



Jane Samargia, Executive Director, HIRED

Long-term solutions needed to move more low-income people into living-wage jobs

A Civic Caucus Focus on Competitiveness Interview

March 22, 2013

Present

Dave Broden, Janis Clay, Pat Davies, Paul Gilje (coordinator), Randy Johnson, Sallie Kemper, Dan Loritz (chair), Paul Ostrow, Jane Samargia, Dana Schroeder, Clarence Shallbetter. By phone: Audrey Clay, John Mooty.

Background

Jane Samargia has served as executive director at HIRED since 1983. She is currently responsible for a staff of 140 and an annual budget of more than \$11 million. Samargia specializes in the design of service delivery systems, program management and governmental relations. She is responsible for the operation of workforce development programs in Hennepin, Ramsey and Dakota Counties and the City of Minneapolis in the Twin Cities metropolitan area. These programs annually assist more than 11,000 at-risk youth, refugees, single parents, school dropouts, ex-offenders, dislocated workers and others lacking adequate education, training and work experience.

During Samargia's tenure, HIRED has become a leader in the use of technology to link employers and job seekers at community-based organizations. HIRED's Job Link, a workforce development information management system, has been cited nationally as a model for more efficient gathering, organizing and communicating of job-opening information. Samargia also spearheaded the development of HIRED's Integrated Client Information System (ICIS), a secure, proprietary database that interacts seamlessly with the state's Workforce One structure. ICIS has received the attention of government officials and agencies across the state for its design and the significant efficiencies created for HIRED counselors. In addition, she has served on a number of local and state-level committees to advise on workforce development issues, including those related to the Minnesota FastTRAC initiative to help lower-income workers advance in the workplace.

Samargia is a graduate of the University of the Philippines.

Summary

HIRED Executive Director Jane Samargia describes her organization and its programs, which are aimed at preparing people for in-demand jobs and connecting them with local employers. She summarizes HIRED's overall objective as helping job seekers meet both their personal and financial needs through comprehensive employment services. Case managers, housing specialists and other HIRED staff help participants overcome whatever barriers stand in the way of their job placement. Samargia outlines strategies HIRED uses to help participants with one major barrier in particular, transportation to current or potential jobs. She calls for a long-term solution to that problem that goes beyond buying bus passes and gas cards for clients.

Discussion

The first part of the discussion describes HIRED and its programs. The second part deals with the issue of getting HIRED's participants to wherever the jobs might be located.

Part I. Preparing people for work.

HIRED's mission is to prepare people for jobs and connect them with local companies. "We have not strayed from that mission at all since our founding in 1968," said HIRED Executive Director Jane Samargia. She made these other key points about HIRED and its programs:

- **HIRED's approach is to work closely with the business community to prepare people for career advancement.** " We also focus on human service supports," Samargia said. "We're industry-driven in terms of the kinds of jobs we prepare people for and the kinds of training programs we develop."
- **All of HIRED's services are free, both to jobseekers and to employers.** The programs are publicly funded through government contracts that HIRED bids on, in addition to fundraising from individuals, foundations and corporations. HIRED is also supported by the Greater Twin Cities United Way.
- **Each year, HIRED serves 11,000 to 12,000 people in all of its programs.** Responding to a question about where HIRED's participants come from, Samargia said that in the public assistance program for parents with children, HIRED must accept all people referred from county financial assistance, if they report for orientation and enrollment. Among other people, HIRED sometimes does pre-screening, but mostly takes everyone who comes to them, as long as program resources to serve the people are still available. The organization gets referrals from schools, other nonprofit organizations, corrections programs and Minnesota Job Service and has put its own counselors in schools, such as Patrick Henry and North High Schools in Minneapolis.
- **People in HIRED's programs are diverse.** They range in age from 14 to 70; 51 percent are on public assistance; 66 percent are female, most with children; 50 percent are people of color; and 27 percent have no high school diploma.

- **The organization has 16 sites throughout Hennepin, Ramsey and Dakota Counties.** "We don't own any buildings," she said. "We've moved around over the years, because we take our services where they're needed. We've operated inside of prisons and in high schools. We sometimes provide services on site for businesses laying people off, if they permit it."
- **HIRED has 140 staff members who provide services for 11,000 clients.** "We have to be very economical and efficient in what we do," Samargia said.
- **HIRED has five major program areas:**
 1. For families transitioning from public assistance. Minnesota Family Investment Program (MFIP) program is the federally funded public assistance program for families. It has a five-year lifetime limit for participation.
 2. For laid-off workers. Services are provided to get them retrained and back into the job market.
 3. For low-income adults.
 4. For at-risk youth. Many are homeless and have aged out of foster care.
 5. For employers. The employer services division works very closely with the business community to obtain information needed to develop employer-driven training programs.
- **HIRED's services to clients are very comprehensive.** Every person has a case management counselor, who manages all needed services. Each client has a personalized employment plan that takes into account their own situation and their family's situation. The plans are quite complex, including timelines, resources needed to resolve barriers or to provide for training and education, and specific goals to be attained.

