

## Executive Summary

.....  
 The *State of the Workforce for New Orleans and the Region* presents a snapshot of current research and key indicators on the labor market supply, the labor market demand, the gaps between the two and an action plan for prudent use of the research findings to close the gaps.

The report builds on the research, findings and recommendations of the following reports.

- *A Blueprint for a Better New Orleans* conducted by the Committee for a Better New Orleans/Metropolitan Area Committee (CBNO/MAC).
- *A Haunted City? The Social and Economic Status of African American and Whites in New Orleans*, conducted by Dr. Silas Lee.
- *Growth and Change in the Louisiana and New Orleans Labor Markets* commissioned the U.S. Conference of Mayor's High Skill Cities Consortium and conducted by the Center for Labor Market Studies of Northeastern University.
- *Making Connections: A Regional Workforce Partnership Community Audit*, commissioned by the Region 1 Workforce Partnership. Demand Side research conducted by MetroVision and Supply Side research conducted the New Orleans Jobs Initiative.
- *Regional Indicators of Sustainable Development for Southeast Louisiana, 2002*, conducted by Top 10 by 2010.
- *The Metropolitan Report: Economic Indicators for the New Orleans Area* conducted by the Division of Business and Economic Research of the University of New Orleans.

- The *Literacy Alliance of Greater New Orleans Final Report* conducted through the Lindy Boggs National Center for Community Literacy at Loyola University and funded by the Baptist Community Ministries Foundation.

Content analysis of these reports coupled with examination of economic indicators of the Louisiana Department of Labor, the U.S. Economic Census, the County Business Patterns, the Louisiana Department of Education and the 2000 U.S. Census, support the need for investment in the human capital of the city and region to build the skill and capacity level of the labor market supply in a manner that meets the demands of the diverse local and regional economy.

Overwhelmingly, the research indicates a critical lack of “foundation” skills to meet employer needs for skilled and reliable workers. Moreover, while the research demonstrates that many employers have both the capacity and the resources to provide industry and job specific occupational skills, basic skills, higher education and/or post-secondary training, and effective work “traits” are critically absent in the labor market supply. This factor has the potential to retard economic growth and, by extension, social stability.

It is from this perspective that the Mayor's Office of Workforce Development and the New Orleans Workforce Investment Board propose **Job One** – a comprehensive plan for building the capacity of the current and future workforce of New Orleans to meet the demands of a diverse and growing economy.

## Introduction

.....



To the Citizens of New Orleans:

I commissioned the *State of the Workforce Report* to serve as a baseline as we take on the challenging task that lies ahead of us. We will use this report to measure our progress and focus on results. We cannot accurately address the issues confronting our workforce and prepare for the future demands of the business community without first understanding the State of the Workforce in New Orleans.

Some of the findings in this report were astonishing, and quite frankly, worrisome. Now that we've identified some of our most pressing problems, we are better suited to remedy the situation. I hope that the frank discussion contained in this report galvanizes the community, particularly our business and education community, to focus on building a skilled workforce.

My Workforce and Economic Development advisors are working together to bridge the gaps that exist between the skills of our workforce and the needs of our employers. Having a highly trained workforce would not only help improve our own business community but would also make New Orleans a more viable option for relocating businesses from around the country. We realize that our people are our greatest asset and we will invest in their skills to build a more prosperous New Orleans.

C. Ray Nagin, Mayor  
City of New Orleans



Dear Stakeholders:

As the New Orleans Workforce Investment Board (NOWIB) continues on the path of creating a coherent and effective labor market system for New Orleans and the region, the key task that we face is to establish a useful framework for responding to the needs of the existing and emerging economy.

This first *State of the Workforce Report*, we feel, provides an effective framework for implementation. The report is rooted in the realities of the local and regional economies and is uncompromising in its commitment to ensuring that all New Orleanians have an opportunity to benefit from a revitalized economy. As well, the report ensures that NOWIB is linked to and supportive of the Office of Workforce Development, the leadership of the Mayor's Office, and the commitment of public, private and civic organizations throughout the region that are organized around the issue of workforce and economic development.

The promise of the *New Economy* will not be realized by creating workforce programs in isolation from economic development plans and strategies. As such, NOWIB must balance the equation between the supply side and the demand side of the labor market, enter into close, long-term partnerships with regional employers and ensure effective access to all citizens.

Franklin P. Sames, Chair  
New Orleans Workforce Investment Board

## Key Findings

.....

...while the unemployment rate for New Orleans is 7.4%, of the adult population, only 49% is employed....Unemployment measures only the number of people that have filed unemployment insurance claims. Yet, the Supply Side research of *Making Connections: A Regional Workforce Partnership Community Audit* notes that there remains a large number of citizens in New Orleans and the region that are uncouncted, but a part of the labor force.

.....overwhelmingly and in all industry sectors, employer demand is for work-readiness... Interviews of local employers conducted by the Business Service Representatives of the Department of Economic Development indicate that many businesses in New Orleans (47%) provide training and the majority of these (73%) have stable training budgets. Compellingly, research reveals that employers are looking for reliable, work-ready persons with basic foundation skills that can be trained on-the job or through company sponsored training programs.

