Employment Equity: Louisiana’s Path to Inclusive Prosperity

James A. Crowder Jr. with Justin Scoggins and Sarah Treuhaft

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Preface

Louisiana is at a pivotal crossroads. Although the economy is improving and producing a lower unemployment rate than the state has seen in years, not everyone is benefitting from this comeback. Workers of color continue to be significantly overrepresented among both the unemployed, and the underemployed. These inequities for workers of color persist regardless of educational attainment. Black men in particular have the highest unemployment rate of any other group, with more than one in 10 Black male workers unable to find work. Without increased access to opportunity, these men are unable to support their families or contribute to the local economy.

Employment equity is essential to creating economic prosperity for all Louisianans. Achieving employment equity would mean that everybody in Louisiana who wants to work can find a good job that pays family-supporting wages. It would also mean that Black men and other workers of color are not disproportionately unemployed or stuck in low-wage work. Employment equity in Louisiana would mean eliminating barriers for men of color locked out of the workforce and is the key to unlocking Louisiana’s full economic potential. Our research shows that employment equity would make Louisiana’s economy $3.5 billion stronger, with more than 40 percent ($1.5 billion) of that economic growth attributable to expanding employment opportunities for men of color.

Unemployed and low-income Black men need access to additional supports such as more comprehensive resources for formerly incarcerated citizens and enhanced adult education and workforce development programming more likely to lead to a career with family-supporting wages. The suite of criminal justice reform bills passed in 2016 is a noteworthy step in the right direction. However, these changes alone will not help to lift these men and their families out of poverty. Coupling skills training, work-based adult education opportunities, counseling, and other supports for noncustodial parents is the kind of combination of services that Louisiana must place at the center of its workforce, corrections, and human services systems.

Investing in men of color and in critical support systems for our workforce will disrupt Louisiana’s historic legacy of economic exclusion and place the state on a course to greater prosperity for all. Employment equity would grow the state’s economy and meet employers’ increasing demand for a skilled workforce. But, Louisiana can only benefit from these gains by supporting a policy agenda that connects all Louisianans to good jobs. Specifically, Louisiana must choose to finally invest in the same men of color that have been excluded for so long and eliminate the barriers that keep them from accessing economic opportunity. We urge Louisiana’s policymakers to join us in pursuing the solutions proposed in this report and truly realizing employment equity for all.

Ashley Shelton
Executive Director
Power Coalition for Equity and Justice
Introduction

Paul Jackson always knew that he wanted to find a job that would allow him to give back to his New Orleans community in some way. However, he was still struggling to find a job in his field three years after finishing his bachelor’s degree. Every time he would get to a final interview, the position was ultimately filled by a friend, relative, or colleague of the hiring manager, or one of their referrals. Paul was frustrated that he couldn’t break into the “old boys club.” As the first one in his family to go to college, he simply didn’t have the personal or professional network of other applicants. He felt that, even with a degree, growing up as a poor Black male was still holding him back. As he put it, “as a young, educated Black male, employers don’t see that—they just see color. Even if you have that degree, you still are not accepted.”

Paul and Carl are far from alone. Across Louisiana, despite the declining unemployment rate, many workers continue to face multiple barriers to employment such as transportation, access to childcare, prior criminal convictions, and lack of education or training. Young men, and men of color in particular, are disproportionately represented among the Louisianans struggling to find good jobs—jobs that pay enough to support a family, offer safe working conditions, and provide meaningful opportunities to move up the economic ladder.

For example, Black men have the highest unemployment rate (13.8 percent) among all major racial/ethnic and gender groups in the state. Similarly, young Black men in Louisiana ages 16 to 24 years also have the highest rate of being “disconnected”—that is not working or in school—at 28 percent, which is more than double the rate for 16- to 24-year-old White males at 13 percent.²

Myriad reasons are behind these racial inequities, from persistent discrimination in the labor market, to geographic and social isolation, to a criminal justice system that collectively exacerbates long-standing problems faced by men of color in the workforce.³ These problems include systemic and institutional barriers, inadequate support for educational advancement, and gaps in the work-related skills of young men of color in comparison to non-Hispanic White men—these problems limit their access to well-paying jobs and careers.⁴

Changing this situation requires achieving employment equity—when everyone who wants to work has a good job that pays family-supporting wages and the lack of a good job cannot be predicted by race or gender. Employment equity will be crucial to Louisiana’s economic future. This is particularly true in the context of Louisiana’s changing demographics. The state’s population is aging, and predominantly White baby boomers are retiring in droves while workers of color make up an increasing share of the workforce. Between 2000 and 2010, the White population in Louisiana decreased by 2 percent while the Latino population grew by 79 percent.⁵ Ensuring that workers of all races and ethnicities can access good jobs will matter even more as the state’s workforce and population becomes more diverse.
Key Findings

- **Louisiana’s economy is improving, but communities of color are still struggling.** Louisiana’s overall unemployment rate has steadily declined since 2015, but remains higher than that of the nation as a whole. However, this progress has not reached everyone. Workers of color and their families are disproportionately being left behind; the unemployment rate for African American workers (10.5 percent) is almost double that of White workers (5.5 percent).

