

The logo consists of two overlapping arches. The top arch is a vibrant green, and the bottom arch is a dark charcoal grey. They are set against a light teal background that forms a semi-circle at the top of the page.

SOUTHERN  
ECONOMIC  
ADVANCEMENT  
PROJECT

# **A Community-Centered Model of Equitable and Just Employment**

**Report by Alí Bustamante, PhD and Greg Kaufmann**

January 2021

# **ABOUT** THE SOUTHERN ECONOMIC ADVANCEMENT PROJECT (SEAP)

SEAP is your partner and resource. We amplify the efforts of existing organizations and networks that work towards broadening economic power and building a more equitable future.

Broadening economic power brings attention to how race, class and gender intersect social and economic policy in the South. We explore policy ideas designed to directly address these connections. SEAP focuses on 12 Southern states and marginalized/vulnerable populations within the region and is a fiscally sponsored project of the Roosevelt Institute.

## Introduction

Low wages and limited worker protections have produced rising inequality and economic insecurity in the South and throughout the United States. The COVID-19 pandemic has laid bare the failures of the current employment model and has created an opportunity to reimagine a more equitable and just system. This brief introduces the Community-Centered Employment (CCE) model – a realignment of work in America based on shared values, strengths, and needs within any given community. This model is not only compatible with the current market economy, but it produces greater economic prosperity and social value. Furthermore, examples of the CCE model can already be found in the South and they are thriving. This paper presents two local models (one large city and one rural), both of which have responded to the COVID-19 employment challenges with a focus on workers’ dignity and power and community needs. We also explain the regional infrastructure that could help support the growth of the CCE model throughout the South.

## A Community-Centered Employment Model

### Lead with Community Values

The CCE model asks that communities lead with values when planning a stronger economy. What matters most to a community? It may be preservation of a way of life and culture; environmental sustainability; shared economic prosperity; health outcomes; or other values that are particular to the community. How can an employment model better serve these values?

### Leverage Community Strengths

The CCE model requires a [mapping of community strengths and assets](#) that can be leveraged to improve the social and economic value of work. Community strengths can be based on the presence of a particular skillset or body of knowledge common among residents; unique cultural characteristics; available infrastructure; or environmental landscape. How can an employment model better utilize the existing strengths and assets of a community?

## Respond to Community Needs

The needs of any community can be traced in part to the social and economic deficits created by the current employment model. These deficits have contributed to population decline, environmental degradation, financial and job insecurity, and rampant inequality, as the unevenness of growth has forced some into the margins and eroded quality of life. Responding to community needs will improve both equity and prosperity. How can an employment model address social and economic deficits?

## Challenges and Opportunities

The current employment model creates a vicious cycle of inequality and economic insecurity through occupational segregation—particularly, the overrepresentation of women and people of color in lesser paying work—and the unfair sharing of economic gains.

First, occupational segregation leads to the widening of social and economic divisions. The labor market is not a leveled playing field. The social and economic environment in which each worker seeks employment shapes the scope of potential outcomes. The legacy of racism, misogyny, and other social and economic hierarchies have carved chasms that advantage some and constrain others. The job search constraints of low- and middle-income workers are critical factors that contribute to high levels of occupational segregation. Due to a lack of time and resources, low- and middle-income workers face an existential constraint when seeking a meaningful job with economic and social value: these workers require speedy employment in order to support their basic needs in the absence of savings and assets.<sup>1 2</sup>

Communities can design income supports that foster non-employed persons to find employment with social and economic value without missing meals or rent payments. Generous direct cash payments to all job seekers—not limited to the unemployed—along with food, housing, and childcare assistance can significantly reduce the job search constraints of most workers. With adequate resources, workers can buy time to seek out additional training or credentials and expand their job search to more employers and geographical areas.<sup>3</sup> Currently, this is a luxury afforded to very few.