...of the barriers facing job seekers in New Orleans, lack of basic literacy skills is a major barrier to employment....*The Greater New Orleans Literacy Alliance Final Report* estimates that 33% to 44% of the local population age 16 and over (124,660 to 166,714) function at level 1 literacy - the lowest level of literacy measurable.



...small businesses in the New Orleans' regional economy employ over 275,000 citizens and generate over \$7 billion in payroll revenue annually.....The diverse nature of these businesses range from manufacturing to retail and include over 8,800 minority-owned and over 8,000 women owned businesses as reported by the Economic Census.

...youth work experience is a powerful determinant of long-term employment and earnings..... According to *Growth and Change in the Louisiana and New Orleans Labor Markets*, youth that are shut out of the labor market suffer substantial disadvantages. Conversely, students that work while they are in school are less likely to be unemployed after graduation and achieve higher earnings as adults.

.....race remains a critical determinant of earnings and employability.... *A Haunted City? The Social and Economic Status of African Americans and Whites in New Orleans* reports that in spite of overall growth in median and per capita income of New Orleans families, the per capita income among African Americans remains at the poverty level.

## The Demand for Workers

### Projected Job Growth by Industry

Long term projections by the Louisiana Department of Labor indicate that between 1998 and 2008 the New Orleans Regional Labor Market Area is expected to add over 81,000 new jobs of which over 45,000 will be in service sector occupations. Retail trade and construction are also projected to increase by 18,000 and 6,400 jobs respectively, with smaller increases projected in government (3,200 jobs), finance, insurance and real estate (2,900 jobs), wholesale trade (2,900 jobs), transportation, communications and utilities (2,200 jobs), and manufacturing (1,400 jobs).

In the near term, *The Metropolitan Report: Economic Indicators for the New Orleans Area* estimates that employment in New Orleans will grow by .6% (3,471 jobs) in 2003 and by .5% (2,980 jobs) in 2004. Again, over half of the two year growth is expected in the services sector.

Additionally, the report forecasts that the tourism sector is expected to gain 181 jobs in 2003 and another 163 jobs in 2004. Local bars and restaurants are also expected to experience gains of 133 jobs and 88 jobs in 2003 and 2004 respectively. As well, retail trade is expected to increase by .8% in 2003 and .3% in 2004,

Job growth in the manufacturing sector is anticipated with 186 new jobs in 2003 and 652 new jobs in 2004 for a total of 720 new manufacturing jobs in the short term.

Construction sector employment forecast in the report is expected to increase by 1.7% in 2003 (over 500 jobs) and another .3% (over 90 jobs) in 2004, with increases predicted in both residential and non-residential

construction contracts. However, it is noted that construction is difficult to predict.

Conversely, *The Metropolitan Report* notes that state and local governments, transportation, communications and utilities, and non-durable manufacturing are vulnerable to job losses during this same two-year period. Transportation, communications and utilities (TCU) lost 1,675 jobs in 2002 and while the sector is expected to stabilize, TCU is expected to lose 53 jobs in 2003 and another 407 jobs in 2004. Similarly, the government sector is expected to continue job loss of .8% in 2003, followed by a small gain on .3% in 2004.

Lastly, the finance, insurance and real estate (FIRE) sector, having lost jobs in 2002, is expected to turn around in 2003 and 2004, creating 133 and 227 new jobs respectively.

### Demand Occupations

Examining job growth by occupation, Louisiana Department of Labor forecasts indicate that over half of all of the job growth will require some type of formal training beyond high school. Only 3% of the new jobs will require an advanced degree or training, but *approximately 1 in every 5 new jobs created will require a bachelor's degree and nearly 1 in 3 will require an associate's degree or post-secondary training.* Conversely, the remaining 49% of the job growth will require short-term, on-the-job training.



Louisiana Department of Labor long-term forecasts of projected job growth by occupation reveal the following:

Service Occupations.....	22,720 <sup>1</sup>
Professional/Technical.....	19,530
Sales and Related .....	8,950
Operator/Fabricator/Laborer.....	8,810
Precision Production/ Repair.....	7,460
Clerical/Administrative.....	6,270
Managerial/Administrative.....	6,260

As evidenced above, by far, the industry sectors with the greatest potential for job growth are the services and retail sectors which will account for two-thirds of all new jobs through 2008. However, *Growth and Change in the Louisiana and New Orleans Labor Markets* suggests that within the services sector, a large portion of the job growth will be attributable to hospitals, home health care services, physicians’ offices and clinics, forecasting large numbers of new jobs, many in high-skill occupations. Given New Orleans’ role as a major health care center for the South Central region of the country, the national trend for shortages in health care workers will be particularly critical here.

**From a Sectoral Approach to Regional Clusters**

Measurement and analysis of regional economic growth and development has, in recent years, moved from a focus on industry sectors to a focus on industry clusters. Clusters, as defined in the Demand Side research of *Making Connections: A Regional Workforce Partnership Community Audit*, form around the “social capital” created by the formal and informal linkages of businesses.

<sup>1</sup> Service occupations may include entry-level hospital, health, public safety and restaurant jobs.

