



# **Jobs and the Urban Poor:** *Privately Initiated Sectoral Strategies*

by Peggy Clark and Steven L. Dawson with Amy J. Kays, Frieda Molina and Rick Surpin

Copies of this book and its companion, *Jobs and the Urban Poor: Publicly Initiated Sectoral Strategies*, produced by Mt. Auburn Associates Inc., are available free of charge from the Charles Stewart Mott Foundation by sending an Email message to [infocenter@mott.org](mailto:infocenter@mott.org) or calling its Publications Hot Line at (810) 766-1766.

In addition, Mt. Auburn Associates Inc. has produced a separate volume of case studies drawn from the research used in *Jobs and the Urban Poor: Publicly Initiated Sectoral Strategies*. Copies are available for \$15 (including shipping and handling) by contacting Judi Martinello of Mt. Auburn Associates at (617) 625-7770.

# **Jobs and the Urban Poor:** *Privately Initiated Sectoral Strategies*

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# Preface

This report and its companion, *Jobs and the Urban Poor: Publicly Initiated Sectoral Strategies*, are part of a research effort designed to assess the potential of an emerging economic development approach — sector strategies — as a tool for alleviating urban poverty by increasing employment opportunities. They were sponsored by the Ford and Charles Stewart Mott foundations and arose out of a growing interest in identifying strategies that are appropriate and effective at improving the economic status of poor residents of our nation's cities.

Our economy remains the strongest and most productive in the world. Its vitality has provided greater opportunities for many in recent decades as it absorbed simultaneously the entrance of the baby boom and the return of women to the labor force.

At the same time, more and more people are being left behind. Concentrated poverty characterizes too many urban communities, income inequality is at an historic high, and working hard is no longer a guaranteed path into the middle class. As a nation, we continue to seek effective ways of alleviating poverty. Sadly, too often our efforts have proven unequal to the task, despite the expenditure of billions of public and private dollars.

The Ford and Mott foundations continue to believe that linking people to good jobs is the best solution to poverty. Toward that end, in recent years we have supported several efforts to intervene in certain industries or sectors that have the

potential to provide good jobs for low-income individuals. Given the success of some sectoral projects, Ford and Mott decided to fund two research projects to define and assess more rigorously the potential of this approach. *Jobs and the Urban Poor: Privately Initiated Sectoral Strategies*, looks at the experience of community-based organizations that have undertaken sectoral employment development strategies, and attempts to define these strategies and assess their impact. *Jobs and the Urban Poor: Publicly Initiated Sectoral Strategies*, produced by Mt. Auburn Associates Inc., looks at current sectoral economic development strategies undertaken by the public sector (state and city governments or quasi-public agencies) and assesses their potential for improving the economic status of urban residents.

Our goals in disseminating these two documents are: to spread the idea that the poor can participate in the competitive economy, to illuminate the practice of using a single industry or occupation to create jobs and economic opportunity for the poor, and to promote the concept that poverty alleviation is linked to economic development.

We hope this report and its companion volume are instructive and spawn further thought, definition, and demonstration leading to improved practice.

**Mark Elliott**  
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The Ford  
Foundation

**Jack A. Litzenberg**  
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Mott Foundation

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# Acknowledgements

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We also wish to extend our warmest appreciation to Jack Litzenberg of the Charles Stewart Mott Foundation and Mark Elliott of the Ford Foundation for their support, guidance and the vision to see the importance of the questions we have attempted to explore.

We would like to thank Fred O'Regan and Maureen Conway, whose earlier publications were extremely helpful to this project. In addition, we appreciate the assistance of our advisory board in reviewing the project publications at various stages.

Finally, we would like to express our gratitude to the many sectoral program practitioners who gave of their time and energy to participate in the telephone survey, the practitioner's meeting, and the on-site case studies. In our efforts to find a theory to describe a practice, you were our guides and your work inspired our efforts.

# Executive Summary

A *sectoral initiative* represents a distinct employment model that:

- **Targets** a particular occupation within an industry;
- **Intervenes** by becoming a valued actor within the industry that employs that occupation;
- Exists for the primary purpose of **assisting low-income people** to obtain decent employment; and
- **Creates**, over time, **systemic change** within that occupation's labor market.

## Introduction

This paper is written as an initial attempt to define “sectoral employment development” as a distinct community-based model for employing the urban poor. The authors intend to accomplish four tasks:

- **Propose a definition for “sectoral employment development,”** by identifying its essential characteristics.
- **Describe the defining characteristics of sectoral development,** by referencing several case studies we believe are prime examples of this approach.
- **Identify thematic issues** that appear related to sectoral development.
- **Propose recommendations** for practitioners and others who are interested in starting or supporting sectoral programs.

## Methodology

The authors consider this paper an initial exploration of a relatively new and unexamined community-based employment model. In order to contribute to the beginnings of a knowledge base on the field, this paper relies heavily on the experiences

and expertise of sectoral practitioners.

Four urban, community-based employment initiatives were studied in-depth, three of which were judged to be prime examples of sectoral employment development, and the fourth to be a promising new initiative:

- **Chicago Manufacturing Institute**  
Chicago, Illinois
- **Cooperative Home Care Associates**  
Bronx, New York
- **Focus: HOPE**  
Detroit, Michigan
- **Project QUEST**  
San Antonio, Texas

These four on-site cases studies were augmented by on-site visits and telephone interviews with 12 other community-based employment programs, a review of sectoral initiatives assisted by the National Economic Development and Law Center, a literature review, and a series of meetings with practitioners and advisers.

## Part I: The Problem

Nearly 40 million people in the United States now live below the poverty line. Even low-income people who work have experienced declines in real earnings during the past 25 years, due primarily to changes in labor demand that favor more educated workers, the displacement of good-paying manufacturing jobs, and the decline of a unionized work force. These industrial, demographic, and labor-market shifts have particularly harmed the urban poor.

The federal government's primary response has been an array of employment and training programs. However, evaluations of these programs have consistently shown only modest progress in employability and income for low-income participants. Many programs do not explicitly address the mismatch between the skills and education

This paper is written as an initial attempt to define sectoral employment development as a distinct community-based model for employing the urban poor.

levels of the urban poor and those required by employers. Direct interventions in the labor market on behalf of low-income people, such as raising the minimum wage, appear politically unacceptable at this time.

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## Part II: Defining “Sectoral Employment Development”

The paper introduces “sectoral employment” development as having four essential characteristics:

A sectoral employment program **targets** an occupation within an industry, and then **intervenes** by becoming a valued actor within that industry — for the primary purpose of **assisting low-income people** to obtain decent employment — eventually **creating systemic change** within that occupation’s labor market.

Targeting a particular occupation within an industry is necessary, but not sufficient, to meet this definition. What makes this sectoral definition distinct is twofold:

**Goal:** A sectoral initiative goes beyond targeting through its intentional goal of achieving systemic change — explicitly aiming to alter how the entire targeted labor market either recruits, hires, or promotes low-income individuals.

**Process:** A sectoral initiative is also distinct from conventionally targeted jobs programs in how deeply the intervention envelopes itself within the related industry — how much the intervention itself becomes an inextricable part of the chosen sector.

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## Part III: Sectoral Programs as a Distinct Development Model

Those relatively few community-based responses that have focused on employment for the urban poor have generally formulated strategies using a neighborhood-based resource delivery model.

This model defines the problem of urban joblessness as an absence of resources, which in turn has resulted in broad-based programs that are applied across a variety of industries and occupations — but applied within a narrow, neighborhood-defined geographic area.

This section of the paper suggests that, in comparison, sectoral initiatives form a discrete model of community development — because they define the problem of urban joblessness not simply as an absence of resources, but also as an absence of market-place relationships — relationships that can create opportunities of value to both low-income participants and employers.

Sectoral employment initiatives therefore seek to address the structural mismatch of supply and demand in the labor force by applying themselves in a more targeted manner and penetrating deeply within a single industry — but applied to a wide, regionally defined labor market.

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## Part IV: Program Descriptions

The four case studies the authors chose to study in-depth:

**Chicago Manufacturing Institute (CMI)** is a for-profit agency that developed out of the 13-year-old Industrial and Business Training Programs (IBTP) of Chicago Commons. Combined, CMI and IBTP have trained more than 1,750 economically disadvantaged people, helping them obtain long-term, skilled manufacturing jobs in screw machine, spring machine, and plastic injection molding shops in Chicago. Although these industries were declining in inner-city Chicago for many years, CMI found that because of an aging work force, job openings were available that could be filled by CMI’s low-income participants. In addition to training, CMI also provides consulting and educational services to the manufacturing companies that hire CMI’s

graduates, making these businesses more competitive by enhancing management, finance, marketing, quality control, technology utilization, and human resources. Calling itself a “market-driven, occupation-specific” industrial training program, CMI has trained and placed close to 1,000 low-income people in jobs with wages between \$8 and \$12 an hour, while encouraging new technological applications and new quality standards to help restructure the industry.

**Cooperative Home Care Associates (CHCA)** is an employee-owned home health care company, founded in 1985 in the South Bronx, that now employs 300 women of color. CHCA leadership intentionally chose an occupation that many low-income people already held — paraprofessional home health care aide — where the work typically is very low-paying, often temporary, and often considered to be menial. CHCA then worked to restructure these jobs into decent, quality positions by creating a cooperative enterprise and then creating an employer-based training program to develop and place low-income women within the cooperative. CHCA’s primary innovation has been to upgrade the value of the home care aide in the marketplace, creating a higher-quality paraprofessional position that in turn could command a higher wage. In this and other ways, CHCA became an important actor among others in helping to raise paraprofessional wage rates in the late 1980s throughout the New York City home health aide labor market. CHCA is currently helping initiate replications in Philadelphia and Boston.

**Focus: HOPE**, founded in 1968, is a leading civil- and human-rights organization in Detroit that operates several nationally recognized community-based programs. Among these is a highly successful program placing inner-city minorities in machine tooling and metalworking jobs throughout

the Detroit area. The core employment training program of Focus: HOPE is the Machinist Training Institute, which teaches precision machining in a full-time classroom plus a hands-on production course. Other training programs include: FAST TRACK, a seven-week, school-to-work transition program that serves high school graduates who require basic skills; and the Center for Advanced Technologies, which offers a six-year curriculum for engineer-technologists in advanced manufacturing processes. Focus: HOPE also operates three manufacturing companies. Throughout Detroit’s precision machining and metalworking industries, Focus: HOPE is becoming a major actor in the research and development of computer-based technological applications.

**Project QUEST** is a newly emerging project that was created in January 1992 in San Antonio by the Industrial Areas Foundation and two highly respected community organizations, Communities Organized for Public Service and Metro Alliance. QUEST was born from discussions in local parishes, individuals’ kitchens, and with local business leaders after the Levi-Strauss factory closed down in 1990, resulting in job losses for thousands of local people. QUEST’s training program is long-term and comprehensive (two years with full stipends and supportive services) and is intended to address continually and aggressively the specific labor needs of industry. QUEST is active in three sectors, targeting 26 specialized occupations in the areas of health care, financial services, and environmental technologies. Since 1992, more than 500 people have attended or are currently attending the two-year program; 110 graduates have been placed in full-time jobs with an average wage of \$7.30 an hour.

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## Part V: The Four Defining Characteristics of Sectoral Development

To provide a more detailed understanding of how sectoral initiatives are structured, this section explores the four defining characteristics in more depth. Each characteristic is based on a key concept:

**Targeted:** How was the particular occupation (or cluster of related occupations) selected? The term sector is an occupation-based, not business-based, concept — and one that is more likely to be defined by a flexible system of marketplace relationships than by industry type alone.

**Interventionist:** What entity or program was created to penetrate the industry(ies) that employs that occupation? A sectoral initiative penetrates a single industry in order to become deeply embedded in a system of market-oriented relationships. A sectoral initiative provides real “value added” to other actors in its sector to achieve its goal of improving low-income employment opportunities.

**Low-Income Focused:** What new practices were undertaken to improve employment options for low-income people? A sectoral initiative constantly attempts to maximize the value of the low-income participant to become more competitive in the labor market. A sectoral initiative may also work to strengthen the chosen sector in order to protect or expand employment opportunities for their low-income participants.

**Labor-Market Oriented:** Beyond the initial program, how did the program change relationships or behavior among key actors within the sector? Systemic change within a labor market is achieved by participating in — and thus influencing — complex relationships among a variety of key actors. Therefore, sectoral employment development is a systems

approach, not simply a resource-delivery approach, to securing jobs for the urban poor.

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## Part VI: Thematic Issues and Recommendations

Sectoral initiatives appear to pass through several stages of development: *New, Emerging, Mature and Expansive*. The paper suggests that all successful sectoral initiatives will pass through the first three of these stages, and that some will enter the fourth. Several important themes appear to cut across almost all the initiatives studied, and tend to cluster within these stages. The authors recommend that practitioners considering a sectoral initiative carefully address these themes:

### New Initiatives

- What is the proper “staging area” for a sectoral project?
- How formal or informal should the initial stage of analysis be?
- How should low-income be defined?

### Emerging Initiatives

- Do sectoral initiatives attempt to increase only economic resources?
- How do sectoral initiatives help make low-income people more valuable in the marketplace?

### Mature Initiatives

- How can these complex organizations remain focused?
- How can these complex organizations remain creative?

