



**Remarks of Boston Mayor Thomas M. Menino
President
The United States Conference of Mayors
To the
New York City Workforce Summit
December 9, 2002**

I want to thank the three sponsors of today's forum for inviting me to New York City to talk about workforce development. I'm particularly pleased to see the level of interest in this subject from the foundation community here. There is no better investment you can make in people than in helping families climb the ladder to economic success.

The best events I do are those when a family breadwinner graduates from any educational or training program because they are on the road to becoming part of the great American workforce, and their lives are going to change for the better.

I'm glad I was able to make a quick trip to your great city. New York, like so many cities, is facing tough fiscal times and hard decisions need to be made every day. Mayor Bloomberg deserves your support as he works to resolve problems that are not of his making.

All around the country, states and cities are facing deficits and cutbacks as a result of our national recession. Business Week estimated that these deficits together could hit \$80 billion. And as these governments cut back, it further slows the level of economic activity as people lose their jobs, cut their own spending and draw down unemployment and other benefits.

Previous national administrations, notably the Nixon Administration, recognized the need for counter-cyclical assistance and sent revenue sharing, job training and construction monies to the state and local level to prime the pump. Today, Washington seems content to close their eyes and pray for better times. That's not a partisan comment -- neither party has a substantive domestic agenda on the table, and that's unfortunate.

Tomorrow, in Boston, I'll be speaking to our Greater Boston Chamber of Commerce and I'll be talking more about this subject and what I can do in my current role as President of the United States Conference of Mayors to raise the common concerns of our cities and states.

It's interesting -- December is supposed to be a month when things slow down, people get together with their families, celebrate the holiday season and reflect on the year past and the year ahead. Let me give you an idea of how things don't slow down in December when you're a mayor:

- Last Monday, I unveiled a proposal for state legislation to address our growing homeless problem. I called for the enactment of a bond to fund more shelter, transitional living, job training and health care facilities for our neediest people. We also reallocated local resources to provide shelter beds that the Commonwealth of Massachusetts would no longer fund.
- On Tuesday, I announced the balance of our state legislative package, which included a range of options for local governments to raise their own revenues. Cities and towns in Massachusetts face a ten to twenty percent cut in local aid from the state next year and we must find ways to continue to provide public safety, public education and basic services. Cities can only raise property taxes by 2 1/2 percent a year and as we face rising health care costs and new education mandates, that just doesn't work for us.
- On Wednesday, I convened the CEOs of our city's great health care institutions and asked them to help us reduce the racial disparities in care in my city. We have some of the best health institutions in the world, yet less than a mile away; people are not receiving the care they deserve. We must do better and with their help, we will.
- On Thursday, I joined with John Hancock's executives to salute the work they do with the young people of our city. Hancock is a great corporate citizen to us. They have hired at risk young people for their "Summer of Opportunity" jobs program. They have provided math tutors to young people in our school system and they have been a major partner in raising matching monies for the Annenberg Foundation's reform grants to Boston. I'm thankful for their help and always glad to meet the volunteers they provide.
- Now on Friday, the real fun started. I do a trolley tour around Boston and light trees in all our neighborhoods. Of course, Boston is much smaller than New York but my staff jokes that if there's a branch hanging anywhere in the city, the mayor will light it! So I spent my weekend in our neighborhoods, and we had a lot of fun. And now I'm here.
- One last thought that brings this week full circle before I talk with you about workforce development. Tonight in Boston, I will go out with volunteers from city government, non-profits, business leaders and other concerned citizens as we do our Annual Homeless Census. We go out to the parks, under the bridges and into the neighborhoods -- not just to count people, but to offer them shelter and services. Some people refuse help, and that's a shame, but at least for a moment the touch of human kindness is made.

- We'll be out there at midnight -- and then I'll be speaking to the Chamber of Commerce a few hours later! And that's what the job of mayor -- from Boston to New York to Wichita -- is all about!

Now, let me talk to you about today's topic -- workforce development. I'm honored that you would ask me to speak on this topic because, as I said in the beginning, there are no events I do that give me more satisfaction than those in which people are climbing the economic ladder.

On a national level, we should look at workforce development as critical to our nation's future, but we are cutting rather than investing.

˘ The skills shortage is putting the US at risk in two very fundamental and serious ways: Economic and National security:

- We are falling behind other industrialized nations with whom we compete in the global marketplace, in the educational and skill level of our workforce. The US ranks 10th in adult literacy among the 17 highest income countries.
- We trail 3 other nations in the percentage of our population graduating from college, and many nations are expected to overtake us in the next few years.
- 42% of projected job growth in the next 10 years will require some level of college credential, or certification of specific technological skills.
- The salary gap between those with a college education and those without grew from 50% in 1980 to 100% today.
- It is estimated that 75% of all US workers will need to be retrained to retain their jobs, yet business investment in training fell 18% between 1988 and 1997.

