

memworks



EXPLORING EMPLOYMENT PATHWAYS SO THAT

MEMPHIS WORKS FOR EVERYONE

Data Analysis Findings

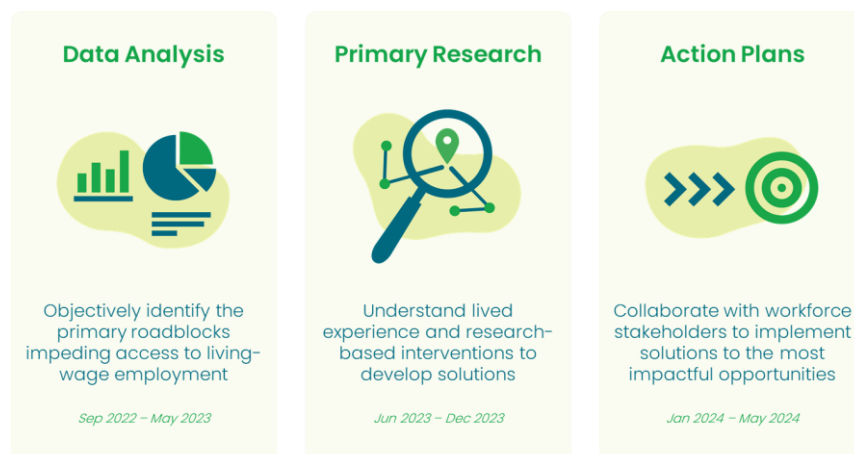


Memphis Works for Everyone (MemWorks) is answering the questions: **What is preventing Memphians experiencing poverty from accessing and retaining living-wage jobs? And what can be done to overcome these roadblocks?** 1 in 4 Memphians are experiencing poverty while employers across the city struggle to hire staff. This should not be the case if employment pathways functioned effectively.

MemWorks is a collaboration between Slingshot Memphis, a poverty-fighting center of influence, and MDRC, a premier national research & policy institution. This collaboration provides previously unavailable insights by pairing national expertise with an extensive understanding of Memphis' local poverty-fighting ecosystem.

MemWorks employs an evidence-based approach to identify the root causes of employment roadblocks for Memphians experiencing poverty so research-based solutions can be implemented to enable pathways to economic mobility. The first phase (Data Analysis) analyzed various data sources to identify the most significant employment roadblocks, several employment myths not supported by data, and an understanding of the population experiencing poverty from a workforce perspective.

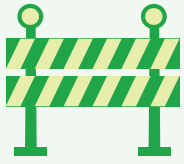
This document shares the supporting evidence & insights from the Data Analysis phase. Future reports will incorporate the insights from the Primary Research phase while the Action Plan phase will provide evidence-based interventions and approaches that can help our community overcome these roadblocks.





MemWorks has been generously funded by several organizations that care deeply about helping Memphis improve employment outcomes, especially for Memphians who are experiencing poverty. The findings contained within this report would not have been identified without the support of these organizations. We are grateful for their commitment to not settle for the status quo and to seek out the root causes for why employment pathways are not working for Memphians experiencing poverty.





10

ROADBLOCKS to Living-Wage Employment for Memphians Experiencing Poverty

To realize the conditions where Memphis Works for Everyone, there are 10 roadblocks that we'll need to overcome. Consider this your roadmap. As a community, we'll have to stop at each of these roadblocks and work together to implement evidence-based solutions over or around them so that we're paving the way for more equitable employment opportunities for all.

We cannot solve what we do not understand. MemWorks used objective evidence and analysis to cut through misperceptions and identify the root causes that impede Memphians experiencing poverty from reaching living-wage



Over 200,000 people in Memphis do not earn a living wage

1 in 3 Memphians do not earn a living-wage, 50% more than the Tennessee average

jobs. By understanding these roadblocks, we can focus our community's efforts and resources on the real issues that will unlock pathways for all Memphians to thrive.

1st Roadblock



ADULT ACADEMIC REMEDIATION:

Insufficient math and literacy proficiency impede entry to and success in technical training.

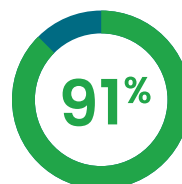


60 percent of people experiencing poverty are in need of academic remediation

100,000 Memphians Can't Read This.

There are open seats at technical training centers across Shelby County, but most Memphians experiencing poverty can't access those seats. Why? Because they can't read the training texts or perform the math necessary to complete the training program. An estimated 100,000 Memphians experiencing poverty need

academic remediation before they can access career & technical education that can unlock living-wage jobs.



Over 90 percent of first-time freshmen at Southwest Tennessee Community College **qualified for learning support**



1st Roadblock

ADULT ACADEMIC REMEDIATION cont.

Adult literacy is a grossly under-served area of need in Memphis. Less than 10 organizations have been identified that offer services to help adults achieve basic literary proficiency. If those organizations were serving at full capacity, there would only be enough seats to serve less than 5% of those who need help.

The sobering reality is that our community doesn't have the systems in place to meet the needs. If we don't create the capacity to provide the needed academic remediation for adults, over 100,000 Memphians will be blocked from pursuing the training and certification programs needed to qualify for jobs that provide a living-wage.

MYTH

Living-wage jobs can be easily obtained with a high school diploma.

FACT

8 in 10 high school graduates do not demonstrate readiness for post-secondary education or a career. In Memphis, a high school diploma does not ensure sufficient math and reading proficiency to enable the pursuit of training needed to obtain living-wage jobs.

A high school diploma in Shelby County doesn't guarantee literacy and math proficiency. Employers and training providers must often decline candidates based on a failure to meet math and reading proficiency requirements.

“We had to administer a literacy test in our application process because a high school diploma was not sufficient to know if candidates could comprehend the training manuals.”

– Robert Montague, Founding Executive Director, Tech901

2nd Roadblock



POSTSECONDARY ATTAINMENT:

The lack of resources and support allow seemingly insignificant factors to derail the completion of career and technical education programs.

Daily Needs Derail Degrees. It's hard to imagine choosing between groceries or textbooks, enrollment fees, or the gas to get to class. Sadly, these are the choices many students experiencing poverty face. The lack of resources and support allows seemingly insignificant factors to derail the completion of career and technical education programs.

While various forms of financial aid might be available to assist with tuition, few resources are available to assist with sudden, unplanned expenses that can knock a student off course. MemWorks is studying the interventions that are effective at bridging these incidental gaps so we can collaborate with local workforce development stakeholders to better support students experiencing poverty.



Only 4 in 10 students experiencing poverty continue community college after the first year

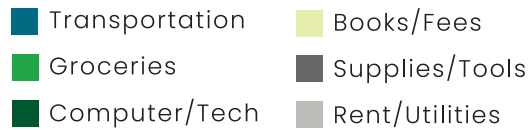


2nd Roadblock

POSTSECONDARY ATTAINMENT cont.

Most common incidental financial barriers

Pilot conducted in East Tennessee (2022)



Transportation, groceries, and technology are the most common incidental financial barriers for community college students observed during a pilot in East Tennessee

A pilot in Eastern Tennessee sought to address these challenges by providing life coaches and a small financial stipend for community college students who were economically disadvantaged. For as little as \$600 (the average annual financial stipend per student), this pilot nearly doubled the percentage of students who continued their program from 40 percent to over 70 percent!

To access financial aid such as TN Reconnect and TN Achieves, students must navigate multiple eligibility requirements and application processes. Unfortunately, these processes can often be confusing and cumbersome. 1-in-4 students lost TN Reconnect funding because they did not maintain a program requirement, with the second most common reason being that they were unaware of the requirement to refile an annual application. The Collective Blueprint is a local organization that effectively helps young adults navigate these challenges.

MYTH

Financial assistance for tuition is enough to earn a postsecondary degree

FACT

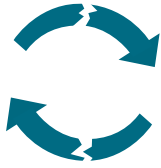
Only 1 in 5 tnAchieves scholarship recipients in Shelby County graduate community college within three years. While financial assistance for tuition is valuable, numerous incidental expenses can undermine the benefits of tuition support.

“Students find out on a Thursday afternoon that they need to turn in additional tax documents by 5:00 pm the following day, leaving no time to request documents from the IRS or locate tax information before they are purged from the roster.”

– The Collective Blueprint



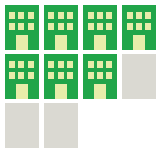
3rd Roadblock



UNCOORDINATED SYSTEMS:

Limited coordination within and between systems makes accessing workforce services unmanageable.

Proximity Promotes Progress. Access creates opportunity. Unfortunately, people living in poverty must often navigate unwieldy and inefficient systems to access workforce development services. While these programs are designed to help lift people out of poverty, they are often not located close to populations experiencing poverty. Coupled with transportation challenges, this can make physically accessing these services nearly impossible for people residing in certain parts of Memphis.



7 out of 10 workforce service providers are located in zip codes with an average annual income that exceeds \$50,000

Slingshot's team of highly-educated colleagues and researchers struggled mightily to map all the workforce development service providers in Memphis. A single source does not exist to help identify workforce service providers and the programs they offer. If a team of well-educated individuals with time and systemic knowledge struggles to identify accessible services, what hope does an individual with less time and fewer resources have?



No zip code has providers that collectively offer all types of workforce services, with only 75 percent of workforce services, on average, accessible within each of the 10 zip codes with the highest rates of poverty

One goal of MemWorks is to help make it easier to identify and understand the available workforce services in Memphis. We hope these resources will help individuals navigate to the services they need while helping our community identify gaps

and opportunities to create a more connected and supportive workforce development ecosystem for Memphis.

MYTH

Anyone who wants to work can access the services needed to find a living-wage job.

FACT

The rate of people experiencing poverty who are not working but seeking employment is 50 percent higher in Memphis than Tennessee. Identifying the needed workforce services in accessible locations is frequently insurmountable.

Workforce services only benefit those who can access them. We can learn from organizations in other communities that play a centralized role in helping people navigate the workforce ecosystem. YouthForce NOLA in New Orleans, LA and CareerWise Colorado are just two examples. In Memphis, The Collective Blueprint and Memphis Medical District Collaborative are two organizations trying to address these challenges. Only by understanding both the services landscape and the individuals attempting to navigate it, can we design a more connected and thriving community.

“Service providers spoke of the difficulty their clients had with going to a job that was in an entirely different part of the county from where they lived, going to [required] volunteer assignments in another area, and transporting children to yet another part of the county for childcare, with schedules that may or may not line up with one another”

– Focus group with TANF service providers



4th Roadblock



APTITUDE ALIGNMENT:

Insufficient supports are available to help people align their professional aptitudes with living-wage career pathways.

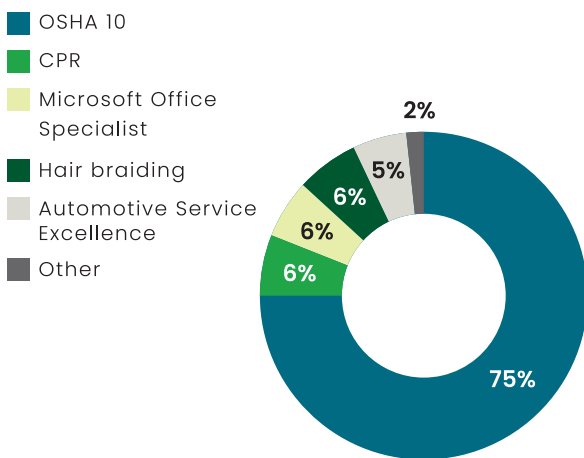
Traveling Employment Pathways Blind.