### Expansive Initiatives

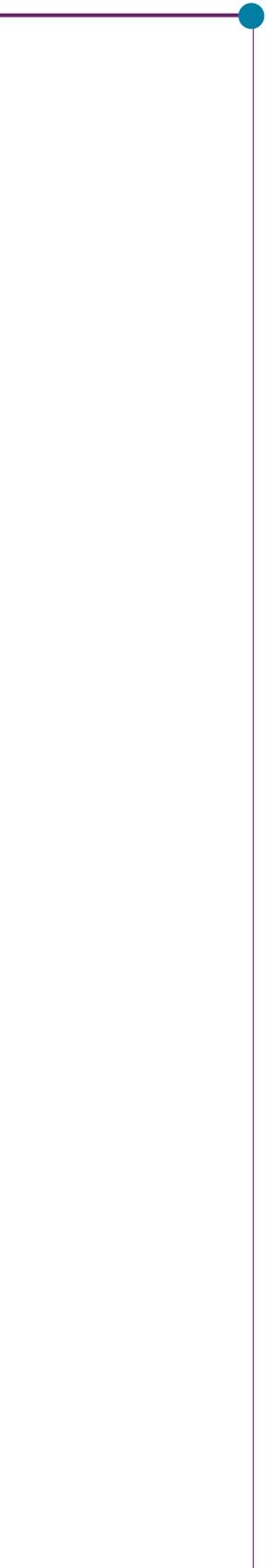
- How can entrepreneurial leadership be encouraged in sectoral projects?
- How can sectoral programs sustain themselves at such a large scale?

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## **Part VII: Conclusion**

The authors believe that — although sectoral programs hold promise as an effective approach to job creation for the poor — sectoral employment development cannot yet be considered a fully developed field. Further experimentation and assessment are necessary so that sectoral initiatives can grow in number, attract more resources and expertise, and develop a common language allowing practitioners to share and contrast their experiences.

The authors hope readers will find this paper a thoughtful, initial attempt to identify a range of defining characteristics and common principles — one that will facilitate the emergence of the sectoral employment development field.



**x**

# Introduction

One of the most important, difficult, and pervasive problems America faces is the challenge of securing jobs for the urban poor. The gap between the inner-city poor and jobs that provide livable wages and benefits is wide and growing wider — while jobs that are easily available to the poor typically offer inadequate wages and benefits, and offer little hope for advancement.

The path that a low-income person follows to secure a good job is strewn with multiple barriers — economic, social, and psychological. Dismantling these barriers requires persistent, forceful, and informed action that is responsive not only to the needs of potential employees, but also to the needs and interests of potential employers.

Designing programs that succeed in dismantling these multiple barriers has proven to be an exceptionally difficult task. These difficulties have in turn contributed to misgivings, increasingly widespread in the American public, as to the efficacy of attempting programmatic interventions on behalf of the inner-city poor.

Together these two trends — worsening urban unemployment and deepening skepticism as to whether such inner-city problems can ever be addressed — highlight the importance of identifying and understanding any programmatic approach that succeeds in employing the urban poor.

In this context, a few powerful yet disparate sectoral programs stand out as singularly successful in their ability to effectively employ, or improve employment for, disadvantaged people. This particular type of promising community-based initiative has become known as “sectoral employment development” — so named because these programs focus on a single occupation (or related cluster of occupations) and attempt to change employment practices systemically

within the industry sector that employs that occupation.

Yet while interest has increased in sectoral employment development, very little has been written on the sectoral approach. No shared theoretical framework, or an agreed-upon definition of the term exists among employment practitioners and funders. In response, the Ford and Charles Stewart Mott foundations asked a team of community-based employment specialists, convened by the Aspen Institute, to explore and help define the concept.

The Aspen team identified several initiatives as representative of the sectoral approach. Each of these initiatives is an urban, community-based program that has gained broad respect among both funders and practitioners for having secured good jobs for low-income people.

At first glance, these programs appear quite diverse — among them two Midwestern trainers of black youth for positions in manufacturing industries; an East Coast employer of low-income women for home care services; and a new long-term training and employment program in the Southwest that targets occupations in three different industry areas. Indeed, each of the programs discussed here developed in complete isolation from one another, in entrepreneurial response to their local circumstances. Some of these initiatives describe themselves as sectoral; several do not.

Specifically, this paper is intended to accomplish the following four tasks:

- **Propose a definition for “sectoral employment development”** by identifying its essential characteristics.
- **Describe the defining characteristics of sectoral development** by referencing several case studies we believe are prime examples of this approach.

A few powerful yet disparate sectoral programs stand out as singularly successful in their ability to effectively employ, or improve employment for, disadvantaged people.

- **Identify thematic issues** that appear related to sectoral development.
- **Propose recommendations** for practitioners and others who are interested in starting or supporting sectoral programs.

Finally, the authors wish to emphasize that what we present here is a conceptual framework — one that helps to

define and describe the sectoral model of employment development. This framework is intended to provide readers with an analytic tool to help distinguish sectoral initiatives from other community-based responses to urban joblessness, and to provide guidance to those who are interested in establishing sectoral programs.

# Methodology

While a significant body of research exists on the scope and effectiveness of employment and training programs in general, little has been written on sectoral development as we describe it here — that is, occupation- and industry-specific, nonprofit programs intended to create systemic change in inner-city labor markets.

Given this paucity of information, and the challenge of defining a much-discussed but little-understood model of development, the methodology we employed for this paper intensively studied a few selected successes that appear to represent that model. Intentionally, our methodology is not an exhaustive or comprehensive survey of the breadth of the sectoral phenomenon, but is instead an attempt to describe selected examples of the approach. From these we try to illuminate a useful theoretical framework for identifying and understanding sectoral programs.

Another characteristic of our methodology derives from our belief that, at this time, expertise about sectoral employment development resides primarily among those local leaders who are operating sectoral programs. This is in large part due to the fact that the approach is new, little has been written about it, and there is not yet a common understanding of what the approach entails. These practitioners are immersed in the day-to-day practice of the approach and are intimately familiar with its strengths, shortcomings, and potential.

Because of this interest in focusing on the expertise of practitioners, we formed a team that was composed in part of community development practitioners from two leading sectoral development organizations: the Home Care Associates Training Institute and the National Economic Development and Law Center. We believe that this practitioner-based team composition

and methodological approach led to a richness of data about program operations that would otherwise have been unavailable to us.

The scope of work we address here specifically directed us to study sectoral programs initiated by community-based nonprofit programs in urban areas. Therefore, while sectoral projects are found in both urban and rural communities, we provide in this paper little information about the sectoral phenomenon in rural settings.

## A Few Words About the Word “Sectoral”

As recently used among funders and practitioners, the term “sectoral” has commonly described a portion of an industry usually focused around a particular occupation — such as entry-level occupations within the carpentry trades, or the single spindle machine tool industry, or day-care services.

However, an economist defines a “sector” as a macro grouping of business activities — the manufacturing sector, the service sector, the nonprofit sector — not as a more narrowly identified industry. The term “sub-sector” is closer, but even that term technically describes a sizable group of economic activities — for example, the auto industry — while the sectoral initiatives most community-based organizations employ tend to deal within far more narrowly defined limits — for example, occupations related to the machining of parts for the auto industry.

Given that community development practitioners at times work closely with economists, the imprecise use of the term may cause some confusion. However, since the term “sectoral” as used in this paper has already gained wide currency within the philanthropic and practitioner communities, the authors believe it appropriate to continue its use.

The scope of work we address here specifically directed us to study sectoral programs initiated by community-based nonprofit programs in urban areas.

# I. The Problem: Few Jobs, Poor Jobs

The job market for the low- or semi-skilled worker has changed dramatically in the past decade.

America has always believed itself to be a country where a dedicated, hard-working person could get a decent job that pays a livable wage. The theme of economic opportunity fuels our conscious sense of what is fair and what is possible in America. Yet not only is this notion far from the truth, but also it is becoming more so each day. Income inequalities between the rich and the poor have never been so disparate, and the ranks of the poor have never been so full. Close to 15 percent of the U.S. population — 39.3 million people — now live below the poverty line.

Since the 1970s, low-wage workers have experienced large declines in real earnings, especially during the 1980s when adjusting for inflation. The major cause of this increased inequality has been a shift in labor demand favoring more educated workers (Freeman & Katz: 1994; Blank: 1994). The job market for the low- or semi-skilled worker has changed dramatically in the past decade. Jobs providing good wages and benefits in the manufacturing sector, once plentiful, are now scarce and unlikely to return. Structural changes in the economy — away from goods-producing industries and toward service industries — have transformed the U.S. labor market (Kasarda: 1985; Wilson: 1987).

The significant decline in the unionized portion of the work force has also played a major role in the widening of wage inequalities. Historically in the United States, union membership has generally offered a 20- to 25-percent wage advantage and has exerted pressure on nonunion employers to pay higher wages and provide benefits (Freeman & Katz: 1994).

## Working But Poor in Urban America

These industrial and labor market shifts have particularly exacerbated urban poverty, joblessness, and underemployment.

Also, the low quality of jobs available in the current urban economy diminishes the long-term earnings prospects of the inner-city poor, and thus their ability to escape poverty.

The overall decline in the real value of wages and a widening gap in the earnings equality of jobs have resulted in a steady drop in the standard of living for a large portion of the work force. The phrase “working but poor” has come to describe many households with one- and two-income earners who are surviving near or below the poverty line — even while they labor full-time in low-wage occupations.

In 1993 a family of four, with two adults working full-time for minimum wage, earned just \$17,544. With only one working adult, family income was \$8,772, or 39 percent below the poverty line. Even when family size is very small, full-time minimum-wage employment does not lift the family out of poverty. In a family of two with one working adult, a minimum-wage job still leaves the family 7 percent below the poverty line.

## Education as a Primary Factor of Employment

These economic changes pose particularly daunting challenges for the urban poor. Many workers with a high school degree could once expect to find a good job in the manufacturing sector where required skills could be acquired through informal learning on the job. However, as businesses have increasingly adopted new technology to improve productivity, workers with computer and problem-solving analytical skills are in demand. Continuing technological change also means that, over time, workers must be retrainable and adaptable (Lynch: 1994).

Yet many workers with a high school diploma now enter the job market with weak academic competencies and few technical

work skills. Firm-based training must therefore include remedial reading and math as well as basic technical skills. Informal learning in a technology-based workplace still occurs, but it requires that entry-level workers have considerable basic skills when they enter the workplace.

In this context, employer-based training systems are generally regarded as having a higher payoff, in terms of both increased wages for the worker and increased productivity for the firm, when compared with third-party training programs. This is primarily due to the fact that employer-based programs are linked directly to the skills required by the particular company (Lynch: 1994).

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### **The Public Response**

Over the past 20 years, the primary national strategy to increase the employment and earnings of the urban poor has been an array of government-funded employment and training programs. Evaluations of these programs have shown some progress in employing people and a modest increase in wages (Blank: 1994; Lynch: 1994).

Generally, however, research has shown that government-led training programs are disconnected from contemporary employer needs. While the Job Training Partnership Act (JTPA) was enacted in 1982 to replace the Comprehensive Employment and Training Act (CETA) in order to emphasize the needs of the private sector, this promise has gone largely unfulfilled. Specific issues regarding problems with current employment and training programs include the following:

- The connection of employment and training efforts to public assistance programs has led to the perception on the part of employers that employment and training programs are part of the welfare

system. Thus stigmatized, such programs are typically isolated and viewed with suspicion by the employer community (Osterman: 1988).

- The overly bureaucratic and inefficient nature of the current federal and state employment and training systems has consistently frustrated community-based organizations reliant upon government training funds (Harrison: 1993).
- Training programs are not well-connected to mainstream institutions in the private sector, and often do not address the changing labor needs of industry (Taggart: 1981).
- Training does not necessarily provide participants with greater employment choice, and it generally does not apply strict standards of individual performance (Taggart: 1981).
- Research findings on program effectiveness are neither widely understood nor widely disseminated, nor is there a national system to replicate “proven” models successfully (Pines and Carnevale: 1991).

In effect, the key problem with the current employment and training system is that it has not kept pace with the continuous and dramatic changes in U.S. labor markets.

On the other hand, most company-based training programs are designed for workers who are already educated. Training provided for blue-collar workers is typically limited. Employers have little incentive to provide basic literacy and math skills training that is necessary before blue-collar workers can build technical skills. Therefore, some form of incentive is generally necessary today for a firm or employer-based training system to include blue-collar, not just white-collar, workers in any technically oriented training program (Lynch: 1994).

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## Interventions in the Labor Market

Many low-income workers will be able to upgrade their skills and increase their earnings if such training is available. However, training, while important, is not a sufficient response to low and falling wages. Unfortunately, no other public policy responses are readily apparent that would fully address this issue without directly intervening in the labor market.

For instance, raising the wage floor — i.e., the minimum wage — would increase the earnings of the least skilled workers and in many cases more properly reward them for their work. The purchasing power of the minimum wage is now at its second lowest level in four decades. After adjusting for inflation, its current value is above the 1989 level, but is below the level of every other year since 1955. In 1995 the minimum wage would have to be set at \$5.75 an hour, rather than the current \$4.25, in order to have the same purchasing power as it averaged in the 1970s (Shapiro: 1995).

