

Think Globally, Innovate Locally

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Denial and indifference are two of the main congressional responses to the inequality, economic stagnation, and climate change that threaten America. But progressives can take heart in the creative, often inspiring initiatives flourishing in patches across the country. States and cities are increasingly stepping into the void left by congressional obstruction—proposing higher minimum wages, better labor standards, and projects that create jobs and improve communities. “The federal government should have a much more visionary strategy for meeting our current economic challenge,” said Kathleen Mulligan-Hansel, deputy director of the Partnership for Working Families (PWF), which pioneers local strategies. “But it turns out, actually, that cities have a lot of power.”

Lift Wages

A record twenty-five states and Washington, D.C. have passed minimum wages above the meager \$7.25 federal level, and a growing number of these represent a difference measured in dollars rather than dimes. Maryland, D.C., and Connecticut passed statewide minimum wages this year that will eventually bring their wage floors more than 39 percent higher than the federal rate. Twelve states and D.C. have incorporated automatic cost-of-living adjustments into the minimum wage to avoid the constant erosion of this basic floor.

Municipalities are also implementing minimum wages, which even in the more generous states remain far below the inflation-adjusted rate from the late 1960s. Stephanie Luce, an associate professor at the City University of New York, has studied local wage standards for nearly twenty years. She

said there is now so much action in this area that she has “trouble keeping track.” Jack Temple of the National Employment Law Project counts ten cities plus D.C. that have already put in place higher minimums and says eight plus D.C. are contemplating additional or new increases.

“It’s all coming together now from a lot of different directions—municipal minimum wages, multi-county and regional minimum wages, airports,” Luce said. “Some wage campaigns now include provisions like paid sick days or policies to prevent precarious scheduling. This is a big jump from what people thought was possible just a few years ago.” Luce, whose new book examines labor movements around the world, attributes the increased activity to recent social movements: fast food strikes, the Fight for Fifteen push for a \$15 wage standard, Walmart actions, one-day strikes, and the Occupy movement.

“The local level,” according to Luce, “is one place where people power still has a chance to stand up to the money on the other side, where democracy still has a chance.” The most vibrant alliances unite labor, immigrants, and community organizing, and integrate activists across age, class, race, and gender. Minnesota-based ISALAH, the Ohio Organizing Collaborative, and the Moral Monday protests sparked by the NAACP in North Carolina are all examples of this kind of coalition.

Polls consistently support action on minimum wages. “Our middle class is undermined by inadequate pay and benefits,” said Ann Pratt, executive director of the Progressive States Network. “It is fundamentally baffling to most people that you could work forty hours a week and still live in poverty.”

Waste Not

The action in cities goes beyond fights to raise minimum wages. Right now, somewhere

in America, a garbage truck is pulling up to a curb and hauling away dinner scrapings, cereal boxes, and empty shampoo bottles. This is the first in a set of dirty, dangerous, and low-paid jobs in a part of the economy that uses too many diesel trucks to put too much waste in landfills, which are responsible for more than a third of America's human-created methane emissions.

But in Los Angeles, New York, and other cities, coalitions of workers, environmentalists, and community members are making sure that more of what's thrown away is recycled or composted; that workers are unionized and earning decent wages and benefits; and that communities recoup the value of tons of reusable, recyclable, and compostable resources. This approach means more and better jobs, more money for municipalities, less pollution and climate change, fewer on-the-job injuries, and more of a voice for residents in how communities are run. "Cities can raise standards, recycle more, raise job quality, and actually generate more revenue for residents," said Mulligan-Hansel of the PWF. "We spend huge amounts of public and private money on trash disposal. We can make that money serve community-identified priorities, including good jobs."

The United States lags far behind Western Europe in recycling, and the exciting wins in the United States have been scattered, but a real commitment to this issue would be transformative. The PWF estimates that increasing recycling by 40 percent nationwide would create up to 1.5 million jobs in the next twenty years and would dramatically reduce carbon emissions.

Innovate Efficiently

The recycling strategies are similar to innovations in building retrofits and development projects—using Community Benefits Agreements or best-value contracting to ensure that when public money is used, jobs pay decent wages and benefits, people of color are tapped for employment and contracts, environmental issues are addressed, and community concerns are considered. The PWF often serves as a clearinghouse for such strategies, employed by groups like the Emerald

Cities Collaborative (ECC), whose chapters (in Atlanta, Cleveland, Los Angeles, Milwaukee, New York, Oakland, Portland, Providence, San Francisco, and Seattle) span the country.

Local efforts provide a blueprint for federal action, but leadership and investment from the federal level remain essential if we want to revitalize all corners of the country.

