



Exploring Economic Mobility in Chattanooga Youth

A local analysis of the ladders of opportunity

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Copyedited by Ashley Hopkins

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Introduction

Economic upward mobility, the ability of an individual, family, or some other group to improve their economic status, has formed the foundation of the American Dream for centuries and remains at the core of the U.S.'s national identity. That being said, research demonstrates that intergenerational mobility, the ability to move up the economic ladder from one generation to the next, is becoming more and more limited. According to data from the Equality of Opportunity Project, children's prospects of earning more than their parents have fallen from 90 percent to 50 percent over the past half-century. Furthermore, there are substantial geographic differences in upward mobility across the United States; these geographical differences in upward mobility are strongly correlated with five primary factors: segregation, income inequality, local school quality, social capital, and family structure.

The southern U.S. sees some of the highest rates of inequality and is lagging behind other regions of the U.S. in terms of economic mobility due to the five primary factors listed above. Furthermore, southern states tend to have lower minimum wages, meaning that low-wage workers in these regions make less than in other regions, thus having less money to spend on creating opportunities for their children. These lower wages also negate the benefits that could be derived from lower housing costs in these

Table 1. Upward Mobility in the 50 Biggest U.S. Cities — The Top 5 and Bottom 5

| Rank | City | Odds of Reaching Top 5th Starting from Bottom 5th |
|------|--------------------|---|
| 1 | San Jose, CA | 12.90% |
| 2 | San Francisco, CA | 12.20% |
| 3 | Washington, D.C. | 11.00% |
| 4 | Seattle, WA | 10.90% |
| 5 | Salt Lake City, UT | 10.80% |
| | | |
| 46 | Indianapolis, IN | 4.90% |
| 47 | Dayton, OH | 4.90% |
| 48 | Atlanta, GA | 4.50% |
| 49 | Milwaukee, WI | 4.50% |
| 50 | Charlotte, NC | 4.40% |

Source: Chetty, Raj, et al. "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility." *The Quarterly Journal of Economics* 129(4): 1553–1623 (<http://www.nber.org/papers/w19843>).

regions.¹

The Equality of Opportunity Project found that a child who grows up in the Chattanooga, Tennessee area with parents who earn in the 10 percentile, ends up, on average, in the 33rd percentile; this demonstrates very low average economic mobility, with only approximately

1 Semuels, Alana. 2017. "Why It's So Hard to Get Ahead in the South." *The Atlantic*, April 4. Retrieved May 5, 2017 (<https://www.theatlantic.com/business/archive/2017/04/south-mobility-charlotte/521763/>).

6% of these youths being able to move into the top quintile from the bottom. Chattanooga has been undergoing large-scale social and economic changes over the past few decades, and the ongoing inequalities are highly visible in these results. Manufacturing jobs have declined, with entry-level service-sector positions taking their places. These service-sector jobs pay lower wages and provide far fewer benefits than the manufacturing jobs of the past.

In order to identify and understand barriers currently facing Chattanooga's youths, Metro

Ideas Project (MIP) has conducted a qualitative assessment in conjunction with a larger quantitative study. This study includes data from focus groups with Chattanooga youths, aged 15-25 years, as well as with a number of local employers who offer entry-level work in a variety of fields.

Methodology

This study utilized qualitative methods in order to gain a detailed understanding of the perceptions and issues surrounding economic mobility for youths in Chattanooga. We first conducted focus groups with 31 young people in Chattanooga, ranging in age from 15 to 25 years old. We also interviewed and surveyed local employers in the city, varying across multiple industries, in order to gain an understanding of the job opportunities and requirements for young people in Chattanooga. Youth participants were recruited by the Community Foundation of Greater Chattanooga, and the majority attended Hamilton County public high schools, though there were a select number from private or magnet schools. MIP facilitated the youth focus groups, each of which contained five to six students, and discussions lasted between 45 minutes and an hour and a half. The majority of the youths involved in this study were current high school students in the midst of planning for post-graduate life. A second group of students was also interviewed, composed of students who were either currently enrolled in college or had graduated. Only one student who had attended college had dropped out prior to completing a degree.

Focus groups were based on a loosely structured interview guide, which allowed for the students to discuss the topics at hand, encouraging them to talk about the issues most preva-

lent to them, while also ensuring that each necessary topic was covered and the conversation was not derailed. (See Appendix A for the Focus Group Guide.) Topics discussed in the youth focus groups ranged from high school and college expenses and college preparatory classes to financial aid and student employment.

In addition to these youth focus groups, MIP also conducted interviews and surveys with local employers to gauge the extent to which opportunities and challenges exist for youth, as well as the roles companies play in developing opportunities for local youth. (See Appendix B for the Interview Guide.) Respondents were primarily human resource managers or higher at local companies. Mirroring the student section of this study, a combination of a snowball sampling methodology and referrals from the Chattanooga Mayor's Office and the Chattanooga Area Chamber of Commerce was utilized to find participants. Interviews lasted between 30 minutes and an hour and a half, and focused on company demographics, job advertising, pay scales, and requirements for entry-level jobs in Chattanooga. MIP used thematic coding of transcripts, allowing for a more precise analysis of the issues frequently faced by youth in Chattanooga as they complete high school and plan for their futures.



Chattanooga Girls Leadership Academy.
(Tim Barber/Chattanooga Times Free Press via AP)

Youth Findings

Issues and obstacles related to matriculation into college often begin in elementary school, but these obstacles increase substantially by high school. The main issue encountered by young people in Chattanooga is financing a college education. This is a multifaceted issue that limits youth from an extremely young age, impacting what schools they can attend, what majors they are encouraged to pursue and feel they are able to complete, and where they can live, frequently forcing them to choose between living on campus or with family members. In addition to discussing financing their college educations, students discussed a number of other obstacles, including college preparatory courses and tests, as well as balancing work and school. The following section further elucidates on these topical areas of concern.

Financial Aid

Financing a college education is the principle obstacle that young people face, both across the United States and specifically in Chattanooga. The current structure of the financial aid system can be very problematic for a number of students; for example, some students' parents are unable or unwilling to pay for college, yet their income must still be listed on the students' Free Application for Federal Student Aid (FAFSA). If their parents' income is above cer-

tain thresholds, this can result in students not qualifying for need-based scholarships, even if their parents are not involved in financing their educations. In cases such as this, students must consider their options for attending a two-year or four-year university and are often limited to Tennessee-based schools that offer less expensive in-state tuition. Even with in-state tuition, many students rely on a combination of government and private student loans, private scholarships, academic scholarships, athletic scholarships, college Reserve Officers' Training Corps (ROTC), and/or military enlistment, all of which put additional pressures on the students. A section of students in our focus groups mentioned that they had parents who were considered middle class, based on their income, and were unwilling to pay for any of their children's college. One recent college graduate said:

Even throughout school, I might have gotten a scholarship here and there, but once again, because of my parents, because of the money that they make, everyone's like, "Oh, y'all can afford to pay this." You can't tell me what my parents can afford to pay, because if they choose not to do it, then it falls on me.

Another student echoed this, commenting that "sometimes your parents are in the middle or higher class, so they can't afford it. I mean,

they can afford it, but they're not going to pay for it."

One option for a number of students is the HOPE scholarship. This scholarship is the largest scholarship fund available to graduates of Tennessee high schools who wish to attend college. Requirements for the scholarship are that recipients must score at least a 21 on the ACT, maintain a collegiate GPA of at least 3.0, and attend a college or university located in the state of Tennessee.¹ While the HOPE scholarship has allowed many Tennessee students to continue their educations, the in-state stipulation on the scholarship consequently limits students' school choices, which can in turn limit the type of degrees these students can pursue. While there are a number of universities and liberal arts colleges in Tennessee, they do not all offer as high-quality degree programs as other out-of-state universities, especially in engineering and computer sci-

ence programs. If young people are further limited to attending a college near or in their hometown, then they are even further limited in

the degree programs they can pursue. One student said: "Finances is a big factor, and that's why I decided to stay in state, because I knew I at least had my HOPE. But, if it wasn't for the HOPE, I mean, I wouldn't have gone to school."

