JPMorgan Chase Releases Detroit Workforce System Map to Examine Barriers to and Opportunities for Job Growth

Report informs new Detroit Workforce Development Board and other private and public efforts to accelerate the city’s economic recovery

**January 19, 2016 (Detroit)** – JPMorgan Chase & Co. and the Corporation for a Skilled Workforce (CSW) today released the first report of a two-part series on the current state of Detroit’s workforce systems that further informs investments and helps aligns resources to support job growth in the city. Developed as part of JPMorgan Chase’s $100 million commitment to the city’s economic recovery, the report looks beyond typical data sources to map out barriers and opportunities facing Detroit’s complex labor market, the mix of industry sectors in the city and the types of jobs and skills the city needs to prosper.

The study was initiated by JPMorgan Chase in order to provide a comprehensive picture of the workforce dynamics in Detroit and to help inform the city’s newly-reconstituted Mayor’s Detroit Workforce Development Board (MWDB). With this information, the MWDB will be better prepared to connect Detroiters with existing job openings in the Detroit region, address the mismatch between the needs of employers and the skills of job seekers, and identify opportunities in the city to create new jobs. The second part of this report, which will be released soon, will review Detroit’s workforce system infrastructure and capacity and suggest areas for alignment and action.

“We are starting to see strong signs of progress in our efforts to reduce unemployment and provide Detroit residents with pathways to good jobs and careers,” said Detroit Mayor Mike Duggan. “The tremendous work done by JPMorgan Chase and CSW for this report gives us an invaluable tool in supporting our new Workforce Development Board as it tackles the challenges ahead.”

“We continue to see signs of progress in Detroit’s economic recovery, such as improving unemployment statistics, but there are additional steps that can accelerate job growth,” said Chauncy Lennon, Head of Workforce Initiatives, JPMorgan Chase. “This report maps out specific barriers to job growth and provides the information city leaders need to devise smart workforce solutions. We believe this workforce system map and data-driven approach can be a model for other cities to better understand their employment barriers and develop solutions to create job opportunities.”

The workforce report, **Detroit’s Untapped Talent: Jobs and On-Ramps Needed**, found the following:

- **Not enough jobs in Detroit**: Few Detroiters work in Detroit because there are not enough suitable jobs in the city. In Detroit, there are only enough jobs to employ roughly 37 percent of the population. Only about 26 percent of jobs in Detroit are held by people who live in Detroit. Nearly two in three (64 percent) Detroit workers commute from outside the city for work. A large number of those who leave the city for work are in the
lowest wage bracket because there are very few entry-level job opportunities within the city limits.

- **Low labor force participation, high unemployment:** Detroit has a relatively weak labor force, with only 62 percent of Detroiters between the ages of 16 and 64 in the labor force, compared to 72 percent statewide. A quarter of the labor force aged 16-64 (22 percent) are unemployed.

- **Skills and education mismatch:** While Detroit lacks a suitable number of private sector jobs, many residents do not have the necessary skill and education levels to qualify for jobs that are available. More than seven in ten (71 percent) Detroiters with Bachelor’s degrees are employed, but only 13 percent of Detroiters have Bachelor’s degrees. Because middle-skill jobs are generally available only to workers with some advanced training beyond high school, many Detroiters look outside the city for work. More than half (55 percent) of Detroiters without high school diplomas are not attached to the labor force at all in part because they lack access to jobs that fit their skill levels or do not have the required skills for open jobs.

- **Lower income, minority Detroiters face greatest workforce challenges:** The need to travel outside of the city for lower-skill jobs creates an excessive additional travel and child care expense burden for the lowest income Detroiters. Furthermore, 61 percent of unemployed Detroiters ages 20 to 64 had income under the poverty line, underscoring the need for support services to help Detroiters achieve self-sufficiency. Additionally, African American residents are more than twice as likely to be unemployed than white residents (31 percent vs. 15 percent).

“Focus: HOPE has long held a leadership role in workforce development in the city of Detroit,” said William F Jones, Jr, CEO, Focus: HOPE. “This is an outstanding report which does a great job of framing the discussion for policymakers and practitioners as we work to develop more impactful ways of providing workforce solutions for both job seekers and employers.”

“This deep dive into prominent Detroit sector occupations and growth patterns is allowing DESC to better vision and design career pathway and readiness programs for youths and adults,” said Pamela Moore, President and CEO, Detroit Employment Solutions Corporation. “This baseline report also provides a roadmap to better assess utilization and coordination of resources, allowing us to prepare our talent pipeline for high-demand opportunities that will provide self-sustaining wages. JPMorgan Chase’s investment supporting this work has been invaluable, and is continuing to produce data that is critical to our workforce planning efforts.”

While this report lays the foundation for an assessment of the workforce system in Detroit, part two of the series will highlight insights regarding the workforce system infrastructure, including funding, organizations, programs and partnerships designed to help Detroit residents navigate and succeed in the labor market. Part two also will highlight observations about Detroit’s opportunities and assets. Taken together, the data and information provided in this two-part series provides context for Detroit’s rapidly emerging economic, workforce and community development strategies.
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Corporation for a Skilled Workforce is a national nonprofit that partners with government, business, and community leaders to connect workers with good jobs, increase the competitiveness of companies, and build sustainable communities. For more than 24 years, we have been an effective catalyst for change. We identify opportunities for innovation in work and learning and provoke transformative change in policy and practice. We have worked with dozens of workforce investment boards, state and local workforce agencies, community-based organizations, foundations, federal agencies, and colleges to create lasting impact through their collaborative action.