According to Gallup CliftonStrengths, “understanding your strengths unlocks your potential and leads you to greater performance.” Unfortunately in Memphis, few resources exist to help people experiencing poverty identify their professional strengths and match those strengths with the living-wage jobs that value them most. As a result, tens of thousands of people are blindly pursuing employment pathways that do not value their unique talents and skills, greatly reducing the chance they will enjoy their work and be in a role that allows them to excel.

Not understanding your professional strengths leads to a misalignment between efforts and goals. For the 2021–2022 academic year, over 80 percent of the industry credentials earned by K–12 students in Memphis do not impact their earning potential. In addition, these credentials are not aligned with the skills desired by employers or the most available jobs that do not require a bachelor’s degree. Only 3 of the Top 10 credentials earned by K–12 students in Tennessee were among the Top 10 credentials requested by employers.

Industry credentials earned by Memphis K–12 students

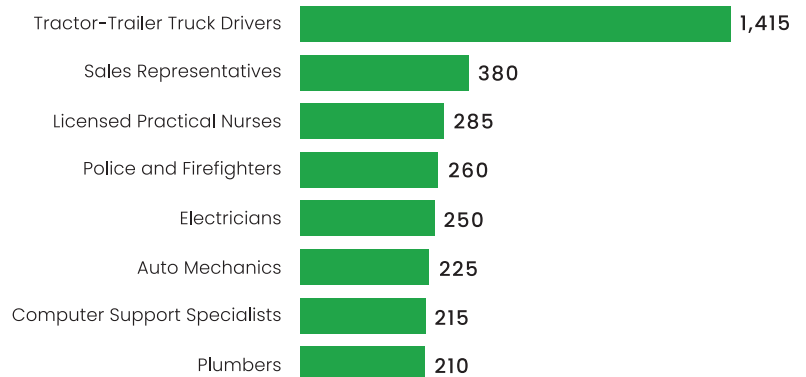
As of March, 2021–2022 academic year



In Memphis, 75 percent of industry credentials earned by K–12 students as of March of the 2021–2022 academic year were OSHA 10, a 10-hour course covering basic safety and health hazards for entry-level workers

Average annual openings for non-supervisor jobs available without a bachelor’s degree

Greater Memphis (2016–2026)



Junior Achievement (JA) and The Soulsville Charter School (Soulsville) are two organizations trying to address this roadblock in Memphis. JA exposes youth as early as middle school to career tracks available in the community through its BizTown, JA Inspire, and Career Speaker programs. At Soulsville, every rising 10–12th grader is required to complete a Summer Growth Experience, which



4th Roadblock

APTITUDE ALIGNMENT cont.

exposes them to job, internship, and postsecondary opportunities. This type of career exposure provides youth with a better understanding of jobs they might enjoy and be good at, and a broader set of career paths to consider.

“Every child deserves to be world ready. If we truly believe in our children, we must help them discover the tools to succeed in today’s economy and build a life of choice by finding a career, not just a job.”

– Leigh Mansberg, President & CEO, Junior Achievement of Memphis and the Mid-South

MYTH

Professional credentials always improve employment outcomes and earning potential.

FACT

Only 30 percent of industry credentials earned by Tennessee K-12 students are associated with jobs that pay at least \$15 per hour. Credentials are not helpful when they are not aligned with high-wage, high-demand jobs.

5th Roadblock



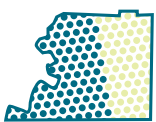
TRAUMA:

The prevalence of workers who have experienced trauma requires work environments that provide evidence-based supports.

Trauma Stacks the Deck Against Success.

Employers need employees they can count on to show up and provide a great customer experience. Understandably, two of the common pain points local employers share are absenteeism and lack of executive function or “soft” skills. MemWorks has identified one of the root causes of these issues to be the magnitude of trauma that our local workforce has experienced, especially as youth.

More than half the adults in Shelby County have experienced at least one traumatic experience in their childhood, with over 110,000 having experienced four or more. Adverse Childhood Experiences (ACEs) have been connected to “toxic stress,” a term the National Scientific Council on the Developing Child uses to describe the effects of excessive activation of stress response systems on a child’s developing brain, immune system, metabolic regulatory systems, and cardiovascular system.



Over half of adults in Shelby County (360,000) have experienced at least one ACE, with **at least 12 percent** experiencing four or more ACEs



The most prevalent ACEs in Shelby County are **substance abuse, emotional abuse, and violence** between adults in the home



5th Roadblock TRAUMA cont.

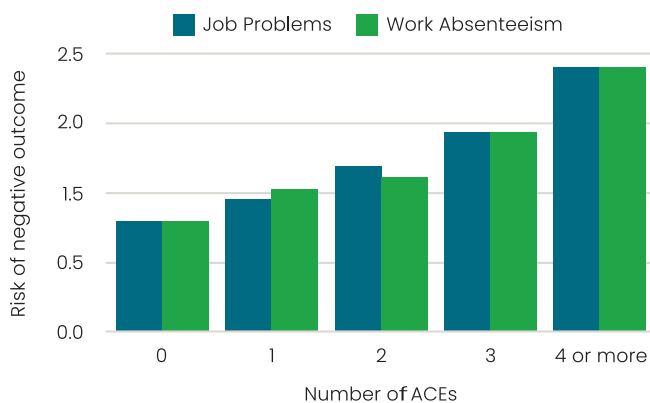
While ACEs focus primarily on events in the home, the definition has been expanded to take into consideration community and systemic causes—such as violence in the child’s community and experiences with racism and chronic poverty—because the body’s stress response does not distinguish between overt threats from inside or outside the home environment.



A person with four or more ACEs is over twice as likely to earn less than \$10,000 and nearly 2.5x more likely to be out of work than a person who did not experience ACEs

A strong correlation exists between the number of ACEs experienced and the probability of negative employment outcomes. This includes problems interacting with colleagues at work and absenteeism as well as taking jobs that earn less income and experiencing greater unemployment rates. Mental health support and trauma-informed practices will be important components if we want to unlock employment pathways in Memphis.

Impact of Adverse Childhood Experiences on employment



“Children growing up with toxic stress [from ACEs] may have difficulty forming healthy and stable relationships. They may also have unstable work histories as adults and struggle with finances, jobs, and depression throughout life.”

– Center for Disease Control and Prevention

TREATING TRAUMA IN SHELBY COUNTY

Taking the time to create a supportive employee culture can give companies a recruiting and retention advantage in the market. That’s good for Memphians experiencing poverty, and good for business.

Providing workforce development support for people who have experienced trauma is something Steve Nash, Executive Director of Advance Memphis, does every day.

“We’ve had students come to our classes after being told the night before that their best friend had been murdered,” said Nash. “One of our students was a mom who came home to find her son unresponsive. She watched the paramedics bring him back, then got up and went to work the next day.”

Dealing with this magnitude of trauma can require time to process and professional support. Without support, people often develop coping mechanisms that can impact their behavior and health. On average, Nash estimates that the average Advance Memphis participant has experienced at least 5 ACEs.

In response, Advance Memphis keeps a counselor on staff to serve participants and staff because “pressing on” doesn’t work. De-stigmatizing mental health support has been critical in encouraging participants to utilize the services. Nash leads by example, speaking freely about his own experiences with therapy.

Building trust is another key enabler to help those dealing with traumatic experiences. “We operate by loving our neighbors as ourselves,” Nash said. “The body keeps score and doing this work and caring for your team is important. You have to invest in it, as a company, you have to value it.”



6th Roadblock



CHILDCARE:

High costs and lack of proximity to quality childcare inhibit employment options and hours.

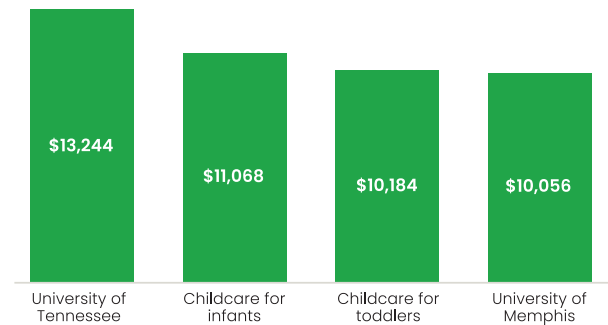
Childcare is the Parent Tax. The high costs and lack of proximity to quality childcare make it a significant employment roadblock to not just Memphians experiencing poverty but rather most working parents. At least 55% of working parents in Shelby County have experienced employment challenges due to inadequate childcare. Expectant mothers race to get on daycare waiting lists as soon as they confirm their pregnancies to have a chance for an opening to be available when they return from maternity leave. Many do not remain in the workforce because the cost of childcare outweighs their income or because childcare is simply unavailable due to travel distances or the shift they work.

Prevalence of employment challenges due to childcare experienced by working parents *Shelby County, First half of 2022*



State-mandated classroom ratios, a competitive hiring market, and high turnover rates have made childcare expensive to operate. Unbelievably, annual costs for quality childcare are equivalent to tuition for a bachelor's degree program from state universities! This is a cost many new parents are unprepared to absorb, especially for those with fewer financial resources.

Comparison of annual cost of tuition for state colleges and local childcare *Center-based care (2022)*



FINANCING TO SUPPORT GROWING FAMILIES

The conversation around childcare reached a fever pitch during the pandemic when school closures put an added strain on the system making the cost and access to childcare a concern for nearly all families, regardless of their financial resources. However, the system has never been designed to support families experiencing poverty and those who work non-traditional hours, such as a third shift at a warehouse.



TANF recipients in West Tennessee identified the lack of childcare as the biggest obstacle to unemployment

While vouchers are available for families who qualify, they seldom cover the full cost of childcare services. This disincentivizes care providers and puts them in a position to restrict the spots available for families using vouchers or require the remaining fees to be paid by the family, which can be prohibitive for those experiencing poverty.



6th Roadblock

CHILDCARE cont.



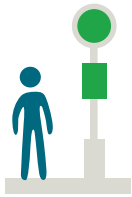
Less than 1 in 10 Shelby County parents are accessing government-funded **financial aid for childcare**

Programs like The Excel Center have risen to meet this need by offering onsite childcare to students free of charge. By providing a safe and nurturing environment for children up to age 5, The Excel Center is providing its students with the support they need to succeed and ultimately provide a better life for their families.

“We can’t unlock Memphis’ full economic potential until quality childcare becomes more accessible. The challenges working parents face in finding and affording quality childcare significantly impact their ability to earn a living and in turn also dampen business growth.”

– Blair Taylor, President and CEO, Tennesseans for Quality Early Education

7th Roadblock



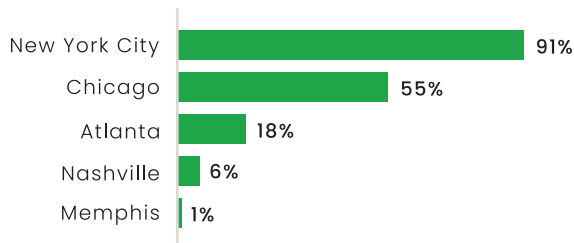
TRANSPORTATION:

Unreliable transportation limits access to employment and training opportunities.

