

THE GREATER WEST TOWN COMMUNITY DEVELOPMENT PROJECT



*Testimony before
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Good Morning,

My name is Bill Leavy, I am the Executive Director and Founder of the Greater West Town Community Development Project on Chicago's West side.

My Agency is honored to have been asked by Chairman Smith and Congressman Davis to testify today, to help deepen public understanding of the extent and impact of poverty in urban communities, and to share our experience in using community-based job training to combat poverty at the individual and community level. We would like to share with you our experience that has shown us that intensive, occupational job skills training is a highly effective way to get people into quality career track jobs and help them lift themselves out of poverty.

Linda Thomas, our Director of Client Services, is here with me to help me answer any specific questions you may have about the challenges our program participants face.

Linda brings over 20 years of direct frontline experience in service delivery to our discussion.

ORGANIZATION HISTORY AND ACCOMPLISHMENTS

Greater West Town Community Development Project (GWTP) is a community-based economic development initiative dedicated to expanding educational and economic opportunity for the low-income, primarily minority community residents of Chicago's Greater West Side. GWTP achieves this mission by providing comprehensive workforce development and educational services through our model Community-Business Partnership strategy that links the employment and training needs of neighborhood job seekers to local economic development efforts and area businesses' workforce needs. GWTP's array of services include: Occupational Skills Training in the high growth industries of Woodworking and Shipping and Receiving, career planning, job placement, supportive services, on-the-job training, alternative education, youth mentoring, and career development. GWTP served more than 3,800 community residents last program year.

GWTP's programs are also focused to meet local employers' urgent needs for the skilled and motivated workers they need, to stay and grow in the area while competing successfully in the global marketplace. GWTP's programs help to ensure the long-term stability and growth of community businesses as a primary source of employment for neighborhood residents.

Since its founding in 1989, GWTP has established a consistently high level of performance in a broad range of publicly-funded job training and education programs serving the needs of the economically disadvantaged residents of the community. GWTP's target populations include ex-offenders, welfare-eligible single parents, the homeless and near homeless, dislocated workers, high school dropouts, and teen parents. Since 1989, more than 8,800 low-income community residents and dislocated workers have been trained, provided support services, and placed in jobs. GWTP has distributed over \$1,200,000 in federal grants to local businesses to support the hiring and training of neighborhood workers. More than 4,400 high school age students have received alternative education, job training, job placement, youth mentoring, career planning assistance, and dropout prevention services. More than 1,800 graduates of the Woodworking and Shipping and Receiving Training Programs have been placed in jobs with local companies.

THE GRIP OF POVERTY ON CHICAGO'S WEST SIDE

GWTP's targeted community areas of Humboldt Park, Austin, East and West Garfield Park and North Lawndale have been historically low-income, and now continue to suffer from the long-term consequences of the recent economic downturn, including ongoing and increasing problems with poverty, inequality, and barriers to education and opportunity. When the national economy contracted, the vulnerable, underprivileged communities, families, and individuals served by GWTP were disproportionately adversely affected. The 2009 American Community Survey (ACS) found a 20% decrease in median household income in GWTP's service area during the recent recession.

The 2014 US Census Bureau American Community Survey (ACS) results substantiate the severe economic depression experienced in our service area and the economic disparities that exist in Chicago. In our service area, approximately 40% of residents live in poverty, a rate that's 81% higher than the city-wide average and three-times the national rate. The median income of the communities we serve is only \$26,583, which is 61% below the city-wide average, and less than half of the national average (\$56,516) as reported by the US Census Bureau. The unemployment rate is 18.6%, which is approximately 42% higher than the city-wide rate and four times the

national average. Only 11% of area residents graduated from college, compared to 34% citywide, and 39% nationally.