A large portion of focus group participants stated that they had wanted to go out of state for their college educations, but found their only option was to stay here. One senior from the Chattanooga Girls Leadership Academy expressed:

I wanted to go to my dream school of North Carolina Agricultural and Technical State University, but if I pay in Tennessee, I don't have

1 Tennessee Department of Education. 2017. "Tennessee HOPE Scholarship." Retrieved June 21, 2017 (<https://www.tn.gov/collegedpays/article/tennessee-hope-scholarship>).

to pay anything for college ... I could choose if I want happiness now or later. Now I would go to my dream school and be happy, and I graduate and I'm cheap, so then I'd be paying loans. So I'll just stay in Tennessee.

A fellow senior from CGLA had a similar experience: "My original school that I thought I would be going to was Texas State, but then I started to realize that was not so much out of reach, but it was more so about the money, what they're offering, all of the other parts of it. But it's a really great school." This sentiment was also echoed by a senior currently attending Chattanooga School for the Arts and Sciences, who explained: "I wanted to get as far away from home as possible, but again, I had to think practically and just financially. I knew my dad wasn't going to pay for all that, so it was either full ride or nothing, so I started focusing more

on schools that are closer to home."

In addition to the HOPE scholarship, students can attend a two-year college essentially for free through the Tennessee Promise program.

However, much of the Tennessee lottery revenue that previously went to the HOPE scholarship will now be used to finance the Tennessee Promise program.² While this program will make college much more accessible for students from lower- and middle-class families, it will also limit the HOPE scholarship funds available for young people seeking to earn a four-year degree.

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2 Cohen, Steve. 2014. "'TN Promise' breaks HOPE's vow to students." *The Tennessean*, March 11 (<http://www.tennessean.com/story/news/2014/03/11/tn-promise-breaks-hopes-vow-to-students/6298817/>).

Tennessee Promise program. While this program will make college much more accessible for students from lower- and middle-class families, it will also limit the HOPE scholarship funds available for young people seeking to earn a four-year degree.

Tuition is only one financial barrier to attending a four-year college or university; on top of the rising tuition costs, students must also cover their costs of living, including housing, food, and books. Housing can become an enormous burden to financially disadvantaged students, with campus housing costs often exceeding those of off-campus apartments. Due to these high costs, some of which scholarships and financial aid do not cover, students often find that they can only afford tuition and have little to nothing left for living expenses. As one student explained: “I think that’s the worst thing about Tennessee, and I know just a lot of people in Chattanooga who end up coming back home. Financially, they can’t afford it [college]. It’s very expensive.” Many students have to find alternatives to living on campus, typically choosing to live with their families while attending college, further limiting their options for schools. As one student from Soddy-Daisy High School elucidated: “At UTC, the cost of campus is like, \$9,000, and I come from a big family with a single mom, and she’s pregnant. So I stay and take care of them.” Another student from Soddy-Daisy echoed these sentiments when asked about why they are staying at home, remarking, “It’s 15 minutes down the road.” Other students have to live in off-campus housing with family or friends due to the expense of campus housing; as one young woman explained: “I lived in off-campus apartments. It was just a lot cheaper and I lived with an older cousin.”

Many students from Chattanooga, especially those who are financially disadvantaged, are limited to the University of Tennessee at Chattanooga, Bryan College, Southern Adventist University, and Middle Tennessee State University as their only viable options for four-year universities. None of the students we spoke to mentioned considering the two proximate

private universities, Covenant College, located on Lookout Mountain, GA, just 15 minutes from Chattanooga’s downtown, or The University of the South, approximately 50 minutes west of Chattanooga in Sewanee, TN. These choices limit the number and type of degree programs that Chattanooga-area students can pursue. Interestingly, most participants preferred to attend a four-year university or college and were not as interested in attending a two-year college. This may change now that Tennessee plans to offer free tuition to in-state students attending community colleges.

ACT Preparation and Costs

While tuition and living costs are two of the largest financial barriers facing many young people in Chattanooga, there are also many costs to the college application process that accrue well in advance of enrollment. All students interested in attending a four-year university must take the ACT. Students attending schools in Tennessee school districts that have agreements with ACT, Inc. can use a state-funded voucher for their first ACT attempt on statewide scheduled testing dates.³ Furthermore, ACT, Inc. will provide two waivers for testing based on household income and number of residents.⁴ If students need to take additional tests in order to increase their scores, they are responsible for paying for these subsequent ACT exams. The quality of ACT preparation programs varies substantially across high schools in Hamilton County; thus, some students are likely to be more prepared for the ACT than others. Students attending schools with poor ACT preparation courses often will have to retake the test multiple times in order to record a score high enough to be admitted to college. This means that the financial burden of retaking the exams often falls onto more economically disadvantaged youths attending under-resourced and

3 Tennessee Department of Education. 2017. “ACT & SAT Testing.” Retrieved June 20, 2017 (<https://www.tn.gov/education/topic/act-sat>).

4 ACT. 2017. “Fee Waiver Eligibility Requirements 2017-2018.” Retrieved June 20, 2017 (<https://www.act.org/content/dam/act/unsecured/documents/FeeWaiver.pdf>).

poor-performing schools. One Chattanooga Central graduate detailed her ACT attempts, saying:

The first one they give you free, but if you don't make that good score, you gotta pay out of pocket. And I had to take it three times. Because that school did not prepare me. They gave us a class, but all we did was hang around basically... So when I took it the first time, in order to get into UTC, you had to get like a 21. I had gotten a 17. I was not prepared. It was like \$60, maybe \$70, for me to take it again. And then I had to take it again, and that's just money coming out just to make a certain score that I was not already getting prepared for.

While a couple of students in our focus groups actually felt prepared for the ACT, it was not a majority viewpoint. At Soddy-Daisy High School, one senior described an online course that was provided for seniors by saying: "It's

opportunity to. And that's not fair to the rest of the students." In contrast, when asked about this student's own ACT prep course that they were assigned to, they added that they mostly colored pictures in the class.

A number of students felt that there was no point in trying to prepare for the ACT, stating simply that "I've taken it five times and got the same score every time, except for the last time. I went up one point. And I took a class that did not help. I don't think you can study for it. It's just something you either know it or you don't." Extant research lends credence to this student's sentiments, suggesting that, as much as students may study ACT-specific strategies, it is in fact the quality of a student's work in general education courses that predicts their performance on national standardized tests.⁵ Furthermore, students attending schools in which academic rigor is high, based on students' attendance and engagement in class and with peers, exhibit greater improve-

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kind of confusing, because it was kind of [an] on-your-own thing you did at home, not really a class where they taught you or anything. So I made lower on my ACT this year." In contrast, one Brainerd High School graduate who felt prepared told us: "They sectioned us off... And our English my junior year, it centered around ACT. And I think we were the only class that got that. So all six of us scored really well on the ACT versus everybody else in the school." As shown here, within some schools, there was not a consistent approach to preparing students for the ACT. A graduate from East Hamilton High School described a similar ACT preparation program at their school: "That's another thing that they do at ours. They'll pick a select group of students that they want to give the

ments on ACT scores over time than students in schools with lower academic achievement.⁶ Taking the ACT multiple times has shown to generally improve test scores, with students scoring an average of 2.9 points higher on the second test.⁷ Nonetheless, it appears that ACT performance is most effectively improved by the rigor of education in students' high schools,

5 Elaine Allensworth, Macarena Correa and Steve Ponisciak. 2008. "From High School to the Future: ACT Preparation—Too Much, Too Late: Why ACT Scores Are Low in Chicago and What It Means for Schools." *Consortium on Chicago School Research at the University of Chicago*. Retrieved June 20, 2017

6 Ibid.

7 Harmston, Matt and Jill Crouse. 2016. "Multiple Testers: What Do We Know About Them?" *ACT Research and Policy*. Retrieved June 20, 2017 (<http://www.act.org/content/dam/act/unsecured/documents/2016-Tech-Brief-MultipleTesters.pdf>).

which importantly targets their problem-solving and communication skills. As the quality of education in high schools in Hamilton County varies between schools, students attending low-income and low-quality high schools will likely perform worse on the ACT than students attending wealthier, high-quality schools, regardless of the amount of time they spend learning test-taking strategies.

