the Tri-County economy (not including Detroit) in 2014 (Figure 6) to Detroit, Detroit has fewer minimal-preparation jobs and more high-preparation jobs.<sup>8</sup> Since minimal-preparation jobs provide pathways into employment for low-skilled adults, this makes it hard for Detroit residents to access on-ramps to success.

This mismatch will only increase, since in the Tri-County area the volume of minimal-preparation occupations grew by only 5% from 2009 to 2014, compared to 10% for moderate-preparation jobs and 6% for high-preparation jobs. Increasingly, workers need to have more advanced skills to find work. However, it is worth noting that high turnover in minimal-preparation jobs means that there were more annual openings per year in those jobs than total growth over the 5 year period.

Accompanying the high out-commuting of Detroit residents for lower-skilled jobs in the suburb is

Figure 6

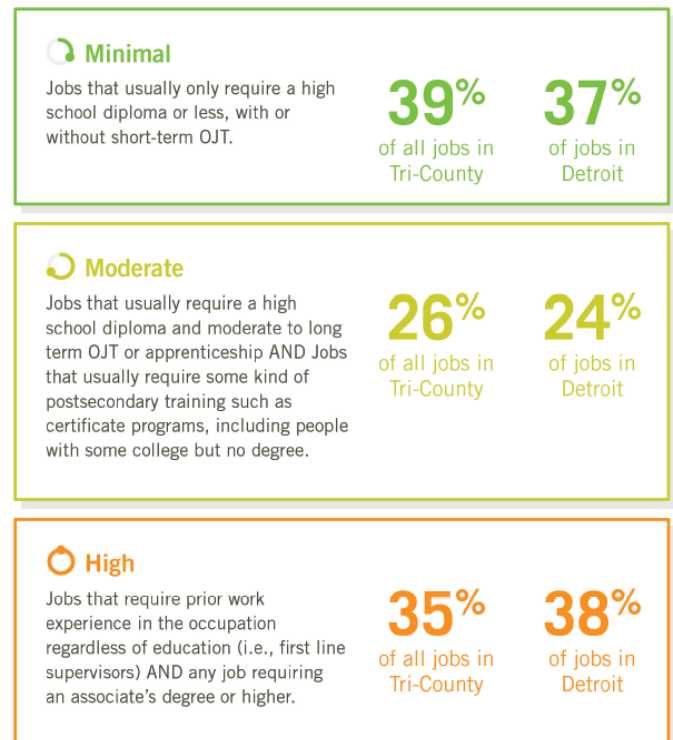
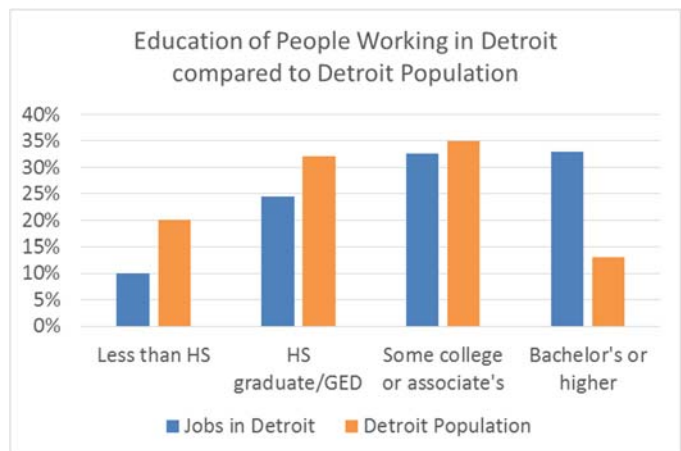


Figure 7



<sup>8</sup> CSW calculations from EMSI data

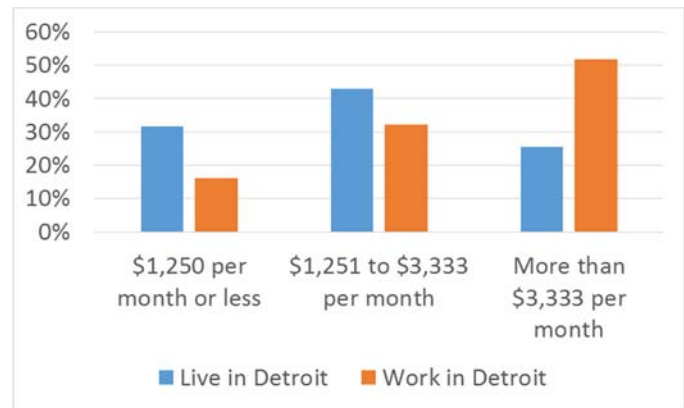


high in-commuting of suburban residents for higher-skilled jobs in the city. Seventy-one percent of all jobs within the Detroit city limits (including Hamtramck & Highland Park) were held by people who do not live in Detroit.<sup>9</sup>

The statistics tell the story. While only 13% of Detroit residents have a Bachelor’s degree, 33% of people working at jobs physically located in Detroit have a Bachelor’s degree or higher (Figure 7). Jobs in Detroit held by people with less than a high school diploma are only 10% of the total, where 20% of the population has not attained that credential.<sup>10</sup>

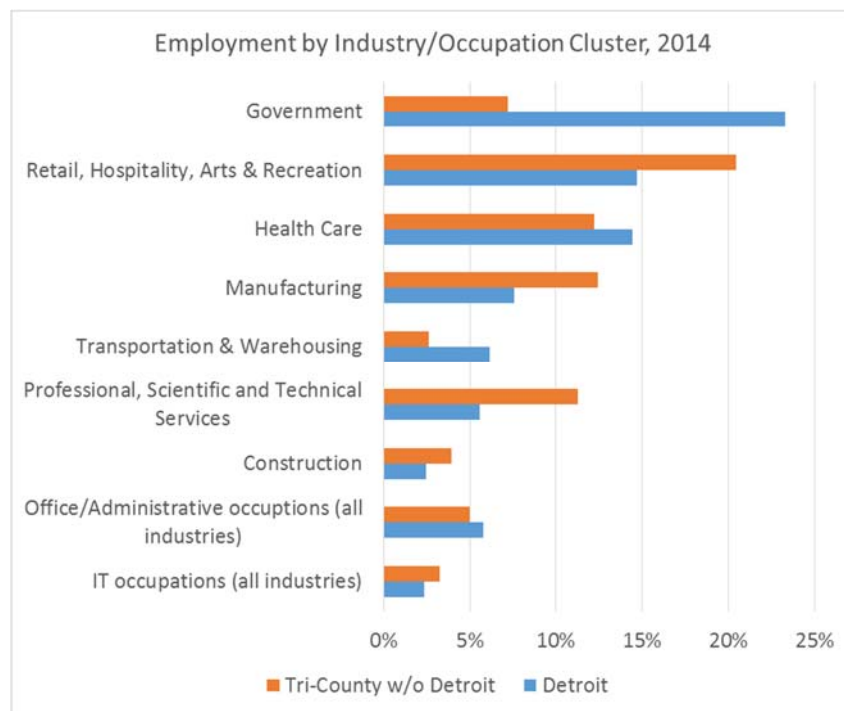
In-commuting workers are more likely to be White. In a city where 80% of the population is Black/African American, 58% of those working jobs located in Detroit are White.<sup>11</sup> The higher skill level required of jobs located in Detroit also results in higher wages. Over 50% of jobs in Detroit pay more than \$3,333 per month, but only 25% of workers living in Detroit (and working in Detroit or anywhere else) work in jobs that pay that amount (Figure 8).<sup>12</sup>

**Figure 8**



### Where the Jobs Are: Industries<sup>13</sup>

**Figure 9**



<sup>9</sup> OnTheMap, 2011 data

<sup>10</sup> Detroit worker data from Quarterly Workforce Indicators, 2014 Q1 data. Detroit population data from American Community Survey, 2013 1-year estimates.

<sup>11</sup> Detroit worker data from Quarterly Workforce Indicators, 2014 Q1 data. Detroit population data from American Community Survey, 2013 1-year estimates.

<sup>12</sup> OnTheMap, 2011 data

<sup>13</sup> Data in this section from Economic Modeling Systems, Inc

**Table 6: Industry Size and Growth**

	Detroit				Tri-County without Detroit			
	2014 Jobs	2009-2014 % Change	2011-2014 % Change	% of total Jobs	2014 Jobs	2009-2014 % Change	2011-2014 % Change	% of total Jobs
Government	60,333	-19.4%	-10.4%	23%	111,268	-15.5%	-6.8%	7%
Retail, Hospitality, Arts & Recreation	38,047	-2.7%	-2.4%	15%	315,281	3.9%	2.8%	20%
Health Care	37,297	5.3%	1.6%	14%	188,398	2.6%	0.2%	12%
Manufacturing	19,659	20.7%	8.9%	8%	191,550	18.6%	10.5%	12%
Transportation & Warehousing	15,936	12.3%	1.8%	6%	40,278	18.5%	13.4%	3%
Professional, Scientific and Technical Services	14,472	2.2%	2.0%	6%	174,037	22.6%	14.8%	11%
Construction	6,367	0.7%	0.2%	2%	61,174	-0.6%	1.2%	4%
Office/Administrative occupations (all industries)	15,040	-9.6%	-5.6%	6%	77,490	4.0%	2.3%	5%
IT occupations (all industries)	6,101	2.7%	1.8%	2%	50,481	15.9%	9.0%	3%

Almost 1 in 4 jobs located in the city of Detroit are in Government (23%) (Table 6). Government employment includes federal, state, and local government functions and the postal service (57% of total 2014 employment), as well as public schools and state educational institutions from elementary to college and trade schools (43% of total 2014 employment). Jobs in the Tri-County area minus Detroit are much more likely to be in the private sector; only 7% of their jobs are in Government.

In the Tri-County area minus Detroit, the primary industries are Retail, Hospitality, Arts & Recreation (20% vs. Detroit's 15%), Manufacturing (12% vs. Detroit's 8%) Health Care (12% vs. 14%) and Professional, Scientific and Technical Services (11% vs. 6%).

This distribution of jobs matters a lot to job seekers in Detroit because the job preparation requirements vary tremendously across industries (Table 7). As shown previously, the job skills and educational attainment of out-of-work Detroit residents are low. In many cases, up-skilling these job seekers to be able to take advantage of the higher-skill job openings in Detroit is a monumental task requiring a significant investment in time. While they are on that path, they still need access to jobs that fit their skill levels, and the current industry mix in Detroit does afford nearly enough of those opportunities.

**Table 7: Industry Preparation and Wage Categorization**

	Minimal prep	Moderate prep	High prep	Low wage	Mid wage	High wage
Retail, Hospitality, Arts & Recreation	75%	7%	18%	75%	18%	7%
Transportation & Warehousing	41%	24%	36%	13%	59%	28%
Construction	29%	51%	20%	2%	31%	66%
Government	26%	26%	46%	18%	27%	55%

	Minimal prep	Moderate prep	High prep	Low wage	Mid wage	High wage
Health Care	25%	23%	52%	30%	19%	51%
Professional, Scientific and Technical Services	18%	17%	65%	5%	22%	74%
Manufacturing	13%	66%	21%	9%	25%	66%
Office/Administrative occupations (all industries)	76%	17%	7%	1%	88%	11%
IT occupations (all industries)	0%	17%	83%	0%	0%	100%

The industry with the greatest percentage of jobs requiring minimal preparation is Retail, Hospitality, Arts & Recreation, where 75% of jobs meet the minimal preparation definition (Table 7). Minimal-preparation jobs in this industry include:

- Retail Salespersons
- Combined Food Preparation and Serving Workers, Including Fast Food
- Cashiers
- Waiters and Waitresses
- Stock Clerks and Order Fillers

The jobs pay correspondingly low wages, but they do provide important on-ramps to employment for low-skilled workers, and the opportunity to gain basic job skills. While this industry does make up 15% of all employment in Detroit, total employment declined by 2.7% from 2009 to 2014 (Table 6). Additionally, the total number of jobs is low — there are only 38,000 jobs in this industry in total in Detroit, while there are 41,000 unemployed workers with a high school diploma as their highest educational attainment. These jobs are more plentiful in the suburbs, and employment there grew by 3.9% from 2009 to 2014 (Table 6), which makes these jobs a frequent landing-place for out-commuting workers.

Meanwhile, Government is the largest employer in the city, but only a quarter of government jobs there are suitable for low-skilled workers (Table 7), and government employment declined by 19% from 2009 to 2014 (Table 6). Minimal-preparation jobs in government include:

- Office Clerks, General
- Janitors and Cleaners
- Secretaries and Administrative Assistants
- Postal Service Mail Carriers

While moderate-preparation jobs include:

- Police and Sheriff's Patrol Officers
- Teacher Assistants
- Firefighters
- Court, Municipal, and License Clerks
- Bus Drivers, Transit and Intercity

Health Care is similar in terms of the job skill requirements (Table 7), and even some moderate-preparation jobs (such as nursing assistants) still pay low wages. As an industry, health care grew by

5.3% from 2009-2014, but most of that growth happened in 2009-2010. From 2011 to 2014, health care employment grew by only 1.8% (Table 6). Minimal-preparation occupations within health care include:

- Home Health Care Aides
- Office Clerks, General
- Receptionists and Information Clerks
- Maids and Housekeeping Cleaners
- Personal Care Aides

While moderate-preparation jobs include:

- Nursing Assistants
- Medical Assistants
- Licensed Practical and Licensed Vocational Nurses
- Emergency Medical Technicians and Paramedics
- Pharmacy Technicians

Manufacturing's appeal is obvious: 66% of jobs require moderate preparation, but 66% of jobs pay high wages (Table 7). The manufacturing industry has seen healthy growth both within Detroit and in the Tri-County area minus Detroit (Table 6). Moderate-preparation occupations in manufacturing may not require any formal education, but do require moderate- to long-term on-the-job training, and very low-skilled individuals may not have the reading or soft skills to succeed. Moderate-preparation jobs in manufacturing include:

- Team Assemblers
- Machinists
- Inspectors, Testers, Sorters, Samplers, and Weighers
- Industrial Machinery Mechanics

Team Assemblers comprise most of the moderate-preparation jobs in manufacturing.

Transportation and Warehousing is emerging as an important sector for Detroit. It makes up 6% of all employment in the city, and grew by 12% from 2009 to 2014, although recent growth has been slower (Table 6). Forty-one percent of jobs in the industry require only minimal preparation, yet almost 60% of jobs pay moderate wages, making it a potentially good pathway for lower-skilled residents of the city (Table 7). Minimal-preparation jobs in transportation and warehousing include:

- Reservation and Transportation Ticket Agents and Travel Clerks
- Laborers and Freight, Stock, and Material Movers, Hand
- Light Truck or Delivery Services Drivers
- Customer Service Representatives

And moderate-preparation jobs include:

- Heavy and Tractor-Trailer Truck Drivers
- Aircraft Mechanics and Service Technicians
- Airfield Operations Specialists
- Bus Drivers, Transit and Intercity
- Dispatchers, Except Police, Fire, and Ambulance



In addition to looking at industry employment, we also analyzed two occupational groupings: Office/Administrative and IT.

Office/Administrative jobs such as administrative assistants and secretaries are often highlighted as opportunities for lower-skilled workers. They have a high percentage of minimal-preparation jobs, and pay better wages than those in retail, hospitality, arts and recreation (Table 7). However, even though these all fall into the “minimal” preparation category because they require only a high school diploma, administrative jobs still tend to have more rigorous hiring requirements that many Detroit residents — with their educational attainment and literacy challenges — may fail to meet. Too often, a high school diploma in Detroit does not result in the high school level reading and math skills required for office jobs.

We also analyzed IT occupations, because there are many jobs postings for these positions (see below) and a number of the city’s workforce development programs are attempting to build residents’ skills in these areas. While these jobs pay high wages, the skill requirements mean that they are out-of-reach for many of Detroit’s lower-skilled residents (Table 7).

### Where the Jobs Are: Job Postings<sup>14</sup>

The industry data above provides a way of looking at the economy based on historical trends, but is not always good at identifying emerging opportunities. We used job posting data from Burning Glass to supplement our understanding of Detroit labor market demand. Because this data comes from online job postings and online job postings skew towards higher skilled positions, it is not a perfect measure. Still, the job posting data validates this mismatch between jobs-in-demand, skills, and location of workers.

Overall job postings in Detroit have fluctuated in the past four years. A trough in 2012 of 46,559 postings was followed by a peak of 79,033 postings in 2013 (70% increase). In 2014 postings remained high at 73,041 (7.6% drop from 2013).

The same occupations have maintained their top postings positions since 2011. In Detroit, most of these jobs are for highly-skilled, highly-trained/experienced workers. Examples include: software developers, applications; heavy and tractor-trailer truck drivers; registered nurses; sales reps for wholesale and manufacturing; and computer systems analysts. Sixty percent of jobs that include a preferred educational attainment level require a Bachelor’s degree or higher.

Some occupations in the top jobs do not follow the overall trend of total postings (increase from 2012-2013 then a slight drop from 2013-2014). Postings for registered nurses and heavy and tractor-trailer truck drivers are consistently increasing. Demand for truck drivers is consistently high across Southeast Michigan as employers increase output. At this time, demand for registered nurses is more driven by turn-over and the need for replacement hires as employment growth in health care is stagnant.

Some occupations do not have an overwhelming number of postings in the city but can be considered emerging occupations based on rapid increases in postings (going from zero or few postings to over 100 postings in just 4 years). Some of these jobs include healthcare social workers (zero to 125); EMTs (zero to 108); and stock clerks (55 to 115). While not all of these postings will result in statistically significant employment growth overall, they are evidence that policy and other actions can spur demand. For example, the new health care law is likely the reason that more healthcare social workers are needed, and the city of Detroit’s recent ambulance fleet purchase is likely behind the increased need for EMTs.

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<sup>14</sup> Data from Burning Glass, as provided by WIN

In looking at the Tri-County area minus Detroit, software developers are still the top in-demand job and, like in Detroit, health care jobs are in demand and growing. However, the out-counties differ from the city in that there are more retail and hospitality postings high up on the list. Restaurant demand has grown 400% since 2011, and department stores, motor vehicle manufacturing, and child day care services have also grown considerably.

Along with this increase in demand for lower-skilled jobs in the out-counties has come a decline in the education and preparation requirements of workers there. In 2011, roughly 58% of postings listed a Bachelor's degree as required for employment and in 2014, that share dropped to 51%. Furthermore, the share of postings that list High School as the only requirement increased from 27% in 2011 to 36% in 2014. Salaries are dropping too, with 45% of jobs listing wages in 2014 advertising wages below \$35K compared to 32% in 2011.

While this may seem at odds with the previous section regarding the faster growth in moderate- and high-preparation occupations, job posting figures reflect the high turnover and large number of annual openings, rather than exclusively a change in industry structure.

All of this adds up to a story of a growing services sector in the out-counties with more companies moving professional jobs into the city. This model of heavy services in suburban areas and professional jobs in the city is not unique to Detroit, but as the preceding section showed, it is particularly unbalanced in Detroit, and made that much worse by the inadequate public transportation system in Metro Detroit.

## **Section 3 – Understanding the Workforce Development Infrastructure**

### **Detroit's Workforce Development System Infrastructure: Where Demand Meets Supply**

Understanding labor market supply and demand — and the rapidly changing market forces that shape both — lays the foundation for an assessment of the workforce development landscape in Detroit. The first two sections of this report established both the workforce and employment sides of Detroit's market, while offering glimpses into a few of the essential economic and skills issues affecting both. This section deals with understanding the system infrastructure: the set of funding, organizations, programs, and partnerships designed to help Detroit residents navigate and succeed in the labor market. CSW segmented Detroit's infrastructure into three discrete yet related components as the basis for analysis: *Funding and Investments*, *Programs*, and *Partnerships*. These three categories illuminate the amount of financial resources flowing into the system, the services and programs provided by a huge array of organizations, and the ways in which those organizations collaborate. Across each segment, CSW conducted research and analysis by reviewing available data sets, compiling our own data, and interviewing stakeholders to knit together a comprehensive analysis (see Appendix A for details on our on-the-ground methodology).

### **Funding & Investment Strategies: Resources into the Infrastructure**

One key element of our systems analysis is funding and investment strategies. Capturing a snapshot of the volume and mix of funding coming into Detroit's workforce development system allows us to understand how resources are being deployed in response to the labor market and worker needs. CSW

looked at funding and investments into the Detroit workforce development system from January 1, 2013, through December 31, 2014.<sup>15</sup>

Consistent with CSW's interest in career pathways frameworks, we divided the overall funding into five categories:

1. **Employment Assistance-Work Experience:** Programs that provide employment assistance and work experiences, and programs that provide entry points for specific populations, for example, summer youth employment programs.
2. **Training-Credentials:** Programs that provide education, training and credentials. Includes any level of vocational or critical skill building and training, whether generally, or for in-demand occupations and fields, but geared to individuals, not the sector participants, for example, ESL programs or general skills training programs for job seekers.
3. **Businesses-Sectors:** Programs from any of the above categories that are geared toward a specific sector or occupational category, for example, programs that aim to recruit under-represented populations into specific industries, often targeted directly to businesses.
4. **Layoffs:** Re-employment programs explicitly focused on support to either companies or individuals in layoff and re-employment situations, for example, programs that help laid-off workers explore and gain access to transitional support resources and career placement assistance.
5. **Other:** Related programs that do not fit into any of the above.