Yet such direct intervention seems unlikely in the current political environment. Even the Clinton administration's current effort to raise the minimum wage to \$5 an hour appears unlikely to pass Congress.

Although such direct intervention is

currently unlikely, public policy in the recent past nonetheless successfully emphasized “making work pay” for less skilled workers through the use of more indirect means, such as transitional public assistance benefits and the expansion of the federal Earned Income Tax Credit (which provides low-income workers additional income through a tax credit). Both measures have, at least until recently, been deemed politically acceptable because they support and reward an individual or family for their participation in the labor market. Yet while these are important and effective responses to cushion the decline of real wages, they are not a replacement for employment-based strategies to reverse this trend.

In this context, government tools alone appear to have been too limited, inflexible, and distant from private labor markets to make a significant difference in addressing the problem of “few jobs, poor jobs” in major urban areas. This paper discusses how a few community and regional organizations have attempted to improve upon these public efforts by meeting simultaneously the needs of low-income workers and the needs of the businesses that employ them.

## II. Defining “Sectoral Employment Development”

Having studied four programs in depth and interviewed 12 other employment initiatives that possess some but not all of the characteristics of sectoral programs, we believe we have isolated four core strategic characteristics that define “sectoral employment development.”

The four characteristics, when combined, result in the following definition:

*A sectoral employment program targets a particular occupation within an industry, and then intervenes by becoming a valued actor within that industry for the primary purpose of assisting low-income people to obtain decent employment eventually creating systemic change within that occupation’s labor market.*

We emphasize here that this definition describes a sectoral initiative, not an entire organization. A community-based organization might undertake several different anti-poverty programs, only one of which is a sectoral employment initiative. Another organization might undertake several different sectoral initiatives directed at several different industries.

To parse this definition in more depth: the following four defining characteristics must be present — or at least intended in the design of the program — in order for an initiative to be considered sectoral. A sectoral initiative is one that:

1. *Targets a particular occupation within an industry*

A sectoral initiative targets a specific type of occupation (or a cluster of closely related occupations) that has the potential for providing low-income people decent employment.

2. *Intervenes by becoming a valued actor within the industry that employs that occupation*

A sectoral initiative requires that the initiative become deeply enveloped

within the sector by establishing within the related industry (or cluster of closely related industries) one or more programs or entities — e.g., a training program; a marketing federation; an enterprise; a collaboration — that provides value to key actors within that industry, thereby developing market-based relationships that are mutually beneficial for both the low-income participants and industry.

3. *Exists for the primary purpose of assisting low-income people to obtain decent employment*

A sectoral initiative may assist a variety of income classes, but the people primarily assisted are those whose family incomes fall below poverty guidelines, are unemployed, or who have limited employment qualifications. To “obtain decent employment” means working toward providing livable pay and benefits to lift low-income individuals out of poverty.

4. *Eventually creates systemic change within that occupation’s labor market*

A sectoral initiative increases access to existing good jobs that are currently denied to low-income people, expands existing or develops new good jobs explicitly for low-income people, or improves poor-quality jobs that are already accessible to low-income people. Sectoral initiatives do this in a way that creates over time systemic change among the key actors who influence the targeted occupation’s labor market.

We wish to emphasize that targeting a particular occupation within an industry — say, training participants exclusively for entry-level construction jobs — is necessary, but not sufficient, to meet this definition. What makes this sectoral definition distinct is twofold:

**Goal:** A sectoral initiative goes beyond targeting through its intentional goal

We believe we have isolated four core strategic characteristics that define sectoral employment development.

of achieving systemic change — explicitly aiming to influence how the targeted labor market either recruits, hires, supports, or promotes low-income individuals. For example, a training program for entry-level machine tool occupations must not simply place its low-income participants in area businesses, it must work to change the hiring and/or employment practices of those businesses — and furthermore it must work to do so not only to benefit its own training participants but also other potential low-income workers who might wish to become machine tool operators within the regional labor market.

**Process:** A sectoral initiative is also distinct from conventionally targeted jobs programs in how deeply the intervention envelopes itself within the related industry — how much the intervention itself becomes an inextricable part of the chosen sector.<sup>1</sup> For example, that same training program might work to become so much a part of the area’s machine tool industry that employers and other key actors within the area’s machine tool labor market will come to value it as a leading source of technical and policy expertise.

We also wish to emphasize that achieving even small degrees of success in all

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<sup>1</sup>It is this essential aspect, the altering of how an industry employs low-income people, that places sectoral initiatives on the “demand” side of the labor market. Yet being a demand-side strategy does not necessarily differentiate sectoral initiatives from traditional employment initiatives. Any low-income job creation or retention strategy also is attempting to affect the demand side of the labor market. Furthermore, sectoral initiatives often work simultaneously on the “supply” of the labor market as well, typically by designing market-oriented training programs. However, what does help differentiate sectoral initiatives is that they are so deeply enveloped within the sector that they influence the demand side of the mainstream labor market — that is, a sectoral initiative cannot be considered successful until it has improved how key employers within the regional labor market employ low-income people.

four of these characteristics — particularly systemic change within a labor market — is extremely challenging and may take many years to accomplish. Therefore, newer initiatives may not meet a full sectoral definition in terms of accomplishments, but instead should be measured in terms of effective design.

In addition, we emphasize that sectoral employment development is an approach to creating or obtaining jobs for the poor; it is not limited to any particular strategy. For example, a community-based organization might engage in a “sectoral microenterprise strategy” that works exclusively with low-income individuals in the garment industry (which in many large urban centers typically relies heavily on at-home microenterprises). Another might develop a sectoral business development strategy that provides technical assistance exclusively to local foundries in order to expand entry-level manufacturing jobs for low-income people. In short, nearly any employment strategy could be re-shaped into a sectoral initiative — if all four defining characteristics described above were incorporated into its design.

Finally, we emphasize that although sectoral development is one approach to achieving systemic change within a labor market, it is not the only approach. That is, a sectoral strategy is not the equivalent of systemic change — the latter is an end, the former is merely one of several possible means. Alternate means to systemic change in a low-income labor market might be a policy strategy advocating legislative reform (i.e., increasing the minimum wage); another might be one based on union organizing among low-wage occupations. These alternate means therefore have the same goal of systemic change in the labor market, but their process toward that change is not sectoral.

### III. Sectoral Programs as a Distinct Development Model

In the face of an insufficient public policy response to urban unemployment and underemployment, community-based groups have struggled to create effective programs to employ the urban poor. We suggest that among community-based responses:

**Sectoral initiatives form a discrete development model — distinct primarily because sectoral initiatives define the problem of low-income unemployment in a manner fundamentally different from a traditional, community-based model.**

#### Context

For the past two decades, community-based nonprofit organizations have addressed issues of urban poverty armed with scant resources. Community development corporations (CDCs), revolving loan funds, community action agencies, microenterprise, and small business programs have all attempted to find or create employment for the urban poor with varying results.

Yet such employment and training programs have accounted for only a small portion of community-based efforts to assist the urban poor; the true foundations of community-based anti-poverty efforts have been housing and housing finance, real estate development, and social services.

#### Employer Strategies and Participant Strategies

The relatively few community-based organizations that have undertaken employment and training programs have experimented with a diverse range of strategies. These strategies are generally drawn from two distinct palettes — those that provide services or incentives to low-income participants, and those that provide services or incentives to employers:

**Participant strategies** include training, counseling, placement, and other support services to prepare or place the disadvantaged in jobs.

**Employer strategies** include such services as providing grants to businesses that hire welfare recipients; requiring that businesses hire a set number of women or minorities; and providing loans or technical assistance to businesses to expand or hire more low-income workers.

Participant strategies are called “supply strategies” in that they attempt to address deficits or remove obstacles that block the supply of potential low-income workers into the labor market. Strategies that focus on the employer are called “demand strategies” in that they focus on the demand for the amount and types of labor that employers are seeking in the market for labor.

#### The Neighborhood-Based “Resource-Delivery” Model

Yet no matter how diverse the mix of employment strategies, most community organizations have chosen to formulate those strategies using a broad “resource-delivery” model that is implemented within a limited neighborhood base. This conventional model of community development is different, we believe, from sectoral employment development in the following ways:

**Resource delivery:** When approaching an employment problem within a disadvantaged neighborhood, community groups traditionally have chosen to begin with an assessment of needs. This “needs assessment” typically documents a profound shortage of, or inaccessibility to, basic resources required for economic development — e.g., a lack of capital, managerial experience, or work-readiness skills.

From this analysis a natural logic

The relatively few community-based organizations that have undertaken employment and training programs have experimented with a diverse range of strategies.

flows: if the community organization can only redress those deficiencies by supplying the missing resources, employment options will expand accordingly. And in turn — because resources such as capital, managerial experience, or work-readiness skills are not unique to any particular industry — the typical implementation strategy has been to distribute those missing resources across a broad range of industries and occupations.

Therefore, for example, a conventional community-based loan fund will lend capital to a foundry as readily as to a taxi company; a training institute will hone management skills for the catering industry as easily as for the auto repair industry; a counseling program will attempt to place low-income participants in jobs ranging from seamstresses to construction workers.

**Neighborhood-based:** The traditional urban community organization is organized at the neighborhood level. Therefore, the typical community-based employment strategy tends to use a narrow geographic lens. Yet, with the exception of small retail stores and some personal service providers, businesses and labor markets do not respect the borders of a single neighborhood — either for customers, suppliers, or workers.

This geographic mismatch is one reason, we believe, that neighborhood-based employment strategies often have experienced frustration, while service strategies such as housing (which more naturally conform within a single neighborhood boundary) have achieved relatively greater success.

## **Sectoral Initiatives: A Distinct Development Model**

In direct contrast to the conventional community-based model, the sectoral initiatives we describe in this report employ a more narrow occupation focus within a specific industry (or related cluster of industries) that is applied with a more broad geographic lens.

The distinction between these two models is driven, we believe, by how each defines the problem of low-income joblessness. We have stated that conventional employment strategies tend to apply themselves broadly across sectors — because they define the problem primarily as an absence of resources. However, sectoral initiatives define the problem not simply as an absence of resources, but more importantly as an absence of marketplace relationships — relationships that can create opportunities of value to both participants and employers.

For this reason, sectoral employment initiatives apply themselves in the labor market in a more targeted manner — based on the assumption that truly effective market relationships can best be forged by becoming deeply immersed within a single industry from the perspective of a particular occupation.

This distinction is then reinforced by the difference in geographic lens. Sectoral initiatives apply themselves regionally — because they recognize that most businesses, and thus most labor markets, are regional in character. Sectoral initiatives are therefore typically fielded either by a regionwide development organization, or by a geographically broad coalition of neighborhood organizations, rather than a single neighborhood organization.

## IV. Program Descriptions

In preparing this paper, we studied in-depth four urban, community-based programs. We consider three of these projects to be prime examples of sectoral employment development, and the fourth to be a promising new initiative.

However, while all four projects share sectoral attributes, they are very different from one another, for each developed quite independently. Therefore, while the term “sectoral” has recently been used widely within the foundation and practitioner communities, it is not a label that leaders of these prime examples necessarily embrace as their own.

In these four examples, each organization chose one of three strategic paths. For the most part, each has worked in one of three ways:

- **Increase access to good jobs**, based on an analysis that good jobs exist within a targeted occupation or set of related occupations, but that barriers block low-income people from securing those jobs. Examples of this approach include Focus: HOPE and Project QUEST.
- **Increase access to and restructure good jobs**, based on an analysis that while good jobs exist within the targeted occupation(s), the targeted industry itself, not just its hiring practices, can or must also be shaped over time either to expand new job opportunities for low-income people and/or to protect current job opportunities if they are endangered. An example of this approach is Chicago Manufacturing Institute.
- **Restructure poor-quality jobs**, based on an analysis that poor-quality jobs currently available to low-income people (within a particular occupation) can be improved sufficiently to become, over time, good jobs. An example of this approach is Cooperative Home Care Associates.

On the following pages are a brief description of the four organizations we studied in depth and a list of 12 additional employment programs that possess some sectoral characteristics that we visited or interviewed. We also include here a description of the sectoral work of the National Economic Development and Law Center, a national intermediary that has supported new sectoral programs in several sites across the country.

### Chicago Manufacturing Institute

*Chicago, Illinois*

The Chicago Manufacturing Institute (CMI) is a for-profit spin-off from Chicago Commons, a large nonprofit, community-based human services agency. CMI was formed from a division of Chicago Commons called the Industrial and Business Training Programs (IBTP). CMI is an example of a sectoral program that has succeeded in increasing access to and restructuring good jobs for disadvantaged populations in the machining trades in Chicago, an industry sector that was experiencing overall decline because of the advent of new technologies and an aging labor force.

IBTP was created in 1982 by Ric Gudell, a manager at Chicago Commons, who was struck by the severity of unemployment in the inner city, particularly while jobs in the high-skilled metalworking trades went untaken. He began to walk the unemployment lines and talk with the unemployed — at that time, primarily minority males — about their skills and what their experiences had been in looking for work. Most of the people he talked to had little employment history or training.

