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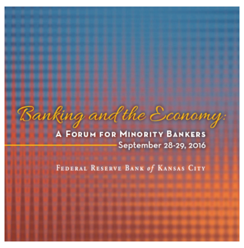
Save the Date for National Community Affairs Conference

06/29/2016 -
The September 7–8 event will explore the impact of health, housing, jobs, education, and consumer finance on the financial health of low- and moderate-income communities. Find out more in this article.



Plan to Attend Forum for Minority Bankers

06/16/2016 -
The Kansas City Fed event will discuss the economy and U.S. payments system and offer attendees professional development opportunities. Learn more about the September forum in this article.

The Small Cities Study Tour: Cedar Rapids' Economic Recovery

06/09/2016 -
How can a small city that suffers a natural disaster recover economically? The small cities study tour stops in Cedar Rapids, Iowa, to find out how the city rebounded after a 2008 flood in the second article in a series.

Tune into Fed Webinar on Building Financial Well-Being

05/25/2016 -
Community development practitioners will discuss the findings from a recent San Francisco Fed book on strengthening the financial future of families. The webinar takes place June 14, register today!

STRONG FOUNDATIONS
THE ECONOMIC FUTURES OF KIDS AND COMMUNITIES

Call for Papers for 2017 Federal Reserve Community Development Research Conference

05/18/2016 -
The conference will focus on the role of community development in child and youth development and the implications such development has for the economy. Organizers seek original, high-quality research on this topic; this article gives more detail.

The Disappearance of Low-Cost Rented Housing in the Southeast

05/10/2016 -
Low-cost rental housing is increasingly out of reach for low- and moderate-income households in the Southeast, according to a new discussion paper. This article summarizes the authors' research findings on the trends contributing to the loss of affordable housing in southeastern cities.

The Promise and Reality of Apprenticeship Programs in the United States

05/05/2016 -
Apprenticeships have the potential to improve economic opportunity for workers who lack a traditional college education. This article assesses the state of apprenticeships in the Southeast and nationally.

Participate in Fed Webinar on Gentrification and Displacement

05/05/2016 -
Community development practitioners and researchers will discuss emerging research on gentrification and its impacts on urban residents in a live webinar on May 12. This article provides more detail.

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Save the Date for National Community Affairs Conference

Interested in issues affecting the financial well-being of low- and moderate-income communities? Be sure to register for the Kansas City Fed's Exploring Financial Resiliency & Mobility: 2016 National Community Affairs Conference.

National leaders will explore the impact of health, housing, jobs, education, and consumer finance on the financial health of low- and moderate-income (LMI) communities September 7–8. The event will explore current research and innovative programs centered on understanding and advancing the financial well-being of LMI households.

Jennifer Tescher of the Center for Financial Services Innovation, Nick Bourke of Pew Charitable Trusts, Rachel Garfield of the Kaiser Family Health Foundation, Isabelle Sawhill of the Brookings Institution, and Laura Scherler of United Way Worldwide are among the presenters during the conference.

Register by August 9 and receive the early-bird rate of $150. Registration is $200 from August 10–29. Please email Terri Derendinger with questions about the forum.

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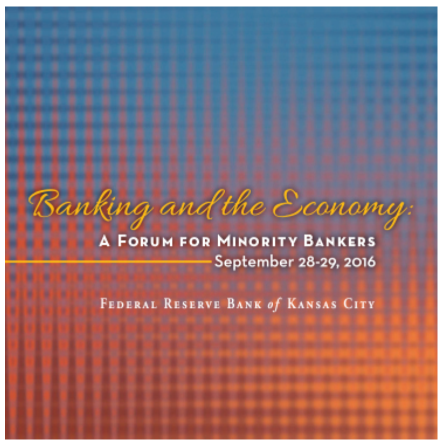
Plan to Attend Forum for Minority Bankers



Are you a minority banker? If so, be sure to register for an exciting professional development forum sponsored by the Federal Reserve Bank of Kansas City.

As part of the Federal Reserve System's long-standing commitment to diversity and inclusion, the Kansas City Fed will host a forum for minority financial services professionals. The event, Banking and the Economy: A Forum for Minority Bankers, will provide minority bank leaders with industry and leadership development knowledge that will enhance their careers, professional networks, and respective organizations. All forum attendees can earn 7.0 continuing professional education (CPE) credits.

The forum will take place September 28–29 in Kansas City. Esther George, Kansas City Fed president and chief executive officer, will provide the keynote on the 28th. Space for this event is limited, so register early. The registration fee is $200 and the deadline to register September 1. For questions about the forum, please email Terri Derendinger or call 816-881-2031.

