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An Analysis of Barriers to Employment and Wraparound  
Services in Northern Middle Tennessee

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## **I. Introduction**

Labor shortages in Northern Middle Tennessee (NMT) are challenging employers to re-think their talent development strategies. Areadevelopment.com, in a spring of 2023 article states, “As of November 2022, there were about four million more job openings than available workers, equal to about 1.7 open positions for every person looking for a job.” Multiple factors affect the availability of reliable, trained workers including, but not limited to, low unemployment rates, COVID-related societal changes, job turnover and the rising cost and lack of availability of childcare, housing, and transportation. To address this issue, workforce development stakeholders are working together to provide employers with a willing-and-ready labor force, and at the same time, change the future for many deserving Tennesseans that may have been overlooked, the thousands of potential workers facing barriers to employment. There is an opportunity to better serve underrepresented and marginalized communities that face barriers to stable employment and training for high-demand jobs. This can be done through wraparound services. Wraparound services for employment are provided in the region, but there is no centralized database or location for information, and they are difficult to find. Where do people go to get help finding and maintaining employment? Further, what factors exist that keep these services from reaching people who could be excellent employees? Last, where are the leverage points to improve wraparound services and make the most impact for communities in Middle Tennessee? This paper will provide a background of the regional workforce, labor shortages and other workforce challenges, and describe and address barriers to employment and how collaboration among service providers and a centralized location of available services can play a critical role in addressing workforce shortages.

## **II. Defining Wraparound Services' Role in Workforce Development**

Wraparound services refer to a holistic and comprehensive approach to providing support and assistance to individuals. These services are designed to "wrap around" an individual or family, addressing a wide range of needs. Wraparound services are provided by local or state programs, nonprofit organizations, and employers that assist people who wish to obtain training and/or employment with childcare, transportation, housing, training, and other needs. In the context of workforce development, wraparound services play a crucial role in helping individuals overcome barriers to employment and career advancement including: providing individualized support, coordination of services, taking a holistic approach to providing services, considering long-term employment and the economic stability of the individual, and taking a client-centered approach.

## **III. Workforce Background in Northern Middle Tennessee**

### **A. Overview of the current workforce development landscape**



The Northern Middle Tennessee (NMT) region has experienced unprecedented economic growth. The TN Dept. of Economic & Community Development (ECD) reports that Tennessee has seen more than 32,000 new job commitments since 2017. In 2021 alone, 37 new major business projects were announced, providing 16,210 job commitments. With an average unemployment rate of 2.37% and an average Labor Force Participation rate (percent of the population that is either working or actively looking for work) of 63.1%, employers are facing unprecedented challenges finding qualified workers to fill open jobs (TN Dept. of Labor and Workforce Development).

### **B. Industries with the greatest need for trained workers**

In late 2021, The Greater Nashville Regional Council assembled a region-wide task force to gather data and information for a federal Economic Development Administration grant called the Good Jobs Challenge. During the course of four months, using a data-driven approach and multiple stakeholder meetings, the three industry sectors with the greatest need were determined to be Healthcare, Tech, and Advanced Manufacturing. An excellent source of information was the Nashville Area Chamber of Commerce's Talent Pipeline Management System, a demand-driven, employer-led approach to aligning talent supply chains with business needs, through Talent Solutions Councils by industry.

### **C. The COVID Effect**

The COVID Pandemic, which began in March of 2020, changed the workforce dramatically, having a significant effect on the availability of workers due to what is being called "The Great Resignation," a term coined by Anthony Klotz, an associate professor of management at University College of London, to describe the sudden wave of people quitting their jobs due to the pandemic (CNBC.com). According to the Federal Reserve Bank of St. Louis, the pandemic induced people to retire at earlier ages and this acceleration caused approximately 2.4 million additional retirements. A Wall Street Journal podcast episode from March 2023 indicated that nearly 12 million women left their jobs due to pandemic disruptions. Although many have and continue to return to the workforce, the cost and availability of childcare continues to keep some women at home.