- **Economic inclusion is critical for Louisiana’s long-term competitiveness and prosperity.** The exclusion of many Louisianans from the job market negatively affects families and hinders businesses from filling their needs for new talent. If the state achieved full employment across all racial and gender groups, bringing over 160,000 people ages 16 or older into employment, Louisiana’s economy could be $3.5 billion stronger every year, with lower poverty and higher tax revenues. More than 40 percent of that additional economic growth ($1.5 billion) would be attributable to expanding employment opportunities for boys and men of color.

- **Bringing more Louisianans into the labor market requires removing barriers to employment that extend beyond skills and abilities.** In addition to continued racial discrimination in the labor market and lack of access to skills training that leads to careers, many workers face multiple barriers to employment. Barriers include limited transit options, criminal records, the high cost of childcare, and poor credit.

- **Investing in male youth and men of color is a win-win for all Louisianans.** As men of color remain the group most locked out of the economy, their families, neighborhoods, and the state as a whole suffer. Black men have the highest unemployment rate among all workers by broad racial/ethnic and gender groups, and Latino, Black, and Native American male workers are among the most likely to be working full-time and earning less than 200 percent of the poverty level (along with Black women, who have the highest rate). The federal poverty level varies by household size; a full-time worker with two children is considered working poor if he or she has an income below roughly $41,000 per year. Prioritizing the economic security of male workers of color would create a multiplier effect that raises the tide for all Louisianans.
Employment equity is the path to long-term prosperity. Policymakers, the business community, foundations, and community-serving organizations must work together to implement multifaceted jobs and workforce strategies to achieve employment equity. Our recommendations for accomplishing this include the following:

1. Remove the barriers that prevent economically insecure workers from accessing good jobs.
2. Scale up workforce development efforts that connect unemployed and underemployed workers to quality jobs and career pathways.
3. Grow the base of employers committed to hiring and providing quality jobs for struggling workers.
4. Support public investment in key sectors (such as infrastructure and childcare) and a federal job guarantee.

**Louisiana Is Experiencing Modest Economic Growth**

The strength of Louisiana’s economy varies across the state and fluctuates with the ebb and flow of the state’s natural gas and oil industry. On one hand, the state is experiencing job growth. Three of the nine metropolitan statistical areas (MSAs) in the state are experiencing strong or record-breaking growth: Lake Charles, Baton Rouge, and New Orleans. Lake Charles has been one of the fastest growing MSAs in the country for the past four years, mostly because of the strength of the petrochemical and gambling industries there. On the other hand, the state’s economy was recently ranked second to last among the 50 states and District of Columbia.

Louisiana is projected to add 12,000 jobs in 2018 and 22,300 in 2019. Although the state is experiencing substantial job growth, many of those jobs are low-wage and do not pay enough for workers to cover basic household expenses. The prevalence of low-wage jobs disproportionately impacts workers of color. More than one in five Black and Latino workers are considered among the working poor, meaning they are working full-time but earn less than 200 percent of the federal poverty level.

Forecasters anticipate that Louisiana will continue to experience job growth in the coming years, and the state is on track to exceed 2,000,000 jobs for the first time in history. However, if current trends continue, any economic growth will be unequal and will not lead to increased inclusion and improved living standards for all. Key indications that Louisiana’s growth has been unequal are described below.
Wide racial and gender inequities exist in employment status

Louisiana's overall unemployment rate in 2016 (7.1 percent) was higher than the national average (5.8 percent). Looking at unemployment by race, the unemployment rate for Black workers (10.5 percent) in Louisiana was nearly twice that for White workers (5.5 percent). Disaggregating unemployment by gender as well as race reveals that Black male workers have the highest unemployment rate in the state. And while Louisianans with higher levels of education are less likely to be unemployed than those with lower levels of education, Louisiana’s Black workers face higher unemployment rates than their White counterparts across all education levels. According to our analysis, the unemployment rate for Black Louisianans in the labor force without a high school diploma is 18 percent.

Black men experience unemployment at more than double the rate of White men.

Unemployment Rate by Race/Ethnicity and Gender: Louisiana, 2016

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>White</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Black</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Latino</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Native American</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Mixed/other</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>People of color</td>
<td>12%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.
Note: Data reflect a 2012 through 2016 average. Universe includes the civilian noninstitutional population ages 16 and older.
Too many of Louisiana’s jobs do not pay enough for workers to make ends meet

A growing share of jobs do not pay a living wage. Indeed, Louisiana has the highest percentage of workers earning at or below the minimum wage, with 5.3 percent of workers earning $7.25 per hour or less, compared to 2.7 percent nationwide. Similarly, in 2015 one in three workers earned salaries that fell below the federal poverty level, roughly $21,000 for an adult with two children. This is due in part to the prevalence of low-wage jobs in the sectors experiencing the most growth. For example, in the leisure and hospitality industry, the average wage for a food service worker is $20,160 per year, and the median wage for a card dealer in a casino is $18,710. Low wages particularly impact Black women and Latino men. Twenty-six percent of Black female workers, and 24 percent of Latino male workers are considered working poor. This challenge was raised by one woman in the Shreveport focus group who worked in early childhood education. Her love for working with kids had led her to stay with the same job for 13 years, despite it being “the lowest paid job that she ever had.”

