

Transforming Detroit's Workforce

Pamela Moore
President and CEO
Detroit Employment Solutions Corporation
June 22, 2013

The Detroit Story (in 1 hour or less)

- The Golden Years
- The Decline
- The State of Workforce Development
- Transforming Detroit and its Workforce

The Golden Years

- The 1940s and Post-War years
 - America's Arsenal
 - 1941 - Streetcar every 60 secs
 - Population 1.8MM in 1950
 - Highest growth in US
 - 4th largest city in U.S.
 - Big Three (Chrysler, GM, Ford) market share 99%



The Decline

1950s

- Single wage-earner in 60% of families
- Streetcar fleet sold to Mexico City
- White flight begins

1960s

- Motown sound
- Freeway construction / urban sprawl
- African-American Middle Class
- Detroit Riots



The Decline

1970s-80s

- African-American Political Power
- 77% of families with children headed by a married couple
- Imports reached 25% mkt / fuel crisis
- Union / employer tension
- Continued White flight
- Urban Renewal Programs

1990s-2000s

- 33% of families with children headed by married couple
- NAFTA
- TANF and WIA legislation
- African-American flight

The Decline

2000-2010

- Amongst the highest foreclosures, crime, high school drop out rate
- Michigan lost 800,000 jobs over the decade
- 2009 Unemployment - Michigan peaked at 15%, Detroit's at 28%
- Governor Granholm's 'No Worker Left Behind'
- 47% of Detroit adults "functionally illiterate"
- Big 3 Market Share collapsed below 50%
- Disgraced public officials
- 90% of all Detroit schools (K-12) performed below the state average

The Political Landscape

1945

2013



Edward
Jeffries

Eugene Van
Antwerp

Albert
Cobo

Louis
Miriani

Jerome
Cavanagh

Roman
Gribbs

Coleman
Young

Dennis
Archer

Kwame
Kilpatrick

Kenneth
Cockrel Jr

Dave
Bing

99% Domestic
Mkt. Sh.

1967
Riots

Fuel
Crisis

Pop.
1.0m

Pop. 0.7m

Manpower
Dev/Training
Act

Comp. Empl.
& Training Act

Job
Training &
Ptnrshp Act

WIA

Recession

Pop. 1.8m

Pop. 1.5m

75% Domestic
Mkt. Sh.

NAFTA

Scandal

45%
Domestic
Mkt. Sh.