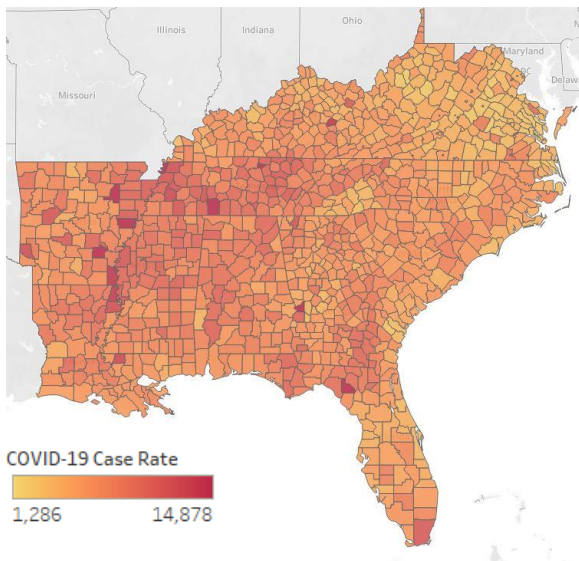
Second, the unfair sharing of economic gains dampens prosperity and deepens inequities. Limited labor protections are largely driving these outcomes as workers lack power for effective bargaining on terms of employment including wages, benefits, schedule flexibility, paid leave, workplace culture, etc.<sup>4</sup>

Communities can promote the democratization of labor relations and enhance cooperative decision-making so that employers and workers can set the terms of employment on a fair and even field. For

example, local governments can implement broad living wage ordinances and communities can develop high-road employer standards with the aim of raising wages and labor power.

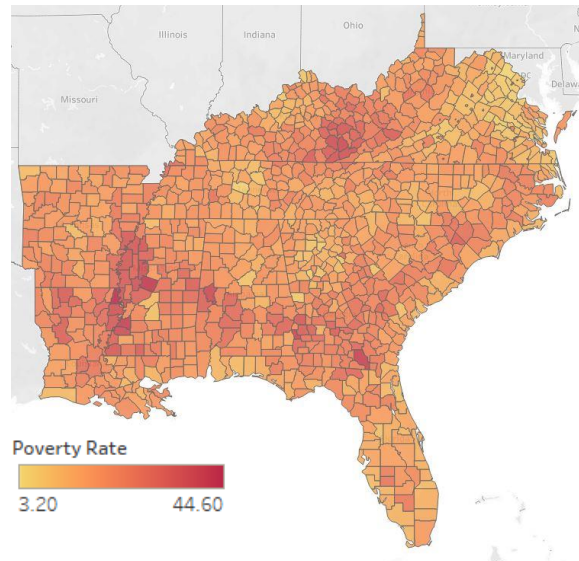
Occupational segregation and the unfair sharing of economic gains has been exacerbated by the structural unemployment and reductions in labor force participation brought on by the COVID-19 pandemic. Similarly, the pandemic has further concentrated the greatest social and economic hardships in the most vulnerable communities. Figures 1 and 2 show the close resemblance in the incidence of COVID-19 cases and poverty across Southern counties. With the expiration of the Pandemic Unemployment Assistance program under the CARES Act, the current employment model has returned to a subsistence-oriented one where workers with limited income and resources must seek any employment in order to meet their basic needs, even if they do so at great risk to themselves and their families.

Figure 1: COVID-19 Case Rate by County



Confirmed COVID-19 cases per 100,000 people, seven day moving average as of January 4, 2021. New York Times COVID-19 repository via Opportunity Insights Economic Tracker.

Figure 2: Poverty Rate by County



Share of persons with incomes below the poverty threshold. U.S. Census Bureau's 2019 American Community Survey 5-year Estimates Table S1701.

## Toward a New Model: Southern Examples of Local CCE

The COVID-19 pandemic provides an opportunity to rethink the subsistence model of employment and move towards a CCE model. Below are two examples – one in a metropolitan area and one in a rural area – that reflect the principles of the CCE model and proved to mediate the economic damage from the pandemic.

### BhamStrong

[BhamStrong](#) – a public-private partnership in Birmingham, AL—was formed to fortify local small businesses, empower workers to address community needs, and build economic resilience. The initiative thoroughly reimagined employment through the creation of the [Birmingham Service Corps](#) (BSC). The vision of the BSC is to put people back to work, give people a sense of pride, and respond to community needs—particularly needs that stem directly from the pandemic.

In April, the City of Birmingham launched BhamStrong through an initial investment of \$1 million and partnerships with the Birmingham Business Alliance and local employers. In addition to creating the BhamStrong small business emergency loan fund with more than \$2 million, the City partnered with governmental organizations and nonprofits to offer unemployed and underemployed workers multiple weeks of employment through the new BSC, and also facilitated connections to private industry.