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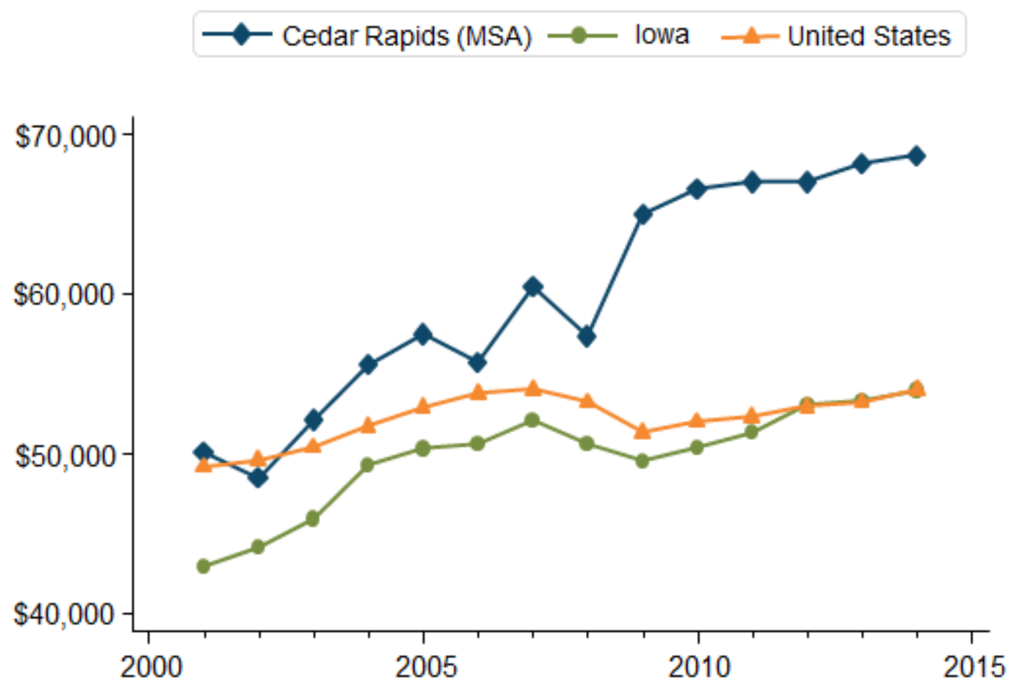
The Small Cities Study Tour: Cedar Rapids' Economic Recovery

COMMUNITY DEVELOPMENT FINANCE :: LOCAL ECONOMIC DEVELOPMENT

How can a small city buffeted by natural disaster retain and grow its business community and population, and enjoy economic recovery? In early March, the **small cities study tour** visited the city of Cedar Rapids, Iowa, to study its economic development success and challenges in the wake of a disastrous 2008 flood. The tour is a partnership of place-based funders and Federal Reserve Bank researchers who visit cities that have bounced back from economic decline to learn about their "arcs of revitalization."[1] The aim is to produce useful lessons and insights that can benefit other small cities and place-based funders. Highlights from the tour's first stop in Chattanooga are available in a companion article.

Following the flood, the future of Cedar Rapids looked uncertain. The flood struck during the Great Recession, wiped out some 1,200 homes and a large number of businesses, and had the city teetering on the brink of a depression. This March, however, the metro area's unemployment rate was 4.4 percent, six-tenths of a percentage point below the national average. Although aided by federal dollars in the short term, longer-term post-flood economic success was hardly assured, and relied on a combination of strong community organizations and city leadership, smart economic development strategies, and deep engagement with and by the local business community. Despite some challenges on the horizon, Cedar Rapids' post-flood economic recovery offers interesting insights to other small cities (see chart 1).

Chart 1
GDP Per Capita: 2001–15 (2015 dollars)



Source: U.S. Bureau of Economic Analysis

Cedar Rapids is a city of some 128,000 residents in the eastern part of Iowa. The city is situated in the Corn Belt, in the center of the country, on a major river, the Cedar. It had early access to rail and later the interstate highway system and the Eastern Iowa Airport. These factors ensured the city became a hub for agricultural processing and manufacturing, such as meat packing and cereal production as well as truck transportation and logistics. The former industry is still a very important part of the local economy and includes several of the city's largest employers, such as Quaker Oats, General Mills, and Archer Daniels Midland.[2] Cedar Rapids is not the most diverse of cities, but minority communities have seen growth in the past several years. In 2014, 8.3 percent of the city's population was African-American (up from 6.7 percent in 2010), and 3.5 percent was Hispanic (3.1 percent in 2010).[3] Lacking much in the way of natural assets (the river's rapid current, for instance, does not allow for water recreation opportunities within city limits), Cedar Rapids has had to focus on exploiting its economic assets and developing its human capital.