"The idea behind Emerald Cities," explains its Cleveland director, Shanelle Smith, "is to create large-scale energy efficiency projects that generate the greatest environmental and economic returns for communities. The traditional energy economy was leaving communities out. We wanted to re-engineer America's cities in a way that looks at energy, equity, and the environment at the beginning of the process."

By partnering with labor, community organizations, engineers, and auditors, ECC promotes lower-waste construction and retrofits. It offers cities technical assistance, fostering projects that would not otherwise be possible. "Municipal building owners see energy efficiency as a way to increase operating cash flow, create jobs, and reduce the carbon footprint, so it's a win-win-win situation," Smith said. Because ECC brings substantial technical assistance, cities embrace its approach, even with its higher expectations for local hire, job quality, community input, and minority inclusion. In greater Cleveland, an estimated \$30 million in energy upgrades have been identified.

Other environmental policies can create jobs while contributing to the triple bottom line (economy boosting, energy efficient, equitable) that Emerald Cities promotes. On-bill financing allows homeowners to borrow money for energy upgrades and pay back the loans through savings on utility bills, bringing lower prices for owners and job creation for insulators, solar panel producers, and construction workers. Utilities in at least twenty-three states have implemented or

are about to implement on-bill programs, according to the American Council for an Energy Efficient Economy.

Energy disclosure, which gives buyers and sellers a sense of how retrofits affect costs, is a cheap way to encourage efficiency. It's in place in nine cities and two states, according to the Institute for Market Transformation. State renewable or "advanced" energy standards (the latter include nuclear power), now active in the District of Columbia and thirty-one states (though under attack here in Ohio), require utilities to produce a percentage of energy from renewable sources.

Since 2006 the PWF has tracked more than seventy victories using the Community Benefits Agreements that undergird many of these local campaigns. These projects have improved more than 370,000 jobs, reducing poverty, rebuilding the middle class, and addressing environmental crises at the same time.

Land Bank on It

Other innovations are emerging around vacant property. The estimated 80,000 to 100,000 vacant and abandoned properties in Ohio create safety and health hazards, and detract from the economy and community. Pioneering former Cuyahoga County treasurer Jim Rokakis now runs the Thriving Communities Institute, which promotes using county land banks to acquire and rehab or demolish properties, reduce blight, increase property values, and revitalize communities. There are jobs in demolition and renovation, of course, and the often struggling neighborhoods surrounding the vacant lots are stabilized when the properties are dealt with. But the need far exceeds the capacity.

Cuyahoga County's land bank has rehabilitated more than 750 properties and demolished more than 2,400, but Rokakis estimates that some 13,000 more county properties need action; forthcoming money from a bank settlement and the federal Troubled Assets Relief Program is likely to help with that. Some of the newly available land is slated for a massive reforestation effort. "Land banks bring order to a chaotic picture left by ten years of out-of-control predatory lending,"

Rokakis said. Intrigued by the model that has worked in Ohio and Michigan, he said that Illinois, Pennsylvania, New York, Nebraska, Georgia, and other states have passed or are trying to pass land bank legislation. "They recognize the need for a quasi-public authority to step in and deal with the mess left by the lending industry. Without a strong land bank, distressed weak market cities don't have a chance to recover."

School Them

Like energy investments or property clean-up, investing in early education is a way to create demand for workers and reduce unemployment now while permanently improving lives and reducing future costs. Countless studies find that high-quality preschools can have enormous educational, financial, social, emotional, and behavioral benefits, not to mention a positive impact on earnings and employment. And the jobs we generate in this area are more likely to employ women than the energy investments, making the two strategies work well together.

Oklahoma is a perhaps surprising pioneer, the second state to offer universal preschool to all four-year-olds. "Oklahoma has done an exceptional job of creating high-quality preschool education and in this respect seems to be doing almost everything right—expanding access to large numbers, putting important quality measures in place so that students are taught by highly credentialed teachers, building some of the best facilities in the world in Tulsa and Oklahoma City," said David Blatt, executive director of the Oklahoma Policy Institute. "Oklahoma should be a model for other states." Of the state's four-year-olds, 87 percent—more than 55,000 kids—participated in either preschool or Head Start in 2012, and the program was up and running in 99 percent of school districts.

It's no surprise that Blatt emphasizes "quality"—it's the key variable for creating economic returns. In addition to Oklahoma, Illinois, Iowa, Georgia, West Virginia, and Wisconsin have greatly expanded preschool, as have cities like Seattle, New York City, Cleveland, San Antonio, and others. Despite bipartisan support and reams of economic data

demonstrating the benefits of state preschool spending, the National Institute for Early Education Research reports that it is headed in the wrong direction, with 2011–12 reflecting the worst one-year decline ever.