A traditional service corps model recognizes community needs through conversations with key stakeholders and listening to calls for help—whether those come from the health department, medical providers, the public school system, the city, etc. Service Corps find an opportunity to fill a need, and then respond to it. By operating in a similar manner, the Birmingham Service Corps has offered a lifeline to those in the community who lacked employment while strengthening the city’s COVID-19 response.

Jobs filled through the BSC thus far include setting up and staffing COVID testing sites, preparation and distribution of meals, production of PPE, delivery of at-home schooling materials for both students and teachers, staffing a call center for COVID-19 screening of public housing residents, interviewing city residents about the pandemic’s impact, and providing technical assistance to local small businesses applying for Paycheck Protection Program (PPP) loans. In all, the Corps has served more than 400 unemployed workers and thousands of residents in a local economy that relies heavily on the service sector; partnered with more than 50 local nonprofits to expand their service delivery; and facilitated PPP

loans that protected more than 800 local jobs. Service Corps positions generally range in pay from \$16-\$22 per hour (and as high as \$24 per hour) and are 20-40 hours per week.

At a moment when city residents were facing dire circumstances, the Birmingham Service Corps' model not only promoted immediate re-employment and skill building, but it simultaneously addressed critical community needs and provided people with meaningful work. In fact, Corps workers consistently [report](#) that both the wage and the value of their work to the community are rewarding for them during this particularly trying and isolating time.

In addition to providing critical and responsive employment, BSC is also an example of an employment model that successfully leverages local values. Birmingham has a long history of local communities responding to challenges in the absence of federal or state government assistance. The reliance on micro-communities and neighborhoods to survive and grow was critical in developing this new employment model that focuses on inclusivity and meaningful employment. The Corps is in essence an expression of solidarity among people who are deeply rooted in their community and value being a source of support to others.

In the long-term, the BSC aspires to continue providing skills-training opportunities, helping to advance Corps members' careers, and promoting inclusive economic growth in the City of Birmingham.

## Industrial Commons

[The Industrial Commons \(TIC\)](#) in Western North Carolina provides another example of the CCE model. TIC demonstrates how a rural community can build from decades of loss and sustain resiliency in the face of a pandemic and economic recession.

TIC is located in Burke County, NC—the hub of regional textile and furniture manufacturing supply chains. After decades of employment and population losses, the people of Burke County feared losing their way of life which they had created around the industry. In pursuit of a more sustainable economic model they transformed how businesses across the supply chain coordinate and employ workers.

TIC has played a leading role in this transformation. The organization creates and scales employee-owned social enterprises as well as industry cooperatives, and supports frontline workers to help build an inclusive economy rooted in dignity and community. It works with firms in the region to find solutions that address worker agency, business resiliency, and environmental sustainability, helping businesses to

be more innovative and better coordinated, while improving livelihoods and building wealth in communities. Moreover, TIC's own enterprises and cooperatives serve as a model for profitability while also being anti-racist, setting fair wages, implementing employee-ownership, and practicing democratic governance. While some manufacturers struggle to fill positions, TIC entities have long waiting lists of interested workers because they provide employment that has both economic and social value.

During the pandemic, TIC demonstrated the critical role it has established in the region. By leveraging existing relationships and community expertise, TIC was able to lead a regional effort to pivot to the production of personal protective equipment (PPE) and thereby avoid severe job loss.

When COVID-19 first struck, it reduced demand for some textile and furniture companies in the region. The Burke community witnessed the PPE shortages in New York City and knew it was only a matter of time before it hit their region as well. People wanted to respond not only for the sake of their businesses and employees, but also to contribute to the nation's effort to contain the virus. However, pivoting the supply chain from apparel and furniture to PPE and cloth face coverings was both financially and technically demanding.

TIC first turned to the federal Appalachian Regional Commission (ARC). The ARC had supported TIC's work for five years and it quickly provided a sizeable grant. Those monies allowed TIC to front the costs of acquiring the fabric and materials necessary for businesses to pivot to PPE and cloth face coverings and then to pay the companies for their cut and sew labor costs. TIC also did the legwork to provide businesses with the technical information they needed such as cut materials, patterns, technical specifications, government regulations, etc. As a result of this effort, TIC paid out over \$2 million to more than 60 businesses that were able to remain profitable, workers remained employed, and the community made a vital contribution to a national effort.

