

*Economic Development Programs and Initiatives at Work in the City...*

**BACKGROUND AND CURRENT SERVICES**



During the late 1990's, the City of St. Louis saw an eighteen percent drop in manufacturing jobs, as compared to a four percent drop at the national level. The state of Missouri lost 55,000 jobs in a twelve-month period ending June 2002, ranking first in the nation in jobs lost during this period. Yet despite several setbacks in the past five years, including a major reduction in American Airlines activity, the St. Louis region has performed well over the past year in terms of job creation, ranking 4<sup>th</sup> in recent Bureau of Labor Statistics survey release.

Job losses and declines in specific industries due to 911, overseas outsourcing and other factors have obliged the region's employment and training agencies to re-evaluate the mechanisms and programs they use to serve their clientele, many of whom are lowincome and difficult to employ. Entry-level positions became ever harder to find given increased competition. Many unemployed and underemployed individuals have found it necessary to train in new fields. In 2002, seventy-eight percent of area job openings in the St. Louis region were for entry-level positions.

Unemployment has a disproportionate impact on the African-American community, both in the City, where over half of the population is African-American, as well as in the nation. In March 2003, the unemployment rate for African-Americans in the city was 13.3 percent, compared to a 4.1 percent for whites; nationally, African-American unemployment hovered at 10.9 percent. In addition, a wide disparity in unemployment rates exists between the City and other parts of the region. In 2000, the City's unemployment rate was more than double St. Louis County's; more recently, the disparity, while still significant, has dropped.



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**BACKGROUND AND CURRENT SERVICES** (continued...)

The two areas of employment that continue to show growth in the St. Louis region are in the construction and healthcare sectors. Area employment training programs are trying to implement more programs to prepare workers to enter these fields. It is anticipated that these sectors will continue to grow in the City as biotech businesses spawned at local medical centers and the Center for Emerging Technologies grow and expand.

**Agencies and Services:** A number of agencies work, sometimes together, on meeting the region’s employment and training needs.

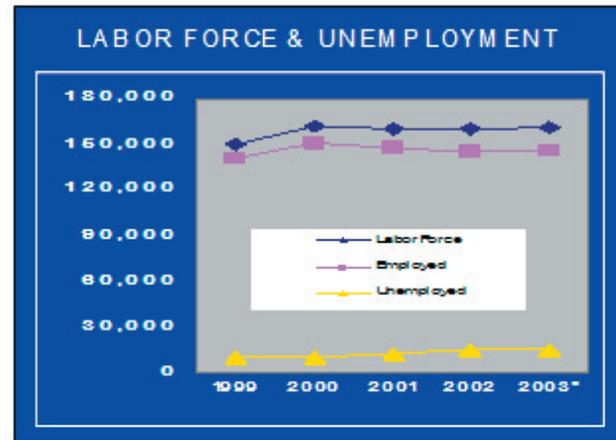
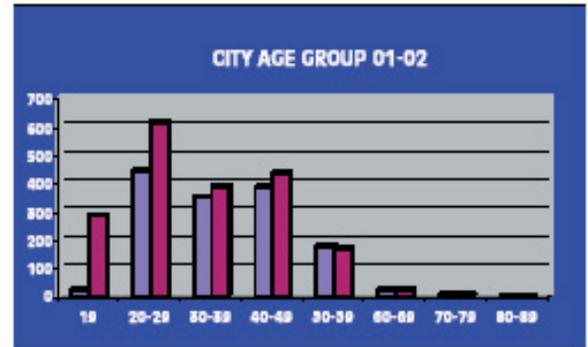
The primary agency involved delivering these services to City residents is **St. Louis Agency on Training and Employment (“SLATE”)**, a City department with responsibility for developing a strong workforce. Over the past five years, SLATE has increased its focus on training programs that meet the specific needs of the region’s labor market. SLATE’s approach is collaborative—the agency’s partners include the St. Louis Public Schools, St. Louis Community College, University of Missouri—St. Louis, the Missouri Divisions of Workforce Development and Child Support Enforcement, the Missouri Division of Employment Security, and other governmental and quasi-governmental agencies as well as a number of non-profit partners that serve specific populations— these partners include Better Family Life and Employment Connections. This collaborative approach fosters a network of in-house and community-based service providers who help individuals prepare for, attain and maintain employment. SLATE’s “one-stop” center provides academic and occupational assessments, GED assistance, computer

training and vocational training, job search skills and tools that include fax, copier, telephone and internet service, job opportunity postings and life style support services that include appropriate interview clothing as well as housing and transportation assistance. At the present time, SLATE’s activities are financed almost exclusively by federal grants—some entitlement, like Workforce Investment Act funding, based on population characteristics, and some competitive for specific purposes. These federal funding sources require that a minimum of 51 percent of SLATE’s clients meet financial eligibility standards—the actual number of such clients greatly exceed the 51 percent requirement. The Agency currently employs thirty-two staff, including the Executive Director, appointed by Mayor Slay. The majority of the Agency’s services are delivered through contracts with non-profits and educational institutions like the Community College.

