

FIGHTING POVERTY IN COLUMBUS BY CONNECTING EMPLOYERS WITH IT-READY WORKERS



PER SCHOLAS

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“There is nothing like a full-time year-round job for minimizing the risk of poverty. The family of a householder with such a job generally has had no more than one chance in 50 of being poor in good times ... and less than one chance in 25 of being poor in bad times.” — Ohio Poverty Report¹ / Feb. 2013

ASSESSING THE WAR ON POVERTY

Fifty years after President Lyndon B. Johnson declared a war on poverty, the results of government-sponsored programs to fight poverty are mixed. Despite thoughtful studies arguing that poverty numbers would be much higher without welfare programs,² the general consensus is that these programs have failed.³ Rather, leaders and experts are advocating for a more effective approach to lifting people out of poverty—and preventing them from falling in—and that approach is getting people employed.

According to the 2013 Ohio Poverty Report, about 10.6 percent of Ohioans live in poverty. Statewide, ethnic minorities comprise less than 20 percent of Ohio’s general population, but make up 31.8 percent of those living in poverty. County to county in the Columbus Region, poverty numbers vary widely: In 2011, Franklin, Marion, and Logan counties had poverty rates of 17.4, 18.5 and 14.9 percent respectively, while poverty rates in the other 8 counties in the region ranged from 4.5 percent (Delaware) to 13.1 percent (Pickaway). The City of Columbus’ poverty rate rose 50 percent from 1999 to 2011, from 14.8 percent to 21.8 percent. Poverty rose in the suburbs as well, from 6 percent in 2000 to 9.5 percent in 2011.⁵ About 98,336 Columbus suburban residents lived in poverty in 2011, an 87 percent increase in a decade.

But that is only part of the poverty picture. Communities must also contend with the “near poor” or the “working poor,” those individuals who are financially able to meet their family’s immediate, basic needs of food, shelter, and transportation, but who do not earn enough to get ahead. They are unable to save for retirement, may not have health insurance, may face mortgage foreclosure, bankruptcy and the inability to pay college tuition for their children. In Ohio, the working poor comprise an additional 17.9 percent of the population.⁶ Many individuals in this category have dropped from the middle class and suffer from being underemployed, where they possess more formal education and experience than is needed at their current position or where they are involuntarily working fewer than 40 hours. In fact, according to the 2011 American Community Survey (as cited in the Ohio Poverty Report), adults in Ohio who held jobs that were less than fulltime comprised a higher percentage of the poor population than those who did not work at all.

Poverty contributes to a number of diminished outcomes for individuals and communities. Lack of access to primary healthcare among the poor in Franklin County contributed to a higher than average utilization of emergency rooms, higher than average rates of diabetes, and higher rates of infant mortality.⁷ A Centers for Disease Control and Prevention study found that the children of women with low incomes were twice as likely to die between ages four-weeks and one year; and that infant mortality was 13.5 per 1,000 infants for women with incomes below the poverty level as compared to 8.3 for those above it.⁸ In 2009, Ohio received an “F” from the March of Dimes for not doing enough to prevent preterm births. In Franklin County, the percentage of low birth weight babies and the infant mortality rate are higher than the state average.⁹

Lack of education and training perpetuates the cycle of poverty. One of the biggest predictors of poverty in the United States is whether a person has attained a high school diploma or equivalency.¹⁰ Students of families in the bottom 20 percent of income are five times more likely to drop out of school than those in the top 20 percent.¹¹ The Columbus City School’s high school graduation rate in 2010 of 77.6 percent (which may actually be lower due to recent findings of attendance data rigging which casts doubt on the accuracy of the district’s state report card) was well below the state average of 84.3 percent and fifth among Ohio’s Big 8 metro schools.¹² It is hard to find any job, let alone one that pays a living wage to support a family, without a high school diploma since, for most jobs, that is a minimum requirement.

Furthermore, regardless of how well-educated a worker is upon entering the workforce, long-term success increasingly hinges on his or her ability to outpace technology and globalization by continually acquiring relevant education, training and job skills. Those who fail to keep pace risk finding themselves jobless, or working low wage, low skill jobs. Many simply drop out of the job market altogether. In March 2013, the percentage of adults working nationally dropped to 63.3 percent, the lowest percentage since 1979, while the number of workers ages 20 to 24 hit a 41-year low.¹³ Low labor participation rates explain why jobs go unfilled: the available job seekers do not possess the skills required by employers.