Over the long-term, TIC seeks to extend its anti-racist and equitable employment model by building an ecosystem that is not limited to producers in their existing supply chain, but also covers the broader textile market, including financial institutions. They believe that the greater alignment of resources across the community toward racial and economic equity, the more transformative power is available.



## Regional Infrastructure to Make Local CCE Possible

One challenge inherent to the CCE model is capital investment. Even when a given community has a sense of its values, strengths, and assets, it still requires resources to implement a new vision.

When the Burke community wanted to produce PPE, it was the Appalachian Regional Commission that provided the resources necessary for the transition. Since the 1960s, the ARC has invested more than [\\$4.5 billion](#) in regional projects focused on workforce development, housing, water and wastewater systems, highway and telecommunications infrastructure, and health disparities, among others. These dollars have been matched by more than \$9 billion in additional local, state, and federal dollars. The ARC currently receives \$165 million annually.

Fortunately, in the case of the South—and particularly the rural Black Belt—a similar federal commission was created in 2008 called the Southeast Crescent Regional Commission (SCRC). Unfortunately, however, the SCRC has never received more than \$250,000 in any given year despite annual authorizations of \$30-\$33 million. (A commission created at the same time for northern border states has received its full appropriations.)

The Biden Administration can rectify this by immediately naming a federal Co-Chair of the SCRC and working with Congress to not only appropriate all the monies denied since 2008, but also significant compensation for the half-century exclusion from the kind of place-based development made available to the majority-white Appalachian region.

The SCRC was [created](#) to provide funding for job training, health care services, transportation, infrastructure, and more. One can see how these investments in health care facilities and a more diversified economy — so fewer people would now be dependent on low-wage and currently high-risk work — could have made a real difference in the disproportionate suffering among Black and Brown Southerners during the pandemic.

Consistent with the CCE model, the SCRC must use an inclusive planning process so that its investments are informed by community-based organizations, local grassroots leaders and small businesses, labor and education representatives, and other key stakeholders. In this manner, the SCRC can play a vital role in helping communities transition to a local economy that reflects their unique values, strengths and assets, and provides equitable and shared prosperity over the long-term.

## Conclusion

A Community-Centered Employment model is both needed and feasible. It allows communities to reject the inequities and marginalization produced by the existing subsistence model of employment while promoting economic prosperity and upholding shared social values. The scale of efforts required to shape economies through community-centered employment may vary, but their impacts will prove transformative—providing evidence that a more equitable and just economy is possible.

## Resources for Further Reading

- **Improving Unemployment Insurance in the South:** [South Strong](#)
  - Evermore, M. (2020). National Employment Law Project.
- **Southern States Economic Responses to COVID-19:** [Southern Economic Advancement Project](#)
- **Southern Health and Economic Policy Actions on COVID-19:** [Southern Economic Advancement Project](#)
- **COVID-19 and Child Care:** [Southern Economic Advancement Project](#)
- **Equitable Spending of States' CARES Act Money:** [South Strong](#)
  - Davis, C. Standaert, D. (2020). Hope Policy Institute.
- **Equitable Recovery Strategies:** [State Health and Value Strategies](#)
  - Korn, M., Howard, H. (2020). Princeton University.

---

<sup>1</sup> Tatsiramos, K. (2014). 'Unemployment benefits and job match quality', *IZA World of Labor 2014*, Vol. 44, pp. 1–10.

<sup>2</sup> Card, D., Chetty, R. and Weber, A. (2007). 'Cash-on-hand and competing models of intertemporal behavior: new evidence from the labor market', *Quarterly Journal of Economics*, Vol. 122, pp. 1511–1560.

<sup>3</sup> Nekoei, A. and Weber, A. (2017). 'Does extending unemployment benefits improve job quality?', *American Economic Review*, Vol. 107, pp. 527–561

<sup>4</sup> Bivens, J. and Shierholz, H. (2018). 'What labor market changes have generated inequality and wage suppression?', *Economic Policy Institute*, December 2018.