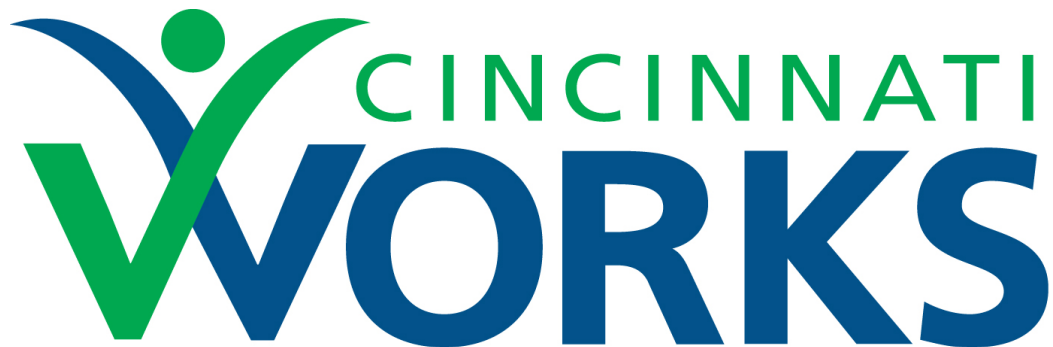


THE ECONOMIC BENEFITS OF
CINCINNATI WORKS
ON THE CINCINNATI REGION
2008-2012



Employing Communities. Restoring Lives.

December 2013

EXECUTIVE SUMMARY

COMMUNITY IMPACTS OF CINCINNATI WORKS

I. Introduction

Cincinnati Works' mission is to partner with all willing and capable people living in poverty to assist them in advancing to economic self-sufficiency¹ through employment. Cincinnati Works engaged the Economics Center at the University of Cincinnati to provide it with a deeper understanding of the benefits of their programs.

II. Unique Approach

Cincinnati Works has developed a unique, award-winning program model focused on a continuum of services, including job readiness, placement, retention, and advancement – rather than simply a job placement service. Cincinnati Works' model focuses on two key stakeholder groups, job seekers and employers, and its services are offered to both at no cost. To date, Cincinnati Works has offered its services through the kindness of private donations.

- A. Job Seekers:** For job seekers (“Members²”), Cincinnati Works provides a Job Readiness Workshop to learn job search skills, build confidence, and develop soft skills essential for the workplace. Many Cincinnati Works Members have experienced generational poverty and, as children of poverty, did not have support systems in place to teach the skills necessary to seek or retain employment. An employment coach provides ongoing one-on-one personal mentoring tailored to the specific needs and goals of each Member. There are no time limits on membership in the Cincinnati Works spectrum of programs. As long as a Member is seeking employment or working, they may remain a Member for life.
- B. Employers:** For employers, Cincinnati Works seeks to understand entry-level job needs, and trains Members to the desired skill level. Once a Member is hired, to assist in workforce retention, Cincinnati Works employment coaches are available to mediate between employer and employee until the Member stabilizes on the job – and in life. For the employer, this approach helps reduce employee turnover costs. Cincinnati Works has partnerships with more than 70 employers in the Cincinnati region.

III. Study Methodology

The research is comprised of a two-phased approach, which includes the development of a comprehensive *Industry Placement Analysis* and a *Cost Benefit Analysis* for the period 2008 through 2012. The sample population for this 5-year period consisted of 1,645 Members placed in 2,732 jobs across 896 employers. The narrative below provides an overview of those who seek employment through Cincinnati Works, as well as various impacts created by Cincinnati Works' approach to the elimination of poverty in our community.

¹ Self-sufficiency is defined as wages at or above 200% of the Federal Poverty Guidelines for family size.

² Cincinnati Works refers to its clients seeking employment as “Members”.

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IV. Geographic Impact

- A. Employers:** Employers seeking employees were broadly disbursed within the regional economy of the Greater Cincinnati and Northern Kentucky areas. However, generally, employers were concentrated centrally, within the Interstate 75 and 71 corridors, in City of Cincinnati Central Business District (CBD), Cincinnati/Northern Kentucky International Airport, and Blue Ash/Sharonville areas.
- The heaviest concentration of employers was found within the City of Cincinnati, with 115 (12.8 percent) within 45202, the primary zip code of the CBD, plus another 258 within other neighborhoods of the City for a total of 373 (62.5 percent) employers.
- B. Members:** Placements spanned 101 unique zip codes, covering virtually every zip code across the Cincinnati Metropolitan Statistical Area (MSA). However, generally, Members sought employment at employers located along key transportation corridors and bus routes, including State Route 22, and Interstates 71 and 275.
- The heaviest concentrations of placements were found within the City of Cincinnati, with 516 (18.9 percent) within 45202 in the Central Business District, plus another 778 within other neighborhoods of the City for a total of 1,294 (62.2 percent) placements.