He also began a dialogue with local industries — primarily in metal work, which

We consider three of these projects to be prime examples of sectoral employment development, and the fourth to be a promising new initiative.

has traditionally been Chicago's leading industry — to assess the gap in skills and education needed for this group to enter the metalworking sector. Gudell found two things: first, that focused “occupation-specific” training to satisfy entry-level requirements for a number of trades could be given to low-income participants with an education level equivalent to 10th-grade reading and math skills (later dropped to 8th-grade levels); and second, that industry consistently reported that they had labor shortages in a number of skilled job positions because of a lack of sufficiently trained workers. Further, industry leaders said they would work with Gudell specifically to link training to job requirements and to placement.

Dissatisfied with the training offered by vocational schools, which he found to be out of touch with the industries and their skill needs, Gudell spent a year working as an entry-level worker in screw-machine and metal job shops to learn firsthand the skills involved. With this knowledge base, he began establishing a network linking 40 to 50 medium-sized businesses that donated equipment and worked with him to redesign the training curriculum.

Over the past 13 years, CMI has grown to provide services to a network of more than 500 local businesses. It operates five specialized training centers that train nearly 300 people a year, and it places approximately 150 of those people in jobs each year. Through the West Humbolt Center, it also offers comprehensive remedial training for people who are not yet ready for industrial training.

- CMI works with small- and medium-sized Chicago area manufacturers, particularly in the screw machine products, plastics processing, and spring-making industries. These companies make component parts for finished products such as automobiles,

agricultural machinery and equipment, appliances, electronic equipment, airplanes, recreational vehicles and equipment, and all types of industrial machinery. They use standard molding, screw, and spring machines that require individuals skilled in setting up, operating, and maintaining machines.

- CMI is the only organization offering screw machine set-up operator training in the country. It offers two programs that target different student populations and focus on different machinery:
  - Single spindle automatic screw machine set-up and operator training is the original CMI training program. This program was developed by CMI in collaboration with 30 screw machine product manufacturing firms and graduates a class of approximately 25 participants per year who attend the 10-month course. Average starting salaries for graduates are \$9.22 per hour. This program is funded by the federal Job Training Partnership Act (JTPA).
  - Multiple spindle automatic screw machine set-up operator training was developed as a collaboration with the local screw machine products industry and the City Colleges of Chicago. The program began in 1992 and has 50 students on two shifts at Daley Community College. Students pay for training at a rate of \$35 per credit hour either through financial aid from the community college, through employers, or from their own resources. Expert screw machinists from participating firms administer performance assessments and certify those who successfully complete the assessment. The multiple spindle program admitted its first students in the summer of 1992. Since then, 12 students have

completed the whole two-year curriculum, which includes nine college academic courses. Others have completed simply the screw machine courses, without all nine academic courses, and gone on directly to work in the industry. Average wages for all graduates in the multiple spindle training are over \$9.22 an hour.

- CMI offers the only comprehensive training in the United States in setting up and operating automatic coiling machines, which manufacture precision springs. This program has operated two six-month classes since 1991, graduating approximately 30 people a year who obtain an average starting salary of approximately \$8.83 an hour. Funding is provided through JTPA dislocated workers funds.
- CMI has operated a plastic injection molding training program since 1985. Two five-and-a-half-month courses are offered a year with an average of 32 participants per course, from which an average of 24 graduate. Graduates prepare and set up molding machines to produce plastic parts and products, at an average starting wage of \$7.60 an hour. Funding is provided through JTPA.

CMI also offers technical training and services in two other functions that are required in most all manufacturing operations:

- Quality assurance: CMI's quality assurance training prepares graduates for positions such as quality assurance inspectors, quality control inspectors or auditors, and statistical control supervision. The program began in 1993, and offers two six-month sessions each year. Thirty students have graduated a year to date and earn between \$6 and \$8 an hour. Funding is provided through JTPA.
- Maintenance mechanics: CMI's industrial

maintenance mechanics program was started in 1986 and is a nine-month program. Thirty-four students have graduated and receive between \$10.50 and \$14 an hour. The program currently is funded through federal Trade Adjustment Assistance for displaced workers.

Finally, CMI also provides manufacturers with a full range of technical services from consulting to educational services for managers. These consulting services help the businesses in those sectors to survive and grow, which, in turn, allows them to hire more CMI graduates and, over time, upgrade those positions. For companies that have specific needs, CMI offers customized, short-term training modules ranging from basic math and print reading to more advanced skills training at the employer's facility. Each year CMI also offers short-term upgrading training based upon the demand of area manufacturers at CMI's six training facilities. Some of CMI's intensive short-term upgrading courses draw participants from manufacturing firms across the United States.

During the next five years, CMI is planning to expand significantly. The range of training services in each manufacturing sector will be broadened to include upgrading the skills of current employees of industry. At the same time, CMI will seek to become less dependent on government training funds by offering its training services to students who can pay their own fees or whose employers pay their fees for them.

CMI also intends to start a general machining center in conjunction with a group of area manufacturers. Many firms produce parts on turning, milling and grinding machines and need skilled machinists. Other firms need machining skills in maintenance. Since CMI programs currently incorporate machining skills training because it is basic to manufacturing, this program is a natural

extension of CMI's current training and will run two entry-level classes and two upgrade classes a year.

Eventually, CMI plans to consolidate all of its programs and administration in one facility. This consolidation will help CMI establish a stronger identity and presence while enabling a more efficient operation. As CMI continues to formalize its structure, potential stakeholders such as area manufacturing firms and trade associations will join CMI's board of directors.

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### **CMI as a Sectoral Initiative**

#### **Sectoral Goal**

CMI is clearly a sectoral initiative in that its ultimate goal is fundamentally to alter labor markets in its selected occupation and industry sector areas. The Chicago Manufacturing Institute targeted machine set-up, operations and maintenance in three related industries in order to provide a range of avenues to employment for low-income people.

While these machine tool industries are now generally stable in terms of overall employment, a significant number of job openings exist because the Eastern European immigrant craftsmen who once dominated the industry have reached retirement age. For the past decade, trained, skilled employees have been difficult to find, and this labor shortage has become a major factor in determining whether firms can survive and expand.

CMI's training activities primarily benefit African American and Latino low-income Chicago residents who do not normally have access to these skill-based jobs. These individuals are normally excluded from the informal hiring networks that firms use, are unfamiliar with shop floor practices, and are not skilled on any of the machines for

which firms have job openings. The jobs that graduates are being hired for provide pay and benefits substantially higher than most other occupations available to low-income people in Chicago.

CMI's activities have played a major role in maintaining the viability of a large portion of Chicago's manufacturing sector. CMI has become a major actor in its three industries as a key source of best practice and state-of-the-art information. It has also served as a catalyst for defining training needs and quality standards for the industry as it evolves.

Finally, CMI's new thrust in upgraded training is meant to ensure that the new work force — increasingly consisting of African American and Hispanic men and women — will have the technologically sophisticated skills required to perform in the work force of the future.

#### **Sectoral Process**

CMI has established several training programs in related industries where it is the only organization offering specific, high-quality training for entry-level jobholders. Before the establishment of CMI, these job seekers learned primarily through informal training. In this sense, CMI is, in many ways, serving as the industry's training program.

Each of CMI's activities is the result of a collaboration with firms in the industry it serves, and it constantly reviews its curriculum and materials with employers to verify the relevance of its approach. CMI views itself as providing a "second chance education" to make up for the inability of the vocational high school and community college systems to determine what employers need and to help their students learn it.

In the process of developing and maintaining relationships with key actors in the industries, CMI staff realized that it was also providing much needed consultation and

research to these firms. This industrial extension service gradually became formalized, and allows CMI to offer valuable services to both potential employees and industry.

In summary, CMI has integrated itself so completely within a highly select occupation-defined industry sector area that it has changed the standard of training for those occupations within the regional labor market, and has, as well, changed the demographic profile of the labor sector within the sector. CMI has also through its extension information services strengthened the viability and competitiveness of the industry.

## Cooperative Home Care Associates

*South Bronx, New York*

Cooperative Home Care Associates (CHCA) is a for-profit, worker-owned cooperative located in the South Bronx, New York — one of the most distressed inner-city areas in the United States. The cooperative provides home health care aides on a contract basis to large health-care providers such as the Visiting Nurse Service and major hospitals. CHCA is an example of a sectoral program that has attempted to restructure poor-quality jobs for the benefit of the worker as well as the industry.

Founded in 1985 by Rick Surpin and Peggy Powell, CHCA now employs more than 300 women of color, and successful replication projects employing a total of 120 women of color have been established in Philadelphia and Boston.

The cooperative was established on the premise that by aggressively intervening as an employer in the home care industry, the entry-level occupation of home health aide — which is already accessible to women with low skills and education — could be improved for

the benefit of the worker.

Home care services, although technically not temporary work, are nonetheless organized in much the same manner as other temporary industries. Cases assigned to home care paraprofessionals vary in schedule by number of hours, time of day, day of week, and duration of case. Most home care agencies fill their rosters with as many part-time aides as they can hire, train them to minimum required standards, and assign work with little regard for the aides need for full-time hours or other professional treatment. As a result, turnover in the industry is high, care provided is erratic, and both home care aides and home care clients suffer.

CHCA leadership believed that by changing the nature of the home care job, the industry could be shown that a strategy of investing in the front-line worker could provide both better jobs and better patient care. In an industry characterized by part-time work, low wages, and high turnover, CHCA currently pays workers between \$7 and \$8 per hour with health insurance and paid vacation time. Seventy percent of CHCA employees are employed full-time, and turnover is just 20 percent annually (compared to the industry average of 40 to 60 percent).

All CHCA home care aides are first trained by the Home Care Associates Training Institute (HCATI), a nonprofit organization housed in the same offices as CHCA and funded by public (33 percent) and philanthropic (67 percent) sources. Trainees must be low-income — 85 percent were dependent upon public assistance immediately before entering the training program. All CHCA home care aides are minorities; all but two are women. Only 40 percent of workers have completed high school or a GED, and most test at 5th- to 8th-grade levels in reading and math.

The CHCA model has three essential components:

- **The enterprise.** The core of CHCA's innovation as an enterprise is to replace the low-investment temporary personnel approach with a strategy of high-investment in front-line employees — emphasizing careful recruitment, decent wages and benefits, full-time work, and most importantly, ongoing support and counseling. The worker-ownership structure further reinforces the enterprise both as a paraprofessionally oriented business and as a community of co-workers.
- **The entry-level training program.** The entry-level program includes four weeks of on-site classroom training, plus 90 days of on-the-job training. In particular, the CHCA training model recognizes that many inner-city women are uncomfortable in a traditional “school” setting. Therefore, the training model uses a large amount of role-playing, educational games, simulations, and hands-on demonstrations.
- **Career upgrading programs.** Since paraprofessional home care tends to be a dead-end job, the CHCA model emphasizes innovations in creating a career path — both within the home health aide position, and onward to other health-related employment. CHCA's upgrading programs therefore range from a guaranteed hours program (assuring senior aides a salary-like minimum number of hours per week) to a nurse education program (which has assisted several CHCA aides to become licensed practical nurses).

A participatory organizational culture, combined with a commitment to a worker-ownership structure, gives employees a voice, encourages company loyalty and keeps both turnover low and patient care high.

In 1993, HCATI initiated a replication program to introduce the CHCA model

into other inner-city home care markets. The first replication site was started in Philadelphia in 1993 and now employs 75 home health aides; the second was started in Boston in 1994 and now employs 45 aides. Two more sites are slated for the Midwest by 1999.

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## CHCA as a Sectoral Initiative

### Sectoral Goal

CHCA was created in an effort to improve the quality of jobs for low-income women in the home health-care industry. The home care industry has been growing for the past 10 years and the paraprofessional home care aide position is one of the few jobs still available to inner-city women.

However, these jobs are typically poor-quality jobs offering part-time work, low pay, few benefits, inadequate training, and little or no career upgrading opportunities.

In addition, hospitals and home nursing agencies that contracted for home care services also complained of poor service and problems with patient care. CHCA's founders felt that these concerns over poor quality were directly related to the poor quality of home care jobs. They thus sought to create a new context that recognized this relationship.

CHCA today is a model employer in the industry with wages and benefits 20 percent above industry average, 34 to 35 hours of employment per week for the typical aide, and an annual turnover rate that is half the industry average. The worker-ownership structure essentially acts as a guarantor to ensure that the firm remains committed to being “built around the front-line employee.”

At the same time, contractors have acknowledged that CHCA's home care aides are more desirable than those of other companies. They deliver a higher level of reliability and responsiveness, and have raised

standards of expectations industrywide about what a home care aide is capable of doing. The linking of quality of job to quality of care is what CHCA attributes its success to on two fronts: first, the original mission to create good jobs for low-income people; and second, becoming a valued and integral player in the home care sector.

### **Sectoral Process**

Since the home care industry in large inner cities is structured with private companies funded primarily by public agencies, CHCA's strategy has been forced to address both private industry practice and public funding and regulatory policies. Although highly regulated, home care agencies are nonetheless market-driven. They constantly look to one another for standards — both of “best practice” and of what is minimally acceptable. Over time presumptions settle into all home care providers within a given area, shaping perceptions as to what works best and what does not work at all.

CHCA's leaders decided that the most effective way to influence practice within the home care industry was to demonstrate what changes are possible. Over time, CHCA's contractors sought similar innovations from their other sub-contractors (CHCA's competitors), improving the practices of the home care industry throughout New York City.

Therefore, CHCA was established as a new, competitive, for-profit business in the industry to lead as a model, proving to the rest of the industry that workers who are better trained, who receive better wages and benefits, and who have a voice in their company would provide better patient care.

