

Design a regional workforce development system to serve people overcoming barriers to employment.

Implement a multi-stakeholder network that will increase job placements, income, connections to wrap-around services, and job retention for people overcoming barriers to employment in one Bay Area county, ultimately expanding to a region-wide system.

Scale of Impact: In 2019, the same proportion of extremely low-income (ELI) working-age adults, aged 16-64, were employed as were unemployed — 46 percent (258,638) and 46 percent (258,612), respectively. Focusing on these two groups through collaborative efforts across the network of workforce providers can make a big impact on the earnings and wellbeing of ELI households, and the economy of our region. These efforts should include both facilitating employment for people seeking work and boosting income and job stability for those who are already employed.

Background

Nearly half (46 percent) of working age people with extremely low incomes in the Bay Area are employed, but many face significant barriers finding stable work that pays the \$40.67/hour, \$29.58/hour or \$41.25/hour wage required for a zero-bedroom apartment in the San Francisco Housing and Urban Development Metro Fair Market (HMFA), Oakland-Fremont HMFA and San Jose-Sunnyvale-Santa Clara HMFA respectively.¹ **San Francisco recently reported that job loss was the immediate precursor to homelessness for one quarter of the homeless population.**² The California Policy Lab reports that in Los Angeles, about half of all homeless people worked within the four years prior to becoming homeless, and highlights the gap between wage levels and housing costs.³

1 National Low Income Housing Coalition, *Out of Reach: California*, "California_2022_Data.XLSX," 2022. Accessed at: <https://nlihc.org/oor/state/ca>

2 San Francisco Department of Homelessness and Supportive Housing, *San Francisco Homeless Count and Survey*, "Figure 23: Primary Cause of Homelessness," 2022.

3 Till von Wachter et al., California Policy Lab, *Employment and Earnings Among LA County Residents Experiencing Homelessness*, 2020.

Our existing workforce development system is ill-equipped to effectively serve workers who are overcoming barriers to employment. Getting a job, keeping a job, and earning enough to afford housing are complicated by demographic and systemic issues such as educational attainment, language barriers, disability, and system involvement. Employers may not have a strategy for tapping into this talent pool, and there is often a lack of coordination among providers to ensure that supportive services like housing, job placement, child care, legal assistance, substance abuse treatment, income maintenance, health services, and counseling are in place.

Effective workforce development systems ensure that all workers have access to employment commensurate with their skills, regardless of their skill level. They include robust transitional employment that leads to competitive employment and career pathways, providing a gateway to economic mobility and wage growth as workers supplement their skills to meet the evolving labor market. Effective workforce development systems also follow employer demand and leverage employment social enterprises (ESEs), which are revenue-generating businesses that provide transitional employment and 360-degree support to people striving to overcome employment barriers. Social enterprises help these people stabilize their lives, build their skills, and succeed.

Successful existing models align housing providers, homelessness services, employers, workforce development, training, and employment systems with the goal of increasing employment rates and earnings potential for those who are unsheltered or at risk of becoming so. One such model is the **Los Angeles Regional Initiative for Social Enterprise (LA:RISE)**, an innovative partnership that unites the City and County of Los Angeles workforce agencies, employment social enterprises, and service providers to support people overcoming high employment barriers to secure and retain employment. Since its inception eight years ago, over 5,000 participants have found transitional subsidized employment, over 3,200 participants have entered competitive unsubsidized employment, and over 3,500 participants have enrolled in Workforce Innovation and Opportunity Act (WIOA) programs to receive job readiness resources.

A successful model must also address the fact that **people of color in the Bay Area are more likely to experience economic insecurity than their white neighbors**, including disproportionately working in low-wage work and higher rates of unemployment. Workers of color are also more likely to be impacted by labor market shifts. For example, jobs in hospitality and service industries are most likely to employ ELI workers, and were among the hardest hit industries during the pandemic. **See the full report for more on how systemic racism has impacted who experiences housing and economic insecurity in our region and how the Big Moves would help repair that injustice.**

Economic Mobility

Effective workforce development system

For those experiencing homelessness or those with multiple barriers to employment



Implementation Steps

Executing this Big Move would begin by implementing a newly designed workforce model in one or two Bay Area counties, and engaging a set of employers, public agencies, workforce training organizations, and housing and service providers to participate. All Home has already begun working with Roberts Enterprise Development Fund (REDF) to begin advancing these steps in the Bay Area, and the Regional Impact Council will be a key partner in this effort. Successful implementation will include the following steps.