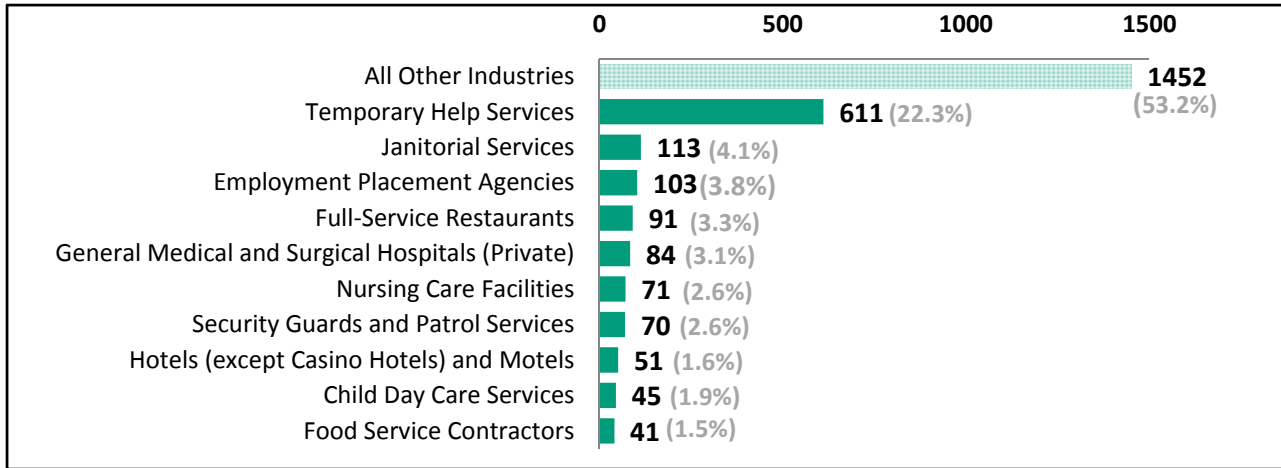
V. Job Placement Analysis by Industry

- A. Placements by Industry Sector:** The 2008-2012 employers were coded to a particular industry using the North American Industry Classification System (NAICS), the standard used by federal statistical agencies in classifying business establishments.
- There were 2,732 Member placements during this time period. Of these, 1,280 placements (46.8 percent) fell within the top 10 NAICS codes.
 - While 661 placements (22.3 percent) occurred in the Temporary Help Services classification, the significant majority of placements (77.7 percent) were direct hire placements across 262 other industries.

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Top 10 Industries by Number of Cincinnati Works Placements, 2008-2012



Placements totaling 1,280 represent 46.8% of total placements.

- A. Growth Potential by Industry Sector:** Using the NAICS codes and data from the Bureau of Labor Statistics (BLS) for the 2008-2012 time period, the fastest growing industry sectors within the Cincinnati Metropolitan Statistical Area (MSA) were identified.
- During the 2008-2012 time period, within the Cincinnati MSA, the top 10 industries with growth potential resulted in 24,053 jobs.
- B. Employment Trends and Advancement Opportunities:** When comparing Cincinnati Works Member placements to the top 10 fastest growing industries within the Cincinnati MSA, the employment trends and advancement opportunities listed below are noted. By continuing to track employment trends for entry-level employee industries and placing Members in growth industry opportunities, Cincinnati Works will be in a position to place greater numbers of its Members, as well as protect them from job losses caused by downsizing.
- Cincinnati Works is placing 46.8 percent of its Members within the top 10 NAICS industries.
 - Of its top ten placement industries, Cincinnati Works has made placements in three of the fastest growing industries in the Cincinnati MSA (267 placements, 10 percent) – Janitorial Services, General Medical and Surgical Hospitals, and Security Guards and Patrol Services.