The results of the Demand Side research revealed four clusters with extremely high potential for job creation and value to other clusters in the region. High job creation clusters identified in the research included:

- Environmental Technology;
- Information Technology;
- Life Sciences; and
- Arts/Entertainment (excluding tourism).

Four additional clusters were noteworthy in the research:

- Aerospace (low concentration)
- Aluminum (small but growing rapidly)
- Stone, Clay and Glass Products (high but declining); and
- Precision Manufacturing (shipbuilding).

**Economic Development through Workforce Development**

“The future is about skills and preparing people with successful work habits for the New Economy.”<sup>2</sup> Changes in the global environment have reshaped the structure of business. According to the Demand Side research of the Regional Workforce Partnership Community Audit, in place of manual and repetitive tasks, businesses in today’s global economy find themselves continually reinvesting and reinventing, learning new and more efficient ways of doing their jobs, decentralizing management and empowering employees to think and make decisions, experimenting and innovating. As such, the process of economic development will require the creation of a workforce that is capable of meeting these challenges – adaptable, innovative people who can successfully navigate a changing business environment.

Accordingly, the Regional Community Audit suggests that in preparing for this new global economy, employers are looking for a

<sup>2</sup> Making Connections: A Regional Community Audit.

labor force that possesses the “New Basic Skills” as detailed below:

HARD SKILLS	SOFT SKILLS
-Reading -Writing -Basic Math -Problem Solving -Understanding Computers and Technology	-Working in Groups -Oral Presentations -Taking Initiative -Learning from and Correcting Mistakes -Giving/ Receiving Feedback -Thinking Creatively

For employers, the challenge of finding a workforce that is already invested with these skills continues to grow.

**Conclusions**

There is a close correlation between the occupational structure of employment and the educational composition of workers within an industry. The construction and retail industries, for example, employ a relatively high proportion of individuals without a high-school diploma. However, these workers generally fill positions in the low-skill occupations that pay less than family supporting wages.

At the same time, more than one-third of all job growth will occur in the college labor market for professional, technical, managerial, high-level sales and health-care occupations. As well, a high rate of job creation is expected in engineering, and computer and math related occupations. Similarly, increases in skilled and semi-skilled blue-collar occupations are anticipated to net significant gains, creating increased demand for mechanics, metalworking trades and construction occupations – all requiring industry-validated and portable skills.

**Data Sources**

- *Metropolitan Report: Economic Indicators for the New Orleans Area.*
- Louisiana Department of Labor Occupational Forecasts for 1998 - 2008
- *Growth and Change in the Louisiana and New Orleans Labor Markets: Background Report for the US Conference of Mayor’s Workforce Development Summary.*
- *Making Connections: A Regional Workforce Partnership Community Audit.*

*“Workforce capacity relates strongly to job growth overall, and to job growth by sector: It is hard to grow specific sectors without the right mix of qualified available workers.”*

Source: Regional Indicators of Sustainable Development for Southeast Louisiana, 2002

# The Labor Market Supply

## Population and Migration

According to 2000 U.S. Census reports, while Louisiana gained population (approximate 6% increase), Orleans parish lost 2.5% of its population in the period from 1990 through 2000. Notably, White and Hispanic residents decreased by 22% and 12% respectively while the African American population in New Orleans increased by 6%.

## Labor Force Participation

The Supply Side research of *Making Connections: A Regional Workforce Partnership Community Audit* indicates that of the 484,674 residents in New Orleans, 370,138 are 16 years of age and older. However, labor force statistics reveal that only 49% of New Orleans adults (183,200 citizens) are employed in the civilian labor force. At the same time, unemployment is reported as 7.4%. Notably, unemployment statistics account only for the number of persons filing unemployment claims with the Louisiana Department of Labor. Compellingly, what is not counted is the number of employable adults that are not currently employed and are not covered by unemployment insurance.

Relative to the demographics of the regional labor force, women make up more than half of the population (53%) and over half of the workforce (also 53%).

Not surprisingly, the Supply Side research of the Community Audit notes that employment of women is highly concentrated in healthcare and educational services, while male employment is most highly concentrated in construction and manufacturing.

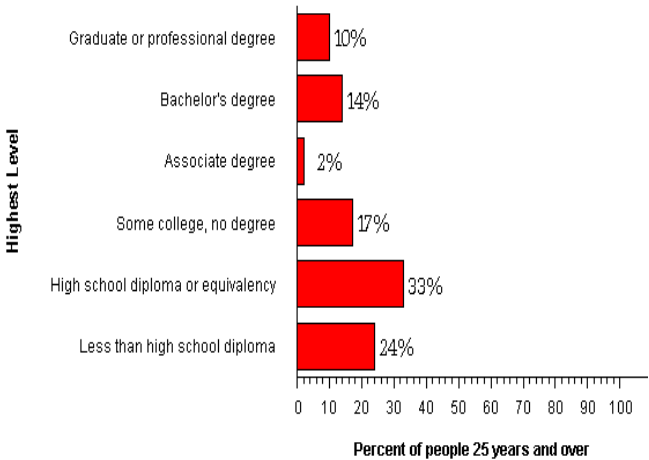


Another notable pattern identified in the Supply Side research is that for both male and female workers living in low-income communities, employment is most highly concentrated in food and hospitality services.