The last two categories (Layoffs and Other) are both small, but are necessary to reflect the full set of funding coming into the system. The first three (Employment Assistance-Work Experience, Training-Credentials, and Businesses-Sectors) are closely aligned — though not a perfect match — to a career pathways analysis in Detroit.

### Total Funding – All Areas

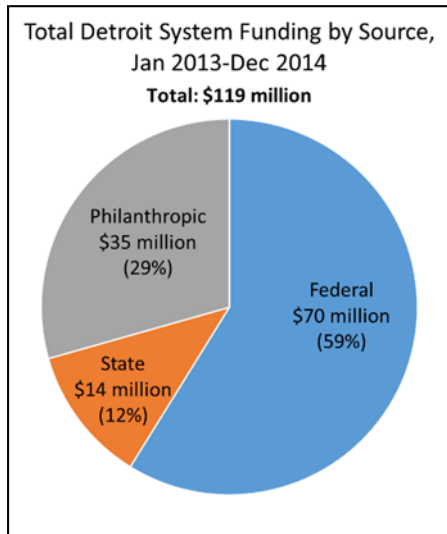
An estimated \$119 million<sup>16</sup> was invested in Detroit's workforce system during the 2-year period analyzed. Figure 10 and Figure 11 show this investment by source and by focus area, respectively.

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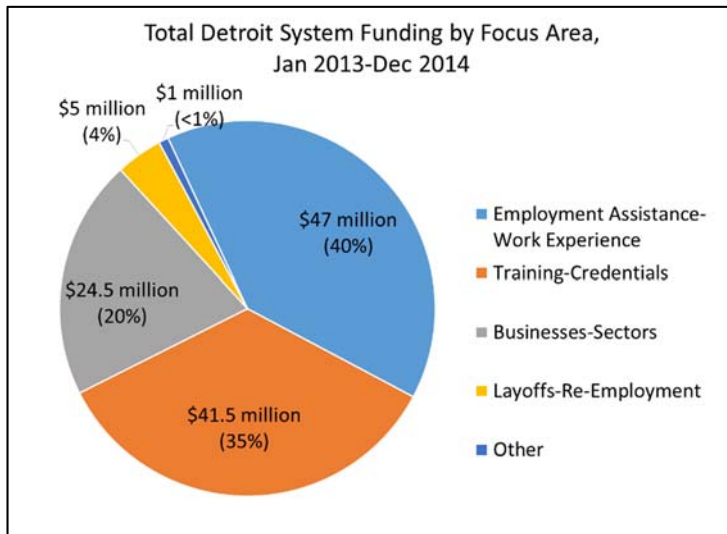
<sup>15</sup> Since most government and philanthropic funding streams are typically between 1 and 3 years in duration, this two-year period provides a reasonably up-to-date snapshot of funding that is currently in the system. CSW did not perform an historical analysis of increases and decreases in various funding streams and focus areas as compared to previous years.

<sup>16</sup> All figures are estimates based on data obtained to date and are subject to change. Actual amounts may be higher as there are some state and federal programs, and some foundations, for which data was not available at time of report completion.

**Figure 10**



**Figure 11**



### Employment Assistance-Work Experience

*Employment Assistance-Work Experience* represents nearly 40% of federal workforce funds in Detroit. The category includes programs such as Workforce Investment Act (WIA) Title 1 funding for adults, dislocated workers, and youth, and the Michigan PATH program, which is mostly federal pass-through funds for employment assistance to welfare recipients. Together, these two programs represent 43% of all federal dollars, and they are both administered by DESC, the Michigan Works! agency serving the city.

An additional key federal investment in *Employment Assistance-Work Experience* is \$1.3 million from the Corporation for National & Community Service - Social Innovation Fund awarded to Detroit LISC and The United Way of Southeast Michigan in support of the Greater Detroit Centers for Working Families.

State money in this area is comprised of re-entry funds for returning citizens (also known as ex-offenders) and Detroit-focused investments from the Michigan Economic Development Corporation (MEDC) through the Community Ventures program. This program provides structurally unemployed individuals with entry-level opportunities and gives participating employers wage reimbursement and post-placement support services. Companies from Detroit, Flint, Pontiac, and Saginaw are eligible. At the time of this report, it was unclear how much of the \$10 million funding has been allocated to companies in Detroit.

Philanthropic funds are nearly evenly invested in *Employment Assistance-Work Experience* and *Training-Credentials*. CSW estimates that \$35 million in foundation/philanthropic investments were made in Detroit during the two-year period.<sup>17</sup> This is 29% of total funds and represents funding that most closely aligns with workforce development programs, although there is undoubtedly a lot more money invested which may overlap with workforce development, but is primarily focused on economic and community development.

Thirty-five percent of the total philanthropic investment in the city of Detroit over the past two years is comprised of the \$12.5 million, multi-year New Skills at Work initiative launched by JPMorgan Chase in

<sup>17</sup> We note that several major national foundations that have invested in Detroit workforce initiatives in the past, have not done so recently (since 2013), and therefore are not captured in our snapshot analysis.

2014. The remaining 65% of philanthropic funds went mostly to programs supporting adult and youth training opportunities or asset building among low-income families, such as the Greater Detroit Centers for Working Families network, and the Earn and Learn Initiative.

### Training-Credentials

*Training-Credentials* comprises the third-largest share of federal funding at \$15.8 million. A major input into this category is \$4.7 million in Carl D. Perkins Career Technical Education (CTE) Title II funds. Along with this standard funding, a \$1 million and US Department of Labor (USDOL) “Face Forward” grant was awarded to Alternatives for Girls, to help former juvenile offenders get training and job placement. A \$2.5 million USDOL grant was awarded to Wayne County Community College District (WCCCD) for the Wayne County Generation Cyber Project, which will train and provide career guidance for veterans looking to enter the cyber security workforce.

Seventy-five percent of state funds targeted *Training-Credentials*, the majority of which covers adult basic education and basic skills training. This focus area also includes the State’s Skilled Trades Training Fund (STTF), which provides competitive awards for employer-responsive training that ensures Michigan’s employers have access to the talent they need to compete and grow, and individuals have the skills they need for in-demand jobs. In 2013-2014 the STTF has been under-represented in Detroit. One-third of the \$3 million in funding in the Tri-County area, or \$1 million, went to four companies within the city of Detroit itself (DTE Energy, Henry Ford Health System, General Motors, and a small company called Marketing Associates). The other \$2 million went to companies in Macomb County, Oakland County, and the rest of Wayne County. Governor Snyder recently proposed a doubling of available funding for the STTF, yet if previous trends are any indication, other than a few large well-known companies, Detroit businesses either are not applying for the funds, or are not positioned to compete and succeed in obtaining the awards. There is an opportunity for the city’s workforce development system to increase the number of Detroit companies applying for and receiving STTF funds, thereby increasing the number of Detroit residents receiving in-demand skills training.

### Businesses-Sectors

Funding was included in this category if it was focused specifically on resources dedicated to business needs. While funding in *Training-Credentials* and *Work Assistance* often targets industry needs, this particular category calls out resources that are aimed directly at businesses. Although *Businesses-Sectors* looks like a healthy 20% of the total, more than three-fourths of this is from a single, multi-year \$21 million NIH grant awarded to a consortium of the University of Detroit-Mercy, Marygrove College, WCCCD, and Wayne State University to increase under-represented minorities in the biomedical research industry workforce.

### Funding and Investment Strengths and Gaps

Our analysis of the funding landscape reveals the following:

- The majority of funding and investments is going toward numerous initiatives aimed at connecting people to training, credentials, and employment for in-demand occupations.
- Although this is improving, beyond a small handful of major corporations and universities in the region, very few sector-focused efforts are engaging and benefiting businesses within the city of Detroit (vs. the Tri-County area). The system could do more to get small-to-medium enterprises and fast-growth firms involved.
- Despite an increasingly robust set of multi-stakeholder partnerships across numerous initiatives, creating transparency of funding sources is challenging and messy. There needs to be a better

way to track and measure funds-in/results-out for all investments whether at the organizational or multi-stakeholder initiative level.

## Programs: the Heart of the Infrastructure

In addition to understanding the total volume of funding in the system, we were also interested in understanding the total scope of the system — the number and type of organizations, the kinds of programs and services they offer, the number of participants served, and their outcomes. However, this information is challenging to collect. To identify the current scope of the Metro Detroit<sup>18</sup> workforce development system, CSW created an inventory of more than 300 community-based organizations, educational institutions, and other entities working towards the shared goal of improving the lives of residents and strengthening the workforce. A key goal of the inventory was to discern the volume of organizations and programming that make up the Metro Detroit workforce development system, as well as providing a sense of their geographic density.

To provide some context for the program analysis, we looked to recent work on career pathways by CLASP's Alliance for Quality Career Pathways<sup>19</sup> project and USDOL's *Career Pathways Toolkit*.<sup>20</sup> These frameworks organize the various services and programming for individuals along a continuum that allows the job seeker to understand the various occupational pathways within the labor market and determine the relevant credential-based training needed for progression along that pathway, and ensures various providers work together to deliver those services seamlessly to the worker/learner. The frameworks emphasize that career pathway progression is more than narrowly defined occupational training. The USDOL *Toolkit* also emphasizes the key function that intermediaries and partnerships play in the successful deployment of career pathway efforts.

In this section we open with some general findings, then analyze the program offerings according to our career pathway framework: 1) On-ramps; 2) Career navigation & support; 3) Job training & education; and 4) Direct employment and work experience.

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<sup>18</sup> Our analysis primarily focuses on Detroit (including Highland Park and Hamtramck) and communities that are within (or a significant portion is within) a 5 mile radius of Detroit. However, the overall program analysis looked at the entire Tri-County area of Wayne, Macomb, and Oakland counties.

<sup>19</sup> The CLASP Alliance for Quality Career Pathways framework uses the following definition: "The career pathway approach connects progressive levels of education, training, support services, and credentials for specific occupations in a way that optimizes the progress and success of individuals with varying levels of abilities and needs." A quality career pathway has three essential features: "1) Multiple entry points so that individuals can begin their career path at the most appropriate skill level; 2) Multiple exit points so that individuals can enter the workforce at various milestones and easily return to their education when they're ready — either between jobs or while they are working; 3) Well-connected and transparent education, training, credentialing, and support services to facilitate progress along the pathway and ensure participants can get credit for their education and experience in the future." Furthermore, a quality career pathway model requires four key functions: "1) Quality education and training programs; 2) Consistent and non-duplicative assessments of participants' assets and needs; 3) Support services and career navigation assistance; 4) Employment services and work experiences."

<sup>20</sup> The US Department of Labor's *Career Pathways Toolkit* defines Six Key Elements of Career Pathways that help guide local and state teams through the key steps necessary for developing a comprehensive career pathways system. They include: 1) Build cross-agency partnerships and clarify roles; 2) Identify sector or industry and engage employers; 3) Design education and training programs; 4) Identify funding needs and sources; 5) Align policies and programs; and 6) Measure system change and performance.

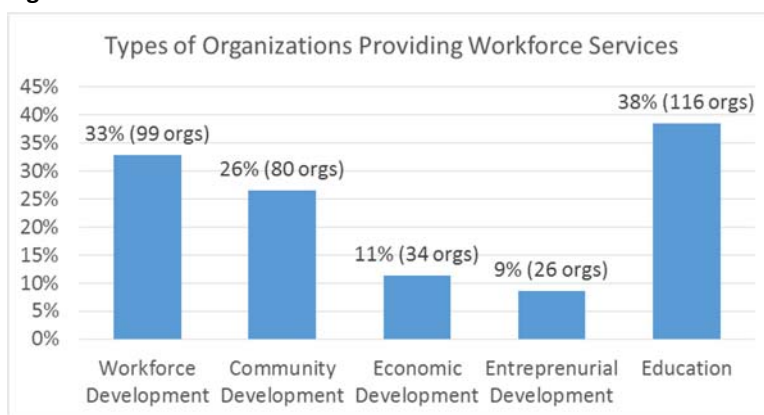


## Overall Findings

### Workforce Development Services Are Being Offered by a Wide Range of Organizations

Our inventory research revealed that services needed to support employment by Detroit residents were being provided by a much larger set of organizations than just “traditional” workforce service providers. In addition to workforce service providers, these included educational institutions, economic development organizations, community development organizations, and entrepreneurial service providers.<sup>21</sup> There is a great deal of overlap between the activities in community development and workforce development, such as organizations like Community Development Advocates of Detroit, which provides a “citywide voice for Detroit neighborhoods.” We found 27 organizations that provided services in more than one category, which suggests that organizations in Detroit actively seek to service the multiple barriers many Detroit residents face. Figure 10 illustrates the distribution of organizations among these categories. Note the high volume of community development organizations that also provide labor market attachment related services, as well as the high volume of educational providers. This chart demonstrates that a significant portion of the work done to connect individuals to the labor market takes place in educational institutions, including adult basic education, universities, community colleges, and proprietary schools.

Figure 10



Although the majority of the organizations and educational institutions in our inventory work directly with individuals by providing education or other services, we also included organizations which do not work with individuals. These fall into three categories: services for businesses, services for other organizations, and services for the general public. Service for businesses includes engaging with business owners to discover their needs, working with businesses to provide them with trained employees, providing on-boarding for new employees, and economic development activities, such as Detroit Economic Growth Corporation’s work in attracting businesses to Detroit. Services for other organizations include acting as intermediaries or “umbrella organizations.” Reading Works, for example, is an umbrella organization focused on the key issue of literacy, and manages nine participant-facing literacy partners. Services for the general public include advocacy and public policy organizations, which promote relevant issues, such as WIN and the Michigan League for Public Policy, or which champion policies to support the labor force and attract business development, but do not work directly with individuals. All of these types of organizations are considered by CSW to be part of the workforce development system.

The map in Figure 11 compares where people live with the locations of community-based organizations that serve individuals and post-secondary educational institutions from our inventory analysis. The organizations shown on the map are either in Detroit or within a 5 mile radius of the city, in recognition

<sup>21</sup> Organizations that do not self-identify as falling into one of those five categories (including workforce development) were placed in the most similar category. Human and social services were typically categorized as community development, for example.

of the significant transportation challenges faced by many residents. While there are clearly clusters of activity, organizations are well distributed across the map.

**Figure 11**

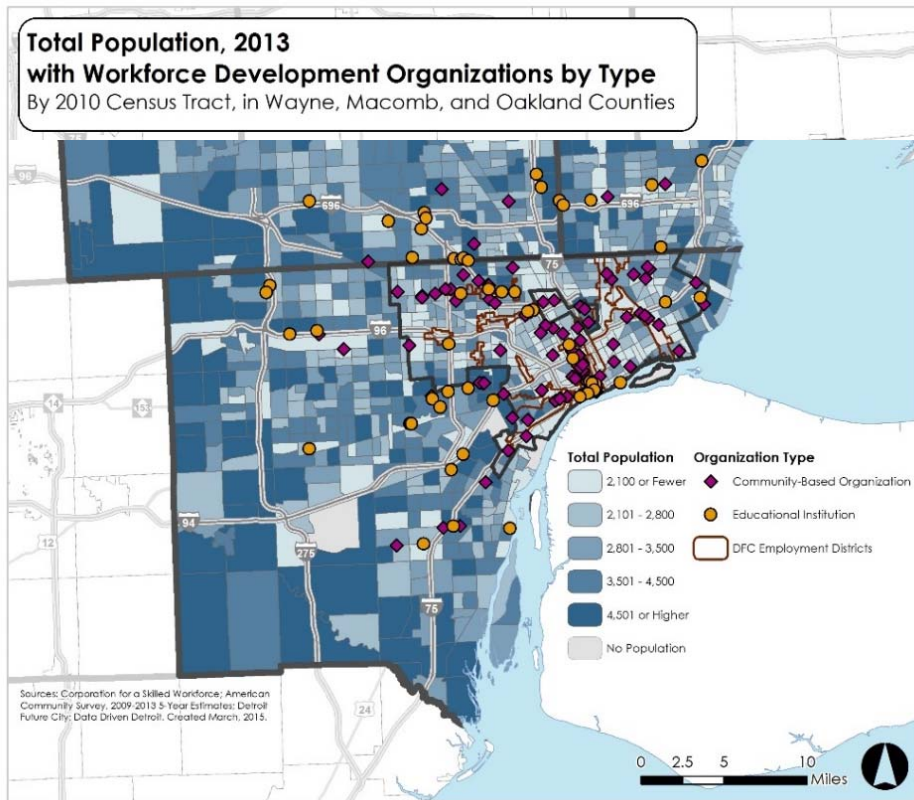
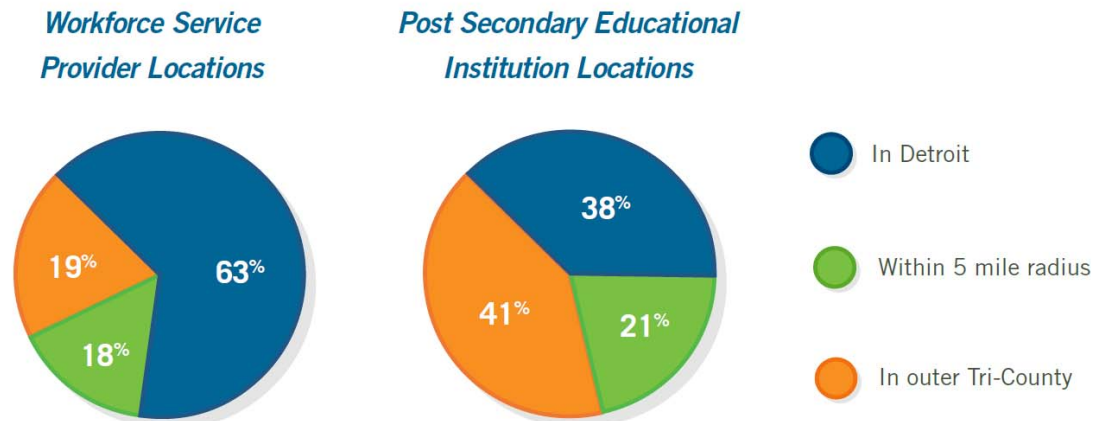


Figure 12 shows the proportions of community-based organizations (CBO) and educational institutions that are located inside the city, in communities within a 5 mile radius of Detroit (see Appendix D for the full list of communities), and in the Tri-County area minus Detroit (those not shown on the map in Figure 13). Transportation becomes an issue for not only Detroit residents trying to access minimal-preparation jobs in the suburbs, but also those trying to access training and educational institutions, since a significant proportion of both are located in the outer Tri-County area.

**Figure 12**





### Scope of System: Outcomes Data

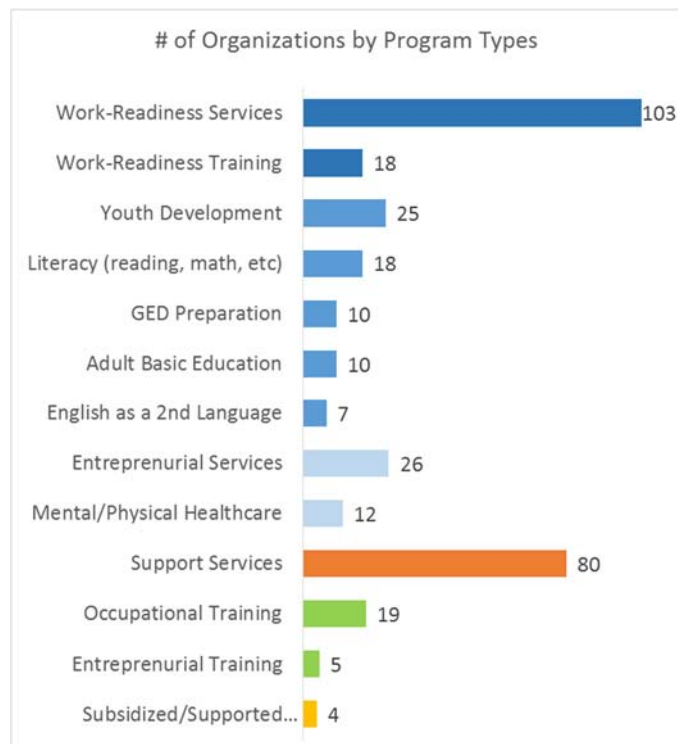
Identifying and securing data to determine how well the system is functioning and how well residents fare in the labor market is extremely difficult. Absent a reliable public database of the outcomes of these programs and services, the only way to secure outcome data is organization by organization, many of which use differing metrics and definitions. Certainly, individual organizations can and do provide outcome data; what’s lacking is a way to aggregate that data across organizations at the systems level (see more in Systems Observations section). As a result, our report does not provide data on the number of people being served, how many people are served in specific programs, or what the outcomes are for those served (job placement, credential attainment, etc.<sup>22</sup>). As an example, we collected outcomes from the 2013 annual reports of 5 large, multi-service community-based organizations<sup>23</sup> and found that, in aggregate, they served nearly 26,000 people (although with possible duplication of individuals across organizations). However, this represents just 22% of an estimated 120,000 people who may need services (the 71,000 already unemployed workers and the additional 49,000 individuals who would need to enter the labor force for Detroit to match the state’s labor force participation rate).

