

## **(1) Local Conditions and Needs –**

Our application for the Recompete Grant is driven by an understanding of the existing regional workforce system as well as challenges faced by the community in this area, including barriers to childcare services, a lack of public transportation, underfunded and underperforming schools, and persistently low wages. To collectively address these issues and improve the economic prospects of our residents, we hope to build on past public-private partnerships to develop and implement a comprehensive strategy to decrease the prime age employment gap in the identified area.

Overall Chattanooga has experienced significant economic growth over the past decade – despite pandemic challenges, the City and County continue to experience low-unemployment and increasing median household income and wages. However, it is also clear that this economic growth has not benefited residents or neighborhoods equally. Chattanooga experiences significant disparities that are based on race and geographic location. As Mayor Tim Kelly state in his One Chattanooga plan:

*“As a Southern city, the legacy of racism and the inequitable policies that flowed from the Jim Crow era have left behind deep social and cultural scars in our community, manifested as disparities—or gaps—between our neighbors. From health outcomes to economic opportunity, decades of divestment in our neighborhoods, compounded by national politics more interested in partisanship than people, has created a city where life experiences can be vastly different depending on the zip code you’re born in, and the color of your skin.”*

Nowhere are these systematic disparities more apparent than within the neighborhoods that make up Chattanooga’s urban core. The census tracts outlined by the Recompete framework with high PAEG encompass four important and distinct neighborhoods within Chattanooga’s Urban Core: Alton Park, Clifton Hills, East Lake, and Oak Grove. These five Census tracts have been identified as “persistent poverty tracts” by the U.S. Census - because they have had consistently high poverty rates since at least 1989. However, we know the disinvestment and exclusion in these neighborhoods reaches back much further.

As majority Black/Latino neighborhoods, they contain 10% of the total population of Chattanooga, but over 20% - or one in five - of the City’s Black and Latino residents. The median household incomes for these neighborhoods range from \$23,578 to \$40,000 (ACS 2017-2021 estimates), which is significantly lower than the City as a whole (\$50,437). Perhaps more importantly, the median annual wage for full-time workers in these neighborhoods is just below \$25,000, which is about half of the median annual wage in Chattanooga (\$48,000). Between 2013 and 2021, the median annual wage for full time workers in the City increased

from \$36,000 to \$48,000 - however, wages remained relatively stagnant for workers in these neighborhoods increasing from \$23,500 to \$25,000 in the same time period. These wages are the equivalent of about \$12 an hour, which is well below the living wage identified by MIT (\$15.81) for one adult with no dependents. The data is clear: residents in the neighborhoods of East Lake and South Chattanooga are not able to access jobs that support a living wage or any kind of financial stability.

In addition to the prevalence of low-wage work, residents in these communities confront a range of challenges that collectively hinder access to overall economic opportunity and well-being, including:

- **Childcare Access and Affordability:** Many residents in this area face difficulties accessing affordable and reliable childcare services, limiting their ability to seek employment or pursue career opportunities. According to the Child and Adult Care Food Program (CACFP) The area qualifies as a childcare desert, with only two childcare centers and six family providers totaling 414 seats. With about 1,700 children under 5 living in these neighborhoods (2021 ACS 5-year Estimates) , there is only capacity to serve about 1 in 4 children in licensed childcare. In addition, the average cost of childcare in Hamilton County is about \$10,000 per year (Tennesseans for Quality Early Education report), which is completely unaffordable for workers earning the median annual wage of \$25,000.
- **Low Postsecondary Educational Attainment:** A contributing factor to the persistently low wages in the Reconnect area is the limited accessibility of postsecondary education opportunities. About 60% of residents in these neighborhoods have no postsecondary education, compared with 33% of residents in the City overall. In addition, based on recent research from the Chattanooga's Public Education Foundation (PEF), we know that, on average, about 1 in 3 graduates of the local high school that serves most children in these five neighborhoods enroll in, but never complete postsecondary education or workforce training programs, and less than 10% of the graduates complete a 2- or 4-year degree. In the state of Tennessee, all residents have the opportunity to pursue a two-year college education for free. Nevertheless, the residents in this area are often not able to leverage this opportunity due to additional financial barriers.
- **Transportation Access:** About one in four households in these neighborhoods lack access to any vehicle and an even larger percentage lack reliable/regular access to a vehicle or are prevented from driving because of not having a license. Public transportation is not a viable option for access to most jobs, because it is sporadic and commonly not on time. A recent study by the Chattanooga Area Transit Authority (CARTA) estimated that residents must wait on average one hour for buses on most routes throughout the City.