After CHCA had established legitimacy with both its contractors and its competitors, the company was then well-positioned to achieve a public policy labor-

market impact. CHCA is now perceived as a “yardstick corporation,” one that is respected by various local stakeholders — from patient advocates to labor leaders, and from agency managers to regulators — for balancing employee and client needs while remaining a profitable business. In coalition with these stakeholders, CHCA has been able to encourage improved reimbursement rates and regulatory reform throughout the New York City home care market.

### **Focus: HOPE**

*Detroit, Michigan*

Focus: HOPE is a civil and human rights organization in metropolitan Detroit that was founded in 1968. Focus: HOPE seeks to unite white and black people in a “common effort” to “safeguard and develop human capability and create new opportunities for entry into the mainstream” of society. The program was started by Father William Cunningham, a Catholic priest and university professor, and Eleanor Josaitis, a local volunteer. Focus: HOPE is an example of a sectoral program that has increased access to “good” jobs.

Focus: HOPE operates a number of programs that serve Detroit's low-income population. Among these is the Focus: HOPE Industry Mall, a complex of 11 plant-office buildings that provides training and employment in precision machining and metalwork, Southeast Michigan's largest industry. This industry is primarily oriented to providing component parts for the automobile industry. Focus: HOPE began acquiring these properties as several large corporations closed down and left the area.

Focus: HOPE's manufacturing technology education consists of a sequence of three programs:

- **FAST TRACK** is a seven-week, school-to-

work transition program that began in 1989. It seeks to upgrade the basic skills of new high school graduates to the levels needed for further technical training. Gains of two grade levels in math and one grade level in reading have been common during the seven-week program. In the 1993-1994 training year, 844 people were enrolled in FAST TRACK, of whom 407 graduated. Of these graduates, 157 were placed in jobs with wages over \$5 an hour, and 254 were enrolled in further schooling or a school-to-work program. Approximately one quarter of FAST TRACK graduates enroll for further training in the Machinist Training Institute (MTI). FAST TRACK is essentially a simulated workplace where young adults experience industry standards of discipline, productivity, and personal conduct, as they improve academic and communication skills and learn computer applications. Funding is provided through the State of Michigan as well as private and corporate contributions.

- **The Machinist Training Institute** offers stipend-supported, state-licensed courses in precision machining and metalworking at a basic level (31 weeks, full-time) and an advanced level (21 weeks, full-time). Since it opened in 1981, MTI has placed 90 percent of its graduates at starting wages that now average \$8.50 an hour at 125 different companies. Graduates can expect to average \$13 an hour, the industry average, within four years. In the 1993-1994 training year, 190 students entered the MTI training, and 142 graduated. Two-thirds of MTI's graduates are African Americans and 10 percent are women. Participation by women has grown to 25 percent during the past two years. The advanced course prepares trainees to manufacture parts using computer-aided-

manufacturing systems and software for computer numerically controlled equipment. MTI trainees who complete the basic precision machining curriculum are awarded 29-31 credit hours toward the total of 60 credit hours required for an Associate of Applied Science Degree, which, if successfully completed, is awarded from the local community college.

MTI was started with grants from private foundations and equipment from the U.S. Department of Defense, which considered skilled machining essential for "industrial preparedness" in terms of national security and independence from foreign suppliers. Most trainees are funded through the Job Training Partnership Act (JTPA) or the state of Michigan.

- **The Center for Advanced Technologies (CAT)** is committed to developing a new curriculum and methodology for training technologist-engineers who know how to build, operate, maintain, diagnose, and repair complex, computer-integrated, flexible manufacturing equipment. CAT opened in 1993 although the curriculum design process is near completion. The CAT educational program is structured for three stages of increasing skill level, with exits at three-, four-and-one-half- and six-year intervals corresponding to associate, bachelor's and master's degree levels of engineering. The curriculum emphasizes hands-on technical training and interdisciplinary engineering instruction. It is a collaborative effort of six engineering colleges, universities, and technology experts from manufacturing corporations. The CAT program currently has 135 students, or "candidates," enrolled in the program. The CAT educational program also has an affiliated, nonprofit manufacturing production unit called Tec Machining, which employs more than 100

people, some of whom are Focus: HOPE employees, and some of whom are trainees who have been given jobs in the enterprise. The facility is a large shop laboratory with more than \$50 million of state-of-the-art equipment. Funding for the building came primarily from the U.S. Department of Housing and Urban Development, the Economic Development Administration, the state of Michigan, and private foundations. The equipment was purchased through Department of Defense grants. Support from the U.S. government is the result of a 1989 agreement among four federal departments to collaborate in the establishment of a national demonstration center for advanced manufacturing education.

Focus: HOPE also has developed three manufacturing-related businesses through its for-profit subsidiary, Focus: HOPE Companies, Inc.:

- **High Quality Manufacturing, Inc.** supplies engine hoses to Detroit Diesel Corporation and emissions control harnesses to Ford Motor Company. The company employs 23 production workers, at an average hourly wage of \$5.80, all of whom are women who were on public assistance at the time of hire, plus two managers.
- **F & H Manufacturing**, a small machining company, makes cam shaft thrust plates for Ford and machines casting for Detroit Diesel. The company employs 12 people at an average hourly wage of \$7.64.
- **TEC Express** was started in 1992 and serves as a General Motors redistribution site for transmissions, converters, and engines that have failed under dealer warranty. The company identifies and re-deploys the parts to re-manufacturing centers around the country. It employs 31 people at an average hourly wage of \$9.

## Focus: HOPE as a Sectoral Initiative

### Sectoral Goal

When Focus: HOPE first established the Machinist Training Institute, its goal was to create job opportunities for African Americans in precision machining and metal-working. Its intention was to meet a local need for jobs by providing high quality training to a group of people who had no access to training opportunities in that sector.

The auto-related industries had not had a major vocational school since the closing of the Henry Ford Trade School 30 years ago. MTI, in essence, intended to fill this void. From the beginning of MTI, Focus: HOPE emphasized a contextualized, competency-based curriculum and focused on creating job opportunities for African Americans. This was in marked contrast to the trade school's more traditional educational approach and its apparent commitment to training the male children of European immigrant craftsmen who had dominated the industry to the exclusion of blacks and women.

Eventually MTI became the middle component of a comprehensive training program with FAST TRACK introducing computer usage to low-income participants on a large scale and CAT introducing the workplace of the future and the requirements for its work force. CAT has increasingly become a showcase facility, while the heart of the current intervention is still MTI. Through its success in creating a very high-quality, large-scale training program, and in continually moving to seize opportunities as they arose, Focus: HOPE has had a profound effect on the regional labor market.

### Sectoral Process

Over time, MTI graduates became more widespread throughout the industry and Focus: HOPE businesses became integrally

related to such major corporations as General Motors and Detroit Diesel. Through these relationships, several senior executives from the highest echelons of the industry began to play critical advisory roles, guiding Focus: HOPE on how to meet the industry's needs and further its mission of increasing access to high-quality jobs for African Americans and women in the Detroit area.

Furthermore, Focus: HOPE is serving as an important industry training program, establishing effective linkages between the manufacturing companies and the higher education system through both MTT's agreements with the local community colleges and the engineering schools collaborative effort in developing the CAT program. As these linkages develop, the academic programs may increasingly come to adopt Focus: HOPE's hands-on, competency-based approach within their own educational systems.

Obtaining a significant amount of public and private resources to build, renovate and equip the Industry Mall and then the CAT facility has both solidified and symbolized the presence of Focus: HOPE as a major actor in the industry. As CAT develops, Focus: HOPE will be well-positioned to bring significant value to the industry while it simultaneously helps to diversify the industry's employment base.

In effect, Focus: HOPE will likely accelerate a shift toward a future for the industry that will both increase the industry's competitive advantage and ensure that its own graduates play a major role in that process.

## **Project Quest**

*San Antonio, Texas*

Project QUEST is a new, emerging initiative that was founded in 1992 in response to growing job loss and unemployment among low-income residents of San

Antonio. QUEST's mission is to prepare low-income San Antonians for good jobs in selected industries in the city's rapidly changing economy. While San Antonio was once home to a number of manufacturing firms that offered stable, full-time jobs with benefits to residents with low education levels and skills, today the city's leading industries are generally in the business service and medical care sectors. San Antonio's other large industry, tourism, offers jobs that are for the most part low-wage, part-time, with few benefits or opportunities for advancement. QUEST is an example of a sectoral program that increases access to "good" jobs for low-income populations.

In this context, San Antonio residents, through Communities Organized for Public Service (COPS) and Metro Alliance, developed a new labor-market broker in Project QUEST (Quality Employment through Skills Training). These two community-based organizations brought together business and community leaders — employers of high-skill workers, representatives of the City of San Antonio, the region's Private Industry Council, education and training institutions, state and local social-service agencies, the Texas Employment Commission, and then-Governor Ann Richards herself — to garner political and financial support and to gain commitment to QUEST's goals.

In launching QUEST, COPS and Metro Alliance used their community organizing expertise as well as relationships developed through previous community advocacy efforts to form strategic alliances for QUEST. They made convincing demands for public financial support, and persuaded employers to participate. Many area employers have come to believe it is in their self-interest to participate to help ensure the stability of the larger community.

QUEST is a long-term training

project that promises graduates good jobs. While the project is new, results to date indicate they are fulfilling this promise. As of December 1994, 110 graduates had completed training and had secured jobs in their fields. Another 30 were in the job-match stage. QUEST has currently enrolled another 400 students in various education and training programs.

QUEST regularly works in close collaboration with a large number of employers, community colleges, and community organizations in its training programs. In order to stay abreast of employer needs and industry developments, QUEST has on staff professional occupational analysts who convene employers and representatives of local education institutions. These committees of employers, educators, and QUEST staff identify shortages in jobs that pay over \$7 per hour, discuss appropriate training, and determine if it is likely that at the end of the training process a need will still exist for the trained worker.

Because the San Antonio economy is extremely diverse and QUEST began with commitments of jobs from a wide variety of employers, the project is not sectoral in the sense that most sectoral projects target a specific set of occupations within one industry. It is, instead, an attempt to field simultaneously three sectoral initiatives — in medical, business systems services, and environmental technologies. Occupations within these sectors are numerous and include, for the medical field, biomedical equipment technician, dental hygienist, licensed vocational nurse, occupational therapy assistant, respiratory therapy assistant, and medical transcriber, among others. In the environmental technologies sector, occupations for which QUEST offers training include environmental and hazardous material technician, chemical lab technician, and field engineer and

surveyor. In the business systems sector, targeted occupations include accounting technician, information systems and network administrator, financial customer service representative, and office systems technician. QUEST staff recognizes the tremendous challenge of maintaining intimate industry knowledge (which is a definitional characteristic of sectoral programs) for 26 job categories within the three sectors.

Recruitment of Project QUEST students — “QUESTers” — begins in the community. Applicants contact their neighborhood committees, made up of community residents, for an initial interview. Practitioners hope that through this process, a sense of community responsibility will be instilled in students.

Neighborhood committees attempt to determine an applicant’s motivation and desire to succeed and his or her ability to persevere through what can be as long as a two-year program. Applicants who are recommended by neighborhood committees must possess a high school diploma or a GED, and remedial education, combined with their program of study, cannot exceed two years.

QUESTers also receive help with child care, transportation costs, medical care, and tutoring. These support services are funded from a combination of sources including the Texas Employment Commission, JTPA, general funds from the city of San Antonio, and CDBG funds. All of Project QUEST’s students are economically disadvantaged. Fifty percent receive food stamps, and 20 percent are on welfare. Sixty-two percent are women, and 35 percent are single parents.

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## **Project QUEST as a Sectoral Initiative**

### **Sectoral Goal**

Project QUEST’s goal is to alter how

employers in the San Antonio area recruit and hire low-income individuals throughout the entire city within the key occupational sectors within the health care, financial services and environmental technology industries. Although simultaneously targeting three major sectors makes Project Quests goal ambitiously complex, it nonetheless can properly be understood as sectoral in intent.

### **Sectoral Process**

When Project QUEST was initiated just three years ago, it used a sophisticated sectoral tool — a careful formal analysis resulting in a decision to select its first three sectors. This analysis involved both potential trainees and potential employers in a way that created a very effective organizing tool for implementation of the program. Then, working with the existing community college system, Project QUEST created an effective training and brokering program that has already placed several hundred low-income trainees in good jobs that they probably otherwise would not have obtained.

Since Project QUEST is relatively new, it has not yet been able to enjoy the benefits of becoming thoroughly enveloped within any of the three sectors. Although some important industry expertise has already been gained within each of the three sectors, the project has not yet had time to develop intimate relationships among the key actors. Therefore, given that it has chosen to spread its attention across such a large number of occupations, the particular challenge facing Project QUEST will be how quickly and deeply it can establish those critical market-based relationships.

## **Telephone Surveys: Program Descriptions**

During the course of our research, telephone interviews were conducted with 12 other organizations that were sectoral or that possessed some sectoral characteristics. The following are descriptions of the programs that possess some or all of the defining characteristics of sectoral employment development.

### **ACENET, Athens, Ohio**

ACENET provides assistance to local metal-working and furniture manufacturers to form networks to produce new products and enter new markets. It coordinates the design of accessible furniture products that small-scale firms can produce and market together. It also operates a business incubator and a commercial kitchen for use by small-scale specialty food products manufacturers on a shared basis.

