

CAREER DEVELOPMENT POLICIES IN THE WAKE OF GENTRIFICATION

Presented by Latoya Wilson, MPA

Founder of Rebuild Workforce Project, LLC

My Profession and Projects

- A Professor at Middlesex County College
 - Teach Career Development to students working towards degree
 - Teach Intro to Sociology and Student Success
- Founder of Rebuild Workforce Project, LLC
 - Create effective career development programs for inner city K-16 students
 - Consult on policy projects that focus on industry development, career development, and protection of small businesses

The Goal of the Presentation

- Different Facets on how to solve issues that arise in the wake of gentrification
- Identify career development and entrepreneurship policies that will provide equal access to opportunities for economic mobility.
 - Minimize displacement
 - Improve economic status
 - Build own wealth
 - Take back some control of their communities



Explanation of Gentrification

- Potentially displace those whom heavily populated those areas, minorities and low income residents.
- On the side note, gentrification is a complex term
 - Classify a young professional who happens to be a minority.
- Significant percentage of minorities, whom reside in urban communities have low income and working class status.
 - Contributed to what made urban culture unique, despite numerous systemic obstacles.



Explanation of Gentrification

- Gentrification, a term coined by Glass (1964), originally referred to a phenomenon of socioeconomic transition:
 - One in which more affluent and more educated “gentry” enter a low-income neighborhood.
 - These changes can bring new services and access to a wider choice of basic goods, more vital and safer streets, and even local employment opportunities. (Rachel Meltzer 2016).



The New Face of Urban Culture

- Influx of white, upper – class and young professionals
 - Shifting the cultural and economic aspect of urbanization.
- Newly built luxurious homes, expensive restaurants, and retail stores
 - Conform to taste of higher income and young professional residents.



The New Face of Urban Culture

- Major companies, such as Starbucks, Barnes and Nobles, and Wholefoods
 - Replacing numerous small “community-oriented” stores, coffee shops, and bookstores.
- Expansion of state funded art
 - Provide opportunities for professional artists.
 - Significant percentage of grants fund art programs that are managed by gentrifiers



The New Face of Urban Culture

- Expensive restaurants that offer healthier and pricier meals
 - Affluent and young professionals tend to be health conscious.
- Political leaders will be pressured to implement public policies and create programs
 - Meets the demand of gentrifiers.
- Longtime residents continues to struggle with higher rent and risk of displacement.
 - As property taxes, housing costs, and displacement increase, these cities gradually change into a new face of urban communities.



Possible Reasons Gentrifiers Migrated to Inner Cities

- What attracts them to “urbanized” culture
 - Art, diversity, walkable access to public transportation and services, and lower property costs.
 - Not offered in rural and suburban communities, especially for professionals whom work in major cities



Brooklyn as an Example



Several Developments in Brooklyn

- Expansion of arts district around the Brooklyn Academy of Music
- Construction of Barclays arena at Flatbush and Atlantic Avenues
- Striking new additions to the skyline will be the borough's first "supertall" skyscraper



Rent Increase as a Result of Gentrification

Williamsburg/Greenpoint	78.7%
Bushwick	44.0% \$
Bedford Stuyvesant	36.1%
Sunset Park	23.9%
Brownsville/Ocean Hill	20.5%

How Educational Attainment Impacts
Income and the Ability to Afford Higher
Cost of Living

Education Attainment and Salaries

- In 2014, Brooklyn continued to attract adults with science and engineering college degrees by 12% (Brooklyn Chamber of Commerce, 2016).
 - STEM careers typically pay higher salaries.
- Several may work in Manhattan, but relocated in Brooklyn, when costs were lower than the big city.
- In 2015, the average annual wage in Brooklyn was \$41,178 compared to \$89,105 in New York City, and \$68,771 in the whole state (Brooklyn Chamber of Commerce, 2016).
- If a 1 bedroom apartment costs about \$3,000/month
 - the average annual wage may not be sufficient enough to afford higher prices.