## Education and Skill Levels

Regional Census data indicates that 9% of the total adult population age 18 and over has less than a ninth grade education, 22% has less than a high school diploma and 30% has a high-school diploma or GED. Statistics for New Orleans are roughly the same at 8%, 22% and 33% respectively. Similarly, of the population over 25 years of age, 24% have achieved less than high school and 33% have a high school diploma or the equivalent as illustrated below.

The Educational Attainment of People in Orleans Parish, Louisiana in 2000



Source: Census 2000 Supplementary Survey

The Supply Side research of the Community Audit reports that while completion of high school or attainment of a GED is often used as a criterion for hiring or entry into post-secondary education/ training, a high school diploma or equivalent does not necessarily indicate acquisition of basic skills. For example, Louisiana Department of Education statistics reveal that in 2000, only 60% of graduating seniors in the New Orleans public school district successfully completed the English/Language Arts section of the Graduate Exit Exam and only 49% successfully completed the mathematics section. As well, only 37% of New Orleans' graduating seniors entered college or post-secondary institutions in 2000.

Moreover, the Literacy Alliance of Greater New Orleans estimates that in the metropolitan area, 24 to 32 percent of the population, (over 215,000 residents) and 33 to 44 percent of the local area (125,000 residents) function at Level 1 Literacy. Notably, while adults functioning at Level 1 literacy can perform tasks involving simple texts and documents, most have difficulty with writing and computational skills considered necessary for everyday life. As such, as noted in the Regional Community Audit, employers must then take the burden of providing their workforce with these basic skills, or suffer the consequences of limited growth due to the lack of a viable workforce.

Conversely, *Regional Indicators of Sustainable Development for Southeast Louisiana, 2000* notes that while the research is still somewhat inconclusive, indicators of workforce capacity suggest a capacity surplus relative to degree holding workers. The research suggests that universities in the region have produced more college graduates than the regional labor market can currently absorb.

Accordingly, the research questions whether the universities in the region are producing workers with the skills and credentials that regional employers need.

### **Workers with Employment Disabilities**

Census data taken from the Supply Side research of the Community Audit indicates that youth, age 16 to 20, make up 12% of the population. Additionally, the data indicates that 8% of New Orleans youth have an employment disability. Of the youth with employment disabilities, 54% are employed. Notably, of the youth with no employment disability only 28% are employed suggesting that the workforce system directs more resources to employment and training for disabled youth.

Adults age 21 to 64 make up 88% of the total population of which 14% have an employment disability. Of the adults with an employment disability, 57% are employed. Moreover, of the adults with no employment disability, only 66% are employed.



### **Conclusions**

The educational attainment and skill level of the labor market supply does not meet the existing and future labor market demands. According to the National Adult Literacy Study, an adult performing at Level 1 literacy can locate the expiration date on a



driver's license or sign a document. However, they cannot identify and enter information on a social security card application. Given that this description fits 33 to 44 percent of the adult population in New Orleans, the application of workforce development as an economic development tool will require major investments in the human capital of the city of New Orleans.

At the same time, to prevent college graduates from leaving the region due to a lack of employment opportunities, the investment in our human capital must include increased career and guidance counseling for K – 12 and post-secondary students. It must also increase coordination and linkages between education and labor.

#### Data Sources

- 2000 U.S. Census
- *The Literacy Initiative Report*
- Louisiana Department of Education
- *Regional Indicators of Sustainable Development for Southeast Louisiana, 2002.*
- *A Blueprint for a Better New Orleans*
- *Making Connections: A Regional Workforce Community Audit*

*“The present state of the New Orleans workforce is a major impediment to economic development... Addressing this problem will require training in a variety of skills, provided by a variety of sources, with emphasis on higher paying jobs that represent the industries of the future.”*

Source: A Blueprint for a Better New Orleans

## Small Business

### Diversity and Impact of Small Businesses



The findings on small businesses from the Economic Census and the County Business patterns indicate that in the New Orleans region there are over 26,400 businesses of which 21,500 (82%) have less than 20 employees. Over 8600 are minority-owned and over 8,000 are women-owned. Combined, the small businesses in the region employ approximately 275,000 citizens and generate over \$7 billion dollars in payroll on an annual basis. Of these:

- 1,526 are construction companies;
- 234 are manufacturers;
- 357 are wholesale-trade;
- 1,600 are retail;
- 1,094 are transportation/warehousing;
- 829 are finance and insurance;
- 1,145 are administrative, waste management and remediation support;
- 4,718 are professional/technical services;
- 481 are accommodation and food services companies.

Additionally, *The State of Small Business: A Report to the President, 1999-2000* indicates that small businesses:

- employ more people on public assistance;
- hire more youth and young adults under the age of 25;

- hire people with lower educational levels.

### Conclusions

National trends reported by the U.S. Department of Commerce indicate that periods of growth in employment put a higher burden on small businesses to find qualified employees and to provide competitive benefit packages. Additionally, small businesses carry a disproportionate burden relative to the regulatory requirements of doing business and the “nightmare of politics, bureaucracy, conflicting regulations, multiple certifications, hidden pitfalls and miles of red tape”<sup>3</sup> impacts them more heavily.