### **Asian Neighborhood Design (AND), San Francisco, California**

AND is a community development corporation providing housing, architectural design and planning, and employment and training services to the Bay area. Through the Employment Training Center (ETC) and Specialty Mill Products (SMP), Asian Neighborhood Design provides training, employment, and job placement in the construction, furniture manufacture, and woodworking fields. ETC trains low-income ex-felons, long-term welfare recipients, and recovering substance abusers in computer-assisted design, drafting, project management, woodworking, and warehouse work skills. SMP provides transitional and permanent jobs producing high-end mill work for corporate offices, and furniture for nonprofit housing developers. AND is currently founding a replication in Boston.

**Careers in Health Care Collaborative (CIHC), Denver, Colorado**

CIHC is a collaborative, organized by the Piton Foundation, of several nonprofit training and social service providers to prepare and place low-income Denver residents in jobs in the health care industry. Participants take part in an orientation that introduces them to the health care industry and provides training in job-readiness skills. They are then either referred to education provided by one of the collaborative members or deemed “job-ready” and assisted in finding a job.

**Childspace Day Care, Philadelphia, Pennsylvania**

Childspace is a for-profit worker-owned cooperative founded to provide both high quality child care and high quality jobs to child care providers. Childspace currently operates two child-care centers that pay higher than average wages and provide health benefits to full-time and part-time workers. The centers enjoy a national reputation for providing exemplary child care — which Childspace attributes to the quality of the job and the work environment of the cooperative.

**Coastal Enterprises Inc. (CEI), Wiscasset, Maine**

CEI operates several business assistance programs that focus on key industry sectors in Maine. One sector is family day care where CEI provides training to child-care providers and loans and technical assistance to start and grow child-care businesses. CEI also provides loans, business assistance, and employment services to the fisheries industry in an effort to expand local employment.

**Eastside Community Investments, Indianapolis, Indiana**

Eastside’s overarching purpose is to create opportunities for local families to

acquire assets in order to move out of poverty. Two of their programs (among many) have sectoral attributes. The first is a project that works with family day-care providers to provide education and technical assistance to help day-care operators to formalize their small businesses. The second is a construction trades training program for youth and two related construction companies established to help local residents gain skills and employment and to support a local low-income housing construction program.

**Jane Addams Resource Corporation (JARC), Chicago, Illinois**

JARC provides a broad range of assistance to local metalworking factories, training employees within those companies to ensure that they will be able to weather changes in technology and production. Factory managers are offered courses in Total Quality Management, and assistance with developing their employee relations skills. JARC’s goal is to enhance the competitiveness of local metalworking factories that are facing serious challenges by significantly upgrading production processes.

**Mountain Association for Community Economic Development (MACED) (Forest Products Center), Berea, Kentucky**

MACED’s goal is to affect structural changes in the timber processing industry in the Appalachian region of Kentucky for the benefit of local small businesses and workers. MACED provides technical assistance to timber growers to help them access markets and increase the value-added of timber. It also has founded timber processing enterprises to increase local value-added economic activity as well as create jobs.

**Northern Economic Initiatives Corporation (NEICorp.) (Manufacturing Services Unit),** Upper Peninsula, Michigan

NEICorp. organizes peer networks between manufacturing firms to encourage continuous improvements in local manufacturing processes. It diagnoses competitiveness problems and prescribes improvements such as training or technology upgrades to help preserve both the viability of area businesses and local jobs.

**Osage Initiatives, Inc.,** Denver, Colorado

Osage is an umbrella organization that provides opportunities for nonprofit and for-profit organizations in the Denver area to work together for social goals. They operate several for-profit contract manufacturing and assembly firms that complete short-term packaging jobs and other assembly work and employ at-risk populations served by local social service agencies. Agencies under the Osage umbrella operate autonomously, but the initiative coordinates joint fundraising to eliminate duplication of efforts and to coordinate activities.

**Warren/Conner Community Development Corporation (Partnership for Independence),** Detroit, Michigan

Warren/Conner is implementing a comprehensive community and family support and employment program to help very low-skilled, disadvantaged residents of public housing obtain and keep decent employment in area businesses — mostly health care and manufacturing. It has identified employment tracks in these two sectors that their residents can fill, and it is currently helping participants work through various structural barriers (e.g., child care, transportation, job readiness) to help them secure and hold jobs.

**Watermark Association of Artisans,** Camden, North Carolina

Watermark is a worker-owned cooperative that serves as a marketing agent for member's craft products. The cooperative develops products and obtains contracts that employ over 700 members (full- and part-time) making crafts for national and international markets. Operating in a high poverty, remote area, Watermark has become one of the region's largest employers. As well as operating the for-profit cooperative, it also provides training and other social services.

**The National Economic Development and Law Center Sectoral Employment Development Program**

The sector demonstration project of the National Economic Development & Law Center (NED&LC) is based on the premise that community-based organizations can help build competitive work forces in the inner cities. NED&LC and its local partners are attempting to make an impact on industry by restructuring training programs so they are more closely tailored to labor demand, and by changing the recruitment and hiring patterns in selected industries so residents of low-income neighborhoods can gain better access to industries offering better quality employment. Project sites include:

**Denver, Colorado**

The oldest NED&LC sector project is the Careers in Healthcare Collaborative (CIHC) sponsored by the Piton Foundation in Denver. CIHC's goal is to prepare Northeast Denver residents for careers in the health care industry. To date CIHC has established a new targeted industry referral service, HealthWorks; it has worked with the community college to

design a new training program for selected health care occupations; and the collaborative of community-based organizations has developed an aggressive recruitment strategy that identifies residents and provides them with career counseling, life skills, and occupational training.

### **Portland, Oregon**

A newer effort, the Portland project is working in collaboration with the Northeast Workforce Center to access jobs in the construction industry. The NED&LC has completed a sectoral analysis of the local construction industry as well as a comprehensive profile of demographic diversity within construction apprenticeship programs. Findings have already prompted several significant changes in the local industry: three governmental agencies have committed to hiring minorities and women on publicly-sponsored construction projects; an employment clearinghouse has been established where contractors and subcontractors of a construction project can find minority and women apprentices; and the city of Portland has significantly changed its bidding guidelines.

### **Milwaukee, Wisconsin**

The Milwaukee Foundation's Neighborhood and Family Initiative has joined with the Law Center to develop an employment initiative entitled MORE (Maximizing Opportunities in a Restructuring Economy), which has researched and identified the health care industry for intervention. Other industries will be targeted after opportunities in health care are exhausted. The collaborative structure of the Neighborhood and Family Initiative — with diverse membership of Harambee neighborhood residents, and civic, industry, and community leaders — provides a governing body able to undertake a comprehensive approach to expand employment opportunities for residents. MORE's program has four components: leadership skills and empowerment training, employment acculturation training, health care skills training, and the health care employment collaborative.

# V. The Four Defining Characteristics of Sectoral Development

A sector is a system of occupation-based market relationships among certain key actors — businesses, organizations, and agencies.

## Targeted

The first characteristic of the sectoral model is the targeting of an occupation or related cluster of occupations within an industry. In surveying the four case studies and a dozen other projects, we have come to understand the term sector primarily as an occupation-based concept — one that is defined and shaped by a flexible system of marketplace relationships.

The definition we propose for “sector” — as it relates to the field of low-income employment development — is the following:

A sector is a system of occupation-based market relationships among certain “key actors” — businesses, organizations, and agencies. The practitioner identifies these key actors over time — by determining who can influence the particular occupation that has been targeted as an employment opportunity for low-income people.<sup>2</sup>

The occupation selected determines the parameters of the industry sector for the sectoral development practitioner. If a sectoral practitioner targets machine tool equipment set-up operators within the single spindle machining industry, the *sector* that this practitioner will interact with will include not only machining firms, but also suppliers, unions, community colleges, and others that interact with the businesses and workers in

<sup>2</sup>Our occupation-based definition is similar to the business-based definitions of a sector used by the economist Michael Best, who defines “sector” as including a “variety of inter-firm practices and extra-firm agencies such as trade unions, apprenticeship programs, labor education facilities, joint marketing arrangements, and regulatory commissions, each of which facilitates inter-firm cooperation” (Best: 1990). Best’s definition of a sector extends beyond the parameters of a single firm, or a set of firms within an industry, to include other organizations that train or organize workers, conduct marketing activities, or interact in other ways with firms within an industry.

that occupational sector.

For example, Focus: HOPE in Detroit initially identified its sector around the technical positions hired by suppliers who provided products to the auto industry — jobs that Focus: HOPE believed would offer an opportunity for low-income minorities to obtain good jobs. From there, Focus: HOPE developed a set of relationships that facilitated placing low-income people in those jobs, a network that eventually reached out to such unlikely actors as the U.S. Department of Defense.

Similarly, Cooperative Home Care Associates defined its initial sector around paraprofessional home care jobs — jobs that CHCA believed could be improved to provide better pay and working conditions for thousands of women of color. From there, CHCA developed a set of relationships that include such unlikely partners as advocates for the disabled community and local labor union representatives.

Chicago Manufacturing Institute focused initially on single spindle screw machine occupations, and over time expanded into different, yet closely related, occupations in the screw machine, spring making, and plastics processing industries. Therefore, although CMI places low-income people into a range of distinct occupations, practically speaking they focus on a cluster of similar occupations within three closely related industries.

In each sectoral program, the first step is to identify the particular occupation(s) within a specific industry that appears to hold the promise of employment opportunities for low-income people. Among the four cases studied, the processes used to identify the targeted occupation and sector differed widely. In some cases the analysis was quite formal and extensive, as was that which led to the careers in Healthcare Collaborative

strategy in Denver. In others it was quite informal and personal, as was that which led Ric Gudell to begin work in the machine tool trades, resulting years later in the Chicago Manufacturing Institute.

### **Strength**

The targeting of a particular occupation within a specific industry gives sectoral initiatives their distinctive strength: focus. A sectoral initiative recognizes that within a complex urban economy no single obstacle — whether lack of work-readiness skills, inadequate child care, inaccessible hiring networks, or racial bias — is the sole limiting factor blocking low-income employment development. Instead, a bewildering array of these multiple barriers obstructs the path to securing good jobs or restructuring poor-quality jobs.

With barriers so complex and intertwined, a sectoral initiative proposes that only by viewing inner-city unemployment from the single, pointed perspective of a particular occupation within a specific industry can such a web of factors be intimately understood and effectively addressed.

### **Weakness**

The corresponding weakness of a sectoral focus is also clear: because programs are so narrowly targeted, failure can arrive swiftly and completely, particularly in the early stages of an initiative. A sectoral approach is by definition narrow — it fails to enjoy the protective benefits of diversification.

Thus if the occupational opportunities in the chosen sector should dramatically change in the early years of a sectoral program (for example, Medicare is drastically cut, reducing the demand for home health aides, or a major technological change disrupts the hiring patterns in a manufacturing industry), then all the targeted investment of time and

effort in a particular sector may quickly be rendered useless. Worse still, that investment may have been so narrowly targeted (special expertise in home care industry; direct relationships with the carpentry unions) as to be difficult or impossible to re-deploy effectively elsewhere.

## **Interventionist**

The second defining characteristic of sectoral employment programs is that they intervene deeply within the chosen sector. The key to understanding how sectoral strategies intervene is embedded in the fact that these programs are strongly oriented to the market. Each of the initiatives we studied improved employment options for low-income people by actively meeting the needs of the marketplace.

This market orientation has disciplined sectoral practitioners by forcing them to provide real value to other key actors within their sector. For example, if CHCA's home health aides had not provided high-quality service, its contractors would not have helped CHCA expand, and the cooperative would never have been able to employ hundreds of aides. If Focus: HOPE's trainees were not of a high enough quality to work for major automobile manufacturers, Focus:HOPE could never have had the credibility to have a major impact on labor markets in that sector.

Yet real value cannot be provided without a sophisticated knowledge of the sector's ever-changing needs, and sophisticated knowledge can be obtained only through participating in a mutually beneficial exchange within the sector. Therefore market orientation — knowing and delivering what employers need for high-quality workers; knowing and delivering what purchasers need for high-quality products or services —

requires *intimate* engagement within the sector.

“Intimate engagement” within the occupation-defined industry sector is central to understanding the strengths of a sectoral approach. For example, a program that trains individuals exclusively for the financial services industry — but has little or no direct contact with local banks in the shaping of its curriculum, is clearly not a sectoral initiative. However, a training program that intentionally forges close working relationships with industry actors — not only to shape the training to meet industry’s labor-force needs, but also to shape over time the way that the labor market in that industry identifies, employs, supports, or promotes low-income people — clearly is a sectoral initiative.

In order to intervene within a sector, a practitioner must determine which program, service, or product to offer. In the cases presented here, programs intervened by operating training programs, operating businesses, providing services to industry, brokering employment placements, operating worker-owned cooperatives, and providing other support services to program participants.

In many cases, the initial programmatic intervention led to later interventions. As the practitioners we studied delved more deeply into their sector, and as their initial intervention identified additional problems and opportunities, new programs or entities were established. Thus the sectoral process, which clearly must be adaptive to market changes, will always be an evolving one.

