



memworks

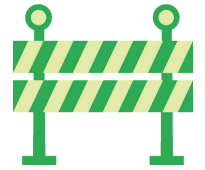
SUMMARY REPORT: EMPLOYMENT ROADBLOCKS

OCTOBER 2024

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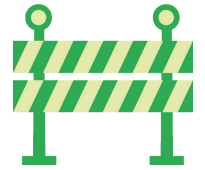
mdrc
BUILDING KNOWLEDGE
TO IMPROVE SOCIAL POLICY









Employment Roadblocks Summary

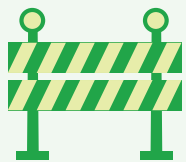
An analysis of workforce data associated with the population experiencing poverty in Memphis identified several factors that inhibit employment pathways. Below are the most significant roadblocks supported by the evidence.

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</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 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 workers who have experienced trauma requires work environments that provide evidence-based supports</p>	<p>Over 110,000 adults in Shelby County have had four or more traumatic childhood experiences, increasing the probability of negative social and health 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 disruptions due to inadequate childcare. Underserved neighborhoods do not have sufficient cost-effective providers that provide quality early learning.</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 prevalence of basic needs instability undermines workforce development participation</p>	<p>Nearly 1 in 5 Memphians are food insecure while over 30,000 eviction filings occur annually. Food insecurity and unstable housing arrangements make it nearly impossible to pursue workforce development services and employment.</p>
 <p>Uncoordinated policies and practices can result in career progression leading to greater financial vulnerability</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>
 <p>Involvement with the criminal legal system can impose overwhelming barriers to achieving economic stability</p>	<p>Twice as many people per capita are incarcerated in Shelby County compared to the national average. For those people, support overcoming obstacles to secure stable housing, transportation, and skills development can dramatically improve employment outcomes.</p>



11

ROADBLOCKS to Living-Wage Employment for Memphians Experiencing Poverty

To realize the conditions where Memphis Works for Everyone, there are 11 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.

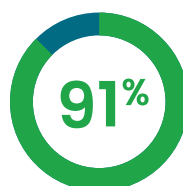


60 percent of people experiencing poverty are in need of academic remediation

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

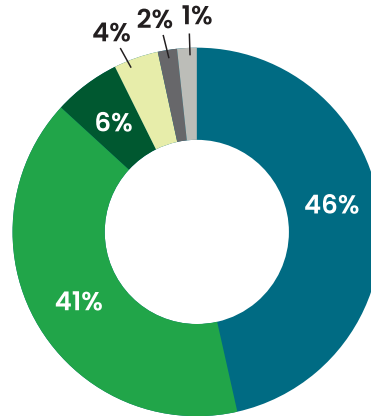
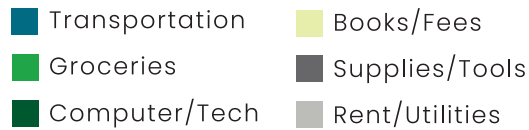


2nd Roadblock

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

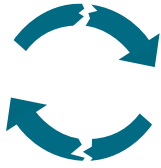
Only 1 in 5 tnAchieves scholarship recipients in Shelby County graduate community college within three years. While financial assistance for tuition is valuable, numerous incidental expenses can undermine the benefits of tuition support.

“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



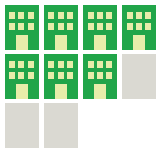
3rd Roadblock



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.

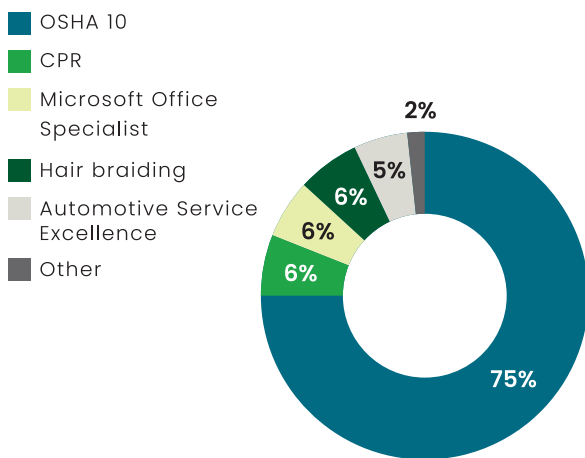
Traveling Employment Pathways Blind.