TANF



Harry
Kelly

Kim
Sigler

G. Mennen
Williams

John
Swainson

George W.
Romney

William
Milliken

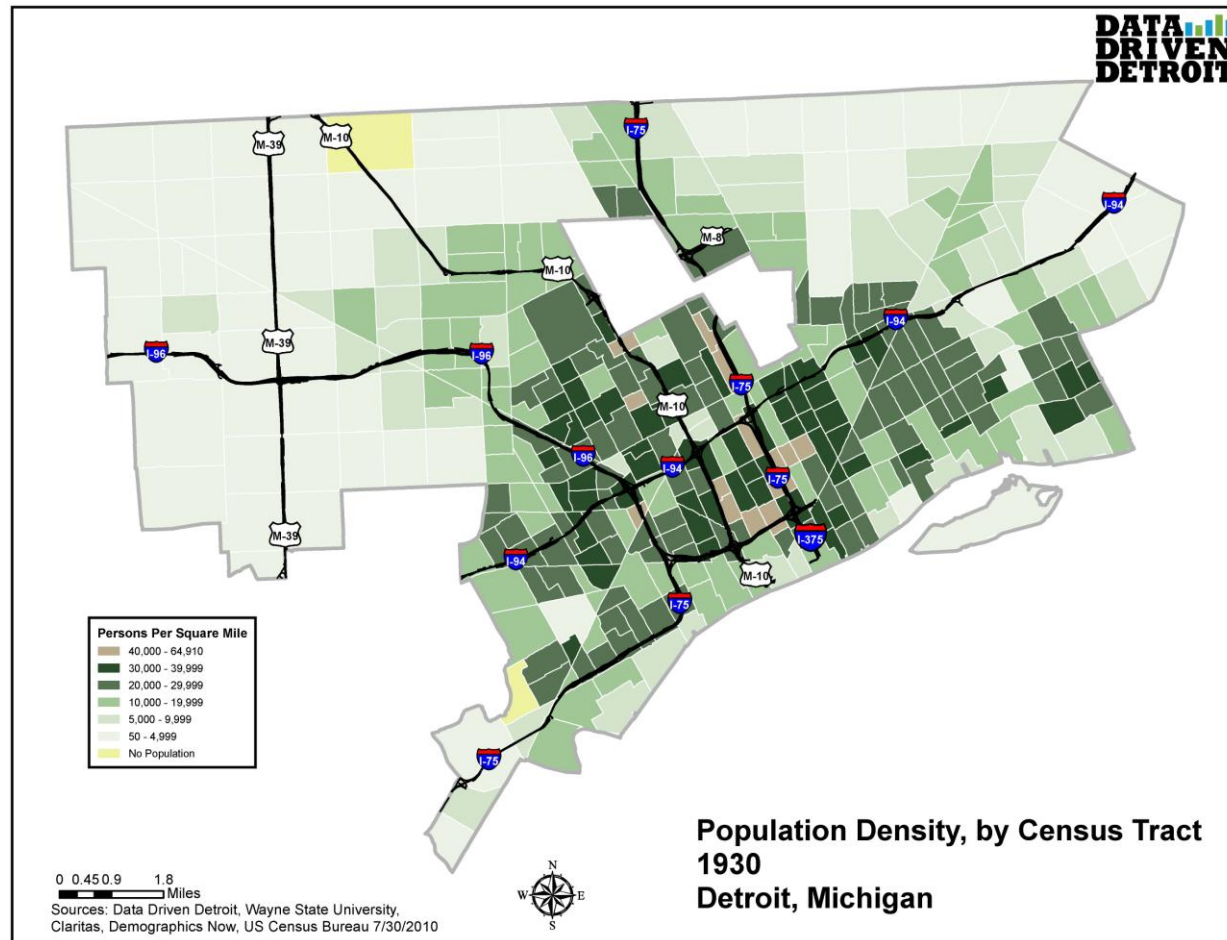
James
Blanchard

John
Engler

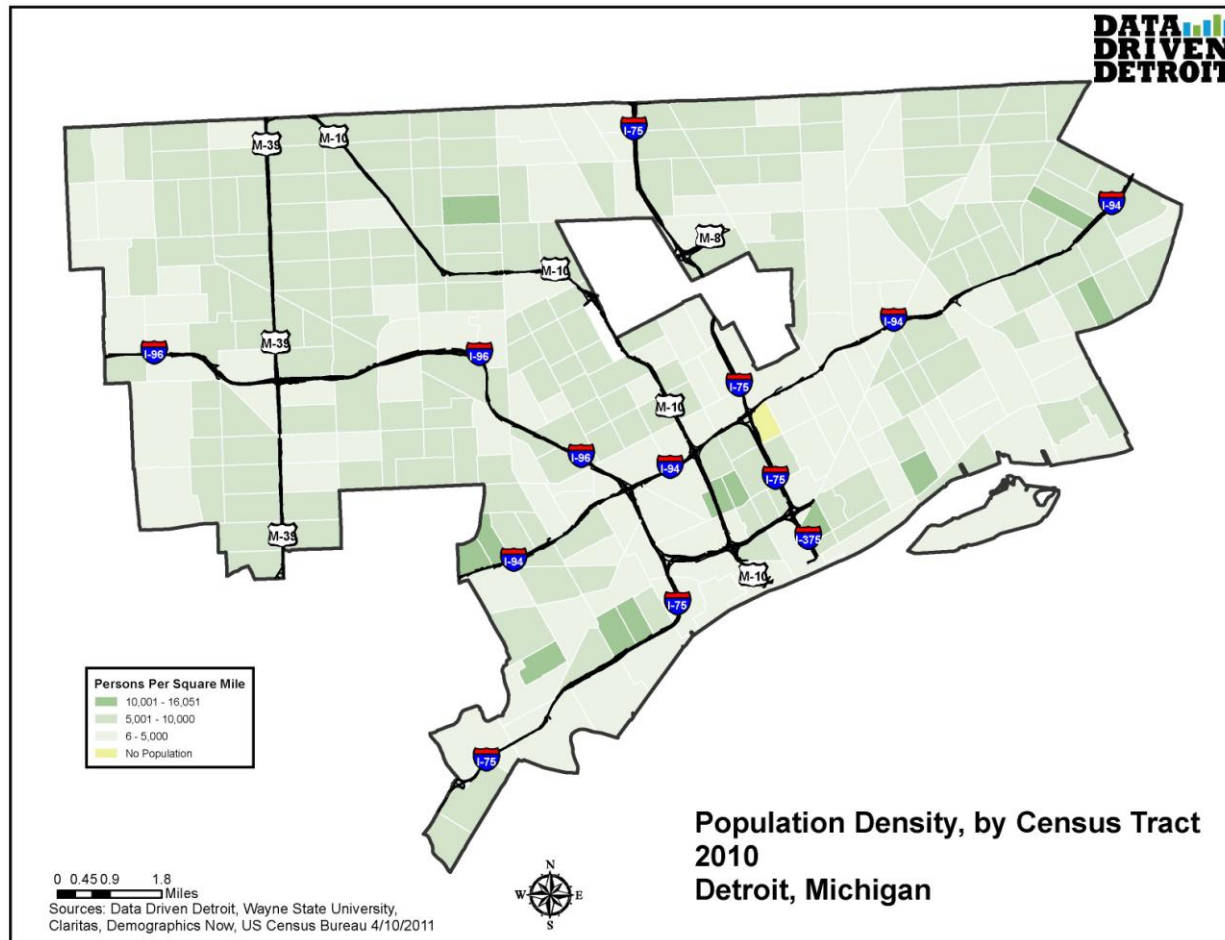
Jennifer
Granholm

Rick