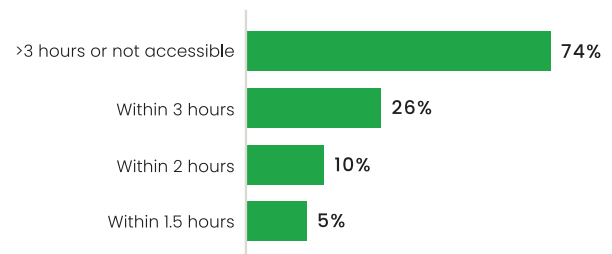
Access = Opportunity. Unreliable transportation limits access to employment and training opportunities for Memphians experiencing poverty. In Memphis, public transit alone will not be able to bridge these transportation gaps, making private transportation solutions essential to creating equitable access to living-wage jobs.

considered “location efficient,” meaning they are compact, close to jobs and services, and offer a variety of transportation options. The lack of population density makes it challenging and cost-prohibitive for public transit to provide the coverage and frequency needed to solve the transportation gap by itself.

Percent of neighborhoods that are considered location efficient for transportation



Percent of jobs in Memphis accessible by public transit
Round-trip travel times



Memphis has a geographic footprint equal to New York City with only 1/12 of the population. In fact, only 1% of Memphis neighborhoods are

74 percent of jobs in Memphis are not accessible via public transit within a 3-hour round trip



7th Roadblock TRANSPORTATION cont.

Currently, 3 out of every 4 jobs in Memphis cannot be reached within a 3-hour round trip using public transit options. This challenge is exacerbated for Memphians experiencing poverty. Only about 4,000 Memphians experiencing poverty (3% of the total population experiencing poverty), live near a bus service that runs at least every 15 minutes. As a result, only 2 percent of Memphians take public transit to work.



Memphis ranks nearly last (41 of 42) among large urban areas for transit use per capita, with only two percent of Memphians taking transit to work

Unfortunately, most Memphians who use public transit lack access to reliable private transportation solutions. Access to private transportation produces direct improvements in income and health. One study found when a family transitions from zero to one vehicle, they experience, on average, an \$8,000 increase in annual income. These benefits continue as a family transitions from one to two vehicles, with an additional \$6,000 average increase in annual income.

In addition, access to private transportation also has measurable health benefits. A study found that patients are more likely to seek preventative care and about 50 percent less likely to miss a medical appointment if they have their own transportation



Over half of Memphis Area Transit Authority riders live in households without access to an automobile, while 1 in 4 live in households with access to only one vehicle

MYTH

Enhancing public transit will solve the transportation gap for unemployment

FACT

Only 1 percent of neighborhoods in Memphis are considered location efficient, i.e., compact, close to jobs and services, with a variety of transportation choices. Greater investments in public transit alone is not sufficient.

A GLOBAL SOLUTION TO A LOCAL PROBLEM

Unfortunately, very few private transportation solutions exist in our city. One effective solution, however, is MyCityRides, which seeks to provide an affordable and reliable private transportation option using a solution that works around the world, scooters. These 150cc motorized scooters travel main roads like Poplar and Walnut Grove, comfortably with the speed of traffic allowing individuals to own and operate a vehicle for approximately \$0.14 per mile, about 75% less than a traditional sedan.



8th Roadblock

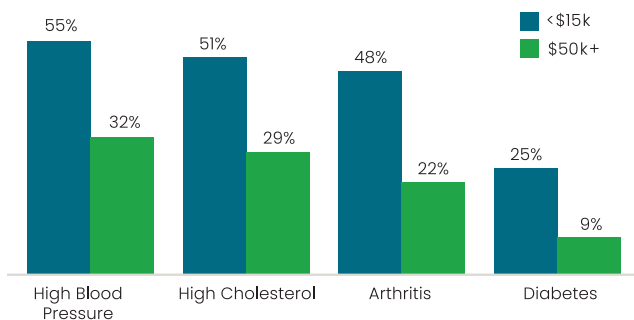


CHRONIC HEALTH:

Chronic and untreated health conditions can reduce participation and persistence in training and job opportunities.

Chronic Health Conditions undermine Chronic Employment People in Tennessee earning less than \$15,000 annually deal with chronic health conditions at nearly twice the rates of those earning \$50,000 or more. These health conditions require ongoing, proactive treatment to avoid unplanned health episodes that can impact a person's ability to work.

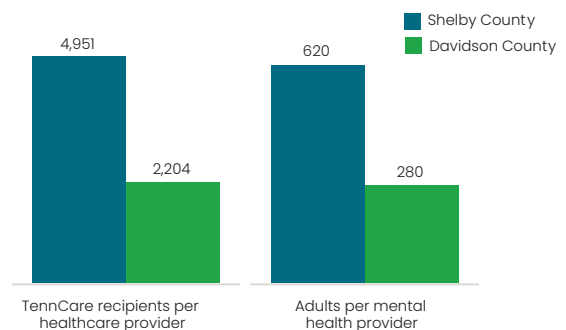
Prevalence of chronic health conditions by income level *Adults in Tennessee (2019)*



Unfortunately, access to healthcare services tends to run inversely to income with underserved neighborhoods having few primary care providers, increasing the probability of health complications. In fact, over 40% of Memphis' primary health clinics are located along the Poplar Avenue corridor, making these clinics difficult or practically impossible to access from the zip codes with the lowest incomes due to transportation challenges.

The lack of proximity is not the only challenge; Memphis also simply has fewer healthcare providers. Shelby County has 2.5 times fewer healthcare providers per TennCare recipient than Davidson County. These barriers cause treatable conditions to escalate, often to a chronic or disabling level before individuals seek treatment, leading to worse medical outcomes and higher medical expenses.

Healthcare providers per capita



Mental healthcare providers are also in short supply. Although crisis services respond to 1.5 times more mental health emergencies in Shelby County, we have fewer than half as many mental health providers per adult than Davidson County.

HEALTH IS A LIFESTYLE, NOT AN APPOINTMENT

The best way to treat chronic health conditions is to address them before they become chronic. LifeDoc does exactly that by offering a proactive approach that prioritizes affordable access and streamlined service delivery. LifeDoc employs Health Workers to proactively see that patients receive preventative care, help minimize time off work by offering scheduling assistance to stack specialists visits, and seek out additional housing, nutrition, or transportation resources when needed.

The organization strives to be a sustainable healthcare model by offering health memberships to its clinics. Members pay \$40-\$60 per month to receive 50% - 90% off services when needed. LifeDoc is rethinking how our economy invests in healthcare to create a system that nourishes healthier communities and supports economic growth.



8th Roadblock

CHRONIC HEALTH cont.

“Low incomes limit access to healthcare and hinder healthy lifestyles. Only 15% of a person’s health is determined by the care they receive, while 60% is determined by the environment in which they live, work and play due to social risk factors such as food, shelter, safety and transportation insecurities, all of which are exacerbated by poverty.”

– Pedro Velasquez, Executive Director, LifeDoc Health

9th Roadblock

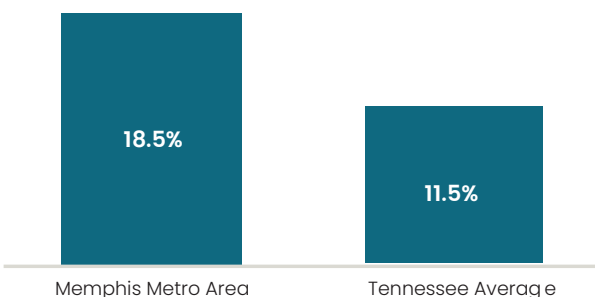


BASIC NEEDS STABILITY:

The lack of basic needs stability undermines workforce development participation.

Struggling to Survive Makes it Difficult to Thrive. Nearly 1 in 5 Memphians, that’s 250,000 people in the Memphis metro area, lack consistent access to enough food to live a healthy life. In fact, Memphis has the highest rate (32 percent) of people living in food deserts among U.S. metropolitan areas with more than 1 million people. Food deserts are defined as neighborhoods with a large proportion of households with low incomes, inadequate access to transportation, and no food retailers providing fresh produce and healthy groceries within approximately one mile.

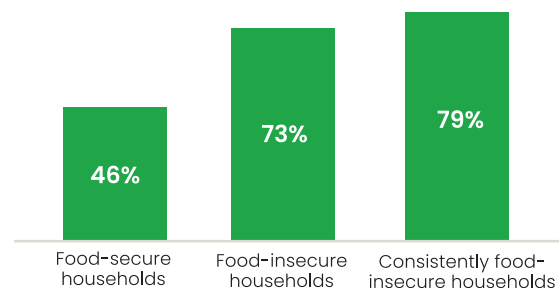
Percent of People Struggling with Food Insecurity



Food insecurity and housing instability make it nearly impossible to pursue workforce develop-

ment services, technical training, and employment. Studies have found that food-insecure students are more than 40 percent less like to graduate from college and food-insecure households were 60 to 70 percent more likely than food-secure households to experience job disruptions during the COVID pandemic.

Percent of food-insecure households that experienced job disruptions
COVID-19, March 2020 to March 2021

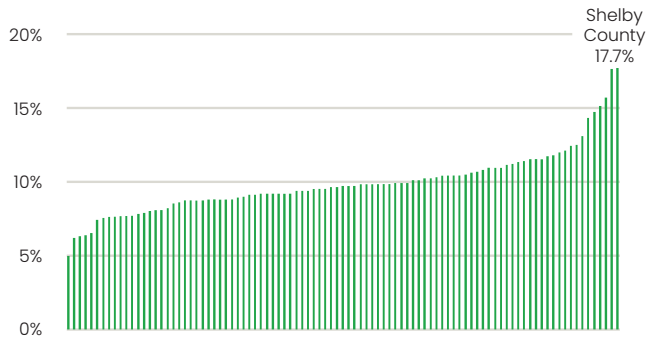


Almost 20 percent of households in Shelby County struggle with severe housing cost burden, spending 50+ percent of their income on housing, the highest rate for any county in Tennessee and 1.6x the state average.



9th Roadblock BASIC NEEDS STABILITY cont.

Percent of households that spend 50 percent or more of income on housing
Counties in Tennessee (May 2023)



Between 2016 and 2019 Shelby County averaged more than 30,000 eviction filings annually with more than 20 percent of renters facing eviction. While job loss can lead to being evicted, being evicted can also lead to job loss. Following a forced move due to eviction, landlord foreclosure, or housing condemnation, low-wage workers are 11 to 22 percentage points more likely to be laid off.

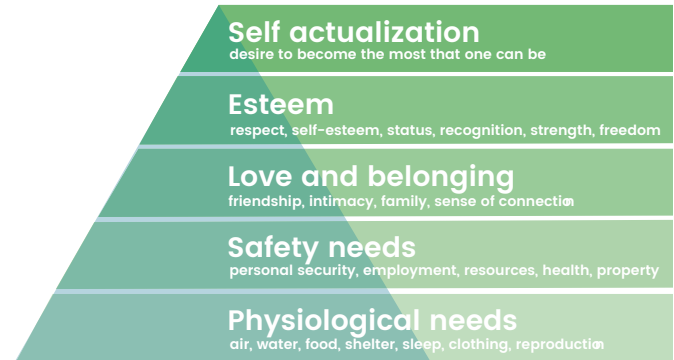
“Waiting lists are extremely long for even modest [housing] assistance, and if assistance is refused for a variety of reasons then applicants lose their place and are placed at the end of the waiting list again.”