Additional Costs of High School and College

In addition to the costs of taking and submitting the ACT, college application costs can also present a financial barrier to many students. Nearly all colleges and universities require students to pay an application fee, and while waivers are available to financially disadvantaged students, this adds additional steps to each college application. Furthermore, for students whose parents are not considered disadvantaged but who are not assisting their child financially, these application costs can be prohibitively expensive, limiting the number of applications a student can afford to submit and further restricting their college options. When asked whether they had been paying college application fees, one senior from the Chattanooga Girls Leadership Academy replied: “I didn’t do that, cause I was advised not to. Cause it’s too many schools that do free, or free waivers. So I tried my best not to; I don’t even think I paid for one.” She later added, “Cause Texas is like 36, North Carolina is like 75. They were expensive, so if you can get a free waiver, then yeah.”

In addition to the costs associated with college preparation and college applications, many students must also contribute to their household costs. While most students stated that their parents or guardians don’t frequently require them to pay rent or bills, they are often responsible for the costs of their cellphones, transportation, and school fees. A graduate from Howard described their college experi-

ence: “The reason I chose Chatt State was to stay close to my mom cause there’s nobody to take care of her. I do have two siblings, but they’re not old enough yet.” Some students do help pay some of their families’ bills, adding to their financial burdens from a young age. One senior from Brainerd described the situation by saying: “I don’t have to, but I want to ... My mom, she, she got four kids and two of us live there, so I mean, why not? If I’m making it, why not?” Another senior from the same focus group later added in: “When I do have a job, I’m working, I do have to contribute to the household, which is teaching me responsibility for when I get out on my own.”

Furthermore, there are also costs and school fees that students are required to pay in order to participate in high school events, including prom and graduation, which can add to a young person’s financial burdens throughout their high school career. At Brainerd High School, the cost to walk at graduation and buy a cap and gown is \$110. One senior elaborated: “\$60 senior fees. If you don’t pay ... on your senior fees, then we can’t get the arena [for graduation].” Most of the members of this

Most of the members of this focus group mentioned that they were skipping prom; one of the three students planning on attending said, “You could probably end up spending more than \$500.”

focus group mentioned that they were skipping prom; one of the three students planning on attending said, “You could probably end up spending more than \$500.” A senior from Soddy-Daisy High School described her reasoning behind skipping prom, saying, “Cause it’s \$1,000 and I’m not gonna enjoy it.” A fellow senior from SDHS mentioned that “The cap and gown, it depends on when you order it. My friend, she just ordered it like last week and the price went up to \$60-something. It keeps going up.”

Student Employment and Extracurricular Activities

In order to keep up with many of these on-going expenses, a majority of participants are required to work, primarily entry-level minimum-wage jobs, throughout the school year. While these jobs are typically part-time work after school, a number of students work full

“I cry for like 10 minutes, and then like okay, let’s make a to-do list, schedule my time, let’s get through it. Nonstop.”

time; this not only makes it difficult to keep up with their studies, but also frequently prevents them from participating in extracurricular activities. Most students work fast-food jobs such as Burger King and Little Caesars, or in low-level retail, such as Dollar General. When asked about the average number of hours that students typically worked, answers were mostly 25-30 hours, with about four that only worked on weekends. One senior from Brainerd described a typical week of managing work and school, disclosing, “I get paid every two weeks and I work about, say, 45, 50 hours because I have, yeah, two days on, two days off,” then later mentioning, “I feel like keeping yourself busy is supposed to keep you out of trouble.” In addition to their course loads and job responsibilities, many high school students also attempted to stay involved in some extracurricular activities, a prerequisite for acceptance to many universities. While many recognized the importance of having a well-rounded application when applying to colleges and for scholarships, juggling all these responsibilities can also be extremely overwhelming. As one student involved in Girls Inc. noted, “I just really struggle, cause sometimes I get loaded with so much work, and I’ll just stress instead of actually doing it, cause I just don’t know how to fit it all into one day.” Homework adds to the already-overwhelming burden faced by many of the students, as they attempt to fit it in be-

tween all their other obligations. Many students discussed how they had to sacrifice sleep in order to keep up with all their responsibilities. As stated by one young woman at Girls Inc.: “Successful people, they don’t sleep. But this year, I have really cut back. I don’t do as much as I used to, cause I used to be like this.” Trying to balance work, academics, and extracurricular activities, along with the pressures of entrance

exams, college and scholarship applications, and social and peer obligations, can be extremely overwhelming, bringing some students to tears. As one student from Girls Inc. stated: “I cry for

like 10 minutes, and then like okay, let’s make a to-do list, schedule my time, let’s get through it. Nonstop.”

Discipline

Another emergent theme throughout the focus group discussions regarded forms of discipline in Chattanooga schools. Some schools have attempted to crack down on rules and have used school suspensions as punishment. One student from Brainerd High said:

So they were like suspending people left and right for like the simplest things... They send you to the principal’s office for any reason. And you can get suspended for any reason. So not to offend anyone, but this is a predominately black school and these are black principals. So I’m like, “You’re gonna not even take the time to see what’s actually wrong with these black children? And you’re gonna suspend them for 30 days?”

This is troubling, as students can miss crucial sections of class and can fall behind in entire subjects. Out-of-school suspensions have been shown to have many negative effects on students, such as drops in grades and increases in

antisocial behavior.⁸ These results are especially concerning considering that African-American youths are more likely to be disciplined with suspension than their white peers.⁹ In order to address this problem, other area schools have established evening schools for suspended students to continue their studies, albeit removed from the student body. Furthermore, lower-income-area schools tend to have new, inexperienced teachers who may struggle with teaching course material and managing a classroom. A current student from Brainerd described this, saying: “My English 11 language teacher, this is her first year teaching... When I took her class, I’m not going to be mean or nothing, but she didn’t know what she was talking about. I just was like stuck... Then my class, they was loud, and we just, we barely learned stuff.” New teachers have to learn how to discipline unruly students simply through experience, which can take time and often results in poor disciplinary tactics. One student described:

You have to learn to tolerate disruption, because sometimes the teacher just shuts down and gives us the assignments and tells us to do this, and you have a corner student just doing whatever and the teachers aren’t gonna know how to deal with it or if you discipline them.

Dual Enrollment

While these young people were under numerous pressures, especially financial and time management pressures, they discussed a number of strategies that they have developed in order to deal with their stress to prepare for success in college. One of the major strategies was the use of dual enrollment. Dual enrollment offers high school students a number

of benefits prior to their entrance to college, whether a two- or four-year institution.¹⁰ In particular, dual enrollment classes offer students an opportunity to experience a course that is organized, graded, and conducted similarly to a college course. As one Brainerd High School student commented:

Some of us take like dual enrollment college classes... that’s when really like, okay, college is serious. You can’t just slack off; these grades are real. Those essays are real. The math is real. You got to be like, this is some serious stuff, you got to get into... I think that’s when it really woke our dual enrollment class up.

These classes demonstrate the difficulty of college classes while still taking place within the high school environment. Several students participating in the focus groups reported that the dual enrollment courses were the only classes that adequately prepared them for college. As one senior from Brainerd expressed:

We don’t have this, you know, the teacher moves along with you or they’re going to go step by step with you—either you going to do this or you going to get an F. That’s kind of how they do a lot of the grades instead of... I guess it’s kind of scary, but then again, it’s preparing you so you’ll be... It’s good and bad at the same time.