At the local and regional level, there is little information on the workforce needs of small businesses, suggesting that this is an issue that needs to be explored in greater depth. As we begin to fully implement the cluster approach to economic development, (i.e. strategies built on critical masses of skill, information, relationships and infrastructure), it is clear that the approach should involve initiatives that assist small businesses to grow. Additionally, efforts to create more small businesses in emerging clusters should be employed. What is also clear is that small businesses represent a major economic engine, employ almost half of the workforce, create two-thirds of new jobs and are an important means by which women and minorities enter the economic mainstream.

### Data Sources

- U.S. Economic Census
- County Business Patterns
- U.S. Department of Commerce. *The State of Small Business: A Report to the President, 1999-2000*.
- *A Blueprint for a Better New Orleans*

<sup>3</sup> A Blueprint for a Better New Orleans.

## Workforce for the Future

### Youth Employment

*Growth and Changes in the Louisiana and New Orleans Labor Markets* advises that despite the strong economic growth of the 1990's, the employment prospects for New Orleans youth remain poor. The employment statistics for youth and young adults in the New Orleans metropolitan area indicate that youth in New Orleans have particularly poor labor market experiences. The data indicates that in-school youth in New Orleans are one-third less likely to be employed while enrolled in school than in-school youth nationally. As well, high-school drop outs are also considerably less likely to be employed than their national counterparts. Statistics indicate that in 1999 only 44% of youth and young adults between the ages of 16 and 24 in metro New Orleans were employed. Equally compelling, of the youth and young adults of the same age group in New Orleans, only 13% of high school students, 43% of high-school dropouts, 58% of high school graduates and 55% of young adults with some college were employed.

### Educational Attainment and Social Growth

Indicators relative to the educational and social attainment of New Orleans youth hold little promise for reversing this trend. New Orleans, like many other major urban cities across the nation, is challenged to create a public education system that serves the unique needs of inner-city youth. Statistics from the Louisiana Department of Education, the Louisiana Department of Social Services and the Juvenile Justice Division of the U.S. Department Justice reveal the following:



- Data on educational attainment of teens in metro New Orleans in 1998, 1999 and 2000 indicates that one-quarter of the teens age 16 to 19 were high school dropouts;
- Developmental Reading Assessment (DRA) scores indicate that 47.75% of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> grade students performed below grade in 2000 and 46.54% performed below grade in 2001;
- 38% of 4<sup>th</sup> grade students were retained in grade in 1999-00 and 46% retained in grade in 2000-01;
- 46% of all 8<sup>th</sup> grade students were retained in grade in 1999-00 due to LEAP test failure and 50% retained in 2000-01 due to LEAP test failure;
- 19.6% of all live births in New Orleans are births to teens.
- juveniles make up 15% to 20% of the total arrests within the criminal justice system;
- juvenile arrests (including truancy and curfew violations) average approximately 4,700 per month; and
- delinquency and crime are nationally recognized as notable indicators of juvenile drug usage.

### The Value of Work Experience

Further, *Growth and Change in the Louisiana and New Orleans Labor Markets* reveals that youth shut out of the labor market are seriously disadvantaged. Conversely, high-school students that work while in-school experience significant advantages as they are less likely to be unemployed upon graduation, experience fewer periods of joblessness in the first two years after graduation and achieve higher earnings seven to ten years after graduation.

Compellingly, the research reveals that youth work experience is a major determinant of long-term employment and earnings. Long-term follow-up studies indicate that youth that work while in-school have higher earnings seven to ten years after graduation. Additionally, the extent of adult earnings is impacted by their work experience as youth, with the maximum impact of youth work experience for students that worked 25 hours per week while in high school. As well, the quality of youth work experience also influences the long-term employment and earnings. Conclusively, the opportunity to acquire workplace skills and to integrate school and work-based learning through youth employment improves the long-term earnings potential of youth.

### Conclusions

Given the high growth anticipated in the local and regional economies, New Orleans youth should have access to the types of meaningful job experiences that will enhance their viability in the regional labor market. Unfortunately, New Orleans youth have limited access to any type of employment, limiting their ability to integrate school and work-based learning; limiting their ability to acquire new skills and traits that are desirable to employers; and ultimately, limiting their long-term earnings and occupational mobility. As such, more effective linkages between education and workforce development are essential if New Orleans youth are expected to fill the labor market demand of the *New Economy*.

### Data Sources

- Louisiana Department of Education, District Accountability Reports.
- *Growth and Change in the Louisiana and New Orleans Labor Markets: Background Report for the US Conference of Mayor's Workforce Development Summit.*
- U.S. Department of Justice, FBI Crime Statistics, 1996 – 2000.