Racial and gender inequities are seen in wages across the state.
Share of Workers Earning at least $15/hour by Race/Ethnicity and Gender: Louisiana, 2016

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Male</th>
<th>Female</th>
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</thead>
<tbody>
<tr>
<td>All</td>
<td>68%</td>
<td>52%</td>
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<tr>
<td>White</td>
<td>76%</td>
<td>60%</td>
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<tr>
<td>Black</td>
<td>52%</td>
<td>38%</td>
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<tr>
<td>Latino</td>
<td>47%</td>
<td>46%</td>
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<tr>
<td>Asian or Pacific Islander</td>
<td>67%</td>
<td>49%</td>
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<tr>
<td>Native American</td>
<td>65%</td>
<td>49%</td>
</tr>
<tr>
<td>Mixed/other</td>
<td>58%</td>
<td>57%</td>
</tr>
<tr>
<td>People of color</td>
<td>53%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.
Note: Data reflect a 2012 through 2016 average. Universe includes civilian noninstitutional full-time wage and salary workers ages 25-64.
Beyond wages, many workers in Louisiana are struggling to access quality jobs with benefits. Only roughly 52 percent of the private-sector employees in Louisiana who work at least 20 hours per week receive health insurance through their employer. Similarly, only 34 percent of workers in Louisiana have a retirement plan through their employer. Lack of health care and retirement savings only exacerbate the economic insecurity of low-wage workers and their families.

Workers are losing ground, especially workers of color

Wages for the top 10 percent of earners have increased by 19 percent since 1979. During the same time period, overall median wages are up 6 percent, yet the bottom 20 percent of earners have seen only 3 percent wage growth. This lopsided wage growth has most adversely impacted workers of color in the state. The median wage gap (in inflation-adjusted dollars) between White and Black workers has increased by 40 percent since 1979. In 2016, the median hourly wage for Black workers was only 66 percent of the median wage for White workers.

Young men of color lack access to economic opportunity

Since 2000, structural changes to the labor market have negatively impacted men of color. These changes include a shift toward an increasingly knowledge-based economy and gaps in the work-related skills and credentials for young men of color compared with non-Hispanic White men. However, these changes have only amplified long-standing barriers faced by men of color in the workforce. The crux of the issue is the persistent discrimination that has shaped and continues to affect the various systems—housing, criminal justice, education, and workforce—that can either support or impede educational and employment outcomes for men of color.
Employment Equity Will Help to Strengthen Louisiana’s Economy

Louisiana's slow economic growth is not benefitting all workers, and ultimately will undermine the state's ability to be competitive. The majority of jobs in the country require some type of postsecondary training or education. Most of these jobs will require some education or training beyond high school but not a four-year college degree. Unfortunately, across Louisiana and the rest of the Southern U.S., there are simply not enough workers trained to fill these in-demand middle-skill jobs. This skills gap will make it increasingly difficult for the metropolitan areas across Louisiana, and the state as a whole, as they compete to recruit and retain businesses in the region. Furthermore, this gap keeps local businesses from filling skilled job needs and growing their contribution to the local economy. Finally, workers are hurt by this skills gap because it limits their ability to compete for jobs that pay family-sustaining wages.

Defining a “Full-Employment-for-All Economy”

A full-employment economy is one in which everyone who wants a job can find one in a reasonable time frame. Economists typically characterize the economy in the year 2000 as a full-employment economy because the unemployment rate fell to 4 percent for the first time since 1969. Despite having reached full employment in 2000, the United States has never achieved full employment for all. While Black workers experienced employment gains and the Black-White gap in employment began to narrow during the economic prosperity of the late 1990s, Black unemployment remained twice as high as White unemployment in 2000 (7.6 percent compared with 3.5 percent, respectively).

For the purpose of this analysis, we modeled a full-employment-for-all economic scenario for the year 2016, using benchmarks for unemployment and labor force participation based on the full-employment economy of the year 2000, but with labor force participation rates adjusted downward to reflect the aging of the population that has occurred since then. The benchmarks we applied set the maximum unemployment rate at 4 percent and the minimum labor force participation rates at 71 percent for men and 57 percent for women, but with adjustments made to account for the different age structure of each racial/ethnic and gender group. This is necessary because young workers have consistently higher unemployment rates, and some racial/ethnic groups include many more young people than others.


*While this report offers an analysis of the racially disparate barriers to employment and potential solutions, our analysis does not include data on the precise number of additional jobs that would need to be created to achieve true full employment for all. We would like to include this number; however, the data for such an analysis is not yet available.
Bringing many more Louisianans into employment would be a win-win-win for workers, their families and communities, and the state's employers. To estimate these potential benefits, PolicyLink and PERE modeled a “full-employment-for-all” economy, defined as one in which full employment—when everyone who wants a job can find one—is achieved not simply for the workforce as a whole, but also for each major racial/ethnic and gender group. This full-employment scenario set the unemployment rate at 4 percent maximum with labor force participation rates of at least 71 percent for men and 57 percent for women.

Achieving full employment in Louisiana would mean decreasing unemployment for all racial and gender groups. With full employment, the unemployment rate would decrease by 6 to 7 percentage points for Black men, Native American women, and mixed-race women. Most other groups would experience drops of 1 to 4 percentage points.

In a full-employment economy, unemployment would decrease for all, with the steepest decreases for Black men and Native American women.

Unemployment Rates by Race and Gender in Full-Employment-for-All Model: Louisiana, 2016

Achieving full employment would also mean increasing labor force participation rates for all groups. Native American women would see the greatest increase in labor force participation (13 percentage points), followed by Black men (10 percentage points), Asian women (6 percentage points), and men of mixed race (5 percentage points).

