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[Plan to Attend CRA Officer Workshop in Orlando](#)

02/25/2015 -

The March 24 event will discuss the Community Reinvestment Act (CRA) exam process and designing a bank's CRA's strategy. Register for this free workshop.



[The Soft Skills Gap](#)

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In listening sessions with the Atlanta Fed, workforce training providers noted the lack of soft skills in some workers. Those skills can be roughly divided into essential and workplace skills, and this article discusses each set of skills.



[Highlights from the National Workforce Development Conference](#)

02/10/2015 -

The 2014 event explored strategies that can help workers get jobs or stay employable in a rapidly changing labor market. Here's an overview of the proceedings.



[Mississippi Communities Prepare for Disaster Post-Katrina](#)

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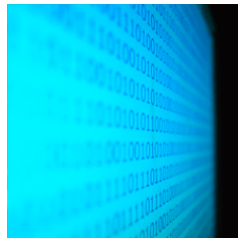
In the nine years since Hurricane Katrina devastated the Gulf Coast, many affected communities have revamped their municipal plans. Take a first look at a discussion paper on the topic of disaster resilience.



[Fed Survey Finds Firms Seeking Small Amounts of Credit](#)

01/23/2015 -

The survey looks at the financing needs of small businesses with fewer than 500 employees. Here's a summary of the results.



[Participate in Fed Webinar on Spurring Community Engagement through Data](#)

01/22/2015 -

Interested in learning how to use data to improve planning, engagement, and operations in your local community? This January 29 session will feature speakers from the North Carolina indicators group. Register today!



[Study Sheds Light on Working Families in Florida](#)

01/15/2015 -

U.S. job growth was the best in 15 years in 2014, but not all those jobs pay enough to support a family. The ALICE project describes the population of workers struggling to afford basic necessities; we examine the Florida project results.



[Blog Further Explores the EB-5 Immigrant Investor Program](#)

01/08/2015 -

The EB-5 program was designed to attract foreign investment into economically distressed communities, but is it achieving that goal? A second blog post discusses some southeastern projects and raises several issues for community and economic developers to consider.



[A Promising Approach: Improving Graduation Rates and Building a Better Workforce](#)

01/06/2015 -

High school graduation rates can have a broad effect on an area's economic vitality. How can communities implement programs to help students graduate while also providing work skills? Mike Beatty, of Great Promise Partnership, and Mike Wiggins, formerly of Southwire Company, discuss an exemplary model.



[Fed Webinar to Focus on Young Adults' Work Experiences](#)

01/02/2015 -

How are national labor market challenges and conditions affecting millennials? This session will highlight a recent Fed report on young people's perspectives.



[Future Fortunes: Trends in Educational Attainment in Atlanta and Its Suburbs](#)

02/10/2015 -

Can changes in educational attainment of a population foretell the economic performance of a city relative to its suburbs? This article looks at data on the metro Atlanta area for answers.



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Plan to Attend CRA Officer Workshop in Orlando

Interested in learning more about the Community Reinvestment Act (CRA) exam process and performance context? Join your colleagues March 24 from 8 a.m. to 4 p.m. at Second Harvest Food Bank in Orlando for an Interagency CRA Officers Workshop. The Federal Deposit Insurance Corporation, the Atlanta Fed, and the Office of the Comptroller of the Currency are hosting the event.

In addition to discussion of the exam process and performance context, the workshop will provide CRA officers with an overview of assessing lending performance, defining community development, and designing a bank's CRA strategy.

The event is free, however, registration is limited and required by March 17. A continental breakfast and lunch will be served.

To [register](#), please provide the following information by email.

- Full name
- Bank
- Title
- Physical address
- Email address
- Phone number
- If you plan to make hotel accommodations

Hotel rooms are available at the Marriott Courtyard Orlando Downtown. After February 23, please contact [April Atkins](#) about room block rates; she can answer other questions as well.



The Soft Skills Gap

As a part of its ongoing efforts to understand local labor market and economic issues that low- and moderate-income people face, the Atlanta Fed's community and economic development group has held listening sessions in Atlanta, Jacksonville, Nashville, Birmingham, Miami, and New Orleans over the last six months. The sessions with professionals in the field have focused on issues of employment, labor market opportunities for low- and moderate-income workers, and job training across the Southeast.¹ Workforce and community development organizations expressed concern about soft skills deficiencies and the difficulty that presents in finding work for unemployed workers and workers who have been out of the labor market for long periods of time. While there is consensus that there is a need for soft skill development, there is less agreement on what those skills entail.



Workforce training providers across the Southeast helped delineate the types of soft skills that employers request and helped create a better categorization of the skills. They can generally be divided into two categories: **essential** and **workplace skills**. These two sets of skills are both highly valued, but they imply different interventions.

Essential skills are those necessary to be hired and hold onto a job. These include showing up for work on time, keeping to a work schedule, dressing appropriately, having a good work ethic, and staying sober at work. Atlanta Fed President Dennis Lockhart called these "[prerequisites for employment](#)" at the Transforming U.S. Workforce Development Policies for the 21st Century conference held last October. Addressing essential skill deficiencies requires a number of interventions, few of which are related to actual skill development. They may include developing services (ranging from health care, child care, and transportation) to helping create stability and reliability for workers from economically disadvantaged neighborhoods.

Many of the essential skills interventions are human services oriented—creating community support that can help workers focus on their jobs and less on the many challenges they face at home. These community services may be coupled with an "introduction to the workplace" training program, which typically includes workplace norms, expectations of employees, and some basic skill development. However, a program alone is not likely to address the many challenges these residents face related to employability. In *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*, William Julius Wilson notes that the obstacles poor workers face are difficult to discuss comprehensively because they are related to race, economic disadvantage, inequality, and the social pathologies associated with these dynamics. Comprehensive educational, community, and intensive human service interventions are likely the best strategy to address essential skill development.