VI. Job Placement Analysis by Occupation

The 2008-2012 Member placements were coded to particular occupations using the BLS Standard Occupational Classification (SOC) system designed by federal statistical agencies to classify workers into occupational categories for the purpose of collecting and analyzing data.

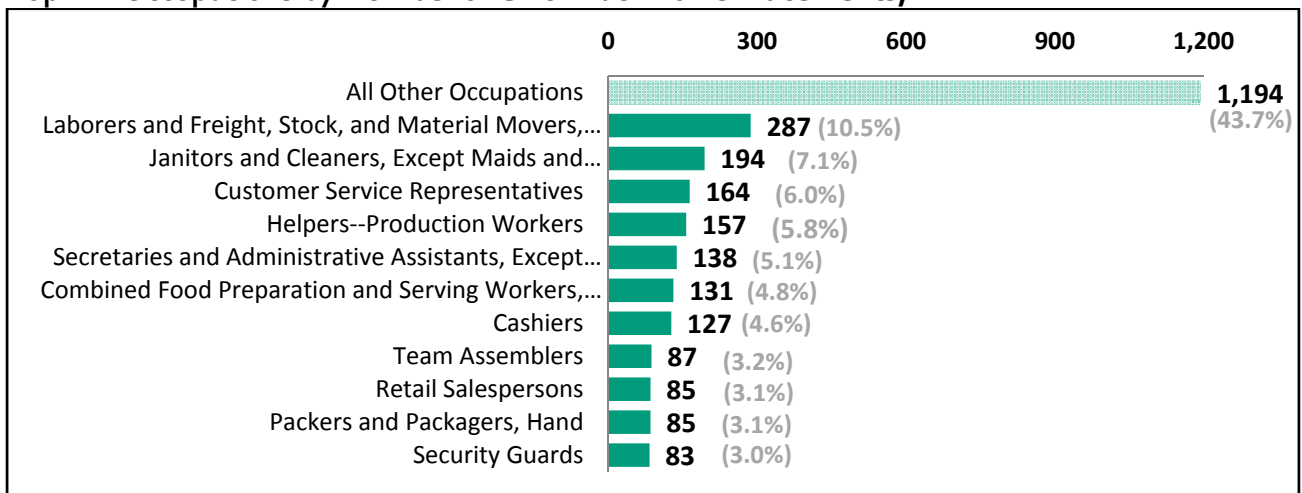
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The top 11 occupations by number of Cincinnati Works placements were analyzed. Eleven occupations were included in the analysis as the 11th occupation, Security Guards, was identified as one of the top 10 industries in the Cincinnati MSA and for Cincinnati Works Member placements.

- There were 2,732 Member placements during this time period, across 141 occupations.
- Of these placements, 1,538 (56.2%) fell within the top 11 SOC codes identified.

Top 11* Occupations by Number of Cincinnati Works Placements, 2008-2012



VII. Member Profile

Since inception, Cincinnati Works has placed more than 4,000 Members. The typical Member profile is described below, and provides insight as to some of the barriers to finding employment. Many of the descriptors below present challenges, and frequently result in barriers when Members search for employment opportunities. To effectively secure and sustain employment, Cincinnati Works strives to assist Members in addressing these challenges, including childcare, criminal record, as well as lack of transportation and education.

- The average age is 33;
- 53 percent are female and 47 percent are male;
- 81 percent are black, 15 percent are white, and 4 percent are various other races;
- 42.4 percent are black females and 38.3 percent are black males;
- 77 percent are single, 8 percent are married, and 15 percent are divorced, widowed, or separated;

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- 70 percent have no children in the home and 29 percent have children in the home³;
- 36 percent have some sort of criminal record;
- 39 percent have a driver's license, while 65 percent rely on public transportation; and
- 17 percent lack a high school diploma or GED (series of tests on General Educational Development).

VIII. Societal Impacts

Given information obtained by Cincinnati Works regarding each Member's personal limitations for successfully finding employment, for purposes of analysis, Members were carefully assessed and placed into five archetypes: Serious Criminal Background (15.8%), Childcare Issues (18.8%), Lack of Education (9.9%), Transportation Difficulties (41.0%), and Other Issues (14.5%). These archetypes are described below.