**Based on this data, we know that residents in these neighborhoods are structurally locked out of accessing thriving wage work in Chattanooga.** Lack of postsecondary education means

residents don't qualify for most good jobs in our community. The jobs that residents can access are low-wage and do not adequately support basic living expenses and dependents - including covering the average cost of childcare in the county. In addition, there is not adequate child care capacity to serve neighborhood residents. Nearly all living wage jobs as well as postsecondary and workforce training programs in the City are located outside of these neighborhoods - meaning residents would need reliable transportation to access them.

With so many structural challenges facing residents, our regional workforce system which serves a ten county and largely rural area of Southeast Tennessee, is not equipped to provide effective access and support targeting these neighborhoods. Within the region, Hamilton County has the second lowest poverty rate at 12.2%, meaning the services provided by our regional workforce board and American Job Centers often overlook communities within Chattanooga that fall well below the poverty threshold, which is why establishing a working group dedicated to this underserved community is imperative to address economic disparities.

## **(2) Partnerships and Potential Commitments –**

Our approach to addressing these challenges is grounded in strong, existing partnerships. The stakeholders involved in this initiative bring a wealth of experience, resources, and a proven history of working together effectively.

Both the Chattanooga and Hamilton County Mayors are aligned on developing a strong workforce for their joint community. Both governments desire to revamp and invest in strong workforce development initiatives. Over the last few months, the city and county, along with the chamber of commerce and local philanthropy, have been unpacking the workforce development landscape, with a focus on the Southeast Tennessee Workforce Development Board. This process involved both stakeholder interviews and workforce board policy analysis. After discovering that both the board and other major stakeholders in the workforce system are structurally unable to promote system-level change in Chattanooga-Hamilton County, it has become clear that the county and the city need to work together to build a united vision that drives towards thriving wages and strong workforce outcomes.

Chattanooga and Hamilton County aim to establish a joint workforce initiative to enhance the existing system. By appointing a leader to solely focus on workforce development for this community and by setting a targeted vision with clear benchmarks, this new initiative will focus on re-engaging disconnected workers, preparing them for well-paying jobs in growing industries, and aligning organizations in the workforce development space toward common goals for the benefit of Chattanooga-Hamilton County residents. We believe that Recompete is an opportunity to pilot this local workforce development organization within a clearly defined geography, target population, and timeline for implementation.

The core partners for this work include the City of Chattanooga, Hamilton County Government, Chattanooga 2.0, The Chattanooga Chamber of Commerce, The Benwood Foundation, and The Bethlehem Center.

Under the leadership of Mayor Tim Kelly, the City of Chattanooga developed the One Chattanooga Strategic Framework, a broad vision and guide developed through focused community engagement, to ensure opportunity is available to each of our neighbors. Specifically, the plan notes that while Chattanooga has great potential and continues to attract national attention for its' natural beauty and fast internet speeds, there are decades of disinvestment in our neighborhoods, structural disparities, and disparate health outcomes across our city. One Chattanooga seeks to address early learning outcomes, catalyze economic vitality in the black community, diversify affordable housing options, improve public transportation, build a competitive regional economy, and close gaps in public healthcare services.

As the local government authority, the city is committed to economic development and has a track record of collaborating with organizations to address pressing workforce issues. This commitment is driven by two of the previously mentioned goals of One Chattanooga, namely to (1) catalyze economic vitality in the black community and (2) build a competitive regional economy. As a result, the City of Chattanooga, along with several workforce partners, is actively engaged in the Good Jobs Great Cities Academy, a peer-learning cohort program, in partnership with the Department of Labor and National League of Cities. This 16-city cohort is focused on accelerating city efforts to design, develop, and launch a workforce initiative to build pathways to access high-quality job opportunities created by federal investments (BIL/CHIPS/IRA), especially for local residents from historically underserved and underrepresented communities, while addressing key gaps and/or shortcomings in their education and workforce ecosystem.

The county government shares the City of Chattanooga's commitment to improving the economic well-being of residents and has a history of supporting programs aimed at increasing employment opportunities. Recently, the county received funding from the State of Tennessee as part of Opioid Abatement Settlement Funds. The county has an active Opioid Abatement Working Group which has identified the development of a professional pipeline for therapists, social workers, psychiatrists, peer support counselors, substance use disorder clinicians, and more as a top priority. The county plans for this working group to support those at entry level roles within mental and behavioral health programs by incentivizing those interested in career pipelines in public service roles. The group will convene a core group of professionals and advocates working on this workforce development issue.