### **D. Underserved Populations**

Underserved populations are defined as groups that have limited or no access to resources or that are otherwise disenfranchised. These groups may include people who are socioeconomically disadvantaged by a multitude of factors including: limited English proficiency; geographically

isolated or educationally disenfranchised; people of color and ethnic minorities; women; disabled individuals; formerly incarcerated individuals, veterans and youth who are disconnected from school and employment. Providing training and other opportunities for people in these populations could have a significant positive effect on the shortages employers currently face. However, many people with these identities face multiple barriers to training and employment that could be overcome with effective interventions.

### **E. Barriers to Training and Employment**

Although there is a strong regional training system administered by the Northern Middle Tennessee Workforce Board, community colleges, Tennessee Colleges of Applied Technology, State-led Apprenticeship programs, and other state and local workforce development partners, historically underserved populations facing barriers to employment need additional support to obtain the training needed to help them compete for self-sustaining employment. While preparing the Good Jobs Challenge application, the Wraparound Services Subcommittee provided research for barriers to participating in training for in-demand positions, finding, and maintaining employment. As part of this research, the nonprofit Martha O'Bryan Center, located in Nashville, conducted a "listening tour" across 7 counties interviewing 18 organizations to discuss challenges their clients face, the impact of these organizations' work on the individuals they serve, what organization partners believe families need to thrive, and what stands in the way. This report was key in defining the most prevalent barriers: a) Lack of access to and affordability of childcare b) Lack of access to and affordability of housing c) Lack of access to and affordability of reliable transportation d) Lack of access to technology and broadband services e) Food insecurity.

## **IV. Research**

### **A. Childcare Affordability & Access**

According to the Tennessee Commission on Children & Youth, the lack of affordable and accessible childcare creates financial and social stressors on many Tennessee families. The average cost of childcare in Tennessee is nearly \$11,000 per year, according to data from the organization Childcare Aware of America. 98% of Tennessee parents of children under 5 report that inadequate childcare negatively affected their work productivity or career opportunities. Tennessee's economic losses in 2022 due to insufficient childcare was \$2.6 Billion.

The U.S. Census Bureau reports the average gross household income of the 13 counties in Northern Middle Tennessee (Stewart, Robertson, Sumner, Davidson, Williamson, Trousdale, Houston, Wilson, Rutherford, Humphreys, Montgomery, Dickson, and Cheatham) is \$67,628. At average annual cost for childcare, costs (for one child) total 16.27% of household gross income. For those living in poverty, 11.1% of households in the region, this percentage is much higher. For single parents, affording childcare becomes a much greater burden and barrier to training and employment. The cost of center-based care for an infant and 4-year-old in Tennessee is 81% higher than the average annual rent across all housing types in the state. For a single-parent family, infant care is 40.3% of median income. For a married couple family, it's 12%.

Among surveyed parents from the "State of the Child" report, approximately 70% cited accessibility as the key challenge they face. In 2019, 48% of Tennesseans lived in a childcare desert. Since then, accessibility has been further impacted by the pandemic. Further, finding care for times outside of Monday-Friday daytime hours can be a significant hurdle many working families must overcome.

## **B. Housing Affordability**

Housing affordability and accessibility negatively affect labor force participation. High housing costs can discourage people from moving to places with better job opportunities, which can limit the ability of employers in high-cost areas to attract talent. In expensive housing markets, workers may have to live far from their workplaces to find affordable housing. This can result in long commutes, which can be physically and mentally taxing, and costly in terms of time and transportation expenses. Housing affordability/availability is a critical factor that influences the workforce on various levels, from individuals' decisions about employment and location to broader economic and social consequences.

The dramatic growth in population in NMT, an increase of more than 431,000 from 2010 to 2022 (U.S. Decennial Census, 2022 Population Estimates and Change) created a significant supply and demand challenge, particularly in 2021. The average rent cost for eight of the larger counties in the region (Cheatham, Davidson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson) is \$1,880, according to Zillow.com, which is significantly higher than what data from the Census Bureau indicates.

The competition for available homes, soaring housing prices and rising rent rates has created a crisis housing situation, particularly for low-to-moderate income individuals. Although there has been a significant influx of new business and more than 16,000 new jobs committed in 2022 (TN ECD), individuals looking to take advantage of the region's economic opportunities can struggle to find and afford housing in close enough proximity to either training or employment, thus creating a dramatic workforce shortage for employers and lost opportunities for Middle Tennesseans.