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

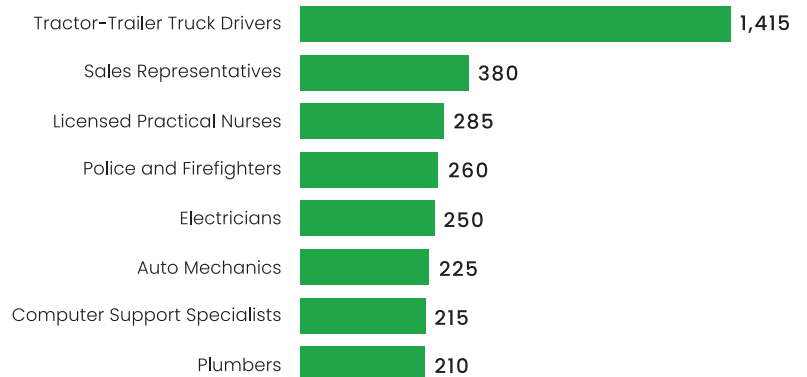
As of March, 2021–2022 academic year



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 bachelors 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.

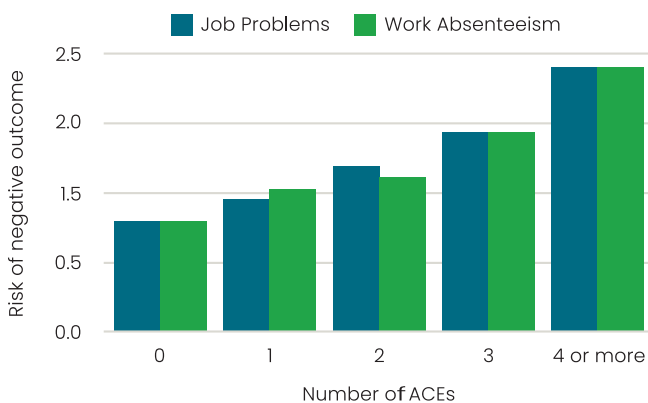
While ACEs focus primarily on events in the home, the definition has been expanded to take into consideration community and systemic causes—such as violence in the child’s community and experiences with racism and chronic poverty—because the body’s stress response does not distinguish between overt threats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



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.”

“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



6th Roadblock

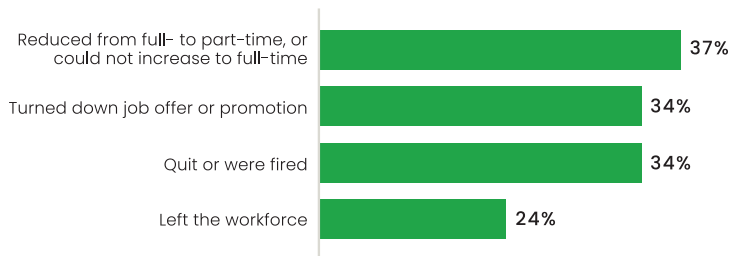


CHILDCARE:

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

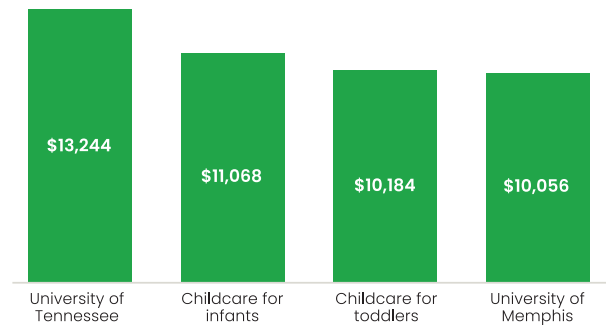
Childcare is the Parent Tax. The high costs and lack of proximity to quality childcare make it a significant employment roadblock to not just Memphians experiencing poverty but rather most working parents. At least 55% of working parents in Shelby County have experienced employment challenges due to 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.