Workplace skills help make workers valuable to their employers and create the basis for continued employability and advancement. Stakeholders in the District have identified basic numeracy, reading skills, computer literacy, creativity, and adaptability as key workplace-focused soft skills. These observations largely fall in line with work from the research community. In the influential [Teaching the New Basic Skills: Principles for Educating Children to Thrive in a Changing Economy](#), Richard J. Murnane and Frank Levy suggest that the critical workplace skills, or using their term, the "new basic skills," include:

- The ability to read at the ninth-grade level or higher
- The ability to do math at the ninth-grade level or higher
- The ability to solve problems that are not structured and where different hypotheses must be tested
- The ability to work with people of different backgrounds in group settings
- The ability to communicate effectively both in writing and orally
- The ability to use computers to perform basic functions, such as word processing.²

Teaching workplace skills is difficult, but teaching essential skills may pose more of a multilayered challenge. Workers without strong workplace skills are likely to find themselves in positions that have limited opportunity for career growth or advancement, pay low wages, and are likely to be eliminated due to changes in the economy.

Workforce development organizations, community development groups, and state and local governments across the Southeast are working to create programs and policies that support employment and growth for low-wage workers. Developing strong soft skills in the labor force may lead to robust local economic conditions and better labor market outcomes for workers. And considering the different types of soft skill challenges—either essential or workplace skills—may help direct community development organizations toward the most effective interventions for certain populations.

By Stuart Andreason, CED adviser, human capital and workforce development

Participate in Webinar Series on Soft Skills

The issue of **developing soft skills in job seekers** will be explored in a three-part webinar series hosted by the St. Louis Fed this spring. The series is focused on initiatives at various life stages that cultivate the soft skills demanded by employers. [Registration](#) is now open for the first webinar scheduled for **March 5**, which will focus on early childhood efforts. Subsequent webinars scheduled for **April 16** and **May 7** will focus on initiatives at the K–12 level and in higher education, respectively.

¹ The Southeast refers to the six states that make up the Sixth Federal Reserve District: Alabama, Florida, and Georgia and parts of Mississippi, Louisiana, and Tennessee.

² This list is derived from Murnane and Levy's abstract of the book available in the link above.



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Highlights from the National Workforce Development Conference

HUMAN CAPITAL AND WORKFORCE DEVELOPMENT

Leading experts in workforce and human capital development say that changing economic realities will require new workforce development policies. That was a key theme at the October 2014 conference, Transforming U.S. Workforce Development Policies for the 21st Century.

The Kansas City and Atlanta Feds and the John J. Heldrich Center for Workforce Development at Rutgers University hosted the national conference to explore issues such as changes in demographics and the evolving demands for worker skills and how those affect the policies and practices needed to build a responsive workforce development system. The [conference website](#) houses information about the agenda, speakers, and conference sponsors.



Policymakers, practitioners, and researchers shared perspectives on transformative education and workforce development strategies and policies at the event. Conference findings include:

- The current labor market is very fluid and dynamic partly because of changes in the economy, including rapid technology development and globalization. That creates a challenging environment for workers to ensure their skill sets do not become outdated or obsolete. Some participants raised questions about the implications for particular populations like the long-term unemployed, ex-offenders, people with disabilities, and others who face difficulties in the labor market.
- A modern workforce development system must include stronger connections between employers (and the private sector, more broadly) and training providers to ensure a highly skilled, well-educated, competitive, and productive workforce.
- Though collaboration is found among some workforce development players, fragmentation and disconnect are often cited as obstacles. Effective and efficient solutions will require federal, state, and local/regional governments as well as educational institutions, businesses, and nonprofit organizations to interact more frequently.
- Innovation and creativity in designing and deploying new funding streams are needed, beyond the historic public sector workforce development system.

These issues were addressed over three days through interactive panel discussions with some 60 leading experts.

Atlanta Fed President Dennis Lockhart (pictured, above right) provided [keynote remarks](#); he said that soft skills, or prerequisite skills and aptitudes, need to receive greater attention in the field. These skills are often an impediment to employment, according to Lockhart's anecdotal discussions with industry leaders.

Lockhart also described a future in which the job-specific requirements in most industries will evolve rapidly and become more demanding, with increased automation and digitization reducing routine job tasks. "To be and remain employable, workers will trade on what cannot be programmed, and work arrangements with employers may be structured to provide those employers the most tactical flexibility in their workforce management," Lockhart said.

To remain responsive and relevant, Lockhart said the workforce development system will need to operate with greater coherence, cohesion, and coordination.

These initial discussions set the stage for panel presentations on topics ranging from credentials, competencies, and curriculum reform to intelligent workforce development systems and workforce policies for the long-term unemployed and underserved populations. Emphasis was placed on policies and practice that show promise of scalability and replication.

Summaries of the conference sessions and video highlights will be released in the coming months. In addition, the Atlanta and Kansas City Feds and Heldrich Center will publish *Transforming U.S. Workforce Development Policies for the 21st Century* this spring. The book will extend and deepen the discussions started during the conference.



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Mississippi Communities Prepare for Disaster Post-Katrina

In the nine years since Hurricane Katrina struck the Gulf Coast, communities across several states have taken various approaches to rebuilding their physical infrastructure. Long-term planning strategies are typically captured in urban planning documents, such as the long-range comprehensive plans required by state statute in Mississippi.

Comprehensive plans from four Mississippi communities affected by Hurricane Katrina—Biloxi, Ocean Springs, Pascagoula, and Waveland—indicate that communities in the region understand many of the present strengths and weaknesses with respect to disaster resilience. These towns have outlined a strategy to mitigate damage, reduce vulnerability, and create support networks to speed up recovery for a future disaster on the scale of Katrina. The CED discussion paper “[Resilience in Planning: A Review of Comprehensive Plans in Mississippi after Hurricane Katrina](#)” by research analyst Ann Carpenter examines these plans and compares their content with what is known about resilience from the perspective of fostering connected communities with a strong sense of place.