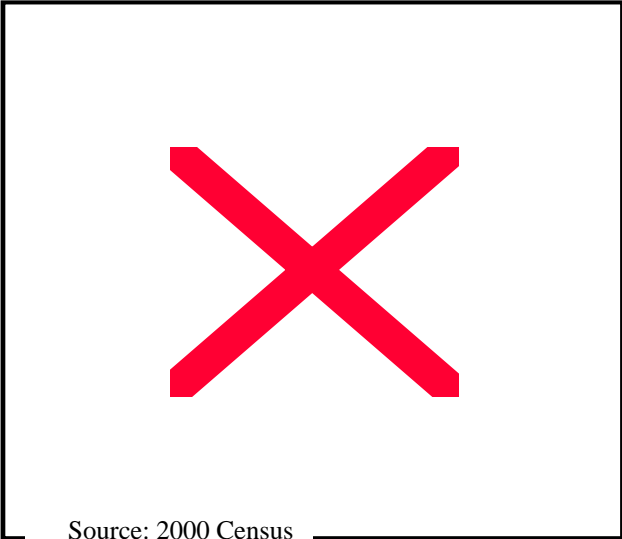
*"...work experience, like schooling is a form of human capital investment that has strong economic payoffs."*

Source: Growth and Change in the Louisiana and New Orleans Labor Markets

## Race and Poverty

.....

According to *A Haunted City? The Social and Economic Status of African Americans and Whites in New Orleans*, despite the economic and social advances of the past 30 years, the disparity between African American and White citizens in New Orleans remains. Implicit in the research is that fact that while the total population of the city continues to decline, the percentage of African American citizens in New Orleans has increased significantly from 45% in 1970, and 55.3% in 1985 to 67% in 2000. Changes in economic indicators also evidence increases in the overall median and per capita income of citizens. However, the disparity between African Americans and Whites has remained notably constant.



This disparity is further reflected in the local workforce as only 11% of the White population in the labor force has income that is below poverty as compared to 35% of the African American labor force.

Income Disparity			
	1970	1985	2000
Median Income (Black)	\$4,745	\$10,516	\$21,461
Median Income (White)	\$7,445	\$21,544	\$40,049
Per Capita Income (Black)	N/A	\$3,985	\$11,332
Per Capita Income (White)	N/A	\$9,781	\$31,971

Source: *A Haunted City? The Social and Economic Status of African Americans and Whites in New Orleans*.

The report further reveals that disparity in educational attainment also remains fairly constant as 30% of African American women and 34% of African American men have less than a high school education compared to White women and White men at 11% and 10% respectively.

### Conclusions

The research conducted by Dr. Silas Lee indicates that New Orleans has much advanced the quality of life for its citizens. Overall, the percentage of African Americans and Whites living in poverty has decreased from 48% to 25% for African Americans and from 19% to 12% for Whites. Considerable growth in the number of households achieving middle income status has also been realized with an increase from 4% to 13% of African American families earning \$35,000 to \$49,000, and an increase from 1% to 4% of African American families earning over \$50,000. However, as the rising tide of the local economy has done nothing to eliminate or even minimize the racial disparity in New Orleans, the issue of race and parity must be addressed.

### Data Source

- *A Haunted City? The Social and Economic Status of African Americans and Whites in New Orleans*.

## Job One - Closing the Gaps

### The Demand for Workers

Overwhelmingly, employers in New Orleans and the region are looking for a skilled and reliable workforce – workers that possess both the basic skills and the basic “traits” that promote success on the job. There is a genuine mismatch between the current capacity of the labor force and the needs of employers that crosses all industry sectors and impedes business growth and development. Compellingly, the impact of this mismatch can be measured by:

- the cost burden to employers in employee turnover;
- the cost burden to employers in the provision of in-house training to close the basic skills gap;
- reduced productivity and profitability; and
- limited growth.

Given the diverse and changing nature of the labor market demand and recognizing that basic skill requirements vary from industry to industry and from occupation to occupation, strategies aimed at closing this gap must be industry and occupation specific, targeting investments in a manner that ensures that local and regional employers can access, in a timely manner, workers that have the capacity to perform effectively on the job.

### Meeting employer skill demand and worker shortages is the goal of Job One!

- First and foremost, *we will create and implement a worker readiness certification initiative that matches necessary skills with the demands of the workforce.* The worker readiness certification will be based on the

nationally recognized WorkKeys credential, which has been overwhelmingly endorsed by the employer community at the state and national level. By credentialing our workforce, we can better ensure the creation of a labor force with industry and occupational specific basic skills – job seekers and employees that can read, write, speak, compute and problem-solve at a level of proficiency that will afford success on the job.

- Additionally, recognizing the cost burden to employers that must provide in-house training to overcome the basic skill gap of the existing workforce, *we will invest in workplace literacy initiatives that tailor basic skills learning and achievement to the industry and occupational level.* This level of investment in the existing workforce is intended to better ensure increased capacity and ultimately increased productivity and growth of businesses in New Orleans and the region.
- Finally, it is clear that the labor market demand created by the development of emerging regional clusters must be addressed if New Orleans is to capitalize on the natural resources, the infrastructure and the “social capital” of the existing business environment. To meet this demand *we will organize innovative partnerships with economic development, human resource, higher education, vocational education, the K – 12 education system, and workforce development and training providers* to broker, customize and expand workforce education and training capacity in a manner that creates skills for the *New Economy.*

.....  
**The Labor Market Supply**

Among the barriers to family-supporting employment faced by many New Orleanians, lack of basic and life skills ranks number one. Low levels of educational attainment, low levels of literacy, limited access to quality work experiences, and the resulting lack of effective work “traits” impede over one-third of the labor force from achieving self-sufficiency. These barriers, coupled with the major economic shifts of the past three decades that have replaced repetitive task occupations with skill and knowledge-based occupations, have left many of our citizens unable to compete in the regional labor market. The inability of our citizens to compete has the multiplier effect of limiting the ability of our city to compete.