Demand of industries that moved to Brooklyn

Information	23.4%
Healthcare Jobs	45%
Ambulatory Care	10%
Management of Companies and Enterprises	13%
Finance and Insurance	8.5%
Professional, Scientific, and Technical Service	4.8%

Brooklyn Chamber of Commerce (2016)

Comparison of Education Attainment and Employment

- Industries require employees with some type of degrees, certifications, and other competitive skills.
- Folks with less than a high school diploma experience highest rate of displacement

EDUCATIONAL ATTAINMENT Brooklyn	Employment	Unemployment
Less than high school graduate	55.3%	12.5%
High school graduate (includes equivalency)	64.1%	10.6%
Some college or associate's degree	70.8%	9.5%
Bachelor's degree or higher	83.9%	5.3%

US Census (2015)

Employment Rate and Race

Race Brooklyn	Employment	Unemployment
Hispanic (Any race)	54.8%	11.6%
White alone	59.3%	7.5%
Black or African American alone	53.6%	13.8%
American Indian and Alaska Native alone	51.1%	14.3%
Asian alone	58.1%	8.2%
Native Hawaiian and Other Pacific Islander alone	67.5%	6.0%
Some other race alone	55.7%	10.5%
Two or more races	60.8%	11.1%

US Census (2015)

Employment Rate and Race

- Hispanics and African Americans face the greatest threat of displacement from their communities
 - Negatively impacts diversity.
 - May be other factors, besides credentials, that create obstacles for minorities to obtain livable wage employment.
 - There has been stories about displacement from homes
 - Landlords raise rent



The Working Poor

- Employment does not guarantee residents will live above poverty level.

POVERTY STATUS IN THE PAST 12 MONTHS in Brooklyn	Employment	Unemployment
Below poverty level	36.1%	27.4%
At or above the poverty level	76.7%	7.0%

US Census (2015)

How Entrepreneurship May Play a Role
for Minorities and Low Income Residents
in Building Wealth

How Entrepreneurship can Play a Role

- According to Brooklyn Chamber of Commerce (2016) by 2020
 - 50% of the U.S. workforce will be freelancers (not all of them will be full-time freelancers, but they will be in some capacity).

	2005-2009	2010-2014	Increase
Incorporated	29,474	33,014	3,540 12.0%
Unincorporated	98,819	106,264	7,445 * 7.5%

Minority and Women Owned Businesses

- Based on the research completed by NYC comptroller (2016),
 - “Minority- and women-owned business enterprises (M/WBEs) comprise just over half of all firms in New York City, with 539,447 minority-owned firms and 413,899 women-owned firms”.
 - Play a major role in job creation



Minority Business Development Agency (2016) Highlight Multiple Barriers

Networking Barriers	86%
Bonding Requirements	83%
Receiving Timely Payment	78%
Access to Capital	77%
Discriminatory Attitude	66%
Late Bid Notification	64%
Large Project Sizes	60%
Insurance Requirements	56%
Higher Standards	49%
Bid Shopping	43%
Capability Stereotypes	42%
Held Bid	41%
Double Standard	34%
DBE Stigma	14%