– Focus groups, TANF recipients and nonprofit employees

MASLOW’S THEORY OF MOTIVATION

The basic premise of Maslow’s Hierarchy of Needs is that a person will not be motivated to become their best self if their basic needs are lacking. When more than 20 percent of Memphians lack stability with nutrition or housing, how can we expect them to become thriving participants in the local workforce ecosystem?

MASLOW’S HIERARCHY OF NEEDS

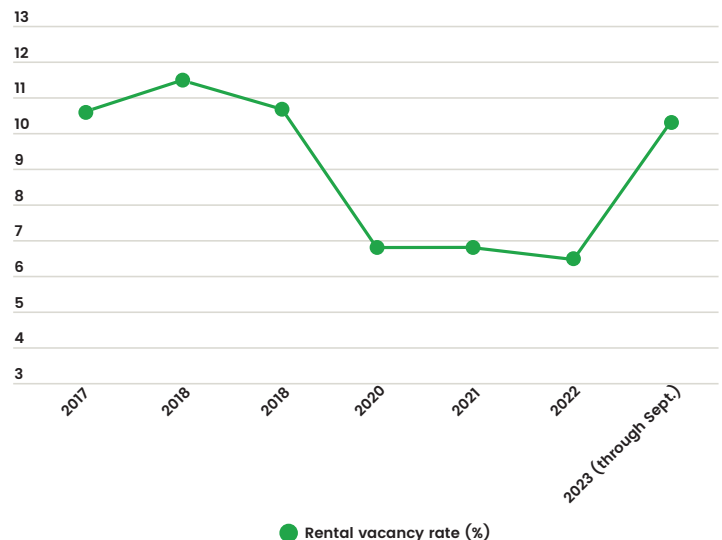


SIGNS THAT HOUSING MIGHT BE IMPROVING

MLK50 recently reported that housing has become more available in Memphis over the past year, rebounding to nearly pre-pandemic levels after declining 40 percent during the height of COVID-19.

More apartments available

The share of vacant Memphis-area rentals has rebounded, after falling about 40% during the height of COVID-19.



The analysis averages the quarterly measurements provided by the U.S. Census Bureau.

This rise in housing availability has led to the rent market stabilizing. While rent is still about 25 percent higher than it was in the pandemic, it has dropped 2 percent from where it was at this time last year.



10th Roadblock



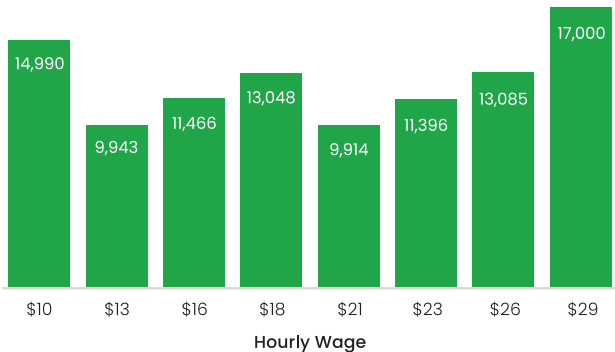
UNCOORDINATED POLICIES:

Uncoordinated policies and practices can result in career progression leading to greater financial vulnerability.

The Benefits Cliff: Climbing a Broken Ladder.

For those earning middle-income or greater salaries, accepting a promotion that comes with a raise is easy math. A bigger paycheck means more margin in the budget. However, the math is far more complicated for families living in poverty. A \$1-\$2 per hour wage increase that exceeds the eligibility for government benefits can leave individuals more vulnerable. Career progression can be disincentivized when increases in compensation do not offset the value of the lost government benefits.

Estimated annual net resources as income from employment increase
US dollars



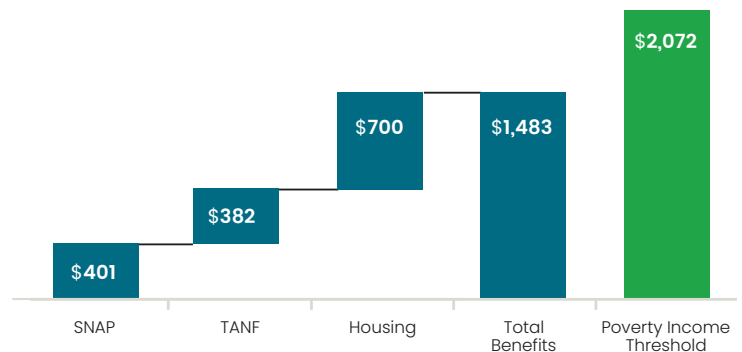
Single parents often face the harshest realities. A single parent with 2 children would need to work nearly 80 hours per week at the Tennessee minimum wage to make a living wage. Unfortunately, the path to higher wages is not as simple as you might think. As a single parent with 2 children increases their wages beyond \$10 per hour, their net resources (the difference between a family's total financial resources minus a set of basic expenses) improve only once they start earning \$29 per hour. The wage increases between \$10 and \$29 per hour steadily chip away at their eligibility for SNAP, TANF, childcare, and rent assistance in ways that can leave them financially worse off.

“I’ve actually turned down a management job before, because I was going to be working more hours, so my rent was going to go up and I was going to be paying more childcare.”

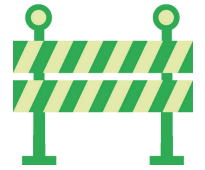
– Tennessee TANF recipient

A large proportion of Memphians are at risk of experiencing benefit cliffs. 1 in 5 Shelby County residents participate in the Supplemental Nutrition Assistance Program (SNAP). Shelby County has the largest share of Temporary Assistance for Needy Families (TANF) cases in Tennessee (19 percent, nearly triple the next highest county). Over 25,000 Memphians receive rent assistance. In a survey of Tennessee families who receive TANF support, 85 percent said they had been impacted by the benefits cliff.

Average monthly government benefits compared to the poverty income threshold
Shelby County








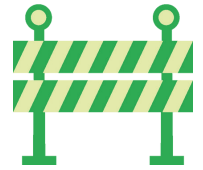
Government benefits alone are not enough to live above the poverty line. Commissioner Clarence Carter of the Tennessee Department of Human Services believes the purpose of TANF is to reduce intergenerational dependency on public benefits by increasing self-sufficiency, education, and economic mobility of families with children.




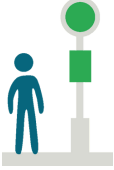



Employment Roadblocks Summary

An analysis of workforce data associated with the population experiencing poverty in Memphis identified several factors that inhibit employment pathways. Below are the most significant roadblocks supported by the evidence.

ROADBLOCK	DESCRIPTION
 <p>Insufficient math and literacy proficiency impede entry to and success in technical training</p>	<p>An estimated 100,000 Memphians experiencing poverty are in need of academic remediation to access career & technical education that can unlock living-wage jobs.</p>
 <p>The lack of resources and support allow seemingly insignificant factors to derail the completion of career & technical education programs</p>	<p>6 in 10 Tennessee community college students experiencing poverty do not continue after the first year. Numerous compounding factors, such as incidental life expenses and inefficient enrollment processes, can undermine program completion.</p>
 <p>Limited coordination within and between systems makes accessing workforce services unmanageable</p>	<p>To receive the needed services from the over 130 workforce service providers in Memphis, individuals must navigate unwieldy and inefficient systems that frequently require working with multiple organizations across multiple sites.</p>
 <p>Insufficient supports are available to help people align their professional aptitudes with living-wage career pathways</p>	<p>7 in 10 industry credentials earned by Tennessee K-12 students do not enhance employment outcomes. Limited resources exist to help identify professional aptitudes, match them with living-wage jobs, and prepare for these careers.</p>
 <p>The prevalence of people who have experienced trauma requires work environments that provide evidence-based supports</p>	<p>Over 110,000 people in Shelby County have had four or more traumatic childhood experiences, increasing the probability of negative employment outcomes as adults. This makes trauma-informed practices critical to career success.</p>



Employment Roadblocks Summary

ROADBLOCK	DESCRIPTION
 <p>High costs and lack of proximity to quality childcare inhibit employment options and hours</p>	<p>55 percent of working parents in Shelby County have experienced employment challenges due to inadequate childcare. Obstacles accessing cost-effective childcare that provides quality early learning limits workforce development and employment opportunities.</p>
 <p>Unreliable transportation limits access to employment and training opportunities</p>	<p>Only 3 in 100 people experiencing poverty live near public transit that runs every 15 minutes. Memphis' low population density makes reliable private transportation necessary to access workforce services and living-wage employers.</p>
 <p>Chronic and untreated health conditions can reduce participation and persistence in training and job opportunities</p>	<p>1 in 2 adult Tennesseans earning less than \$15,000 live with arthritis while 1 in 4 have diabetes. Underserved neighborhoods have few primary care providers, increasing the probability of health complications that make consistent employment difficult.</p>
 <p>The lack of basic needs stability undermines workforce development participation</p>	<p>Nearly 1 in 5 Memphians are food insecure and over 30,000 eviction filings occur annually. Food insecurity and unstable housing arrangements make it nearly impossible to pursue workforce development services, education, and employment.</p>
 <p>Uncoordinated policies and practices can create greater financial vulnerability despite career progression</p>	<p>\$1-\$2 per hour pay increases that exceed government benefits eligibility can leave individuals more vulnerable. Career progression is disincentivized when increases in compensation are less than the value of the lost government benefits.</p>



Insufficient math and literacy proficiency impede entry to and success in technical training

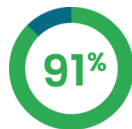
An estimated 100,000 Memphians experiencing poverty are in need of academic remediation to access career & technical education that can unlock living-wage jobs.



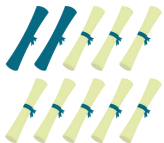
60 percent of people experiencing poverty are in need of academic remediation



25 percent of people experiencing poverty **lack a high school diploma** or equivalent



Over 90 percent of first-time freshmen at Southwest Tennessee Community College **qualified for learning support**



2 out of every 10 high school freshmen **do not receive a diploma** within 4 years



Lack of education/training was the second highest obstacle to employment cited in a survey of TANF recipients conducted by the University of Memphis (GROWWTH)

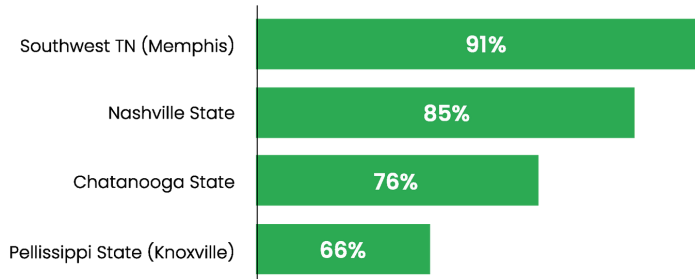


80 percent of high school graduates **do not demonstrate readiness** for postsecondary education and/or a career



Less than 15 organizations in Memphis have been identified that enable adults to earn a high school diploma or equivalent

Percent of community college freshmen who qualified for learning support (2016 cohort)



"Many of Tech901's initial high school-educated students struggled to grasp the essential technical concepts necessary for entry-level Information Technology positions. Through testing, it was revealed that a considerable number of these students possessed only a sixth-grade level of proficiency in verbal and mathematical literacy."