1. **Analyze best practices and models** that better align housing providers, homelessness services, workforce development, training, and employers toward shared outcomes.
2. Partner in the implementation of the state's new program, **The California Regional Initiative for Social Enterprise (CA:RISE)**, a \$25 million budget item approved in July of 2022.
3. Support and leverage CA:RISE and other government and philanthropic resources to **create a Bay Area RISE** that would provide financing and technical assistance to ESEs and connect them with local public partners, training providers, and private sector employers to accelerate economic mobility for individuals who experience employment barriers.
4. **Provide ESEs with funding and technical assistance** to connect them with local public partners, training providers, and private sector employers to accelerate economic mobility.
5. Provide technical assistance and **incentivize participating entities**, including Workforce Investment Boards and other government health and social service agencies, to more effectively serve those overcoming barriers to employment.
6. Encourage government agencies to **use procurement processes to create jobs** and pathways to economic mobility in partnership with ESEs and other local employers.
7. **Focus employment interventions** in order to (1) **prevent homelessness** for those who have relevant, recent work experience; and (2) **help those temporarily housed** to obtain work experience and training to achieve economic mobility leading to housing affordability.
8. **Develop a policy platform** for changes at the state and federal level, with a particular focus on Workforce Innovation and Opportunity Act (WIOA) and CalFresh Employment and Training (FSET). Focus on creating proper incentives and resources for workforce, small business, education and training, and health and human services agencies to support evidence-based programs that result in increased employment and economic mobility for individuals who are overcoming barriers to employment.

Implementation Roles

Actor	Role	Timeframe
State elected officials and staff	<ul style="list-style-type: none"> Request from agencies and bring to public attention data on the relationship between employment and homelessness, and evidence of what employment-related solutions work to reduce homelessness. Invest in evidence-based solutions. 	Short term (1-2 years)
City and county elected officials and staff	<ul style="list-style-type: none"> Partner with workforce development boards, training providers, housing providers, and others to pilot an economic and workforce ecosystem. 	Short term (1-2 years)
Philanthropy	<ul style="list-style-type: none"> Support capacity-building for service providers in the ecosystem. Invest in start-up and growth of ESEs and training that increases economic mobility toward a "housing wage." 	Ongoing
Nonprofits & CBOs	<ul style="list-style-type: none"> Partner with other workforce system actors to provide wrap-around services to employees. Partner with ESEs to provide jobs and support to individuals who have experienced homelessness. 	Ongoing
Business community	<ul style="list-style-type: none"> Partner with workforce system actors to understand the untapped talent pool and shift employment practices to support job retention and economic mobility. 	Ongoing
Researchers and evaluators	<ul style="list-style-type: none"> Integrate questions about employment into research on the causes of and solutions to homelessness. Research specific employment interventions and their impacts. Identify the optimal populations and homelessness "status" to target for employment services. 	Ongoing
Everyone	<ul style="list-style-type: none"> Recognize the value and potential of providing employment opportunities to prevent and end homelessness. Encourage government and business to offer work opportunities to individuals who have experienced homelessness or are overcoming other barriers to employment. 	Ongoing

Supporting Actions

Support efforts to raise the state minimum wage. Strengthening the current network of workforce development stakeholders should be complemented with work to address the problem of low wages relative to the high cost of living in the Bay Area. Be sure to consider the impact that minimum wage increases may have on ESEs and other employers that provide first-step jobs to individuals who are or have been homeless, and adjust policies and/or funding accordingly.

Support expansion of incentive accounts (potentially with philanthropic or business community investment), like the Family Self-Sufficiency Program, which provide matched savings to working households, incentivize increasing income, and protect savings from income determinations of other benefits.