THE NEED FOR WORKFORCE DEVELOPMENT THAT WORKS

The drag on economic growth caused by unemployment, underemployment and poverty is receiving the attention of business executives as well as nonprofit leaders, local elected officials, and lawmakers on both sides of the aisle. To better understand and reverse the trend of longterm unemployment, the White House recently convened a meeting between CEOs of some of the country’s largest employers, job seekers who have struggled to find employment, and representatives of nonprofit organizations that provide effective job training. Among the nonprofits in attendance to offer leadership and expertise were the National Skills Coalition, Business Leaders United for Workforce Partnerships, and Per Scholas. Workforce Development is also gaining attention in the media. Recently, *60 Minutes* focused on Year Up, a national nonprofit workforce program that brings 18- to 24 year-olds from low-income, urban communities into the corporate labor market.¹⁴

Effective workforce development increases efficiencies in the labor market and contributes to job creation. The labor market is more efficient when job seekers meet the skill demands of hiring employers. Job seekers have the skills that employers expect when they have ready access to job training that is sector-based and employer-driven. When done correctly, effective job training, which combines both technical training and an emphasis on soft skills, allows job seekers to refresh their skills or completely retool depending on their existing skills and experience and the demands of local employers. In this

scenario of efficiency, employers know exactly where to go to access high quality, well-trained individuals to hire. Effective workforce development also contributes to job creation. When employers have ready access to skilled and trained workers, they can quickly add workers to meet business opportunities as they arise.

Yet, not all workforce development is created equal. Garden-variety workforce development in Ohio has not always produced desired results for employers or for job seekers, with Workforce Investment Act (WIA) funds returned—unspent—to the federal government. An alternative, effective model for workforce development is needed.

PER SCHOLAS AND THE IT-READY PROGRAM

Per Scholas is a 501(c)(3) nonprofit that for over 15 years has provided free, high quality technology education, job training, placement and career development opportunities to people in underserved communities. In that time, it has trained more than 4,500 adults ages 18 and up for entry-level IT roles. The graduates work today in hundreds of corporations, small businesses, nonprofits and government agencies. The Social Impact Exchange recently named Per Scholas as one of the Top 100 Nonprofits creating proven social impact in the United States.

In 2012, Per Scholas teamed with the Creating IT Futures Foundation (CITFF), the philanthropic arm of the country's largest IT trade association, CompTIA, to develop IT-Ready — a program based on best practices in IT workforce development learned by both organizations over the years. More than 600 adults each year complete the multi-week training and, as a result, nearly 85 percent become certified and nearly 80 percent become employed. The IT-Ready network currently includes sites in Columbus, Cincinnati, Minneapolis/St. Paul, New York City, and the National Capital Region. Three more sites are scheduled to open over the next three years.

In Columbus, IT-Ready is offered, tuition-free, to unemployed and low income adults to give them skills training that leads to industry-recognized certification and entry-level employment in IT.

The IT-Ready model consists of five key attributes of successful workforce development. Such programs are sector-based, involve employer input, train to industry-relevant certifications, impart soft skills, and offer a smooth hand-off to employers:

- **Sector-based workforce development programs train to a targeted job sector — such as home healthcare aide, skilled manufacturing or information technology; and are more likely to result in long-term employment for participants than programs that train for generic employment.**¹⁵

IT is ripe for individuals who can learn to operate software and hardware that power the information economy. A small percentage of companies are all-IT — the Ciscos and HPs of the world. But all companies have some IT, no matter what industry they inhabit.

Advanced mathematics or science degrees are not required for entry into IT. At its core, IT is about problem-solving and helping customers and workers use technology. Help desk and desktop support are entry-level computer support roles that lead to advancement in IT. Workers make their way up through several tiers of support roles and can move into other sub-specialties, like database administration, network administration, or internet security. Wages for entry-level IT positions

start around \$12 per hour, which is 35 percent above minimum wage. Wages increase rapidly as employees advance in experience and obtain additional certifications. The average hourly wage for computer support technicians nationally is \$23.51.¹⁶

- **Workforce programs designed with employer needs in mind are more likely to attract employer partners.**

Information technology is constantly changing. Even the most innovative and agile academic program may be challenged to keep learning materials up-to-date. IT-Ready, by contrast, follows trends in the field, adapts its curriculum and learning outcomes to real world scenarios, and solicits feedback from CEOs, CIOs and IT professionals. In addition, IT-Ready leverages IT professionals as subject matter experts to share their wisdom in the classroom as volunteer speakers, mentors, and the like.

- **Employers report the need for workers who already possess some relevant technical skills before hire.**¹⁷

IT-Ready trains toward the CompTIA A+ certification, a vendor-neutral certification that assures mastery of a baseline body of knowledge. In addition, many IT-Ready graduates participate in internships and apprenticeships to gain industry experience and strengthen their resumes.

- **Employers routinely stress the importance of professional “soft” skills (e.g. communication, conflict management, dress and dependability). Workforce programs that stress soft skills in addition to technical knowledge produce workers that are preferred by employers.**¹⁸

IT-Ready is selective. Students are pre-screened for enthusiasm and reliability traits, then taught soft skills for the workplace. This is in response to employer feedback which consistently rates soft skills as equally important as technical skills for longterm success in the industry.