How do we in the United States remain an economic powerhouse if we are not investing in ALL our people? We cannot afford to leave any individuals behind, the demographics of who will be American workers is changing everyday, and we need everyone to contribute to the common wealth.

- In the next ten years, 41 million people will enter the US workforce; but 46 million college-educated baby boomers will retire in the next twenty years. Today, 13% of the workforce is 55 or older, by 2020, it will be 20%.
- US workers will be very diverse racially and ethnically, especially in American cities. In the next seven years people of color will be 35% of the workforce across the nation, up from 27% today. And by 2050, the workforce will be nearly at a 50/50 balance of Caucasians and individuals of color.

- And we are shortchanging young people as they look to enter the market -- summer youth employment rates in 2002 were the lowest in 37 years!

If we are not supporting, educating, and training a diverse, literate, and technologically sophisticated workforce, we are going to lose out to other nations willing and able to invest in their people. We will all rise or fall together economically.

Which brings me to national security. Today, we are struggling to fill many of the security positions at our airports, even with many individuals on unemployment and looking for work. Why? Because we simply don't have enough people with the education and skill level to fill these jobs. This is a symptom. It should be an alarm bell to everyone. I've suggested we retrain people laid off by the airlines; it's a win win proposition for everyone.

As a nation we have learned, and no Americans know it better than New Yorkers, national security workers are not just our men and women at sea and in khaki. They are police, firefighters, and computer analysts tracking suspicious financial deals. We need smart, able and well-trained workers in many fields to ensure our safety here at home.

At the local level, I see workforce development as a mind set, not a program. It is part of so much that we do in government:

- It's educating our young people;
- It's helping our newest citizens integrate into our economy, and;
- It's upgrading the skills of incumbent workers.

And it involves everyone -- from the private sector to the unions to state government and our county corrections system. Let me take a few minutes to highlight some of our initiatives in Boston.

First and foremost, we would not be where we are today without the strong support of the Boston business community. Cathy Minihan, who is the President of the Federal Reserve Bank of Boston, heads the Boston Private Industry Council, which serves as our local workforce investment board.

Cathy is a strong and active chair who asks the tough questions, recruits the best people to head its project committees, and has built bridges all across the city. When Cathy calls, people respond.

I'm always pushing the PIC to do more, and they always do! From summer jobs to school to work programs to career counseling in our schools, they have been there.

At the city level, we have our Office of Jobs and Community Services, which is headed by Conny Doty, who is here with me today. Conny not only oversees our federal and state job training funds, but also the monies generated by our linkage fee on developers, which goes into a Neighborhood Jobs Trust. The Jobs Trust is a flexible source of funding that is important to have when federal and state programs just don't fit.

If a city doesn't have a linkage program, it may be something that the foundations and businesses of the city can fund. It's well worth the investment.

I should tell you that Jobs and Community Services is located within our economic development agency, the Boston Redevelopment Authority. I believe that if we do not link job training with economic development, we will fail in our mission.

Companies will not locate or expand in your city unless you can guarantee them an educated and skilled workforce. In the end, it is more important than tax breaks, or any other incentive package a city offers.

Let me also note that Conny is wrapping up her two-year term as Chair of the national Workforce Development Council of the United States Conference of Mayors, and Betty Wu, your Employment Commissioner is on the Board of Directors as well. I do want to ask Conny why she gets a two-year term, while my term as head of the mayors is only one year!

Now, six years ago, the PIC began the process of opening three One Stop Career Centers in our city with the following philosophies:

- Employers are just as important customers as job seekers;
- Customer service would be the number one criteria for judging performance, and;
- Universal service was critical to success -- think of the public library model rather than the welfare office.

The Centers were set up on a competitive basis; the City operates one of them, the Workplace, in partnership with Jewish Vocational Services. And any time I stop by there, the place is bustling with people.

Just last year, the Centers served 17,000 people and 2,000 businesses, a major jump from the year before. We have made our One Stops the hub of all our workforce activities. That is why, even when the Federal government made major changes in how to distribute training dollars, Boston was able to spend all of its Workforce Investment Act money, even in the first year.

The One Stops distribute training vouchers, refer and counsel interested citizens about every available training program, including, how to apply for Pell Grants to continue their higher education.

We see the One Stop Career Centers as a place for you to manage your career over your entire work life, not just during the crisis of unemployment. Because of this creative approach, we have developed new programs for special populations.

For example, The Workplace has a full-time staff person located within the walls of our House of Correction, providing a full range of services to individuals who are coming

out of incarceration. They have even run job fairs inside the jail, and employers offered some jobs right on the spot so the individual can go to work the day after they are released. We still have a way to go in this area, but every person we can set on the right path is one fewer issue in our neighborhoods.

In addition to the three main Career Centers, I've created two Resource Centers, which are satellite offices, in the neighborhoods of South Boston and Roxbury, which target additional placement and training services in those communities where they are most needed. We also are fortunate to have resources available to us through our empowerment zone designation and through the Youth Opportunity program -- a five-year, \$24 million federal grant that provides a range of services to over 2,000 at risk young people.

