RESI’s Roundtable Recap: Identifying Steps to Reduce Local Disparities

Regional Economic Studies Institute
Economic Outlook Forum
November 7, 2019
In May, RESI Presented Research on Statewide Disparities in Education, Income, and Life Expectancy…
…These Disparities Exist Most Strongly Locally

Worthington Ridge
(Tract 408303)
HDI: 0.9788

Poppleton
(Tract 180100)
HDI: 0.6763

Sources: RESI, UNDP, U.S. Census Bureau, CDC
This Work Inspired Roundtable Discussions With Local Leaders…

- Food insecurity
- Education
- Access to employment
- Public transportation
...Which in Turn Led to the Development of Four Policy Briefs

- Summer SNAP
- Increasing Maryland’s High School Graduation Rate
- Public-Private Partnerships
- Bike Commuting
23.5 percent of Baltimore City residents live in Healthy Food Priority Areas

Source: BFPI, p.17
“SNAP is the most important and effective program we have to reduce food insecurity.”

- Roundtable Participant
What is Summer SNAP?

• $100 per child per year in increased SNAP (food stamps) benefits
  • $30/month during the summer months
  • $10/month during winter break

• $200,000 in State funding with matching funds from local governments

• Original language authorized $2 million in funding
What is the Impact of Funding the Original Allocation for Summer SNAP?

• Modeled $2 million in increased household income for households earning $15k - $30k

• But Maryland would spend this money anyway.

• Compare to a reference scenario of $2 million in household spending for households earning the median amount in Maryland.
Every Dollar Invested in Summer SNAP Yields $1.18 in Economic Output

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Impacts of Summer SNAP Funded to $2 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>16</td>
</tr>
<tr>
<td>Output</td>
<td>$2,353,630</td>
</tr>
<tr>
<td>Employee Compensation</td>
<td>$702,490</td>
</tr>
<tr>
<td>State and Local Taxes</td>
<td>$147,700</td>
</tr>
</tbody>
</table>
Summer SNAP Generates Positive Economic Returns Relative to Other Options

- State and Local Taxes: 4%
- Employee Compensation: 11%
- Output: 7%
- Jobs: 13%

Increase Relative to Reference Scenario
Summer SNAP Also Leads to a Number of Non-Economic Benefits

• Lower incidences of obesity and chronic disease

• Increased school attendance

• Improved school performance
The Commission on Innovation and Excellence in Education was charged by Gov. Larry Hogan and the General Assembly with developing policy recommendations that would enable Maryland schools to perform at the level of the best-performing school systems in the world.

- Dr. William E. “Brit” Kirwan
What if Maryland Had the Highest High School Graduation Rate in the U.S.?
A High School Diploma Often Leads to Additional Schooling…

- 28.0%: Graduate or professional degree
- 28.6%: Some college or associate's degree
- 23.4%: Bachelor's degree
- 20.0%: High school graduate (includes equivalency)
...And Average Earnings are Much Higher for Those With More Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Average Earnings</th>
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</thead>
<tbody>
<tr>
<td>Less than high school graduate</td>
<td>$14,816</td>
</tr>
<tr>
<td>High school graduate (includes equivalency)</td>
<td>$36,577</td>
</tr>
<tr>
<td>Some college or associate's degree</td>
<td>$39,653</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>$66,219</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>$98,598</td>
</tr>
</tbody>
</table>
A Better Education Can Lead To Higher Lifetime Earnings

Class of 2021:
2,432 New Graduates

$1,813,021

$4,408,410,252
Increased Annual Graduate Earnings Rise Over Time

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Graduate Earnings Result in Additional Statewide Personal Income

- $12 Million

$2.5 Billion

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What Does This Analysis Not Cover?

• Reduced State Spending on Social Services
  • Decreased incarceration
  • Decreased health care costs
  • Decreased homelessness

• Direct economic benefits from spending
  • Increased teacher salaries
  • School construction/renovation
  • Program expansion

• Non-economic benefits
Improvements in Education Benefit Tomorrow’s Workforce, But What About Today?