**Enhancing the marketability of the local labor force to compete in the existing and emerging economy is the goal of Job One!**

- First and foremost, *a comprehensive life skills curriculum is the “foundation” upon which we will build our labor force.* Foundation Skills©<sup>4</sup> defined involves: 1) basic workplace skills – applied academic skills (reading, writing, speaking, math) as well as new workplace basic skills such as using technology and resources; 2) basic workplace knowledge – knowledge about the nature of work and the modern workplace such as quality consciousness and an understanding of workplace culture; 3) basic employability skills – cognitive and social skills needed to manage the work environment and interact effectively within the workplace;

<sup>4</sup> 2000, Institute for the Study of Adult Literacy

4) life skills – cognitive and social skills for effectively managing home, family and work life including coping skills and financial literacy; and 5) lifelong learning skills – learning skills and strategies that enable one to continually pursue employment and learning opportunities.

- Building on this foundation, *we will develop models of career ladders in high-demand occupations* in partnership with employers and workforce development and training institutions.
- Finally, the Mayor will appoint a high-level Workforce Investment Board to lead this effort. The Board *will give strategic leadership to the publicly funded workforce system, utilizing these innovative tools and methodologies in a manner that maximizes the investment in the labor force* and better ensures the creation of a viable and productive workforce for New Orleans and the region.

.....  
**Small Business**

We cannot assume to know the needs of small businesses and we cannot assume that what’s good for the economy will automatically benefit small business owners and employees. What we do know is that small business represents a major economic engine that must be nurtured and supported if New Orleans is to be economically viable.

**Responding to the needs of small business is the goal of Job One!**

- *We will organize small business industry consortia to identify the needs of small business* relative to workforce development.

- Building on the outcomes of this organized activity, ***we will create a Business Services Division of the Office of Workforce Development***, featuring no-cost brokering of the employer and job seeker connection with a menu of value-added services for small businesses.

.....

### The Workforce of the Future

When asked to describe the most desirable traits in a new employee, universally, employers describe behavioral traits such as communications, interpersonal skills, timeliness and teamwork. These traits are not always taught in school, rather, they are learned in the work environment. Given the limited access to the labor force and the resulting limited integration of work experience and learning for New Orleans youth, creation of the future workforce has been left to the public school district, a system already facing the challenging task of raising the academic performance of youth.

Moreover, the staggering percentage of students that drop out of school on an annual basis has created a large and growing population of out-of-school youth – youth with minimal basic skills, minimal access to the labor market and minimal options for long-term economic success.

### Developing the workforce for the future is the goal of Job One!

- ***We will build a strong youth employment pipeline strategy in partnership with the New Orleans Public School district*** to provide access to quality employment, career exploration and contextual learning activities for in-school youth. The New Orleans Workforce Investment Board

and the Youth Council, under the leadership and with the full support of the Mayor’s Office, will proactively and aggressively work to ensure that New Orleans youth access the kinds of quality work experiences that promote marketability and enhanced long-term earnings of the labor force of the future.

- ***We will leverage available workforce education and training resources to work with students who have not achieved academic proficiency*** as measured by the LEAP 21 and GEE and provide “just in time” interventions for those students in danger of not earning a high school diploma.
- Lastly, ***out-of-school youth must be a priority in our investment strategy for building tomorrow’s workforce***. Access to Foundation Skills and career-ladders for out-of school youth is critical to the creation of a productive and viable workforce. Compellingly, without a major investment in this population that is most at risk, New Orleans will lose an entire generation of productive citizens.

.....

### Race and Poverty

In spite of the significant growth and change in the quality of life and educational attainment that has occurred in the past twenty years, New Orleans remains plagued by socio-economic disparity. Strikingly, in New Orleans and the region, high poverty areas are disproportionately African-American. In these communities educational attainment is lower, the rate of employment is lower, and employment tends to be concentrated in food service and accommodation industries requiring low-skill levels and paying wages that are far from family-supporting.



Creating economic opportunities for the community is the goal of Job One!

- *We will promote strategies that encourage income growth as asset building for families.*
- *We will create “portals” to workforce development and training within the community, ensuring access to Foundation Skills and Career Ladders for low-income communities.*
- *Finally, we will partner with Economic Development organizations to promote entrepreneurship as a viable option for building the capacity of low-income citizens.*

.....