Finally, we found that some programs offer non-employment-related consulting services to industry. CMI, for example, offers management consulting services to firms within the machining sector. Although these services do not directly influence CMI’s employment efforts, they do help to deepen intimate ties of information, expertise and

trust between the sectoral initiative and other actors in the industry. Also, they strengthen the sector’s overall viability. Such services are particularly important for programs that not only are attempting to gain access to decent jobs for their participants, but also are attempting to restructure their chosen sector in order to protect or expand opportunities for the targeted occupation.

### **Strength**

The strategy of direct intervention or engagement provides sectoral initiatives with a second critical strength: position. By being positioned inside an industry from the perspective of a particular occupation, a sectoral initiative — simply by functioning in the day-to-day environment — obtains timely, high-quality information and over time achieves a highly nuanced understanding of the many factors influencing job development within that sector.

A direct engagement model not only positions the initiative to be aware of industry or market changes quickly, but also maximizes the likelihood that the sectoral program itself can solve a particular sector’s problem, or seize a particular opportunity. For example, Focus: HOPE has not only responded to technological change within its sector, but also moved ahead of those changes by becoming one of the primary sources of computer-based applied technology. Therefore, “intimate engagement” is a dynamic response to the dynamic reality of the employment marketplace.

### **Weakness**

The corresponding weakness of intimate engagement is that a practitioner functioning within a narrow sector will be very closely watched by the other key actors. News of a mistake made by the practitioner will likely circulate almost immediately — if

an error is grave enough, competence may be questioned by business partners, or trust among allies may be seriously injured.

Another way of understanding this characteristic is in terms of accountability. A targeted sectoral strategy over time becomes directly accountable to the other key actors within its sector. A sectoral program can survive only by consistently providing a valued product or service, and thus its survival is wholly dependent upon remaining valued by other key actors. This is distinct from many nonprofit programs that tend to be accountable more to their funding sources and clients than to their market relationships.

## Low-Income Focused

The third defining characteristic is a targeted emphasis on low-income people. Each of the initiatives studied is “maximizing the position of low-income labor” — a ceaseless effort to improve job opportunities for their participants. This orientation towards the disadvantaged is a critical element in each organization’s strategic and tactical choices over time.

A labor-focused approach is quite distinct from that employed by conventional businesses. For example, some businesses organize their strategies around maximizing the satisfaction of their customers, while others organize their strategies around maximizing a return on capital for their stockholders. To survive, each of these business strategies must pay attention to the other key factors — capital, or customers, or labor — but the logic of day-to-day decisions differs, at least in part, depending on each business’ central focus.

Sectoral strategies, in contrast, compete in the world of business from a labor perspective. One clear example of this is CHCA, which has been consistently profitable

for the past seven years, while in each of these years CHCA has accepted a lower profit margin than industry standards. This is true because, compared with its conventional competitors, CHCA directs a greater portion of its resources to its employees, rather than to the bottom line, allowing CHCA workers to receive wages and benefits averaging 10 to 20 percent higher than employees in other agencies. In turn, this investment in CHCA’s work force has paid off in the marketplace by generating a high-quality service that CHCA’s contractors have rewarded through increased requests for CHCA aides.

This focus on improving the worker, and the worker’s job, has meant that all of these programs have pioneered innovations premised on the hypothesis that investments in front-line workers will yield high returns for employers. Every day, each of the initiatives is posing essentially the same question: “How can we make our low-income participants more valuable in the marketplace?”

### Strength

This characteristic, — of building strategies around the low-income participant that simultaneously meet the needs of the marketplace, — provides another strength to sectoral initiatives: a unique organizational mission that works to reconcile seemingly paradoxical social and business goals.

This special mission gives sectoral practitioners a type of “dual citizenship,” one in the for-profit business world and the other in the nonprofit social/labor world. Typically, practitioners in nonprofits have little business experience, and thus they often lack both legitimacy and self-confidence when attempting to interact with the business community. Yet all of the fully established sectoral initiatives we studied (Focus: HOPE, CMI, and CHCA) were remarkable in that in each case its practitioners had achieved recognition

as true leaders within their chosen industry sectors.

For example, Ric Gudell is a leading voice in several machine tool trade associations; Rick Surpin was recently elected to the governing board of the New York State Home Care Association. Each is able to speak with confidence, not only about the current state of his chosen sector, but also about its likely future. This dual citizenship appears to be a highly motivating force throughout the staffs of all of these initiatives; they are not only doing good, they are succeeding in the competitive world of business.

### **Weakness**

The corresponding weakness of this emphasis on making low-income participants truly valuable in the labor market is: The skills and temperament required to constantly reconcile paradoxical social and business goals are quite rare — and thus identifying and/or developing staff leadership for sectoral initiatives is a particularly challenging task.

This problem has consistently presented these initiatives with a difficult choice: Either select staff leadership from within the targeted industry and then “acculturate” that individual into the role of developing low-income people; or select individuals who already have the values and perspective of developing people, and teach them the technical information and skills required of the industry.

Identifying and training staff leadership is therefore critical, and the development of founding leadership — “social entrepreneurs” — is worthy of particular attention in order to build the field of sectoral development.

## **Labor-Market Oriented**

The fourth and most defining characteristic is that sectoral programs are oriented toward long-term, systemic change in a labor market on behalf of their low-income participants. We observed from the cases studied that systemic change within a labor market can be achieved only by participating in — and thus influencing — complex relationships among a variety of key actors. This focus on the complexity of the relationships in a labor market is therefore a systems approach, not a resource-delivery approach, to securing jobs for the urban poor.

By “systems approach” we mean that within the business community — as in any community of shared and competing interests — decisions are made by people; and further, these people are strongly influenced in their decisions by their interaction with their peers, competitors, co-workers, and friends. Relationships — involving communication, trust, respect, and intimate knowledge — are essential to influencing, and thus changing, behavior within the business community.

Changing employment practices beyond the boundaries of the initial program — outside the original training program, or training enterprise, or business — is an exceptionally long-term process. CMI, for example, over time has influenced hiring practices within the screw machine, spring machine and plastic injection molding industries in Chicago. They have done this by training low-income minorities to fill jobs left by retiring workers. More importantly, they are now redefining the standard package of skills and competencies required for entry-level jobs in these industries. CMI’s intimate knowledge of industry operations, practices, and needs for the future effectively enables

them to recommend the new set of skills needed as the industry evolves.

QUEST, on the other hand, is attempting to influence hiring practices in selected industries by upgrading the skills and competencies of San Antonio residents who have, to date, been excluded from these labor markets. QUEST, at this juncture, is not attempting to fundamentally change the set of skills and competencies required for any of its targeted jobs. It is, instead, serving as a broker between excluded job seekers and good jobs.

### **Strength**

Rather than simply trying to convince industry employers to hire what might otherwise appear to them to be the least attractive potential employees, sectoral programs add value to those potential employees in the eyes of employers and at the same time change the way those employers value entry-level employees. In the selected prime examples, this has been achieved by

directly changing the skills and competencies package that industry requires for a particular occupation — in such a way that eventually makes the industry more efficient and simultaneously delivers to the labor market low-income trainees who match those skills and competencies.

### **Weakness**

Systemic labor market change — by its organic, often indirect nature — can be difficult to assess. Determining cause and effect in such a highly complex system as a labor market can be nearly impossible. Also, systemic change requires many years to achieve. Each of the three established sectoral initiatives profiled here is ten years old or more, and most grew out of community-based institutions that are much older. The typical initiative might require five years even to perceive what is possible for systemic change within the chosen sector, and five more years to begin to achieve full impact.

## VI. Thematic Questions and Recommendations

We recommend that practitioners who wish to launch sectoral initiatives consider the real-life choices that arise from the thematic questions that are discussed below.

In assessing the various sectoral initiatives, we identified several themes that appear to cut across all of the initiatives. We recommend that practitioners who wish to launch sectoral initiatives consider the real-life choices that arise from the thematic questions that are discussed below.

Each of the thematic questions addressed here seemed to manifest at approximately the same point of development for each initiative. Therefore, dividing the sectoral process into chronological stages — though inevitably arbitrary — may prove useful to this discussion. We suggest the following four-stage evolution. Every successful sectoral initiative will pass through at least the first three of these stages, and some will enter the fourth:<sup>3</sup>

**New Initiative:** (Usually from 0 to approximately 2 years old.) The initiative is determining what type(s) of occupations within industries to select and what type(s) of low-income populations to assist. By the end of this phase, the new initiative will have begun to experiment with its first intervention into a sector.

**Emerging Initiative:** (Approximately 2 to at least 5 years old.) The initiative has established a programmatic presence within the targeted industry, and thus has penetrated the chosen sector by becoming an actor within that industry. Innovations on behalf of low-income people will have substantially assisted the program's own participants. However, the emerging initiative will not yet have influenced relationships among key actors outside the boundaries of its own program.

**Mature Initiative:** (Usually at least 5 years old.) The initiative has demonstrated systemic influence on the regional labor

<sup>3</sup> We re-emphasize the distinction between a sectoral initiative and the organization that is sponsoring that initiative. The sponsoring organization may be years or even decades old; it is stages of the initiative's development we describe here.

market and, in response to problems or opportunities encountered along the way, it may have established additional programmatic interventions within the sector.

**Expansive Initiative:** (Usually at least 8 years old.) The initiative has begun either to replicate within the same sector in other geographical areas, or diversify locally into related sectors, or both.

### New Initiative Issues

#### What is the proper “staging area” for a sectoral project?

Of the four prime examples we studied in depth, it is interesting to note that all were started by community-oriented groups, but none was started by an organization whose territory was limited to a single neighborhood. This regional orientation is critical because, as we noted earlier, sectoral initiatives are market-oriented — and markets do not generally respect neighborhood boundaries. Most markets for products or services are regional, and therefore a program hoping to affect the labor practices of a market must also be regional.

Successful sectoral projects tend to be initiated by large nonprofit organizations or by a coalition of several neighborhood groups — Community Service Society in New York spawning CHCA; COPS spawning Project QUEST; Chicago Commons spawning CMI; a multi-faceted, 15-year-old Focus: HOPE spawning its machinist initiative. Each of these is a broad, stable organization that initiated a high-risk experiment in creating jobs for the urban poor. Each of these large organizations or coalitions was able to accommodate this high level of risk not only in financial terms, but also in programmatic terms — because these sponsoring organizations were firmly established enough to accept the possibility of failure.

### **How formal or informal should be the initial stage of analysis?**

Of the three fully established initiatives we studied closely, *each* started its analysis rather informally, without in-depth studies contrasting the pros and cons of various industries. For example, 15 years ago Ric Gudell walked the local bread lines and asked what kinds of jobs people wanted, talked to local employers, and then talked with training programs. From those discussions Ric decided to work as a laborer in a machine tool company himself for a year, to understand it from the inside.

Ric's story is particularly instructive, for at that time machine tool companies were fleeing inner-city Chicago and overall employment levels were dropping — a formal analysis might have passed right over machine tools as a good employment opportunity. But Ric saw the opportunity: Despite the shrinking employer base, new employees were nonetheless in demand — because the older, European males who once held those jobs were retiring, and their sons were no longer interested in those trades. By training people of color and women for those positions, Ric helped fill those employment needs, and, in so doing, helped stabilize the machine tool industry in inner-city Chicago.

Similarly, Father Cunningham at Focus: HOPE did not commission a broad study of employment opportunities 10 years ago in Detroit; instead he saw a factory being abandoned across the street from his church and began to explore ways to use it to employ his members (although, once his initial machinists strategy was forged, he then confirmed his informal approach by using formal data that had been collected by the U.S. Department of Defense). While the consistency of this informality is remarkable, we do not mean to eschew all forms of structured analysis. Simply because many

programs started with an informal, nearly idiosyncratic process does not mean that initiating a sectoral program cannot be made more systematic. As we saw in the case of Project QUEST's start-up, formal analysis can identify and document information that can be a powerful organizing tool.

In addition, once the sector has been selected, formal analysis is usually essential to help refine whatever program is chosen to intervene in that sector. For example, Rick Surpin had worked on elderly issues for 15 years and selected home health care jobs more on the basis of his personal knowledge than on any formal analysis — yet having chosen the industry, he then initiated a formal business plan to help design the CHCA home health enterprise.

However, we do caution here that formal analysis — particularly if focused too much on general industry trends and not enough on opportunities for particular occupations — can be too abstract and distant for useful application in the field.

### **How should “low-income” be defined?**

Low-income populations are not uniform; they vary among demographic groups (e.g., young African American males; single Latino female immigrants; displaced white workers) and within those groups (in terms such as education, self-esteem, or job experience). A spectrum of low-income individuals exists — from the most difficult to employ to the easiest. A new initiative must choose what part, or parts, of that spectrum to target.

As we noted earlier, each of the initiatives we studied focused on making its low-income participants as “valuable to the marketplace as possible.” Of course, the more a low-income participant is already “employable” — job experience, schooling, maturity, etc. — the easier it will be for the

program to convince the marketplace to hire that individual.

Therefore, in the drive to improve the competitiveness of the low-income participant, standards for those participants must be kept very high. The result is frequently that many participants cannot meet these standards, and they are thus either selected out of the program from the very beginning, or are asked to leave sometime later down the road.

In short, the high standards of these sectoral programs make them very selective — they may not be designed for many of the urban poor. For example, Project QUEST requires all their participants to have at least a high school diploma or equivalent.