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Fed Survey Finds Firms Seeking Small Amounts of Credit

[COMMUNITY DEVELOPMENT FINANCE](#) :: [SMALL BUSINESS AND ENTREPRENEURSHIP](#)

The Federal Reserve Banks of Atlanta, Cleveland, New York, and Philadelphia released findings from their [Small Business Credit Survey](#) that questioned firms about business and financing conditions. A [macroblog](#) post also summarizes those results. Respondents from the 10 states covered—Alabama, Connecticut, Florida, Georgia, Louisiana, New Jersey, New York, Ohio, Pennsylvania, and Tennessee—shed light on the difficulty many small businesses have accessing credit.

Demand for financing varied across firm sizes. While 22 percent of firms overall reported applying for credit in the first half of 2014, there was considerably weaker demand among firms with less than \$1 million in annual revenues. Only 18 percent of microbusinesses, categorized as firms under \$250,000 in revenue, applied for credit. In contrast, over 30 percent of small (\$250,000 to \$1 million) and midsized firms (\$1 million to \$10 million) and 58 percent of commercial firms (greater than \$10 million) sought financing. Microbusinesses were also more likely than larger firms to be discouraged from applying and least likely to receive financing.

Respondents indicated a strong demand for small-dollar loans; over half of the applicants sought \$100,000 or less in financing. Almost 40 percent of those seeking credit said the primary purpose was for business expansion. When seeking loans or lines of credit, banks were the most common place to apply, but 18 percent sought credit online and 18 percent submitted applications to other sources such as community development financial institutions and credit unions. Approval rates were highest for small regional and community banks, especially among microbusinesses. While less than half of financing-seeking microbusinesses were at all successful, 59 percent of those applying at small banks were approved for at least some of the amount requested.

The full report includes data tables by state, size of firm, industry, and development stage of business. Results are weighted to reflect the population of small businesses in the surveyed states. Data breakouts are available where there are enough responses to glean meaningful answers.

For additional information, contact Atlanta Fed economic policy analysis specialist [Ellyn Terry](#).





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Participate in Fed Webinar on Spurring Community Engagement through Data

Interested in learning how to use data to improve planning, engagement, and operations in your local community? Join community development practitioners, researchers, and policy experts from across the country on Thursday, January 29, at 3 p.m. ET for a webinar session on this topic.

This webinar will feature speakers from the North Carolina indicators group who will share strategic approaches they have used to improve community data use. These experts will discuss their experiences in using integrated community data systems and neighborhood-level indicators as well as linking these measurements with city departments. They will also examine how data can be used to catalyze community engagement around an emerging issue.

Featured speakers include Ashley Clark, Institute for Social Capital, University of North Carolina–Charlotte's Urban Institute; John Killeen, City of Durham, North Carolina; Rebecca A. Hefner, City of Charlotte, North Carolina; and Mari Krane, Forsyth Futures.

[Register](#)  for this session at the Connecting Communities® website. Participation is free, but preregistration is required.

These events are part of the Federal Reserve's Connecting Communities® series, a national initiative intended to provide community development practitioners, financial institution representatives, policymakers, and others with timely information on emerging and important community development topics.



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Study Sheds Light on Working Families in Florida

[HOUSEHOLD FINANCIAL WELL-BEING](#) :: [HUMAN CAPITAL AND WORKFORCE DEVELOPMENT](#)

Many metrics have been used to measure a household's financial stability, but each measure has shortcomings in describing a household's financial health. One metric has emerged to define the population who live above the federal poverty line but still struggle to make ends meet. ALICE is an acronym for **asset limited, income constrained, employed** and describes working individuals and families who have difficulty affording basic expenses on their current incomes. ALICE individuals often work in lower-wage, lower-skilled jobs in industries such as child care, transportation, construction, retail, and customer service. This article examines the ALICE project in Florida.



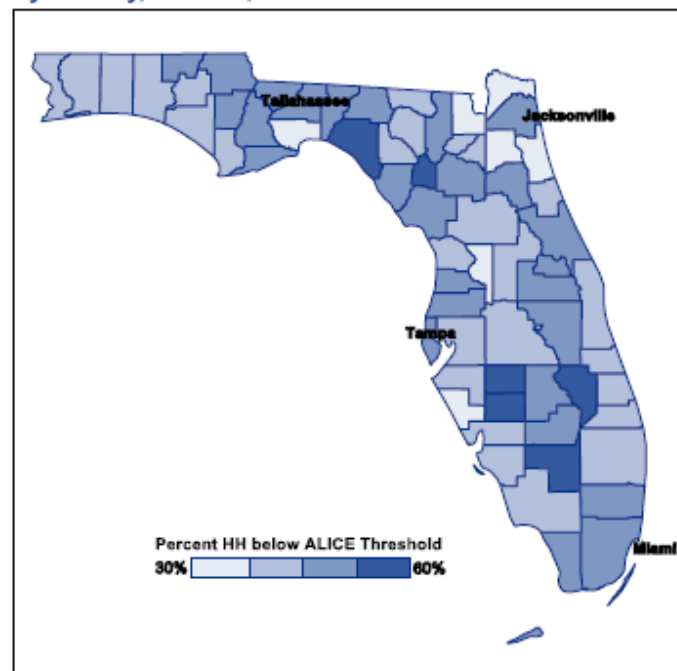
The original ALICE project was developed in 2009 by Stephanie Hoopes Halpin of Rutgers University and the United Way of Northern New Jersey as a pilot for the state's Morris County. The project's success in placing a face on the ALICE population led to its adoption across the state. The New Jersey report was used to help inform key program and policy dialogues related to working families. After the initial report was released, five other states—California, Connecticut, Florida, Indiana, and Michigan—used the model to conduct their own studies to identify ALICE populations.