The economic and educational difficulties experienced by the low-income population that we serve are most extreme for African American men. Despite an overall economic recovery in recent years, the percentage of unemployed, work-eligible (aged 16-64 years) African American men in Chicago is still disproportionately high. In December 2012, the Bureau of Labor Statistics' reported that the unemployment rate for black men had increased 57%, from 21% in 2009 to over 33% in 2011. The Bureau of Labor Statistics reported in October 2013 that unemployment for Black men in Chicago stood at 24.5%, well over twice the rate for Latino men (11.1%); and three times the rate for White men (7.8%). Recent data from the U.S. Census Bureau shows that unemployment for all African Americans in Chicago stands at 24.2%, nearly twice the rate for Latinos (12.8%); and roughly three times the rate for Whites (7.8%) (U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates).

Ex-offender status also constrains the educational and economic opportunities available to those whom we serve. This population faces significant barriers to accessing job training and employment. There is a high concentration of formerly incarcerated individuals in our targeted service communities. A 2014 analysis conducted by DePaul University and WMAQ/NBC shows that, of the approximately 12,000 former inmates who returned to Chicago in a recent 12-month period, 47% returned to communities that we serve. Despite the widespread and persistent barriers to employment faced by the formerly incarcerated, our strong employer-partner relationships have enabled us to succeed in placing over 95% of our ex-offender graduates in quality career-track jobs.

Another major barrier to quality, career-track employment is a lack of educational attainment or a high school diploma. Without a high school diploma, the barriers to living-wage employment mount exponentially. Conservative estimates based on Chicago Public Schools (CPS) Office of Accountability graduation cohort studies suggest that in the past 10 years, over 140,000 students dropped out of CPS high schools without graduating. Neighborhood high schools in Greater

West Town Project's service area have reported 4-year dropout rates of up to 50%. The economic impacts of dropping out are crippling to GWTP's communities.

EFFECTIVELY RESPONDING TO COMMUNITY NEEDS

GWTP strategically responds to issues of poverty, unemployment, and lack of educational attainment with job training programs that provide access to higher skilled, career tracked jobs that lead out of poverty. GWTP's Occupational Skills Training Program is a proven, highly-effective model that provides employment opportunities to high-need populations. The curriculum is designed and operated in collaboration with high-growth industry Employer-Partners' support. GWTP's educational remediation, technical training, and supportive services help adults with low basic skills bridge their skills gaps and gain the basic math and reading competencies that they need to successfully complete hard-skills technical training and earn Occupational Certificates. This enables them to access the higher-skilled job opportunities that lead to economic self-sufficiency and the improvement of the quality of life for their families and communities. At the same time, the Program also contributes to the long-term economic vitality of Chicago's neighborhoods and businesses by helping local employers hire the skilled workers they need to remain and grow in the area.

While political leaders often focus attention on the middle class, GWTP has remained committed to the historically marginalized people and families with extremely limited access to quality educational and economic opportunities. In recent years, during an era of record high unemployment, GWTP continues to successfully place over 85% of high-need participants in quality, career-track employment.

GWTP is an essential pathway of opportunity for the community's lesser-skilled and non-high school completers: During the 2015-2016 program year, 57% of program participants had neither a high school diploma nor had they earned their GED. While overall, program participants made an average 2.96 grade levels gain in reading and 2.26 grade levels gain in math; the participants without a GED or diploma consistently gained more than three grade levels in both reading and math.

Our Occupational Skills Training program also provides tangible solutions to one of Chicago's greatest challenges, the disproportionate resettlement of formerly incarcerated persons in already-struggling low-income communities. In the 2015-2016 program year, when 24% of GWTP's Occupational Skills Training graduates were ex-offenders, Greater West Town placed over 95% of those ex-offender graduates in full-time employment. Regular program follow-up analyses have shown that less than 3% of GWTP program participants have been re-incarcerated following graduation, compared to a 47% recidivism rate in Illinois.