Another student from Brainerd commented on the extent to which she felt challenged by dual enrollment classes, mentioning that: “It was definitely a lot of pressure. With high school, your teacher, they’ll move the deadline around for you or stuff like that, but our college professor, when she says midnight, she literally means midnight, it has to be in there.”

In addition to providing students with an opportunity to take a higher-level course that will better prepare them for the academics they will experience in college, dual enrollment also

8 Hemphill, Sheryl A. et al. 2006. “The Effect of School Suspensions and Arrests on Subsequent Adolescent Antisocial Behavior in Australia and the United States.” *Journal of Adolescent Health* 39(5): 736–744; Costenbader, Virginia and Samia Markson. 1998. “School Suspension: A Study with Secondary School Students.” *Journal of School Psychology* 36(1): 59–82.

9 Graves, Lucia. 2014. “The Economic Impact of School Suspensions.” *The Atlantic*, October 26. Retrieved June 21, 2017 (<https://www.theatlantic.com/business/archive/2014/10/the-economic-impact-of-school-suspensions/381859/>).

10 Tennessee Department of Education. 2017. “Dual Enrollment Frequently Asked Questions.” Retrieved June 20, 2017 (https://www.tn.gov/assets/entities/education/attachments/eps_dual_enrollment_faq.pdf).

offers these students an opportunity to gain college credits while still in high school. The structure of dual enrollment classes differs by high school as well as by course material. Students from various focus groups reported taking dual enrollment composition 1 and 2, statistics, and psychology courses. Statistics is generally taught online, though some schools provide in-class guidance, while others leave the students to complete the courses essentially on their own. Describing an online dual enrollment course, one senior from Soddy-Daisy High School explained that “She [the teacher] would go through it step by step but all of our—We had PowerPoints and homework and tests were all on the computer.” Traditional dual enrollment courses, such as English composition, are taught on campus at colleges or universities, while some high schools have professors teach on-site. Students from the Chattanooga Girls Leadership Academy informed us that professors from Chattanooga State would drive to their campus and teach in their high school. One senior from CGLA told us: “Just for my school. She teaches college students other days, but on Mondays and Wednesdays at I guess 8 o’clock to 9:22, she teaches us.” While dual enrollment credits can be transferred over to a college or university, there does not seem to be much of a guarantee to these students that these credits will, in fact, transfer. They are more likely to transfer to a local university or college, again limiting these students’ postsecondary educational options.

Military and ROTC

Alongside dual enrollment options, students mentioned the military as an avenue through which to finance their college educations. Students from both the Brainerd and Howard school focus groups showed interest in joining the National Guard in order to pay for their college. One senior from Brainerd explained: “When I get into college, I want to join the National Guard... You don’t even have to work to get paid every month, \$500.” The ROTC program is a route that appeals to students who

may be hesitant to commit to the armed forces or who are interested in becoming officers. A number of students in the Soddy-Daisy High School focus group were planning on participating in the program in college. One senior at SDHS added:

I thought about it, but I just, I really wanted to get a college education just in case something did happen in the military, and if I get hurt or something, I can always... I wouldn’t know what to do, so I’m gonna get an education and then do ROTC in college so I’ll be an officer in the military and then you’ll get higher pay anyways.

However, some students do not trust the military recruiters enough to sign up. One student from Brainerd commented on the stigma surrounding military recruitment, saying: “I feel like it’s really to get at those kids that know that they don’t... Either they don’t want to go to college and they don’t stay here if something bad happens, or they know they’re not going to be doing much else with their life afterwards.” Military recruiters have been known to target lower-income high schools for new recruits and, occasionally, gang members. One senior from Brainerd who is seeking to join the military upon graduation was later identified as affiliated with a local gang; when asked about why she wanted to enlist, she replied, “The military is something that I been wanting to do ever since I was young. I just like to... I just like to be rough. I like to fight. I don’t know.”

Social Capital and Social Network Barriers

One of the major factors that can prevent young people from achieving economic mobility is the lack of social capital; social capital is the set of resources, both tangible and intangible, that is produced from interacting with others who can help them succeed. In order to generate a large amount of social capital, it is necessary to interact with those who can assist in generating opportunities for advancement, such as job placements in higher-level positions. In our fo-

cus groups with students who had completed or were about to complete college, their struggle to overcome barriers to social capital became a major theme.

A number of young people cited that breaking through current social networks in order to get into the workplace was extremely difficult. Members of the graduate focus group noted that these employment networks feel closed to them, stating that race does seem to play a large role in how these networks have formed and still operate. A graduate from Tyner Academy and Middle Tennessee State University described excluding social networks, saying:

I wouldn't say that there aren't opportunities for people in Chattanooga. Maybe because I don't stay here now and I don't really know, whatever. But I think because I have friends who went to East Hamilton, they did stuff. I'm just like, "Where are you at? How, you know, what are you doing? Where are you?" And it's because they knew people, clearly they were white, who had access to these things.

Another member of the adult focus group added that "I feel like in Chattanooga, it's all about networking. If you don't know certain people, you're not going to know about any opportunities here. That's how I got my job." Many of the adult focus group members agreed that there were very few networking groups for young graduates from the area. One UTC graduate described their opinion on the post-graduate networking situation in Chattanooga, saying: We need to come together as a community, like people our age. Have functions for us. Like you have other functions going on in Chattanooga, but do you have one catering to the young professionals that's maybe in college, just got out of college? You want us to come back home, but are you catering to us?

An MTSU and East Hamilton High School graduate elaborated:

I still don't think there's still that much for young people here. Like I get what [the focus group participant] is saying that maybe we're

not connected to the right people, but the fact that I went to school with these people. The fact that I was one of those people even in college.

A fellow graduate then added in:

Even if you were surrounded by these people, they still might not invite you to, not saying that they didn't. But they might not include you in certain things because you're black. And you might feel like you're in it, but you're not really in it.

With limited educational opportunities and closed social networks, building enough social capital to gain better employment opportunities is extremely difficult, especially for low-income minority students. Many of these students felt cut off from the needed resources, especially the intangible resources that high levels of social capital can offer, in order to get through the front door for quality positions. Furthermore, some students discussed issues of prejudice in the workplace once they did gain admittance; in these cases, they expressed frustrations that their coworkers treated them as if they were hired not for their qualifications but rather to fill a minority quota or due to family relations. As one young woman explained, she could gain employment through connections she'd made interning in college, and yet when she was hired to work full time for the company, "I know that people to this day at my job were like, 'You only had this job because of your grandmother.' Which is not the case. The HR person was like, 'We didn't even know they were related. Second, if you saw her resume, you will see she earned her job here.'" Interestingly, even the young woman did not know her grandmother worked for the same company, and yet she feels the perception from her coworkers is that she did not rightfully earn her position even after having interned there. These perceptions serve to further alienate these young people even after they have achieved employment.

Youth Takeaways

Consistent with what national research has found, there are several major obstacles faced by young people in Chattanooga when trying to move up the socioeconomic ladder. While nearly all the youths interviewed in this project were either attending or planning on attending a two- or four-year university, they face a number of prodigious barriers. The most difficult barrier to overcome is the financial barrier; this includes paying for college, as well as the costs of living associated with attending college, such as room and board, books, and other needed resources. Additionally, there are costs associated with preparing to gain acceptance to college, such as the costs of ACT preparatory courses, additional exams, and college application fees. For students who wish to participate in extracurricular activities or walk at graduation, they must also pay student dues and ticket prices. Finally, a number of students have to assist their families with bills and other costs, which puts an added financial pressure on these young people.

Alongside these financial obstacles, students also frequently voiced how overwhelmed they were with all their educational, work, and extracurricular obligations; many had to sacrifice social lives in order to balance all their obligations, threatening burnout at a very young age. Finally, even after overcoming all these barriers, young people in Chattanooga often faced difficulties breaking through the social networks that appear closed to them to gain employment, even after college graduation. In the following section, the input of local companies hiring entry-level workers further explains factors influencing youths' opportunities in Chattanooga.