**In a full-employment economy, labor force participation rates would increase the most for Native American women and Black men.**

Labor Force Participation Rates by Race and Gender in Full-Employment-for-All Model: Louisiana, 2016

Decreasing unemployment and increasing labor force participation in this way—achieving full employment for all in Louisiana—would bring cascading benefits, including the following.

- **Increased economic output**: With full employment for all, the state's economy would be $3.5 billion stronger every year.

- **Increased employment**: Decreasing unemployment and increasing labor force participation rates would bring about 164,000 more workers into employment.

- **Increased incomes**: Black, Native American, and mixed-race households would see their incomes grow by 3 percent on average; Asian American households would see a 2 percent increase in incomes; and all other groups would see average incomes rise by 1 percent.29

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**If Louisiana achieved full employment for all in 2016, the state's economy would have been $3.5 billion stronger.**

Economic Gains to the State Economy under Full-Employment-for-All Scenario: Louisiana, 2016

![GDP Comparison Graph](image)

- **$258.1** million more workers would be employed
- **$254** million fewer residents would be living in poverty
- **$555 Million** more in tax revenue to strengthen the social safety net

**Source:** PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. See the methodology for details.
Every region in the state would benefit from achieving full employment for all. Applying the same model to Baton Rouge, New Orleans, and Shreveport, we found the following.

- Baton Rouge’s economy would be $424 million stronger per year with $64 million in additional tax revenues to deliver needed high-quality services to communities, and almost 4,400 fewer residents would be living in poverty.
- New Orleans’s economy would be $1.1 billion stronger each year with $167 million in additional tax revenue and 11,000 fewer residents living in poverty.
- Shreveport’s economy would be $203 million stronger annually with $33 million in additional tax revenue, and the number of residents living in poverty would decrease by more than 1,000.

The benefits of increased employment extend far beyond a paycheck. Work reduces social isolation by providing networks of friends and colleagues with whom to build community relationships, connects people to critical resources and institutions, and provides many health benefits both in the literal form of health insurance as well as broader mental health benefits associated with economic security and the ability to manage financial obligations.

Full employment for all would also produce an “equity dividend” for businesses. A more diverse workforce attracts more customers, produces higher revenues, and captures a larger share of the market. Increasing employment boosts the incomes of the newly employed and also creates a “tighter” labor market that lifts wages. These increases in income would generate more consumer spending in the local economy, creating a “multiplier effect” that leads to stronger local businesses, more entrepreneurial opportunities, and additional sales tax revenue for local governments.

Getting to Employment Equity Requires Dismantling Barriers to Accessing Good Jobs

Focus groups with adult workers in Shreveport, New Orleans, and Baton Rouge who are seeking employment or higher wages underscored several barriers that harm their chances of securing family-supporting jobs and careers.

“I was driving 134 miles every day round trip from Bossier to Texarkana. Eventually I found something closer, but it was temporary. I basically left a permanent job to get a job that was closer even though it was only temporary.”
Quentin, Shreveport Focus Group

- **Transportation:** Traveling to work in Louisiana is often challenging for low-income workers and workers of color given the combination of lack of car access, the “spatial mismatch” between where workers of color can afford to live and where jobs are located, and limited public transit systems. Louisiana ranks 12th in the nation for the share of households without a vehicle (8.6 percent). Households of color are more likely to be without a car, with 17 percent of Black households, 10 percent of Native American households, and 9 percent of Latino households without a car, compared to 5 percent of White households.

Public transit in Louisiana is not helping low-income residents get to jobs. For example, in the New Orleans region, 42,000 jobs are being created in the energy sector, many of which will be available to workers with only a high school diploma. Unfortunately, these high-wage jobs are currently inaccessible via public transit.
Louisiana’s roads and bridges are also in dire need of repair. Driving on deteriorated roads costs Louisiana drivers $6.5 billion annually as a result of additional vehicle operating costs, such as tire wear and accelerated depreciation, congested-related delays, and traffic crashes. These transportation challenges facing workers are not only hindering their own economic security, but that of the overall region as well. Businesses are increasingly looking at the quality of a region’s transportation system when deciding where to relocate or expand.

**Jobless Louisianans are much more likely to be carless than their employed counterparts.**


<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
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<th>Unemployment</th>
<th>Not in Labor Force</th>
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<tr>
<td>White</td>
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<td>6%</td>
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<td>People of color</td>
<td>6%</td>
<td>21%</td>
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</tbody>
</table>

**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.

**Note:** Data reflect a 2012 through 2016 average. Universe includes the civilian noninstitutional population ages 25-64 years living in households (excludes group quarters).
• **Criminal records:** Louisiana has long been widely known as the world's prison capital for incarcerating a larger share of its population than any other place in the country.\(^{37}\) Despite a 9 percent decrease in the number of prisoners between 2012 and 2015, Louisiana still has more prisoners per capita than any other state and nearly double the national average.\(^{38}\) However, the economic prospects for returning citizens in the state are looking up. In June 2017, Louisiana Governor John Bel Edwards signed the most sweeping criminal justice reform legislation in state history. Over the next 10 years, these changes are projected to reduce the prison and community service population by 10 and 12 percent, respectively.\(^{39}\) This will increase the number of residents—currently more than 15,000—released from Louisiana prisons each year.\(^{40}\) Given that Black people are disproportionately represented within the state corrections system, a disproportionate number of those released will be Black. Black residents comprise 32 percent of the state's population, but 66 percent of its prison population.\(^{41}\)