- **The most successful employer-led workforce development involves a hand-off of qualified resumes to participating employers. Programs that vet potential employees are highly valuable to employers, assuring they have qualified applicants before the interview stage.**

Per Scholas has developed close relationships with nearly a dozen Columbus area employers including JP Morgan Chase and Time Warner Cable in order to share resumes and offer personal recommendations of its IT-Ready graduates for entry-level IT roles. The full-time, eight-week program allows for Per Scholas staff to get to know students well and recommend them with confidence.

HELPING TO MEET THE GOALS OF COLUMBUS 2020

Workforce development, when done the IT-Ready way, can help the Columbus Region achieve its Columbus2020 goals.

Goal: Add 150,000 net new jobs.

Response: IT-Ready expects to graduates as many as 80 individuals in fulltime work for each of the eight years from 2012 to 2020, for a total of 640 additions to the IT workforce, an amount that can increase based on employer demand.

Goal: Increase personal per capita income by 30 percent.

Response: Those working minimum wage jobs prior to the Per Scholas IT-Ready program can expect to earn a full-time hourly wage of at least \$12 (35 percent more than minimum wage). Many IT-Ready participants are unemployed or working only part-time prior to starting the program. In New York, most IT-Ready program participants go from earning less than \$5,000 annually prior to the program to earning salaries of \$28,000 after graduation.

Goal: Add eight billion dollars of capital investment.

Response: Per Scholas and its partners will have invested over \$3.2M between now and 2020 on IT-Ready in Columbus, about \$5,000 per student.

Goal: Be recognized as a national leader in economic development.

Response: The IT-Ready site in Columbus is one of just five sites nationally. IT-Ready will give the Columbus economy an advantage over other cities, giving companies the trained technology workers they need to grow, resulting in economic growth and development and job creation that will be a model for cities nationwide.

Goal: Retain and expand the companies and industries that call the Columbus Region home today.

Response: With its IT-Ready program, Per Scholas helps companies to grow their workforce as business needs dictate because they know a trained, skilled and certified workforce is at the ready to fill their technology jobs.

Goal: Attract major employers to establish operations in the Columbus Region.

Response: IT-Ready is one more example of how the Columbus Region leverages best practices from around the country to share with prospective businesses considering expanding or relocating to the region. IT-Ready is nationally recognized as among the best worker job training models to ensure local labor force meets the demands of employers with IT jobs.

Goal: Create more commercial enterprises by leveraging research assets and entrepreneurs. Entrepreneurs want to build their companies where there is a pipeline of workers available

Response: IT-Ready adds to the worker pipeline to ensure a trained, skilled and certified workforce is at the ready to fill technology jobs.

Goal: Improve civic infrastructure and political conditions that enhance the economic development environment.

Response: When workforce development becomes a reality rather than just a buzzword, businesses and the voting public take notice and see that government is working for them.

SUMMARY

Workforce development, when it follows best practices, can help develop a more efficient local labor market, allowing businesses to capitalize on new opportunities sooner, while getting more people into sustainable, living-wage jobs. The IT field is especially amenable to a sector-based workforce development approach. Per Scholas established the IT-Ready program in Columbus in order to combat poverty through training toward an industry-recognized certification and placement into a full-time paid position. Per Scholas seeks a closer partnership with governmental, nonprofit, and for-profit organizations to close the skills gap and eliminate poverty through employment and job creation. For more information on how to get involved, please contact Andrea Applegate, Managing Director of Ohio Operations, at (614) 824-4777 or ajapplegate@perscholas.org.

Per Scholas
112 Jefferson Ave
Columbus, OH 43215
perscholas.org

PER SCHOLAS PARTNERS IN COLUMBUS

Action for Children's - Fatherhood Initiative

Amethyst

Career Transitions Institute

Center for New Directions

Choices

Columbus Chamber of Commerce

Columbus City Council

Columbus State Community College

Columbus Public Health Department

Columbus Housing Partnership

Columbus Recreation & Parks

Columbus Urban League

County and City Public Health Departments

COWIC and COWIC service providers

Empleos and Employment LLC

Dress For Success

ECDI

Franklin County Child Support Enforcement Agency

Franklin County Jobs and Family Services

IMPACT - Community Action

Jewish Family Services

Mid-Ohio Food Bank and community food pantries

Nehemiah House

Ohio Benefit Bank

OSU-Extension - University District

PACT (near East side)

ResCare Workforce Services

Scioto Ridge Job Networking Group

United Way of Central Ohio

Women's Fund member agencies

YWCA + YMCA

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