Brainerd High seniors pass cheering students at Orchard Knob Elementary.

(Robin Rudd/Chattanooga Times Free Press via AP)

Employer Findings

Interviews with 12 employers in the Chattanooga area revealed several key trends indicative of the economic opportunities for youths in the city. These interviews focused on the application process, training, compensation, and workplace behaviors of individuals employed by companies ranging from janitorial service providers to insurance providers. Of the companies that we spoke to, none of them required a college degree for entry-level jobs, though some entry-level positions favored a college education. Only two of the companies interviewed (a private utility company and a government employer) required a high school degree for employment to entry-level jobs. Most companies provided paid training for their entry-level jobs, except for the barbershop, which required a barber or cosmetology certification prior to employment.

Employee Skill Requirements

A common trend specifically mentioned by several employers was that many younger employees and applicants lack soft skills in a professional environment, potentially barring them from employment. During an interview, an owner of a local janitorial service company said:

What I have found, because we, you know, we

have hired administrative people that have been in the younger age group, that there are certain things that are not necessarily being taught out there right now—how to dress for an interview, how to show up on time, and how important it is to be punctual. How to even fill out an envelope or how to address an envelope. It's an old skills set.

Employers frequently mentioned that verbal and written communication skills were among the top considerations when hiring new employees. Additionally, in positions primarily in the customer service sector, employers were seeking applicants with positive attitudes and punctuality, as well as strong communication skills. These soft skills are described by employers as harder to find in the next generation of workers. Soft skills were often far more important than educational attainment or experience for entry-level positions. At a more basic level, employers noted that younger employees tend to show up late to work more frequently than older employees. A human resources professional from a food manufacturer explained:

But we've had people show up late for interviews. We have people that show up late for orientation. We do a week of orientation when you first start before you go out on the floor. They're just starting a new job and they're tardy. That

Table 2. Educational Requirements

| Employer | HS Degree Required | Required License/Training |
|-------------------------|--------------------------------|---------------------------|
| Private Utility Company | Yes | No |
| Insurance Company | No | Paid Training |
| Fast-Food Franchise | No | No |
| Hardware Store | No | No |
| Janitorial Service | No | Paid Training |
| Catering Service | No | No |
| Security Service | No | No |
| Barber Shop | No | Requires Certification |
| Food Manufacturer | No (Must Be 18) | No |
| Government Employer | Yes, but Offers HS Internships | |
| Manufacturer | No | For Some Positions |
| Thrift Store | No | No |

will get you fired...

Applicant Screening

While soft skills can exclude some potential employees from work, background checks and drug testing are also utilized to screen out prospective hires. Having arrests, especially for a felony, on one’s record will significantly limit occupational options for life; it is important to note that having a felony on one’s record will exclude them from nearly every employer interviewed in this study. The type and severity of one’s crimes can mean the difference between getting a job or not. For example, the owner of a local janitorial company mentioned specifically: “They cannot have any theft on their background check. We background check everybody. And it’s sad to see how many people have made mistakes when they were younger which keeps them from being able to work in a position like ours.” While all crimes would not necessarily prevent a prospective employee from being hired by the janitorial service, a history of theft is an immediate red flag, as the employee would be working around personal and company possessions on a daily basis. Some businesses, such as the food manufacturer, were more

open to working with employees with criminal backgrounds, including those with felonies. A representative from this company elucidated:

We really don’t care if it’s a felony or a misdemeanor, because you can have an offense that would be a felony-level offense and it gets pled down to a misdemeanor...We don’t look at that as much as we would look at the underlying behavior. Like what happened? Tell me what happened and when it happened and how long ago it was.

Drug testing was another method used by some employers to screen prospective hires. The only companies interviewed that did not perform drug testing in any capacity were small, recently created companies in the service industry. The private utility company, government entity, and insurance company were the only employers that required drug screenings. The government entity performed the strictest drug tests and background checks of all companies included in the study, due to many of their employees having various levels of security clearance. These high standards for employees are expected in this work industry.

Table 3. Drug Testing and Background Checks

| Employer | Required Drug Testing | Background Checks |
|-------------------------|---|---------------------------------------|
| Private Utility Company | Yes | Yes |
| Insurance Company | Yes, Drug and Tobacco | Yes |
| Fast-Food Franchise | No, but Reserve the Right for Testing | No, but Reserve the Right for Testing |
| Hardware Store | No, but Reserve the Right for Testing | No, but Reserve the Right for Testing |
| Janitorial Service | No | Yes, Mainly Screen for Theft |
| Catering Service | No | Yes |
| Security Company | No | No |
| Barber Shop | No | No |
| Food Manufacturer | No, but Reserve the Right for Testing; Required for Drivers | Yes |
| Government Employer | Yes, Preliminary and Random | Yes, Extensive Checks |
| Manufacturer | Yes | Yes |

Employee Compensation, Promotions, and Turnover

Income inequality is a huge factor when examining patterns of economic mobility; this becomes highly apparent when assessing the starting wages for entry-level positions in Chattanooga. While many of these positions did not have massive differences in terms of the needed skill sets, there was a wide range of starting wages for entry-level jobs. While service-sector jobs such as fast-food and retail positions offered a faster path to promotion, they paid the least and suffered from high turnover rates. Manufacturing positions offered a more stable schedule, higher starting salaries, and typically superior benefits packages. Most of these positions did not require postsecondary education or certifications, with the exception of a few positions, such as truck drivers and welders. Traditional white-collar positions, primarily in the administrative and customer service sectors, tended to pay the highest for entry-level positions. These jobs usually required, at minimum, a high school degree, like those at local insurance, private utility, and government companies. Furthermore, soft skills such as verbal and written communication skills were highly important for these positions, since employees will usually be required

to interact online, in person, or over the phone with clients in an office setting.

Table 4. Starting Wages for Entry-Level Positions

| Employer | Starting Wages |
|---------------------|---|
| Insurance Company | \$15.00/hour for Internship |
| Fast-Food Franchise | \$8.00–\$8.25/hour |
| Hardware Store | \$7.50/hour |
| Janitorial Service | \$8.50/hour (Average Wages \$9.25/hour) |
| Food Producer | \$14.15/hour (Maxes Out at \$15.20/hour) |
| Government Employer | Entry Level Can Start at \$40K/year |

There is a large correlation between wages and turnover rates for entry-level positions, and generally, higher-paying jobs have much lower turnover rates¹. For entry-level positions at the companies interviewed for this study, manufacturing and administrative occupations had the lowest turnover in personnel, while

1 Anderson, Patricia M. and Bruce D. Meyer. 1993. "The Extent and Consequences of Job Turnover." *Brookings Papers on Economic Activity*. Washington, D.C.: Brookings Institute. Retrieved June 28, 2017 (https://www.brookings.edu/wp-content/uploads/1994/01/1994_bpeamicro_anderson.pdf); Levine, David I. 1993. "Worth Waiting for? Delayed Compensation, Training, and Turnover in the United States and Japan." *Journal of Labor Economics* (11): 742.

jobs in the service industry accounted for the highest turnover rates. One human resources manager at a local manufacturing plant told us: “We have an extremely low turnover rate. It’s around 2%. Which also means we aren’t hiring all that often.” A representative from a local insurance company disclosed to us: “Our turnover rate for the industry is below average. Our turnover rate at [redacted] averages between 10 and 12%. I think right now we’re averaging right at 11%. In the customer service and claims area, it’s higher. It’s about 15%.” In stark contrast, a local fast-food franchise reported a 102% turnover rate. A human resources manager from this company stated that they have tried to improve training and have started conducting exit interviews to see what they can do better to combat their high turnover, but they have a hard time convincing terminating employees to participate in these exit interviews.

six places, all of which were a year or two years. That would have been a huge red flag 15 years ago, when I got in the business... And I think a lot of it has to do with when pensions went away, that changed the need to stay somewhere.