The business and civic communities
Cedar Rapids exudes a culture of community. The city boasts strong civic organizations, such as the East Central Iowa United Way, the Greater Cedar Rapids Community Foundation, Four Oaks (a nonprofit dedicated to child welfare and behavioral health), Matthew 25 (a nonprofit dedicated to revitalizing neighborhoods on the west side of the city), and other organizations that have been actively involved with rebuilding and improving the community after the 2008 flood. The Block by Block program, a $1.9 million joint effort between Matthew 25, Four Oaks, and homeowners and volunteers, is one example of community engagement aimed at reinvigorating neighborhoods. Housing revitalization efforts in the challenging Wellington Heights neighborhood by Four Oaks is another. By purchasing and restoring crime-ridden or code-violating "problem properties" and by offering a Home Incubator Program, the organization is gradually improving the neighborhood's livability. Finally, the local United Way, which reportedly receives double the funding of similarly sized communities, is another example of the strength of local community organizations.

The engagement of local employers in these and other community improvement efforts has been instrumental. For instance, Block by Block was supported by a $1 million gift from the chief executive of CRST, one of the largest employers in the Cedar Rapids metro area. Several other large local employers, such as Quaker Oats, made an explicit commitment to the city and its downtown area after the flood. CRST invested in a downtown development project, the CRST Towers. Rockwell

Collins, the city's largest employer, moved 400 jobs downtown. The commitment of these large local firms to the city's central core has been instrumental to its revitalization, and a strong connection between the city and local employers, both large and small, has been important to the overall well-being of the local community.

Economic development efforts

In Cedar Rapids the engagement of private sector leadership in economic development efforts has been substantial. For instance, some 100 local business leaders of small and large firms initially gathered together in Priority I, an organization dedicated to economic development, to promote new business recruitment to the city. This role has since been taken over by the Cedar Rapids Economic Alliance, which maintains close ties to city leadership. The alliance was formed as a merger between Priority I, the Cedar Rapids Area Chamber of Commerce, and the Downtown Development authority, which allowed for a unified focus on economic development and reduced duplication of efforts. Today the organization boasts some 500 business stakeholders and receives 90 percent of its funding from private sources.

The city has established one centralized economic development department, and has instituted a case manager model for its permit process. Developers are immediately put in contact with the team that decides on their project, and most decisions are made within a 90-day time frame. This move fits with Cedar Rapids' overall business-friendly attitude. This is exemplified by annual visits by city officials and local business leaders to the national headquarters of local employers to understand their needs and express appreciation for their contribution to the community. This focus on business needs is also employed at Kirkwood, a local community college that serves the region and has close ties to the business community. The college recently conducted an in-depth study of the area's workforce needs, which resulted in employer-led work groups focused on industry clusters important to the area's economy.

More recently, the city's development focus has shifted from employer recruitment ("buffalo hunting") toward regionalism and local talent and entrepreneurial development. City and business leaders recognize that Cedar Rapids needs to be connected to Iowa City, some 20 miles south, and the University of Iowa based there. This regional focus—Iowa's Creative Corridor—hopes to emulate the successes of Austin and North Carolina's Research Triangle and aims to attract and connect graduates from the University of Iowa with employers in Cedar Rapids. Additionally, Kirkwood is considered crucial for supplying the city with a pipeline of tradespeople and skilled workers.