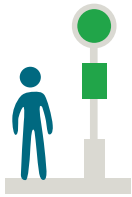
Less than 1 in 10 Shelby County parents are accessing government-funded **financial aid for childcare**

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



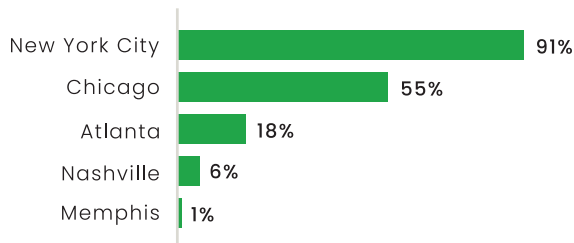
TRANSPORTATION:

Unreliable transportation limits access to employment and training opportunities.

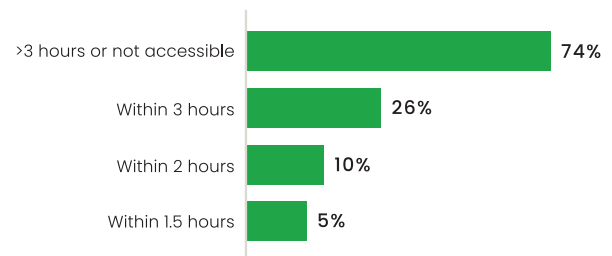
Access = Opportunity. Unreliable transportation limits access to employment and training opportunities for Memphians experiencing poverty. In Memphis, public transit alone will not be able to bridge these transportation gaps, making private transportation solutions essential to creating equitable access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

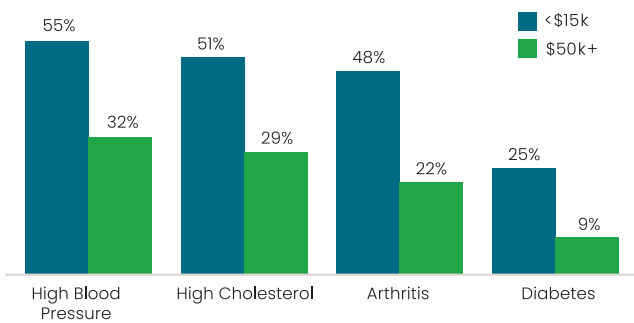


CHRONIC HEALTH:

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.

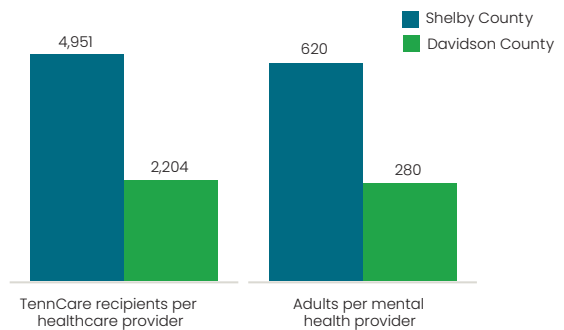
Prevalence of chronic health conditions by income level
Adults in Tennessee (2019)



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

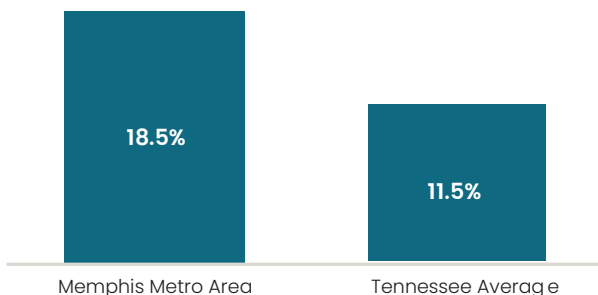


BASIC NEEDS STABILITY:

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.