### Career Pathway Findings

Although we lacked a way to collect reliable outcomes data, we did document the number of organizations in the system and the types of services they offered (Figure 13).

To understand more deeply how programs meet the needs of Detroit residents, we analyzed organizations through a career pathway framework. As outlined earlier, our method is informed by the CLASP AQCP framework, and uses four stages to analyze the program inventory: 1) On-ramps (in blue on chart), 2) Career navigation & support (orange), 3) Job training & education (green), and 4) Direct employment and work experience (yellow). The first stage includes programming like work-readiness services, assessments, resume workshops, and work-readiness training. The second stage focuses on support services to meet the basic needs of job seekers, while the third stage focuses on training and education so that job seekers are ready for employment in their chosen field. The fourth stage includes services like job placement, as well as supported or subsidized employment, and transitional work experience.

**Figure 13**



We found that organizations represented in our inventory are not equally distributed among these four stages of the career pathway. Also, while many large multi-service organizations serve individuals all

<sup>22</sup> For more information on data issues: Marty Miles and Stacy Woodruffe-Bolte. Apples to Apples: Making Data Work for Community Based Organizations. (Corporation for a Skilled Workforce, 2013). Available at <http://benchmarking.skilledwork.org/?p=1176>

<sup>23</sup> Focus: HOPE, ACCESS, Goodwill, Southwest Solutions, City Connect

along the pathway from assessment, to training, to placement and beyond, there are also a significant number of organizations that focus on a smaller portion of the career pathway. These smaller organizations rely on the overall network to fill in the gaps their programs do not cover.

### Stage One: Many Organizations Offer On-Ramps

The first stage of a career pathway, programs that provide on-ramps or general attachment to the labor market, is proportionally well represented in our inventory analysis. However, that does not necessarily mean that they are able to meet the overall need of residents described earlier in the report.

A majority of participant-facing organizations provide some kind of on-ramp programming. In Metro Detroit, these on-ramps consist primarily of organizations providing general work-readiness services and work-readiness training programs. General work-readiness services include assessment, career aptitude testing, resume help, case management, workplace etiquette workshops, drop-in tutoring and remedial education, and a host of other services that are not designed as discrete programs for which participants must register ahead of time. These basic services are very common across a variety of types of organizations, though we lack data on the number of participants that access these services.

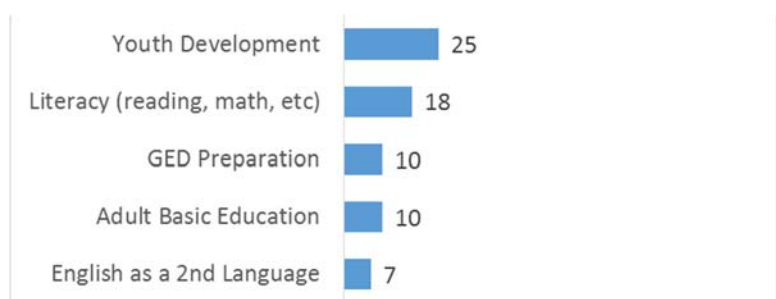
There are relatively few organizations offering dedicated work-readiness *training* programs (cohort style training with a defined completion date). Many organizations offer some type of work readiness on an ad hoc basis in the form of workshops, build it into occupational training, or weave it into case management services, but few offer it as stand-alone training. There are two forms of stand-alone work-readiness training programs, though they are not mutually exclusive. The first is as a precursor to sector-specific occupational training programs. The second is as a direct path to employment. Given these two forms, work-readiness training can be both the first stage of a career pathway and a part of the third stage.

These entry-level programs and services are particularly important as our primary research suggests that many participants come to occupational training without the necessary skills needed to participate. Many occupational training programs and community college classes, for example, have a minimum required literacy level, and stakeholders have made it clear that many participants do not meet this most basic requirement. It is equally important as a connection to direct employment, and our research indicates that employers find job seekers lack the necessary skills. For example, through the work of the Detroit Jobs Alliance in 2014, small business employers gathered to share their experiences with and concerns about hiring employees. Interviewing candidates who lacked basic soft skills was a common complaint. Basic services are vital to the most at-risk participants, the needs of which are addressed below.

### Not Enough Attention to Special Populations

In our evaluation of on-ramps, we identified organizations that provide services to specifically disadvantaged groups and found more instances of clearly targeted services for some groups than for others. These populations fall into two categories: needs based on skill level or needs based on demographic attributes. Needs-based organizations offer Adult Basic Education (ABE), English as a Second Language (ESL), GED preparation programs, literacy programs, and youth development work

Figure 14 (skills-based populations extract from Figure 15)



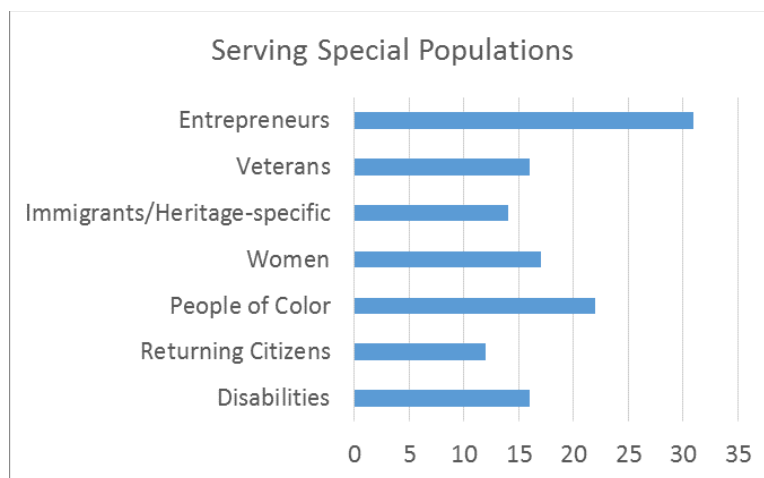
experience. Although there are many organizations offering work-readiness services, there are comparatively few that provide these foundational skills. These programs are key to the success of job seekers with low skill levels and are vital to successful outcomes in later training and education when there are typically minimum entry requirements. Youth programming compares favorably to adult programming in this area, which reflects the surge of interest in and funding of youth development programs.

Organizations providing services to certain demographics cover (but are not limited to) entrepreneurs, persons with mental or physical disabilities, returning citizens, women, people of color, immigrants or heritage-specific groups<sup>24</sup>, and veterans (see Figure 15; organizations serving more than one special population appear more than once). While most large multi-service organizations will not turn away those from one of these populations, only about half of the participant-facing organizations offer targeted programming designed to address their particular needs.

Growing interest in entrepreneurship is evident by the number of organizations offering this type of programming, but there are surprisingly few community-based organizations offering entrepreneurial *training* (cohort style training with a defined completion date), which may be needed in order to get fledgling businesses off the ground.

Relatively few organizations provide entry points for those with the highest barriers, such as returning citizens (also known as ex-offenders) and persons with disabilities. As reported earlier, 39% of Detroit residents with disabilities who are in the labor force are unemployed, but are searching for work and need additional services. Disadvantaged groups frequently face multiple barriers and need the full complement of services in order to obtain and retain employment.

**Figure 15**



In terms of returning citizens, the Michigan Department of Corrections (MDOC) releases approximately 10,000 prisoners per year,<sup>25</sup> and only 17.8% left with a Workforce Development Referral Packet as part of a successful reentry. Data is not available on the number of returning citizens who are released to Detroit, but Wayne County operates the largest jail system in Michigan and the Detroit Re-Entry Center is one of only two residential re-entry programs in the state. Stakeholder feedback indicates that having a criminal record is a challenge faced by many program participants, and the workforce development system must be sensitive to the needs of this population.

### Stage Two: Support Services Are Offered by a Variety of Organizations

Programs that offer career navigation and support services help participants progress along a career pathway. Support

**Figure 16 (extract from Figure 15)**



<sup>24</sup> Heritage-specific groups are defined as any organization that provides programs and services for people from a specific ethnic background, such as programming targeted at people of Hispanic or Native American descent, but not necessarily recent immigrants.

<sup>25</sup> January 2015 MDOC MiScorecard Performance Summary

services include things such as food or housing assistance. As the system is very fragmented, support services are often offered by a variety of non-traditional-workforce-development entities ranging from churches to government agencies, to social services organizations focused on survival needs. This is further evidence of the need for strong communication between organizations, including those who do not normally function as part of the workforce development system, such as public health and human services.

### Stage Three: A Variety of Sector-Specific Occupational Training Are Being Offered

Stage three is comprised of occupational or entrepreneurial training offered at community-based organizations, as well as more formal education and credentials earned through traditional educational institutions. As

**Figure 17 (extract from Figure 15)**



mentioned earlier, there are very few entrepreneurial training programs. Relative to the number of community-based organizations offering work readiness or support services, few offer occupational training for a specific job. Our research indicates that most participant-facing organizations work to prepare participants to find employment in the industry of their choice. Community-based organizations tend to focus less on cohort-style training for a given occupation than educational institutions do. Educational institutions are often better equipped to provide job seekers with the credentials they need to pursue a particular occupation, such as Certified Nurse Assistant, while community-based organizations focus on work-readiness services and training. Educational institutions are not included in Figure 13, but many of them offer additional career services outside of education, either through continuing education or counseling departments that seek to get students ready for and placed into employment.

On-the-job training or any other kind of in-house employer-directed training, such as internships and apprenticeships, were beyond the scope of this project, although we recognize that these are an important part of career pathways.

Using data from Economic Modeling Specialists, Intl. (EMSI) and the Career Education Consumer Report (CECR)<sup>26</sup>, combined with job opening data provided by WIN, we analyzed how well the training and education that is currently underway aligns with the type of positions that need to be filled in four key sectors: construction, information technology (IT), health care, and manufacturing. A summary for these four sectors is below; more comprehensive analysis including two additional sectors (Transportation & Logistics and Retail, Hospitality, Arts & Recreation) can be found in Appendix E.

#### **Construction**

We found that training in the construction sector maps well to the hiring trends. Completions are strong at the minimal- to moderate- level of preparation, which is also where the jobs are. This sector has a solid number of minimal-preparation level job openings, but the highest proportion of job openings are those that require moderate preparation. The occupational training offered by CBOs may meet the needs for the minimal-preparation jobs, but the academic institutions offering credentials in less than one year show a high completion rate, which feeds into higher skill jobs.

We are aware of large infrastructure projects in Detroit’s near future that will require skilled workers. However, the construction industry as a whole represents only a small percentage of

<sup>26</sup> The CECR was only used to view outcomes for institutions that DESC identified as being verified training providers, as the CECR contains self-reported data and it is difficult to ascertain the reliability and validity of all entries.

Detroit's overall economy, and the job opening count has decreased over the last few years. This means that future demand may well be met by "on the bench" workers, who typically have a higher skill level than new workers to the industry. This may explain why there are relatively few programs operating to train new workers to enter this industry.

Some of Detroit's most active and career focused alliances can be found in the construction industry. Two such alliances are ACCESS for All and the Detroit Registered Apprenticeship Access.

*ACCESS for All* is a partnership between organized labor for the skilled trades and SER Metro, a large community-based organization in southwest Detroit. Funded by *Detroit Regional Workforce Fund of United Way for Southeastern Michigan*, ACCESS for All delivers basic skill building, skilled trade training and apprenticeships, and an unconventional support model that helps ensure success above and beyond job placement. ACCESS for All focuses not just on work readiness and placement, but on helping its students build long-term life skills that make strong families and communities. Since 2014, they have graduated three cohorts of Apprenticeship Readiness Students with plans to graduate Cohort 4 in April 2016. Cohort 5 begins in May of 2016.

The Detroit Registered Apprenticeship Program (DRAP) is a 2 ½ year program created by DESC, the USDOL's Office of Apprenticeship, and the State of Michigan's Workforce Development Agency. DRAP ensures structured training opportunities through which Detroit residents strengthen fundamental literacy and numeracy while building skills to meet the growing demands and aggressive timelines of Detroit's booming construction sector. Partners include skilled trades unions, CVS, Greening of Detroit, and others.

### **Health Care**

Current projections show that despite the relatively stagnant growth in health care, many new positions are predicted as the industry expands. Also, high turnover and the opportunity for advancement in the field have led to a continuous need for trained workers. In the health care sector, completions are strongest at the minimal to moderate level of preparation but the largest segment of job openings requires a high level of preparation, for which there were many fewer completions. Community-based organizations lack occupational programming for this industry, although that may be a reflection of the credentials needed to find employment in health care. Through the course of developing this report, CSW did not find workforce development-led partnerships related to health care, though undoubtedly individual employers and educational institutions are providing skill development and educational opportunities.

### **Information Technology**

As shown in the "Where the Jobs Are: Industries" section of the report, the information technology (IT) sector had no minimal-preparation level job openings at all and more than three times the number of high-preparation level jobs to the moderate-preparation level. The academic completion rates lined up fairly well, with the majority of individuals completing an Associate's or Bachelor's degree. The IT industry relies more heavily on academic credentials than the construction industry does, and this is reflected in the small number of non-educational IT programs.

Some of Detroit's most creative partnerships are emerging in the IT Sector. Grand Circus, in partnership with local employers, Detroit Public High Schools, and DESC, is bridging the gap between Detroit residents and the businesses who want to hire great IT people in Detroit.

Through intensive experiences that teach skills that have been validated as relevant by local technology companies, Grand Circus and their partners directly train and ensure upon graduation, middle-skills employment opportunities for local residents. Experience IT (formerly IT in the D), an alliance between private sector employers, venture capitalists, DESC, and made possible by WIN, transitions students from the classroom to the workplace through classes and training in both hard and soft skills and mentoring. Successful graduates are eligible for employment opportunities ranging from internships to full-time positions.

### **Manufacturing**

Most jobs in the manufacturing industry require at least a moderate level of preparation, primarily in the form of moderate- to long-term on-the-job training. Strong work-readiness programs are needed to help prepare workers to succeed in this training and these occupations. In other locations, work-readiness programs have been contextualized to be manufacturing specific; however we found no evidence of such programs in Detroit. Educational completions in manufacturing are overwhelmingly strongest at the Bachelor's degree level, most significantly in the engineering disciplines.

Opened in the Corktown neighborhood of Detroit in 2014, *LIFT (formerly the American Lightweight Materials Manufacturing Innovation Institute)* is a public-private partnership that develops and deploys advanced lightweight materials manufacturing technologies for defense and commercial applications. The Institute's mission is to act as the bridge between basic research and final product commercialization of innovative manufacturing technologies and practices. Integrative education, training, and workforce development is a core aspect of the LIFT mission. LIFT is convening industry, government, economic development, non-profit, academic, and workforce development partners to design and deliver education and workforce development programs to help ensure an educated and skilled advanced manufacturing workforce.

### **Stage Four: Limited Direct Employment Support Services Offered**

The fourth stage covers programs that provide direct employment assistance and work experience, leading to multiple exit points from the career path. Although most participant-facing workforce development organizations include job placement services as part of their programming for job seekers, very few organizations offer dedicated, specific supported or subsidized employment opportunities from which those at the very low-skill/high-need end of the spectrum would benefit. These kinds of services tend to require significant resources and deep employer engagement for success and are, therefore, typically rare. (We did not include analysis on retention and advancement services due to a lack of data.)

**Figure 18 (extract from Figure 15)**



Subsidized/Supported... 4

### **Partnerships: A Cornerstone in Detroit's Workforce Development System**

Our analysis reveals a large variety of program providers and programs are offered in support of meeting Detroit residents' needs. It's clear that program providers are simultaneously offering targeted services addressing specific skill gaps and a wide range of services addressing the multiple barriers to employment Detroit residents often face. The next part of this section uses a partnership lens to review how these organizations work together.



Partnerships are an important vehicle for moving a workforce development system toward improved outcomes for employers, job seekers and funders. In the end, the scope and quality of partnership outcomes should move the needle on meeting Detroit residents' needs in measurable ways.

From a general systems perspective, partnerships show us how connected the parts of a system are, and they reflect the health of the connective tissue between the components of a system. Partnerships can give us a view into how a system's culture operates. Partnerships can also give us a view into the presence and quality of feedback loops, without which a system is neither effective nor sustainable.<sup>27</sup> Partnerships are often developed in service of collaborative action leading to a shared outcome and require partners who have a shared vision and mission, clear roles, and specific goals and plans.<sup>28</sup> Several factors affect the structure and functionality of partnerships, including individual and organizational resources and capacity, expertise and competence, service delivery policies and practices, and the culture of the system within which they operate.

### Closing Basic Skill Gaps and Building Life Skills

A birds-eye view of Detroit's workforce development landscape reflects a wide array of partnerships, some expanding, multiplying, and otherwise changing shape rapidly. Some sector-specific training and placement partnerships deliver programs through which job seekers build basic skills, complete advanced training, and experience a streamlined interviewing and job placement process. There are service-provider alliances who deliver wrap-around support services, addressing the basic yet wicked barriers that limit successful engagement in the labor market.

Although there is fragmentation and duplication in the system, there is also clear collaboration and dedicated effort to address the various elements of the career pathway lens CSW used for analysis. The prior section on programs illuminated the partners involved in occupationally focused training. In this section, we note a sample of partnerships that address the key educational attainment and other barriers Detroit residents face

Reading Works, with nine Impact Partners across the Metropolitan Detroit area, provides quality adult literacy programs and services, while consistently measuring and reporting their impact on learners. Reading Works is highly selective in its process of choosing partners, regularly measuring actual results and promoting practices that scale and accelerate their work. Our findings suggest that alliances such as Reading Works are not consistently recognized as partners in the Detroit workforce development space.

Earn and Learn, a partnership between Focus: HOPE and Southwest Solutions funded by the philanthropic community and DESC, offers skill development, job training and employment to some of Detroit's chronically unemployed populations. Since 2011, this initiative has ensured that some of Detroit's most at-risk residents have access to education and income at the same time through a model that includes some subsidized employment. The most recent cohorts graduated in March and January of 2016, and additional cohorts are scheduled and open throughout the rest of 2016.

The Center for Working Families is well known for their ground-breaking work across the nation. In Detroit, the Greater Detroit Center for Working Families (CWF) is an initiative of Detroit LISC and United Way for Southeastern Michigan. Its partners include Focus: HOPE, Southwest Housing Solutions, Operation ABLE of Michigan, The Guidance Center, Goodwill Industries, Lighthouse of Oakland County, Arab Community Center for Economic & Social Services (ACCESS), and SER Metro Detroit. Beyond basic

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<sup>27</sup> Jay W. Forrester, *Learning through Systems Dynamics as Preparation for the 21<sup>st</sup> Century* (Sloan School of Management, MIT, 1994)

<sup>28</sup> Social Policy Research Associates, *Career Pathways Toolkit: Six Key Elements for Success*, (USDOL, 2011). Available at <https://learnwork.workforce3one.org/view/2001135442016073646/info>

work readiness and employment, CWF provides financial education and coaching and low-cost financial products that encourage investment and savings, as data show that families who achieve financial independence are better positioned to contribute to thriving, sustainable communities. Known for their unified metrics at the national level, the Detroit partnership has served over 5,691 families: 301 enrollees have reported higher credit scores, 598 have reported increases in net income, and 438 reported increases in net worth.<sup>29</sup>

### Partnerships in Detroit's Workforce Development System: Lots of Complexity

From the systems level, CSW's analysis reveals a generally fragmented picture, especially as it relates to two key elements in our analysis framework: culture, processes, and practices, and data & knowledge sharing. From traditional working relationships between public agencies, vocational training schools, and higher education to unconventional alliances between private investors, employers, entrepreneurs, and economic development groups, Detroit's infrastructure reflects a network of loosely coordinated organizations often working independently of each other to address similar issues. Across the system, agencies and providers respond to an ever-changing landscape of customer requirements, sometimes working in concert with and sometimes overlapping each other's efforts. While there are certainly outstanding examples of partnerships deemed successful through any lens, these shining models exist alongside a disconnected patchwork of one-off, underfunded, uncoordinated initiatives delivered by a network of providers who are keenly aware of their disconnectedness. Stakeholders across the system echo a common sentiment: A growing concern that their programs and services are not nearly orchestrated or integrated enough to deliver what the community needs.