### **C. Transportation Access & Affordability**

For citizens in NMT to be able to obtain training and/or employment, reliable and affordable transportation must be available. Without reliable affordable transportation, individuals may be limited to job opportunities within walking distance of their homes or accessible by public transportation. Lack of transportation options negatively affects employers and employees alike, because inconsistent or unreliable transportation can lead to frequent tardiness or absenteeism from work.

The region's public transportation options are WeGo Public Transit in the Nashville area, the Music City Star commuter train connecting Nashville and Wilson County, the Regional Transit Authority of Middle Tennessee, Murfreesboro Rover transit service, the Clarksville Transit system, and the Franklin Transit Authority. Although these service providers strive to provide reliable transportation to as many middle Tennesseans as possible, pick up and drop off times and locations are very limited and may not be offered during afternoon or evening shifts.

Additionally, they do not provide an opportunity for childcare pick-up and drop-off to and from places of employment or training. For those who must drive a personal vehicle to and from work or school, vehicle purchase and maintenance costs, along with the rising cost of fuel and in some cases, parking, create additional barriers. National average price data provided by Cox

Automotive states the average used vehicle listing price in July of 2023 was \$27,028. AAA states that in August of 2022, the average yearly cost to own and operate a vehicle in Tennessee is \$10,316, which comes to an average of \$859 per month. Add longer commutes to the equation, and the costs continue to rise. According to the US Census Bureau, 10.3% of commuters in NMT exceed the average daily commute of 45 minutes.

#### **D. Technology and Broadband Accessibility**

In today's technology-driven job market, many roles require digital literacy and proficiency in using various software and tools. The digital divide, which refers to the gap between those with access to the Internet and technology and those without, can exacerbate existing inequalities (IEDC Workforce Development Course). For school-age and adult students alike, access to broadband is critical. Where a person lives should not affect their access to opportunity; however, as it currently stands many Tennesseans live in areas without broadband access and are therefore automatically at a disadvantage that can have lasting impacts on their career trajectory and livelihood.

#### **E. Food Insecurity**

Food insecurity, which refers to a lack of consistent access to enough food for an active, healthy life, can have a profound impact on an individual's ability to find and maintain steady employment. The combination of stress and poor nutrition associated with food insecurity can cause serious health conditions or exacerbate pre-existing ones, causing absenteeism and poor job performance.

According to Vanderbilt University Medical Center, in 2022, more than 40% of Tennessee families reported low or very low food security, an almost 10% increase from 2021. There are also notable differences by race. More than half, 51%, of black parents in Tennessee report low or very low food security compared to 38% of white parents. Many people struggling to pay for rent, utilities, transportation, medicine, and debt payments must rely on food banks and other support services to obtain healthy food for themselves and their children. An individual whose primary concern is finding enough food for their family doesn't have the energy or resources to seek training for high-demand jobs or find employment that pays a living wage.

## **V. Applicable TCED Coursework**

According to the *Basic Economic Development Course*, trends in workforce development include the upsurge in remote work and how employers are approaching recruiting Tech talent. Additionally, the course addressed labor scarcity, quoting the March 2021 U.S. Census Bureau population survey which indicated that 80% of those who left the workforce since the COVID pandemic began were women, and that a 2021 McKinsey study confirmed that one in four women have seriously considered taking a step back from their careers in the 12 months prior to the survey. This course also addressed a major skills deficit, exacerbated by the huge leaps in technology development and political issues hindering tech companies from taking advantage of the highly skilled immigrant workforce.

Sharon Younger, Founder of Younger Associates, a firm nationally known for research in Labor Force Analysis, provided multiple data sources for analyzing workforce data, including wages, labor market population, education attainment, workforce analysis methodology and other important information that broadened understanding of the challenges faced by employers.

The *Workforce Development Course* outlined trends and challenges in workforce development, including the gap between the current labor supply and future demand, demographic shifts expected to affect the U.S. workforce system, using regional and cluster-based strategies, and aligning employers with community-based organization. The chapter on “Deepening and Widening the Workforce” provided critical information about assisting transitional workers.