– Robert Montague, Executive Director



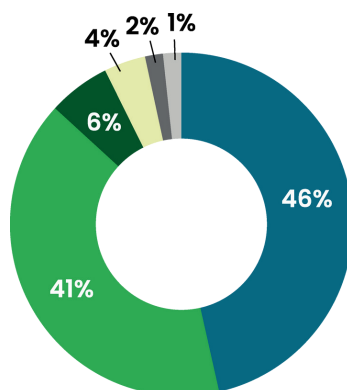
The lack of resources and support allow seemingly insignificant factors to derail the completion of career & technical education programs

6 in 10 Tennessee community college students experiencing poverty do not continue after the first year. Numerous compounding factors, such as incidental life expenses and inefficient enrollment processes, can undermine program completion.

Most common incidental financial barriers

Pilot conducted in East Tennessee (2022)

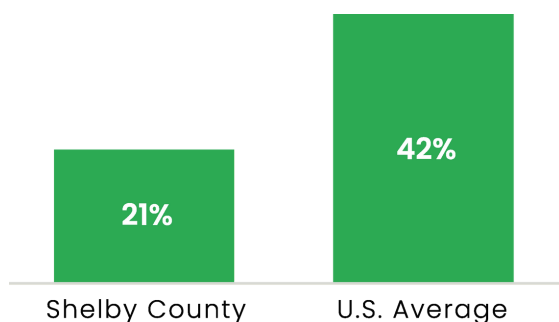
- Transportation
- Groceries
- Computer/Tech
- Books/Fees
- Supplies/Tools
- Rent/Utilities



Transportation, groceries, and technology are the most common incidental financial barriers for community college students observed during a pilot in East Tennessee

Six-year community college graduation rates

2015 cohort



Only 4 in 10 students experiencing poverty **continue community college after the first year**



1 in 4 students lost TN Reconnect funding because they did not maintain a program requirement, and of those students 60 percent did not continue their program



The second most common reason students lost TN Reconnect eligibility is they were **unaware of the requirement** to refile an annual application



Half as many students from the 2015 cohort graduated from the local community college as compared to the national average

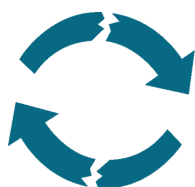


Only 2 in 10 community college students from the 2015 cohort in Shelby County **graduated within six years**, compared to 3 in 10 for Davidson County and 4 in 10 for Knox County



**THE COLLECTIVE
BLUEPRINT**

"Students find out on a Thursday afternoon that they need to turn in additional tax documents by 5:00 pm the following day, leaving no time to request documents from the IRS or locate tax information before they are purged from the roster."



Limited coordination within and between systems makes accessing workforce services unmanageable

To receive the needed services from the over 130 workforce service providers in Memphis, individuals must navigate unwieldy and inefficient systems that frequently require working with multiple organizations across multiple sites

Number of people experiencing poverty per workforce service provider



The 10 zip codes with the highest rates of poverty average 2,450 people experiencing poverty per workforce service provider, 40 percent more than the Shelby County average

70k+

Over 70,000 Memphians between the working ages of **18-65 years old live in or near poverty**



More than 130 organizations across Shelby County provide at least one type of workforce development service



7 out of 10 workforce service providers are **located in zip codes with an average annual income that exceeds \$50,000**



Federal funds for workforce training are not easy to access, as evidenced by eligible providers enrolling **an average of only three voucher-funded learners per year**



No zip code has providers that collectively offer all types of workforce services, with only 75 percent of workforce services, on average, accessible within each of the 10 zip codes with the highest rates of poverty



Academic remediation services are offered in **only one-third of the zip codes** in the Memphis metropolitan area



Only 12 percent of workforce providers offer services that help **match aptitudes and skills** with applicable jobs or help people experiencing poverty **retain jobs**

Common challenges to access workforce services
TANF Service Providers

Distance to and from service providers
Scheduling appointments
Childcare at or near service provider
Childcare during 2nd and 3rd shift hours
Childcare benefits not being available for job training programs

GROWTH

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"Service providers spoke of the difficulty their clients had with going to a job that was in an entirely different part of the county from where they lived, going to [required] volunteer assignments in another area, and transporting children to yet another part of the county for childcare, with schedules that may or may not line up with one another."

- Focus group with TANF service providers

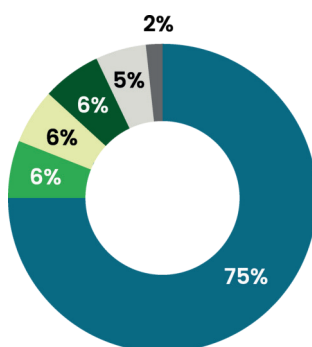
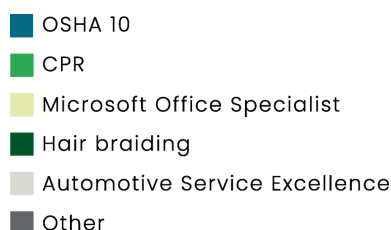


Insufficient supports are available to help people align their professional aptitudes with living-wage career pathways

7 in 10 industry credentials earned by Tennessee K-12 students do not enhance employment outcomes. Limited resources exist to help identify professional aptitudes, match them with living-wage jobs, and prepare for these careers

Industry credentials earned by Memphis K-12 students

As of March, 2021-2022 academic year



In Memphis, 75 percent of industry credentials earned by K-12 students as of March of the 2021-2022 academic year were OSHA 10, a 10-hour course covering basic safety and health hazards for entry-level workers



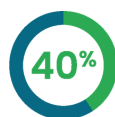
Only 30 percent of industry credentials earned by Tennessee K-12 students are associated with **jobs that pay \$15 per hour or more**



A **lack of awareness about available jobs, requirements, and salaries** was identified as the most significant challenge to growing the local construction workforce



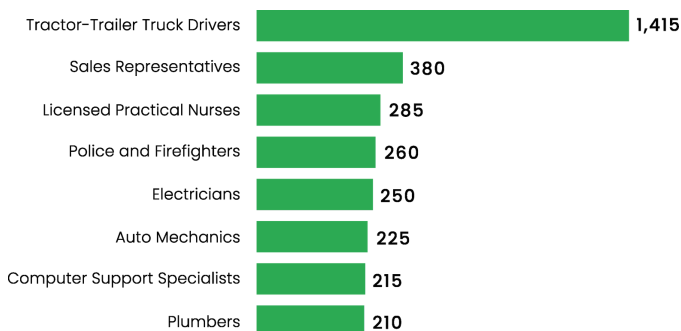
Career & technical education in Tennessee is managed separately for K-12 and postsecondary education, resulting in **limited to no alignment between systems**



Fewer opportunities exist to pursue one- or two-year certificate or associate degree programs in Memphis as only 40 percent of **postsecondary programs are non-bachelor** compared to 60 percent nationally

Average annual openings for non-supervisor jobs available without a bachelor's degree

Greater Memphis (2016-2026)



A local Information Technology training provider found **most enrollees were changing careers or academic programs**, as 45 percent had a bachelor's degree and 83 percent had attended at least some college



Junior Achievement[™]
of Memphis and the Mid-South

"Every child deserves to be world ready. If we truly believe in our children, we must help them discover the tools to succeed in today's economy and build a life of choice by finding a career, not just a job."

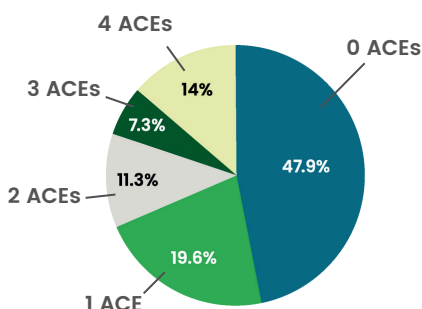
- Leigh Mansberg, President & CEO



The prevalence of people who have experienced trauma requires work environments that provide evidence-based supports

Over 110,000 people in Shelby County have had four or more traumatic childhood experiences, increasing the probability of negative employment outcomes as adults. This makes trauma-informed practices critical to career success.

Prevalence of adverse childhood experiences *State of Tennessee (2012)*



Adverse Childhood Experiences (ACEs) are traumatic events, such as physical and emotional abuse, neglect, caregiver mental illness, and household violence



A strong correlation exists between the number of ACEs experienced and the **probability of several negative life outcomes**



Over half of adults in Shelby County (360,000) have experienced at least one ACE, with **at least 12 percent experiencing four or more ACEs**



A person with four or more ACEs is **over twice as likely to earn less than \$10,000** and nearly 2.5x more likely to be out of work than a person who did not experience ACEs



The most prevalent ACEs in Shelby County are **substance abuse, emotional abuse, and violence** between adults in the home

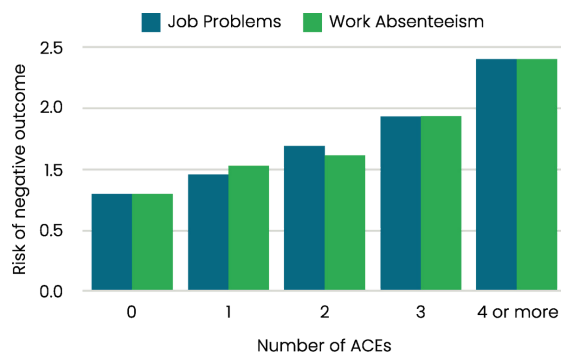


A person with four or more ACEs is nearly **2.5x more likely to experience job problems** such as absenteeism or job performance challenges than a person who did not experience ACEs



1 in 5 adults in Shelby County (140,000) were **sexually abused as children**

Impact of Adverse Childhood Experiences on employment



“Children growing up with toxic stress [from ACEs] may have difficulty forming healthy and stable relationships. They may also have unstable work histories as adults and struggle with finances, jobs, and depression throughout life.”



High costs and lack of proximity to quality childcare inhibit employment options and hours

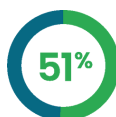
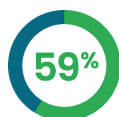
55 percent of working parents in Shelby County have experienced employment challenges due to inadequate childcare. Obstacles accessing cost-effective childcare that provides quality early learning limits workforce development and employment opportunities.

Due to childcare issues, more than 1 in 3 working parents in Shelby County worked less hours, could not work more hours, turned down a job offer or promotion, or quit or were fired in the first half of 2022

Prevalence of employment challenges due to childcare experienced by working parents Shelby County, First half of 2022

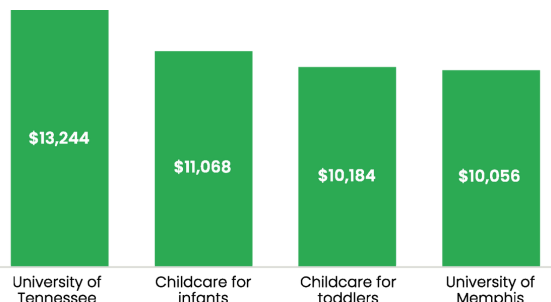


The most significant obstacles to securing childcare cited by working parents in Shelby County are **ACCESS, AFFORDABILITY, & QUALITY**



Annual childcare costs in Shelby County are **equivalent to tuition for state universities**

Comparison of annual cost of tuition for state colleges and local childcare Center-based care (2022)



Over half of all working parents in Shelby County reported **challenges with employment** retention or career advancement due to inadequate childcare



TANF recipients in West Tennessee identified the lack of childcare as the **biggest obstacle to employment**



Less than 1 in 10 Shelby County parents are accessing government-funded **financial aid for childcare**



"We can't unlock Memphis' full economic potential until quality childcare becomes more accessible. The challenges working parents face in finding and affording quality childcare significantly impact their ability to earn a living and in turn also dampen business growth."