The ALICE classification sets a threshold that represents the minimum standard of living for a local community. The threshold is made up of five basic necessities: housing, child care, food, transportation, and health care. The ALICE threshold is unique as it adjusts based upon the household type and the county of residence. Unlike other measures that might take an average household or a state average, ALICE looks at the minimal living standards for local families. Thus, a family of four in Dade County, Florida, with two children under five years old will have a different ALICE threshold than if they lived in Orange County, California. As a result, ALICE can provide a robust picture of what is necessary to survive for various family structures, and it identifies those who are on the edge of financial instability but do not live in poverty.

Florida families struggle to get by

[Florida's ALICE report](#) indicates that large portions of the state's population are falling behind financially. According to the report, which was released by the United Way of Florida in the fall of 2014, the number of Florida families struggling to make ends meet was nearly three times larger than indicated by the federal poverty line. The study found that 3.2 million Florida households fall below the ALICE threshold, or 45 percent of all households. This includes 1.1 million households below the federal poverty line and 2.1 million between the federal poverty line and the ALICE threshold. Of the six states studied to date, Florida had the second highest number of households living below the ALICE threshold, just behind California's 46 percent. The ALICE population in Florida is widespread. Each county in Florida had at least 30 percent of its households living below the ALICE threshold, and some counties had up to 60 percent (see the map). Hardworking families from every demographic background make up these households.

Percent of Households below the ALICE Threshold by County, Florida, 2012



Source: United Way ALICE Report: Florida

Since the end of the Great Recession, Florida has experienced increased job growth in many areas. But according to the ALICE report, 69 percent of jobs in Florida pay an hourly wage of less than \$20 with more than half (54 percent) paying less than \$15 an hour. In addition to low-wage jobs, the report found that costs in Florida for basic necessities are rising. Between 2007 and 2012, housing, child care, transportation, food, and health care costs increased by 13 percent. Moreover, there are more than twice as many ALICE renter households as there are affordable rental units, a shortfall of 915,000 units, notes the report. The combination of significant numbers of low-wage jobs and an increasingly high cost of living means that a large portion of the population must rely on outside sources of income to meet the ALICE threshold or compromise on basic necessities.

Lessons for stakeholders

By conducting this research, the United Way of Florida is able to inform stakeholders about the ALICE population. The report's authors hope to show that the ALICE population is not a new one. Instead, the report provides a new lens by which governments, industry, and nonprofits can look at the population. The ALICE project has shown that the number of households struggling is significantly higher than reported by poverty line figures.

In Florida, with the cost of living growing faster than wages, the ALICE population will increase. Such a situation is likely to be exacerbated if the quality of net new jobs continues to be low. The report authors also foresee challenges for the ALICE population as the proportion of Florida seniors to the total population continues to increase, as forecasted by the state legislature's [Office of Economic and Demographic Research](#) and other sources. This dynamic is described at a national level in the Fed Board of Governor's [report](#) on the financial status of older Americans.

The Great Recession deeply affected the financial viability of working families across the country, and middle- and lower-income families' current wealth levels are comparable to where they were in the early 1990s. According to findings from a Federal Reserve Board survey conducted in September 2013, many households were faring well, but sizable fractions of the population were displaying signs of financial stress. The [Report on the Economic Well-Being of U.S. Households in 2013](#) showed that 34 percent of survey respondents reported they were somewhat worse off or much worse off financially than they had been five years earlier, 34 percent said they were about the same, and 30 percent noted they were somewhat or much better off. The report also shows that savings for many households have become depleted since the recession: among those who had savings prior to 2008, 57 percent reported using up some or all of their savings in the Great Recession and its aftermath. The St. Louis Fed's [Center for Household Financial Stability](#) is particularly concerned with these issues and conducts research on family balance sheets.

The ALICE project not only sheds new light on this population but also unearths many of the challenges facing working families. A working family's budget is made up of a variety of different expenditures, and the comprehensive nature of the ALICE project can provide in-depth data on what is occurring in each section of the budget. This information can help identify the specific challenges facing working families and any trends within defined geographic areas. The localization of the ALICE threshold provides a targeted picture of how families are faring in specific communities. As the ALICE project is conducted on a regular basis and in additional states, it may provide valuable insight into the state of working families across the Southeast and the country. In future articles, this publication will explore promising policies and programs that community and economic development practitioners may consider to assist these working families.

By Joseph Rondone, CED intern



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Blog Further Explores the EB-5 Immigrant Investor Program

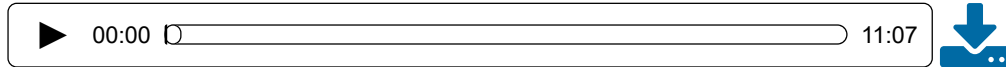
[COMMUNITY DEVELOPMENT FINANCE](#) :: [FINANCIAL INNOVATION](#) :: [LOCAL ECONOMIC DEVELOPMENT](#)

The EB-5 program, a federal program designed to attract foreign investment to real estate projects in economically distressed markets, is gaining prominence among CED practitioners in the Southeast. A recent *Real Estate Research* [blog post](#) by Will Lambe, the Atlanta Fed's senior CED adviser on community development finance, highlights the impact of EB-5 in the southeastern region and describes major issues facing the program. The first [blog post](#) described the mechanics of EB-5.

As Lambe notes, the Southeast is home to more than 25 successfully developed and financed EB-5 projects. However, the successes are balanced by stories of failure, delay, unmet expectations, or, in the worst cases, fraud and litigation. Lambe goes on to outline four major considerations facing the program that emerged at a 2014 conference on EB-5 hosted by the Initiative for Competitive Inner City. Issues included the limited availability of data on EB-5 projects and the question of whether communities accrue broad benefit from them.

To find out about other tools and policies used in economically distressed communities, follow this publication in the coming months.