**Conclusions**

The *State of the Workforce for New Orleans and the Region* clearly calls for strategic investment in the human capital – the citizens – of New Orleans. We must meet employer demand for a skilled and reliable workforce. We must build the capacity of citizens to access family-supporting jobs and to effectively navigate the changing landscape of the *New Economy*. We must create the labor force for the future recognizing the demands for knowledge workers emerging from an increasingly global economy. We must maximize the growth potential of small businesses as a viable economic engine. Finally, we must work to close the socio-economic gaps between white citizens and citizens of color.

It is with this aggressive agenda that we introduce **Job One**.

*“ ... the single most important factor in our economic recovery is the productivity of our nation’s labor force.”*

Alan Greenspan  
Federal Reserve Chairman

Source: Making Connections: A Regional Community Audit

## Data Sources

### ..... Studies and Reports

*A Blueprint for a Better New Orleans.*  
Conducted by the Committee for a Better New Orleans/Metropolitan Area Committee (CBNO/MAC). December, 2001.

*A Haunted City? The Social and Economic Status of African American and Whites in New Orleans.* Conducted by Dr. Silas Lee. May, 2003

*Growth and Change in the Louisiana and New Orleans Labor Markets. Background Report for the U.S. Conference of Mayor's Workforce Development Summit, New Orleans, La.* Conducted by Neeta P. Fogg, Paul E. Harrington, and the Center for Labor Market Studies of Northeastern University. March, 2001.

*Making Connections: A Regional Workforce Partnership Community Audit.* Conducted by the MetroVision Economic Development Partnership and the New Orleans Jobs Initiative. Commissioned by the Region 1 Workforce Partnership. May, 2003.

*Regional Indicators of Sustainable Development for Southeast Louisiana, 2002.* Produced by Top 10 by 2010. September 2002.

*The Literacy Alliance of Greater New Orleans Final Report* conducted through the Lindy Boggs National Center for Community Literacy at Loyola University and funded by the Baptist Community Ministries Foundation. July, 2002.

*The Metropolitan Report: Economic Indicators for the New Orleans Area.* Conducted by the Division of Business and Economic Research of the University of New Orleans. April, 2003.

### Economic and Demographic Indicators

City of New Orleans Office of Economic Development. Business Service Representative Program: Quarterly Report – First Quarter 2003.

Louisiana Department of Education. District Accountability Reports, 1999 – 2000 and 2000 – 2001.

Louisiana Department of Labor, Findings of the 2002 Louisiana Job Vacancy Survey.

Louisiana Department of Labor, New Orleans Regional Labor Market: Projected Employment Growth from 1998 to 2008.

Louisiana Department of Labor. New Orleans Regional Labor Market Area: Top 100 Occupations.

Louisiana Department of Labor. Area Profile for Orleans Parish: Labor Force Statistics for June, 2003.

Small Business Administration Office of Advocacy. *The State of Small Business: A Report to the President, 1999 – 2000.* March, 2001.

U.S. Census Bureau, 2001 County Business Patterns.

U.S. Census, Bureau of Economic Analysis. 2000 Economic Census.

U.S. Census. Profile of General Demographic Characteristics:2000.

U.S. Department of Justice, FBI Crime Statistics, 1996 – 2000.

## New Orleans Workforce Investment Board

- .....
- Franklin P. Sames, Chair - Economic Development Executive, Entergy New Orleans
- Joseph Grace, Jr., Chair-Elect – Owner, Grace and Associates
- Cheryl S. Alexander – Director of Human Resources, Lockheed Martin Space Systems
- Cynthia Bentley – Manager New Orleans Jobs Center, Louisiana Department of Labor
- Dwanne Biagas – Owner, Biagas Enterprises
- Tom Daly – Managing Principal, Hartwig Moss Benefits
- Jimmy Fahrenholtz – Orleans Parish School Board, Member District 3
- Vaughn Fauria – Executive Director, NewCorp Business Assistance Center
- James Harvey, Jr. – Chief Planner, Regional Planning Commission
- Susan Hayne – Regional Account Manager, Thompson DBM
- Stacey Horn-Koch – Executive Director, Covenant House New Orleans
- Irby Hornsby, Jr. – Regional Manager, Louisiana Rehabilitation Services
- Floyd James – Regional Operations and Human Resource Manager, Xerox Corporation
- William Jessee – President/CEO, Goodwill Industries of Southeast Louisiana

- Barry Kauffman – LIUNA, ALF-CIO, Southeast Building Trades Council
- Ellen Lee – Deputy Director, City of New Orleans Division of Housing and Neighborhood Development
- Elise McCullough – Owner/President, Staffing Solutions
- Kim Planche-Hunter – Owner, Hunter and Associates
- Dr. Lawrence Powell – Executive Director, Tulane/Xavier National Center for the Urban Community
- Wade Rathke – Chief Organizer, Service Employees International Union Local 100
- Jeanette Sanford – Human Resources Director, Mechanical Construction Company
- Rodger Scott – Project Director, AARP Foundation
- Liza Sherman – Business Development and Regional Workforce Manager, MetroVision
- Kevin Troutman – Attorney, Fisher & Phelps, LLP
- Barbara Waller – General Manager, Laitram Machine Shop, Inc.

## Acknowledgements

.....  
 Special thanks to St. Augustine High School and Pendleton Memorial Methodist Hospital for the photographs.