- Blair Taylor, President & CEO

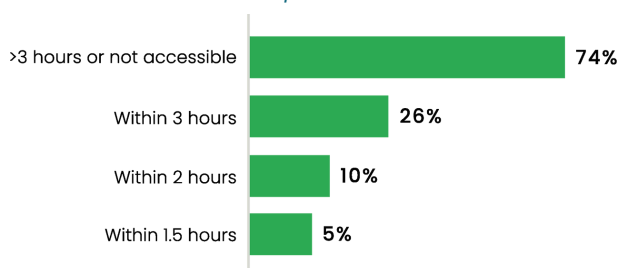


Unreliable transportation limits access to employment and training opportunities

Only 3 in 100 people experiencing poverty live near public transit that runs every 15 minutes. Memphis' low population density makes reliable private transportation necessary to access workforce services and living-wage employers.

Percent of jobs in Memphis accessible by public transit

Round-trip travel times



74 percent of jobs in Memphis are not accessible via public transit within a 3-hour round trip



Memphis ranks nearly last (41 of 42) among large urban areas for transit use per capita, with only 2 percent of Memphians taking transit to work

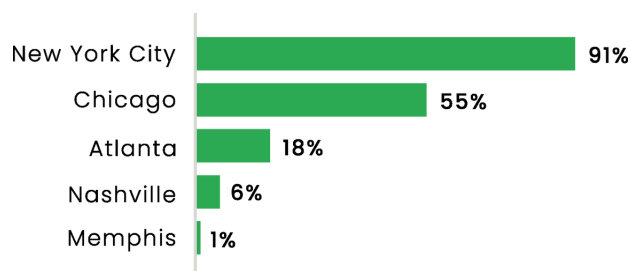


170,000 fewer people live within the City of Memphis boundaries compared to 1970



Only 1 percent of Memphis' neighborhoods are considered location efficient, i.e., compact, close to jobs and services, and with a variety of transportation choices

Percent of neighborhoods that are considered location efficient for transportation



Just 3 percent of Memphians experiencing poverty (4,000 people) **live near bus services** that run at least every 15 minutes



Over half of Memphis Area Transit Authority riders live in households **without access to an automobile**, while 1 in 4 live in households with access to only one vehicle

<60%

Memphians experiencing poverty work closer to home, with an **average travel time to work** that is 60 percent less than those who live above a living wage



Average annual transportation costs per household in Memphis are \$12,688, **nearly 75 percent more than in New York City**

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"Public transportation is unreliable in Memphis and nonexistent outside Memphis. General car maintenance, as well as car repairs, make it difficult to keep reliable personal transportation as an option for families."

- Focus group with nonprofit employees

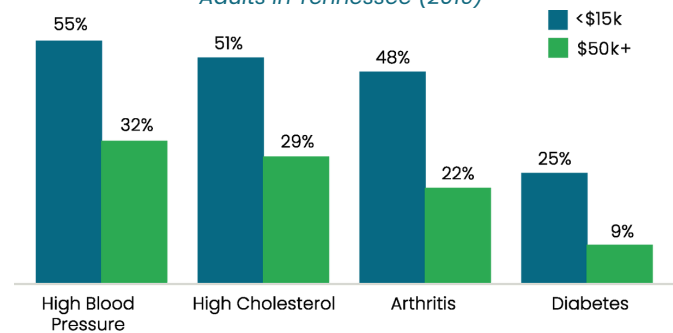


Chronic and untreated health conditions can reduce participation and persistence in training and job opportunities

1 in 2 adult Tennesseans earning less than \$15,000 live with arthritis while 1 in 4 have diabetes. Underserved neighborhoods have few primary care providers, increasing the probability of health complications that make consistent employment difficult.

People in Tennessee earning less than \$15,000 per year deal with chronic health conditions at nearly twice the rates of those earning \$50,000 or more

Prevalence of chronic health conditions by income level
Adults in Tennessee (2019)



Davidson County has **nearly 2.5x as many healthcare providers** per TennCare recipient as Shelby County



Shelby County has **less than half as many mental health providers** per adult than Davidson County



Over 40 percent of Memphis' primary health **clinics are located along the Poplar Avenue corridor**, limiting access for those in neighborhoods not located in that corridor

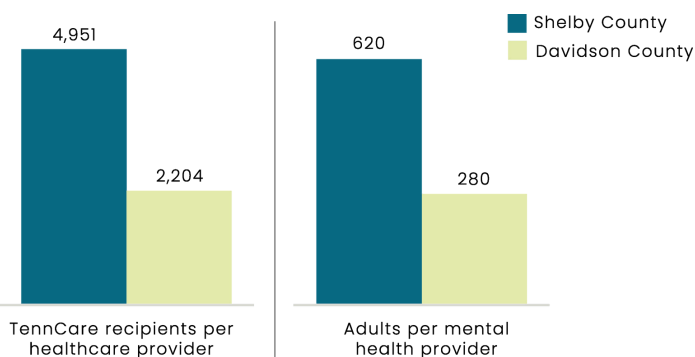


The five most prevalent chronic health conditions in Shelby County each **impact nearly 100,000 people or more**: high blood pressure (269,000), obesity (258,000), high cholesterol (210,000), arthritis (181,000), and diabetes (95,000)



Crisis services responded to **1.5x more mental health emergencies** in Shelby County than Davidson County in 2022

Healthcare providers per capita



"Low incomes limit access to healthcare and hinder healthy lifestyles. Only 15% of a person's health is determined by the care they receive, while 60% is determined by the environment in which they live, work, and play due to social risk factors such as food, shelter, safety, and transportation insecurities, all of which are exacerbated by poverty."

— Pedro Velasquez, Executive Director

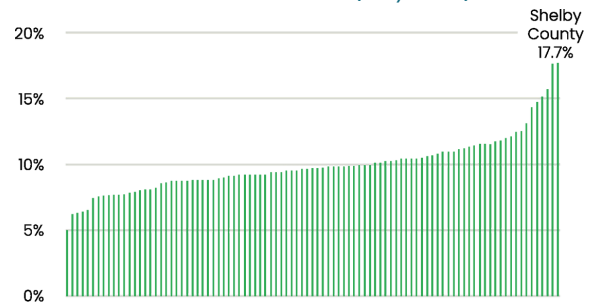


The lack of basic needs stability undermines workforce development participation

Nearly 1 in 5 Memphians are food insecure and over 30,000 eviction filings occur annually. Food insecurity and unstable housing arrangements make it nearly impossible to pursue workforce development services, education, and employment.

Almost 20 percent of households in Shelby County struggle with severe housing cost burden, spending 50+ percent of their income on housing, which is the highest rate for any county in Tennessee and 1.5x the state average

Percent of households that spend 50 percent or more of income on housing
Counties in Tennessee (May 2023)



Nearly 250,000 people experience food insecurity in the Memphis metropolitan area, i.e., lack of consistent access to enough food to live a healthy life

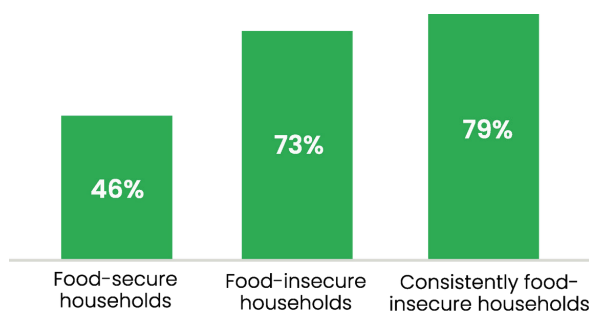


Food-insecure students are more than **40 percent less likely to graduate** from college



A study found **food-insecure households experienced job disruptions** during COVID-19 at 1.6x the rate of food-secure households (73 percent versus 46 percent)

Percent of food-insecure households that experienced job disruptions
COVID-19, March 2020 to March 2021



An average of 31,633 evictions in Shelby County were filed annually between 2016 and 2019, with **more than 20% of renters facing eviction**



Following a forced move due to eviction, landlord foreclosure, or housing condemnation, low-wage workers are **11 to 22 percentage points more likely to be laid off**

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"Waiting lists are extremely long for even modest [housing] assistance, and if assistance is refused for a variety of reasons then applicants lose their place and are placed at the end of the waiting list again.

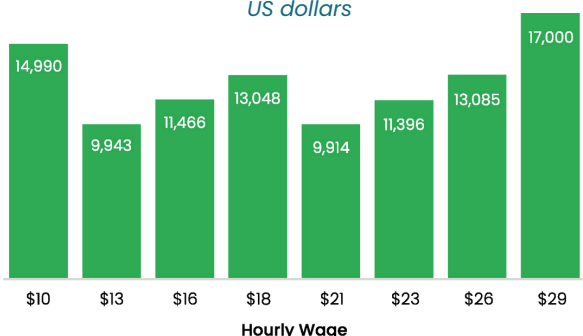
- Focus groups, TANF recipients and nonprofit employees



Uncoordinated policies and practices can create greater financial vulnerability despite career progression

\$1-\$2 per hour pay increases that exceed government benefits eligibility can leave individuals more vulnerable. Career progression is disincentivized when increases in compensation are less than the value of the lost government benefits.

Estimated annual net resources as income from employment increases
US dollars



For a single parent raising two children, estimated annual net resources only exceeds those at \$10 per hour (\$20,000 annual income) when wages of \$29 per hour are reached (\$55,000 annual income)



1 in 5 Shelby County residents receive nutrition support through SNAP, with an average benefit of \$401 per household with children



Shelby County has the **largest share of Temporary Assistance for Needy Families (TANF) cases** in Tennessee (19 percent, nearly triple the next highest county), with the average benefit being \$382 per month for a participating family



Over 25,000 Memphis residents receive rent assistance, with the average monthly subsidy being \$700 per household



85 percent of Tennessee TANF recipients surveyed said they had been **impacted by the benefits cliff**



For a single parent raising two children, **annual net resources decline** from an estimated \$15,000 to \$10,000 with a \$2 per hour increase from \$10 to \$12 per hour

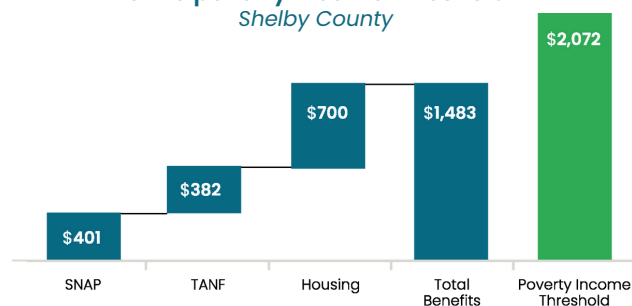


Single parents with two children are **most at risk** of experiencing a benefits cliff



The **largest benefit cliffs** are associated with the loss of childcare and housing subsidies

Average monthly government benefits compared to the poverty income threshold
Shelby County



"I've actually turned down a management job before, because I was going to be working more hours, so my rent was going to go up and I was going to be paying more childcare."