A Promising Approach: Improving Graduation Rates and Building a Better Workforce**January 2015**

Marysol McGee: *Welcome to the Federal Reserve's Economic Development podcast series. I'm Marysol McGee, community development analyst at the Federal Reserve Board of Governors.*

At face value, a community's high school graduation rate may seem to be outside the scope of local economic development strategy. However, research shows this issue has been bearing on labor force participation rates and the economic vitality of communities. Indeed, both the rate of participation and quality of the local labor force are increasingly important in a firm's decisions to remain or locate in a particular community.



Mike Beatty

Some communities have recognized this and have implemented programs that bring together the business and education sectors to improve students' outcomes. The Great Promise Partnership program in Georgia is one such innovative program that works with youth at risk of not graduating to offer job experience and pay alongside academic credit and other life and soft skills.

We're speaking today to Mike Beatty, president and CEO of Great Promise Partnership, and Mike Wiggins, the recently retired former executive vice president of human resources at Southwire Company. Welcome, gentlemen.

Mike Beatty, can you tell us about the Great Promise Partnership that grew out of the 12 for Life program? Specifically, what jump-started the initiative, and what are the key elements that contribute to its success?



Mike Wiggins

Mike Beatty: We saw a clear need for a well-trained workforce and for a ladder to help our Great Promise youth, our at-risk youth. And we were working with communities, I had a chance to visit Southwire—the key element was a company's commitment to a community. Southwire had put together a process where they were working with these at-risk youth—they were going to school part of the day—they partnered with the school system in the community. And as I looked at what they were doing and saw the fact that it was really win-win, not only do you save the kids from dropping out of school, but you also have a process that's very profitable for a company. And I really believe for this to be sustainable long term, it's got to be win-win for the community. And, of course, the other element was the need for a trained, motivated workforce.

The 12 for Life process is proven to help you graduate, go to college, join the military, or work full-time. And what we looked at was how we could replicate that, how we could scale that.

McGee: *We know that workforce development is most successful when it's highly collaborative across sectors. Mike, who are the key partners involved in this program, and what are the recommendations for how to create strong community alliances like this one?*

Beatty: What we saw was really four cornerstones that you've got to have to make this work. You've got to have the local political leadership. You have to have that bottom-up, locally driven approach through the local political leaders—the city hall and the county government. Also, you've got to have the school system that's flexible. One of the things that's so important is you have got to have that ability for the young person to leave school to get credit for working. Also, you've got to have the business community. And it's got to be win-win.

What we saw with both public and private enterprise and improvement on the bottom line is as you work with these highly productive youth on a short-shift concept where sometimes they're 25 to 30 percent more productive than adults. And you also have to have the faith-based community, the Boys and Girls Clubs, you've got to pull those four cornerstones together. We also put together a designation called "marquee community" that if you pulled all that together, if you helped a certain number of youth succeed, then you have a state-wide designation. And not only will they get recognition, but there'll also be incentives from different state agencies and federal agencies for that community stepping up.

McGee: *Mike Wiggins, your company represents one of the largest employers in your community. Why was the creation of 12 for Life important to your company?*

Mike Wiggins: Let me begin with our commitment to education. Our first serious move in that direction was the proclamation that we would not hire any person for any job at Southwire Company who did not have either a high school education or a GED. In the rural communities in which we operate across the country, that really shook the foundation. But we said, anybody who works for us today is grandfathered, nobody's going to lose their job, and our intent is to make things better on a go-forward basis.

When we made that decision that any person that we hired had to have either a high school education or a GED to even fill out an application, little did we know at the time that was an incredibly major decision. It was OK when the economy was going great and we were growing, and we experienced business conditions like that for a number of years, but that doesn't last forever. In 2005 other businesses were coming into town—a great thing, the town, the community, the county was growing. But we began to be worried about getting an appropriate, adequate applicant pool from which to hire people. We had to look back at all that we had done, and we even had discussions of dropping that requirement for a high school education or a GED, but we said we believe that it has been successful, we believe that it has been instrumental in keeping some kids in school, and it's the right thing to do.

Along the way we had created an initiative in our county called Carroll Tomorrow that was about a visionary look at our county and our population. And

so that became a rallying cry for the entire area. And we were instrumental in funding that and being a driver in that whole process.

So we had a problem with making sure that we had an adequate applicant pool, and we had to take another look in order to assure that we could continue to grow in our home community. We got all the political leaders together and said, "We've got work to do. We're not happy with the dropout rate." So we held meetings with our family shareholders, and meeting with our board of directors, and meeting with the CEO to zero in on exactly what we wanted to do. Getting the school superintendent and the principals was an easy task because they had a problem and they didn't have the resources to manage that problem and to properly address that problem. So getting them on board was an easy thing.

So from March of 2006 until January of 2007, we bought a building, revamped and refitted the building to accommodate wire-making or wire-handling equipment. Then we started looking around for jobs that could be done in that facility and what equipment would be required.

But to reemphasize one more thing: what were the opportunities in our community? If we were going to grow there, if Southwire—being one of the largest employers in the county—if we were going to grow in our home community, an adequate, trained, and educated workforce was absolutely critical to our future. This became a major piece of strategy for the company and decision making on what we must do in order to grow.

McGee: *You mentioned data. What are the evaluation metrics you are using to track the program's success, and can you share how the program has performed against those metrics since its inception?*

Wiggins: I would approach that from two directions. One, from the education perspective, and then from the business perspective. From the education perspective, the measures that we track, number one is the graduation rate. Also, we now have 40 percent of our graduates who go on to postsecondary education.

More importantly, and I think the greatest measure of our success is the dropout rate for economically disadvantaged kids. It was 45 percent. Today that graduation rate is 79 percent. We've also hired quite a number of those graduates and they are productive employees at Southwire today, so that is another critical piece of what we've been able to accomplish.

On the business side, in addition to creating that applicant pool and having a trained, skilled workforce in the jobs that we utilize, we've incorporated much of our learnings into our total hiring process. For example, preemployment testing and evaluation—today it's an evaluation of the soft skills.