Turnover and promotion rates varied from company to company, but there seemed to be a gap in promotion rates from different demographics. While many of the companies that we talked to had a strong balance of male and female employees, a large disparity persisted between genders in terms of promotion to higher-paying jobs. At a local food production plant, the positions directly above the entry-level jobs, in terms of pay scale, were dominated by male employees, despite entry-level positions being represented by women at an extremely high 84%. These higher-paying jobs included

While many of the companies that we talked to had a strong balance of male and female employees, a large disparity persisted between genders in terms of promotion to higher-paying jobs.

An owner of a local janitorial service also noted generational differences in employee turnover. She noted that there was “high turnover for the younger generation... I don’t think anybody starts out in life saying, ‘I want to be a janitor.’” She further explained her view of the generational differences of employees, commenting that younger employees “don’t like that they have to show up on schedule, and they don’t like feedback...They would rather go and just sell clothes and then won’t have to work as hard, because janitorial is hard work.” Higher employee turnover among younger employees was not restricted to the service industry or blue-collar work. A representative from a local private utility company also noticed that among younger employees there is:

Definitely more turnover. And we see the same thing on the resumes, that folks have worked

truck drivers, electricians, and machinists. A hiring manager from a local food manufacturer described this situation, highlighting that they lack female applicants to these positions in the first place: “As you move up, that shifts and we have many more males in these higher-paying jobs. It’s not that we don’t want females—we really do. We can’t get them to even apply. It looks really bad... It’s really tough to get females even interested in those jobs.”

In an attempt to alleviate this same issue, a local private utility company has developed a mentoring partnership with a number of female-only preparatory schools in Hamilton County. A human resources professional there explained to us:

We partner with some nonprofits that do stuff with The Howard School trying to expose different groups of people in the city to kind of what

Table 5. Annual Employee Turnover vs. Promotion

| Employer | Employee Turnover | Employee Promotion |
|-------------------------|--|---|
| Private Utility Company | N/A | “Like 70% of our positions we try to promote within.” |
| Insurance Company | 11%, 15% in customer service and claims | 50% of jobs hired from within, 46% were promotions. |
| Fast-Food Franchise | 102% | “We typically promote from within and bring in local outside hires when necessary.” |
| Hardware Store | 80% for part time, 30% for full time | “Most promotions are internal.” |
| Janitorial Service | “High turnover for the younger generation” | |
| Food Producer | Low turnover | Most promotion is from within. |
| Federal Employer | “Usually really low” | N/A |
| Manufacturer | 2% | Most promotion is from within. |

we do, let them know that women have a path in the utility industry if they want. Minorities have a path in the utility industry if they'd like to pursue that.

a couple different African-American groups that they get out to different job boards... And then our U.S. jobs, we have a large agreement with the veterans' groups to try to get veterans employed.

He later elaborated more in-depth on the issue:

We have a woman in every different function, so a lot of the mentors in our program are other women that work here. But we have some guys mixed in that group as well. But it's true that you just give them exposure and confidence, let them know there is a career path there if they want to go with it.

He then added: “But we know that we’re not going to see much diversity because the industry looks the same. So that’s why we’ve started going to these outside groups to try to expand on that.”

In contrast to the private utility company’s attempt to reach out for female employees, a local hardware store franchise that we spoke to had a significantly high percentage of male employees and exhibited little effort to reverse that trend. A representative from this company’s human resources department noted that “they are trying,” but did not indicate how they were attempting to do so.

The utility company was not the only company interviewed that was actively pursuing a more diverse workforce. The representative from a federal employer that we spoke to described to us the process that they go through to advertise job postings, mentioning: “We post them on our website. We use a service called localjobsnetwork.com, which actually pulls and sends our job listings to a wide range of diversity, veterans, one-stops, the whole nine yards.” Manufacturing and administrative positions offer young people avenues toward upward mobility; these are not positions available for high school students, most of whom worked in food and retail positions. Those positions have unpredictable schedules, very low pay, few benefits, and high turnover rates. These positions offer just at or slightly above the current minimum wage, providing youths with little income to help them pay for college or aid their families with bills and other expenses.

As with employee gender balance, the utility company was attempting to attract more minorities into their workforce. A representative walked us through how they pursue more diversity:

Everything’s online, so our website would be one of the main feeds, but then we go through

Manufacturing companies are working with local high schools and colleges to improve their recruitment processes, but they still struggle to fill a number of positions, most notably those with a slightly more specified skill set, such as welders. Finally, administrative positions tend to pay equal to manufacturing positions or even higher, but while they may not require a postsecondary education, many of these positions are now filled by recent college graduates, making it more difficult for high school graduates or GED holders to compete for the limited number of positions. Furthermore, since both manufacturing and administrative positions tend to have a much lower turnover rate than

food and retail service positions, there are simply not as many jobs available to young people currently on the market for employment. This continues to funnel youths into low-wage work with fewer pathways toward upward economic mobility.

Conclusion

Studies have shown that economic mobility has a number of factors but that there are massive regional differences that impact intergenerational mobility. Upward mobility occurs less often in the Southeast and industrial Midwest, with the odds notably low in Atlanta, Charlotte, Memphis, Raleigh, Indianapolis, Cincinnati, and Columbus. By contrast, some of the highest rates occur in the Northeast, Great Plains, and West, including in New York, Boston, Salt Lake City, Pittsburgh, Seattle, and large swaths of California and Minnesota. Chattanooga struggles with these issues of economic mobility, as we continue to see opportunity barriers for young people, especially young people of color. There are numerous reasons why progress against poverty and to increase upward economic mobility has been relatively stagnant. Opportunity barriers, which are discussed at length in this report, are a major set of obstacles that prevent youths from achieving upward mobility. These barriers include high levels of income inequality, unequal access to educational and workforce opportunities, and inadequate investments in children and certain geographic areas.

While there are a number of types of entry-level positions in Chattanooga, not all these positions are easily accessible. Furthermore, open positions are highly dependent on turnover rates, and positions that best lend them-

selves to aiding in upward economic mobility have the lowest turnover rates. This means that youths in Chattanooga are frequently funneled into low-wage service-sector positions, such as fast food and retail, which can prevent them from upward mobility.

For youths who are able to gain acceptance to college, finances restrict where they can attend, how many hours they have to devote to their studies, and where they can live. Often, young people are forced to give up on the school that is best suited for their interests and needs in favor of a school in Tennessee, due to lower in-state tuition costs, Tennessee-based scholarships that are not allowed to be used at out-of-state universities, and lower costs of living if they continue living at home while pursuing their degrees. Limiting the schools these young people are able to attend serves to further reduce their social networks and thus increase their social capital.

Educational disparities begin in preschool, and by high school, they become even more jarring. While many entry-level positions do not require a college degree, there is a sizable focus on soft skills, such as verbal and written communication skills. Furthermore, many jobs now require basic computer knowledge that not all youths possess. As one local high school principal commented during an interview: “I’ve got seniors that have no idea how to upload a



The Howard School band practicing using new donated instruments.
(AP Photo/Chattanooga Times Free Press, John Rawlston)

file... We're sending these kids out in the world in the 21st century." This sentiment was echoed by a number of employers who pointed out that many young people were unprepared to perform basic administrative tasks, such as drafting emails, mailing letters, writing resumes, and communicating clearly.

On top of not gaining administrative soft skills, many Chattanooga youths felt that their education left them unprepared for college entrance exams, as well as college. While they utilized tactics such as dual enrollment and advanced placement classes to prepare for college, these few classes cannot make up for an inequitable education. Furthermore, many young

people were facing early burnout, as, in order to compete for scholarships and receive the education necessary for college, many worked nearly full time while also trying to participate in numerous extracurricular activities. Many students described feeling extremely high levels of stress and fatigue, more than a few describing being reduced to tears due to being so overwhelmed with their academics, work, and important extracurricular activities.