As it relates to data and knowledge sharing, there appears to be no way to ensure clarity on where partnerships exist or who they serve. Individual agencies and organizations have no shared way of knowing the scope, depth, or breadth of partnerships in the city or region. This lack of clarity leads to the perception of overlaps and gaps in the resources available to Detroit's job seekers. Without clarity, there is no reliable way to avoid duplication of effort, or ensure comprehensive, end-to-end coverage for the barriers many Detroit job seekers face and the skill development many need. There appears to be, however, growing interest in collecting more and better feedback data so that Detroit residents have a clearer view into the opportunities and assets within the workforce development network.

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*The Detroit Jobs Alliance (DJA), supported by the Detroit Regional Workforce Fund, is the only consortium of its kind in Detroit that addresses capacity building, policy, and systems change at the practitioner and leadership levels. Now advancing to the next stage of its maturity, the DJA is a structured forum where workforce development professionals explore leading edge practices and collaborate on ideas specific to Detroit's needs. Through the DJA, workforce development professionals pursue a shared agenda, common goals and a culture of leadership development at all levels.*

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The combined analysis of investments, programs, and partnerships serve as the foundation for CSW's overall systems findings. The next section, System Observations, delves into those findings.

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<sup>29</sup> Center for Working Families Website, [http://www.lisc.org/detroit/what\\_we\\_do/increase\\_family\\_wealth/index.php](http://www.lisc.org/detroit/what_we_do/increase_family_wealth/index.php)



### Considering Equity: Especially in Detroit

We note that Detroit's system may reflect a troubling dynamic: the persistence of longstanding inequities in access and opportunity for job seekers and residents. While outside the scope of this report, our research uncovered strong perceptions of dynamics that adversely impact the system — including where, how, and for whom services are designed and delivered. Several stakeholders expressed clear and definite interest in a discussion about who has access to the system and in what ways. Ultimately, opportunities and outcomes for job seekers in Detroit is a key priority. Clearly, equity in Detroit is an opportunity for further research and action.

## Section 4 – System Observations

### Using a Systems-Approach to Understanding Detroit’s Workforce Development Infrastructure

In the field of workforce development, the term “system” is often referred to as the funding and work that is managed through public-sector investments. In particular, it is usually limited to various federal funding streams, such as Workforce Investment Act funding. CSW’s review and analysis of Detroit’s workforce infrastructure reflects a holistic perspective. We look at a diverse mix of funding and organizations that support workforce development more generally in Detroit, as well as what’s in place to specifically support career pathway development into middle-skill and middle-income opportunities. We reviewed three components of Detroit’s infrastructure — investments, programs, and partnerships — through a career pathways system lens. Through this lens, we identify those areas in which the infrastructure may not be aligning with the workforce development needs of businesses and residents in Detroit. In this section, based on our review of data and stakeholder input, we reflect on how all of the actors — funders, service providers, educators, etc. — work together as a system.

CSW applies a systems change approach<sup>30</sup> to our analyses. We draw on some key principles of systems thinking: 1) A system is made up of parts that each have their own attributes and all contribute their individual value to the whole; 2) The way that the components of a system work together is essential; 3) A system is effective only to the degree that its parts work together; and 4) Feedback loops are an essential component of all systems, because feedback is the catalyst for behavior change.<sup>31</sup> In a healthy system, the whole should be greater than the sum of the parts.<sup>32</sup> These principles do not suggest that some degree of duplication or overlap within a system is necessarily unproductive; rather, this definition underscores the importance of strategy, alignment, and coordination so that the system achieves its purpose and leverages its diversity, especially in an ever-changing environment. CSW also draws upon research and action in places such as Minneapolis, Chicago, Philadelphia, Baltimore, and New York City, where system-wide and locale-specific considerations shape policies and practices. Our assessment is further informed by CSW’s experiences with workforce development systems across the nation, as they exist within broader community and regional ecosystems.

Our systems infrastructure analysis includes the following key elements:

- Vision, Shared Agenda, and Outcomes
- System Stakeholder Engagement: Detroit Residents and Employers
- Funders and Investment Strategies
- Data, Information, and Knowledge Sharing
- Organizational Roles and Capacity
- Culture: Guiding Principles and Practices

Our observations may form a starting point for stakeholders to begin assessing the assets and opportunities inherent to the system. Moreover, this approach could provide the basis for broader analyses of Detroit’s workforce development system, as part of the economic and community development, education, and social/human service ecosystem across the city, region, and state.

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<sup>30</sup> For more on this, see CCITools: Comprehensive Community Initiatives Toolkit, Systems Change: [http://www.ccitoolsforfeds.org/systems\\_change.asp](http://www.ccitoolsforfeds.org/systems_change.asp)

<sup>31</sup> Peter Senge, *The Fifth Discipline* (Doubleday, 2006)

<sup>32</sup> Jay W Forrester, *The Beginning of Systems Dynamics* (Sloan School of Management, MIT, 1989) and Senge, *The Fifth Discipline*

## 1. The system lacks an overarching vision, shared agenda, and unified commitment toward achieving outcomes.

### The vision for Detroit's workforce development system is unclear.

- There's no "north star" to guide alignment between each organization's aspirations and plans and the "big picture" of what Detroit businesses and residents need.
- In the absence of a common vision and shared agenda, the system reflects a patchwork of each organization's mission and services based on their own governance, funding streams, operating principles, and culture.
- There are few ways to test alignment between discrete organizational goals and the broad-based needs and interests of the community.

### The absence of a vision means goals and outcomes are driven by funding requirements and specific customer needs.

- In the absence of a common vision and shared agenda, the system's infrastructure often operates from the perspective of the "requirements of my funders" and "the needs of my particular customers."
- Organizational goals and service priorities often overlap in some areas, while leaving significant gaps in others.
- Employer requirements and job seeker needs are driving rapid changes in the system, at a pace that is difficult to track, and more difficult to respond to.

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*"Workforce development is a crowded, underfunded, uncoordinated space. The system lacks a shared vision, agenda, and rallying cry. Everyone wants to play in the workforce sandbox."*

*"A diverse service delivery strategy may be necessary, but in Detroit, it's uncoordinated. There's no good way to align an organization's plans with a citywide strategy."*

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### Across the system, roles are unclear, and capabilities lack alignment and coordination.

- There are multiple funders, agencies, service providers, and other organizations serving Detroit's job seekers. There is little clarity on the roles, interests, or alignment between stakeholder groups.
- Sometimes, sub-sets of stakeholders operate in concert with each other. Most often, they do not.
- There are more than 100 service providers (community-based organizations, faith-based organizations, and for-profit training providers) offering more than 300 programs to some combination of job-seeking adults, veterans, youth, hard-to-serve populations, and others. There's no clarity on the roles of the providers, their capabilities, or their capacity.
- Specifically, as it relates to employers, the system can seem uncoordinated in its response to their interests and needs.

### **The absence of a unified vision and plan may cause duplication of effort or gaps in service for Detroit residents.**

- Some organizations share a similar mission for serving the same population, sometimes in overlapping geographies. There's no clear way to know whether these overlaps are necessary or duplicative.
- The absence of alignment and coordination leaves some with the impression that there's overlap between organizations offering the same services and programs to similar audiences.
- Perceived gaps in service, alongside uncoordinated funding requirements, can lead providers to offer services outside their area of expertise.
- There's no way to know whether Detroit residents' most pressing challenges are being addressed at the scale required in Detroit's economy.

The absence of a system-wide vision, shared agenda, and unified commitment to strategy is not a barrier if an organization is trying to address problems at the level of their own organization. However, with issues that require a more systemic and unified response, shared vision, goals, and priorities become critical. An overarching vision supports a shared agenda, which in turn, supports common goals. Common goals provide a basis on which to make decisions about alignment and integration — both of which are requirements for accomplishing goals at a scale that will make a difference for Detroit residents and employers.

Encouragingly, there is a growing appetite for an inclusive approach to strategic discussions and an interest in a clear agenda for a change in how Detroit's workforce development system operates. From the front line to the corner office, leaders across the system indicate significant interest in a shared agenda, clear measures of success, transparency, and greater collaboration. A collaborative approach to thinking, planning, and action is likely to produce outcomes that reflect two important characteristics: 1) They can be better tracked against overall objectives; and 2) The system moves toward greater impact on the issues most important to Detroit residents.

## **2. Detroit's lowest skilled job seekers still face complex challenges.**

### **Low-skilled Detroit job seekers still face literacy, numeracy, and work-readiness challenges.**

- When last measured, Detroit's overall literacy rate was well below the national average. Low basic literacy rates have also been cited by several organizations concerned about Detroit's high unemployment rates.
- Low literacy rates, low numeracy skills, and a strong need for work-readiness training means many Detroit job seekers don't meet the minimum requirements of many sector-specific training programs.
- While the system is moving closer to a common definition of basic or foundational skills, there's no comprehensive or integrated approach to help Detroit residents who are low-skilled increase their proficiency.

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*“We underestimate the gaps. It’s a real struggle to get participant skill levels up to the point where they meet the requirement for many workforce development programs.”*

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The facts about low literacy in this report are not new news. While there are nationally recognized service providers with proven outcomes tackling literacy in Detroit, the issue persists. Without a comprehensive study of why literacy rates remain low, there’s no way to know the underlying reasons. However, our research points to a

few possible causes: 1) There is no citywide strategy to tackle the issue at the scale needed; 2) Current efforts to address the problem are under-resourced; and 3) Beyond the national statistics associated with Detroit’s most successful literacy models, there are very few objective ways to gauge the quality or outcomes of the programs or models in use.

**The lack of public transportation makes it hard for low-skilled Detroit residents to find and keep jobs.**

- Among workers who live in Detroit, 37% of those who leave the city for work earn in the lowest wage bracket.
- The geographic footprint of Detroit and the location of many of the jobs make it difficult for Detroit residents without reliable public or private transportation to get to work.

Detroit’s public transportation challenges are well-documented. The Regional Transit Coordinating Council developed a plan for improving transit, which was approved in 2008 by Detroit and surrounding county executives. The new Regional Transit Authority has adopted that plan. While still taking shape, the Regional Transit Authority (RTA) is expected to be a contributor to transportation solutions for Detroit residents. While it is not within the scope of this report to fully outline Detroit’s transportation issues, better connecting workforce development system implementation and policy agendas with transportation agendas would be a big step forward for the Detroit labor market.

**Policies and practices are sometimes in conflict with sustainable solutions to deeply rooted problems.**

- Basic skill and work-readiness programs often lack integrated objectives, offer little to no support for meeting GED requirements, and set unrealistically short timeframes for completion.
- The perception of opportunity differs dramatically from the reality of opportunity for many of Detroit’s low-skilled job seekers. Low basic skill levels and lack of transportation mean that job openings are completely inaccessible to many.
- Without ready access to support services, matters that are a mere inconvenience for some become nearly insurmountable barriers for others.

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*“Many programs don’t require a GED, and don’t include a basic education component. The result is that job seekers can be penalized for time spent preparing for their GED if the program has a requirement for the amount of time spent in job training or job hunting. Worse yet, a program that doesn’t have a GED component produces a worker who will likely end up in the system again if she loses her job, and still doesn’t have a GED.”*

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### The system is sometimes inaccessible to those who need it most.

- Entry points to the system for Detroit job seekers can be difficult to find, hard to understand, and complicated to use.
- Bureaucracy and complex language aren't accessible to low skilled job seekers. Programs can sometimes alienate and screen out the people most in need of help.

On the surface, the challenges of literacy and transportation may seem tangential, but to Detroit residents and workforce development system providers, addressing them is integral to successful labor market outcomes. Without addressing them, the workforce development system itself can seem inaccessible to the individuals affected. Addressing them would make it possible for many more Detroit residents to benefit from workforce system services.

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*“Some practices keep people out of the system instead of making it easier for people to get in.”*

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Workforce providers and others in the system are keenly aware of this inter-relationship of barriers and are involved in efforts to address them. They have sought opportunities to join relevant collaborative discussions or organizations, and there is much excitement about the new rail corridor efforts. Collaborative efforts like Earn and Learn, the Centers for Working Families, and DRAP are examples of providers who offer clear and accessible entry points into the workforce system.

### 3. Although promising relationships have formed, employer engagement is still low.

#### Low levels of employer engagement means information about workforce needs and job and career pathway opportunities isn't readily exchanged.

- System stakeholders have little access to information about rapidly changing job opportunities and requirements.
- Service providers and other stakeholders have few insights into employer hiring trends.
- Direct employer insights are often missing from the discussion about the skills gap.

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*“There are very few employers engaged in the system. As a result, service providers and job seekers don't have reliable ways to understand employer needs.”*

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#### Employers don't have current insights into the labor market.

- Leaders are missing key inputs to their organizations' workforce planning and talent management strategy.
- The employer community isn't maximizing the city or the region's ability to compete for jobs in the global economy.

#### Public and private investments into the system aren't optimized.

- Employers are missing opportunities to leverage workforce funding and investments to augment their corporate learning and development budgets.
- Without the voice of the customer as a regular input, we all face the risk of ineffective use of public resources and private investments.



Despite low levels of overall engagement, there are a few promising employer partnerships that offer important insights. First, the most productive relationships between service providers and employers are data-driven, outcomes-focused and deliver on the promise of quality candidates. These relationships can provide job seekers access to otherwise inaccessible employers.

Second, employers across sectors and industries are demanding involvement in ways that are a healthy addition to the system's culture. Several active employer relationships in Detroit illustrate that industry engagement in workforce development processes and outcomes is necessary for a healthy economy. Active employer engagement helps service providers and investors understand industry projections and hiring trends — not just historical job posting data. These insights are critical for any system interested in long-term solutions and for any business who believes employees can be a competitive advantage.

Third, creating and understanding the big picture for growth sectors and adjacent industries (e.g., advanced manufacturing includes not just defense and automotive, but transportation and logistics, and technology and engineering, as well) isn't just good for the labor market, it's good for the economy of an area. Knowing where skills and competencies are transferrable across industries or sectors can lead to a data-driven business case about workforce availability — a critical data point when a new company considers opening a location in Detroit.

#### **4. Funders and investment strategies are not always aligned.**

##### **Funding and investment strategies in Detroit are largely uncoordinated.**

- In the absence of alignment around a common vision, investments naturally serve the priorities of the funding institution or agency.
- There's no way to know whether the public and private resources available are aligned to meet the breadth or depth of needs for Detroit job seekers.
- Funding and investment strategies are likely optimized for isolated impact, but sub-optimized for collective impact.

##### **The public system has tough choices to make about its target customers and scope of services.**

- Demands on the public system are increasing at the same time that federal and state funding is on the decline. There aren't enough resources in the public system to address all the needs of Detroit residents, particularly the lowest skilled.
- The need for wrap-around services (e.g., child care, health care, food security, mental health, etc.) is significantly increasing for many low-income job seekers.
- The public workforce system relies heavily on Detroit's community- and faith-based organizations to help improve skills and provide supportive services for those inside and outside its target customer base.

##### **Funding and investment strategies are the key drivers of how Detroit's system operates.**

- Limited and shrinking public funding means service providers often swivel on a dime to meet private funding priorities, even when doing so may not be in the best interests of those they serve.
- Investors control the resources, yet aren't always close enough to the front line to understand the needs or the impact of their investments. It's often difficult to reconcile funding and investment priorities with front line realities.

- Small differences in funding priorities and funder requirements often force service providers to create workarounds that are inefficient and often lead to duplication of effort.
- Alongside the absence of a citywide vision, the lack of alignment between public and private investments creates a good deal of the system’s conflict. Funders create the system and the system responds, even if in unhealthy and unproductive ways.

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*“The voice of the front line practitioners is often missing from funding strategies of all kinds.”*

*“The muscle that pivots to follow the dollars isn’t the same muscle that pivots for strategic reasons. When pivots are driven by funding restrictions, then the system pivots for the wrong reasons. Chasing dollars can drive unproductive and inefficient behaviors that may not be in the best interest of anyone.”*

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The philanthropic sector has been mindful of the needs of Detroit’s low-income job seekers in their investment decisions. From specific program funding to forming a Detroit Regional Workforce Investment Fund (DRWF) (including several local and national philanthropic leaders), philanthropy has been eager to augment the resources of the public system. This report offers a new window into who Detroit’s job seekers are, what they need, and how the system responds.

Several funders have worked and continue to work toward better alignment. A more coordinated approach could help ensure that some of Detroit’s most intractable problems have resources. Alignment and coordination of resources is the first step toward successful collaboration on outcomes.

## 5. Data, information, and knowledge sharing are inconsistent.

**The system lacks common ways to collect or evaluate system-wide quantitative and qualitative data and outcomes.**

- The system lacks consistent definitions, metrics, data collection methods, and shared data systems.
- The near-inaccessibility of quantitative and qualitative data makes it a challenge to collect information about job seekers, their needs, or the infrastructure that serves them.
- Inconsistent or poorly-structured analytics result in a murky picture of outcomes and outputs of Detroit’s workforce development system.
- There is no ability to fully understand — let alone lift up — system opportunities and strengths.

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*“In general, organizations want to receive data, but have many reasons for widely varying levels to which they’re willing to share info. Given the way the system works, especially funding and investments, it’s easy to see why they may not think it’s in their best interest to do so.”*

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**There are very few — if any — shared communication channels across the system.**

- Leaders and practitioners have informal channels, but there is no clear or integrated way to understand what’s happening in the labor or job market in Detroit.
- There are very few ways to know what other providers are offering, or where partnerships exist.
- In practice, Detroit’s “system” is actually a loosely aggregated group of funders, providers, and other stakeholders.

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*“Stuff pops up all over the place. There’s no good way to know about it, much less keep track of it.”*

*“People aren’t using data because they don’t have it.”*

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**Though available, labor market data is not as widely used as it could be.**

- Real-time labor market data is challenging to collect and not widely used.
- There are few reliable sources for forward-looking data and they are not widely used.
- There is little discussion of trends and few ways to anticipate or plan for future scenarios.

**The absence of data is costly.**

- It’s difficult to make good decisions without good information.
- Without data to know what we’re doing and whether it’s working, those served by the system are more likely to cycle through again. That cycle costs the public more money.

Data challenges exist at the individual, organizational, and system level. These challenges are not exclusive to Detroit. In fact, our findings are consistent with national findings from the National Workforce Benchmarking report *Apples to Apples*.<sup>33</sup> The Workforce Intelligence Network (WIN), Doing Data Differently (D3), and others are examples of organizations working to solve the data problem. Continued investments in and accelerated attention to the system’s data challenges will help stakeholders uncover opportunities to take promising solutions to scale, while illuminating places where course corrections are needed.

**6. Individual and organizational capacity is unclear.**

**The lack of shared metrics makes it difficult to identify, test, or share promising practices.**

- Individual organizations vary greatly in the ways they identify and implement best practices in their organizations.
- There are few ways to share promising practices across the system.
- There are few ways to distill promising practices from other systems and communities across the nation into potential practices for Detroit.

**There’s no clear line-of-sight between what the system promotes, measures, or rewards.**

- While some organizations measure and reward high-quality, sustainable outcomes and innovation, others focus principally on numbers served.

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<sup>33</sup> Marty Miles and Stacy Woodruffe-Bolte. *Apples to Apples: Making Data Work for Community Based Organizations*. (Corporation for a Skilled Workforce, 2013). Available at <http://benchmarking.skilledwork.org/?p=1176>

- There's no shared accountability for the outcomes the system produces for Detroit businesses and residents.
- The system reflects few instances of organizations with evidence of their commitment to continuous improvement.
- There are few, if any, measures by which we hold each other accountable for individual or collective impact.

**Front-line staff have little opportunity for professional development.**

- Limited funding leaves little to no opportunity for leaders to invest in professional development for their staff.
- Staffing limitations (as a function of funding) leave staff with little time to invest in their own training and development.
- There's little data to evaluate whether current workforce development staff have the capacity to manage the balance of meeting the current requirements of their roles with the changing and often competing priorities of the profession.

Investing in a frontline infrastructure that rewards efficiency, innovation, and effective labor market outcomes is an essential ingredient for sustainable success. Just as the employer community must anticipate trends, remain agile, devote time and other resources to breakthrough innovation, and maintain regular feedback loops with its customers, the 21<sup>st</sup> century jobs economy demands no less of the workforce development profession. The Detroit Jobs Alliance (DJA), with the support of the Detroit Regional Workforce Fund (DRWF), is one example in Detroit where workforce development practitioners can share data, collaborate on ideas, and learn about promising practices across the system and in other markets.