Snyder

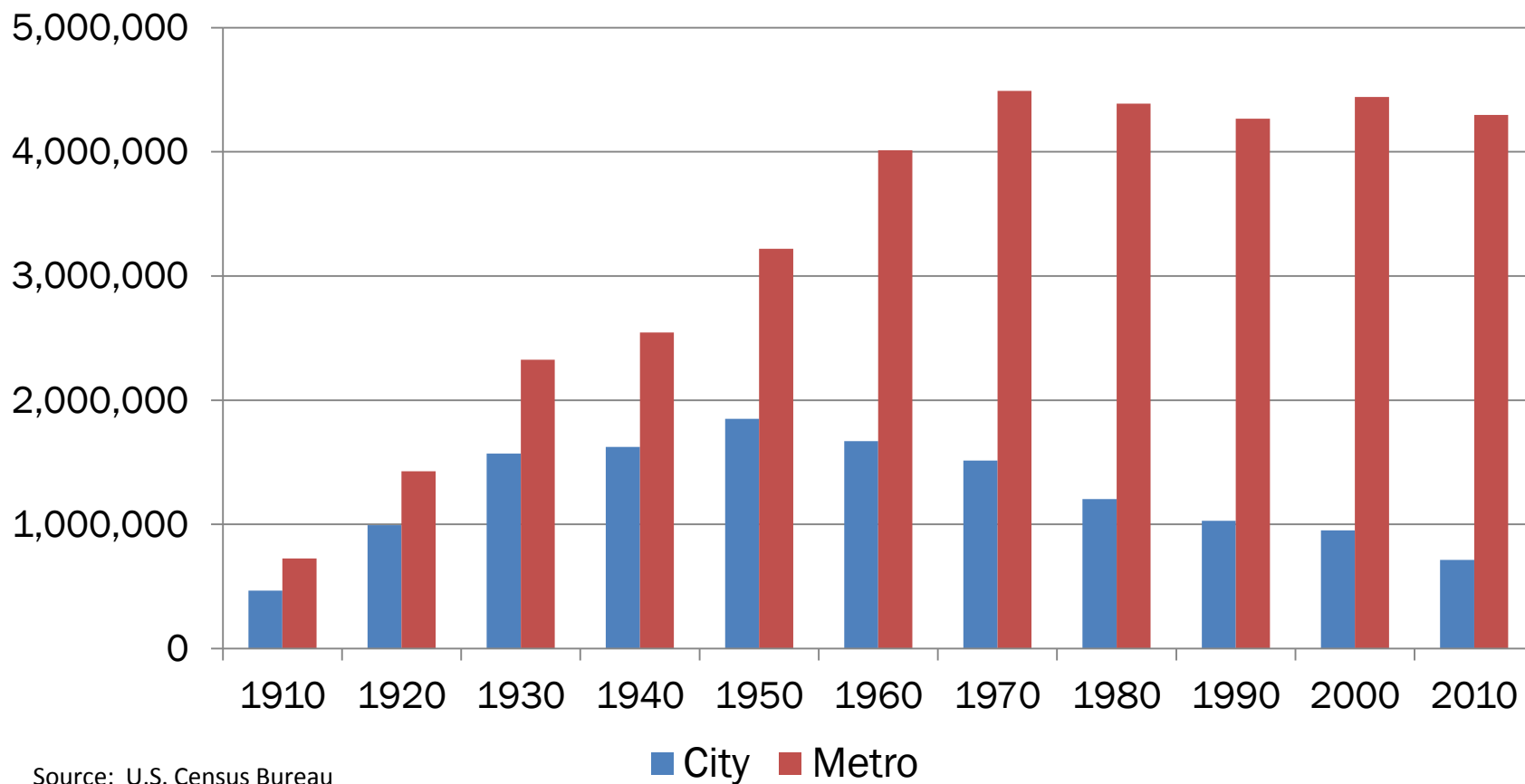
Population Density - 1930



Population Density - 2010



Detroit Population



Population Contraction Impacts

1950



Historic Density

- 185 homes
- 540 people
- 23 persons per acre