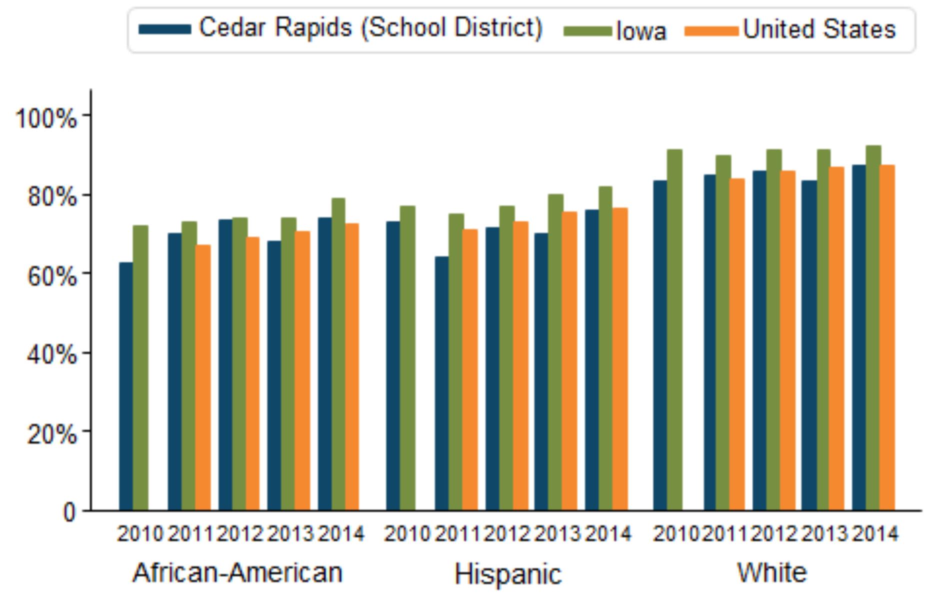
Challenges and opportunities

An immediate problem facing Cedar Rapids and the broader region is a need for high-skilled workers. The city's low unemployment rate is leaving employers with worker shortages, particularly for high-skilled manufacturing jobs, but Cedar Rapids is experiencing difficulty attracting and retaining young, high-skilled workers. At present, the city is not succeeding in fully connecting the demands of the local labor market with the supply of talented individuals graduating from the University of Iowa or Kirkwood, and it's not been able to lure students to settle in the community. Additionally, the city's leadership is expecting a shortage of skilled tradespeople like electricians. While some local efforts and programs such as apprenticeship initiatives have started to address this challenge, they have been insufficient. The city's traditional pipeline of Iowans that move from small rural communities to the state's larger cities (such as Cedar Rapids) appears to be drying up, exacerbating this issue.

The city aims to attract more young high-skilled workers by boosting its quality of life. To this end, Cedar Rapids has invested heavily in arts and entertainment development projects over the last several years. For instance, $45 million has been invested in the construction of a new library, and $2 million was spent building a park that connects the library to an art museum. Some of these projects (such as the NewBo city market) appear successful at enthusing younger individuals. However, the dearth of downtown retail and housing options—downtown Cedar Rapids currently boasts just 900 housing units—is undermining city efforts to attract and retain high-skilled millennials.

Chart 2

High School Graduation Rates: 2010–14



Sources: Iowa Department of Education, U.S. Department of Education: ED Data Express

Another issue that threatens to undermine Cedar Rapids' success story is the plight of its minority population, which is disproportionally affected by poverty and unemployment. For instance, the poverty rate for the city's African-American community (40.4 percent) was over four times as great as that of whites (9.7 percent) in 2014.[4] Additionally, as depicted in chart 2, graduation rates among African-American and Hispanic children consistently trail those of whites in Cedar Rapids' school district, and at Kirkwood. In 2015, 74.7 of African American and 75 percent of Hispanic seniors graduated from Cedar Rapids high schools, compared to 85.2 percent of white seniors.[5] The city now offers these communities a seat at the table, and is working on rallying local business leadership to address these problems. However, much progress needs to be made to ensure these groups don't falter and are not shut out of the area's economic successes altogether.

Better integration of the growing minority community, improved educational outcomes among minority students, and a better connection between labor demand and training, with a particular focus on minority participants, might prove part of the solution for the city's growing workforce and minority challenges. Finally, more affordable housing options and a livelier downtown scene, including more retail and restaurant establishments, could go a long way toward boosting recruitment and retention of high-skilled and talented young workers.

While Cedar Rapids has enjoyed some distinct advantages, its story may nevertheless resonate with cities that experience acute economic decline following an isolated event like a natural disaster. For more information on natural disaster recovery in small cities, please examine the work of Community and Economic Development adviser Ann Carpenter: Resilience in Planning: A Review of Comprehensive Plans in Mississippi after Hurricane Katrina and Social Ties, Space, and Resilience: Literature Review of Community Resilience to Disasters and Constituent Social and Built Environment Factors. The Atlanta Fed's Small City Economic Dynamism Index provides data on a variety of trends in other smaller cities. Further information and research on Cedar Rapids can be found at Industrial Cities Initiative, edited by Susan Longworth, Federal Reserve Bank of Chicago, 2014, and Cedar Rapids Metro Economic Alliance, Economic Development Studies and Reports.

By Mels de Zeeuw, research analyst in the Community and Economic development group

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[1] The team includes representatives from the Funders Network for Smart Growth and Livable Communities, several foundations located throughout the country, and the Federal Reserve Banks of Atlanta, Boston, Chicago, and New York.

[2] Longworth, Susan, Industrial Cities Initiative, Federal Reserve Bank of Chicago, 2014.

[3] American Community Survey 5-year estimates, 2010–14.

[4] Ibid.