Chattanooga 2.0 serves as the convening entity that brings partners together to align resources and strategic focus along the cradle-to-career education continuum. This education-focused initiative strives to enhance educational outcomes and workforce readiness, aligning with our goal of addressing the education gap.

Additionally, Chattanooga 2.0 has a focus on early-childhood education and has provided research on the importance of accessible and quality early-childcare. A portion of this work involves implementing innovative approaches to childcare in partnership with local employers and nonprofit organizations.

The Chamber brings expertise in economic development and will help ensure that our efforts are aligned with the broader economic goals of the community. The Chamber's strategic plan is centered on strengthening quality public education and workforce development opportunities, growing the local economy to ensure high-quality jobs are accessible to all residents, and increasing access to capital and resources for the local entrepreneurial ecosystem. The Chamber currently houses Chattanooga 2.0 and BuildWithin as two key organizations focused on achieving these larger goals.

The Benwood Foundation fully believes that the future growth and success of our community is dependent on our ability to create a more inclusive economy and shared prosperity for all residents. To this end, The Benwood Foundation has five broad mission areas which include: accessible wealth-building opportunities and workforce affordability, supporting a high quality and equitable education system, removing systemic barriers to high wage careers, building a diverse ecosystem of community engagement, and celebrating cultural amenities that contribute to a sense of place and belonging for all residents.

The Benwood Foundation supports leaders and initiatives that will help to ensure that residents from low-income communities and communities of color have the opportunity to engage in and benefit from our community's continuing growth and development. With a long history of philanthropic support, the Benwood Foundation will contribute strategic guidance to this project.

The Bethlehem Center is a community-based organization that has deep roots in the area and will play a crucial role in engaging and mobilizing residents. Currently, The Bethlehem Center delivers intensive, effective, and specialized community-based services to adults and families in need in Alton Park, with an ultimate focus on the importance of healthy eating, achieving food security, and practicing radical self-care in communities of color like Southside and Alton Park. Services provided include a food pantry, adult basic education and high school equivalency test preparation, basic computer classes, and health and wellness classes.

Additional entities are expected to join the coalition if awarded the Recompete Implementation Grant.

Local employers are already committing to workforce development efforts like the lineworker pathway. By working together with EPB, TVA, the local IBEW chapter, Hamilton County Schools, the American Association of Blacks in Energy (AABE), the Benwood Foundation, Bulwark FR, and Southeast Lineman Training Center, Chattanooga 2.0 created a pathway that includes provides scholarships for high school students in underserved neighborhoods who want

to pursue the SLTC program and its credentials. The program incorporates mentoring from EPB and TVA employees and reduces barriers to completion through access to wraparound supports and emergency funds. Wraparound supports include funds for housing, food, and clothing, as well as a preparation bootcamp and more than weekly communication with mentors and support staff throughout the training program.

This is an example of a viable pathway that offers fast entry into the workforce, a thriving wage, and opportunity for growth and advancement throughout the high-demand career path. Through the Recompete work we plan to engage other local employers in developing career pathways that are supported by wraparound services.

### **(3) Regional assets –**

Chattanooga and Hamilton County have many community assets that are working to reduce the prime age employment gap, which would be amplified through the collaborative work of Recompete.

**Chattanooga State Community College** - As previously mentioned, TN Promise provides two years of free college education to Tennessee residents. Tennessee also created TN Transfer Pathways which ensures credits earned at a community college will transfer to any public university in Tennessee. Chatt State has also focused on embedding industry certificates into all programs offered on their campus to increase the employability of their graduates. In July 2023, Chatt State announced a new Electric Vehicle Engineering Technology Associate of Applied Science degree, which was created in partnership with Volkswagen Chattanooga. The program is being offered on Volkswagen's campus where students will learn skills related to manufacturing and maintaining electric vehicles.

**EPB** - Chattanooga was the first city in the United States to offer municipal broadband internet thanks to the local power company. EPB also offers the federal initiative, Affordable Connectivity Program, and a local program in partnership with Hamilton County Schools, EdConnect Program, which both offer free and reduced plans for community members. Most recently, EPB has partnered with Qubitekk to launch the first commercially available quantum network. This network is available to both public and private sectors and will allow Chattanooga to lead businesses, entrepreneurs, researchers, government and universities to the quantum future.