McGee: *For communities considering replication of similar programs, what are some of the major challenges and opportunities in developing and implementing such an approach?*

Beatty: From our standpoint it's really key to get the leadership together. We actually worked out a resolution for each cornerstone and make sure everybody understands what their role is.

Wiggins: The number one challenge for replication and moving it forward is convincing businesses.

We've had an almost continuing stream of visitors come to 12 for Life. They come in that facility and they see those kids work, and they see the activity, they hear the activity, they look at their charts on the wall, they go into the classrooms. The second most difficult thing, I think, is to have communities fully understand and appreciate the magnitude of this partnership that we've created between business and education.

And the schools have got costs. We've got full-time teachers and full-time county employees committed to 12 for Life. We've got very carefully selected teachers. That's just a significant commitment that they had to find ways to fund and be able to sustain.

The schools were able to secure a grant to offer higher levels of STEM [science, technology, engineering, and mathematics] education at 12 for Life. That's the reason Southwire constructed the school inside 12 for Life. What that's enabled us to do is we run three four-hour shifts. So some kids go to school and then they come to work; some kids go to work and then they go to school. The kids that are most at risk or the most academically disadvantaged, they may have to go school all day and then work the evening shift.

McGee: *Thank you for speaking with us today. This concludes our podcast with Mike Beatty and Mike Wiggins.*

The Federal Reserve's ninth biennial Community Development Research Conference will be held in Washington, D.C., in April 2015. The conference will address a diverse set of issues shaping community development policy and practice. More information on the agenda and the registration details are available on the St. Louis Fed's [website](#) .

For more podcasts on this topic and others, please visit the Atlanta Fed's website at frbatlanta.org. If you have any comments or questions, please e-mail podcast@frbatlanta.org. Thanks for listening.

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Fed Webinar to Focus on Young Adults' Work Experiences

How are national labor market challenges and conditions affecting millennials? Join community development practitioners, researchers, and policy experts from across the country on Thursday, January 8, at 3 p.m. ET for a webinar session focused on this topic. It will spotlight key findings from a Fed report, [In the Shadow of the Recession: Experiences and Perspectives of Young Workers](#)  .

Young U.S adults have experienced higher rates of unemployment and lower rates of labor force participation than the general population for at least two decades. The Great Recession exacerbated this phenomenon. Despite a substantial labor market recovery from 2009 through 2014, vulnerable populations—including the nation's young adults—continue to experience higher rates of unemployment. Meanwhile, changes in labor market conditions, such as globalization and automation, have reduced the availability of well-paid, secure jobs for less-educated persons, particularly jobs that provide opportunity for advancement.

Featured speakers include Heidi Kaplan, Federal Reserve Board; Rory O'Sullivan, Young Invincibles; and Carl Van Horn of the John J. Heldrich Center for Workforce Development at Rutgers University.

[Register](#)  for this session at the **Connecting Communities**[®] website. Participation is free, but preregistration is required.

Also, save the date for our January 29 session, which will explore strategies for using data to improve planning, engagement, and operations in your community.

These events are part of the Federal Reserve's Connecting Communities[®] series, a national initiative intended to provide community development practitioners, financial institution representatives, policymakers, and others with timely information on emerging and important community development topics.



Federal Reserve Bank of Atlanta

Stuart Andreason

Future Fortunes: Trends in Educational Attainment in Atlanta and Its Suburbs

This is the first of a four-part series on educational attainment in the United States. Other articles in the series analyze educational attainment trends in the [most populous metros](#), [U.S. legacy regions](#), and the [Southeast](#).



From 1990 to 2010, metro Atlanta's population experienced significant changes in educational attainment. The greatest changes occurred in the proportions of the population with less than a high school diploma and those with a bachelor's degree and higher. Trends like this provide a unique indication of the direction that the area's population is headed and likely signify shifts in the local economy.

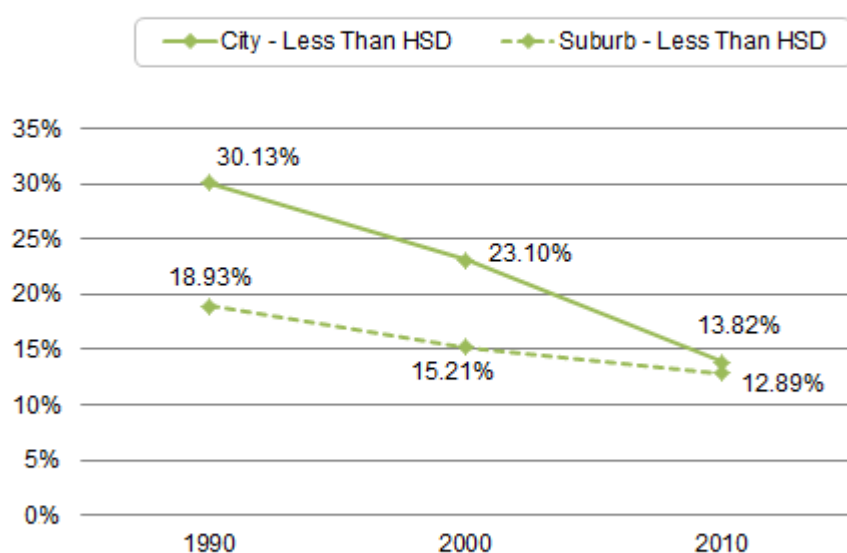
These changes, however, are not uniform across the entire metropolitan area. A closer look at Atlanta and its suburbs shows notable differences in educational attainment trends. Using U.S. Census Bureau data, we examine the educational attainment trends in Atlanta from 1990 to 2010 and compare them with the suburbs.¹ With population growth rates during this time of nearly 5 percent in the city and 93 percent in the suburbs, these findings may describe the nationwide pattern of urban revitalization and the suburbanization of poverty. The changes in the mix of population in the city suggest that it may be a more desirable place to live for those with higher levels of education.