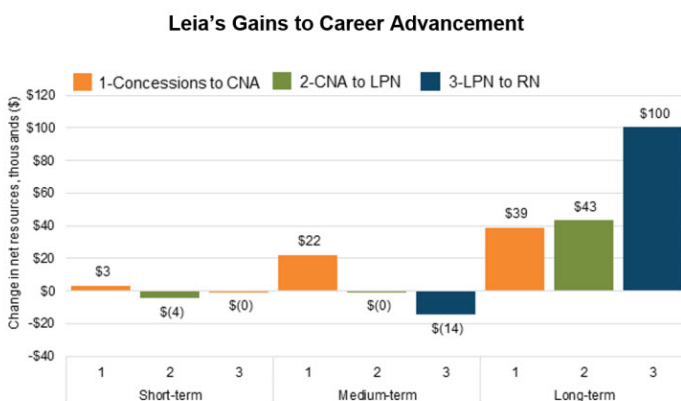
## **VI. The Benefits Cliff**

It is important to address the situation many low-to-moderate income people find themselves in called the “Benefits Cliff.” This term is used to describe a situation in which individuals or families face a sudden loss of government assistance as their income increases, which can create a disincentive for people to seek training, apply for better-paying jobs or work more hours

because they might lose more in benefits than they gain in increased income. The Federal Reserve Bank of Atlanta is working towards a solution through their Advancing Careers initiative. Their work consists of four key areas of focus:

1. Conducting research to understand benefits cliffs
2. Engaging with local and state partners to find solutions
3. Developing information tools for low-moderate-income populations
4. Raising issue awareness

An example provided by the Atlanta Fed illustrates how the benefits cliff can create a disincentive to training and employment: Leia, a mother of two children in Miami Florida works a near-minimum-wage job and receives a variety of public assistance because her employment income alone is not enough to meet basic family expenses. She wants to earn more money to support her family without having to rely on public assistance. She is considering a health care career path that starts as a certified nursing assistant (CNA), progresses to a licensed practical nurse (LPN), and then to a registered nurse (RN). The chart below shows the short-term, medium-term, and long-term incremental gains in annual net resources for each career path transition. The short-term and medium-term perspectives do not offer a large financial incentive for career advancement. The graph below illustrates the point where Leia will actually be worse off as she loses access to programs and services.



Note: Net resources are (income+benefits)-(taxes+expenses). Short term is age 25–27. Medium term is age 28–33. Long term is Leia's lifetime. **Numbers in parentheses are negative numbers (losses).**

Leia's situation is where Wraparound Services enter the picture. To assist her through this transition, outside of government policy changes, her best hope is accessing services from community partners while she pursues her dream of becoming a nurse.

## **VII. Regional Assets**

### **A. Wraparound Services Partners**

Northern Middle Tennessee is fortunate to have a wide variety of wraparound services resources: Federal and state government services, American Job Centers, employers, hundreds of churches, a multitude of nonprofit organizations, all with inspirational missions to serve the underserved. The challenge for the folks who need them most is that they may not know where to look or how to find them. An additional challenge is finding and utilizing services that will not push individuals off the benefits cliff.

### **B. Available Training Resources**

Training is available through multiple organizations in the NMT region. The primary source of training assistance is through the American Job Centers. Their services include assistance with educational testing, assistance with supplies such as books, tools, uniforms and other items necessary for employment and education, assistance with licensing and certification fees, citizenship education, college and career services, ESL services, migrant and seasonal farm worker program, GED prep, math, reading and writing classes, and technical and vocational training assistance. Through the Tennessee Promise program, Tennessee high school graduates can attend a community or technical college free of tuition and mandatory fees. Tennessee Promise is both a scholarship and mentoring program. A similar program known as TN Reconnect assists adults with returning to higher education.

Additionally, multiple nonprofit organizations provide training assistance, including organizations serving the justice-involved and low-income individuals. The Tennessee Department of Labor and Workforce Development provides grants and financial aid for training, foreign language assistance, career readiness certificates, job programs for veterans and youth, employment training program for low-income unemployed individuals 55 and older, WIOA Reentry program, SNAP Employment and Training and the Tennessee Office of Reentry assists justice-involved Tennesseans.