**Apprenticeship Innovation District** - In the fall of 2022, Chattanooga was selected by a national apprenticeship intermediary, BuildWithin, as one of five Apprenticeship Innovation Districts. Chattanooga was selected thanks to the collaborative work of community organizations and a strong base of existing employers offering apprenticeship programs. BuildWithin is a recipient of an Apprenticeship Building America Grant from the Department of Labor.

#### **(4) Potential Investments –**

Strong partnerships and unique regional assets provide a clear foundation for an innovative workforce development plan that would provide community members with equitable opportunities to the economic development successes that have been celebrated in recent years.

1) BuildWithin Apprenticeships: Learn and earn workforce development models like apprenticeships are an important strategy to upskill and connect young adults to high-demand, thriving wage careers. In partnership with Hamilton County Government, City of Chattanooga, Hamilton County Schools, Chattanooga 2.0, and the Benwood Foundation, our community has launched Apprenticeship Works to both expand existing apprenticeships and launch new, nontraditional apprenticeship opportunities. Currently, our community has more than 15 new apprenticeship roles including front end developer, cybersecurity analyst, customer service manager, and data analyst. Using the BuildWithin software platform, the apprenticeship process (exploration, recruitment, management) are simplified for both potential apprentices and employers. Through the Implementation Grant, our community will target pre-apprenticeships and apprenticeship opportunities within the distressed communities identified for this grant.

2) Micro Childcare Centers: The distressed communities included in this grant application have limited affordable licensed childcare options which limits workforce participation for young adults. Tennessee statute allows licensed childcare centers to extend their license to off-site childcare sites that serve no more than 12 children. Chattanooga 2.0 working with United Way of Greater Chattanooga is working to increase both quality and quantity of daycare seats by partnering with businesses and other community-based organizations to create microcenters in strategic locations throughout the community including the neighborhoods included in the Recompete initiative.

3) Community Case Managers: The Bethlehem Center has designed Client Support Services to deliver intensive, effective, and specialized community-based services to adults and families in need in Alton Park and surrounding neighborhoods. These services include the casework and crisis interventions necessary to assess, plan, link, coordinate, and facilitate on behalf of the client. Case Managers are highly trusted community members that are trained to work collaboratively with involved agencies, the local community, and the client.

4) Talent Hubs: The City of Chattanooga's Office of Workforce Development and Community Development Department have partnered to begin leveraging local community centers to provide essential workforce services to community members. These community centers will serve as community access points, or "hubs", which will allow the new workforce entity to actively engage with the underserved communities identified for the Recompete project. The Talent Hubs will serve as community workforce anchor sites, provide employment mobility solutions, and champion equitable application access. Both employers and community partners, like Chatt State, the American Job Centers, and Tech Goes Home, will have regularly scheduled programming at the Talent Hubs, removing the transportation barriers that many in these

communities experience when seeking employment services.

5) Transportation Pilot: In 2022, the Chattanooga Area Regional Transportation Authority (CARTA) launched CARTA GO, a rideshare service that utilizes small vans within a test zone area of Chattanooga. Through Recompete Implementation funding, an additional transportation pilot testing zone would be launched to connect prime-age individuals to good jobs in Chattanooga.

These projects will remove the barriers to entering the workforce that many community members are currently struggling to overcome on their own. We recognize access to the following career pathways will be critical to engaging prime-age community members with the local workforce:

- Advanced Manufacturing Pathways (Local Avg. Salary: \$71,200)
  - Electric Vehicle Engineering - Manufacturing and Maintenance
  - Electric Vehicle Battery Components Manufacturing
- Software and Information Technology (Local Avg. Salary: \$83,690)
  - Software Development
  - Computer Systems Analysis
- Professional & Support Services (Local Avg. Salary: \$60,270)
  - Accounting & Auditing
  - General Operations Management
- Future Technology (Local Avg. Salary: \$66,270)
  - Clean Tech & Smart City Technology
  - Biomedical/Healthcare
- Healthcare, Social Work, & Mental Health (Local Avg. Salary \$66,191)
  - Certified Peer Recovery
  - Social Work
  - Practical Nursing
  - Psychiatric Mental Health

#### **(5) Targeted Approach –**

The projects we have identified to address the prime-age employment gap in parts of our city have the potential to create long-term, sustained benefits for the eligible area, and will serve as a model for our larger community. The work will develop in concert with local economic development efforts by The Chattanooga Chamber of Commerce to ensure people are connected to good jobs.

We believe a focus on the five communities with the highest prime-age employment gap, along with our ongoing efforts to develop a collaborative approach to workforce development, provides us with a once in a lifetime opportunity to equitably revitalize our workforce in communities that have been consistently overlooked and underserved in the past.