Adult populations with less than a high school diploma²

The proportion of the population with less than a high school diploma has steadily declined in both the city and the suburbs from 1990 to 2010. However, the decline in the city (16 percent) is significantly greater than that of the suburbs (6 percent), as shown in chart 1. Furthermore, the city-to-suburb ratio of this educational attainment type has fallen half a percent from 1990 to 2010, meaning the percentage of the population with less than a high school diploma is nearly the same in both areas. The dramatic reduction in the relative number of high school dropouts in the city suggests that it no longer bears a disproportionate proportion of the most disadvantaged workers.

This may also suggest the large urban-suburban gap in high school dropout rates that has distressed city schools and neighborhoods in past decades is beginning to close. If this trend continues, Atlanta may soon surpass its suburbs in its ability to attract and retain high school graduates.

Chart 1
Less Than High School Diploma (HSD) Attainment
in Atlanta



Source: Authors' calculations of data from the U.S. Census Bureau's 1990 and 2000 Decennial Census and 2010 American Community Survey

Populations with bachelor's and advanced degrees

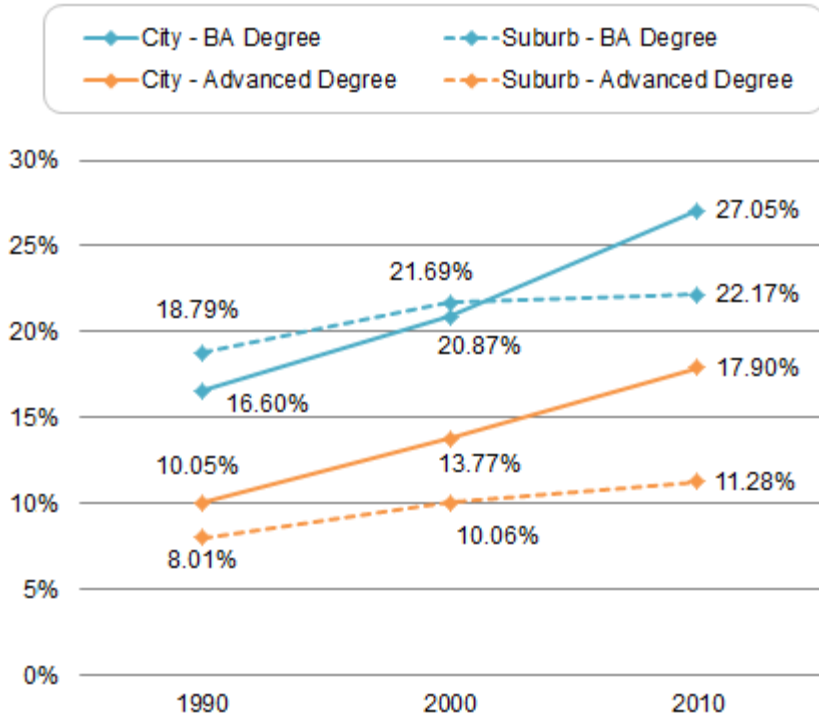
In addition to the city of Atlanta's overall decline in residents with less than a high school diploma relative to the Atlanta suburbs, the metro area has seen increases in bachelor's degrees and advanced degrees in both the city and suburbs from 1990 to 2010, as shown in chart 2. Though these trends are encouraging as a whole, the increase is notably different between the two area types; while there was a 10 percent increase in bachelor's degrees and a nearly 8 percent increase in advanced degrees in the city, the suburbs' increase was only in the 3 percent range.

This trend is the result of a virtuous cycle. The city of Atlanta has undergone significant revitalization and reinvestment over the last 20 years, making it an attractive place to live for highly educated and productive workers. Their living in the city reinforces the potential for further economic growth and a higher quality of life. Urban revitalization and the location of highly educated workers is a difficult chicken-and-egg question, but there is strong evidence that the two are interrelated and reinforce each other.³ Atlanta appears to be an example of that virtuous

cycle. The educational attainment trends suggest that it may continue in the future.

The increase in bachelor's degrees raises another noteworthy point. In the 2010 census data, the city surpassed the suburbs in bachelor's degree populations for the first time since the U.S. Census began tracking this statistic in 1990, with about 27 percent and 22 percent of residents holding these degrees, respectively. This suggests that although the suburbs were once the most attractive area to live for working professionals, the city has gained popularity and surpassed the suburbs in recent years. The experience in Atlanta is further evidence of a trend that has been identified in many cities and metropolitan areas by a number of researchers, including William H. Lucy and David L. Phillips, authors of *Tomorrow's Cities, Tomorrow's Suburbs*, and Edward Glaeser, author of *Triumph of the City*.