**7. Detroit's system does not yet reflect a culture of transparency, accountability, collaboration, or innovation.**

**Detroit's system still reflects an historical culture of competition.**

- Silos, distrust, and skepticism about fair partnerships are pervasive.
- Power dynamics within the system prevent healthy and necessary feedback loops.
- The widespread absence of trust leads to the perception and reality of hidden agendas.

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*"The service delivery model itself promotes competition. There's competition even among the fiduciaries."*

*"The state of collaboration in Detroit? It's bad: actors are chasing dollars and backstabbing. It hasn't been a system."*

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**Despite decades of distrust, many are hopeful that this process will produce markedly different outcomes for the system and those it serves.**

- Incremental change across the system is unlikely to move the needle on the issues that matter most for Detroit's job seekers.
- There is wide-spread awareness that there is no silver bullet for the challenges the system faces.
- In general, stakeholders seemed genuinely interested in sharing perspectives that could support transformative change within the system.

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*“Let’s not waste this opportunity. Let’s not make incremental changes in the context of an environment that is changing exponentially.”*

*“The culture and dynamics in the workforce development space don’t support the outcomes we say we want. It’s important to acknowledge what’s working. It’s also important to be honest about what isn’t.”*

*“This could be our opportunity to make recommendations to the State on how to best direct workforce system funding across the system in Detroit.”*

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Detroit residents and stakeholders in the broader workforce ecosystem are resilient. The need isn't always exactly as it's been described. Solutions aren't always successful. Partnerships don't always work. Infrastructure sometimes fails. But Detroit residents always bounce back and move ahead.

## Looking Forward: Opportunities for Systems Innovation

Many stakeholders in Detroit have much to offer to help Detroit residents access and be prepared for existing and emerging opportunities. It won't come easily, it won't come without alignment and investment to eliminate the barriers to a workforce ready to rejoin the economy, and it won't come without unprecedented collaboration and innovation. Detroit cannot depend solely on solutions from the past but must identify priorities and look for new service delivery strategies that prepare job seekers and workers with the skills needed now and in the future. Comprehensive and cohesive workforce development and career pathways systems offer a promising strategy for helping all job seekers, and particularly those with lower skill levels, to pursue and complete the education and training they need to attain the industry-recognized credentials that lead to good jobs and careers.

Assisting individuals along a pathway toward credential and career attainment is not new; however, few communities have the systemic reforms in place that are essential for residents and employers to fully benefit from aligned, cohesive workforce development and career pathway systems. The conditions seem ripe for Detroit to become a leader in addressing some significant opportunities and challenges through a more unified and impactful vision and strategy. The design and implementation of effective workforce development and career pathways systems require the ongoing participation of all key state and local partners and stakeholders in such efforts. Building a responsive and innovative career pathways system requires substantial changes at all points along the continuum of education, training, workforce development, and social services programs. Building such a system requires that all stakeholders must agree on the vision, structure, and strategy for a cohesive system and their respective roles and contributions in it.

Stakeholders and partners in the Detroit workforce development system already bring great value, expertise, and resources to current efforts. What is needed is for system leaders, service providers, employers, and residents to work together to ensure that Detroit residents achieve the education, skills, and employment needed for economic prosperity. Doing so will require a strong sense of committed leadership, more transparency about the individual and systemic barriers to success, evidence-based decisions and accountability related to investments, and substantive policy and program alignment and change. Detroit seems ready to take on the challenge.

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*"I hope we take advantage of the opportunity to examine the system and make transformational change — not incremental change. This report is an opportunity to build a compelling case for operating differently."*

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## Acknowledgments

This report has been made possible by the generous support of JPMorgan Chase & Co. as part of its New Skills at Work Initiative, a \$250 million, 5-year initiative to help build economies that grow by investing in people so that workers and industries have the skills to compete and prosper in the global economy. CSW would like to thank the following Chase staff:

- **Michelle A. Henry**, Vice President, Global Philanthropy
- **Chauncy Lennon**, Managing Director, Global Philanthropy

CSW would like to thank the people and organizations who contributed to the creation of this report. This includes:

- **Data Driven Detroit** for data and map-making
- The **Detroit Regional Workforce Fund** for the use of the GRID as a program and provider data-source
- **Bashar Dimitry** (MNA VISTA) for online research and stakeholder engagement to create the program inventory
- **Kendra Howard** (CSW) for research and report reviewing
- **Kim Kofmel** for copyediting
- **OceanVue** for infographic creation
- **Kathy Stocking** (CSW) for report reviewing and editing
- **Brian Tell** (Principal, Brian Tell Consulting) for funding and investment research
- The **Workforce Intelligence Network** for data and analysis

We would also like to thank those individuals and organizations who provided feedback on various drafts of the report and helped us shape our observations and analysis:

- **ACCESS**: Hachem Osserian
- **City Connect Detroit**: Shuna Hayward
- **Detroit Employment Solutions Corporation** (DESC): Pamela Moore, Richard Acosta, Jose Reyes
- **Detroit Economic Growth Corporation** (DEGC): Rodrick Miller and Malinda Jensen
- **Detroit Public Schools/Adult Education**: Marsha Cheeks
- **Detroit Regional Chamber**: Greg Handel, Robert Troutman and Kyle Peppin
- **Focus: HOPE**: William Jones, Rashida Goudeaux and Ryan Michael Dinkgrave
- **Goodwill Industries of Greater Detroit**: Felicia Hunter and Patricia Chatman
- **Henry Ford Community College** (HFCC) : Scott Jedele
- **Michigan Economic Development Corporation (MEDC) Community Ventures**: Amy Cell
- **Oakland County Community College**: Sharon Miller
- **Operating Engineers Local 324** : Donald O'Connell
- **Reading Works**: Paula Brown
- **SER Metro**: Eva Dewaelsche, Veronica Sanchez Peavey and Glenda Magarrell
- **Southeast Michigan Community Alliance** (SEMCA- MI Works Agency): Greg Pitoniak
- **Southwest Solutions**: John VanCamp and Mary Freeman

- **United Way:** Karen Tyler-Ruiz
- **Wayne County Community College District:** George W. Swann
- **Workforce Development Agency, State of Michigan:** Erin Duckett and Marcia Black-Watson
- **Workforce Intelligence Network:** Lisa Katz and Colby Cesaro

# Appendices

## Appendix A: Methodology

### Data Collection

Data in this report were collected using a mixed methods approach and reflect the Detroit Workforce landscape in early 2015. Data collection included key informant interviews, organizational research, and secondary data collection and analysis.

### Key Informant Interviews

CSW conducted 20 semi-structured interviews with stakeholder organizations in the Detroit Workforce Development System, representing 32 individuals.

All of the quotations provided in this report were obtained from these stakeholder interviews. To maintain confidentiality, they are provided without the role, organization, or name of the interviewee.

### Supplemental Organizational Research

Organizations, educational institutions, and other entities were included in this report if they were considered part of the workforce development system, i.e., they provided services that help Detroiters gain or sustain employment. An initial database of organizations located in the Detroit Jobs Alliance GRID database and the Michigan Nonprofit Association AmeriCorp VISTA assessment tool was used and enhanced by including recommended organizations from other stakeholders.

Organizations, educational institutions, and entities located in Detroit, within five miles of Detroit, and within the Tri-County area (Wayne, Macomb, and Oakland) were included in this report. The breakdown of these locations is reflected in Figure 14.

Existing data on organizations, educational institutions, and entities was built upon through online searches, marketing materials, annual reports, and contact with staff.

Organizational data to be collected was selected based on alignment to the CLASP Framework, National Benchmarking Survey, or national or local attention.

The following data was collected on the community based organizations included in this report. This chart includes the variables and their descriptions.

Category	Variable	Description
Organizational Information	Organization Name	Organization name
	Participant Services	Direct service providers
	Business Services	Provide services to other businesses
	Organizational Services	Provide services to other organizations, e.g. capacity building. This includes intermediaries or umbrella organizations.
	Public Services	Provide services to the general public (research, advocacy, etc.)

On Ramps (1 <sup>st</sup> Stage of the CLASP Framework)	English as a Second Language (ESL)	Provide ESL instruction
	Work-readiness Services	Provide work readiness services. You can just show up, not cohort style or a defined training. The most robustly represented category of services, general work-readiness services, includes assessment, career aptitude testing, resume help, case management, workplace etiquette workshops, drop-in tutoring & remedial education, and a host of other services that are not designed as discrete programs for which participants must register ahead of time.
	GED Preparation	Provide GED Preparation
	Adult Basic Education	Serves students ages 16 and over who are not enrolled in school and who want to improve their basic skills in reading, writing, math, listening, and speaking.
	Literacy	Provide literacy and reading programs
	Mental/Physical Health	Provide mental or physical healthcare services.
	Work Readiness Training	Provide job readiness training programs (cohort style training with a defined completion date). There are two forms of stand-alone job readiness training programs, though they are not mutually exclusive– as a precursor to sector-specific occupational training programs, or as a direct path to employment. This can also include soft skills workshops.
	Youth Development	Provide youth programming that offers leadership skills, community service, or contains some educational/skill development component.
	Entrepreneurial Services	Provide services to startups or those who are self-employed, including business planning, seed money, mentorship, or start-up assistance.
Career Navigation and Support (2 <sup>nd</sup> )	Support Services	Provide support services, which include services that help people stay employed,

Stage of the CLASP Framework)		such as food, housing assistance, gas cards, day care, and clothing, etc. Support services are often offered by a variety of non-traditional-workforce-development entities ranging from churches to government agencies to social services organizations focused on survival needs.
Job training and education (3 <sup>rd</sup> Stage of the CLASP Framework)	Occupational Training	Trainings are usually offered at community-based organizations as well as more formal education and credentials through traditional educational institutions. This is training to prepare participants for employment in a specific occupation.
	Entrepreneurial Training	Provide entrepreneurial training. Community based organizations offering entrepreneurial training, which may be needed in order to get fledgling business off the ground or to be self-employed.
Direct Employment/Work Experience (4 <sup>th</sup> Stage of the CLASP Framework)	Supported/Subsidized Employment	Provides supported or subsidized employment. The org helps pay that person's wages once they are on site with the company. Employer doesn't cover full wages.
Type of Development the organization is focused on	Workforce Development	Workforce Development programming
	Community Development	Community Development programming, including supportive services- supporting people in retaining and sustaining employment.
	Economic Development	Economic Development programming
	Entrepreneurial Development	Entrepreneurial development programming
Organization's sector of focus (if applicable)	IT Industry	IT Industry
	Healthcare Industry	Healthcare Industry
	Manufacturing Industry	Manufacturing Industry
	Construction Industry	Construction Industry
	Customer Service/Retail/Hospitality Industry	Customer Service/Retail/Hospitality Industry

Populations of Interest	Disabilities	Offer services designed specifically for persons with disabilities.
	Returning Citizens	Offer services designed specifically for returning citizens.
	Youth	Offer services designed specifically for youth.
	People of Color	Historically or generally, or specifically say that they are focusing on people of color.
	Immigrants/Heritage-Specific	Heritage-specific groups are defined as any organization that provides programs and services for people from a specific ethnic background, such as programming targeted at people of Hispanic or Native American descent, but not necessarily recent immigrants.
	Veterans	Offer services designed specifically for veterans.
	Entrepreneurs	Offer services designed specifically for entrepreneurs.

**Secondary Data Collection**

Data from the following sources are also included in this report:

- Detroit Employment Solutions Corporation
- American Community Survey, 2013
- OnTheMap, U.S. Census Bureau
- Reading Works
- Michigan Department of Regulatory Affairs, Unemployment Insurance
- Economic Modeling Systems, Inc.
- Quarterly Workforce Indicators 2014 Q1 data
- Data from Burning Glass, provided by WIN
- IPEDS
- Funding data from publically available sources and/or confirmation with staff at agencies/foundations
- Annual Reports from: Focus: HOPE, ACCESS, Goodwill, Southwest Solutions, and City Connect
- Michigan Department of Corrections, January 2015 MiScorecard Performance Summary
- Career Education Consumer Report (CECR)



## Data Analysis

Quantitative data were entered and analyzed using Microsoft Excel 2013. Qualitative data were coded manually for themes.

### Sector Specific Data Analysis

For the career pathway diagrams and accompanying data regarding program completions and job openings, we wanted to look at occupations that were specific to that industry. To do this, we generated a staffing pattern for each industry. A staffing pattern details what kinds of jobs are employed within that industry, and at what distribution. We then compared the number of people working in that industry to the number of people employed overall in that occupation, regardless of industry. Generally speaking, we only included an occupation in the career pathway analysis for a given industry if at least 50% of all people working in that occupation work in that industry. We made some adjustments for occupations with less than 50% but that we know are still important to that industry, and deleted some occupations that were over 50% if we'd counted them elsewhere (like pharmacy techs, which we included in health care, even though most of them work in the retail industry). In the career pathway diagrams, we used only those sector-specific occupations to generate the program data and the job openings.

Since we are only using a subset of occupations for the career pathway analysis, the distribution of minimal, moderate and high preparation jobs shown in the career pathway charts will be different from the overall industry analysis. Also, the career pathway charts use annual openings data, which includes both growth and turnover, and turnover is much higher in some occupations than in others.

### Organization Level Data Analysis

Figure 12 was created using a count of the different type of development (workforce, community, economic, or entrepreneurial) organizations provided, along with a count of educational institutions included in the report. Community Development reflects organizations offering support, mental and physical health services, along with other organizations that meet Detroiters' basic needs.

Figures 15, 16, 18, 19, and 20 were developed using a count of services offered by organizations in our database. Figure 17 was developed using a count of special populations served by organizations in our database.

## Data Limitations

The organizations, educational institutions, and entities included in this report include well-known workforce system providers, those referred to us by stakeholders, and included in stakeholders' databases at the time this report was written in early 2015. Additional searches and vetting is required to produce a definitive list.

## Appendix B: List of Educational Institutions

- Abcott Institute
- Advanced Care Training for Healthcare Professionals
- Alpha Technical Institute, Inc.
- American Red Cross
- Aress Academy
- Automation Alley
- Baker College Corporate Services
- Baker College of Allen Park
- Baker College of Auburn Hills
- Baker College of Clinton Township
- Bizdom
- Career Health Studies Institute
- Careers in Dental Assisting
- Computer Networking Center
- Davenport University-Eastern Region- Dearborn
- Davenport University-Eastern Region- Warren
- Dental Careers of Michigan Inc.
- Detroit Business Institute-Downriver
- Detroit Collaborative Design Center (DCDC)
- Detroit Electrical Industry Training Center
- Detroit Training Center
- Detroit Training Institute of Technology
- DeVry University-Michigan
- Dorsey Business Schools-Farmington Hills
- Dorsey Business Schools-Madison Heights
- Dorsey Business Schools-Roseville
- Dorsey Business Schools-Southgate
- Dorsey Business Schools-Wayne
- Emerging Industries
- Everest Institute-Dearborn
- Everest Institute-Detroit
- Everest Institute-Southfield
- Focus: HOPE
- Focus-Hope Information Technologies Center
- Genanscot Services
- Global Information Technologies
- Grand Circus
- Greater Horizon Training Institute
- Health Care Solutions
- Henry Ford Community College
- Henry Ford Macomb Hospital
- Henry Ford Wyandotte Hospital
- International Academy of Design and Technology-Troy
- Irene's Myomassology Institute
- ITT Technical Institute-Canton
- ITT Technical Institute-Dearborn
- ITT Technical Institute-Troy
- Kaplan Career Institute-Dearborn
- Kaplan Career Institute-Detroit
- Lawrence Technological University
- Lawton Career Institute-Oak Park Campus
- Lewis College of Business
- Macomb Community College
- Madonna University
- Marygrove College
- MCA Detroit
- Metropolitan Detroit Plumbing Industry Training Center (MDPITC)
- MIAT College of Technology
- Michigan Carpenters Council Apprenticeship And Training Fund
- Michigan Jewish Institute
- Millwrights Institute of Technology
- New Horizons Computer Learning Centers
- Oakland Community College
- Oakland University
- Operating Engineers Local 324
- Rochester College

- Ross Medical Education Center-Madison Heights
- Ross Medical Education Center-Taylor
- Schoolcraft College
- Stautzenberger Institute-Allen Park
- The Art Institute of Michigan
- University of Detroit Mercy
- University of Michigan-Dearborn
- University of Phoenix-Detroit Campus
- Walsh College of Accountancy and Business Administration
- Wayne County Community College District
- Wayne State University
- Welding Artisan Center
- William Tyndale College

## Appendix C: List of Community-Based Organizations

- ACCESS
- Adult Wellbeing Services
- Affirmations
- Apprentice & Journey Man Training Trust Fund
- Arab American and Chaldean Council
- Automation Alley
- Barnabas Youth Opportunities Center
- Behavioral Health Professionals, Inc - Care Link Network
- Bizdom
- Booker T. Washington Business Association
- Bridging Communities Inc.
- Brightmoor Alliance
- Build Institute
- Catholic Social Services of Wayne County
- Center for Community Based Enterprise
- Center for Empowerment and Economic Development
- Central Detroit Christian CDC
- Child Care Coordinating Council
- Citizens Research Council of Michigan
- City Connect Detroit
- City of Detroit Human Resources Dept
- Community Care Services
- Community Development Association of Detroit
- Community Development Advocates of Detroit (CDAD)
- Community Social Services of Wayne County
- Congress of Communities of Southwest Detroit
- Council of MI Foundations
- Crossroads of Michigan
- Data Driven Detroit
- Detroit Area Agency on Aging
- Detroit Area Green Sector Skills Alliance
- Detroit BizGrid
- Detroit Business Institute
- Detroit Chinese Business Association
- Detroit Data Collaborative
- Detroit Department of Transportation (DDOT)
- Detroit Development Fund (Formerly Enterprise Detroit)
- Detroit Economic Growth Corporation
- Detroit Employment Solutions Corporation
- Detroit Job Corps Center
- Detroit Jobs Alliance (DJA)
- Detroit Ledger
- Detroit Micro-Enterprise Fund
- Detroit Public Library Technology Literacy and Career Center (TLC)
- Detroit Public Schools
- Detroit Regional Chamber
- Detroit Regional News Hub
- Detroit Regional Workforce Fund (DRWF)
- Detroit Rescue Mission
- Detroit Training Center
- Detroiters Working for Environmental Justice
- Development Centers
- Doing Development Differently in Metro Detroit (D4)
- Dominican Literacy Center
- Downriver Community Conference
- Eastside Community Network
- EcoWorks
- Employment & Training Designs, Inc
- Excellent Schools Detroit
- Family and Community Development Center
- Focus: HOPE

- Franklin-Wright Settlements, Inc
- Global Detroit
- Global Talent Retention Initiative
- Goodwill Detroit - Skill Building Program
- Goodwill Industries of Greater Detroit
- Goodwill Industries Veterans Employment
- Green Door Initiative
- Green Garage
- Greening Detroit
- I am Young Detroit
- Inroads
- InsYght Inc
- Intern in Michigan
- International Institute of Metropolitan Detroit
- Invest Detroit
- Jackets for Jobs
- Jefferson East, Inc
- Job Corps (Detroit Office)
- JVS
- Latin Americans for Social and Economic Development (LA SED)
- Learning Lab - Parkman Branch Public Library
- Learning Lab - DPS Adult Education Eastside Center
- Learning Lab - DPS Adult Education Westside Center
- Learning Lab - Hamtramck Adult Education
- Learning Lab - New Center Training Center
- Learning Lab - New Prospect Baptist Church
- Learning Lab - Southwest Solutions
- Learning Lab - Dominican Literacy Center
- Learning Lab - Wayne County Community College Eastern Campus
- Learning Lab - Wayne County Community College Western Campus
- LIFT (Living in Faith Together)
- Lighthouse of Oakland County
- Local Initiatives Support Corporation (LISC)
- Macomb Literacy Partners
- Macomb Oakland Regional Center, Inc.
- Macomb/St. Clair MiWorks!
- Macomb-Clinton One-Stop MiWorks!
- Mathis Community Center
- Matrix Human Services
- Mercy Education Project
- Metropolitan Affairs Coalition (MAC)
- Metropolitan Detroit Plumbing Industry Training Trust Fund
- Metropolitan Growth & Development Corporation (One-Stop MiWorks!)
- Metropolitan Organizing Strategy Enabling Strength
- Michigan Certified Development Corporation
- Michigan Civil Service Commission (MDSC)
- Michigan Community Resources
- Michigan Department of Human Services (MDHS), Pathways to Potential
- Michigan Economic Development Corporation (MEDC)
- Michigan Labor Market Information (MLMI), Michigan Department of Technology, Management, & Budget
- Michigan League for Public Policy
- Michigan Manufacturing Technology Center
- Michigan Minority Supplier Development Council (MMSDC)
- Michigan Rehabilitation Services (MRS), Michigan Department of Human Services
- Michigan Small Business & Technology Development Center
- Michigan Veterans Foundation
- Midnight Golf Program
- Midtown Detroit Inc.
- Midwest Careers Institute
- Motor City Blight Busters