- A. Serious Criminal Background:** This archetype includes Members that have seven misdemeanors or any felonies at the time of application. These Members are typically in their 30's with no children, and experience the greatest challenge in the job market.
- This group is more likely than the average Member to:
 - be a black male (78.9 percent);
 - also have a transportation issue;
 - cost society as much as \$14,928 per person per year in select social services; and
 - provide net social savings per employed Member of \$4,987 per year.
 - Once employed, Members in this category provided a total net social savings, from 2008-2012, of \$1,495,000.
 - It is important to note that being a Cincinnati Works Member reduced the probability of felony indictment by 8 percentage points – a reduction of nearly 50 percent.
- B. Childcare Issues:** Members in this category have as many or more children than adults in the household (single with one or more children or married with two or more children), are in her 30's, have at least a high school education, have no felonies, and do not fall into the Serious Criminal Background category.
- This group is more likely than the average Member to:
 - be a black female (64.5 percent);
 - also have a transportation issue;

³ One percent of the Members have not disclosed whether they have children for which they are financially responsible.

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- cost society as much as \$21,334 per person per year in select social services; and
 - provide net social savings per employed Member of \$7,743 per year.
- Once employed, Members in this category provided a total net social savings, from 2008-2012, of \$2,634,000.
 - It is important to note that many public service agencies pay benefits per person in the household. As such, Cincinnati Works Members with children, and related childcare issues, tend to receive the greater quantity of social benefits.
- C. Lack of Education:** Members in this category have less than a high school education (or GED), are likely to be a black male or female in his or her 20's (with no children), and do not fall into the Serious Criminal Background category.
- This group essentially matches the average demographic profile for all Cincinnati Works Members (38.7 percent black male and 38 percent black female), and its Members are likely to:
 - have a transportation issue;
 - cost society as much as \$12,675 per person per year in select social services; and
 - provide net social savings per employed member of \$3,168 per year.
 - Once employed, Members in this category provided a total net social savings, from 2008-2012, of \$640,000.
 - Approximately 46.7 percent of the Members in this archetype are 25 years of age or younger.
- D. Transportation Difficulties:** Members in this category do not list a car as their primary means of transportation, are likely to be a female in her 20's (with no children), and did not fall in the Serious Criminal, Education, or Childcare archetypes.
- This group is close to the demographics of the average Cincinnati Works Member (35.2 percent black male and 44.1 percent black female), and its Members are likely to:
 - cost society as much as \$12,642 per person per year in select social services; and
 - provide a net social savings per employed member of \$4,797 per year.
 - Once employed, Members in this category provided a total net social savings, from 2008-2012, of \$3,752,000.
 - The most prominent archetype for Cincinnati Works Members is Transportation Difficulties, which includes more than twice as many Members as any other category.
- E. Other Issues:** Members in this archetype do not fall into any of the aforementioned categories. This Member is likely to be a black female over 40 years of age, with no children.

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Common issues within this archetype include lack of work experience and lack of computer skills.

- This group fits the majority demographic for all Cincinnati Works Members (26.5 percent black male and 44.5 percent black female), and its Members are likely to:
 - cost society as much as \$12,880 per person per year in select social services; and
 - provide a net social savings per employed member of \$4,300 per year.
- Once employed, Members in this category provided a total net social savings, from 2008-2012, of \$1,207,000.
- The primary employment issues for this archetype include barriers such as a lack of work experience, language, and/or computer skills.

IX. Economic Impacts

The impacts of Cincinnati Works may be measured in the number of Members trained and employed, the reduction in the need for tax payer supported social services, an increase in taxes collected, as well as the personal pride and economic stability brought on by job retention and advancement. Cincinnati Works, its Members, and employers have produced the following results.

- Between the years of 2008 and 2012, for these 1,645 Members that secured employment, Cincinnati Works facilitated 2,732 placements.
- Between 2008 and 2012, Cincinnati Works helped provide value of more than \$9.7 million by reducing reliance on social services and increasing income and sales tax collections.
- From 2008 to 2012, Cincinnati Works' placement of Members generated an estimated \$1.5 million in tax revenues and saved society \$8.2 million in social costs.
- The average equivalent annual income for Members across the past five years is nearly \$15,500, reducing reliance on social services by nearly \$4,000 per person.

X. Conclusion

Cincinnati Works is a dynamic source of labor that benefits the local economy by helping to fill temporary and cyclical gaps in lower-skill industries, and it combats the effects of the Great Recession to help impoverished citizens sustain employment by placing Members in some of the City's top growing industries.