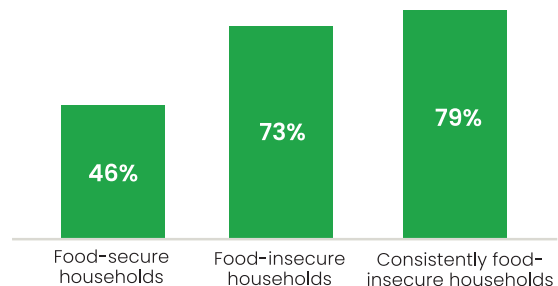
Percent of People Struggling with Food Insecurity



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

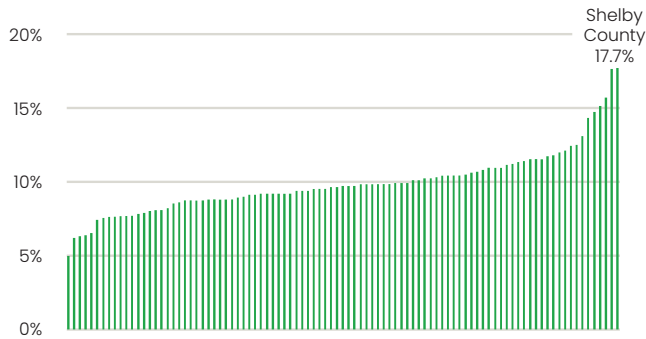


Almost 20 percent of households in Shelby County struggle with severe housing cost burden, spending 50+ percent of their income on housing, the highest rate for any county in Tennessee and 1.6x the state average.

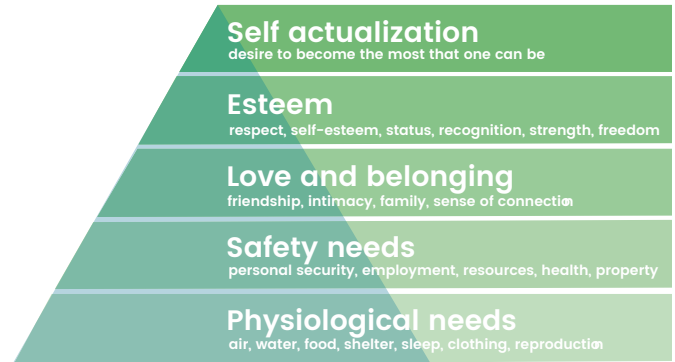


9th Roadblock BASIC NEEDS STABILITY cont.

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



MASLOW'S HIERARCHY OF NEEDS



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.

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.

“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

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.

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?

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

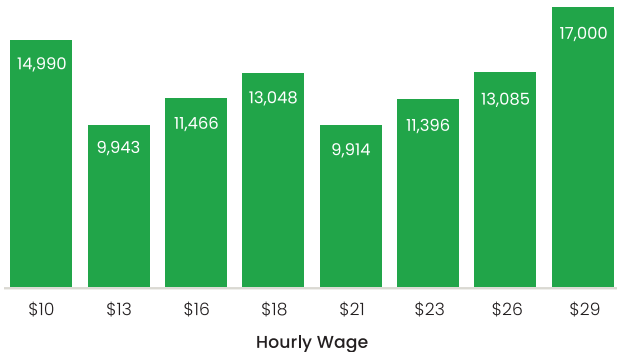


UNCOORDINATED POLICIES:

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



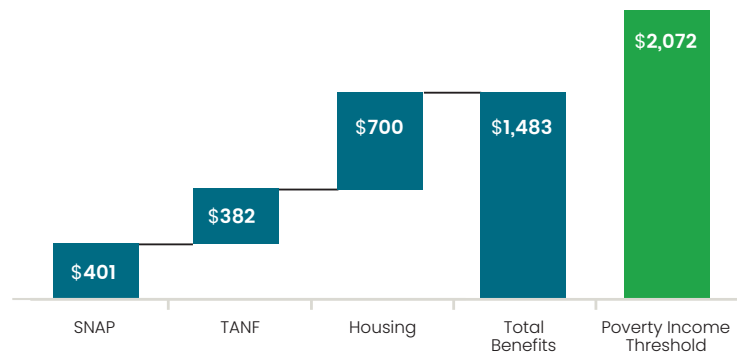
Single parents often face the harshest realities. A single parent with 2 children would need to work nearly 80 hours per week at the Tennessee minimum wage to make a living wage. Unfortunately, the path to higher wages is not as simple as you might think. As a single parent with 2 children increases 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.