And although CHCA does not require a high school education, it nonetheless carefully selects participants into its training program based on maturity, good communication skills, and a caring attitude.

Practitioners argue that these high standards appropriately place significant responsibility on participants to perform to their highest abilities. Although this appears true, the unavoidable result is that only a select set of low-income individuals is assisted by sectoral strategies.

In sum, when a new sectoral initiative determines which low-income people to assist, it will be influenced by a pressure to deliver well-qualified candidates to the marketplace, and this pressure in turn may influence the project to select participants from the most employable end of the low-income spectrum — especially in the early stages as the project works to build credibility.

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### **Emerging Initiative Issues**

Once a sectoral project has chosen a particular sector and started to intervene by establishing a programmatic entity within that sector, issues of implementation begin to

emerge. These include:

### **Do sectoral initiatives attempt to increase only the economic resources of low-income people?**

We have defined sectoral initiatives in part by stating that the purpose of those initiatives is “to obtain decent employment” for low-income individuals. Furthermore, we have defined “decent employment” to mean “working toward providing livable pay and benefits to lift low-income individuals out of poverty.”

However, it is important to note that all of the practitioners we spoke with defined their work in terms of human development outcomes as much as economic outcomes. Although all were quite aware that economic improvement was absolutely essential, each spoke, often quite eloquently, of his or her commitment to helping low-income people feel and act “whole” — in ways such as enhancing participants learning abilities, self-esteem, sense of community, and leadership skills. Therefore, throughout our research we became convinced that human development values, not hard numbers alone, inspire practitioners to create and sustain their initiatives.

### **How do sectoral initiatives help make low-income people more valuable to the marketplace?**

Although every sectoral initiative we studied has pursued different strategies in totally different industries, each sooner or later developed its own training program. No matter which kind of training program developed, all appear to share similar attributes. These attributes are not unique to sectoral projects — that is, they do not define a sectoral project. Rather, they appear typical of other market-oriented training programs that work closely with employers — who will

decide whether or not to hire the program's graduates — and that use state-of-the-art adult education and peer support techniques.

However, the similarities among these market-oriented training programs do appear to be essential to the success of all the sectoral initiatives we studied. These similarities included:

- **Clear selection standards:** Candidates for training are carefully interviewed to match the profile of a successful graduate.
- **Self selection:** Candidates must pass certain “hurdles” on their own to indicate the seriousness of their intent before being accepted into the program — perhaps requiring something as simple as calling to make an appointment for a follow-up interview.
- **“Tough love:”** Trainees must closely follow the rules of the program — arriving on time, completing homework assignments, cleaning up. In some programs just a few infractions can be cause for dismissal. All programs expect to dismiss at least a few trainees during the course of the program, underscoring the importance of maintaining high standards to the remaining trainees.
- **Remediation:** All programs invest a great deal of resources on “remediation” — very basic schooling and work-readiness skills. The newer initiatives consistently reported to us their surprise at the degree of remediation required — even for those participants who had a high school education and some work experience.
- **Participant-oriented:** The programs are all designed specifically for inner-city populations who have had little success with formal education. Trainers tend to start realistically “wherever the students are,” and then move them step-by-step — rather than simply presenting a set of rote materials.

- **Participant-supportive:** Each of the programs recognize that a variety of barriers, both personal and institutional, block the path of those transitioning from public assistance to employment. Therefore each has incorporated a counselor or some other support component to help the trainee resolve transitional problems — whether an abusive boyfriend at home, or a recalcitrant case manager at the public assistance office.
- **Customer designed:** The content of the training materials is designed, and regularly updated, by maintaining close communication with the types of employers who are expected to hire the graduates.

Each of these attributes contributes toward making the trainee ready and able to work, with the skills demanded by a competitive marketplace, and also helps shape the labor market expectations and strategies of employers.

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### **Mature Initiative Issues**

Initiatives that have started to have systemic effect on their chosen sector, despite their differences, appear to share at least two thematic issues:

#### **How can these complex organizations remain focused?**

By the time an initiative has achieved some sectoral success — usually at least five years after its inception — it has typically created a variety of program components in response to problems and opportunities.

Some of these components may be entities that have their own distinct staff structures, and some may even be separately incorporated. For example, Focus: HOPE has three training programs and three manufacturing-related companies, with a child-care service supporting the various programs.

Not only are these models complex, but also they typically include a mix of nonprofit and for-profit entities. For example, the for-profit CHCA spun off a related nonprofit called the Home Care Associates Training Institute for training and development activities; CMI is a for-profit training school that originated from the Industrial and Business Training Programs of the nonprofit Chicago Commons — and a close working relationship remains between the two entities.

This complexity of structures reflects the complexity of purpose that these mature programs have developed in adaptation to their perpetually changing environments. Yet these complexities pose for all these programs a constant challenge of maintaining a unified strategic direction while still encouraging adaptation and growth.

Complexities of strategic planning and legal structure seem inevitable in mature projects that originate from a nonprofit community base but function in the for-profit business environment. Therefore, initiatives entering into this phase should be prepared to invest considerable resources in addressing these challenges.

### **How can these complex organizations remain creative?**

The tendency for large complex organizations is to become rigid and bureaucratic. Yet each of the initiatives we studied appears not only to be maintaining its flexibility, but also constantly working to direct its own future. This in part may be explained by the market orientation of these programs, coupled with their constant effort to maximize the position of labor — all with limited resources.

Yet a more intentional process also appears common in these initiatives. They all appear to be crafting themselves as “learning

organizations” — much like those described in recent business literature by management authors such as Peter M. Senge in *The Fifth Discipline* (Senge: 1990). This process requires an organization to consciously seek out information and create systems that help it not only adapt (“survival learning”) but also create its own future (“generative learning”).

Each organization has pursued this process with differing levels of attention and intention, yet all seem to have been similarly engaged in creating a unique learning environment for their staffs and boards.

### **Expansive Initiative Issues**

One of the sectoral programs has matured to a point where it has replicated its program in other geographic areas (CHCA). Others have diversified their programs into closely related industries (Focus: HOPE and CMI), or are planning for such diversification (CHCA). Project QUEST, although relatively new, is currently planning for replications in other cities through its founder, Metro Alliance.

At this final stage of development, we believe two thematic issues are of particular importance:

### **How can entrepreneurial leadership be encouraged in sectoral projects?**

All of the sectoral initiatives are remarkable in that they are led by a creative, effective, social entrepreneur. These leaders shape the direction of their programs internally, and they tend to personify their program to the other major actors in their chosen sector. This type of leadership appears essential to the success of sectoral initiatives.

We place this question in the “Expansive Initiatives” portion of the chronology because we believe that once sectoral programs reach this level — where they are replicating and diversifying their

programs — they offer a unique opportunity to address this leadership issue structurally. For the first time in the field of community employment development, sectoral operations are reaching a scale that will require constant recruiting, hiring, training, developing, and promoting of entrepreneurs and managers. This process of constant leadership development will be essential to an expansive program's own continued growth, and therefore it will be necessary for all of these initiatives to institutionalize their own process of leadership development.

### **How can sectoral programs sustain themselves at such a large scale?**

As these programs have grown in both breadth and complexity, they all have come to rely significantly on public dollars. None of these programs could have achieved scale without substantial government funding.

For example, Focus: HOPE has developed a close relationship with the U.S. Department of Defense, and its various programs name 12 other federal, state, county, and city “partners” that support its training initiatives. CHCA's business income derives almost totally from Medicare and

Medicaid government funds, and CHCA's related nonprofit training institute has relied until recently on government training dollars for about one-third of its budget, including JTPA monies that originate from the U.S. Department of Labor. CMI also relies heavily on JTPA funding.

These programs' widespread reliance on JTPA funding for training programs is of particular importance. All of the sectoral projects that are currently replicating or diversifying have relied on JTPA funds, yet all are frustrated by it. JTPA programs, although federally funded, are run locally — and all the sectoral programs we spoke to reported that they had found JTPA funding exceptionally rigid.

Unfortunately, no funding strategy other than significant reliance on public programs appears readily available. Yet given recent statements by federal and state elected public officials of their intent to restrict government funding — with explicit calls to cut or remove entirely the JTPA program — sector program's reliance on public funds must be reviewed in light of the new, more constrained, public policy realities.

## VII. Conclusion

To the extent we have documented in this paper that sectoral initiatives show promise, we believe the encouragement of such a field is important.

As the tenor of the welfare reform debate escalates and the possibility becomes more real that many new, unskilled Americans will enter the job market, the need to find solutions to bridge the gap between these individuals and the job market becomes more urgent.

While sectoral employment development appears to provide significant promise, it is not yet a “field” of employment development practice. Our preliminary research shows that projects have arisen independently, methodologies are diverse, and the types of institutions that operate sector programs are very different. Therefore, practitioners are only now beginning to identify themselves as part of a community that calls itself sectoral employment development.

To the extent we have documented in this paper that sectoral initiatives show promise, we believe the encouragement of such a field is important. Just as community development corporations and micro-enterprise initiatives each over time came to develop a distinct profile of practice, so must the sectoral model if it is to engender a significantly larger number of initiatives, attract more resources, develop standards for

“best practice,” and craft a common language allowing practitioners to share and contrast their experiences.

In order for sectoral initiatives to develop into a field, several steps must be taken:

- Greater agreement must occur among many actors — including community-based practitioners, funders, policymakers, and the private sector business community — of the potential that sectoral employment development holds for low-income, urban job seekers.
- These actors must come to share greater clarity regarding the defining principles that community-based organizations should follow in their attempts to establish new programs.
- These actors must come to appreciate the broad range of forms a sectoral employment methodology might undertake.

The authors hope readers will find this paper a thoughtful, initial attempt to identify a range of defining characteristics and common principles — one that will facilitate the emergence of the sectoral employment development field.

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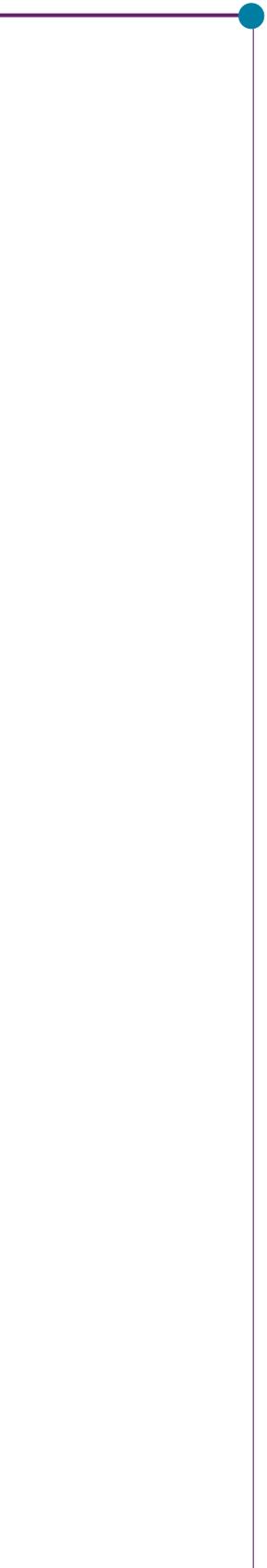
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## Sectoral Employment Development On-Site Agency Case Studies

### List of Interviews

#### **Cooperative Home Care Associates,** *Bronx, New York* *August 1-2, 1994*

Rick Surpin, President

Peggy Powell, Executive Director, Training  
Institute

Kathy Perez, Director of Training

Jeanie Taylor, Manager of Patient Services

Florinda DeLeon, Senior Home Health Aide,  
Assistant Instructor

Christine Edey, recent graduate, CHCA Nursing  
Program

Vivian Carrion, Team Leader

Marva Diggins, Home Aide

David Gould, United Hospital Fund

Betsy Smulyan, Finance

#### **Focus: HOPE,**

*Detroit, Michigan*  
*August 29-30, 1994*

Father William Cunningham, Executive Director

Eleanor Josaitis, Associate Director

Charles Grenville, Development Officer

Tim Sullivan, Manager, Focus: HOPE Company  
Sales

Thomas Armstead, Assistant Director for For-  
Profit Companies

Kenneth Kudek, Assistant Director for Training  
Programs

Alice Swanger, Center for Advanced Technology,  
Education Manager

Clifford Appling, Manager, FAST TRACK

Focus Group with FAST TRACK participants

Focus Group with MTI participants

Gail Lutey, Complete Business Solutions

Jerry Madynski, Detroit Edge Tool

#### **Chicago Manufacturing Institute**

*Chicago, Illinois*  
*September 14-15, 1994*

Ric Gudell, Director

Harry Tobin, Assistant Director for Instructional  
Services

Leigh Diffay, Assistant Director for Training

Kathleen Dowling, Director, Employment  
Assistance

Steve Lucas, Director, Manufacturing Services

Art Perez, Director, Industrial Maintenance  
Mechanics Training

Peter Tremmel, Director, Single Spindle Screw  
Machine Operator Training

Ricardia Davis, Instructor, Quality Control

Valores Carter, Instructor, Quality Control

Focus Group with Industrial Maintenance  
Mechanics and Single Screw Machine participants

#### **Project QUEST**

*San Antonio, Texas*  
*January 9, 1994*

Jack Salvadore, President

Jerry Barucky, Director of Occupational Analysis

Clifford Borofsky, Associate Director of  
Occupational Analysis

Mary Pena, Counselor

