Neighborhood Employment Strategies in Metropolitan Labor Markets
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By any measure, the past century of U.S. history has been defined by the urbanization of America. In 2010, the U.S. population reached 310 million people, up from 76 million in 1900. More than 80 percent of U.S. residents live in cities and their suburbs (compared to just 50 percent worldwide). Unlike many European countries, where population numbers are declining, the U.S. population continues to grow; the Census Bureau projects that it will reach 439 million by 2050.

U.S. urbanization patterns can be divided into two distinct periods. From 1900 to 1950, Americans moved in droves from the countryside to cities. Since the 1950's, we've been moving to the suburbs. In fact, 1950 marked the first time that more people lived in suburbs than anywhere else.

Suburban population growth was fueled by many factors—economic growth, highway construction, the GI bill, school busing, white flight and housing discrimination, among others. Yet for most of the century, workers found jobs downtown and commuted to central city locations. In recent decades, however, employment has become decentralized in many metropolitan areas (Kneebone 2009).

- While the number of jobs grew in metropolitan areas between 1998 and 2006, the fastest growth occurred in the outermost suburban areas (17 percent), in contrast to a mere one percent growth in the urban core.
- As a result, just 21 percent of workers in the largest metropolitan areas work within three miles of downtown, while 45 percent work at least 10 miles from the city center.
- Employment decentralization varies widely by industry, with construction, manufacturing and retail the most widely dispersed.

In the 1980's and 1990's, considerable attention focused on spatial mismatch of employment patterns and its impact on the urban poor, spurred by the groundbreaking work of Chicago sociologist William Julius Wilson. As employment decentralized during this period, the urban poor, particularly blacks, became more isolated in low-income neighborhoods. Because public transit systems (where they existed) were designed to bring workers downtown, residents of poor communities became increasingly disconnected from suburban employment opportunities—particularly if they did not own an automobile.

Although data from 2000 to 2010 are still being analyzed, a very different picture of metropolitan America is emerging today. The stark image of a minority (typically black) central

city surrounded by a white suburban ring has been erased as new immigrants settle outside central cities. Today, Hispanics outnumber blacks in our largest cities and account for nearly half of all suburban population growth during the last decade. Hispanics are now the largest racial and ethnic group in 49 of the largest 100 metropolitan areas (Berube et al. 2010).

- In 36 of the largest 100 areas, minorities represent at least 35 percent of the suburban population. Minorities make up the majority of the population in sixteen of these.

- In fact, suburbanization has been such a powerful trend among all racial and ethnic groups that today a majority of *whites, blacks, Hispanics and Asians* live in the suburbs of the largest metropolitan areas.

Given these trends, it may not be all that surprising that the data reveal that poverty is no longer an issue just in central cities.

- Although central city residents are almost twice as likely to be poor than suburban residents, the number of poor suburban residents surpassed the urban poor in just the last decade. More precisely, central city poor outnumbered suburban poor by 100,000 in 2000. By 2007, suburban poor outnumbered their central city counterparts by 1.5 million (Berube et al. 2010).

- The poor are more decentralized in metropolitan areas with greater job sprawl (generally in the south and west) (Kneebone and Garr 2011).

- Poor whites and Hispanics are more likely to live in the suburbs of highly decentralized metropolitan areas than are poor blacks (Kneebone and Garr 2011).

Today spatial mismatch occurs on a much more complicated economic and demographic map, with employment opportunities spread across metropolitan areas and growing fastest at the periphery. Poor communities are no longer automatically found in central city neighborhoods but exist in suburbs as well—and, at least in some cities, are decentralizing almost as rapidly as jobs.

Policy Choices

Although spatial mismatch does not appear as extreme now as in the 1980's and 1990's, there remain urban and suburban communities with unusual concentrations of poverty that are disconnected from areas of opportunity. Academics and policymakers who focus on issues at the metropolitan or city level have supported policies that either provide the poor with greater mobility (reverse commuting) or encourage businesses to locate or expand in poor neighborhoods (enterprise zones) in order to connect them to jobs.