THE COMMUNITY-BUSINESS PARTNERSHIP JOB TRAINING STRATEGY

GWTP's Occupational Training Program increases employment opportunities for community residents through job-specific skills training in the high-growth sectors of Wood Products and Solid Surface Manufacturing (WPSSM) and Shipping and Receiving (SR) in partnership with local companies. GWTP's Vocational Training Program meets employers' needs by providing trained, dependable and motivated workers to area companies and specialized value-added labor force development that companies cannot undertake on their own. Local Manufacturing and Shipping and Receiving firms--such as Independent Publishers Group, Closet Works, Albany Steel and Brass, Wesling Products, and Troscan--credit GWTP's Program for their manufacturing success; others cite it as an important factor in their decisions to remain in the Chicago area and expand operations. Demand for program graduates remains strong as GWTP continually adapts to employers' needs and the new technologies and emerging markets in these sectors. Our training programs consistently place 90% of graduates in quality full time jobs.

Program participants train for a cluster of related positions that require job-specific technical skills and offer excellent opportunities for career growth. WPSSM and SR graduates receive industry-recognized Occupational Skills Certificates approved by the Illinois Board of Higher Education and recognized nationally by the Accrediting Commission of Career Schools and Colleges. SR Program graduates also receive Forklift and OSHA-approved Safety Certifications. SR graduates are placed in living-wage, quality career-track positions including: Shipping and Receiving Traffic Clerk, Logistic Coordinator, Industrial Truck and Tractor Operator, and Customer Service Representative. WPSSM graduates are placed in well-paying

quality career-track positions including: Cabinetmakers/Bench Carpenters, Woodworking Machine Setters and Operators, and Computer Controlled Machine Tool Operators.

GWTP's Occupational Program operates from our "Community Career Training and Economic Development Center" at 500 N. Sacramento, which opened in the Fall of 2010 and provides critical infrastructure for the Program. Trainees get hands-on, practical experience in GWTP's 34,000 sq ft, fully-equipped, high-tech warehousing and manufacturing shops, advanced wood shop and warehouse training space; and classroom and computer lab space.

Each sectoral training program provides up to 700 hours of classroom-based and hands-on instruction, including comprehensive vocationally-contextualized basic skills instruction as well as business writing, business math, and computer skills. With input from Employer Steering Committees, GWTP has developed rich curricula for both WPSSM and SR. In addition to technical and hard-skills training, the Program includes job placement and support and follow-up services for trainees' long-term career development. All training components are taught in-house and integrated into a comprehensive curriculum that also includes Work Maturity Skills.

GWTP continually upgrades instruction with input from its business partners to ensure industry relevance of the curricula and smart investment in cutting-edge technologies and training methods. GWTP tailors its curricula to address employer-identified skills gaps and their changing workforce needs. When GWTP's employer partners identified the need for a standardized assessment of employees' industry-specific knowledge and skills competencies, GWTP joined with the Woodwork Career Alliance of North America (WCA) to implement their "Woodwork Passport," a national credential program that provides validation for in-shop tool operation level proficiencies. When SR employer-partners identified a need for employees trained in the emerging warehousing and logistics technology of radio-frequency identification (RFID), GWTP adopted the "ASAP Passport" system due to its use by corporations across the nation. Today SR participants receive comprehensive training on the system, including the use of the hand-held mobile data collection units, barcode labeling system, data management software, RFID tags, and reporting fundamentals.

GWTP's Occupational Training Program provides participants who previously faced multiple barriers to employment and a weak attachment to the labor force with the job-specific skills that employers need, the wrap-around support services to support their job search and workplace success, and lifelong learning competencies enabling them to move from job to job on a well-planned career path.

**KEYS TO SUCCESS: JOB PLACEMENT,
SUPPORT SERVICES, LONG-TERM FOLLOW-UP**

Greater West Town provides comprehensive job placement services to all program graduates. These placement strategies draw on GWTP's highly successful job placement experience and include long-term retention support, post-placement and re-placement services, and career development support. To ensure that our graduates succeed in the workplace and maximize their chances to become economically self-sufficient, GWTP actively tracks and supports our graduates for 12 months after placement.