For youths, the primary focus is to make sure they have at least their high school education completed. HIRED then tries to move them on to postsecondary education or to a job. "People are in our programs for different lengths of time, with different levels of concentration," Samargia said.

- **The employer services division works with the business community.** HIRED has advisory boards with 119 companies represented that help the organization plan its training programs and keep up to date on labor information and the kinds of skills people who come to work need to learn. There is a general advisory board and also specific ones for manufacturing, health care, customer service, "green" jobs and transportation occupations.
- **HIRED, Hennepin Technical College and suburban manufacturing employers have been working together to try to bridge the skills gap for new manufacturing jobs.** Samargia said that in 2005, manufacturing companies in suburban Hennepin County came to HIRED and its partners at Hennepin Technical College saying they couldn't find people to hire. They were quite concerned about the pipeline of employees, especially with the aging of their master craftsmen. In response, HIRED established its manufacturing advisory board, an advisory committee of employers and people from Hennepin Technical College. In some cases, companies lent their master craftsmen to teach classes in manufacturing skills. Many partner companies hired graduates of the manufacturing training program, which was termed "M-Powered."

- **HIRED's outcomes for the first 8 months of fiscal year 2013 (from July 1, 2012, through February, 2013) include the following:**

1. Jobseekers served: 8,809.
2. People placed in jobs: 1,738.
3. Disadvantaged people placed in jobs: 967.
4. Average wage for people placed in all jobs, including those that are subsidized: \$14.37.
5. Average wage for people placed in unsubsidized jobs: \$14.72.

Samargia explained that her organization has a number of people in training and also high school kids who aren't actively looking for jobs. It also works with people who need two to three years to get prepared to go to work.

- **Currently, HIRED contracts with the City of Minneapolis and Hennepin, Ramsey and Dakota Counties.** The contracts are paid using federal funding streams that are administered through the state and local government; some state funds and a very small amount of local funds are also used.
- **Felons face job barriers.** Responding to a question, Samargia said there are felons throughout all of HIRED's programs. The majority are in programs that focus on low-income people. "Having a felony on your record can be a very big barrier," she said. "We have specialized workshops for people with felonies with specific information about selecting jobs that the law does not disqualify felons from holding and about how to explain a felony on their record as well as the gaps in their work history due to incarceration.
- **The resources to support people in their job search have greatly diminished.** This reduction has been particularly acute since the federal economic stimulus funds made available in 2009 have ended.
- **The federal budget sequester will take a further toll.** The state is estimating a five percent cut, as a result of the federal budget sequester, to the federal Workforce Investment Act programs that provide funds for employment and training programs for adults, youth and dislocated workers. "That's a pretty low point, when you're already working with inadequate resources," Samargia observed. The Minnesota Family Investment Program is exempt from the sequester action.
- **HIRED places people in many different industry sectors.** For fiscal year 2012, the top six sectors by percentage of job placements were:
 1. Health care and social assistance: 19 percent.
 2. Retail: 17 percent.
 3. Accommodation and food services: 11 percent.
 4. Administration and support and waste management: 10 percent.
 5. Manufacturing: 10 percent.

6. Professional, scientific and technical: 5 percent.

- **HIRED has developed a culture of analysis and its own software to track and analyze programs' performance throughout the agency.** Their ICIS (Integrated Client Information System) provides accurate, real-time information for use in funder reports, grant proposals, outcome and demographic reports, strategic business planning and identifying best practices. The software helps HIRED meet many different reporting requirements and interfaces HIRED's database with the state's Department of Employment and Economic Development (DEED) Workforce One database.

"Each year we run 70 to 80 different programs and we can report on them uniformly," Samargia said. "We can do comparisons from year to year. No other organization in the state can do that using Workforce One data in conjunction with other internal data. It's been a long process, but we're very proud of it." She noted, "We are in the process of making ICIS available to other workforce development agencies through licensing of the software.

- **HIRED has a high return on investment.** A recent study showed that HIRED's programs for youth, displaced workers and parents on public assistance have a return on investment of over 400 percent.

Part II. Transporting people to work.

The majority of low-income participants enrolled in HIRED's programs work close to where they live. That applies to MFIP recipients, youth and low-income adults without children. They work near where they live or in an adjacent town, linked by bus or rail. Many have cars, but some of the cars are not dependable.

While most live in the central cities, most jobs are elsewhere. In response to a question, Samargia estimated that 60 percent of HIRED's participants live in the two central cities; only 30 to 40 percent of the job placements are in the central cities.

Experience, training may allow work further afield. Participants with work experience or some training who can qualify for higher wages or perhaps have some form of private transportation or someone helping them with transportation can sometimes afford to work farther away.

Youth must work closer to home. Most youth haven't accumulated enough money to own a car. They have to bus, use light rail, walk or bike to work. Their options are much more limited by their experience and their transportation resources. The average wage for youth in all of HIRED's youth programs is \$8.28. What is more common is the minimum wage of \$7.25.