I was centrally involved in one such effort in the 1990's, known as Bridges to Work, a reverse-commuting demonstration in five cities: Chicago, Milwaukee, St Louis, Denver and Baltimore. Each city was selected because it had: 1) large low-income urban neighborhoods; 2) rapidly

suburbanizing employment; and 3) local organizations well-positioned to connect low-income residents to suburban jobs.

In many ways, the Bridges organizations performed very well—nearly two-thirds of participants in the four sites where P/PV conducted random assignment were placed in a suburban job. However, as metropolitan economies boomed in the mid-1990's , the organizations struggled to recruit job seekers willing to travel to the suburbs. This meant that the Bridges sites had to expand their target neighborhoods again and again, in some cases designating half a city as their target community. This complicated the transportation component of the demonstration, making the rides increasingly longer.

In the end, despite the high placement rates in suburban jobs, we did not find any employment or earnings differences between the program and the control group. Over 90 percent of both groups worked during the 18-month follow-up period. Bridges participants did have statistically significant higher earnings in the first quarter after random assignment (reflecting their rapid placement by the Bridges groups) but that difference soon disappeared as the control group members found employment (Roder and Scrivner 2005).

Table 1
Bridges to Work Job Placement Outcomes

	Baltimore (n=331)	Denver (n=310)	Milwaukee (n=268)	St. Louis (n=273)	All RA Sites (n=1,182)
Ever placed in a Bridges job	59.5%	72.6%	68.3%	56.8%	64.3%
Average days between enrollment and placement	35.7%	21.1%	29.3%	53.2%	33.4%
Number of job interviews before initial placement					
One	45.1%	46.1%	76.9%	26.3%	49.3%
Two	25.1%	29.0%	15.4%	24.3%	23.7%
Three or more	29.7%	24.9%	7.7%	49.3%	26.9%

Source: P/PV analysis of job data collected from the Bridges sites.

We did find large and significant differences in benefits which reflected the better quality jobs that Bridges participants held. However, in the end we did not believe these were sufficient to justify ongoing investment in reverse-commuting programs. As noted in the final report (Roder and Scrivner 2005),

> "…the experience and results of the demonstration make clear that the Bridges to Work model is not a viable policy response to the mismatch between the location of jobs and the location of unemployed workers. Bridges to Work was expected to increase participants' likelihood of working consistently, earning more and accessing better jobs even after they left their Bridges jobs due to the expanded employment opportunities the program provided. However, Bridges did not make a difference in how consistently individuals were employed or result in higher hourly wages and annual earnings. These results were consistent across the cities in which

> Bridges was implemented and across a variety of strategies for providing transportation services, including the use of flexible van service to either supplement or replace existing public transportation lines and the expansion of fixed-route bus service. Even in the site with the most flexible van service—available 24 hours a day, seven days a week—Bridges did not increase participants' employment or earnings over those of their counterparts in the control group."

This does not mean that mobility is unimportant for urban job seekers. In fact, mobility is crucial in a rapidly decentralizing metropolis—but we were mistaken in the belief that *mobility alone* would be sufficient to make a significant difference in people's lives.

Enterprise Zones

Enterprise zones represent the second major policy option that could address neighborhood residents' isolation from employment opportunities. Enterprise zones have been around for decades and have remained popular with federal, state, and local policymakers.

As a policy instrument, enterprise zones are intended to spur economic activity in economically distressed areas. Compared with surrounding communities, these areas tend to have higher rates of unemployment, lower incomes, fewer jobs or fewer good-paying jobs, and more unused land or blighted structures. Enterprise zone programs provide tax incentives to businesses to overcome economic barriers that impede job and income growth. In order to work (i.e., to create jobs or raise incomes in the targeted areas), several conditions must be met:

1. Economic barriers must be present that raise costs and cause a lack of economic activity (lack of transportation access, for example).

2. Public officials can identify zone tax incentives powerful enough to overcome these economic barriers so businesses will locate to and grow in these communities.

3. When businesses in the zone expand they will create jobs for which local residents will be qualified.

4. Businesses in the zones will hire and retain local residents in greater numbers than they would have but for the incentives.

As of 2000, at least 39 states had enterprise zone programs and the federal government had implemented similar programs. Despite popularity of the zones, little evidence can be found that they either change business location decisions or growth trajectories, much less lead to greater employment of neighborhood residents by those businesses (Elvery 2007).