In FY2001-2002, SLATE placed nearly 2,000 people in the age demographic ranges shown in the chart at right!

185 employers hired SLATE clients in the first five (5) months of FY03-04, including Barnes Jewish Hospital, McBride & Sons, Proctor & Gamble, Schnuck’s Markets, the Federal Reserve Bank and Essex Cryogenics.

In 2003, SLATE initiated discussions to merge the St. Louis City and St. Louis County employment and training agencies to better serve job seekers from both jurisdictions—discussions are continuing.



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**BACKGROUND AND CURRENT SERVICES**



The **Metropolitan Education and Training Center (“MET Center”)** in Wellston is a strategic partnership created to support and stimulate economic growth among the region’s underserved and economically disadvantaged populations, by delivering focused, comprehensive and accessible job training placement tailored to the needs of growing employment sectors, as well as assessment, career development and transportation services. The MET Center serves underemployed, unemployed and displaced workers with assistance that leads to sustainable work and a competitive regional economy.



The Center is the result of a collaborative effort between the City and County agencies that include Better Family Life, RCGA, the East-West Gateway Coordinating Council, the St. Louis Public Schools, St. Louis Community College, St. Louis County Public Works, SLATE and the City and County Workforce Investment Boards. SLATE contributes to the Center’s budget.

The Center serves both City and County residents, with a focus on responding to regional labor demands through their programs and services. This agency instituted the Regional Jobs Initiative which integrated services at the Met Center and other employment training venues through shared databases, strong tracking and program review.

The Center not only provides training and placement for entry-level jobs, but also continues training for those placed in jobs that prove themselves capable of advancement. One of the Center’s most widely acknowledged successes is in the field of computeraided manufacturing, skills used in aerospace and other high-accuracy manufacturing industries.

In 1998, **ARCHS** formed the Welfare to Work Committee, with a mission of identifying and addressing major regional challenges involved in moving affected citizens from welfare to work. The Workforce Development Committee currently collaborates with the Missouri Departments of Economic Development, Labor and Industrial Relations, Mental Health, and Social Services to improve service delivery to those in need and encourage moves to self-sufficiency. The Committee works ensuring that the range of services necessary to meet this goal—counseling, access to transportation, childcare support—are available to those who need them.

**YouthBuild St. Louis** is coordinated by Youth Education and Health in Soulard, with funding from the Department of Housing and Urban Development and SLATE. The program is targeted to 17-24 year old individuals who have not graduated from high school and provides assistance with completing courses leading to a GED as well as on-the-job training in the construction industry, via positions with professional contractors working on building and renovating affordable housing in the community.



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### **BACKGROUND AND CURRENT SERVICES** (continued...)

The **International Institute** is the primary orientation hub for new immigrants and refugees arriving in St. Louis. The Institute's mission, since 1919, has been to strengthen the community by helping immigrants and their families settle in the St. Louis region with services including English instruction, job placement, networking with other agencies, employment training, small business development assistance and housing assistance. The Institute helps almost 1,400 immigrants per year. Funding sources include federal funds specifically earmarked for refugee and immigrant resettlement, state funds, the United Way, and private donations.



International Institute



The **St. Louis Workforce Partnership** is a network of fifteen agencies and/or groups interested in improving employment and training opportunities. The partnership has worked to reduce service redundancy and bureaucracy and focuses on providing direct services to the area's underemployed and unemployed. One of the Partnership's direct service initiatives is the St. Louis Skills Center. Funded with a federal grant and partnering with local non-profits, the Skills Center helps people develop customer service skills for employment in the retail sector. Additional programs are geared to help employees advance in a retail career.



**East-West Gateway Coordinating Council's** workforce development strategies are geared towards creating competitive employment and a strong workforce throughout the St. Louis region with programs and policy initiatives focusing on better jobs and rewarding careers. The agency's most ambitious and longstanding workforce initiative is the St. Louis Regional Jobs Initiative, a seven year, five-site national demonstration program funded by the Annie E. Casey Foundation and other public and private sector partners. The following are some of the stated goals of the initiative.

- Develop construction trades training resources.
- Provide support for WorkLink, a program serving chronically unemployed adults in St. Louis City and County.
- Enable community-based organizations to prepare low-income adults for career opportunities through outreach, recruitment, job-training and job-search assistance.

East-West Gateway is also a partner in the Met Center which provides assistance in program development, and coordination and the integration of shared functions among training providers.



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**RECOMMENDATIONS**

Implementing these recommendations will better address the City's employment and training needs

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**Work with Congress to enable the passage of a Workforce Investment Act authorization/appropriation bill that will address employment/training needs in the City of St. Louis:** This legislation as currently proposed would cause burdens on the City of St. Louis. For example, at present, 70 percent of youth funds are required to be spent on children in school and 30 percent on those who have dropped out. The House version would reverse these ratios, probably resulting in the end of many summer programs. Established difficulties in recruiting dropouts could make it difficult to spend funding. The Work Force Investment Act suffers from too many prescriptive requirements--local governments need flexible funding which they can customize training programs to meet the needs of the specific populations and business environments they serve.