\$151,673

tax revenue



2010



Current Density

- 40 homes
- 116 people
- 5 persons per acre

\$32,794

tax revenue

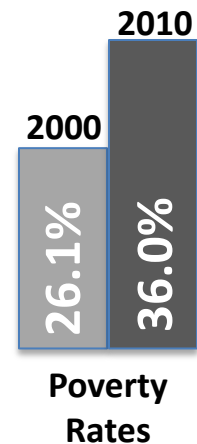
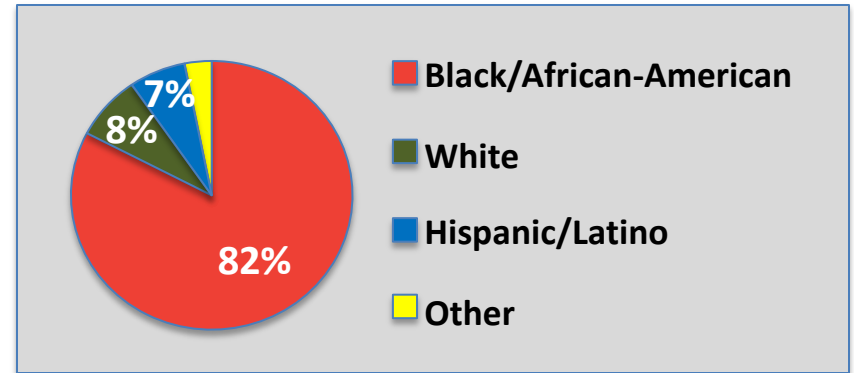
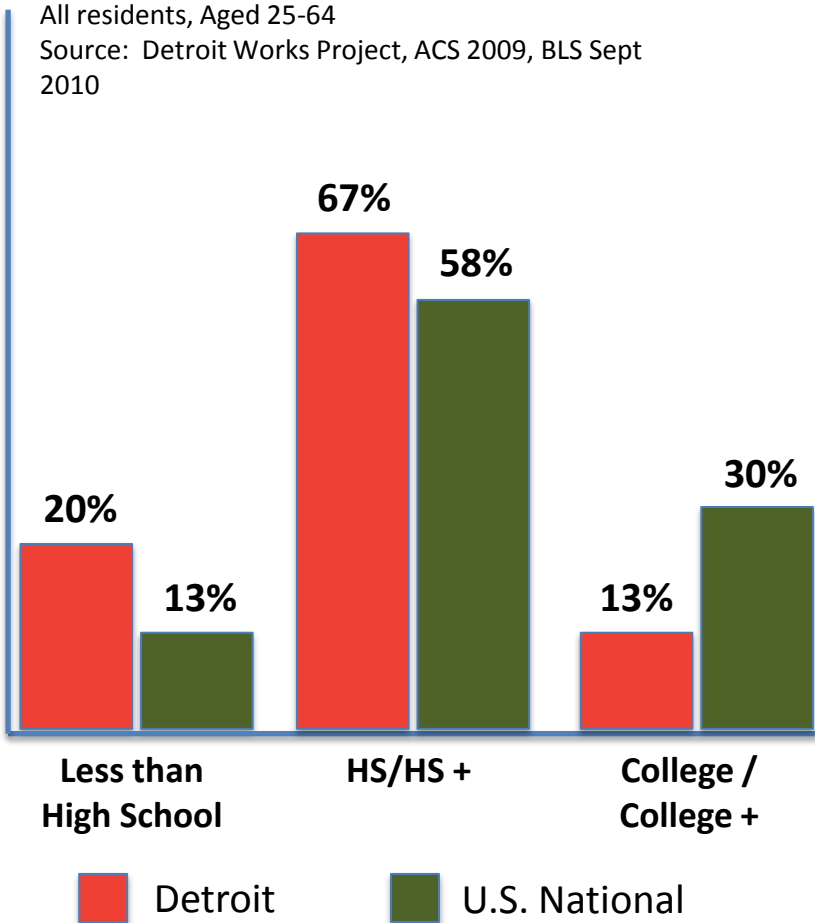