Chart 2
Bachelor and Advanced Degree Attainment in Atlanta

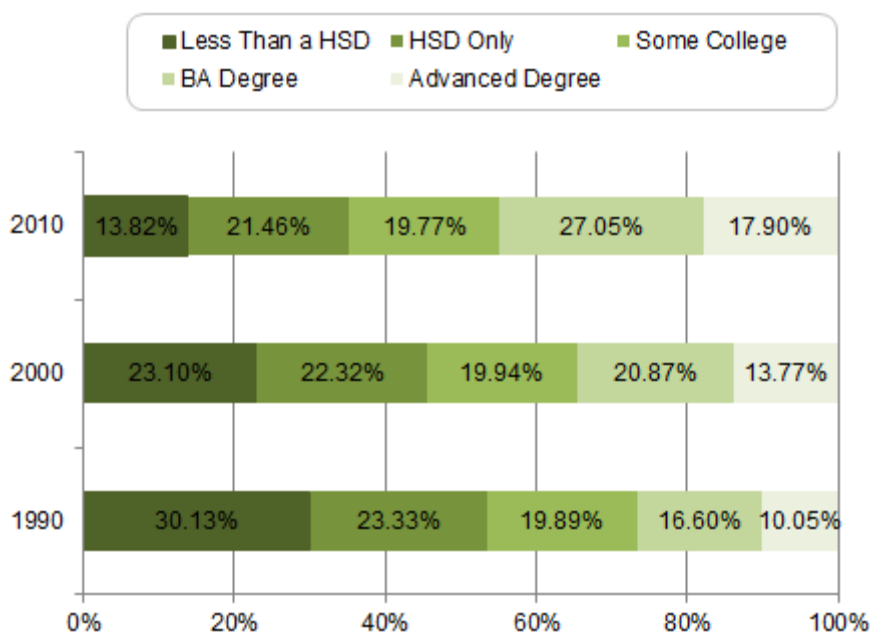


Source: Authors' calculations of data from the U.S. Census Bureau's 1990 and 2000 Decennial Census and 2010 American Community Survey

Other types of educational attainment

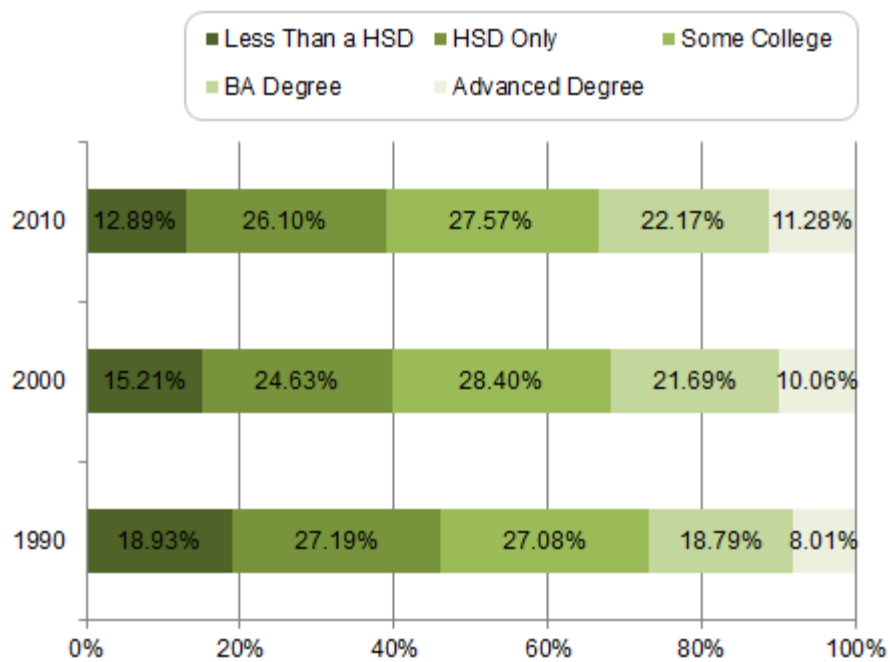
The most significant trend of the two remaining educational attainment categories—high school diploma only and some college—is perhaps the lack of change, or stagnation, of these populations. The suburban population with high school diplomas was about 27 percent in 1990 and remained at 26 percent in 2010; the suburban population with some college experience barely changed from 1990 to 2010. Atlanta shows a similar trend; see charts 3 and 4 for a complete comparison of educational attainment. There are a number of potential explanations for the general persistence of the proportion of workers in the middle. Optimistically, it could suggest that students are slowly moving up the attainment ladder (with the largest gains in college and higher degrees and the greatest declines in high school dropouts).

Chart 3
City of Atlanta Educational Attainment



Source: Authors' calculations of data from the U.S. Census' 1990 and 2000 Decennial Census and 2010 American Community Survey

Chart 4
Atlanta Suburbs' Educational Attainment



Source: Authors' calculations of data from the U.S. Census' 1990 and 2000 Decennial Census and 2010 American Community Survey

Conclusion

In considering all of these individual trends and how they relate to a larger picture, a single conclusion can be drawn: educational attainment in the city of Atlanta has made substantial improvements since 1990, while the suburbs seem to have plateaued, suggesting growing economic security in the city's population compared to the suburbs. If these trends continue in the future and gaps in educational attainment between Atlanta's city and suburbs widen, there is a strong possibility that the metro area will also see widening gaps between the city and suburbs along other socioeconomic elements, such as income, employment, and poverty. [The Brookings Institution](#) has documented a recent suburbanization of poverty, challenging perceptions of inner-city concentrations of poverty and leading to new challenges in antipoverty policy.

Educational attainment has a strong correlation with individual earnings and economic outcomes. A [Georgetown University study](#) found that those with a college degree earned 84 percent more than those without one. The gap continues to widen. The [Pew Research Center](#) found that in 2013 workers aged 25 to 32 with a college degree earn \$17,500 a year more than those with just a high school diploma. In 1965, the differential was \$7,499. The city-suburb educational attainment trends in metro Atlanta suggest that the city may see stronger economic outcomes than the suburbs. This analysis provides further evidence of the continuation of a national trend toward the suburbanization of poverty and economic disadvantage in metro areas.

These trends could have significant impacts on how job training and educational programs are structured, where they are located, and how policies can best support increased education and skill development. In the coming months, the Atlanta Fed's community and economic development team will investigate these trends on a national level and explore what it means for human capital and employment policies and programs.

By community and economic development intern [Mindy Kao](#) and adviser [Stuart Andreason](#)

¹ Data are from the 1990 and 2000 Decennial Census and the American Community Survey's 2006–2010 five-year estimate data sets. The data were downloaded from Social Explorer.

² The proportions of the population reported throughout refer to those aged 25 and older.

³ Partridge, Mark D., and Dan S. Rickman. 2003. "The Waxing and Waning of Regional Economies: The Chicken-Egg Question of Jobs versus People." *Journal of Urban Economics* 53 (1): 76–97.



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