-Tennessee TANF recipient



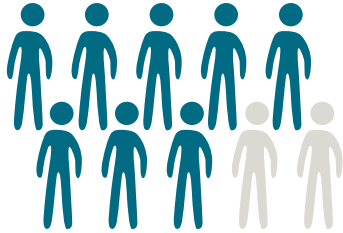
Common Employment Myths

An analysis of workforce data identified a lack of evidence to support several common perceptions about employment in Memphis. Below are several employment myths for the population experiencing poverty:

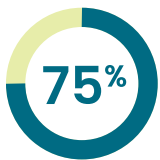
X MYTH	✓ FACT
 <p>Living-wage jobs can be easily obtained with a high school diploma</p>	<p>8 in 10 high school graduates do not demonstrate readiness for post-secondary education or a career. In Memphis, a high school diploma does not ensure sufficient math and reading proficiency to enable the pursuit of training needed to obtain living-wage jobs.</p>
 <p>Financial assistance for tuition is enough to earn a post-secondary degree</p>	<p>Only 1 in 5 tnAchieves scholarship recipients in Shelby County graduate within three years. While financial assistance for tuition is valuable, numerous incidental expenses can undermine the benefits of tuition support.</p>
 <p>Professional credentials always improve employment outcomes and earning potential</p>	<p>Only 30 percent of industry credentials earned by Tennessee K-12 students are associated with jobs that pay at least \$15 per hour. Credentials are not helpful when they are not aligned with high-wage, high-demand jobs.</p>
 <p>Anyone who wants to work can access the services needed to find a living-wage job</p>	<p>The rate of people experiencing poverty who are not working but seeking employment is 50 percent higher in Memphis than Tennessee. Identifying the needed workforce services in accessible locations is frequently insurmountable.</p>
 <p>Enhancing public transit will solve the transportation gap for employment</p>	<p>Only 1 percent of neighborhoods in Memphis are considered location efficient, i.e. compact, close to jobs and services, with a variety of transportation choices. Greater investments in public transit alone is not sufficient.</p>



MYTH: Living-wage jobs can be easily obtained with a high school diploma



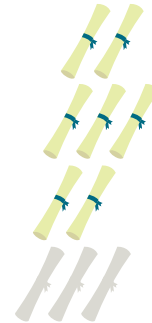
8 in 10 high school graduates do not demonstrate readiness for postsecondary education or a career. In Memphis, a high school diploma does not ensure sufficient math and reading proficiency to pursue the training needed to obtain living-wage jobs.



75 percent of Memphians who are experiencing poverty have at least a high school diploma



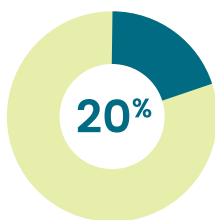
An estimated 60,000 people who are experiencing poverty and have a high school diploma are still in need of academic remediation in order to pursue technical education that leads to living-wage jobs



7 in 10 low-wage workers in Memphis (nearly 150,000 people) have a high school diploma as their highest education completed

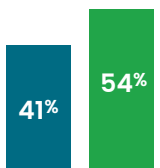


MYTH: Financial assistance for tuition is enough to earn a postsecondary degree

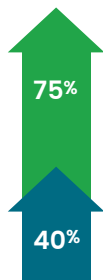


Did not graduate
Graduated

Only 1 in 5 tnAchieves scholarship recipients in Shelby County graduate community college within three years. While financial assistance for tuition is valuable, numerous incidental expenses can undermine the benefits of tuition support.



Even with a tnAchieve scholarship, community college students who are economically disadvantaged do not graduate within six years at the same rate as other students (41 percent versus 54 percent)



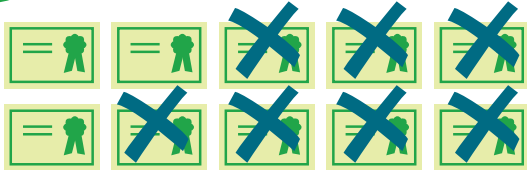
Retention after the first year for Tennessee community college students experiencing poverty jumps from 40 percent to 75 percent when they receive coaching and financial support for incidental expenses



Transportation, groceries, and technology are the three most common incidental expenses that impact community college retention in Tennessee



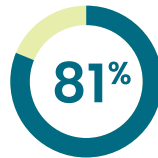
MYTH: Professional credentials always improve employment outcomes and earning potential



Only 30 percent of industry credentials earned by Tennessee K-12 students are associated with jobs that pay at least \$15 per hour. Credentials are not helpful when they are not aligned with high-wage, high-demand jobs.



Of the Top 10 specific credentials earned by K-12 students in Tennessee, only three are among the Top 10 credentials requested by employers



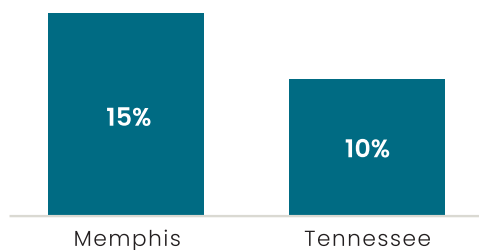
Over 80 percent of credentials earned by Memphis K-12 students as of March of the 2021-2022 academic year do not impact earning potential (OSHA 10: 75 percent; CPR/Basic Life Support: 6 percent)



The most valuable credentials are offered by industry bodies versus educational institutions or employers, include an experiential component, and are aligned with prevalent jobs in the area



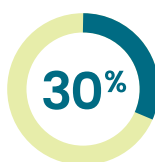
MYTH: Anyone who wants to work can access the services needed to find a living-wage job



The rate of people experiencing poverty who are not working but seeking employment is 50 percent higher in Memphis than Tennessee. Identifying the needed workforce services in accessible locations is frequently insurmountable.



No zip codes have providers that collectively offer all types of workforce development services, requiring people to travel across the city and to multiple organizations to access different workforce services



Only 30 percent of workforce development service providers are located in zip codes with an average annual income that is less than \$50,000



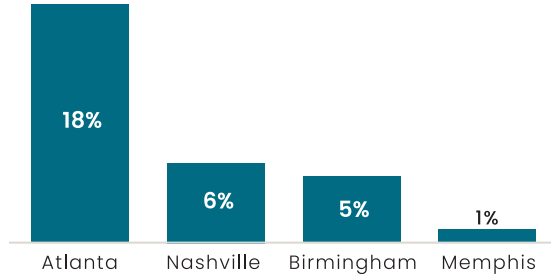
Government childcare benefits do not apply to all job training programs, making it challenging for parents experiencing poverty to participate

memworks

Employment Myth Fact Sheets



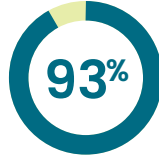
MYTH: Enhancing public transit will solve the transportation gap for employment



Only 1 percent of neighborhoods in Memphis are considered location efficient, i.e., compact, close to jobs and services, with a variety of transportation choices. Greater investments in public transit alone is not sufficient.



9 out of 10 jobs in Memphis are not accessible via public transit within a 2-hour round trip



93 percent of Memphis neighborhoods have a transit service level score of less than 5 out of 100, based on the number of transit options within walking distance and frequency of service



Just 4,000 people experiencing poverty in Memphis (3 percent) live near bus services that run at least every 15 minutes options within walking distance and frequency of service



Demographic data was analyzed to provide an objective understanding of the population experiencing poverty in Memphis to help inform why employment pathways are not working. Below is a summary across four relevant categories.

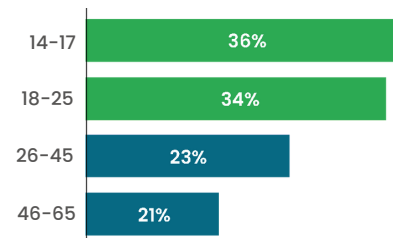


DEMOGRAPHICS

Youth, women, and Black/African Americans disproportionately experience poverty in Memphis

- 36 percent of high school teenagers and 34 percent of young adults are experiencing poverty
- 6 in 10 people experiencing poverty are women while 3 in 4 are Black/African American
- Two-thirds of people experiencing poverty are not living in households with children

Percent of age group experiencing poverty



STABILITY

Food insecurity and housing instability are highly prevalent in Memphis

- Nearly 1 in 5 people in Greater Memphis are considered food insecure compared to only 1 in 9 across Tennessee
- Over 20 percent of renters in Memphis faced eviction each year between 2016-2019, with an average of more than 30,000 eviction filings per year

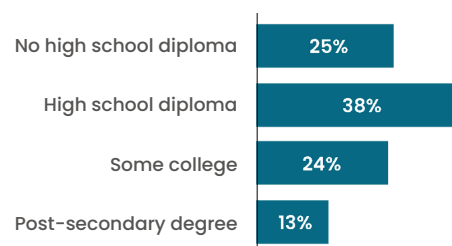


EDUCATION

Education attainment alone is not an effective predictor of poverty

- The rate of Memphians experiencing poverty who have attended some college is the same as those who do not have a high school diploma (1 in 4)
- Nearly twice as many people with a high school diploma experience poverty in Memphis relative to the Tennessee average (30 percent vs. 17 percent)
- Nearly 1 in 5 Memphians who have earned an Associate's degree are still experiencing poverty

Highest education attainment for people experiencing poverty



EMPLOYMENT

Over 200,000 people in Memphis do not earn a living wage

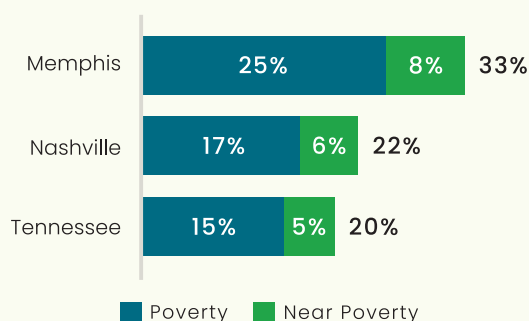
- 1 in 3 Memphians do not earn a living-wage to sustain themselves or their families compared to only 1 in 5 across Tennessee
- 2 in 3 people experiencing poverty in Memphis are not employed compared to only 1 in 2 in Nashville
- Nearly 1 in 5 Memphians between the ages of 16-24 years old are disconnected (i.e., not working or in school), 1.5x the national rate



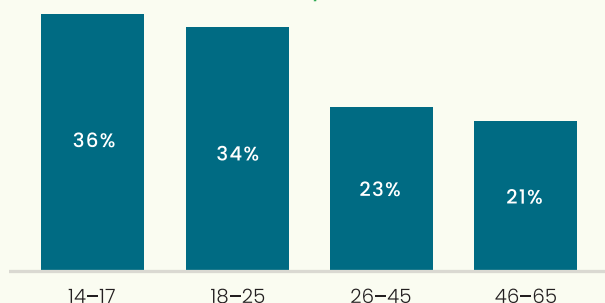
Youth, women, and Black/African Americans disproportionately experience poverty in Memphis

An estimated 200,000 people in Memphis are experiencing poverty or are at risk of poverty, with more than 8 in 10 of those being people of color.

