



Solving the Patchwork of Jobs Issue

Background

In IL03, as we travel through the district, we frequently hear from people working a patchwork of jobs to make ends meet. The “patchwork of jobs” is the issue where people are working 2-3 jobs per person in order to barely pay their bills. And, still need to play a monthly game of roulette to pay some bills, but not all bills.

The Chicago-Joliet-Naperville area’s 2018 unemployment rate averaged approximately 4%, but underemployment hovers around 8%¹. Underemployment is an issue for both workers and employers. Unemployment is the rate of people not employed as a percent of the civilian labor force. Per the U.S. Department of Labor, “the underemployment rate is defined as the total amount of people unemployed, plus marginally-attached (temporary) workers, plus total employed part-time for economic reasons, as a percent of the civilian labor force plus all marginally-attached workers”² (United States Department of Labor, 2019).

Underemployment or the patchwork of jobs condition is quite complex and is the direct result of several current shifts in education and training:

- College students are not finding employment matching their skills and background because they are discovering their college curriculum may not be transferable to key job skills they need to be placed at many employers
- Formerly skilled workers needing to be redirected as a result of job/role elimination or automation, do not know where or how to look for training
- High school graduates are not encouraged to enter the trades
- In the U.S., we do not have a universal database across the U.S. categorized by type of skills training/certifications for workers to search for training and programs they are interested in by geographic location and the corresponding job opportunities. As a result folks who are displaced or need training, cannot find the correct training.

¹ United States Department of Labor. (2019). Economy at a glance. *Bureau of Labor Statistics*. Accessed from https://www.bls.gov/eag/eag.il_chicago_md.htm.

² United States Department of Labor. (2019). Local area unemployment statistics. *Bureau of Labor Statistics*. Accessed from <https://www.bls.gov/lau/stalt.htm>.

In Chicago, approximately 60% of job openings require middle-skill credentials, but only 54% of the region's workforce has the necessary education levels and/or training--reflecting the mismatch between the education and skills that workers currently have and the skills required by the regions' emerging industries³.

This gap creates huge and far-reaching issues, generating quality of life issues that are dramatic. As an example, many who are underemployed have food insecurity and ongoing job insecurity according to local service providers such as The Greater Chicago Food Depository⁴. Many skilled workers have not recovered from a job loss after the Great Recession. Or, they have recently immigrated or have been incarcerated previously. In short, the issue has devastating effects on workers and families and the ability to have a strong quality of life.

While true nationwide as well, trades skills are often the middle skills in the shortest supply in the Chicago area. In a nationwide survey of more than 1,600 construction firms, 72% of Midwestern firms reported having a hard time filling hourly craft positions--jobs that account for the lion's share of the construction workforce⁵. This is quite common in the Chicago area.

The solution: leveraging the Third District's assets--Midway Airport, existing spaces, and community partnerships. This workforce training solution will include middle skills training, labor/trades programs, and entrepreneurial programs with a daycare center attached.

Chicago Metro Area and Key Economic Issues

As the most recent LinkedIn Chicago Workforce Report suggests, there is a clear scarcity and mismatch between skills needed and skills available⁶. In Chicago, we clearly have an abundance of skilled employees in white collar jobs. However, middle skills are clearly scarce across many job types where creating a precarious economic issue where there are more jobs available than skilled workers to be placed in them.

From Census data, we know that four industries are most prevalent in IL03⁷. Those are:

1. Construction

³ JPMorgan Chase & Co. (June 2015). Growing skills for a growing Chicago: Strengthening the middle-skill workforce in the city that works. Accessed from <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/54841-jpmc-gap-chicago-aw3-v2-accessible.pdf>.

⁴ Greater Chicago Food Depository. (June 6, 2018). Food insecurity interview with Kate Maehr, Executive Director.

⁵ The Associated General Contractors of America. (2017). 2017 Workforce Survey Results. Accessed from https://www.agc.org/sites/default/files/Files/Communications/2017_Workforce_Survey_Midwest.pdf.

⁶ LinkedIn. (October 4, 2018). LinkedIn Workforce Report | Chicago | October 2018. Accessed from <https://www.linkedin.com/jobs/blog/linkedin-workforce-report-october-2018-chicago-il>.

⁷ United States Census Bureau. (2017). 2016 County Business Patterns for Congressional Districts. Accessed from <https://www.census.gov/mycd/?st=17&cd=03>.

