

# Opportunity Agenda

## SUMMARY

The NYC REDC has adopted an Opportunity Agenda that focuses on creating opportunities for upward mobility for the nearly 21% of the region's population living below the federal poverty level. This will in large part be carried out through education, training, and workforce development initiatives that provide low- and moderate-income households with better preparation for employment and stronger connections to the workplace, whether as employees or entrepreneurs. Given the fact that low-income New York City residents live in communities throughout the city, the NYC REDC has chosen not to limit the Opportunity Agenda initiatives to specific geographic areas. Instead, its focus is on serving specific geographic communities or populations within New York City that exhibit high unemployment rates and high rates of poverty, specifically unemployment rates at least 1.5 times the citywide average (8.7% as of July 2013), and incomes considered very low according to standard measures (below 50% of area median income, which in NYC is \$49,461 for a household).

The REDC is committed to the creation of jobs that pay wages that reflect the high cost of living in the city and to educational and credentialing programs that prepare students for jobs in growth sectors of the regional economy, including health care,



technology, tourism, and creative industries.

## STATEMENT OF OPPORTUNITY

With 56% of the state's impoverished residents, New York City clearly faces the largest-scale challenge among all the state's regions when it comes to the task of providing adequate opportunities for upward mobility and career development and advancement for low-income New Yorkers. The fact that the city has one of the largest populations of non-English speaking

residents (41% foreign born) and the most intense geographic concentration of low-income residents may even serve to perpetuate what can become an intergenerational culture of poverty. Furthermore, low-income residents in urban areas may be geographically isolated, living in neighborhoods far from centers of employment and with inadequate transportation and a lack of other services that are essential to achieving social and economic mobility.

In early August 2013, the New York State Department of Education released the results of the first-ever



standardized tests of public school students in accordance with new “Common Core” national educational standards. New York City students demonstrated disappointing results — only 29.6% were found to be proficient in Math and 26.4% in English. Among Black and Latino students, the numbers were worse — just 15.3% of Black students demonstrated proficiency in Math and 16.3% in English. Among Hispanic students, 18.6% and 16.6% were proficient in Math and English, respectively. Given that the majority of Black and Hispanic children in public schools are low-income, these results illustrate one of the key challenges facing low-income households: a “skills gap” that prevents so many students from qualifying for available, good jobs and achieving upward mobility.

This is particularly true when it comes to the math and science skills that are so critical to success in the “new economy.” Out of the 50 states, New York’s high school students ranked 42nd in average SAT Math scores in 2012. And, at the post-secondary level, only 11% of all students graduating from New York City colleges and universities earned a degree in a STEM (science, technology, engineering or math) field, compared with 16% in Austin, Boston, San Francisco and San Jose, illustrating that com-

petitor cities are doing a better job of preparing students for the high-growth jobs of the future. The energy utilities and financial institutions that are a source of good jobs for city high school graduates now require more math and technology background than most public school graduates have. Both high-tech firms and small advanced manufacturing companies in the city’s highest growth industries report a lack of relevant preparation among public school and community college graduates. Public feedback, such as that at the Queens Opportunity Agenda Work Group meeting that took place in late July, also bolsters the idea that the REDC should be focusing in a significant way on developing the pipeline of young and older adults with both technical and academic skills for the new economy. Substantially increasing the number and proportion of qualified high school and college graduates, particularly those with strong STEM knowledge, will constitute a major step toward closing the skills gap that prevents low-income New Yorkers from accessing good available jobs and careers.

A second challenge facing low-income residents is that the job requirements for many of the city’s key industries are changing, threatening current job-holders who lack the credentials

to adapt to a new work environment. Health care is an example of an industry that has been the gateway to the middle class for several generations of New Yorkers, but where the shift of employment opportunities from acute hospital care to primary and preventive care is disrupting the industry and its workforce. New York City, with labor, education, local government and industry collaboration, has led efforts to create “stackable credentials” and provide retooling of skills for hospital workers to make the transition to the new jobs emerging in the industry, but this remains a nascent effort that needs to be supported and scaled.

Finally, it is clear that the current educational and workforce development offerings at the city’s public schools and universities, as well as the private and nonprofit training agencies, are not performing at levels required for New York City to offer opportunities for advancement to many of its lower income residents. Up to now, there has been no systematic tracking of outcomes of these programs that funders can use to direct resources. This year, a new law authorizing the State to draw outcome data on these programs from its Wage Reporting System (WRS) was enacted. This will enable state and city agencies to establish performance measures to judge the efficacy of the several billion



dollars invested in career and technical education, training, and workforce development by government each year. With WRS data, it should be possible for government agencies and educational institutions to determine what programs are succeeding in preparing low-income people for available jobs, based on hiring, wage, and retention statistics.