Recommendations

One of the main efforts that needs to be made is to avoid policies that maintain opportunity barriers; these policies include the reduction of public health care, regressive tax cuts, and budget cuts to programs that assist low- and middle-income families. These all reduce opportunities and increase barriers to upward economic mobility. Constructing evidence-based policy solutions can begin to improve economic opportunities for many Americans currently left behind.

1 | Reduce segregation in neighborhoods and schools.

This can be accomplished through a mix of state and local policy initiatives as well as a robust effort at the district level to create more integrated schools.

- Pursue mixed-income housing strategies to deconcentrate neighborhood poverty
- Adopt an integration strategy at the school system-level that incentivizes middle income and affluent students to enroll in inner-city schools
- Increase pathways to homeownership

A common theme throughout each of the youth

focus groups was an underlying recognition of the detrimental effects of concentrated poverty. This is borne out in decades of academic literature and practitioner studies. Restrictive social networks and access to resources found in neighborhoods with high concentrations of poverty present a real and present barrier to the ladders of opportunity. In particular, studies suggest there seems to be a tipping point at which the effects of concentrated poverty¹ present, in which a neighborhood doesn't see an impact of poverty rates on crime, school dropout rates, or duration of poverty spells until the neighborhood exceeds a 20 percent poverty threshold. Moreover, concentrated poverty is deeply correlated with student achievement. Researchers have found that the most impactful predictor of student achievement is the extent to which students attend schools that are surrounded by a concentration of other low-income students.² These findings, unsurprisingly, are tied to and inextricable from the

1 Galster, C. George. 2010. "The Mechanism(s) of Neighborhood Effects: Theory, Evidence, and Policy Implications." Presented at the ESRC Seminar: "Neighbourhood Effects: Theory & Evidence", February 4-5, 2010, Scotland, U.K. Retrieved August 17, 2017 (http://www.clas.wayne.edu/multimedia/usercontent/File/Geography%20and%20Urban%20Planning/G.Galster/St_AndrewsSeminar-Mechanisms_of_neigh_effects-Galster_2-23-10.pdf).

2 Reardon, Sean F., Joseph P. Robinson-Cimpian, and Ericka S. Weathers. Forthcoming. "Patterns and Trends in Racial/Ethnic and Socioeconomic Academic Achievement Gaps." *Handbook of Research in Education Finance and Policy*.

black-white student achievement gap.

The Department of Housing and Urban Development administered a research experiment through a program called Moving to Opportunity (MTO). Although results were initially disappointing, revisiting the experiment 30 years later provides very strong evidence that children who moved to low-poverty neighborhoods before the age of 13 boosted future annual income by roughly \$3,500 (31 percent), boosted college attendance rates (an increase of 2.5 percent), and saw an increase in the quality of post-secondary schools attended.³ In public education, almost all school districts that have had socioeconomic integration plans have seen academic improvements and positive student outcomes.⁴

Recognizing that, we strongly recommend that the City of Chattanooga and the Hamilton County Department of Education take meaningful steps to integrate neighborhoods and schools in our community. From creating truly magnetic magnet schools to reassessing school zone boundaries with an equity lens, there are real policy alternatives to simply settling for concentrated poverty. Furthermore, a housing strategy to incentivize mixed-use development, opt-in inclusionary zoning, or a sustainable affordable housing trust could create a diversity of incomes in neighborhoods.

2 | **Expand awareness of existing career opportunities, college alternatives, and ladders into the middle class.**

Many youth are not aware of their options, including two-year degrees, certifications, and professional careers that do not require a traditional four-year degree.

- Connect students with employers by

3 Rothwell, Jonathan. 2015. "Sociology's Revenge: Moving to Opportunity (MTO) Revisited." *Brookings Institution*. Retrieved August 17, 2017 (<https://www.brookings.edu/blog/social-mobility-memos/2015/05/06/sociologys-revenge-moving-to-opportunity-mto-revisited/>)

4 Kahlenberg, Richard D. 2016. "School Integration in Practice: Lessons from Nine Districts." *The Century Foundation*. Retrieved August 17, 2017 (<https://tcf.org/content/report/school-integration-practice-lessons-nine-districts/>).

building intentional relationships with students throughout their entire high school tenure

- Partner with skills-building organizations and institutions to develop programming directly in schools
- Further invest in effective career counseling programs that support all paths to a living wage and long-term career prospects

Many of the students who participated in the focus groups identified only a few options for their futures: a four-year college program, working two or more service-industry jobs, the military, or prison. Employers, on the other hand, expressed that they had a hard time finding qualified applicants for many positions that don't require a four-year degree. Students also indicated that they had built personal relationships with military recruiters over their entire high school tenure, leading many to consider it as a real option for their future.

Hamilton County youths would benefit from more intentional relationship-building with individuals that connect and educate students about alternative career paths that do not require a degree from a traditional four-year academic institution. Chattanooga has proposed a new Office of Workforce Development,⁵ an ideal agency to conduct this work within schools across the county.

Furthermore, we recommend more robust career counseling programs that educate students on the availability of two-year and technical degree/certification programs that offer pathways into the middle class. These could be further bolstered by robust skills-building and apprenticeship programs that are housed directly within schools themselves.

5 Pare, Mike. 2017. "Mayor Andy Berke plans to create a new Office of Workforce Development." *Times Free Press*, January 19. Retrieved August 17, 2017 (<http://www.timesfreepress.com/news/business/diary/story/2017/jan/19/berke-says-new-plbolder-chattanooga-work-for/408296/>).

3 Increase wages across all industries to support a stronger economy.

Stagnant wages have hurt new entrants to the job market, particularly local youth that are struggling to make ends meet.

- Urge the Tennessee General Assembly to pass a state minimum wage law that would move hourly employees closer to a livable wage
- Adopt community benefit agreements that requires businesses that receive city or county tax subsidies to pay a higher minimum wage than currently mandated by state law

Although the literature is mixed, many studies find that recently adopted minimum wage increases (in particular, Seattle's new \$15 an hour minimum) have led to only small reductions in employment levels. Putting aside those increase levels, Tennessee is one of only a few states that does not have its own minimum wage law and relies on the federal minimum of \$7.25 an hour—a remarkably low figure by any measure. Adjusted for inflation, 1968 was the high-water mark for the purchasing power of the minimum wage where that wage was equal to roughly \$10 an hour in today's dollars. That means that minimum wage workers, largely in the service sector, are paid between a quarter and a third less than what similar jobs paid almost 50 years ago. This has negatively impacted disadvantaged youth in a disproportionate way, as they represent a significant portion of the labor force for minimum wage jobs.

It's clear that raises in the minimum wage to far more modest levels than in Seattle (e.g. some proposals, including one endorsed by over 600 economists,⁶ have recommended \$10.10 an hour) would be a boon to workers struggling to make ends meet. According to the Economic Policy Institute, in the 22 times the federal

6 Economic Policy Institute. 2014. "Over 600 Economists Sign Letter in Support of \$10.10 Minimum Wage." Retrieved August 17, 2017 (<http://www.epi.org/minimum-wage-statement/>).

minimum wage has been raised and the over 300 times that states or municipalities have done so, the feared massive job losses have not occurred.⁷

We recommend that local leaders and stakeholders urge the Tennessee General Assembly to repeal its restrictions on local minimum wage increases and even go as far as to pass a state-wide minimum wage increase.

Another way to increase the wages and benefits of youths and the working poor is by negotiating robust community benefit agreements. These are contracts signed by community groups and developers or companies that stipulate certain amenities to be provided, conditions to be met, or other requirements as agreed to by the community. These agreements often outline requirements for local hiring and living wage standards for developments and are useful tools in helping bring people out of poverty.