Having a criminal record has multiple economic consequences that follow people well after incarceration. Studies show that more than 60 percent of formerly incarcerated individuals remain unemployed one year after being released, and those who are able to find employment after release earn 40 percent less income on average than they earned prior to incarceration.\(^{42}\) The impact of a criminal record is more severe for people of color compared to their White counterparts. White men with a record are more likely to receive a promising response from an employer than Black men that do not have a record.\(^{43}\) Similarly, the effect of a criminal record was 40 percent more damaging for Black men than for White men.\(^{44}\)

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"Some people actually learn from their mistakes, but if you don’t give them a chance, how can they succeed? This is why some of the good people go back to their old ways.

Felix,
Shreveport Focus Group"

Criminal backgrounds in Louisiana minimize economic opportunity in other ways. Currently, residents serving probation or parole for a felony sentence in Louisiana lose their ability to vote, effectively silencing their voice on issues impacting their communities. Fortunately, legislation restoring the right to vote to people on probation and parole in Louisiana will go into effect in March 2019.

In addition, Louisiana statutes authorize the imposition of fines and fees for people who have been convicted of a crime. These include payments to cover the costs of law enforcement, prosecution, court services, as well as charges for DWIs, drug-related crimes, and other offenses. Those residents unable to pay these costs face additional incarceration and suspension of their driver's license, further exacerbating their likelihood of economic insecurity. On average, those on felony probation still owed a third of their restitution amount and half of their other court-imposed fines and fees at the end of their supervision terms.\(^{45}\)
• **Childcare:** Access to affordable childcare was a recurring challenge for both women and men in our focus groups. Unfortunately, childcare is a growing expense for Louisiana's working families, leaving them facing difficult choices in terms of the cost, quality, and availability of care. With the average annual cost of center-based childcare at about $5,600 for an infant and $4,800 for a toddler, a low-income family can expect to pay a significant portion of its income for childcare. For example, a single parent in Louisiana with one child spends 28 percent of his or her income on center-based childcare. This figure jumps to 52 percent for a single parent with two children. For some parents, the trade-off between paying for childcare and working for low wages simply does not make financial sense.

• **Inflexible personal time and leave schedules:** In addition to the cost of childcare, many low-income workers do not receive sick leave or personal days to take care of themselves, children, or other family members in the event of an illness. More than half of Louisiana workers in the private sector do not earn any paid sick leave. This forces far too many low-income caregivers to choose between working when sick and losing critical income, and leaves them with no options for caring for family members in need.

• **Credit checks:** Nearly half of employers nationwide require passing a credit check as a condition of employment, which unnecessarily locks out many potential candidates. A national survey conducted by Demos found that one in seven unemployed respondents reported losing a job opportunity because of a credit check. In the same survey, participants reported that negative marks on their credit reports were often because of their job loss, thus creating a vicious cycle. Focus group participants raised several other challenges. For example, a shift to an almost exclusively on-line application process has confounded older workers. Most job training programs do not consider the unique training needs of older workers trying to reenter an economy that has drastically changed. Several participants also mentioned frustration with arbitrary firings or perceived racial discrimination in promotions.

“Men have hard barriers with kids too. I was on the job and I witnessed a guy who had just found out that his son was hit by a car. He was told that if you leave the job, don't come back. Even if he doesn't have custody of the child, he should still have rights as a parent of that child.

Charles, Shreveport Focus Group

• **Skills:** Louisiana's education and workforce systems are not adequately preparing workers for the jobs of the future. For example, 27 percent of New Orleans's working-age population is estimated to lack literacy skills. The level of educational attainment in the state is lower than the nation as a whole. This is particularly troubling given that, by 2020, 33 percent of jobs in Louisiana will require at least an associate's degree. Only 19 percent of the state's U.S.-born Black working-age adults (ages 25-64 years), 20 percent of Native American adults, and 16 percent of Latino immigrants have that level of education today. Louisiana also has the second highest share of disconnected youth in the nation (16- to 24-year-olds who are not in school or working), with 18 percent of all youth falling into this category. When disaggregating by race, the data reveal that almost one in four Black youth in this age range in Louisiana are neither working nor in school. Unfortunately, Louisiana ranked 45th in the country in terms of expending federal workforce dollars.

Focus group participants raised several other challenges. For example, a shift to an almost exclusively on-line application process has confounded older workers. Most job training programs do not consider the unique training needs of older workers trying to reenter an economy that has drastically changed. Several participants also mentioned frustration with arbitrary firings or perceived racial discrimination in promotions.
Employment Equity: Louisiana’s Path to Inclusive Prosperity

The Way Forward: Employment Equity

To secure a prosperous future for Louisiana, leaders at the state and local level must take action to ensure that all Louisianans can participate in the state’s economic growth and contribute to building an economy that is more competitive, just, and sustainable. We suggest four policy priorities for achieving employment equity and inclusive growth in Louisiana.

1. Remove the barriers that prevent economically insecure workers from accessing good jobs.

2. Scale up workforce development efforts that connect unemployed and underemployed workers to quality jobs and career pathways.