Barriers for Minorities and Women

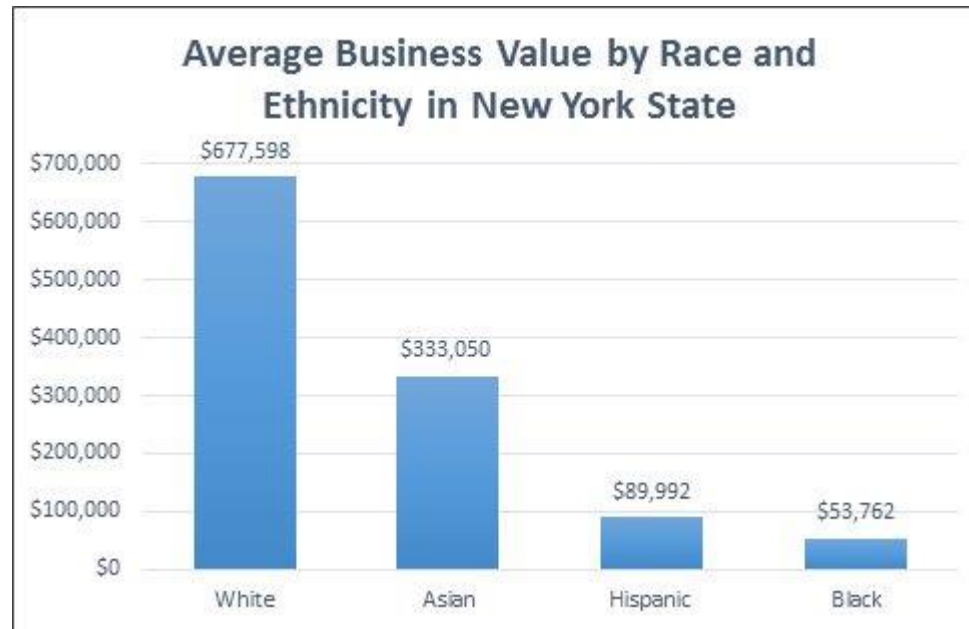
- “In Fiscal Year (FY) 2016, the City procured \$15.3 billion worth of goods and services, but only 4.8 percent went to M/WBEs.
 - In total, only 994 certified M/WBEs received payments from the City during the entire fiscal year”. (NYC Comptroller, 2016).
- Wealth gap, especially between minorities and their white counterparts is extensive
 - Struggle to obtain enough capital or collateral.
 - “Black households own an average of \$85,000 in wealth and Latino households own an average of \$98,000, compared to \$656,000 for White households” (NYC Comptroller, 2016).
 - May explain some reasons behind displacement

Barriers for Minorities and Women

- Experiencing complications, such as;
 - low credit or lack thereof, and high debt
 - Will struggle to build wealth
- As property taxes doubles or triples, rental business properties drastically increase.
 - Place small and minority owned businesses at a disadvantage.
- Lack of network support
 - Experiencing negative stereotypes and discrimination coerce minorities into working two times harder, compare to their white counterpart, to win contracts.
 - May not have the resources that will allow them to search for and bid on contracts in a timely manner.

Barriers for Minorities and Women

- According to the chart from Comptroller (2016), minorities experience difficulty generating enough revenue to create adequate local jobs



Conclusion

- White, professionals, and upper class will continue to transform urban communities
 - Despite opposition from traditional inner city residents.
- Building wealth may play a significant role:
 - Taking some control of their neighborhoods.
- Low income residents will continue to experience hardship and displacement:
 - Develop a mindset of working towards increasing their wealth.
 - Complete educational programs that will train for industries that pay higher wages.
 - Expand credit building and financial workshops so that these individuals gain more knowledge on how to budget.

Conclusion

- Expanding STEM and entrepreneurship programs
 - K-12 schools that are heavily attended by minority and low income students.
- Training inner city youth to become innovative and entrepreneurs is beneficial
 - Impressionable, flexible, and have fewer responsibilities.
- Communities should organize mentor programs that will introduce inner youth to highly skilled careers.
 - Programs should introduce students to careers in government or law enforcement
- The most effective mentors
 - Professionals whom grew up in impoverished communities so that students recognize that success is possible, despite circumstances.

Conclusion

- Minority and women entrepreneurs
 - Advocate for policies that will minimize barriers to grow their businesses.
- Most importantly, State funded MWBE programs
 - Expand their outreach and free workshop programs in inner cities.
 - Rising Tides, a non-profit entrepreneurship program
 - Providing small business workshops for low-income residents in cities, such as Elizabeth.
 - Since, discrimination is a reality, increasing the number of minority and women owned businesses
 - Play a critical role in creating career opportunities for their communities.
- Encourage young artists to advocate for grants so they can introduce art to the community based on their perspectives.

Questions???



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