A Michigan Works! Agency

Detroit in 2010

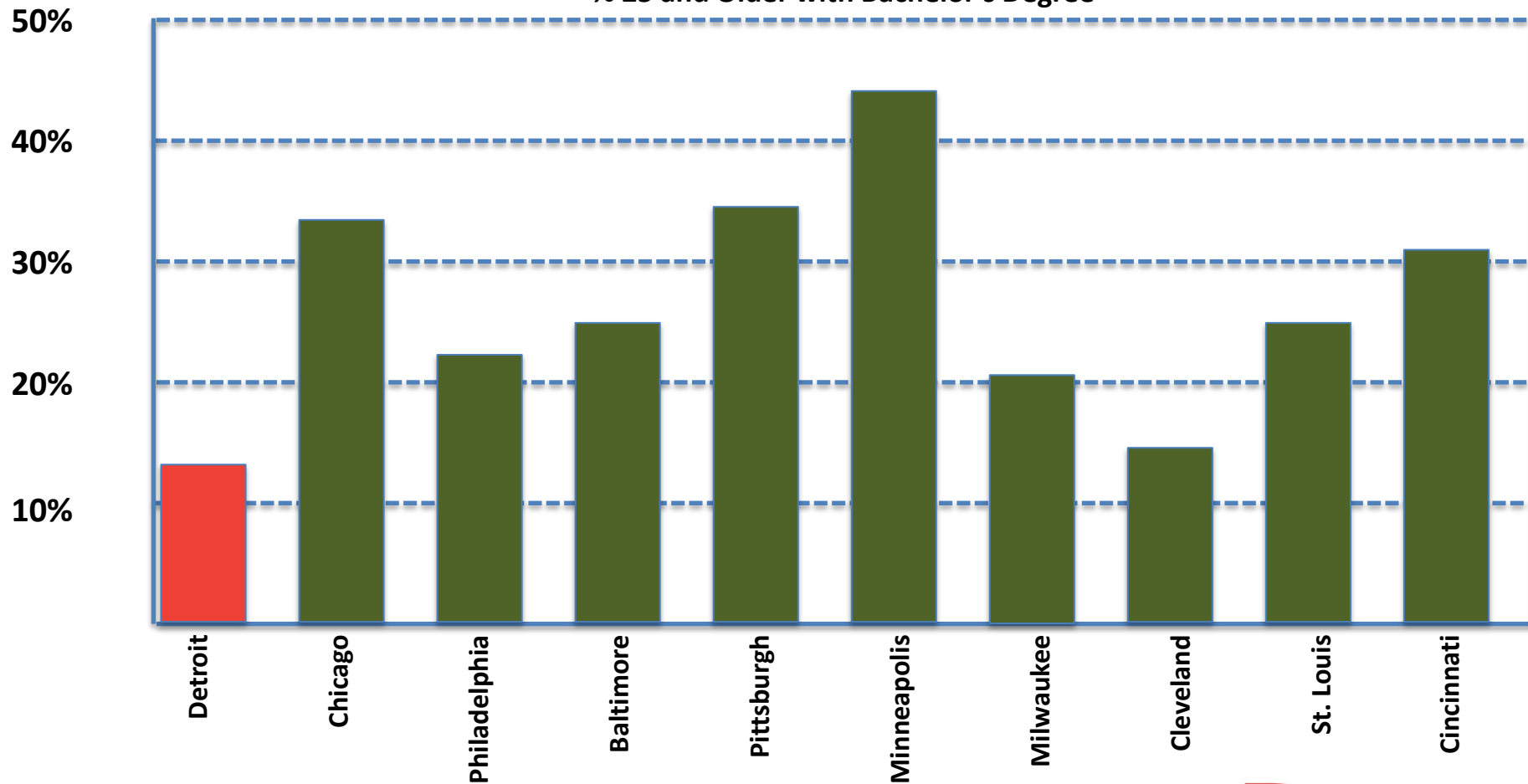
All residents, Aged 25-64

Source: Detroit Works Project, ACS 2009, BLS Sept 2010



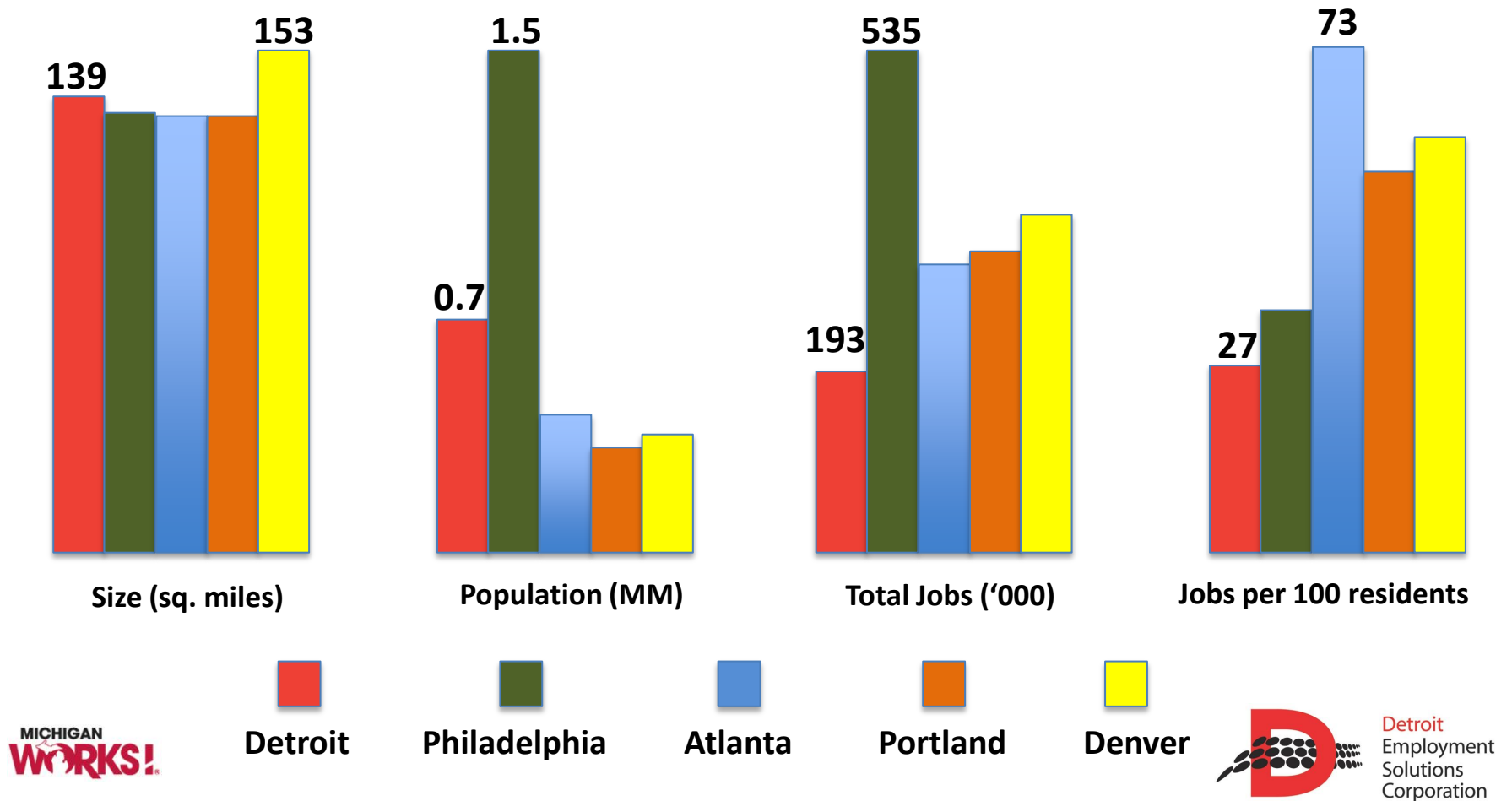
Advanced Degree Attainment

% 25 and Older with Bachelor's Degree



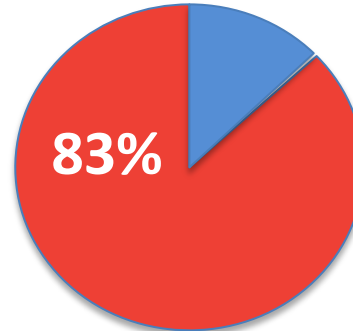
A Tale of 5 Cities

Source: 2012 Detroit Strategic Framework Plan

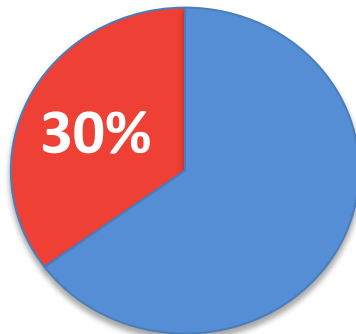


27 Jobs per 100 Residents

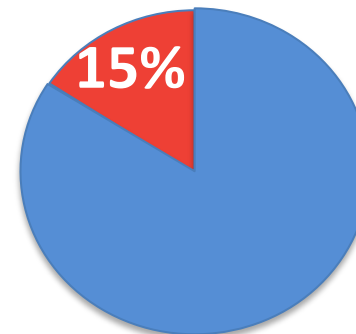
Source: 2012 Detroit Strategic Framework Plan



4 in 5 Detroiters are African-American



Only 3 in 10 Detroit jobs are held by Detroiters



1 in 7 Detroit Businesses are African-American owned

2012 State of the City

- Vacant Parcels doubled over previous decade
- Union membership decreasing
 - Nationally 30% in 1950 to 12% in 2012
 - Michigan 'Right to Work' state expected to decline further
- Unemployment at 18.7%
- Violent crimes per 100,000 were 2,137 (led nation)
- Renter occupied vs. Owner occupied 1:1 ratio
- 1 in 4 Detroit houses vacant
- 30% vacant land