**Continue the One Stop Coordinated Services Approach:** Nine different employment assistance groups are assembled at the offices of SLATE. This synergy has helped service delivery and should be continued.

**Increase collaboration with regional employers:** New initiatives at the Regional Commerce and Growth Association, the St. Louis Regional Business Council and universities hold promise for a more coordinated approach to work force development in the City of St. Louis. The best of these programs help local educational institutions and employment providers

to customize their services to the needs of the business community.

**Balance flexible services with discipline:** Many clients needing employment assistance need additional social skills training. Agencies must continually reconsider what level of assistance can be provided when clients lack the drive to improve their situations.



**Refine and monitor "choice based" training options:** The Work Force Investment Act allows qualified candidates to take an Individual Training Account ("ITA") to a certified provider of his or her choice in order to meet individual interests. This flexible program introduces new concerns in determining if the chosen field is one for which there are reasonable chances of post-training employment, and whether the particular individual has a realistic chance of success in the chosen career.

**Continue on-going analysis of labor demands in the region:** The Public Policy Research Center at the University of Missouri St. Louis provides an ongoing survey and analysis of employment needs in the area. This service is critically important if relevant training programs are to be offered.

**Consider ways by which the "First Source Agreement" process can be made more effective:** A Mayor's Executive Order requires that businesses receiving City assistance use SLATE as a "first source" for new hires. Awareness of this requirement needs to be increased and its application more consistently applied, and a new effort made to clarify and simplify the guidelines.

**Continue to explore the feasibility of a regional Workforce Investment Board and consolidating agencies:** The Work Force Investment Act requires that there be a governance board led by private sector representatives. In the St. Louis region, there are six (6) such boards, despite the fact there is one labor market. Efficiencies and better service could result if these boards and the organizations that staff them were combined.

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### **RECOMMENDATIONS** (continued...)

**Strive to establish reciprocal agreements across state lines:** The many employment service providers and employers on both sides of the river would benefit from reciprocal training agreements. There is interest in a regional employment service as promoted by groups like the Regional Empowerment Zone.

**Continue to investigate new initiatives:** The Annie Casey Foundation-supported Regional Jobs Initiative is near the end of its seven-year program funding of approximately \$450,000 per year—much of this funding has supported the Met Center. The lessons of this multi-year effort need to be evaluated and turned into follow-up initiatives, one of which must be the preservation of the Met Center and its work.

**Support and improve the Workforce Partners Collaboration:** Workforce Partners is a group of organizations that provide diverse employment training services. The organizations could become a more effective force by adding other organizations to the collaborative, upgrading collaborative member skills and increasing effective communication with employers.

**Expand special transportation services that connect workers with jobs:** The Transportation Management Associates subsidiary of Metro, the region's public transportation agency, provides a variety of services that City workers to suburban employment locations. These services are expensive to run but make sense when large suburban employers that need workers can be convinced to help support and market the programs. The need for this service could be reduced with the development of more affordable housing near employment centers.



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## RESOURCES

**Design creative outreach strategies:** To re-attract persons who have left the work force for long periods of time, groups like Work Links at the Met Center should be encouraged in their efforts to motivate individuals to participate in work readiness programs. A partnership between advertising and public relation firms on the one hand and employment service providers on the other could help make individuals aware of services that are available.



Resources for employment training come from many sources both government and philanthropic. Among the large sources of support are the following:

- The **Work Force Investment Act** provides approximately \$7.4 million annually to the City of St. Louis. These are entitlement funds awarded on the basis of population, poverty and other variables.
- “**TANF**”, or Temporary Assistance to Needy Families funds are federal welfare funds provided to the City by the State Department of Social Services to move TANF recipients from welfare to work. This source of funding first became available to the City in 2003. Current funding amount is approximately \$4.1 million per year.
- **National Emergency Grant Awards** are made based upon specific situations. For example, the area received \$2.1 million in response to the American Airlines cutbacks while the state received \$7.4 million for the same reason.
- The **HOPE VI** program provided approximately \$4 million over a multi-year period for employment training in association with mixed income housing developments that are replacing traditional public housing at the Vaughn, Darst-Webbe, Blumeyer and Vaughn complexes.
- The **Annie Casey Foundation** provided a seven-year grant in the amount of \$750,000 per year to support the Regional Jobs Initiative which includes a number of programs. Grant funding will expire in 2005. EWGCC has served as the development intermediary

for the foundation grant. In recent years, much of the funding has gone to the Met Center and Better Family Life.

- The **Enterprise Foundation** has provided support to the Work Force Partners, Grace Hill and a number of other employment and training service providers in the City of St. Louis.

It is expected that many of these sources will remain active in the City of St. Louis.



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