- Mt. Elliot Makerspace
- National Association of Negro Business & Professional Women's Clubs, Inc. Detroit Club
- Neighborhood Service Organization
- Neighborhood Service Organization: YouthLink
- Neighbors Building Brightmoor
- New Detroit, The Coalition
- New Economy Initiative
- North American Indian Association of Detroit
- Oakland County MIWorks!
- One-Stop MiWorks!
- Operating Engineers Local 324
- Operation Able
- Opportunity Resource Fund
- P.O.W.E.R Organization
- Paraprofessional Healthcare Institute
- Patronicity
- Payne-Pulliam School
- People's Community Services
- Perfecting Community Development Corporation
- Powering Michigan's Future
- Pro Literacy Detroit
- ProsperUs Detroit
- Proving Innocence
- Reading Works
- Restaurant Opportunities Center of Michigan
- Ross Innovative Employment Solutions
- Russell Street Community Development Corporation
- Safe Haven Detroit
- Samaritan Center
- Schoolcraft College: Business Development Program
- Score, Detroit
- SEMCOG (Southeast Michigan Council of Governments)
- SER-Metro Detroit
- Services to Enhance Potential (STEP) Central
- Shorebank Enterprise Detroit (also called Detroit Development Fund)
- Sickle Cell Disease Association of America – Michigan Chapter
- Siena Literacy Center
- Sisters Acquiring Financial Empowerment (SAFE)
- SME
- Southeast Michigan Community Alliance
- Southfield MiWorks!
- Southwest Detroit Business Association, Inc.
- Southwest Solutions
- St Vincent and Sarah Fisher Center
- Tech Town
- The Guidance Center
- The Matrix Employment Center
- The Resource Network
- The SCORE Association
- The Skillman Foundation
- United States Department of Labor Employment and Training Administration – Office of Apprenticeship
- United Way for Southeastern Michigan
- University of Detroit Mercy Counseling Clinic
- Urban Entrepreneurship Program
- Urban League of Detroit and Southeastern Michigan
- Urban Neighborhood Initiatives
- Vanguard Community Development Corporation
- Veterans Administration
- Veteran's Center (Michigan Veteran's Foundation)



- Villages Community Development Corporation
- Wayne County Regional Jobs and Economic Growth Foundation
- Wayne County-Detroit CDE
- Wayne State University - Another Chance
- Welcome MAT Detroit
- Women ARISE
- Woodward Corridor Initiative
- Workforce Intelligence Network
- YMCA Detroit
- Young Detroit Builders
- Youth Development Commission

## Appendix D: List of Communities included in Five Mile Radius

- Allen Park, MI
- Berkley, MI
- Center Line, MI
- Dearborn, MI
- Dearborn Heights, MI
- Eastpointe, MI
- Ecorse, MI
- Farmington, MI
- Farmington Hills, MI
- Ferndale, MI
- Garden City, MI
- Grosse Pointe, MI
- Grosse Pointe Park, MI
- Grosse Pointe Farms, MI
- Grosse Pointe Shores, MI
- Grosse Pointe Woods, MI
- Hamtramck, MI
- Harper Woods, MI
- Highland Park, MI
- Huntington Woods, MI
- Inkster, MI
- Lathrup Village, MI
- Lincoln Park, MI
- Livonia, MI
- Madison Heights, MI
- Melvindale, MI
- Oak Park, MI
- Pleasant Ridge, MI
- River Rouge, MI
- Roseville, MI
- Royal Oak, MI
- Southfield, MI
- Southgate, MI
- St Clair Shores, MI
- Taylor, MI
- Warren, MI
- Wyandotte, MI

## Appendix E: Additional Sector Specific Analysis

In this Section, we provide a deeper dive into six industries and their related workforce development career pathways infrastructure.

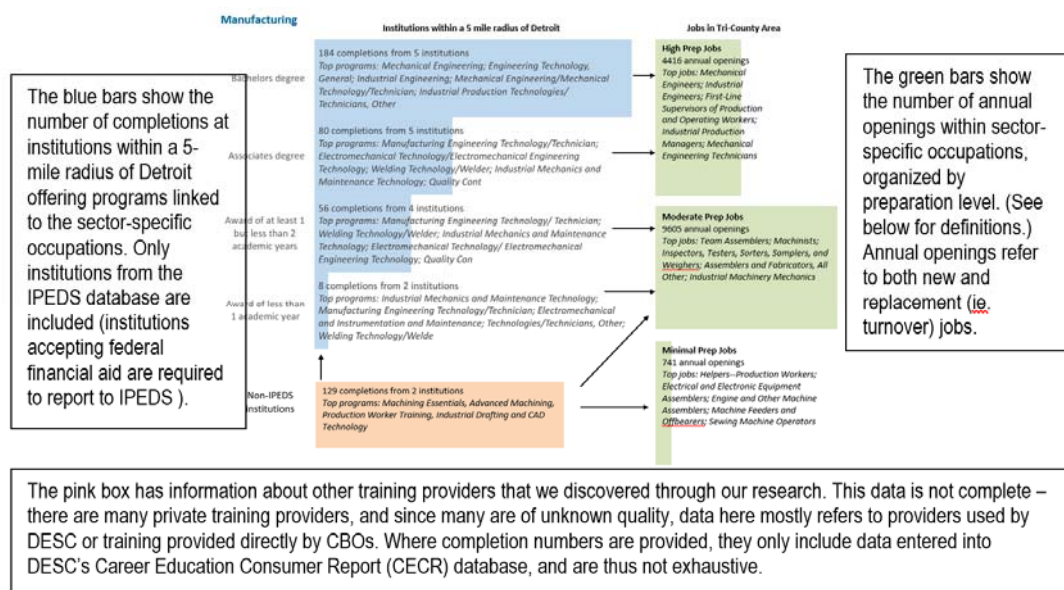
### Key Terms

- **Minimal preparation** – Jobs that usually only require a high school diploma or less, with or without short-term on the job training
- **Moderate preparation** – Jobs that usually require a high school diploma and moderate to long term on the job training or apprenticeship AND jobs that usually require some kind of postsecondary training such as certificate programs, including people with some college but no degree
- **High preparation** – Jobs that require prior work experience in the occupation regardless of education (i.e., first line supervisors) AND any job requiring an associate’s degree or higher
- **Middle-skills** – high school credential AND some postsecondary training or education
- **Completions or Educational Completions** - the number of people who have finished a training program they were enrolled in or graduated from an educational program
- **Low wage** – less than \$13.83/hour
- **Moderate wage** – at least \$13.83/hour but less than \$21.13/hour
- **High wage** – at least \$21.13/hour

### Reading the Career Pathway Diagrams

For each industry we provided a generalized career pathway diagram. These are not specific to a given occupation. Rather, they provide a way to see how the available training programs match up to job openings at an industry- wide level.

Because so many Detroit residents leave the city for work, job opening data is provided at the Tri-County level. The institution and completion data, however, refers only to institutions within a 5-mile radius of Detroit, reflecting the transportation challenges many Detroiters face.



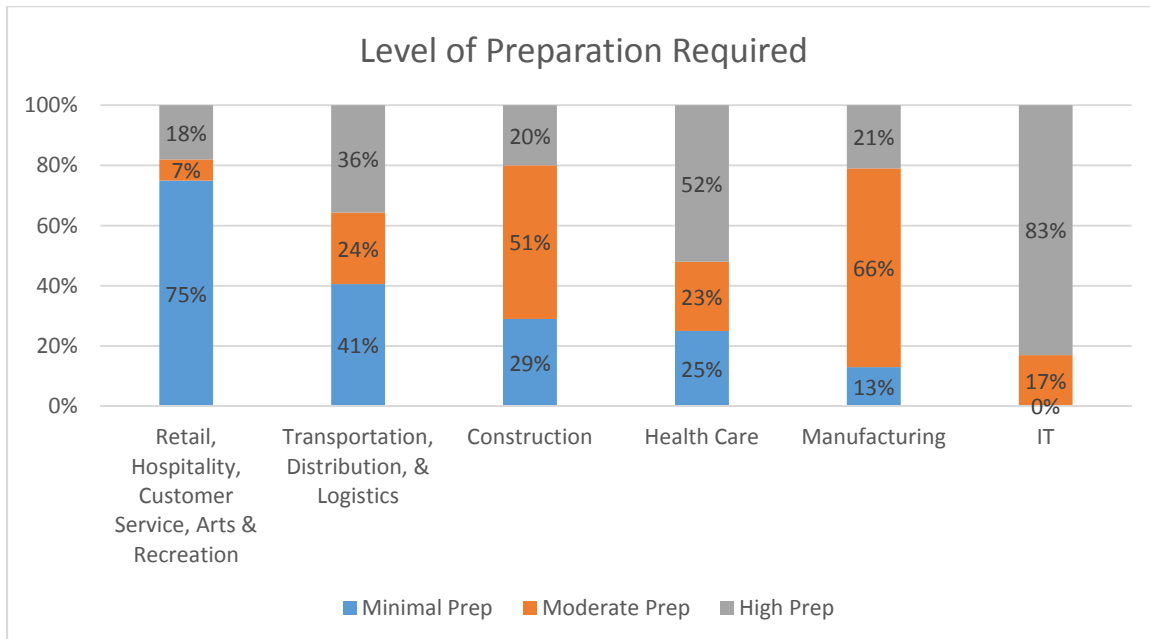
## Comparative Industry Table

Industry-specific data later in the report refers to growth and preparation levels for the various industries. That data is provided below for reference.

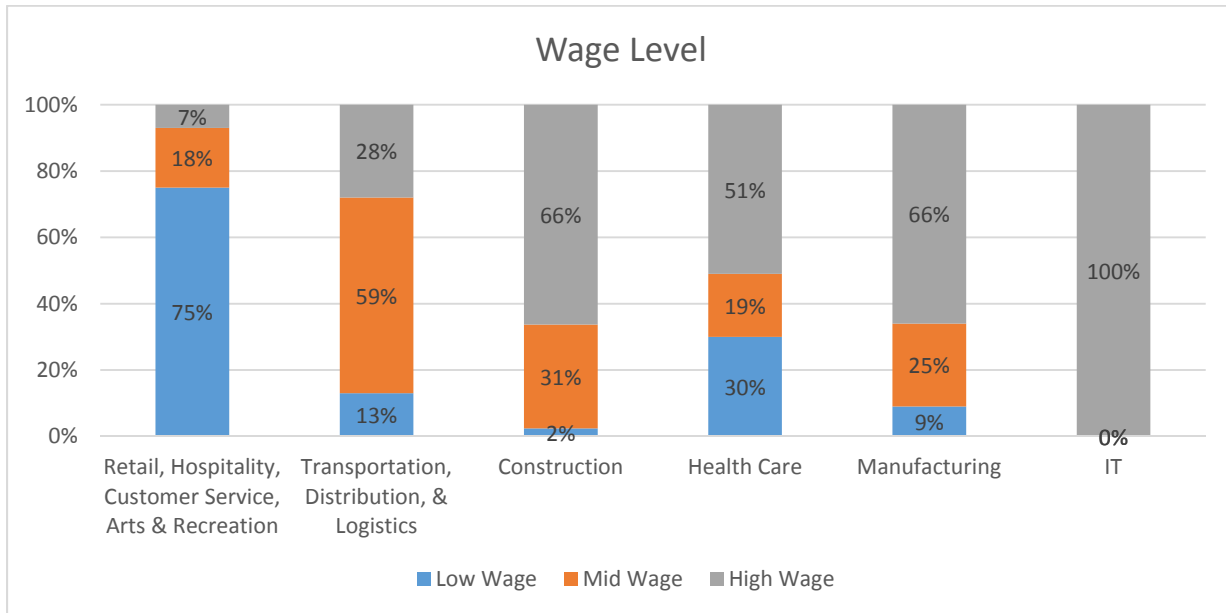
### Industry Size and Growth

	Detroit				Tri-County without Detroit			
	2014 Jobs	2009-2014 % Change	2011-2014 % Change	% of total Jobs	2014 Jobs	2009-2014 % Change	2011-2014 % Change	% of total Jobs
Construction	6,367	0.7%	0.2%	2%	61,174	-0.6%	1.2%	4%
Health Care	37,297	5.3%	1.6%	14%	188,398	2.6%	0.2%	12%
IT occupations (all industries)	6,101	2.7%	1.8%	2%	50,481	15.9%	9.0%	3%
Manufacturing	19,659	20.7%	8.9%	8%	191,550	18.6%	10.5%	12%
Retail, Hospitality, Arts & Recreation	38,047	-2.7%	-2.4%	15%	315,281	3.9%	2.8%	20%
Transportation & Warehousing	15,936	12.3%	1.8%	6%	40,278	18.5%	13.4%	3%

### Industry Preparation Categorization

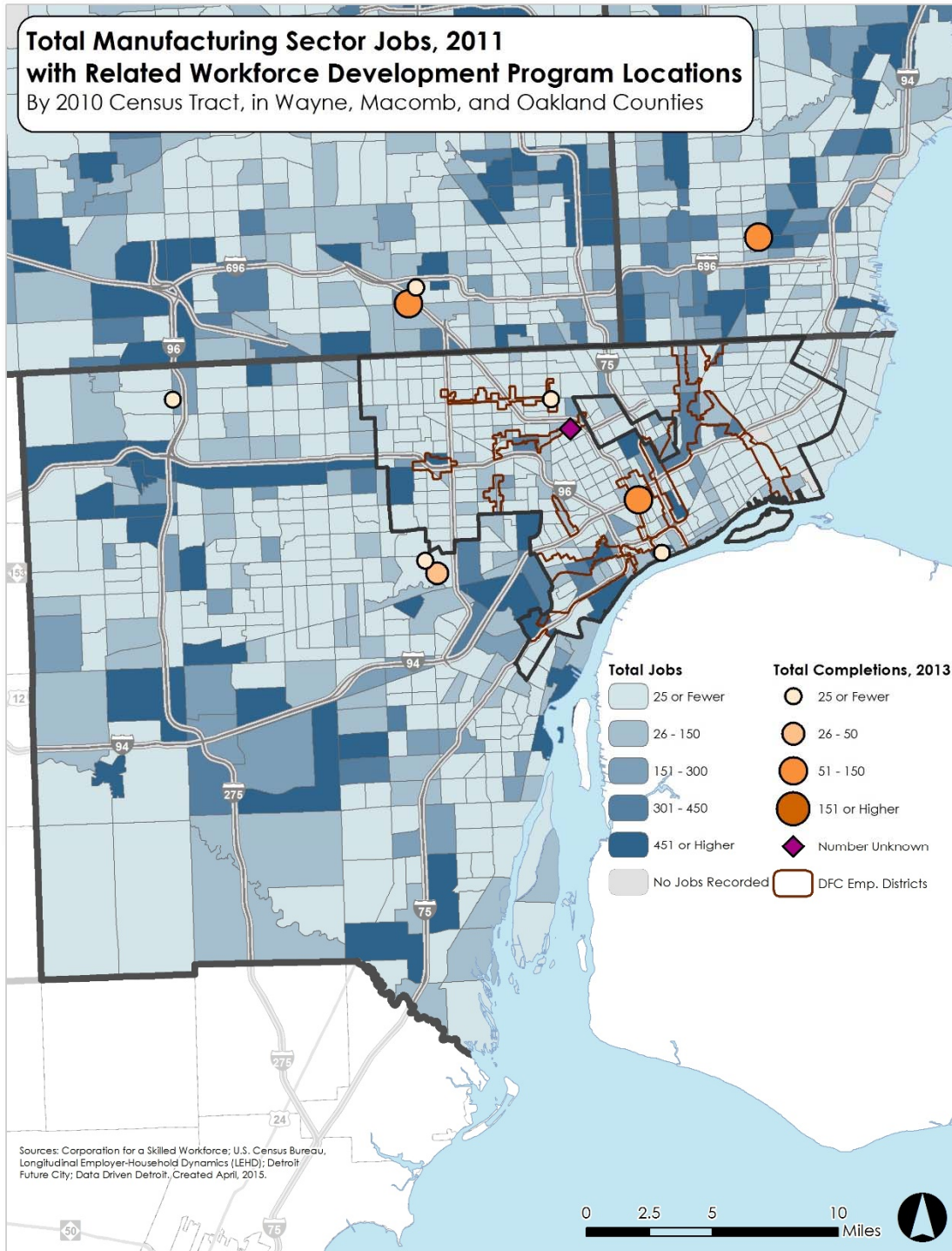


## Industry Wage Categorization



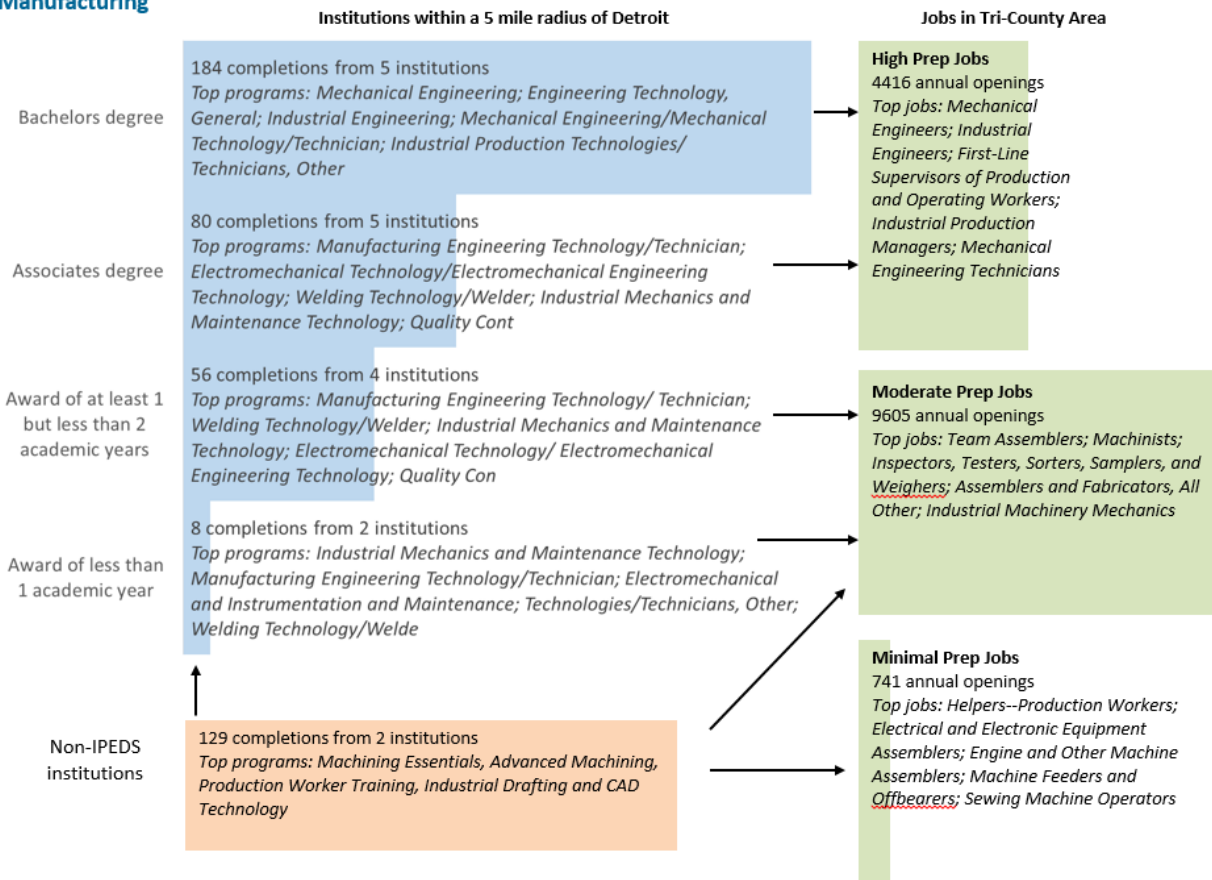
## Manufacturing: Highlights and Key Findings

In line with reports of a steady rebound in manufacturing across the US, this sector remains one of the strongest growth areas in the region. While automobile manufacturing and related industries may have suffered setbacks in recent years, Detroit's infrastructure and geographic proximity to an international border and main waterways make it a prime location for other manufacturing opportunities.