2. Retail trade
3. Health care and social assistance
4. Transportation and warehousing

Most In-Demand Skills in Chicago:

1. Oral Communication
2. People Management
3. Business Management
4. Social Media
5. Time Management
6. Development Tools
7. Public Policy
8. Leadership
9. Web Development
10. Graphic Design

The southwest side of Chicago and the Southwest Suburbs are truly economic “diamonds in the rough.” As a case in point, Midway Airport and the surrounding area is in many ways the unsung hero of the Chicago metropolitan area. Particularly since Midway’s circa 2001 revival, both business travel and tourism have increased as well as provided strength to the overall economy of Chicagoland. However, even though Midway Airport itself is bustling and there have been some minimal attempts to add improved access to the Southwest Corridor, the overall prosperity of the region has not experienced real growth in many years, yet, clearly, has amazing potential.

While the current Midway Airport security gate expansion, additional parking and concessions provisions will help air traffic and travelers, it will not add significant employment opportunities.

The reason? There is not a strong SW Chicago employer base. Not enough businesses, jobs, and opportunities for growth are available. It is clear there are plenty of middle-skilled workers, given the higher than average union household concentration (over 30%), but there has also been a decrease in manufacturing and transportation opportunities, resulting in previously skilled workers needing re-training.

Critical economic programs are needed in the SW Corridor and should be designed around:

1. Increasing economic opportunities geographically by attracting new businesses
2. Enabling economic fairness across all communities
3. Driving economic diversity

We also know that middle-skills trained talent is very willing to work and be retrained, which is evident in the surge of temporary workers and retail employees in this area. According to 2017 ESRI data, temporary work and retail positions have grown by 20% since the recovery starting in 2009. This indicates previously skilled workers may have taken on retail jobs.

Given the strength of middle skilled talent base in all of Chicago, highly concentrated in the SWC, the sheer volume of workers available, willingness to be retrained, and proximity, imagine developing a workforce training center that will drive business, opportunity, and an economically diverse talent pipeline.

Often, the SWC is only known as a transportation hub. Unfortunately, transportation related industry has decreased significantly to less than 7% of the SWC's business composition. While this district boasts having more railroad track than any other district, it is and could be far more dimensionalized in terms of types of industry.

Green Jobs Training and Green Businesses

We have one of the highest concentrations of union households in our district in comparison to other districts across Illinois. We should be leveraging these skills and talents for the future. A lot of these union employees work in fields where their skills are easily transferred to green construction and renewable energy jobs. I believe facilitating skills and training programs for our union force helps the economy and the environment.

As we address the climate crisis, we need to make sure our workers are prepared for a major shift in policy. Therefore, I support working closely alongside unions to ensure all of our skilled labors have the additional skills they need to work in a sustainable way. I plan to do so by:

- Holding regular meetings and town halls with union leaders and members to make sure workers are represented in Washington
- Partnering with community organizations and community stakeholders to develop the "What If Workforce Center," in either a virtual format online or physical
- Supporting a federal jobs guarantee that will allow current employees in the fossil fuel industry to transition to more sustainable jobs at no cost to the worker

Similarly, we have to encourage business growth in all parts of the District, particularly for those businesses that are excelling at environmentalism. I support the extension of tax credits for small business owners that are LEED certified

- Addressing electricity use during and after operating hours and supporting purchases of sustainable appliances
- Reducing waste through guaranteeing proper garbage disposal (especially through recycling and composting)
- Authorizing federal agencies to ensure compliance of all laws while guaranteeing a sustainable business model
- Working alongside all three sectors--private, public, and nonprofit--to craft a uniform message around the importance of green energy and sustainability

The Issues

Issue #1: Typically airports provide strong opportunity for businesses in the surrounding area and as a result, have booming businesses and opportunities. The Midway area does not.

While the economic base is diverse in terms of industry, types of employees, households and ethnicity, the SWC is not harnessing and attracting new business or growing. The corridor's largest industries include service (36%), retail (22%), manufacturing (13%), transportation (6.5%), finance (5%), and government/other (5%) (ESRI, 2017).

With 43% union households in-district⁸, the workforce in the SWC is capable and well-trained. The primary job loss comes out of manufacturing and transportation and is due to automation/technology as well as a general lack of new business development in the area.

Further, There are not any large employers. 80% of all businesses in the corridor are under \$5 million and virtually no businesses over \$200 million in revenue. There are full city blocks with dormant/vacated space still lying open (ESRI, 2017, IL CD 3).

Issue #2: Underemployment and skills gap is growing and highly-concentrated here. Similarly there is not enough access to workforce training, availability of training centers, or good paying jobs.