3. Grow the base of employers committed to hiring and providing quality jobs for struggling workers.

4. Support public investment in key sectors (such as infrastructure and childcare) and a federal job guarantee.

Remove the barriers that prevent economically insecure workers from accessing good jobs

Addressing transportation, childcare needs, and background checks can alleviate some of the most significant barriers job seekers and low-wage workers face when trying to improve their economic conditions. Removing these barriers is a winning proposition for both workers and employers, who benefit from accessing new employees and reducing costly turnover due to their workers being unable to find childcare or get to work on time.

- **Expand public transit options and supports for low-income residents.** Inequitable transportation policy stunts the economic prospects of people of color and job seekers dependent on public transit, and limits the economic prospects of the entire state. Across the country, race and transportation have been closely linked for decades, ranging from federally funded highway projects that destroyed or isolated communities of color to segregated streetcars and trolleys. Currently the Louisiana Transportation Trust Fund can only be used to support the construction and maintenance of roads and bridges. Policymakers should consider ways to allow urban and regional public transit providers to also access these funds. Emphasis must be placed on connecting communities that are most in need to opportunity, and on ensuring that existing residents can benefit from any expansion in the form of direct employment. In addition to more mass transit options, policymakers throughout the state should shore up transit subsidies to incentivize work by keeping costs affordable to low-income passengers.

- **Eliminate the collateral consequences of incarceration.** More than 28 states and 150 cities have established policies to help reduce potential discrimination against job candidates who have criminal backgrounds, allowing them to at least get to an interview stage of the employment process. Formerly incarcerated felons in Louisiana face far more obstacles to finding a job than anywhere else in the country. Governor Edwards took a laudable step in this direction in June 2016 by passing “ban-the-box” legislation that eliminated the requirement that applicants disclose felony convictions on their applications for unclassified state jobs. This legislation was followed by the passage of sweeping criminal justice reform a year later in June 2017.
While the 10 bills that were included in the 2017 reform will reduce the state’s prison population, and ease some of the collateral consequences of incarceration, Louisiana still has room for improvement.

— **Expand the scope of the current “ban the box” legislation.** A number of cities as well as the states of California and Minnesota extend their ban-the-box policies to private-sector jobs. Louisiana legislators should explore the feasibility of expanding the current legislation to include private employers.

— **Improve occupational license legislation.** The passage of House Bill 519 in 2017 mandated that state licensing boards issue licenses to individuals with a conviction history if all other requirements for the license have been met. However, the legislation includes many broad exceptions for a variety of offenses and several licensing boards. In addition, licensing agencies retain discretion to deny a license if the conviction relates to the profession for which the license is sought. The current legislation could be improved by limiting the type of information requested in a background check to exclude offenses that are old, minor, or unrelated to the occupation; requiring the consideration of an applicants’ rehabilitation and any mitigating circumstances; and providing applicants with notice of potential disqualification and an opportunity to respond. The preceding recommendations could be incorporated into a broader state licensing law that expressly supersedes the current licensing legislation.

• **Expand access to quality childcare and supports for noncustodial parents.** Struggling to find childcare is not just an inconvenience, it can prevent workers from landing jobs, advancing, and earning promotions. Addressing the childcare needs of workers will also benefit employers, who experience high turnover and lost productivity because of the unstable childcare arrangements of their workers. However, almost a third of children do not live with both parents. In addition, child support orders can be a disincentive to formal employment for low-income men of color because of fear of wage garnishment. Therefore, it is critical that efforts to support workers and their children engage fathers and noncustodial parents in more innovative ways. Louisiana can support working parents in several different ways.

— **Explore a state-administered earned income tax credit for noncustodial parents.** The earned income tax credit (EITC) has been one of the country’s most effective strategies to reduce poverty while also encouraging work. But most of the benefits of this program are limited to workers with dependent children. A pilot demonstration in New York City, Paycheck Plus, found that extending a similar credit to workers without dependent children resulted in increases in income, tax filings, employment, and payment of child support.

— **Incorporate responsible fatherhood and parenting skills into workforce development.** Programs such as the Fathers at Work Initiative in Philadelphia have demonstrated positive impacts on employment, child support payment, and parenting skills.

— **Expand funding for professional development and technical assistance provided to childcare centers through the Louisiana Quality Start program.** In addition, policymakers should consider ways to better embed quality childcare into more comprehensive cradle-to-career programs such as Step Forward in Shreveport.

— **Develop local revenue sources to increase childcare subsidies.** In nine counties in the state of Florida, including Palm Beach County, voters approved the creation of a special tax to fund additional services for children and families, including childcare.

— **Encourage employers to expand childcare benefits for low-wage workers.** ConAgra Foods, Inc., in partnership with a local Head Start program in Huntsville, Arkansas, helped to open a childcare center with extended operating hours to accommodate parents’ late-night schedules and unexpected overtime.

• **Ban employer credit checks.** Poor credit bears no relationship to a person’s ability to perform on the job, and should not be a barrier to employment. Research has shown that states that have passed laws banning employer credit checks saw an increase in employment in low-credit census tracts, yet only 11 states, none of which are in the South, have established these laws. New York City passed the country’s strongest legislation restricting employment credit checks in 2015.
Scale up workforce development efforts that connect struggling workers to quality jobs and career pathways

Policymakers throughout the state can take up several strategies to help workers build the skills needed to obtain and maintain employment. Additionally, they should ensure that skill-building and job-creation efforts target the most underserved populations.