Number of Job Openings

- Computer and Mathematical Occupations: 22,267
- Healthcare Practitioners and Technical Occupations: 20,346
- Management Occupations: 14,289
- Office and Administrative Support: 10,106
- Architecture and Engineering: 9,427
- Sales and Related: 8,064
- Business and Financial Operations: 7,266
- Food Preparation and Serving: 5,610
- Transportation and Material Moving: 5,014
- Installation, Maintenance, and Repair: 3,784
- Healthcare Support Occupations: 3,714
- Arts, Design, Entertainment, Sports, and Media: 3,426
- Production Occupations: 3,424
- Education, Training, and Library: 3,218
- Community and Social Services: 3,023
- Life, Physical, and Social Science: 2,404
- Protective Service: 2,253
- Personal Care and Service: 2,063
- Building & Grounds Cleaning & Maintenance: 1,657
- Construction and Extraction: 1,411
- Legal Occupations: 554
- Military: 153
- Farming, Fishing, and Forestry: 120
Job Training Through Public-Private Partnerships

- Public-Private Partnerships connect employers and local governments to provide better outcomes for Maryland residents
- Employers help with job placement
- Government provides funding
- Workers gain access to new skills

“What would be helpful are concrete examples of successful public-private partnerships we can use.”
- Roundtable Participant
RESI Examined 4 Public-Private Partnerships From Across the U.S.

1. The Center for Workforce Innovation
   • Atlanta, GA

2. Project QUEST
   • San Antonio, TX

3. Johns Hopkins Project REACH
   • Baltimore, MD

4. Colorado Workforce Development Council
   • Colorado
The Center for Workforce Innovation (Atlanta)

• Anchor employers support workforce training tailored specifically to their needs.

• Offers three tracks tailored to the anchor partners:
  • Aviation
  • Information Technology
  • Skilled Trades

• Includes on-campus career development coaching and apprenticeships/internships for students.
Project QUEST (San Antonio)

• Pinpoints the most in-demand occupations in collaboration with the city, county, and local business leaders.

• Provides significant wraparound support services:
  • Guidance counseling
  • Utility assistance
  • Childcare
  • Transportation assistance
Project REACH (Baltimore)

• Designed to help current Hopkins employees gain the necessary skills and knowledge to fill critically understaffed healthcare positions within the organization.

• Fully funded tuition, and employees receive their full wages and benefits while dedicating 16 hours each week to attending classes.

• Graduates saw average annual wage gains of $9,800 to $11,300.
Colorado Workforce Development Council

- Over 750 businesses have partnered with CWDC to provide internships, apprenticeships, and other forms of learning to increase the pipeline of trained employees.

- Public partners such as universities and trade schools focus their programs to address the demands of private partners.

- **CWDC acts as a central hub** to convene these partners and the local, regional, and state level.
Lessons Learned for Local Leaders

• Support services to assist with childcare, transportation, and work schedules are crucial to the success of program participants.

• Advising and counseling can impact students that enter programs without having formal educational or technological experience.

• Partnerships should be tailored to the available partners
In Maryland, Car Ownership is Strongly Linked With Unemployment

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Sources: RESI, US Census Bureau
In Baltimore City, Low Rates of Car Ownership Force Residents to Seek Alternative Modes
How Do We Connect the Most People to the Most Jobs?

• Calculate travel time during morning rush hour between each block group in Baltimore region and every other block group
  • Biking versus public transportation

• Merge results with US Census data on job numbers and characteristics
Total Jobs Accessible in 30 Minutes vs 45 Minutes on Public Transportation
Total Jobs Accessible in 30 Minutes by Bicycle
Total Jobs Accessible By Biking in 30 Minutes vs Public Transit in 60 Minutes
Given its Advantages, Why Don’t More People Bike?

• Safety

• Cost

• Logistics

• Practicality
There Are Many Barriers to Connectivity When Biking Downtown

Source: Baltimore City Department of Transportation
Baltimore Already Has Existing Plans to Draw Upon

• 2015 Biking Master Plan

• 2017 Addendum to the Master Plan
  • Separated Bike Lane Network

• Complete Streets Ordinance
So...What are the Next Steps?

- You get to start with some light reading 😊
- Policy briefs represent preliminary research which can be expanded
- Continue the conversation in your community
Keep the conversation going:

msiers@towson.edu