[5] Iowa Department of Education, "Education Statistics: Iowa Public High School, Class of 2015, 4-Year Graduation Data by District and Subgroup."

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Tune into Fed Webinar on Building Financial Well-Being

Financial well-being is linked to every aspect of a person's life, including their health, educational attainment, and employment. However, financial instability remains persistent among families and affects a broad range of incomes. A new book, *What It's Worth: Strengthening the Financial Future of Families, Communities and the Nation*, by the Federal Reserve Bank of San Francisco in partnership with the Corporation for Enterprise Development (CFED), addresses U.S. financial health and why it's important for a thriving economy. The book is comprised of more than 30 essays by experts from diverse fields, providing a 360-degree view of the financial challenges facing millions of Americans and ways to address them. The book is available in ebook and print formats.

Join us on June 14 for a webinar that discusses the issues raised in *What It's Worth*. Speakers will discuss promising practices for building financial well-being, which include integrating services across sectors and using financial products designed to expand economic opportunity for lower-income Americans. Topics explored will include multicultural asset development approaches, for example, the Lending Circles platform, and services that build the financial health of formerly incarcerated individuals.

Laura Choi of the Federal Reserve Bank of San Francisco, Kate Griffin of CFED, José Quiñonez of the Mission Asset Fund, and Paul Weech of NeighborWorks America will present during the webinar.

Register for the June 14 webinar, which takes place at 3:00 p.m. ET. 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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Call for Papers for 2017 Federal Reserve Community Development Research Conference

The Fed seeks paper submissions for its 10th biennial Community Development Research Conference. The event will focus on the role of community development in child and youth development and the implications such development has for the economy. The conference will take place next March 23–24 in Washington, DC.

The conference will explore the interplay between the development of children and their communities, with an understanding that "development" factors into key economic and social aspects of kids' lives. Research will be featured that can inform questions about important drivers of success, differences across subpopulations, scalable intervention strategies, and policy considerations. Research that explores the implications for lower-income, minority, or diverse populations is of particular interest.

Organizers seek original, high-quality research. Submissions for plenary, concurrent, and poster sessions should be consistent with one or more of these themes:

- The context for child and youth development
- The role of community development and key partners
- Implications for the economy and workforce

Research that has already been published or presented in another forum may be considered. Abstracts of no more than 500 words, along with optional attachments, are due August 19, 2016. Additional consideration will be given to submissions that include attachments of papers nearer completion.

Learn more about the conference and the call for paper guidelines, and submit a formal abstract. Please direct questions to CDConference@mpls.frb.org or 612-204-6785.

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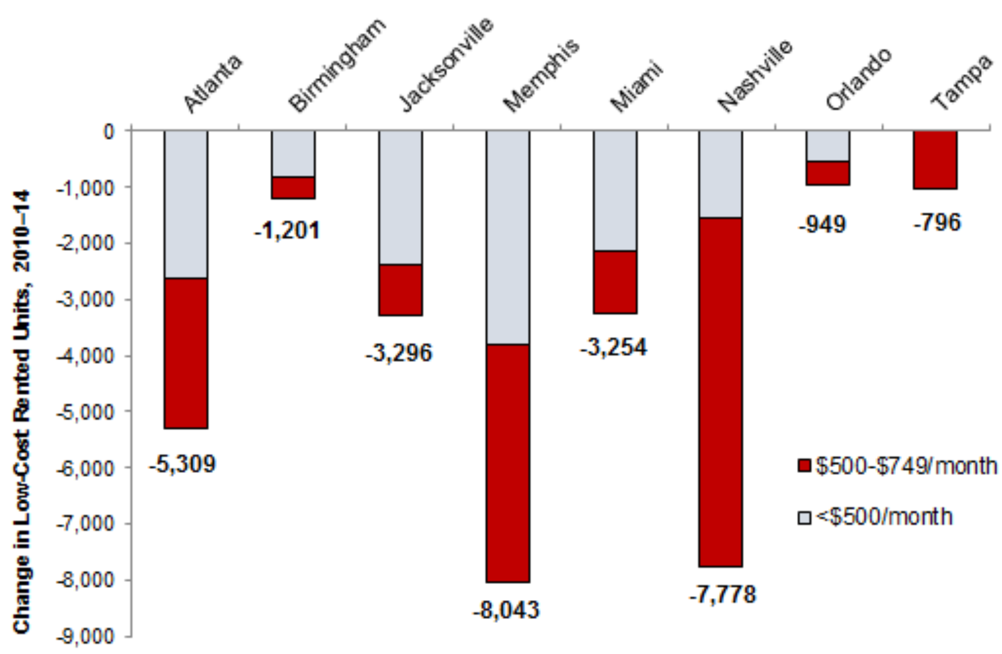
The Disappearance of Low-Cost Rented Housing in the Southeast