- **Expand apprenticeships and paid training opportunities.** Apprenticeships are a win-win for workers who gain valuable skills on the job and employers seeking a steady source of employees. States can lead on expanding apprenticeship opportunities. Iowa, for example, established the Apprenticeship and Training Act in 2014, allocating $3 million to expand apprenticeship programs throughout the state. Since then, Iowa has been among the top states to register new apprenticeship programs with the federal government. South Carolina increased its apprenticeships by 750 percent by establishing a comprehensive expansion plan including direct state funding, tax credits, technical assistance, and access to training programs through technical colleges. The Louisiana Workforce Commission has an established apprenticeship program that could be adapted or expanded to better reach workers that need it the most, particularly unemployed and underemployed men of color.

- **Steer workforce development efforts toward growing sectors.** Fully tapping into Louisiana’s talent base requires opening up employment opportunities across all sectors of the economy, particularly in the manufacturing, construction, and health-care occupations that are projected to grow in the coming years.

The EARN Maryland program was established by the state to support employers that were struggling to find workers. Cohorts or partnerships of at least five employers are eligible to apply for funds from the state to support employee training after coming together to assess their labor needs and designing a program that suits them while filling employment gaps for target populations. In Northern Georgia, home to a large flooring industry, business leaders recognized a shortage of workers with the skills to handle modernized machinery. Twenty-five percent of the jobs in the region are in the manufacturing industry, yet only 5 percent of students were in vocational programs at local colleges and career programs. A robust group of leaders, including the community college system and seven flooring industry leaders, worked closely together to establish the Advanced Manufacturing Business Academy, which enrolled its first 200 students in fall 2016.

- **Invest in employment and workforce training for youth.** Youth employment is a proven strategy to help youth build workforce skills and earn a paycheck. It also serves as a violence-prevention strategy because youth violence peaks during summers when kids are out of school. In St. Louis, STL Youth Jobs targets students in underserved neighborhoods, offers them job training and skill development, and placement in a summer internship. For 51 percent of their participants, this program offers them their first job. Also, 60 percent of youth continue to be employed years after participating in the program. In Chicago, youth violence was decreased by 43 percent with the city’s summer youth employment program. Youth employment is not only an opportunity to help youth earn their first paycheck, it is also a prime occasion to help young people build savings habits and form a healthy relationship with their finances. MyPath partnered with the City of San Francisco’s summer youth employment program to teach kids about the importance of savings and building credit. Youth in the program collectively have saved more than $1 million. The MyPath model is now being replicated across the country.

In addition to employment, policymakers should consider trying to upskill the state workforce earlier by integrating career-focused learning into the high school experience. For example, career academies can establish small learning communities within high schools organized around a specific career theme. Similarly, career and technical education high schools can help orient young people to the labor market and provide them with the skills and knowledge to help them succeed in an economy where middle-class jobs increasingly require strong technological skills. The Louisiana Community and Technical College System could be an integral partner in developing a curriculum and program suitable for high school students.
• **Implement targeted and local hiring.** Local and targeted hiring policies require or incentivize businesses that receive public resources, such as government contracts or tax breaks, to hire workers living in a particular geographic area or from specific populations within the community. These policies can be passed citywide, adopted by government agencies, or negotiated on large development projects (e.g., community workforce agreements and community benefits agreements). In New Orleans, former Mayor Mitch Landrieu developed a hiring program as a strategy to reduce the city’s 52 percent jobless rate among Black men. Since the launch of the program, Black male unemployment has decreased to 44 percent.²¹

Grow the base of employers committed to hiring and providing quality jobs for struggling workers

Louisiana’s economic development efforts should foster inclusive growth and prioritize strategies that strengthen and multiply the number of employers who provide good jobs to the state’s workers who do not have a college degree or face other barriers to employment (including discrimination). At a minimum, Louisiana should ensure that economic development subsidies are accountable and deliver quality jobs and other community benefits. Additionally, community leaders in the state should promote employer awareness of how providing quality jobs and fostering greater racial economic inclusion can boost a company’s competitiveness and growth by reducing turnover and improving performance.²²

• **Support the growth of minority- and women-owned business enterprises (MWBEs).** MWBEs are crucial agents in any effort to improve economic inclusion. Not only are these entities a significant wealth-creating engine for low- and moderate-income communities, they are also job centers. Minority-owned businesses have a strong record of hiring people of color and women.²³

The City of Cincinnati conducted a disparity study to assess the number of city contracts going to MWBEs. The results showed that in a city that is 43 percent Black, less than 1 percent of contracts went to Black firms. The city leadership moved into action and developed a Minority Business Accelerator (MBA) program. Since its founding, there are three times as many Black-owned companies with revenues greater than $10 million in the region. The MBA’s member companies employ more than 3,500 individuals, and the average portfolio revenue of an MBA business is $34 million.²⁴

States can also set aside a portion of funds to spur growth among MWBEs. The State of New York was the first to establish a $2 million MWBE investment fund in 2015. Funds are being used to support innovation and job creation in high-growth sectors throughout the state. The fund is making seed investments in start-ups, with a focus on the fields of advanced materials, clean technology, life sciences, and medical devices.²⁵