- 1 in 4 Detroiters have no vehicle



2012 State of the City

- 15 Months of Pamela Moore
 - New Detroit Workforce Board – The McQueen Effect
 - Resolved Disallowed Costs
 - Contractor Terminations
 - Staff Accountability
 - Restoring Reputation
 - Improving Outcomes / Compliance
- Mayor Dave Bing (3rd Year)
 - Financial Advisory Board, McKinsey & Co Diagnostic, Turnaround Team
- Governor Snyder (2nd Year)
 - Elimination of Single Business Tax
 - 5 Cities with Emergency Managers
 - Right-to-Work
 - Medicaid Expansion
 - Education – Early Childhood



Guess Who's Coming to Dinner?

- State's Workforce Development Agency (MEDC)
 - Feb 2012 Ten Year Review
- Corrective Action Plan due April 2012
 - Findings: \$5MM disallowed costs, outstanding audits, operational inefficiencies, inadequate fiscal and program monitoring, broken contracting process, delinquent vendor payments, poor TANF WPR and WIA outcomes
 - Recommendation: Separate from city
- April
 - Financial Advisory Board meeting and approval to separate
- May
 - City-Council Presentation
 - Received financial support from state

Against All Odds

- May
 - Transition planning meetings with city
 - RFP Let for One Stop Provider
- June
 - AFSCME Lawsuit Halted All Transition Activities
 - Temporary Restraining Order Lifted (June 28)
 - Articles of Incorporation filed (June 29)
 - Governance Agreement signed and accepted (June 29)
- July
 - DESC Born July 2 (Independence Day!)
 - Grant Associates – One Stop Service operator
 - Laid off 50 city staff
 - Hired 18 FTEs
 - 2 month internal transition



What a Difference a Year Makes

Governance

26 Member (Mayor Appointed) Detroit Workforce Development Board

(56% Private Sector: Penske, DTE Automotive, Ford Motor Co, Butzel Long, Quicken Loans, CVS, American Axle to name a few)

11 Member Corporation Board (DESC oversight)

Capacity

- 34 FTEs
- 19 Direct Service Providers (400+ staff)
- 3 One Stop Service Centers (east, midtown, downtown)
- 77 Training Providers
- 12 Access Centers
- 200+ Partner Network

Customers Served (since 10/1/12):

(WIA, TANF, Wagner-Peyser, Food Assistance, Employment & Training)