## Career Pathway - Manufacturing

### Manufacturing



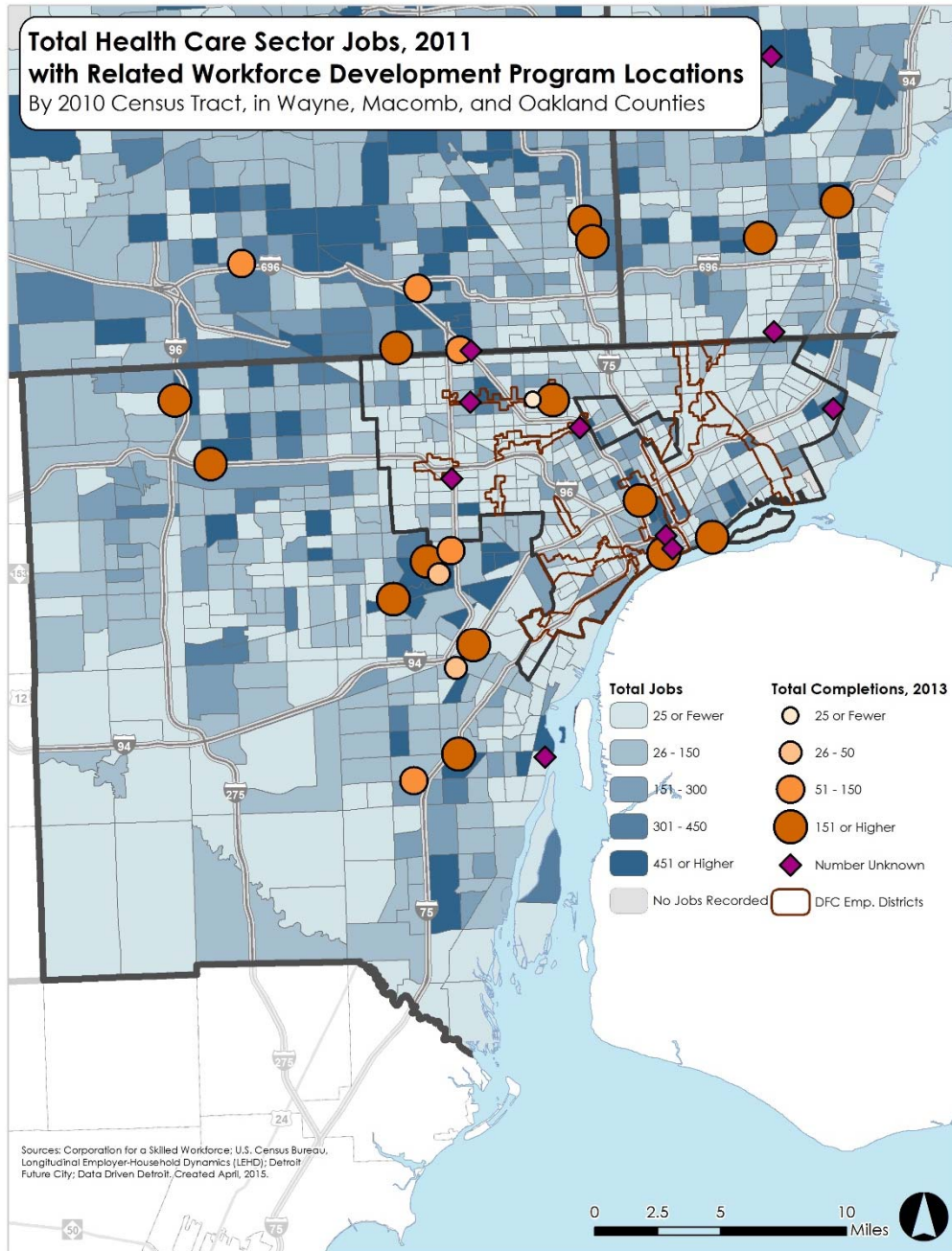
- In recent years, manufacturing has seen steady growth in both the city of Detroit and the surrounding Tri-County area.
- Most jobs in the manufacturing industry require at least a moderate level of preparation, primarily in the form of moderate- to long-term on-the-job training. More than half of the jobs pay high wages.
- Alongside existing efforts, more general work-readiness programs are needed to help prepare workers to succeed in training for and working in these occupations.
- Educational completions in manufacturing are strongest at the Bachelor's degree level, most significantly in the engineering disciplines.

LIFT (formerly the American Lightweight Materials Manufacturing Innovation Institute) is a public-private partnership that develops and deploys advanced lightweight materials manufacturing technologies for defense and commercial applications. The Institute's mission is to act as the bridge between basic research and final product commercialization of innovative manufacturing technologies and practices. Integrative education, training, and workforce development is a core aspect of the LIFT mission. LIFT is convening industry, government, economic development, non-profit, academic, and workforce development partners to design and deliver education and workforce development programs to help ensure an educated and skilled advanced manufacturing workforce.



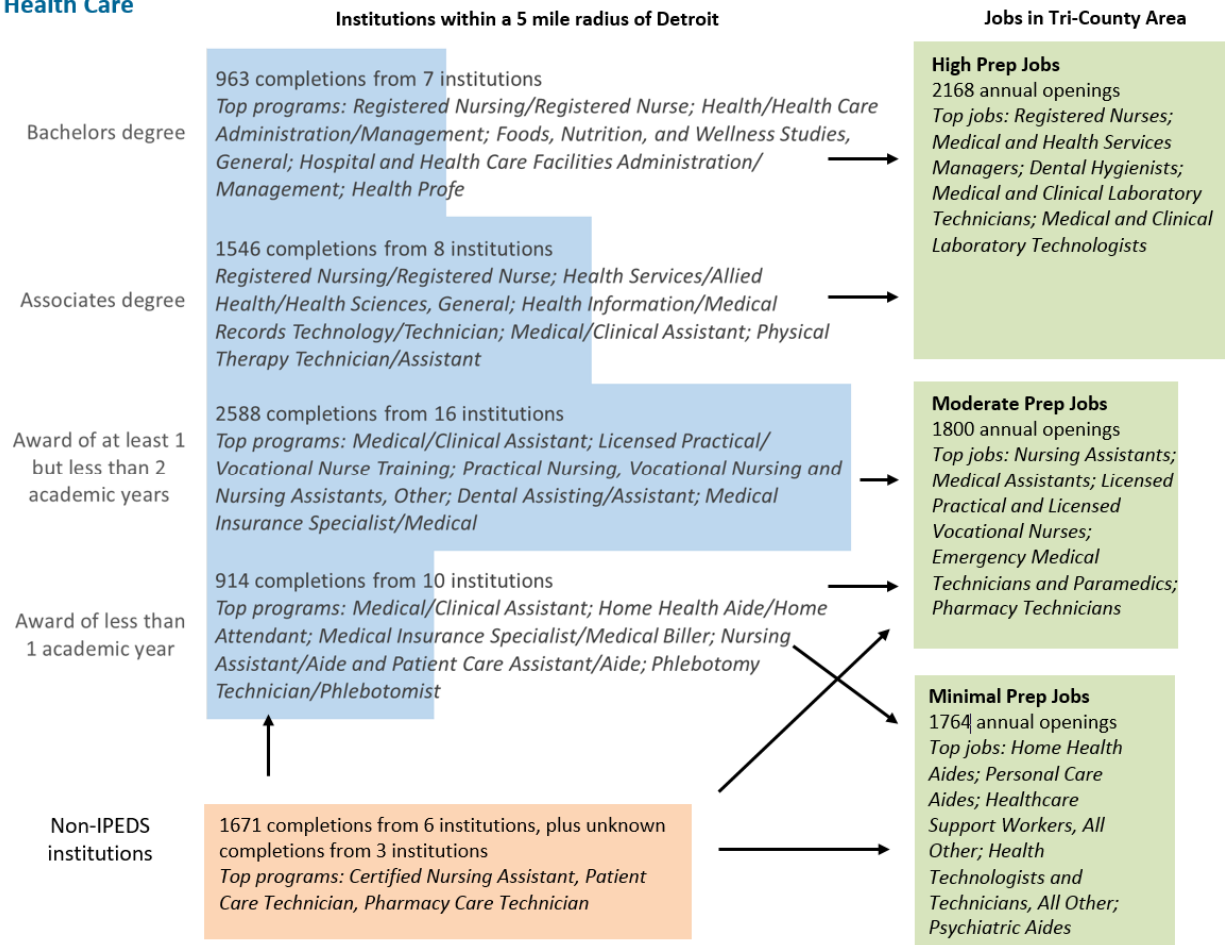
## Health Care: Highlights and Key Findings

While health care employment in Detroit grew by only 1.6% between 2011-2014, current projections show it to be among the fastest growing sectors in the region. Industry expansion, high turnover and fairly well-constructed career pathways undergird an ongoing demand for trained workers. While the Metro-Detroit area has seen its fair share of health system consolidations and mergers, overall employment demand in this sector is still trending positively.



## Career Pathway – Health Care

### Health Care



- From 2011-2014, growth in the health care industry has been mostly flat - under 2% in the city and almost 0% growth in the region. This may be a consequence of recent mergers. Long-term projections predict substantial growth for the industry in the future, driven by an aging population, but as of 2015 those projections are at odds with recent performance.
- Job postings for Registered Nurses remain very high, even as industry growth is flat, most likely due to turnover, and perhaps structural changes in health care delivery.
- Program completions are strongest at the minimal to moderate level of preparation, predominantly because of Certified Nursing Assistant training. Job opening data indicates that these programs may be over-producing, since there are significantly fewer minimal and moderate job openings annually in the Tri-County than there were completions in just Detroit (plus 5-mile radius).
- Fifty-one percent of jobs in health care pay high wages. Some moderate-preparation jobs (such as Nursing Assistants) pay low wages, but can serve as an on-ramp for middle skills or higher paying jobs. However, strong support services are needed to enable workers to move up the ladder to these jobs – the gaps between steps on the ladder are not equal. While someone with relatively low educational attainment can succeed in training to be a CNA, the path from Nursing Assistant to Registered Nurse requires a much higher level of basic skills.

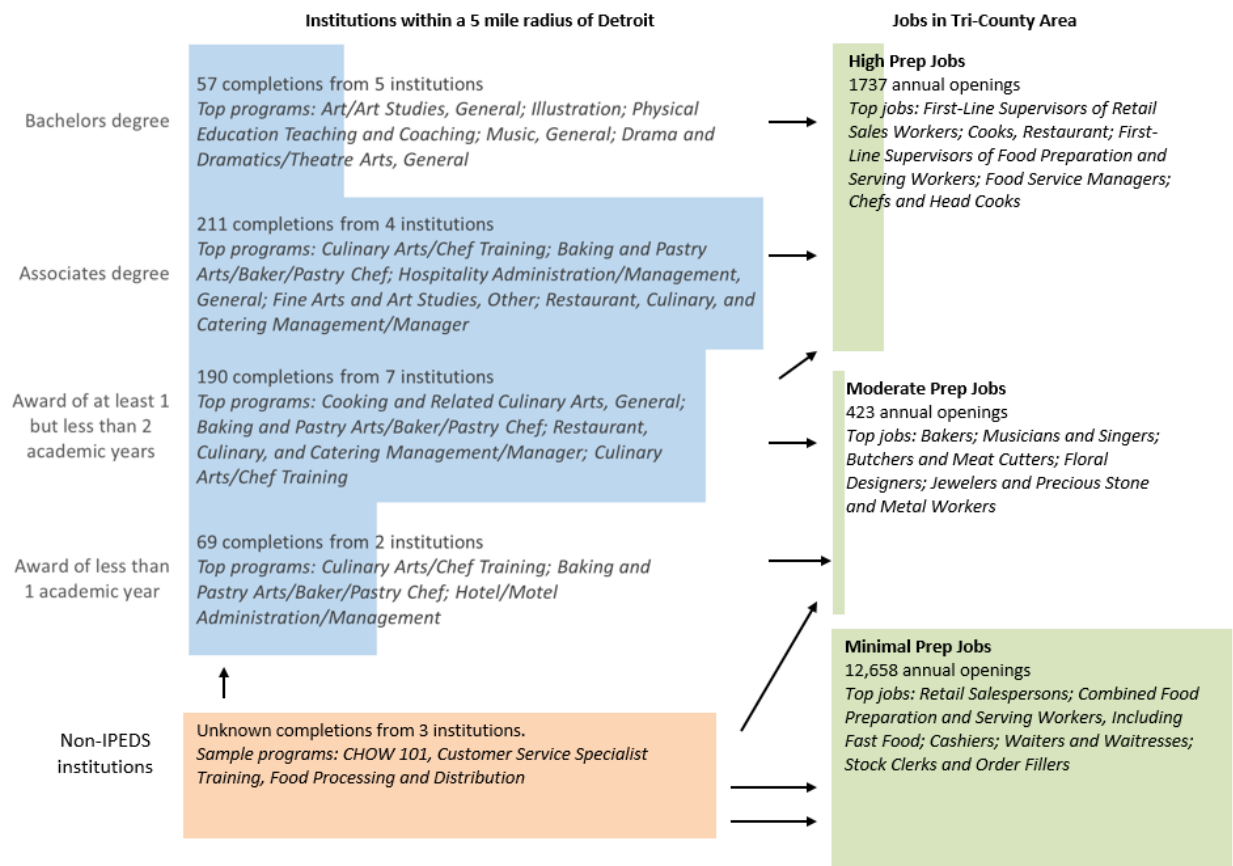
- Community-based organizations typically do not offer occupational training programs for this industry, as we did not find any evidence of specific occupational training or contextualized bridge programs offered outside of traditional educational institutions. This may be a reflection of the clinical placements, licensing and credentials needed to find employment in health care.
- During the peak of healthcare sector growth in Detroit, several partnerships between health systems and service providers emerged across the area. Over time, however, a combination of limited places to meet clinical requirements, firm licensing regulations, and the steady decline of participant work-readiness levels diminished the success of the most promising examples.
- Through the course of developing this report, CSW found very few active workforce development-led partnerships related to health care. Those we discovered have very low capacity (fewer than 15 students), and appear to be geared toward special populations (e.g., domestic violence victims). We suspect that individual employers and educational institutions are providing skill development and educational opportunities in this sector, and believe that there may be new sector-specific partnerships on the horizon.

## Retail, Customer Service, Hospitality, Arts & Recreation: Highlights and Key Findings

The industry with the greatest percentage of jobs requiring minimal preparation is Retail, Hospitality, Arts & Recreation. Seventy-five percent of the jobs in this sector require no more than a high school diploma or GED to enter the field (plus up to short-term on-the-job training). These jobs typically pay correspondingly low wages, but provide essential on-ramps to employment for low-skilled workers, and the opportunity to gain basic job skills that are transferrable to other industries and sectors. The total number of jobs, however, is low — there are only 38,000 jobs in this industry in total in Detroit, while there are 41,000 unemployed workers with a high school diploma as their highest educational attainment. These jobs are more plentiful in the suburbs, and employment there grew by 3.9% from 2009 to 2014. This dynamic makes these jobs a frequent landing-place for Detroit’s out-commuting workers.

### Career Pathway – Retail, Arts, Entertainment, Hospitality

#### Retail, Arts, Entertainment, Hospitality



- This combined set of industries is home to the highest percentage of entry-level jobs. These jobs typically do not pay well, but they can provide important job experience for low-skilled workers, giving them basic work skills that can be applied elsewhere. However, jobs in these industries are in particularly short supply in the city of Detroit, and overall employment declined from 2011 to 2014. Employment opportunities are strong in the Tri-County area, where the industry is expanding.

- Since 75% of all jobs in the industries of Retail, Customer Service, Hospitality, Arts & Recreation require only minimal preparation, it is not surprising that there are very few specific education and training programs.
- General work readiness services and training programs along with GED and Adult Basic Education programs serve as the necessary training and education for these lower skilled jobs, along with on-the-job training provided by employers. The programs that do exist focus on teaching participants specific job skills such as food preparation and service skills, how to deal with customers, and other foundational skills. Examples include programs offered by Focus: HOPE, which offers a customer service specialist credential, and Restaurant Opportunities Center - Michigan (ROC-Michigan), which offers professional culinary and hospitality training programs.
- While other community-based organizations may seek to place participants into these jobs, they typically aren't preparing their participants for any specific occupation in the field.
- The Workforce Intelligence Network (WIN) found that many workers employed in this sector have very little upward career mobility in their recent report on this sector.<sup>34</sup> More than a quarter of people holding an entry-level position were still in that position after five years, without an increase in wages. And those who advanced typically received negligible wage increases.
  - ◆ For restaurant occupations, 47% of individuals were in the same job five years later but only 20% of those employees had advanced from an entry-level position. The Hotel industry offers the most career mobility and the most lucrative entry-level positions. Interestingly, however, very few employees in any of the sub-areas of retail and hospitality used transferable skills to move to another industry.
  - ◆ Even though these industries show significant growth and entry-level job opportunities, they typically do not pay a living wage. Seemingly contradictory dynamics also exist in this sector: these jobs are 'sticky' in that many employees who start in entry-level positions remain there after five years, and the turnover rate is high, which drives consistently high demand.
- Despite the fact that these industries are experiencing a period of growth and high demand for workers, we found little evidence of active workforce development-led partnerships or alliances in this sector.
- The lack of transportation options puts an additional burden on employees in these industries, as there are more jobs in the outer Tri-County area than there are in the city of Detroit. These entry-level jobs are key on-ramps to sustainable careers, as they provide initial work experience. The system, however, is not currently configured to provide career advancement services or supports to help employees move up the career ladder.

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<sup>34</sup> A Way Forward: Career Pathway Development in Detroit, <http://www.win-semich.org/employer-strategies/retail-hospitality/>

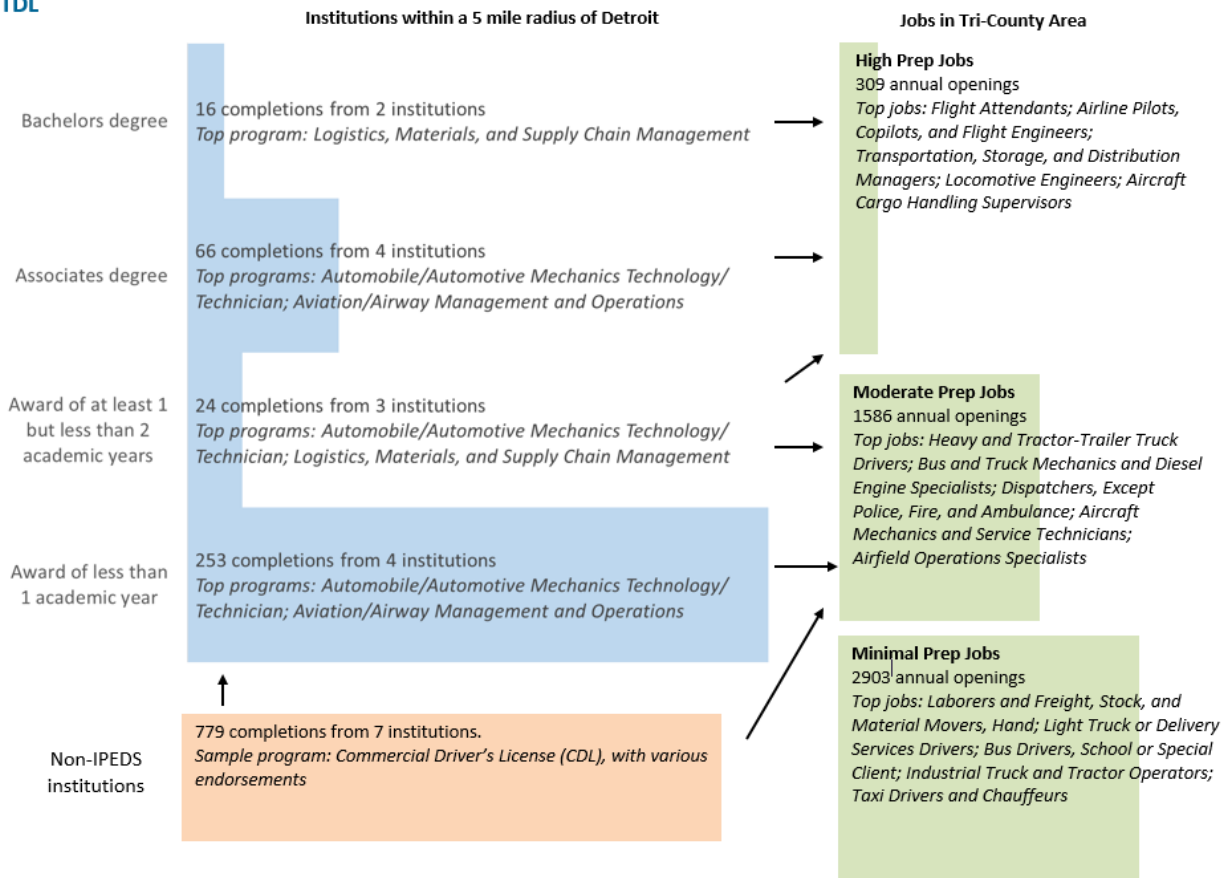


## Transportation, Distribution, & Logistics: Highlights and Key Findings

Transportation, Distribution, & Logistics is emerging as an important sector for Detroit. It makes up 6% of all employment in the city and grew by 12% from 2009 to 2014, although recent growth has been slower. Forty-one percent of jobs in the industry require only minimal preparation, yet almost 60% of jobs pay moderate wages, making it a potentially good pathway for lower-skilled residents of the city.