### **C. Involving Employers**

Employers in today's labor market are becoming increasingly active in providing services for their employees, such as childcare stipends, providing transportation to and from work, remote work opportunities, employee assistance programs for counseling, mental health support and referral services, wellness programs, and flexible scheduling.

### **D. Finding and Accessing Services**

Research into wraparound services has brought to light a problem that must be addressed. Services are scattered throughout the region and challenging to find. Although American Job Centers, other State Departments and a myriad of nonprofit organizations provide excellent opportunities to assist workers with services that will allow them to pursue training and employment opportunities, online searches yield very limited information. More specific observations are listed below.

#### ***Observations:***

- These services are not easy to find online. Search criteria must be worded very specifically. A search for "Employers that provide childcare in Nashville, Tennessee" provided no information about employers.
- Programs exist within one state department that may be a subsidiary of another department within the state, or another federal agency.
- I was unable to locate non-profit organizations that provide childcare assistance.
- Programs have differing eligibility criteria.

- A search for housing availability through MDHA returned no results for openings.
- Housing programs have very limited funding and are typically on wait lists.
- USDA housing website is terribly outdated and difficult to navigate.
- Almost all housing assistance is in the Nashville MSA.
- Transportation assistance is very difficult to locate, and I could find none that provided assistance on nights or weekends. Eligibility varies as well.
- When doing a basic internet search for many of the primary barriers, programs with the American Job Centers or WIOA do not appear in search results.
- Food insecurity appears to be the most easily remedied barrier.
- Employer-provided transportation is not found online.
- There are too many nonprofit organizations doing the same work.
- Some organizations collaborate with others well, while some do not at all.

## **VIII. Proposed Improvements to Increase Effectiveness of Wraparound Services**

### **A. Collaboration, Streamlining Services and Closing Gaps**

Based on research and observations, the most effective way to assist people with wraparound services is for organizations to collaborate. Collaboration among nonprofit organizations and state agencies would significantly improve services by leveraging the strengths and resources of multiple organizations to address common goals and challenges. Strategies for outreach and building strong community partnerships and consolidating services into an easy-to-access “one stop shop” could make a significant positive contribution to alleviating workforce shortages in industries with the highest demand positions. This can be done in multiple ways: Resource pooling, tapping into expertise within other organizations, expanding geographic coverage by forming alliances or merging organizations, and reducing duplication of services.

Happily, there is currently a forward movement in this area. OurChanceTN, an initiative of the Tennessee Alliance for Economic Mobility, a public-private partnership comprised of 23 organizations and counting, supports families in moving beyond the benefits cliff so they can achieve their dreams. This group has recently begun a series of meetings to discuss the centralizing of wraparound services. In an interview with Workforce Essentials President Marla

Rye, she discussed the challenges of bringing so many stakeholders together. Marla said, “It’s such a daunting task. There are so many organizations doing similar work, and there are different eligibility criteria for almost every program.” Options that have been discussed are creating a website that provides up-to-date information for wraparound services across the region or centralizing information within the American Jobs Centers, which have locations in all 13 counties in NMT.

Another positive step in dismantling barriers to employment and collaboration among organizations is the work being conducted by the Urban League of Middle Tennessee. Their recent report, “Advancing Workforce Equity in Nashville - a Blueprint for Action” was created in partnership with employers, community-based organizations, and state agencies. Strategies outlined in the report aim to “elevate the voices and needs of workers, coordinating across sectors to address inequities in the social determinants of work, targeting resources to the people and neighborhoods with the greatest needs.”

## **IX. Conclusion**

Addressing worker shortages with wraparound services involves providing comprehensive support to workers to help them overcome barriers to employment, thrive in their roles, get off the benefits cliff, and change their lives for the better. A streamlined and collaborative approach to providing services such as training and skills development, childcare and family support, transportation assistance, housing assistance, access to healthy nutritious food, technology training and assistance, and other support services is necessary to address critical workforce issues in the region. Although services are to varying degrees accessible, there is opportunity for community and regional partners to work together to streamline services and allow more Tennesseans to engage in the economic prosperity of the region.



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