4 Reform discipline and juvenile justice practices.

Black youth are far more likely to be disciplined with out-of-school suspensions and referrals to the juvenile court system than white youth are—a destructive trend that is rooted in policy.

- Rewrite current school discipline policies to restrict what kinds of behavior warrant out-of-school suspensions
- Review juvenile justice and in-school resource officer policies and procedures to better understand why black students in Hamilton County are referred to juvenile court at a higher rate than other counties in Tennessee

Racial disparities in the administration of

7 Cooper, David. 2016. "The Impact of Raising the Federal Minimum Wage to \$12 by 2020 on Workers, Businesses, and the Economy." Testimony before the U.S. House Committee on Education and the Workforce Member Forum, April 27. Retrieved August 16, 2017 (<http://bit.ly/2dv3usQ>).

school suspensions is well-documented.⁸ Half of all suspensions across Tennessee were doled out in just 8 percent of schools in the 2014–15 school year—many of which serve black students in Memphis. Black students in Tennessee were more than five times as likely as white students to be suspended.⁹ That means, statewide, 20 percent of black male students were suspended at least once in that school year.

That isn't to say that there haven't been improvements and that change is impossible. Shelby County Schools, the largest school district in Tennessee, has focused on adopting restorative justice—asking students to verbalize and talk through their infractions with their teachers, faculty, and peers.¹⁰

Additionally, referrals to the juvenile justice system can be devastating to a youth's life trajectory. The earlier a youth enters the juvenile justice system, the more likely he or she is to acquire an extensive juvenile court record, ultimately impacting the outcomes of their life as an adult. In Hamilton County, black youths accounted for over half of all juvenile referrals in 2014, despite black youth only accounting for 24 percent of children under 18 in the county. That means in Hamilton County, black youth are nearly three times more likely to be referred to the juvenile justice system¹¹ than their white peers. Moreover, the referral rate for black youths in Hamilton County to juvenile court (10 percent) is double that of Shelby County's

referral rate (5.5 percent) in the same year.

We recommend that Hamilton County Department of Education officials, the Hamilton County Juvenile Court, and school resource officers work to reduce the rate in which youths are referred to the juvenile justice system overall. This may be achieved through an examination of policies and referral procedures to determine where it may be appropriate to refer to mental health professionals or simply engage the individual that would have otherwise ended up in the system.

5 Increase access to and bolster quality education at every level.

From universal pre-K to robust soft skill training in secondary school, education must be a pillar of any strategy to increase upward mobility among youth.

- Invest in expanded access to an equitable and quality pre-kindergarten education, working toward an ideal goal of universal access
- Offer high school credit for internships and work experience to reduce the burden on students who must balance work and school
- Provide courses and/or programs focused on soft skill development in secondary schools in order to better prepare students for the workplace
- At the post-secondary level, further reduce the cost of attendance for low- and moderate-income students

Education's role as the great equalizer is dependent on access and quality. Research has demonstrated that high-quality pre-K programs have a positive impact on the cognitive development and soft skills of a child¹² and that

8 Loveless, Tom. 2017. "How Well Are American Students Learning?" *The 2017 Brown Center Report on American Education: Brookings Institution*. Retrieved August 17, 2017 (<https://www.brookings.edu/multi-chapter-report/the-2017-brown-center-report-on-american-education/>).

9 Tatter, Grace. 2016. "Tennessee Students More Likely to Be Suspended If They're Black Boys—Or Live in Memphis." *Chalkbeat*, October 25. Retrieved August 17, 2017 (<https://www.chalkbeat.org/posts/tn/2016/10/25/tennessee-students-more-likely-to-be-suspended-if-theyre-black-boys-or-live-in-memphis/>).

10 Tatter, Grace. 2016. "Why Memphis Hopes Principals Stop Worrying About Sagging Pants and Start Welcoming Students Warmly." *Chalkbeat*, October 25. Retrieved August 17, 2017 (<https://www.chalkbeat.org/posts/tn/2016/10/25/why-memphis-hopes-principals-stop-worrying-about-sagging-pants-and-start-welcoming-students-warmly/>).

11 Tennessee Council of Juvenile and Family Court Judges. 2014. *Summary Report - 2014*. Retrieved August 17, 2017 (http://www.tsc.state.tn.us/sites/default/files/docs/hamilton_15.pdf).

12 Bartik, Timothy J. 2014. "From Preschool to Prosperity: The Economic Payoff to Early Childhood Education." W.E. Upjohn Institute for Employment Research. Kalamazoo, MI: Upjohn Press.

pre-K programs play a positive role in a child's chances of graduating high school, employment outcomes, and reduces their likelihood to commit violent crimes. In the United States, only 54 percent of 3- and 4-year-olds are enrolled in pre-K. In Hamilton County, that number drops down to 40 percent. Among disadvantaged children in the county, there is fewer than one pre-K seat per low income 4-year old—that's a gap of nearly 800 seats.¹³ Universal coverage should be an objective for Hamilton County policymakers, but it will likely require additional state and federal action to achieve that goal.

Once children enter the K-12 school system, the challenges of providing a quality education are well-documented and have been discussed extensively at the local level. However, we have identified a less-commonly discussed challenge in the high-rate of youths attending high school and working full-time. One way to help alleviate some of the associated pressures would be to offer high school credit for qualified internships and work experience, enabling students to meet financial obligations while also contributing to their educational requirements.

A frequent remark among employers in our focus groups was the lack of soft skill development among employees with only a high school degree. We recommend more robust educational opportunities for youths to learn how to build resumes, interview, and engage with their coworkers.

Finally, youth in our focus groups frequently noted the high cost of college as a barrier to success and opportunity. While Tennessee Promise is a positive step toward increasing access to post-secondary education, the overall cost of college is still too high to be a realistic option for many rising seniors—particularly those pursuing traditional four-year degrees. Efforts should be made to reduce those costs at the state and federal levels.

13 Chattanooga 2.0 Steering Committee. 2016. *Chattanooga 2.0 Data Compendium*. Chattanooga, TN: Chattanooga 2.0.

6 **Expand data collection to include youth not currently connected to institutional support or programming.**

Collecting candid feedback from youths not connected to support institutions will be critical to better understanding the challenges facing a wide strata of disadvantaged youth.

- Conduct peer-to-peer interviews and focus groups to receive additional candor
- Snowball sample to get access to youths outside the reach of traditional institutions or support programs

This research relied on focus groups of economically disadvantaged youths aged 15-24 and area employers. In order to assemble the focus groups in a timely fashion, we worked with institutions such as the Community Foundation of Greater Chattanooga, the Hamilton County Department of Education, and the Chattanooga Area Chamber of Commerce to identify participants. While useful in accessing youth voices in particular, one weakness of this methodology is our researchers did not engage with youths who were disconnected or unserved by institutions entirely. This population would be among the most vulnerable and we see an opportunity for follow-up research, using snowball sampling techniques, to better understand their perspectives and challenges.

Additionally, in order to further the work of the Network for Southern Economic Mobility (NSEM), we recommend that youths conduct peer-to-peer conversations to keep the discussion about equity, opportunity, and access going. Metro Ideas Project is designing a focus group guide for youth to conduct their own conversations, created with youth readers and interviewers in mind. This approach may inspire additional candor and insight into systemic challenges and policy gaps that the NSEM team may consider.

Conclusion

Currently, many families in the U.S. are struggling with poverty and inequality, with limited opportunities to achieve upward economic mobility. Geographic inequality, lack of quality education, and limited labor market opportunities keep many families in poverty. Changes in housing policies, such as increasing the number of vouchers, could help reduce residential segregation, as well as reduce the environmental hazards that low-income children dispropor-

tionately encounter. Furthermore, equitable and universal access to pre-kindergarten, as well as equitably funded primary and secondary schools, will help narrow the educational gaps between low- and high-income children. Finally, policy solutions that aim to directly address issues of poverty have the best possibility of improving outcomes for low-income youths.

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