

## TWO STRATEGIES FOR IMPROVING EQUITY FOR TRIANGLE RESIDENTS

### “Cradle to Career” Labor Policy

The Triangle has a mobility problem. Young people in poor families are less able to improve their own economic standing in Raleigh-Durham than they would be in other American cities. Furthermore, young people in the region are more diverse and more likely to be disconnected than ever before. Leaving them behind is hurting the growth of the region; if racial disparities in income were erased, the Triangle would gain an estimated \$21.8 billion in GDP. It is essential that interventions are made to provide increased access to “high-opportunity jobs.”

A “cradle to career” perspective on labor policy acknowledges that gaps in wages and employment trace their origins back to long before residents enter the workforce. This model is particularly effective at the regional level, due to the ability to more effectively share data, remove barriers, engage the community, and spread innovations. However, this is reliant upon shared goals and priorities and constant communication.

Figure 13 (Strive Together)



This model is often characterized by wraparound educational supports, such as Kindergarten readiness programs or college counseling. The Triangle might also want to explore leveraging state-level job training programs that align with high-growth sectors, such as NC GROW. Additionally, leadership from those sectors themselves would create a clear pipeline from education and training to sustainable employment. Employers in the area could work with community colleges to organize credential programs or apprenticeships.

Important complements to this model include encouraging supportive banking systems for young residents. Local governments can incentivize residents to save by seeding college savings accounts or offering programs that support financial education and training.

An advantage of this strategy is that its focus is on “no new programs, [but] better systems.” In a resource-rich area such as the Triangle, it is likely that problems of access and equity are much more salient to improving economic mobility than questions of availability. Creating wraparound supports often involves synthesizing already existing programs, or improving program uptake among target populations.

When targeting programs for system improvement, this model should focus on ones that provide substantial STEM, medical, or technical training. This will help create a workforce that is aligned with the largest clusters in the region.

“Cradle to career” is a purposefully very intensive model. It would require lots of organization across many stakeholders. However, there is already expertise to draw on in the area. The Durham Children’s Initiative utilizes this theory in its services for children, and they have already established their own ecosystem of partners to support these children through many life stages. Additionally, the region already has a formal network for collaboration in the Triangle J Council of Governments, making this networking required for this model feasible.

### **Creating an Environment for the Middle Class**

The middle class is shrinking in Raleigh-Durham, partly due to rising rates of income inequality. However, the current economy has been squeezing out middle class families for years. Middle class job growth has failed to keep pace with the region, and growth in middle class wages has been lackluster. Coupled with rising costs of housing, families have been themselves priced out of the region and forced to seek opportunities elsewhere. Developing opportunities and supports for low-income youth so that they can achieve better economic outcomes means nothing if those jobs don’t pay enough to support a family or if those jobs don’t exist at all.

However, there are several changes to the environment that can support a thriving middle class in the Triangle. First and foremost is raising the minimum wage, which is currently set at \$7.25 per hour. A living wage for a single adult without children is \$16.32 in Raleigh and \$15.22 in Durham-Chapel Hill. Other policies for increasing wages include requiring businesses to pay a living wage in order to access financial incentives, or providing tax breaks to living wage employers.

Anchor institutions – namely RTP, Duke, UNC, and NCSU – should step up to serve as engines of economic development. Programs such as on-the-job training allow for expanded opportunities and access to cluster-aligned jobs. These institutions can also partner with community colleges to develop effective certification programs and a skilled worker pipeline. These institutions could serve as major hubs of middle-wage jobs and engines of economic mobility in addition to their current role in the regional economy.

The public sector has a large influence on housing affordability, a key issue as home values continue to rise in the region. Local governments should work on growing the supply of affordable housing, or expanding rental and homeownership assistance programs. Adding geographic targets to neighborhoods threatened with displacement will help abate concerns around gentrification. To make these efforts even more impactful, local governments should pair them with additional programs that improve the quality of life for middle class residents, such as improvements to public transit networks or childcare opportunities.

The middle class has been dramatically left behind by growth in Raleigh-Durham. It is essential to enable this group to live comfortably and sustainably, especially in tandem with trying to improve earnings outcomes for individuals. Leadership from the public sector and key institutions can support a thriving middle-wage community in the region.