It's difficult to ignore the headlines about rising rents in America's coastal cities. In places like San Francisco and New York City, formerly working-class neighborhoods have been transformed into enclaves where only the wealthiest can afford to live. On the other hand, cities in the Southeast are often seen as relatively affordable compared to these pricey metropolises. But research from the Federal Reserve Bank of Atlanta's Community and Economic Development (CED) group shows that low-cost rented housing is increasingly out of reach for low- and moderate-income households in the Southeast. From Nashville to Miami, southeastern renters are feeling the pinch of an increasingly unaffordable market.

These are the findings of "Declines in Low-Cost Rented Housing Units in Eight Large Southeastern Cities," a new CED discussion paper by Dan Immergluck, Ann Carpenter, and Abram Lueders. The paper demonstrates that eight major cities in the Southeast have lost significant numbers of affordable housing units, and they've gained large numbers of luxury-priced rentals. The eight cities—Atlanta, Birmingham, Jacksonville, Miami, Nashville, Orlando, and Tampa in the Fed's Atlanta District and Memphis in the Fed's St. Louis District—each experienced declines in the number of low-cost units, with varying levels of magnitudes of change. Nashville, for example, lost 7,778 low-cost rental units in a four-year period while it gained almost 3,925 higher-cost units (see the table and figure).

	Gross Rent <$500			Gross Rent $500–$750			Gross Rent $1,500+		
	2010	Change 2010 to 2014	% Change 2010 to 2014	2010	Change 2010 to 2014	% Change 2010 to 2014	2010	Change 2010 to 2014	% Change 2010 to 2014
Atlanta	15,362	-2,619	-17.0%	17,128	-2,690	-15.7%	8,498	4,793	56.4%
Birmingham	9,196	-813	-8.8%	15,152	-389	-2.6%	621	649	104.5%
Jacksonville	12,064	-2,378	-19.7%	24,538	-918	-3.7%	5,702	4,304	75.5%
Memphis	15,529	-3,811	-24.5%	38,031	-4,232	-11.1%	3,045	2,073	68.1%
Miami	14,875	-2,133	-14.3%	18,266	-1,121	-6.1%	10,670	8,404	78.8%
Nashville	13,053	-1,558	-11.9%	33,573	-6,220	-18.5%	4,114	3,925	95.4%
Orlando	3,507	-532	-15.2%	8,135	-417	-5.1%	4,593	3,055	66.5%
Tampa	6,945	231	3.3%	12,734	-1,027	-8.1%	4,831	4,516	93.5%

Note: Rent levels are not adjusted for inflation. (The nature of the ACS data categories does not allow for this.) Cumulative inflation from 2010–14 was approximately 3 percent.
Source: American Community Survey 5-year estimates, 2006–10 and 2010–14



Source: American Community Survey 5-year estimates, 2006–10 and 2010–14

The paper's findings are based on census tract-level data from the U.S. Census American Community Survey (ACS). Changes in units by gross rent categories were calculated between ACS five-year estimates for two periods: 2006–10 and 2010–14. Low-cost units were defined as those with rents under $750 a month (considered affordable for a household with an annual income of $30,000). Higher-cost units were defined as those with rents over $1,500 a month. Losses in low-cost rental units were scattered among neighborhoods within the studied cities. However, an analysis of tract-level data found that tracts with a younger population, newer housing stock, and low poverty rates experienced the largest losses in affordable housing.

There are many trends that could be contributing to the loss of low-cost rented units in the Southeast. First, aging low-cost rental housing is often abandoned once the cost of maintenance exceeds its potential rental income. Previously affordable rental units may be upgraded into luxury units as rental demand increases, while increased demand for land may make affordable housing cost-prohibitive. Some of the increase in higher-cost rentals may also include single-family homes that were converted into rental housing in the wake of the Great Recession. Together, these factors spell trouble for renters.

When rents rise, the financial burden on renters can take a severe toll. Housing experts typically agree that a household shouldn't have to spend more than 30 percent of its income on housing. Above this level, households are considered to be "cost-burdened." In the eight studied cities, more than 80 percent of households with incomes below $35,000 were paying over 30 percent of their income on housing. Additionally, over 50 percent of *all* households in these cities—regardless of income—were cost-burdened.

Maintaining a supply of affordable rental housing is an increasingly important goal for cities throughout the Sixth District. The nature of affordable housing loss varies from city to city, and successful mitigation strategies will have to take the unique dynamics of individual markets into account. But without thoughtful policy and investment, it's unlikely that the pattern of decreasing affordability can be halted. The findings and implications of this paper should provide a helpful starting point for stakeholders across the region engaged with this complex and crucial issue.