• **Leverage the economic power of large “anchor institutions.”** State and local governments can coordinate with universities, community colleges, hospitals, and large private-sector employers to not only fill vacant positions, but also help grow new local businesses through contracting. This can be done by focusing on communities with high unemployment. The Chicago Anchors for a Strong Economy (CASE) is a network of 16 anchor institutions within the city that have made a commitment to using their procurement dollars for goods and services from local businesses. CASE has worked with more than 236 businesses, has created 180 new jobs, and has facilitated $50.6 million in revenues to the local economy.²⁶

• **Develop a cooperative ecosystem.** Cooperative businesses can achieve multiple goals of economic inclusion. They are not only a job creation mechanism, but also a wealth-building tool for workers who would typically not be able to earn enough to build assets on their own. Cooperative businesses typically have a governance structure that allows worker-owners to have a voice in the decision-making processes of the company, and they offer significant economic development directly in the communities where they operate. Developing a cooperative ecosystem involves many steps. However, policymakers can play a significant role by developing pro-cooperative legislation or allocating funds for technical assistance and capital access.²⁷ In Atlanta, the seeds of a cooperative ecosystem have been planted through the Atlanta Wealth Building Initiative. The Initiative used an anchor strategy to develop BetterLife Growers, a company that produces lettuce. By 2021, BetterLife is projected to provide half of the lettuce used by food companies in the Atlanta metro area, and will transition ownership of the company to its 25 employees.²⁸
Support public investment in key sectors (such as infrastructure and childcare) and a federal job guarantee

The most effective approach to achieving employment equity would be for the federal government to establish a job guarantee that would ensure everyone who wanted a job could get a public job that pays wages sufficient to support a dignified standard of living along with full benefits. State governments lack the capacity to implement such a program because they are required to balance their budgets each year. However, federal investment in a job guarantee would provide an influx of public funds to states and localities to generate employment opportunities. A National Employment Investment Corps (NEIC) has been proposed as a program that could be used to actualize a job guarantee. Not only would the NEIC provide many societal and economic benefits of employment, it would provide the opportunity to upgrade our national infrastructure—roads, bridges, green homes, better education facilities, higher quality childcare and elder care, and more. Louisiana is well-positioned to implement a federal job guarantee and achieve multiple secondary benefits in the process; examples are shown below.

- **Make critical repairs to infrastructure.** Currently, 26 percent of major roads in the state are in poor condition. In addition, 13 percent of the state’s bridges are structurally deficient. NEIC workers could be deployed to assist with the much-needed improvements to Louisiana’s roads and bridges, while gaining valuable skills and experience.

- **Promote public safety.** Louisiana recently secured $323 million in funding to address key water infrastructure projects prioritized by the Army Corps of Engineers. NEIC workers could play an integral role in the implementation of these projects that will help to improve the integrity of existing facilities and structures, and decrease the risk of another catastrophic flood in the state.

- **Improve health and well-being.** NEIC workers could be used to help reduce the state’s carbon footprint by improving energy-efficient retrofits in schools, libraries, recreation centers, and other public buildings. This shift has the potential to improve air and water quality, as well as reduce the maintenance and operating expenses currently supported by taxpayers.

**Conclusion**

Economic inclusion in the state of Louisiana will be key to acquiring a competitive edge in an evolving economy. The state is experiencing a period of moderate growth with an increase in jobs in the pipeline. However, the burgeoning prosperity being experienced by some is not being shared by all Louisianans. Low-income communities and communities of color continue to be on the margins of the economy and are locked out of opportunity. Helping these residents more fully participate in the economy is clearly a win for all in Louisiana. A focus on employment equity, or full employment for all—a scenario in which all people who want to work, regardless of their race or gender, are able to find employment—will bring many benefits throughout the state. If leaders invest in critical needs such as expanding public transit, and key strategies such as targeted and local hiring, ensuring that citizens can access employment, and increasing access to work supports such as childcare, Louisiana will see billions of dollars in increased incomes, a lower poverty rate, and increased revenues to support needed programs for all Louisianans.
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Notes

1. These are examples of employment situations and barriers described to us during focus groups held in Shreveport, New Orleans, and Baton Rouge, Louisiana, during spring 2018. All names have been changed to protect the identities of the participants.


4. Ibid.


7. Additional reports have been produced for Georgia, Alabama, Mississippi, and North Carolina.


16. PolicyLink/PERE analysis of 2016 American Community Survey 1-Year IPUMS microdata. Universe includes the civilian noninstitutional population ages 16 and older.


19. Ibid.


22. Ibid.


24. Ibid.


27. Ibid.


29. The race/ethnicity of households is defined by the self-identified race/ethnicity of the head of the household in responses to the Census American Community Survey.


PolicyLink/PERE analysis of 2016 American Community Survey 5-Year IPUMS microdata. Universe includes the civilian non-institutional population ages 25-64 living in households (excludes group quarters).


Ibid.


Ibid.


Ibid.


Employment Equity: Louisiana’s Path to Inclusive Prosperity


65. Ibid, p. iii.


71. Ibid, p. 2.


73. Ibid.


90 Ibid.

91 TRIP. Louisiana Transportation by the Numbers: Meeting the State’s Need for Safe, Smooth, and Efficient Mobility, p. 4.

92 Ibid, p. 5.
