

## Expand Our Workforce to Create Economic Growth.

**Our metro areas are thriving places of success and the backbone of the nation's economy.** Of the 2.3 million jobs added to the U.S. economy in 2016, metro areas generated over 2 million – more than 95% of all gains in the United States.

Today, our metro areas account for:

- 86% of our population in the United States
- 88% of employment
- 88% of real income
- 91% of wage income
- 91% of overall GDP

**Metro areas are growing stronger and faster than ever before.** Employment growth through 2024 will be faster than the previous 10 years in 307 of the 381 metro areas.

America will not be strong if the working and middle classes of our country are not economically secure. Over 86% of the nation's population lives in a metro area. Cities drive the U.S. economy and are the key to the nation's future prosperity.

It is crucial that economic opportunity reaches every neighborhood in America. Rebuilding America's workforce and creating opportunity for all needs to focus on where job creation will occur in the future. A stronger middle class will grow when public and private investments prioritize those who have fallen behind in our modern economy. We must also recognize that advances in technology have enabled disrupters to change the nature of our employment needs. These changes have increased opportunity for skilled labor and professional positions that our workforce must be prepared to fill.

To keep our communities safer and build a stronger workforce for tomorrow, we also need to invest in our youth.

Approximately one in every seven residents ages 16 to 24 in our cities is neither in school nor has a job. Disconnected youth exist in every community in our nation – rural, suburban, and urban; native and immigrant – and come from middle-class and poor families of every race.

A recent report from Measure of America showed that the percentage of disconnected youth in rural areas is now higher than in suburban and urban centers. Of disconnected youth, 20% live in extremely rural areas (counties with no cities larger than 10,000 people) compared to 14% in urban centers and 12% in suburban counties.





Many of our young people are actively seeking employment but are often unsuccessful because they lack the skills necessary to compete in today's job market. Without adequate education and training, our young people are at a higher risk of experiencing chronic unemployment. Disconnected youth often lack the stable support systems they need to thrive, and too often find themselves homeless or in the justice system and adrift at the margins of society. Yet our society bears the burden of this disconnection. Opportunity Nation says that there are 5.5 million disconnected youth in America who cost taxpayers \$93 billion a year in lost revenue and increased social service spending.<sup>4</sup>

Every person in America – young or old; black, brown, or white; from a big city or living in a small town – deserves the dignity of a job that pays them enough to provide for their family. Despite the gridlock in Washington, mayors and their cities are driving the economic resurgence of this nation. Mayors know that building and sustaining an economy starts with the following principles:

- **Everyone must participate.** While our markets are strong and some in this country are doing very well, the American economy has not reached blue-collar workers, workers of color, and women who still face structural barriers to economic security. Small and rural businesses, as well as minority- and women-owned businesses, need more access to capital, less red tape, and equal opportunity to compete.
- **Government at every level has a role.** Mayors across the country are required to be CEOs, working with their counterparts in county and state government and the business and nonprofit community; mayors must craft policy, direct investment, and address the challenges of creating good-paying jobs in our modern economy.
- **It starts with safer, cleaner, and healthier neighborhoods.** The economic security of our working and middle classes is tied directly to public safety, access to good schools, quality health care, and environmentally safe and clean neighborhoods. The investments in community policing, public health, and infrastructure that cities need have a direct impact on the number of jobs we create and the overall economic prosperity of this country.
- **We must recognize how technology disruptors are shaping the future and impacting our workforce.** Technological advances that change our economy are coming quicker and having more profound impacts on our workforce and businesses. Our role as policy and civic leaders is to make sure that institutions are educating our current and future workforce so that those who are entering the job market – or who have been displaced by technology – are equipped with a career pathway and the ability to compete in today's economy.
- **The federal government can catalyze economic growth and help local communities create jobs.** There is historic precedent for stronger partnerships in which the federal government has worked directly with local leaders to create growth by relaxing certain rules and regulations to spur economic activity in targeted enterprise and empowerment zones. Tax incentives and targeted job training and investment in local neighborhoods helps address blight, create jobs, and rebuild economic infrastructure.
- **Tax policy should support families and communities.** A comprehensive tax reform package must prioritize support for communities and working families that need it. This would include expansion of the Earned Income Tax Credit and the Child Tax Credit, as well as making the New Markets Tax Credit permanent.

4. <https://opportunitynation.org/disconnected-youth/>

Cities are cultivating innovation and entrepreneurship, but market forces alone will not maximize economic participation or provide the incentives for the business community to include neighborhoods or communities of people that have been disproportionately left out of the economy.

**The nation's mayors are committed to increasing the economic security of our working and middle classes by expanding our workforce and creating economic opportunity for all Americans. The federal government must partner with cities to:**

**Ensure the federal budget invests appropriately in infrastructure, housing, transportation, and education programs that will support workforce training and job development.**

- **Pass an infrastructure package** that will make a significant investment in public infrastructure, including airports, bridges, roads, levees, ports, broadband, and sewer and water projects that will create local jobs by including a local hiring and training component and a ladder of workforce opportunity by incorporating apprenticeships and internships for young people in college and career pathways into every project.
- **Understand the importance of arts and culture to the economy** by recognizing the importance of and supporting tourism, arts, parks, and sports to increase the economic and cultural success of our communities. The U.S. Bureau of Economic Activity (BEA) calculates the arts and culture sector's contributions to the U.S. GDP at \$704 billion (4.2%).
- **Invest in technology** by supporting policies, incentives, and public and private investment that will help ensure broadband and digital technologies reach every community in America.