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The Promise and Reality of Apprenticeship Programs in the United States

HUMAN CAPITAL AND WORKFORCE DEVELOPMENT :: EDUCATION AND TRAINING

In a time of rising student debt levels and an economic divide between people with and lacking college degrees, apprenticeship programs have gained increased attention among U.S. policymakers. The U.S. Department of Labor has recently attempted to boost the use of apprenticeships, and at state and local levels, various initiatives aim to incentivize such programs. However, despite such efforts, apprentices still form a small share of the total U.S. workforce. How commonplace are apprenticeship programs across the United States? And how does the Southeast measure up compared to the rest of the country?

U.S. apprenticeship programs

Apprenticeship programs offer participants the opportunity to combine classroom and on-the-job training in a salaried position. The latter usually forms the bulk of the program, and the former often takes place in technical or community colleges or vocational schools. U.S. apprenticeships often last between one and six years, with an average duration of four years.[1]

The benefits of such programs are twofold. Workers benefit by learning valuable skills while earning a paycheck and by foregoing the costs of attending college and taking out student loans. Instead of taking on student debt, workers can focus on saving money for a down payment on a house or to start or expand their family. Employers, particularly those in the skilled trades and in manufacturing, benefit from a supply of workers who master the skills required for certain positions. Apprenticeships could thus address the much debated skills gap, the potential mismatch between the skills in demand for available jobs and those supplied by the current workforce. Forty-seven percent of local governments across the country consider this skills gap an important obstacle to local economic development.[2]

Bureau of Labor Statistics data on the number of U.S. workers participating in registered apprenticeship programs show that number has fluctuated over the years. Compared to countries in Europe and elsewhere, U.S. programs are still quite small. While a relatively tiny share of the workforce, apprenticeships have seen slow but steady growth over the past several years. From 2011 to 2015, the number of apprentices climbed by 25 percent, and their share of the U.S. workforce increased slightly, from 0.28 percent to 0.32 percent. However, this number significantly trails other industrialized economies such as Canada (2.2 percent of the workforce), the United Kingdom (2.7 percent), Australia (3.7 percent), and Germany (3.7 percent). These countries often provide greater public resources to support apprenticeships—in 2015, the federal government spent $34 million on "apprenticeship training, employer and labor services"— and there is a stronger focus on connecting high school students with apprentice opportunities. The apprenticeship system in the United States predominantly serves workers over age 25.[3]

Apprenticeships are usually funded by an employer or group of employers, often through an industry association or labor union. This involves the employer providing both a salary for the apprentice—usually just part of what a fully skilled worker would receive—and funding training costs. Employers additionally face other costs, such as having to provide supervision for the apprentice and for administration, but they also benefit from an increasingly productive employee. However, this funding model, combined with a general unfamiliarity with the apprenticeship concept and system among employers, could explain why apprenticeships remain relatively limited in scale in the United States.

Some firms fear that the investments they make in workers through apprenticeships will ultimately benefit other companies, perhaps their competitors, as workers move to other jobs. To prevent a move from occurring, some businesses that offer apprenticeships require noncompete agreements, although other firms have found that apprentice programs, in fact, promote worker retention and lead to more loyal workers.[4] Finally, there is the risk of apprentices dropping out of the program, leading to an employer losing the investment altogether.

Concerns about individual companies bearing the costs of training through apprenticeships have led many industry associations, unions, and groups of employers to approach these programs collectively: to share the costs and benefits of apprenticeships, even if workers move between firms. The Apprenticeship 2000 program is one such group of local manufacturers that cooperates to offer work-study programs to community college students in the Charlotte, North Carolina, area.

State policy could also play a role in mitigating this cost barrier. For instance, South Carolina offers a $1,000 annual business tax credit per apprentice. Louisiana provides a tax credit worth $1 an hour up to $1,000 a year for firms that employ apprentices, and Tennessee offers the lesser of $2,000 or 10 percent of the wage of an apprentice to businesses. However, the effectiveness of such tax policy is unclear.