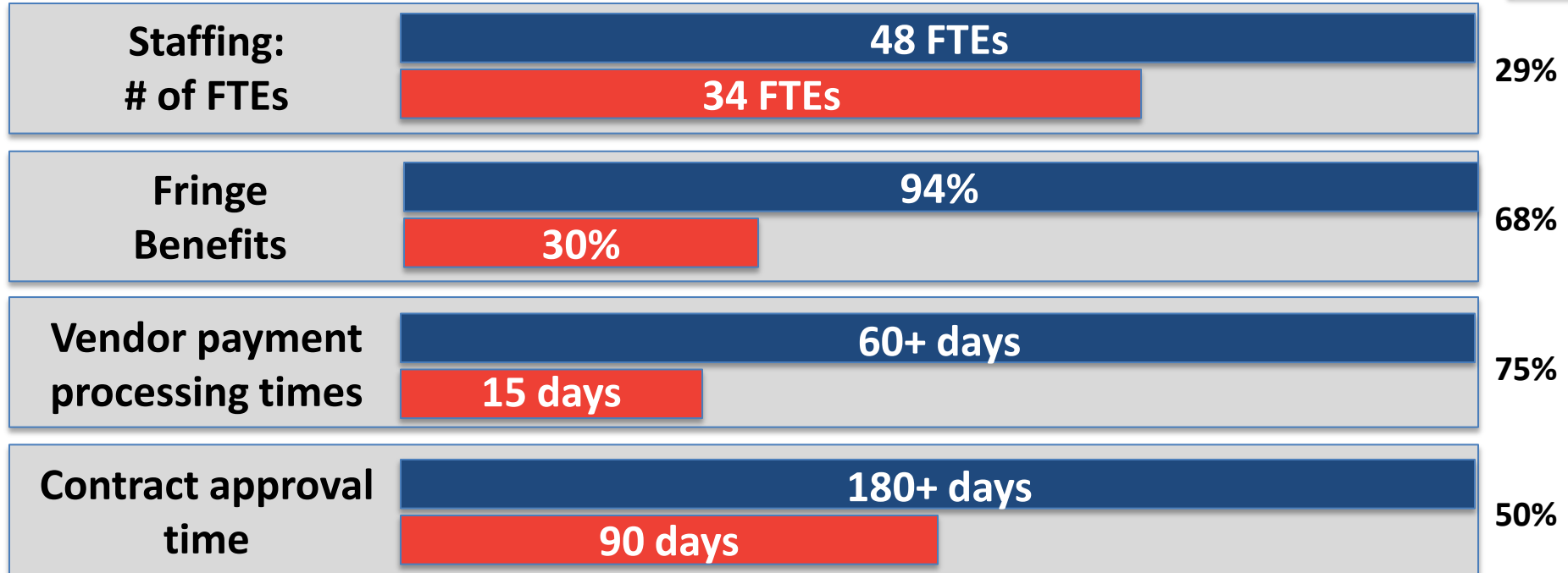
Employers 2,859

Talent



- 45,000 (Adults 72%, Dislocated Workers 22%, Youth 6%)
- 5,300 Placements
- 9 Rapid Responses
- 1,738 Trained (TAA, WIA, PATH)
- 15,990 Assessed/Tested
- 677 Remediated
- 464 Referred to Partners for Services

Operational Accomplishments

2012 vs. 2013



- Operating Costs reduced by 30%

 PY 2011-12
 PY 2012-13

Innovations and New Partnerships

- Strategic Plan
- 15 B4 15
- Detroit Future City
- Build Detroit (Infrastructure Jobs)
 - D-RAP (Detroit Registered Apprentice Program)
- Leadership Symposium
- Pathways to Potential/Enhancing Community Health Outreach
- Youth Services Network Expansion
 - Career Awareness and Readiness Equals Success (CARES) – EAA and DPS
 - City's Recreation Department partnership
 - Disconnected Youth (Aspen Institute)
 - Education/Youth Council's Collective Impact Model
 - IOS Training
 - Expungements
 - Mayor's PSA



Youth Services Network



Detroit's New Sheriff

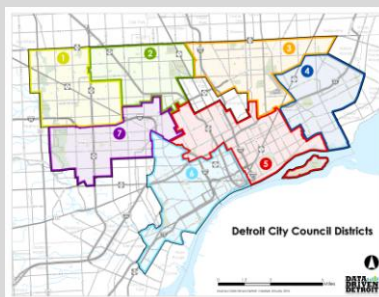
Emergency Manager

- Restructuring Debt (\$20B)
- Privatizing Services
- Selling Assets



City Council Elections

- Districts model
- Fewer 'At Large' members



Mayor's Race

- November 5
- 14 candidates



Gubernatorial Race

- November 2014

From 'Motor City' to 'Motown' to 'The D'

A Tale of Two Cities – The widening gap

- Changing Demographics
- Booming Economic Development activities
- Gilbert Town (21 buildings, 1 casino)
- Upswing of housing market
- Cautious Optimism (Public-Private Partnerships)
- Increased Regional Projects / Initiatives
- Talent Demand System (5 Growth Sectors)
 - IT, Healthcare, Manufacturing, Energy, Agriculture

Stay Tuned.....



**The talent you want.
The skills you need.
The name to know.**