So I've outlined to you some of the resources we have at hand and the agencies we have in place, but without a solid delivery system that works with all sectors of our economy, none of this would work. Let me give you a few examples of the partnerships we've created:

In Boston, as in New York, we have a diversified economy, so that when one sector lags, others are still moving forward. The health care sector in Boston, for example, has a constant need for skilled staff. We have worked with the hospitals to develop and support training programs that lead to real jobs.

One of these efforts, Project Rise, began as a federally funded welfare to work program. When the federal monies ran out, the CEO of Partners Health Care, Tom Glynn, picked up the \$300,000 cost. We also have a partnership in the health care field through which two local community development corporations, in neighborhoods adjacent to the Longwood Medical Area, identify residents for positions, and through ongoing training, help them move up the career ladder.

I spoke earlier about how this past summer was the worst in 37 years in terms of summer jobs for young people. In Boston, we see summer employment as essential to keeping kids out of trouble, giving them important work experience and job readiness skills, and putting a few extra dollars in family pockets. We survey the kids every year and sure, they spend money on clothes and records, most of it locally, but they also save money for college and help their families with the rent and expenses. It is one of the best investments we make in government.

I would like to see more young urban men and women have access to the good jobs within the building trades. Many of the kids in our city don't even know someone who is a carpenter, a plumber, electrician or bricklayer. In the Boston region, our skilled trades' workers more and more come from the suburbs and even out of state. So, this summer, we started a terrific new program with some of the building trades based on an "earn and

learn" model. We paid the stipend and the unions provided both a survey of the trades and math and literacy academic support.

Like New York, we are a city of immigrants, and the numbers of new citizens grows every day. We have focused a number of our efforts on new Bostonians, as I call them. When a mid-sized manufacturing plant closed last year, leaving 350 mostly-Mandarin speaking workers unemployed, we joined forces with our state partners, at the Commonwealth Corporation, got a national emergency grant, and today, over 250 of those workers are in intensive English language for employment classes.

I asked our Jobs Trust to put up \$250,000 to get a major expansion in the number of ESOL classes offered in Boston, and that initial funding leveraged more dollars so that today, we have \$1 million in funds and in-kind services.

I also want to talk briefly about our technology programs for young people and families. We have two programs -- Technology Goes Home and Tech Boston, that I believe are great national models of success. Technology Goes Home began when the CEO of a computer company, Echo Tsai, donated 1,000 computers for low-income families, along with training. We have local non-profits identify families who receive 8 weeks of training together, and then they get the computer. Anyone who has been to one of their graduations cannot help but be moved. And more importantly, people who have participated in the program have been able to secure better jobs. It's a great example of welfare reform that works!

Tech Boston started out as an effort to fill the growing needs of the high tech sector in the Boston area. There are actually many jobs in this industry that don't require a college degree -- running a help desk and other support functions that pay about \$14-16 an hour.

We began by partnering with companies such as Cisco and Microsoft, who have certified technician programs, and now, with the support of the Gates Foundation nationally and the Boston Foundation locally, we have a Tech Boston High School to serve as a focal point of these efforts.

So as you can see, so much of what we do in Boston does serve to give people a better shot at the American Dream. Like all cities, you can look at the glass as half empty or half filled. On one hand, we have many students struggling to pass a standardized test for graduation; on the other hand, we have one of the highest rates in the country of students who go on to college. On one hand, we face short-term fiscal problems. On the other, we are the economic engines that help drive the national economy forward, even in tough times.

All of this creates a convergence of need and opportunity in our cities, which is why the job of mayor is the best and most challenging job in America. We get to shake the hands of ESL graduates, whose children and families look on with pride. We make the deals that bring in new jobs and sometimes, we scramble to find jobs when a company leaves town.

We beam with pride when the graduate of a culinary program for formerly homeless individuals comes up to you in a restaurant that hired them and says thanks. Then we go back into the cold night and wonder how many more people like that need our help.

I hope I've been helpful to you today. I invite you to come up to Boston and see what we are doing. I don't have any Red Sox - Yankees tickets, but there are many other great attractions in our city.

More importantly, I ask all of you to work together to continue to raise the issues of workforce development and economic opportunity, particularly in our nation's capital. We need to hold Washington's feet to the fire not only to provide sufficient resources, but also to keep them flowing to the local level, where they can best be put to use.

Some of you represent the leading foundations in the country -- I want to offer you a partnership with our nation's mayors to focus attention on our common agenda. During my term as President of the mayors' conference, we have enlisted the Broad Foundation to work with us on education reform, the Annie E. Casey Foundation on working families' issues and the Mott Foundation on after-school programs. There's plenty of room for new partnerships -- our doors and our minds are always open.

Thank you again for inviting me and thank you for working to make New York a greater city than it already is.

I'll be happy to take your questions.