GWTP responds to the specific needs and barriers that low-income, unemployed job seekers in our communities face, through robust collaborative working relationships with other community service agencies and through our internal program design. For example, GWTP addresses the needs of ex-offenders and those who did not complete high school by adapting its pre-employment preparation module to specifically prepare participants for real-world employment challenges. GWTP provides them with tools and language for addressing employer concerns about their ex-offender status and limited educational backgrounds. In its partnerships and networking with specialized social service agencies, Greater West Town finds supportive services for ex-offender participants to provide participants with additional access to legal records and expungement services.

The commitment to support our program participants to ensure their success in completing training and being placed in a job means that we continually assess participants' needs as they change, and try to provide the most important and timely assistance. So, in light of the growing needs of our unemployed disadvantaged participants, GWTP has expanded its focus on networking with other community-based service agencies to help provide resources for

fundamental needs such as child care, housing, transportation, health care and food security. Given the rising rate of homelessness among our program participants in recent years and their increasing need for stable housing, GWTP has expanded our partnerships and coordination with service providers focusing on homelessness, and with the City of Chicago's Department of Family Support Services. GWTP is increasingly working with these partners to identify short-term, mid- and long-term housing alternatives for our clients. To address our participants' healthcare challenges, GWTP has adopted a pro-active stance to help provide health and wellness education for trainees. In 2015, GWTP collaborated with the Chicago Citywide Literacy Coalition, Loyola University–Chicago, and our largest community foundation, the Chicago Community Trust, to carry out an empowerment-based "Health Literacy" Project. The project helped to educate our workforce program participants about preventative healthcare, wellness strategies, and healthy choices leading to prevention of health problems.

The following stories illustrate the effectiveness of our job training programs, helping highly barriered job seekers develop skills, find employment and succeed on the job. Alfredo Moreno, a graduate of the Shipping and Receiving Training Program (SRTP), is a single parent of two young children. Alfredo, ex-offender on parole, is also a basic skills deficient non-native English speaker with only a grammar school education. His work history had been limited to short stints of temporary employment through staffing agencies and also seasonal work as a mover. He had no real job prospects in sight to support his children. He was looking for training that would allow him to acquire the skill sets needed to obtain career path employment. Upon entering the program he demonstrated the hard work, enthusiasm, and willingness to succeed needed in today's job market. Working with GWTP's job placement specialist he was able to interview at a local manufacturer of food ingredients. He was placed in employment less than two weeks after completing training. He's has been employed for over eight months, and is currently making \$14 per hour. Alfredo also made a dramatic improvement in his basic skills, raising his math and reading over three grade levels each.

Jason Adams, a graduate of the Woodworkers Training Program is a single father with two children. For many years he had maintained a transient lifestyle, working for brief periods in New York and Kentucky before returning to Chicago over three years ago. Short term jobs as a

laborer and a camp counselor ended abruptly, and he had been unemployed for over two years when he was accepted into the WWTP. GWTP provided him with the technical skills he needed to get a career track job. Working with GWTP's job placement specialist he was interviewed at a local woodworking manufacturer of high-end restaurant furniture. He completed training on a Thursday and began work the following Monday at the company where he has been employed for over seven months earning \$12 per hour.

Jean Dorcy, a single parent of a seven year old, exemplifies how determination with the right supports is a proven recipe for employment success. Despite diligent job searches, a decades old felony conviction proved to be a significant barrier to finding stable, long-term employment. After years of short-term assignments with multiple companies, Jean was laid off before enrolling in GWTP's Wood Products Manufacturing Training Program. During training, Jean worked hard to learn the skills of fine furniture making. Jean found his calling on the woodshop floor. With goal-focused determination, and with the ongoing support of his teachers and case manager, Jean graduated and was hired by Great Lakes Architectural Millworks, a shop specializing in high-end furniture, located in Chicago's Kinzie Industrial Corridor. Now Jean is earning \$15.50 an hour and working every day with a high degree of job satisfaction.