### Career Pathway – Transportation, Distribution & Logistics

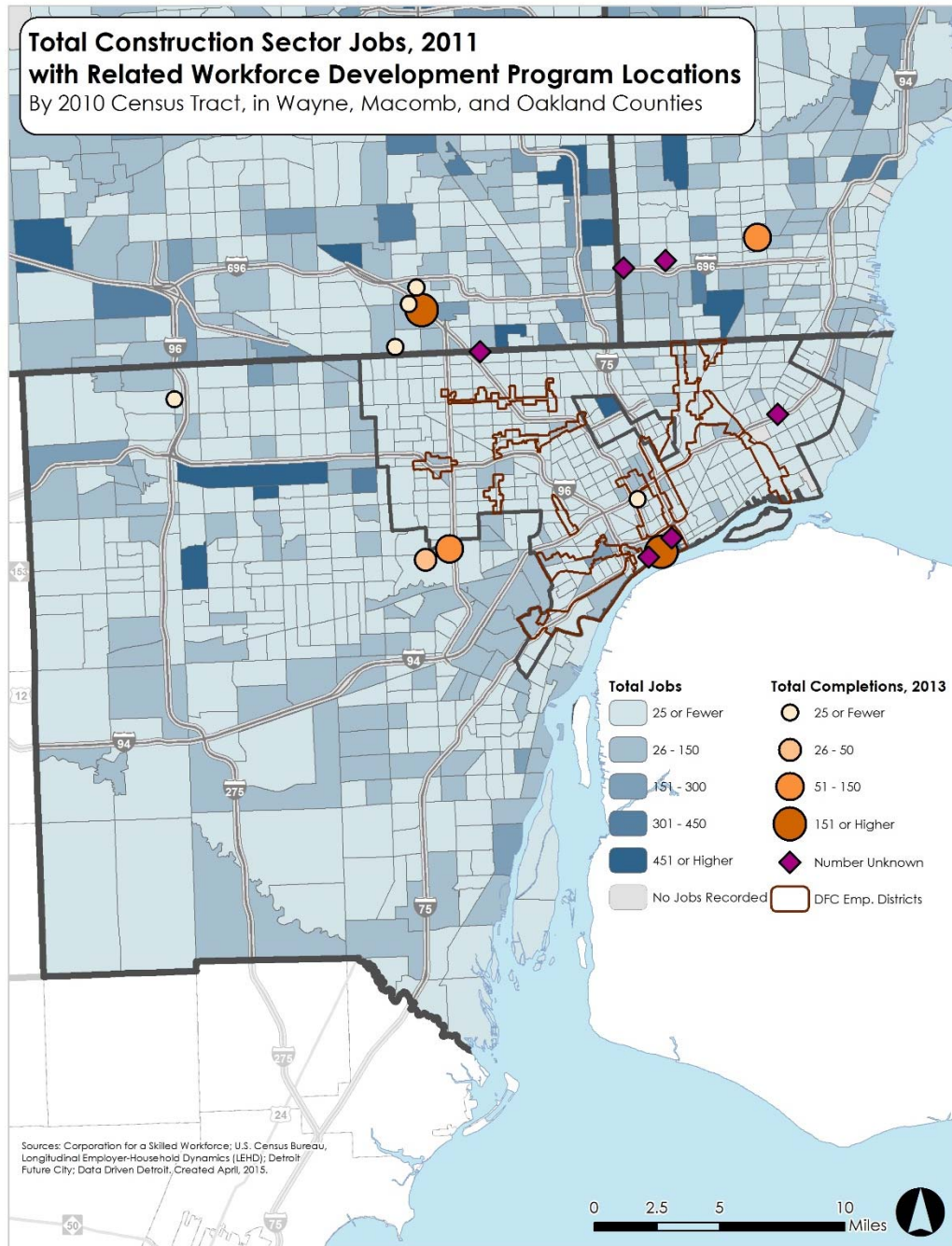
TDL



- Demand in this industry is high. We looked at programs from six traditional educational institutions with outcome data from IPEDs and seven programs from proprietary training facilities and found a total of 1,138 completions at all levels.
- As a result of the Translinked initiative previously run by the Detroit Regional Chamber, Henry Ford Community College developed the Supply Chain Management program that is now offered as a degree program.
- There are many small, proprietary schools offering training for commercial drivers, a key area of high demand, but we could not verify their continued existence or the validity of their self-reported outcomes.
- In addition to the Translinked initiative, there have been several partnerships or alliances that were very active in the past several years, but have since disbanded. Stakeholder feedback reveals that the regional initiatives to build a Transportation workforce hub in Southeast Michigan were in response to the international trade crossing bridge, which has not yet come to fruition.

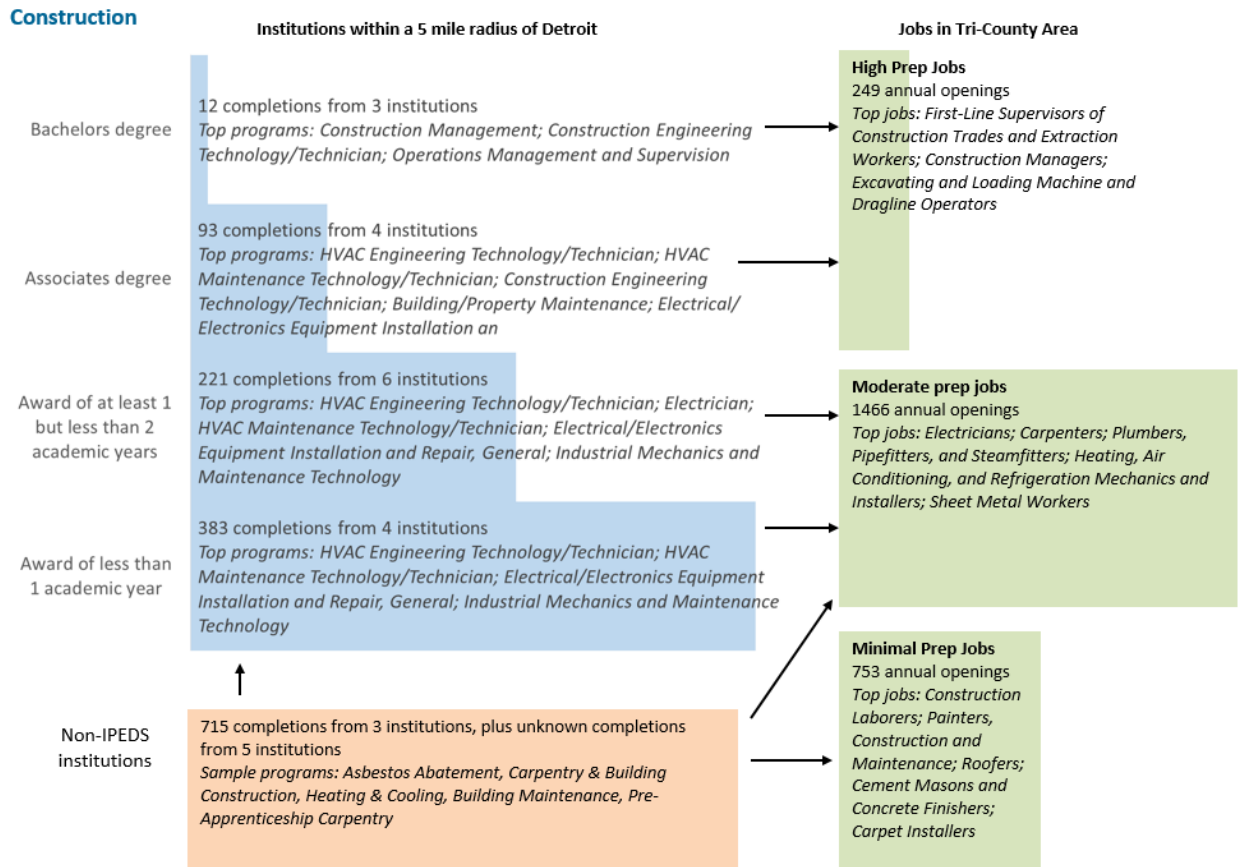
## Construction: Highlights and Key Findings

The construction industry as a whole represents only a small percentage of Detroit's overall economy. Yet any of Detroit's large infrastructure projects will require workers in the Construction sector. While Detroit expects an uptick in hiring activity in response to its construction demands, job openings on-the-whole have decreased over the last few years. This means that future demand may well be met by "on the bench" workers, who typically have a higher skill level than workers who are new to the industry.





## Career Pathway – Construction



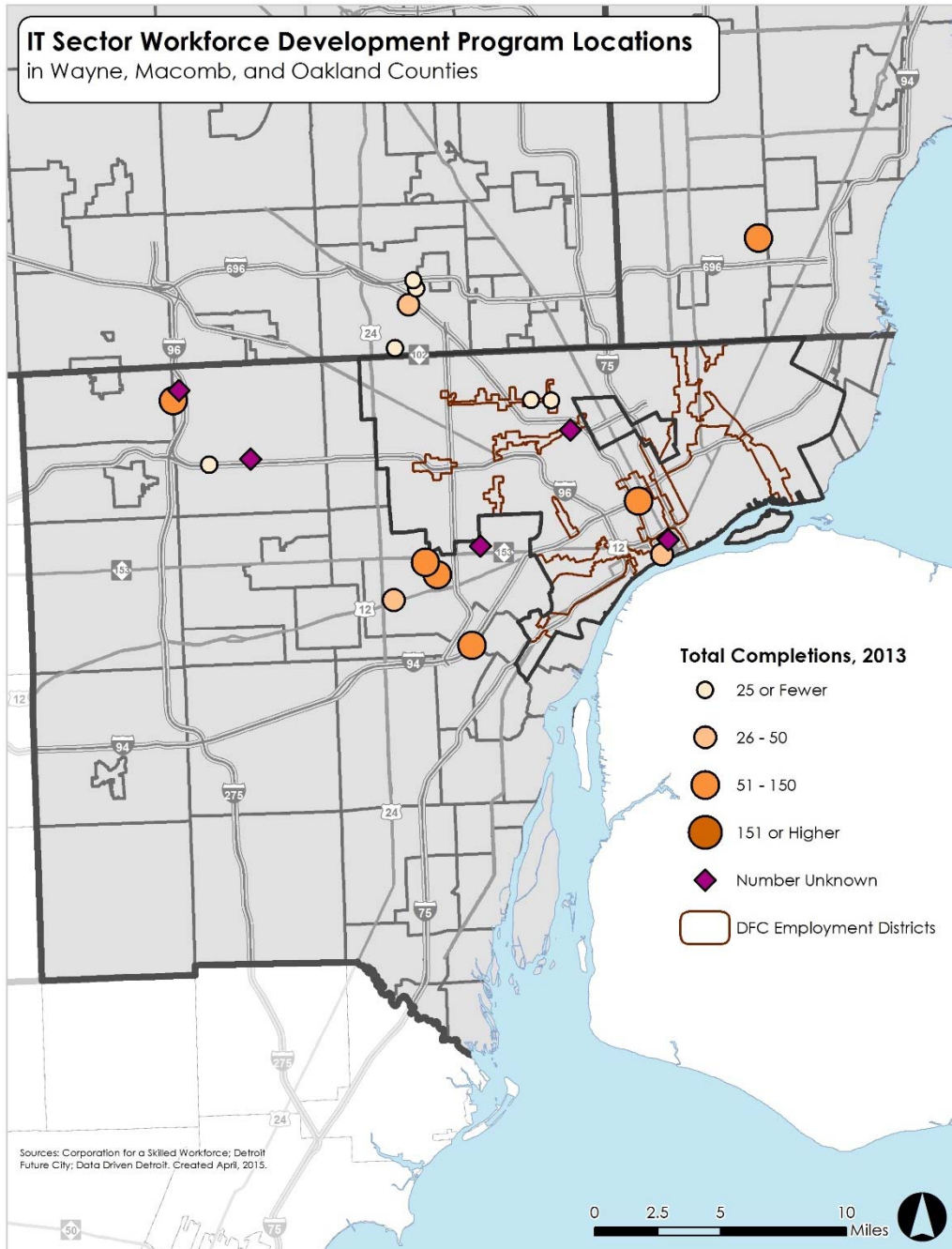
- From general construction laborers to the skilled trades, data show a solid number of minimal-preparation level job openings. The highest proportion of job openings, however, are those that require moderate preparation.
- While there were several sector-specific training programs of note in years past, adjustments to major project completion dates combined with a slow-down in overall construction activity resulted in the suspension of training programs.
- In the current landscape, there are relatively few programs operating to train new workers to enter this industry. Of the programs that are operating, participant completion levels are strong for both minimal and moderate-preparation jobs. This aligns well with where openings for new workers are expected and creates pathway opportunities to middle skills jobs.
- While completion rates are high, we found very few active training programs or initiatives in the construction sector, perhaps as a result of the strong bench of existing skilled trade workers in Detroit. Again, the availability of construction training in Detroit may be well-matched to hiring projections.
- Some of Detroit’s most widely-recognized alliances can be found in the construction industry. Three such alliances are ACCESS for All, the Detroit Registered Apprenticeship Program, and SER YouthBuild Construction Institute.
  - ◆ *ACCESS for All* is a partnership between organized labor for the skilled trades and SER Metro, a large community-based organization in southwest Detroit. Funded by *Detroit Regional Workforce Fund of United Way for Southeastern Michigan*, ACCESS for All delivers

basic skill building, skilled trade training and apprenticeships, and an unconventional support model that helps ensure success above and beyond job placement. ACCESS for All focuses not just on work readiness and placement, but on helping its students build long-term life skills that make strong families and communities. Since 2014, they have graduated three cohorts of Apprenticeship Readiness Students with plans to graduate Cohort 4 in April 2016. Cohort 5 begins in May of 2016.

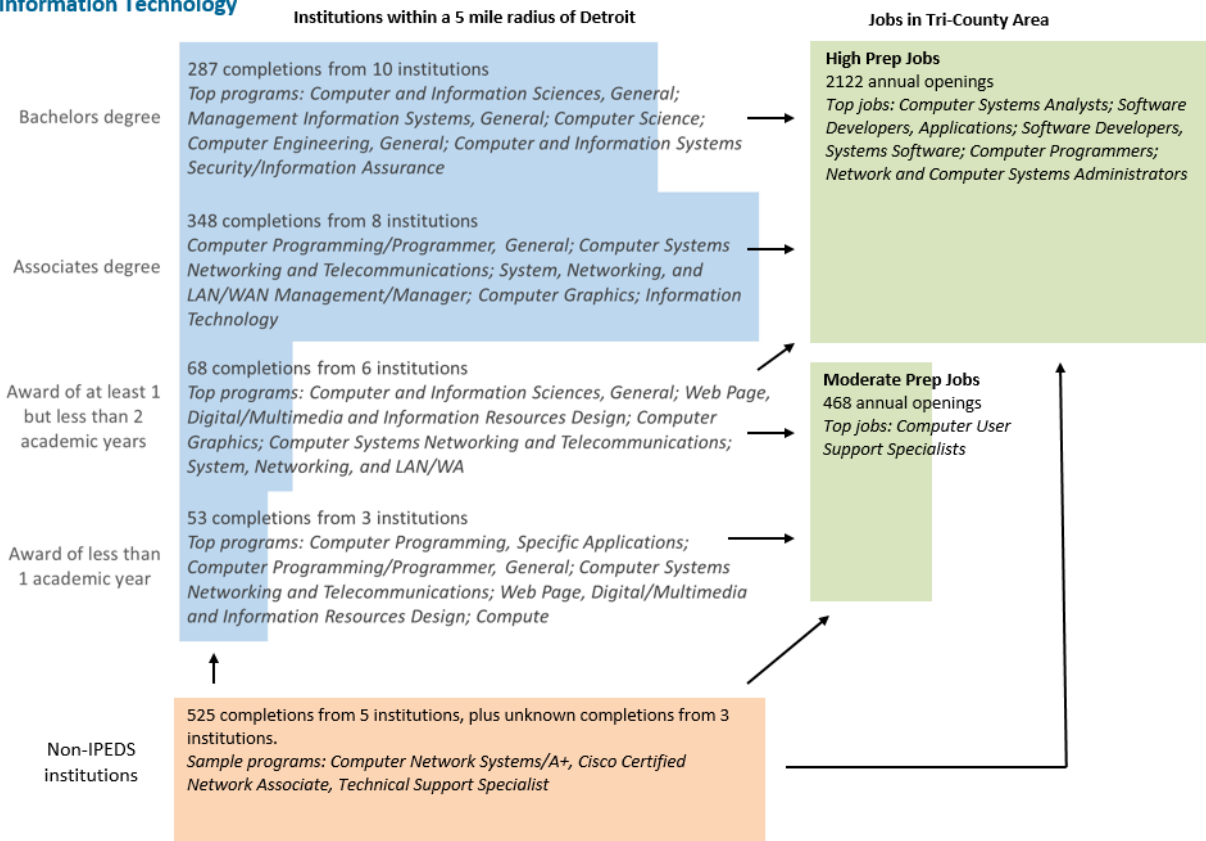
- ◆ The Detroit Registered Apprenticeship Program (DRAP), created by DESC, the US Department of Labor's Office of Apprenticeship, and the State of Michigan's Workforce Development Agency, ensures structured training opportunities through which Detroit residents strengthen fundamental literacy and numeracy while building skills to meet the growing demands and aggressive timelines of Detroit's construction sector. Partners include skilled trades unions, CVS, Greening of Detroit and others.
- ◆ SER Metro, a large community-based organization in Southwest Detroit, is actively working with YouthBuild, a national program geared toward job readiness and education. Funded by the US Department of Labor, the SER YouthBuild Construction Institute is designed for youth ages 18-24 who are unemployed, high school dropouts, many of whom face significant barriers to employment. The program includes both GED and vocational training components.
- Greater employer engagement in the construction sector could be useful in three ways:
  - ◆ More immediate feedback on workforce planning needs in support of current and anticipated infrastructure projects, including insights into potential job growth in adjacent industries (for example, Transportation, Distribution and Logistics);
  - ◆ Stronger channels for employer input into work-readiness programs; and
  - ◆ Structured ways to reality-test sector-specific career pathways.

## Information Technology: Highlights and Key Findings

Information Technology (IT) is among the fastest growing and highest demand sectors in the region and in Detroit. However, the high level of preparation and high skill level needed to enter and advance in many IT jobs may put them out of reach for many Detroit residents.



## Information Technology



### Career Pathway – Information Technology

- Within the IT sector, there were no minimal-preparation level job openings and more than three times the number of high-preparation jobs compared to moderate-preparation level. Only Computer User Support Specialists fall into the moderate category.
- Education and training completion rates lined up fairly well with demand, as the majority of individuals in an IT program completed an Associate's or Bachelor's degree.
- In addition to degree programs, the IT industry relies heavily on certifications, such as those sponsored by Cisco and Microsoft. These can provide stackable credentials that allow workers to qualify for higher preparation jobs without a degree. However, a high level of education and literacy is required for success in these programs.
- Grand Circus, in partnership with local employers and the *Detroit Employment Solutions Corporation (DESC)*, is bridging the gap between Detroit residents and the businesses who want to hire great IT people in Detroit. Through intensive experiences that teach skills that have been validated as relevant by local technology companies, Grand Circus and their partners directly train and help ensure, upon graduation, middle-skills employment opportunities for local residents.
- Experience IT (formerly IT in the D), an alliance between private sector employers, venture capitalists, DESC, and made possible by the WIN, transitions students from the classroom to the workplace through classes and training in both hard and soft skills, and mentoring. Successful graduates are eligible for employment opportunities ranging from internships to full-time positions.

## Closing Observations

As state and local leaders continue focusing on sector-specific strategies and leveraging the interests of national and international investors, it will be crucial to focus on attracting industries and employers with a solid base of entry-level jobs, strong career pathways, and clear worker advancement strategies. Without all three, the result could be the continued challenge of too few jobs, or too many low-wage, dead end jobs. It seems equally important to focus on moderate preparation or middle skill jobs concurrently, and to build accelerated skill development strategies. The right balance between the two is essential to attracting the mix of jobs the city needs.