Table 1: Top 10 Apprenticeship Occupations (Fiscal Year 2015)

	Occupations	Active apprentices	Share of occupation total	Median annual wage	Share of total U.S. apprentices
1	Electrician	37,398	6.3%	$51,880	8.3%
2	Plumber, pipefitter, and steamfitter	21,594	5.5%	$50,620	4.8%

3	Carpenter	16,469	2.6%	$42,090	3.7%
4	Construction laborer	12,603	1.4%	$31,910	2.8%
5	Electrical power-line installer and repairer	7,154	6.2%	$66,450	1.6%
6	Sheet metal worker	6,166	4.5%	$45,750	1.4%
7	Structural iron and steel worker	4,939	7.7%	$50,490	1.1%
8	Roofer	3,616	3.3%	$36,720	0.8%
9	Drywall and ceiling tile installer	3,509	4.0%	$39,220	0.8%
10	Line maintainer	3,474	N/A	N/A	0.8%

Sources: U.S. Department of Labor: Apprenticeship USA, U.S. Bureau of Labor Statistics: Occupational Employment Statistics, May 2015, author's calculations

Apprentice occupations

Nationally, apprenticeships are highly concentrated among a relatively small number of occupations, as shown in table 1. In 2015, the top 25 apprenticeship occupations housed 34 percent of total apprenticeships throughout the country, and the top 10, in table 1, totaled 26.1 percent. Out of these occupations, apprenticeships are more popular in some fields than in others. Across the country, 17 percent of boilermakers are active apprentices, followed by 14.4 percent of floor layers, and 10.1 percent of elevator installers and repairers.

Interestingly, among the top 10 apprentice occupations, the largest four groups—electricians; plumbers, pipefitters, and steamfitters; carpenters; and construction laborers—are all classified as some of the most prevalent "opportunity occupations." Such jobs, as detailed in a report recently posted by the Atlanta, Cleveland, and Philadelphia Federal Reserve Banks, are accessible to workers without a four-year bachelor's degree, and pay more than the median annual regional wage. In fact, all but the construction laborer occupation pay more than the overall median U.S. wage of $36,200. This indicates that apprenticeship programs may be beneficial to those workers who lack a college education, and may lead to well-paying jobs without the need to attend a four-year college or take on student loans.

Apprenticeships in the Southeast

The Southeast has lagged behind the national average in terms of apprenticeship enrollment. In fiscal year 2014, apprenticeship programs were most ubiquitous in Georgia, totaling 364, although their share of the workforce was greatest in Alabama (see table 2). There, approximately 0.21 percent of all employed persons in the state were active apprentices. Overall, in fiscal year 2014, Sixth District states ranked among the bottom 20 states in terms of the share of their workers enrolled in an apprenticeship program. Alabama performed best at 30th, Florida worst at 48th. In contrast, Hawaii ranked first with 1.22 percent of workers enrolled in an apprenticeship program, and West Virginia ranked second with 0.85 percent.

Table 2: Fiscal Year 2014 Apprenticeship Data

Location	Apprentice programs	Active apprentices	Share of workforce	Rank
United States	19,260	410,375	0.30%	***
Alabama	91	3,934	0.21%	30
Florida	205	7,883	0.10%	48
Georgia	364	5,782	0.15%	42
Louisiana	52	3,550	0.19%	36
Mississippi	95	1,856	0.17%	39
Tennessee	333	5,293	0.19%	34

Sources: U.S. Bureau of Labor Statistics, U.S. Department of Labor: Apprenticeship USA, author's calculations

There have been several state and local initiatives in the Southeast to incentivize apprenticeship uptake among businesses. As previously mentioned, Louisiana and Tennessee offer state tax incentives, and Georgia has had a Youth Apprenticeship Program in place since 1993. Various local governments throughout the Southeast have also taken steps to incentivize such programs. For instance, Hernando, Pasco, and Pinellas counties in Florida jointly started a German-style apprentice program by approving construction of five industry certified training centers in 2014.[5]

Despite such efforts, however, the scale of apprenticeship programs in the United States as a whole, and particularly in the Southeast, remains limited compared to other industrialized countries. If the barriers to their adoption, such as costs, risks, and unfamiliarity, could be mitigated, apprenticeship programs could offer policymakers an avenue to create greater economic opportunity for workers who lack a traditional college education.

By Mels de Zeeuw, Atlanta Fed CED research analyst

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In this webinar, participants will hear about emerging research on gentrification that explores how it is being defined, its causes, and its impacts on vulnerable residents. In addition, practitioners will discuss practical solutions for addressing the effects of gentrification and displacement on LMI households. Presenters will discuss how they have promoted the use of equitable and inclusive development policies and practices to support commercial, residential, and transit growth and community revitalization.

Ingrid Gould Ellen of the New York University Furman Center for Real Estate and Urban Policy, Harry Smith of Dudley Neighbors Inc. of Boston, and John Chin of the Philadelphia Chinatown Development Corporation will present during the webinar.

Register for the May 12 webinar, which takes place at 3:00 p.m. ET. 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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