CHALLENGES TO MEETING THE WORKFORCE DEVELOPMENT AND JOB TRAINING NEEDS OF OUR COMMUNITIES

Greater West Town's services are in greater demand than ever, but resources to support our work are shrinking, rather than increasing. GWTP faces serious challenges other than funding levels, some of which are real-life symptoms of persistent and chronic poverty in our communities. Some of the challenges arise from a long history of inadequate public and private investment in our communities. And other challenges arise from well-meaning but flawed public policies, and the need for determined and consistent commitments by government at all levels to alleviate poverty. Today we are understandably concerned about the setbacks of the middle class, so elected officials' focus and public statements tend to emphasize helping those of moderate income. Sadly, as a nation, we are not as focused on fighting poverty for the neediest people, families, and communities in our country. We need

to work together to develop a thoughtful, strategic robust strategy and policy to lift our most vulnerable people out of poverty, and build support for the funding commitments to support such a policy. Unless we can come together to do those things, we are nibbling around the edges of the problem of multi-generational poverty and not facing up to alleviating the costly and far-reaching consequences it has for our communities and our nation.

The population from which GWTP recruits is participants has persistent, and in some cases, worsening challenges and barriers to employment and training. Since the Great Recession, we have documented the following:

- A troubling upward trend in the number of program applicants and participants experiencing homelessness. In 2014-2015, more than 22% of GWTP vocational program participants experienced homelessness during training, double the number of participants in previous years. In Chicago's communities of color – as in other communities across America -- the negative effects of the mortgage foreclosure crisis are still reverberating for families who lost their homes and the stability that home ownership or stable landlords provide.
- An increase in the percentage of our program applicants and participants who haven't completed their secondary education. In the past 2 years, that percentage has grown from less than a third, to 57% of all our Occupational Training Program participants now lack a high school diploma or a GED.
- As the economy has gradually improved, those with the greatest need for skills training and career path employment opportunities are being left behind. Higher-skilled, more job-ready residents have been able to re-enter the workforce. But those with the greatest barriers to employment remain marginalized. While our participants have become even more challenged and high-risk, federal and state resources to support in-depth, industry relevant skills training and intensive supportive services have dwindled.
- Inadequate access to affordable health care continues to be a serious issue for the populations that GWTP serves. These communities suffer from high rates of chronic, preventable diseases. These health-related issues often negatively impact participants' ability to complete occupational training, pass initial pre-employment health screenings by prospective employers, or to be consistent employees once hired.

On the policy and programmatic level: Greater West Town has been engaged in workforce development and administered federal, state, and local workforce development grants over three decades.

Greater West Town has provided effective job training and placement services under a number of federal workforce development programs: The Job Training Partnership Act (JTPA), the Workforce Investment Act (WIA), Welfare-to-Work, the American Recovery & Reinvestment Act (ARRA), the Social Service Block Grant, and the Workforce Innovation and Opportunity Act (WIOA). Each of these federal laws, intended by Congress to address the pressing national concerns about poverty, unemployment and workforce development, have changed the “rules of the game”. However, with each new authorization, allowable “unit costs” – what can be spent to train and place people in jobs – have become increasingly limited and unsupportive of the proven successful strategies for helping highly- barred unemployed people get on a pathway out of poverty. There appears to be a trend of less and less emphasis on training and placing the most disadvantaged job seekers, and less and less support for the basic skills remediation and intensive support services that poor people need to succeed long-term in Occupational Skills Training and job retention in career path employment.

We all want to lift our fellow Americans out of poverty. But sadly, our laws and regulations have tended to create a “Triage” approach that leaves millions of Americans behind –in both our urban and rural communities. The “Triage” approach focuses on investing in those deemed mostly likely succeed.

Meanwhile, we are not investing enough in people who are regarded as high risk, the very people with the greatest likelihood of being mired in multi-generational poverty precisely because they face the toughest challenges and barriers to joining the workforce, building a career, and earning a family-supporting wage. Let’s work together to strike a better and more fair balance in our workforce development policies and programs. Greater West Town has shown that there are effective, common-sense, and community building strategies to train and place people with great challenges into career pathway employment, by partnering with the very businesses in our

communities who need a skilled, well-trained, and motivated workforce. We hope you will support our efforts.