Percent of People Living in or Near Poverty



Percent of Age Group Experiencing Poverty Memphis



1 IN 3 MEMPHIANS are experiencing poverty or at risk of poverty (200,000), a rate that is **50 PERCENT HIGHER THAN NASHVILLE**

The rate of people experiencing poverty (25 percent) is double the national average and **1.67X GREATER THAN THE STATE AVERAGE**

For over a decade, Memphis has had the **HIGHEST OR SECOND HIGHEST OVERALL POVERTY** and child poverty rates among U.S. metropolitan areas with a population greater than 1 million

OVER 1 IN 3 Memphians between the **AGES OF 14-25 YEARS OLD ARE EXPERIENCING POVERTY**

1 IN 4 BLACK AND LATINO MEMPHIANS ARE EXPERIENCING POVERTY, the highest rates for any racial group in Memphis

6 IN 10 PEOPLE EXPERIENCING POVERTY in Memphis **ARE WOMEN**, comparable to the Tennessee average

ONLY ONE-THIRD of people experiencing poverty **LIVE WITH CHILDREN** under the age of 18 years old

2023 Poverty Thresholds by Household Size

Household size	1	2	3	4	5
Annual income	\$14,580	\$19,720	\$24,860	\$30,000	\$35,140
Hourly rate	\$7.01	\$9.48	\$11.95	\$14.42	\$16.89

POVERTY is making **LESS INCOME THAN THE FEDERAL POVERTY LINE** by household size

NEAR POVERTY is making **MORE THAN THE FEDERAL POVERTY LINE** but **LESS THAN A LIVING WAGE**

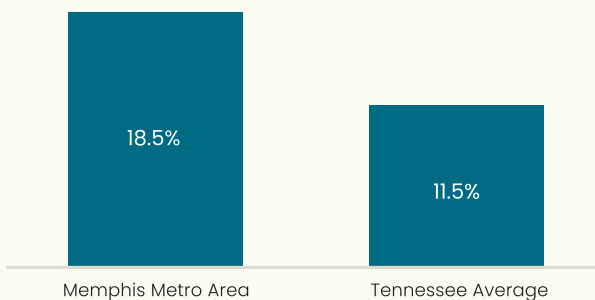
For a single person the poverty threshold is \$14,580 and an estimated living wage is \$28,431, while for a household with 1 adult and 3 children it is \$30,000 and an estimated \$58,500, respectively



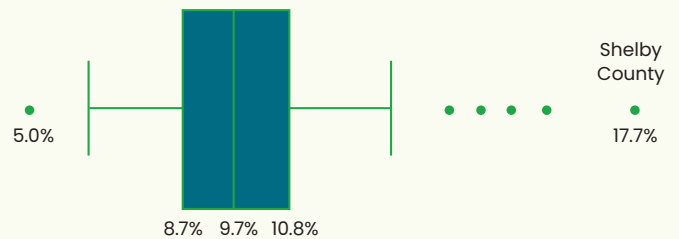
Food insecurity and housing instability are highly prevalent in Memphis

Almost 250,000 people in the Memphis metropolitan area struggle with food insecurity and over 25,000 Memphians receive eviction filings annually

Percent of People Struggling with Food Insecurity



Percent of households that spend 50 percent or more of income on housing
Counties in Tennessee



NEARLY 1 IN 5 PEOPLE in the Memphis metropolitan area (**250,000**) **ARE CONSIDERED FOOD INSECURE**, i.e., lack consistent access to enough food to live a healthy life

Memphis has **THE HIGHEST RATE** of **PEOPLE LIVING IN FOOD DESERTS (32 PERCENT)** among U.S. metropolitan areas with more than 1 million people

Memphians experience **FOOD INSECURITY AT A RATE 1.6X THE AVERAGE** across Tennessee

OVER 190,000 PEOPLE in Shelby County (20.5 percent) participate in the **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)**

Shelby County residents struggle with **SEVERE HOUSING COST BURDEN** at a rate (17.7 percent) **NEARLY DOUBLE** the median for counties in Tennessee (9.7 percent)

People in Shelby County spend on average **53 PERCENT OF THEIR INCOME** on the combined costs for **HOUSING AND TRANSPORTATION**

MEDIAN RENT for an apartment in Memphis has **INCREASED 25 PERCENT** since pre-COVID rents (March 2020 versus March 2023)

20% OF RENTERS IN MEMPHIS FACED EVICTION between 2016-2019, with an average of 31,633 eviction filings per year

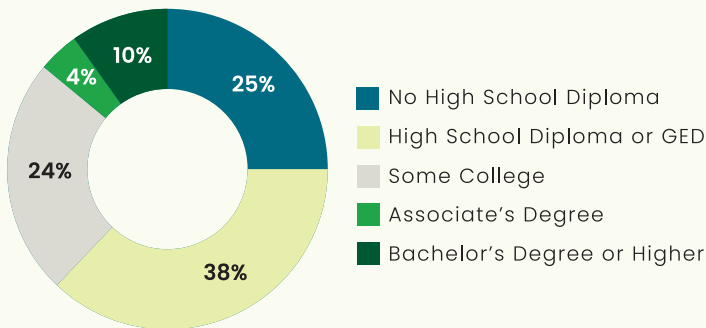
Neighborhoods that are predominantly black receive **EVICTION FILINGS AT RATES 25 PERCENT GREATER** than the Shelby County average and 135 percent greater than neighborhoods that are predominantly white



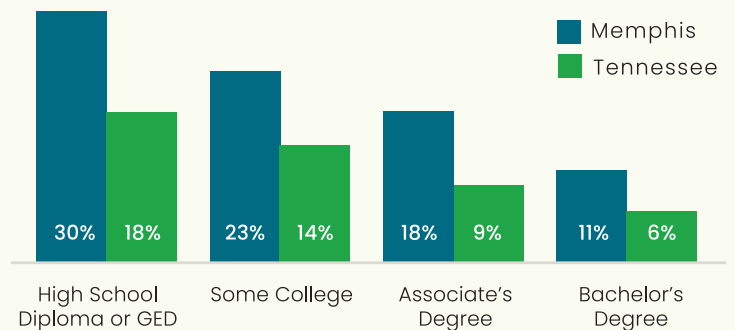
Education attainment alone is not an effective predictor of poverty

3 in 4 Memphians experiencing poverty have at least a high school diploma or equivalent. In Memphis, a high school or postsecondary degree is less likely to lead to a path out of poverty than in other parts of the state.

Rate of Educational Attainment for Memphians Experiencing Poverty



Percent of Degree Holders Experiencing Poverty
Memphis versus Tennessee



75% OF MEMPHIANS EXPERIENCING POVERTY ARE DEGREE HOLDERS, with 38 percent of the total having at least some college or postsecondary education

The rate of Memphians experiencing poverty who have **ATTENDED SOME COLLEGE** IS THE SAME AS those who **DO NOT HAVE A HIGH SCHOOL DIPLOMA** (25 percent)

1 in 4 Memphians experiencing poverty have some college experience but no degree while **JUST 14 PERCENT HAVE AN ASSOCIATE'S DEGREE OR HIGHER**

ACROSS ALL LEVELS OF EDUCATIONAL ATTAINMENT, Memphians experience poverty at nearly **TWICE THE RATE** of those in Tennessee

30% of Memphians with a high school degree experience poverty, a rate **NEARLY DOUBLE THE TENNESSEE AVERAGE** of 18 percent

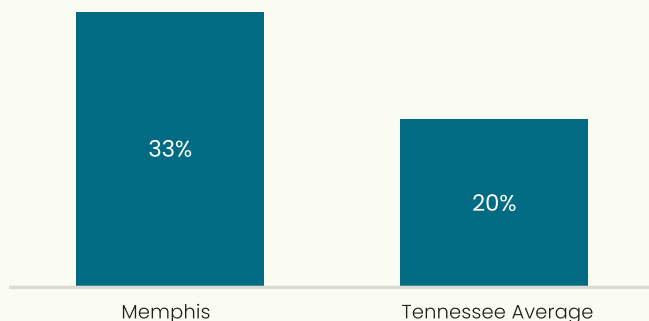
NEARLY 1 IN 5 MEMPHIANS with an Associate's degree experience poverty compared to only **1 IN 10 FOR TENNESSEE**



Over 200,000 Memphians do not earn a living wage

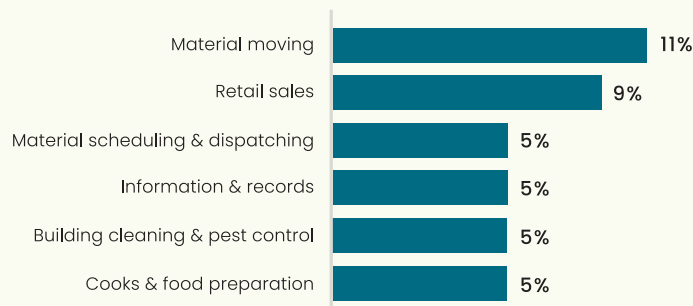
Although 1 in 2 Memphians experiencing poverty are employed or looking for work, hundreds of thousands do not earn enough to sustain themselves or their families.

Percent of People Not Earning a Living Wage



Most Common Occupations for Low-Wage Workers in Memphis

Percent of low-wage jobs



Memphians are **50 PERCENT MORE LIKELY** to **NOT EARN A LIVING WAGE** than other parts of Tennessee, with 1 in 3 Memphians not making a living wage compared to only 1 in 5 across Tennessee

12% of Memphians who are **EMPLOYED ARE STILL IN POVERTY**, nearly 70 percent higher than the average rate across Tennessee

2 IN 3 PEOPLE IN MEMPHIS EXPERIENCING POVERTY are **NOT EMPLOYED**, compared with only 1 in 2 in Nashville

The over 200,000 Memphians working in **LOW-WAGE JOBS** have a **MEDIAN INCOME OF ONLY \$9.73 PER HOUR**, and are in occupations that have limited paths to living-wage roles

A single parent with 2 kids making the Tennessee **MINIMUM WAGE OF \$7.25 PER HOUR** would need to work nearly **80 HOURS PER WEEK** to make a living wage

NEARLY 1 IN 5 MEMPHIANS between the **AGES OF 16-24 ARE DISCONNECTED FROM WORK OR SCHOOL**, which is 1.5x the national rate and the sixth highest rate among the largest 100 U.S. metropolitan areas

Income Reference Sheet

INCOME THRESHOLDS FOR VARYING FAMILY SIZES

2023 estimates



Family size	ANNUAL INCOME			HOURLY RATE EQUIVALENT ⁴		
	Poverty ¹	Near Poverty ²	Living wage ³	Poverty ¹	Near Poverty ²	Living wage ³
For individuals	\$14,580	\$18,954	\$28,431	\$7.01	\$9.11	\$13.67
For a family of 2	\$19,720	\$25,636	\$38,454	\$9.48	\$12.33	\$18.49
For a family of 3	\$24,860	\$32,318	\$48,477	\$11.95	\$15.54	\$23.31
For a family of 4	\$30,000	\$39,000	\$58,500	\$14.42	\$18.75	\$28.13
For a family of 5	\$35,140	\$45,682	\$68,523	\$16.89	\$21.96	\$32.94
For a family of 6	\$40,280	\$52,364	\$78,546	\$19.37	\$25.18	\$37.76
For a family of 7	\$45,420	\$59,046	\$88,569	\$21.84	\$28.39	\$42.58
For a family of 8	\$50,560	\$65,728	\$98,592	\$24.31	\$31.60	\$47.40

1. Annual poverty income level is the 2023 thresholds provided by the U.S. federal government

2. Near poverty is calculated as 30 percent above the poverty income threshold

3. Living wage is calculated as 95 percent above the poverty income threshold

4. Hourly rate equivalent is calculated as annual income divided by 2,080 hours (i.e., 40 hours per week for 52 weeks)