When one considers the economic barriers, set forth below, that enterprise zones attempt to overcome with tax incentives, this is not all that surprising:

- The area may have poor access to transportation—roads, rails, or public transit needed by many businesses.
- The area may not have the skilled labor required.
- There may be a perception that the area is not safe—for businesses, employees, and customers.
- Financial institutions may be reluctant to lend to businesses in the area.
- Environmental issues may impose substantial costs.
- The zone may be far from senior managers' homes, resulting in long commutes.

Consequently the offered incentives need to be very substantial where more than one of these conditions exists, and that may be beyond the reach of most states and cities. Even then, it is necessary to address how to ensure community residents are prepared for any ensuing opportunities and to persuade businesses to hire them. As seen in cities across the country, proximity to employment opportunities is not a guarantee that residents of poor communities will have access to them.

Implications for Community Employment Strategies

Some might argue that given the continued growth of the suburbs and ongoing decentralization of opportunities it is important to focus on more coherent zoning and public transit development. True as that may be, I believe community developers need to be more practical if they want to increase the employment opportunities for residents of low-income neighborhoods. This begins with developing a good understanding of the major economic and labor market trends in their region, so that they can identify the employment opportunities are that are most accessible to neighborhood residents. This knowledge must then be complemented with identification of the strategies/institutions that can connect residents to those opportunities as well as any barriers particular groups may face. Those barriers may include physical isolation, but are just as likely to be the result of gaps in skills and education, poor employment networks, and the inability to navigate an increasingly complex labor market. Here are a few suggestions for practitioners pursuing community employment strategies.

Identify two or three economic sectors of the local economy that are stable, growing, and accessible to neighborhood residents. While employment may be decentralizing overall, most cities have some sectors that remain strong and provide employment opportunities at a range of skill levels. Typical examples include health care, hospitality, education, and government services. After identifying the sectors, practitioners should focus on particular occupations in those sectors that are in demand and match neighborhood resident skill levels.

Identify major institutions that are in or accessible to the community. Certain kinds of institutions tend to remain rooted in the urban core—hospitals, utilities, universities,

schools, and libraries—even as suburbs grow. These may or may not be part of the sectors above, but they remain important targets for any community employment strategy.

Even in the poorest communities, many adults work. Where are they working? In what sectors, institutions, and geographic areas? In what types of positions? Are they connected to particular neighborhood institutions such as the church, PTA or Little League? Most people find jobs through their informal network of co-workers, friends, and relatives. Perhaps a neighborhood employment strategy can be developed from these networks through the community institutions to which they belong.

What are the key barriers preventing neighborhood residents from qualifying for the jobs identified? The most common barrier typically is insufficient education or skills. If this is the case, it will be important to identify the non-profit, educational, or even proprietary institutions that can prepare residents for these jobs. These are often citywide or regional organizations, not neighborhood groups. The key is to assess which organizations are effective and to develop good working relationships with them.

Is mobility a key barrier? Some neighborhoods may truly be physically isolated from suburban/ex-urban areas with strong employment growth—requiring some kind of mobility strategy for residents. Public transit may be an option, but only when there is considerable density at both the worker and employer ends of a relatively simple commute. Providing access to affordable automobiles or carpooling may be more feasible, although still quite challenging.

Men are much more likely to be unemployed in many low-income communities. While some men may work fairly often in the informal, cash economy, these men may also face particular barriers to regular employment, such as child support orders or a criminal record, in addition to the challenges noted above. In these situations, organizations have to develop sophistication in the byzantine worlds of criminal justice and child support agencies. The good news is that more and more government agencies are recognizing the importance of keeping people out of jail and bringing non-custodial fathers into the formal child support system.

Labor markets are increasingly complex and ever-changing. It takes time and ongoing diligence to become conversant with the fundamental economic and employment trends affecting any community. Organizations cannot simply pursue this on the side—it is essential to make employment a central focus if they want to take on this issue. Moreover, to be successful, they have to recognize that the only way to develop strong relationships with employers and the institutions that can connect people to opportunity is to provide value in return. That value can come in many forms but, in the end, it must be in a currency that is meaningful to those receiving it.

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