Currently in Chicago the underemployment rate is close to 10%, according to Skills For Chicagoland's Future. Often, this is due to a loss of a job during the Great Recession or after and requiring workers to find jobs beneath their skill level in order to cover their bills. Further, it frequently requires 2-3 jobs, requiring people to work a patchwork of jobs.

In fact, overall in Illinois, our underemployment and all types of unemployment measures are higher in Illinois than the national average across all measures:

⁸ GBA Strategies. (March 2018). Citizens for a Better Illinois: Primary Post-Election Survey.

Underemployment and Unemployment Utilization Measure	Chicago-Joliet-Naperville (2018 annual averages)⁹ vs. U.S.¹⁰ (February 2019)
Unemployed 15 wks +	1.6% vs. 1.4%
Lost job/temporary worker	2.1% vs. 1.8%
Total unemployed	4.2% vs. 3.8%
Unemployed plus discouraged workers	4.4% vs. 4.1%
Unemployed plus discouraged plus marginally attached	5.1% vs. 4.7%
Unemployed, discouraged, marginal, part-time due to economic distress	8.1% vs. 7.3%
Underemployed	<p>Illinois: 8.1%, however combined with unemployment it is 12.3% or more when those who have stopped looking are included</p> <p>National: 7.3%, however combined with unemployment it is 11.1% or more when those who have stopped looking are included</p>

One of the greatest issues nationally is a chicken and egg situation where the skills gap is increasing at an alarming rate:

Currently, in the U.S. 25% of the U.S. population feels underemployed, yet 40% of American employers claim they cannot find people with the skills they need. Taking it one step further, 60% of employers complain entry level candidates lack preparation or readiness skills.¹¹

Issue #3: Lack of public transportation options creates issues for job-seekers and businesses alike.

⁹ United States Department of Labor. (2019). Chicago-Joliet-Naperville, IL. *Bureau of Labor Statistics*. Accessed from https://www.bls.gov/eag/eag.il_chicago_md.htm.

¹⁰ United States Department of Labor. (2019). Table A-15 Alternative measures of labor underutilization. *Bureau of Labor Statistics*. Accessed from <https://www.bls.gov/news.release/empsit.t15.htm>.

¹¹ Laboissiere, Martha and Mona Mourshed. (February 2017). Closing the skills gap: Creating workforce-development programs that work for everyone. *McKinsey & Company*. Accessed from <https://www.mckinsey.com/industries/social-sector/our-insights/closing-the-skills-gap-creating-workforce-development-programs-that-work-for-everyone>.

The Southwest Corridor is a paradox. It is filled with transportation facilities and is one of the busiest areas for commercial train travel. The region also boasts the district with more train tracks than any other.

To read about our Transportation and Infrastructure plan, you can click [here](#).

Solution: The “What If Workforce Center”

Given the major issues driving underemployment and stagnated growth in the SWC are

1. Lack of business growth and diversity in economy
2. Underemployment and skills deficit
3. Transportation inequality, it is clear a business “magnet” would enable solutions to all three challenges.

Enter the “**What If Workforce Center.**” A unique and innovative workforce training center that would fulfill key needs in the Chicago area. Due to its size and scope, it would be rolled out in phases.

The “What If Workforce Center” would include:

- Middle Skills and Training
 - Technical skills training
 - General construction and trade skills
 - Programming and technology classes
 - Health care management classes
 - Childcare worker training
 - Transportation industry skills
 - Renewable energy product and service job training
 - Upskill courses for new manufacturing and new trades skills
- Trades Training
 - While each of the major unions have wonderful training facilities, this could be another location
 - Offer Green construction skills
- Career Education and Upskill Education
 - Career opportunity and upskill concept introduction classes designed for:
 - First career learners (high school and college students)
 - Second career learners (all ages looking to find a career or redirect)
 - Career and employment counselors and placement officers
- Entrepreneurial Training and Certifications
 - Entrepreneurial/startup skills
 - Small business workshops
- Include Satellite/Kiosk Locations
 - Moraine Valley Community College
 - Will County

- Countryside
- The foundation for a national database of similar centers' services across the country
- Temporary workers hub and resource center
- An immigrants and refugee center coordinated with the airports
 - Language and cultural skills
 - Basic manufacturing and retail skills training
- Attached daycare center

Other Associated solutions to support the “What If Workforce Center” could include:

1. Imagine area-wide transportation solutions in and around the SWC that will assist in the success of a workforce training center near Midway.
 - Outside of the center: Addressing key transportation issues in the Southwest:
 - Key overpasses and underpasses
 - 31st St bus solution
 - Access to public transportation via
 - Adding train stops in larger suburban and city locations throughout all of the Metra lines in the SWC
 - Add more ‘L’ train stops closer to the area
 - Providing incentives and opportunities to related businesses, industries, and organizations
 - Attract local businesses, organizations, and colleges to use facility as an off-site training facility
 - Coordinate discount services for corporations with Midway for out-of-town learners
 - Offer incentives to small businesses, hotels, retailers, service companies, and restaurants to build locations near the center
 - Engage all levels of government and community organizations to ensure buy-in and enthusiasm
 - Coordinate with community and 4-year colleges in Chicago
 - Encourage large employers who will benefit from workers trained at the center to build locations in the SWC
 - Include a childcare center and a childcare service database
2. Imagine the “What If Center” as a national pilot model that would be built and course-corrected here in the SWC and then launched in other cities

Key Planning Steps Needed for Developing a Workforce Training Center and Hub Database

1. Define geographic assets and identify target professions. Obviously including job skills training for industries with high growth in the area are critical
2. Convene local community colleges, all types of employers, unions, all levels of government as well as unemployed/underemployed area residents to discuss:

- Skills needed for specific roles in-demand now and future
 - Best curriculum path and certification process to develop needed skills
 - Guidance/counseling needs for individuals needing advice and direction
3. Create ROI model for employers willing to consider investment
 - In most cases employers are willing to pay up to 15% of a given employee's salary if training has a strong ROI
 4. Six important components for success:
 - Focus on training modules: integration of technical, behavioral, and mindset
 - Emphasis on day-to-day and practical tasks
 - Ongoing assessments
 - Instruction delivery available in multiple channels
 - Engage and test with those designed to receive
 - Include a meta-database of currently available workforce training programs that are available across the Chicago area including trades and apprenticeships
 5. Learner assessment pre- and post-learning/training is critical
 6. Integrate across colleges, training centers, satellite sites
 7. Roll out should include public and private forums

Who is doing this successfully right now?

In-City Model: Portland, Oregon, Metropolitan Workforce Training

College Campus Models:

- Green Bay Community College, New Hampshire
- Washington State University
- Ozarks Technical Community College

Corporate Campus Models:

- McKinsey and Company on-site bootcamp training center
- AT&T's Workforce Center
- Aon's apprenticeship partnership with City Colleges of Chicago
- Chevron's Doers program

Getting Started: Build an Inclusive Coalition

- All levels of government and municipal organizations
 - Mayors and key alderman/county commissioners
 - State representatives and state senators
 - Congresspersons
 - American Job Center Network/U.S. Department of Labor
 - Career One Stop/U.S. Department of Labor
 - Small Business Advocacy Council of Chicago
 - World Business Chicago
 - Metra

- City Colleges of Chicago
- Moraine Valley Community College
- Saint Xavier University
- Business/corporate
 - Raytheon training
 - Aon workforce training
 - AT&T training
- Chicago Community Groups and Non-Profit Organizations
 - The Neighborhood Council
 - United Awareness Foundation
 - Garfield Ridge Civic League
 - Mind + Hand
 - Skills for Chicagoland's Future
 - Safer Foundation
 - GSCS (Greater Southwest Development Corporation)
 - Archer Heights Civic Association
 - CEDA
 - SWOP
 - LISC
 - ICIRR
 - JPMorgan: 3-year Chicago South and West Grant program (WBC)
 - Brazier Foundation/Building Self-Determination
 - Chicago Foundation
 - And, MANY OTHERS

Funding Sources

While funding large projects are always the most challenging part of any initiative, some considerations might be:

- Ask for support from the CREATE project fund
- Create an amendment to the Workforce Investment Act
- WBC grants: \$40 million JP Morgan grant
- CRA credits
- Using the private and public sector partners mentioned in the previous section
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Potential Next Steps

- Meet with World Business Chicago to discuss
- Refine the model and course-correct as necessary
- Begin soft-sounding with potential partners

Additional Recommendations

In order to raise everyone's quality of life, we need to raise their wages and allow them to spend more time with their families. We should support legislation to advance Medicare for All, paid family leave, universal childcare, and earned income tax credits--all of these will let families thrive without requiring people to work a patchwork of jobs to pay the bills.

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Questions or comments about this policy? Please send us your ideas at info@marienewmanforcongress.com.