**Create economic opportunity for all Americans by generating new jobs and investing in training across the continuum of workforce development.**

- **Broaden the Work Opportunity Tax Credit** and other incentives to promote investments in the skills pipeline, like work-based learning, and to provide additional tax incentives for businesses that invest in targeted job training for displaced workers and in neighborhoods that need the most support in addressing public safety, blight, and neighborhood infrastructure.
- Create partnerships between local governments and the Departments of Housing and Urban Development, Commerce, Labor, Education, Energy, and Agriculture, as well as the Small Business Administration, to **create new Opportunity Investment Zones that will work with our poorest communities and neighborhoods** in a holistic way to develop strategies and policies that will support neighborhood development, public safety, and economic growth.

The Congressional Black Caucus (CBC) has called for an investment strategy in which federal agencies commit 10% of their budgets to explicitly address places where 20% of the population has been living below the poverty line for the past 30 years. Mayors want to work with the CBC and to explore the best way to maximize these investments in our most distressed neighborhoods and cities.



Working together, we can use Opportunity Investment Zones to look at policy, regulatory, legal, and financial barriers to universal work-based learning opportunities, linked to academic and career education, for American high school students, and to broaden the Work Opportunity Tax Credit and other incentives to promote investments in the skills pipeline, like work-based learning.

- **Prioritize investment in distressed neighborhoods** by retaining CDBG, which help local governments to work with the business community, labor organizations, and nonprofits to prioritize investment in distressed neighborhoods when possible and by leveraging federal job training programs through the Workforce Innovation Opportunity Act (WIOA), which serves over 23 million workers in the United States and enjoys bipartisan support.
- **Tie education to business development** by forgiving a percentage of student loan debt for entrepreneurs and small business owners who are investing in new and expanding businesses that will create jobs and grow the economy.
- **Promote a national living wage**, overtime protections, wage theft protections, paid sick days and family leave, and pay equity for women.
- **Increase America's exports to world markets.** One way to help cities grow their economies and increase jobs is to help local businesses sell American-made products overseas. Modernizing trade agreements to create a level playing field by lowering tariffs on U.S.-made goods and promoting universal adoption of American labor and environmental standards will help American businesses compete in expanding global markets.
- **Support small business growth, inclusion, and diversity** through public and private minority- and women-owned business programs that help with access to opportunity, financing, and capital. The

federal government can stimulate the economy by expanding the Small Business Administration's microloan programs and partnering with Community Development Financial Institutions, which are investing in small businesses in our most distressed and financially insecure neighborhoods.

- **Preserve the deduction of state and local income, property, and sales taxes** on federal income. States and local governments use revenues from state and local property, sales, and income taxes to help finance long-term infrastructure projects, local law enforcement, emergency services, education, and many other services. Proposals to eliminate or cap the federal deduction of these taxes would represent double taxation and upset the balance that has existed since the imposition of the federal income tax. Such changes could also effectively increase marginal tax rates for certain taxpayers and shrink disposable income, potentially harming the U.S. economy.
- **Enact the Marketplace Fairness Act** to promote fair competition between local merchants, who are required to collect state and local sales taxes, and Internet retailers, who are not required to collect these taxes.



**Invest in our youth to keep communities safe and build a stronger workforce for tomorrow.**

Our sons and daughters deserve a more secure future. This starts with the dignity of feeling qualified to compete for jobs in the workforce.

- **Create pathways for America's youth** by reauthorizing the Higher Education Act with an emphasis on technology and innovation, increasing access to student loans, and investing in career and technical education opportunities.
- **Invest in STEM training and education.** Across the workforce, through the year 2020, almost 5 million jobs will go unfilled because of skills gaps, particularly in the growing fields of healthcare and STEM (science, technology, engineering, and math). Today's students need tomorrow's skills, so it is critical that students get exposure to hands-on learning that challenges them to think critically and creatively, and lets them apply important content knowledge in meaningful ways. Educators should focus on STEM in their integrated learning systems, so that today's students are able to solve tomorrow's problems.
- Partner with and support mayors as they **produce robust systems of work-based learning, integrated with college and career pathways** in their cities by:
  - Building upon important investments by the federal government in national service and AmeriCorps
  - Linking summer jobs and other youth employment to student pathways, so that work is relevant to what students are studying and so that return on investment for both employers and students is maximized

- Ensuring that work-based learning is a component of school accountability and student outcomes as the selection of metrics is devolved from the federal government to local communities
- Connecting employers, schools, students, and colleges through comprehensive systems that optimize the benefits to students from work-based learning, such as NAFTrack and the Cities of Learning
- Articulating work-based learning programs directly into pre-apprenticeship and apprenticeship programs through local workforce investment boards