11th Roadblock

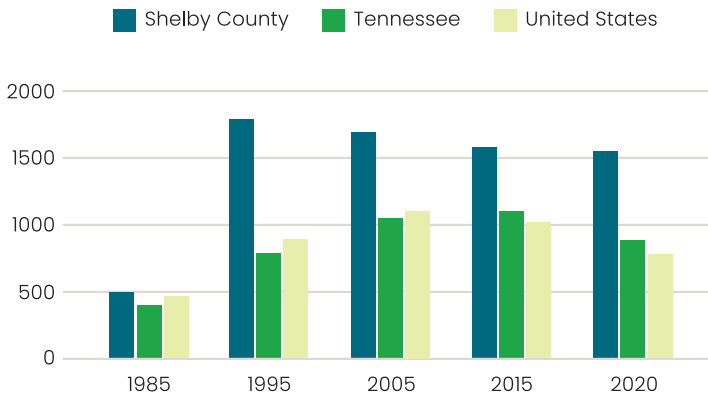


CRIMINAL LEGAL SYSTEM IMPACT:

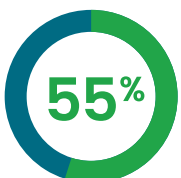
Involvement with the criminal legal system can impose overwhelming barriers to achieving economic stability

Economic handcuffs from a criminal record. People impacted by the criminal legal system, including those who have been previously incarcerated, face significant barriers to achieving basic stability, let alone economic mobility. For Memphis, there is a disproportionate number of people who struggle with these barriers.

Number of people incarcerated per 100,000 residents ages 15 to 64



The number of Shelby County residents who have been incarcerated has more than tripled since 1985. Memphis has consistently had significantly higher rates of incarceration than both Tennessee and the United States, with Shelby County's rate being an estimated 95 percent higher than the national average.



Only 55 percent of people formerly incarcerated in the U.S. reported **having any earnings in the first year after reentry**, with median earnings being only \$10,090

A research study found that 80 percent of people who reenter from the criminal legal system earn less than \$15,000 during the first calendar year after reentry, with 45 percent reporting no earnings at all. One contributing factor is business practices that limit job opportunities, such as algorithms that automatically remove candidates with a criminal record from consideration. Another factor is the quality of jobs that businesses are willing to hire a person with a prior felony conviction that result in earning less than a living wage and not receiving health benefits.



8 out of 10 people reported having landlords summarily reject their applications because of their criminal records

In addition to employment barriers, a criminal record creates other barriers such as revoked driver's licenses from unpaid legal debts and housing application rejections. Given the shortage of affordable housing in Shelby County, finding stable housing is even harder for those impacted by the criminal legal system. People can fill out an application, pay the non-refundable application fee, only then to be told they will not be considered due to their criminal record.

“...someone reentering society from incarceration with unpaid debts and revoked driver's license may have more trouble securing a job, housing, and financial stability - all associated with reduced recidivism. Unintended consequences like these can play out in a number of ways.”

- The Sycamore Institute



11th Roadblock

CRIMINAL LEGAL SYSTEM IMPACT cont.



Nearly half of Tennesseans with a felony conviction have **returned to prison within three years.**

Across the country, this rate increases to 79 percent after five years.

With all the barriers to economic stability for people who have been previously incarcerated, a large proportion unfortunately return to prison within three to five years. This does not have to be the case, however, as there is evidence that shows helping people overcome obstacles to securing stable housing, transportation, and skills development improves employment outcomes and lowers recidivism.