The sheer numbers of individuals and families struggling to make ends meet, and the seeming intractability of their situations have become a threat to the overall economic vitality of the region and all of New York State. The sense of hopelessness that comes with conditions of significant income inequality is beginning to distort the city's social and political environment, placing a strain on the city's resources that detracts from needed investment in education and economic growth. It is also raising concerns about the future stability of the city among employers. By 2020, there will be a 21% increase in the number of jobs in the city that require an associate degree or higher. Either the city's labor pool will be prepared to take these jobs, or the regional economy will suffer as employers relocate to places that have an adequate supply of well-trained workers and a more favorable business climate. Clearly, the city's continued role as a global center of business,

finance and innovation depends on reaffirmation of the fact that New York is a premiere city of opportunity for all.

## OPPORTUNITY AGENDA STRATEGIES

The REDC Opportunity Agenda strategies begin with analysis of industry trends and job growth sectors that represent the greatest potential for college and career advancement for low-income New Yorkers over the next decade. Resources that the REDC is using to inform its strategies include the NYC Jobs Blueprint published by the Partnership for New York City, as well as ongoing analysis of trends and projections by the U.S. Bureau of Labor Statistics, the New York Federal Reserve Bank and the New York City Labor Market Information Service based at CUNY.

There are three components to the strategy for expanding opportunity for economically distressed New Yorkers:

1. Building more robust partnerships between employers, the public school system, and the public university system to ensure that public education is relevant to the

demands of the contemporary workplace;

2. Creating a fully integrated, comprehensive workforce development system that enables people to move up the career ladder; and
3. Targeting state funding to projects and programs that lead to gainful employment and upward mobility.

## IMPLEMENTATION PLAN

The actions required to implement the Opportunity Agenda strategies begin with ratification by the REDC of the amended Regional Plan and endorsement of priority projects for the current CFA competitive funding round that reflect the Council's strategic priorities. In terms of the immediate opportunity to secure \$100,000 for launching the Opportunity Agenda, the REDC proposes that these funds should be directed to the CUNY Research Foundation for development of a program to support the accelerated rollout of the Pathways in Technology 9-14 early college school to career model, in partnership with the city and state Departments of Education and private sector employers. This will build upon the Governor's 2013-20

New York State Pathways in Technology Early College High Schools program and allow CUNY's Early College Initiative to manage the interface between its community colleges, the educational agencies, employers and other stakeholders.

The second implementation project will involve advocacy for reform of the workforce development system, utilizing new data available through the Wage Reporting System. The REDC will join with the New York City Workforce Funders Group, a consortium of foundations that support workforce development by enhancing the effectiveness of the City's public and nonprofit workforce development programs, to inventory existing programs that are funded to support the training and placement in jobs of low-income populations and to coordinate efforts to identify those training programs that are performing well and those whose results indicate they are not responsive to current industry needs. The REDC will also work with the Workforce Funders Group to develop a universal system of assessment, data and information management to track program effectiveness and to ensure responsive programmatic changes.

Finally, in tandem with ESD, the REDC will determine what the sponsors of current and pipeline projects are doing to train, employ and provide career ladder options for low-income people and residents of economically distressed communities. The REDC will use the findings of its inventory of current programs to assist employers in taking advantage of successful sources of workforce development. The REDC will also make compliance with its workforce development goals a key criterion for its funding recommendations on future projects.

## PERFORMANCE MEASURES

The NYC REDC expects that the following indicators will serve as metrics for the effectiveness of these strategies:

- The number of new industry-partnered Early College High Schools opened in New York City, and the strength and breadth of the employer partnerships supporting those schools.
- Performance indicators for the schools themselves, including retention and graduation rates, and the number of college credits and

college degrees earned in conjunction with high school degrees by graduates of the schools.

- Data drawn from the State's Wage Reporting System will provide the single most important indicator of the success of these schools and industry partnerships. Access to information regarding the long-term earnings and industries of employment for graduates of the schools will allow government agencies and public education systems to much more precisely measure the effectiveness of their investment strategies and programs.
- Data from the Wage Reporting System, more broadly implemented, will also serve as the basis for evaluating the success of the full range of publicly and privately supported workforce development programs in New York City, allowing all stakeholders to define and measure success in these programs on a much more comprehensive basis than was possible in the past.