"Where transit options are severely limited, for example, for youth living in Hastings or Farmington, we find them jobs in Hastings or Farmington," Samargia said. "For our caseload of parents on MFIP, which is about 5,000, most live in Minneapolis, St. Paul or the inner-ring suburbs. Our caseload is not widely distributed into very rural or far-out suburbs."

The availability of light rail has helped jobseekers. Many jobs have clustered at the Mall of America and the airport or adjacent businesses. Transit to that area has opened up lots of job opportunities. But many of those jobs have very low pay and can also be part time, e.g., retail, food

service and hospitality. While the transportation has expanded greatly and so have the jobs, many jobs remain at the lower-wage level.

Another transportation issue for parents on public assistance is coordination with childcare.

Likely, the family's childcare is not close to the parent's job. There could be two or three drop-offs before finally getting to the job. That can mean two or three different bus trips to get everyone where they need to go. Choices become very limited for getting to work on time and for picking up the children on time. The case managers help the jobseekers focus on a job that will accommodate this very complex travel pattern of low-income parents with children. The average wage for that group is \$9.65 per hour, Samargia said.

Low-income adults without children have more flexible travel ability . The average wage for that group is \$12.64.

Dislocated workers are not clustered geographically. They're scattered all over the region. Right now, HIRED is working with people laid off from Best Buy, Imation, Cappella University, General Mills and Wells Fargo, among others. They have recent work experience. The dislocated worker program, which is state and federally funded, allows for training and retraining. Dislocated workers usually can travel greater distances to find work. The average wage for them is \$21.82.

Closely related to the transportation issue is the issue of affordability of housing. Statistics show the outer-ring suburbs don't have a concentration of people of color, largely because of the lack of affordable housing. "For very, very low-income people, having a car vs. a roof over their heads is often the choice," she said. "It's one or the other, not both. We have found some working poor people living in their cars, which they must have to get to work, but they can't also afford to pay rent. Whenever possible, our case managers link homeless people to affordable housing.

Samargia noted that along the Central Corridor light rail line, rents are going up already. People who used to live in that neighborhood are getting forced out because the rents are increasing. Many can no longer afford housing right along the light rail line. "We need more affordable housing near transportation hubs, near rail," she said. "Planning for transportation should also include planning for affordable housing."

An interviewer pointed out that the bulk of affordable housing is in the private sector in North and South Minneapolis and in some of the first-tier suburbs. The problem is how to get people living in these affordable units to jobs easily.

Samargia responded that HIRED does targeted job development that's close to where low-income people can get to on a bus line or carpool. "There's no silver bullet," she said. "As we plan more and more light rail, we really do need to think about it. By 2025, we will need every young person and every immigrant to Minnesota to be qualified and able to get to jobs throughout the region to replace retiring workers."

Rent often exceeds monthly support from MFIP for all expenses encountered by families with children. The fair market rent for a two-bedroom apartment in the Twin Cities is \$836 per month, according to a recent report by the Minnesota Housing Partnership. A parent on MFIP with two children receives \$764 per month in cash and food support to cover housing and all other expenses.

HIRED has housing specialists, who help participants, some of whom are very young parents with children, with housing. "We help them with every conceivable thing they're facing," Samargia said. "Many young parents are very isolated. They don't have the resources we're accustomed to. They don't know about the job market. They often do not own furniture or any household items. How do you juggle all of that with also trying to get some training? Where can these young people live and where can they get on the bus or train to jobs? Why aren't more jobs planned in proximity to them?"

HIRED purchases bus passes, tokens and gas cards for its participants. So far this year, Samargia said, HIRED has spent about \$200,000 on 30-day bus passes and tokens and \$138,000 on gas cards. "We'll run out of money before the end of the fiscal year to help people with transportation," she said. "Bus cards, tokens, gas cards are a short-term fix. We need a longer term, more comprehensive fix."

Creative tools for helping people get to work are mostly low-tech. An interviewer asked about the most creative tools HIRED uses in helping people get to work. Samargia mentioned arranging carpools; connecting people to Project Newgate and other organizations that make refurbished cars available; providing bus cards and gas cards, so people can start working and then upgrade their transportation; and working on budgeting to point out what it will take for people to save, plan and budget for transportation.

She noted that when HIRED runs job fairs, they prepare a huge map of where the jobs are and their proximity to public transportation. "There's no sense in applying for a job you can't get to," she said. "A lot of what we do is very low-tech."

Conclusion

Samargia closed the meeting by stating that she gets a bit discouraged about extensive administrative, process-oriented requirements linked to public funding. They are so time consuming and expensive, while long-standing problems like affordable education and training, housing and transportation remain. But, she said, "I'm encouraged when I see people who have been through many grave challenges and who have nothing get up time and again and, finally, they succeed. If they can do that, we can do that, too."

The chair thanked Ms. Samargia for meeting with the Caucus.