Early childhood education rightly gets a lot of attention. But states and communities are experimenting with other, smaller-scale early interventions. Sending nurses, lactation consultants, or educators to visit new parents at home can help identify health problems, increase nursing with all of its benefits, or get parents off on the right foot in terms of nutrition, reading together, and other aspects of raising kids to thrive. These programs save money and leave families better off.

Boost Job Quality

In addition to creating jobs, we can raise job quality in the public and private sector by endorsing basic standards common in other wealthy democracies, like paid sick days and paid family leave. According to the National Partnership on Women and Families, five large cities (Seattle, Portland, San Francisco, Jersey City, and New York City), the District of Columbia, and Connecticut have all recently guaranteed access to paid sick days, and California, New Jersey, Rhode Island, and Washington have passed paid family leave policies, although the Washington bill is not being enforced. Family Values @ Work reports that at least twenty-one state coalitions are fighting to further this type of policy.

Complementing the labor standards are exciting efforts to organize previously unorganized workers. Restaurant Opportunities Center United has used creative and assertive new tactics to successfully organize restaurant workers in New Orleans, Miami, Houston, and elsewhere. Many unions are fighting to elevate home-based child care providers, a growing and low-paid field that desperately needs support. Fourteen states allowed these workers to organize as of late last year, according to a report by the National Women's Law Center. Massachusetts is doing more to protect temp workers. Many states allow home care workers to organize, although the Supreme Court is deciding whether that can continue. In Illinois, letting these workers

unionize resulted in higher wages and benefits, lower turnover, better training and supervision, and lower costs for the state.

Other local efforts include coalitions, often with immigrants at the helm, seeking to ensure that labor law is enforced by exposing wage theft (when employers fail to pay for all hours worked or to pay required overtime) and misclassification (when employers misclassify workers as “contractors,” depriving the workers of unemployment and injury compensation and starving the public sector of required taxes).

Fund It

As encouraging as these steps are, they are meager in the face of an overall decline in public spending as a share of our economy and in comparison to efforts of previous eras.

We could spend more federal dollars and direct them better. The long-overdue federal action on health insurance is one positive economy-boosting effort—in Ohio, Medicaid expansion alone should eventually create some 28,000 jobs. But in general, federal spending as a share of GDP, excluding Social Security and Medicare, is below its average historical size and will continue to shrink, according to the Center on Budget and Policy Priorities (CBPP). While Medicare and Social Security comprise more than half of federal spending, the military makes up the next largest share—17.4 percent of all spending and more than 56 percent of so-called discretionary spending in 2014, according to the National Priorities Project. Devoting some of these resources to early education, property remediation, or energy efficiency could do much more to lower joblessness, reduce need, and ensure a more vibrant future.

Aggregate state general fund spending is also down from historic peaks. Such spending has been relatively constant as a share of GDP since 1987 according to CBPP, but less of it goes to the most job-generating and productive priorities. Incarceration consumed more of state budgetary resources across all states in 2013 than it had in 1987, as did Medicaid, which was affected, like all health spending, by the growing price of health care services. Higher education and public assis-

tance have been getting a shrinking portion of state dollars as a share of GDP.

Changes in our economy—the growing expectation that all parents work and that all adult workers have training beyond high school—should necessitate that more, not less, be spent on early care and education, financial aid, and other education investments. “State spending is not keeping up with growing needs or growing populations,” said Jon Shure, CBPP’s director of state fiscal strategies. Nobody knows this better than progressives in Colorado, a state that couldn’t get a slight increase in progressivity and rates for its flat income tax even when the proposal was targeted for education, which has lost a billion dollars in funding there over five years, according to the Colorado Fiscal Institute.

Other state campaigns have had more success with carefully constructed tax increases. In Minnesota, the governor signed a 2013 tax bill that increased income taxes on the highest-income individuals, eliminated some corporate tax preferences, raised new revenues, filled a budget gap, and increased investment in schools, colleges, and other essentials, according to the Minnesota Budget Project. In 2012 a solid majority (55.4 percent) of California voters opted to increase the taxes paid by couples on earnings over a million dollars to 13.3 percent, in part for education, according to the California Budget Project.

Scale It Up

Still, progressive leaders think the scale falls short of what’s needed. “We could be spending trillions of dollars quite usefully on a smarter electrical grid, better and cleaner energy, mass transit, and basic infrastructure that is bursting all around us,” said Joel Rogers, who runs the Center on Wisconsin Strategy and helped found several efforts to spur local and state innovation, including Emerald Cities.

Of course, getting to scale may be impossible when Republicans—who control the full legislature and the governorship in twenty-three states, as well as the U.S. House of Representatives—not only oppose new domestic spending but are trying to default on past commitments to revitalize the economy

and invest in people. That brings us back to the communities where a greater vision is possible.

Composting in LA, recycling in New York City, land banks in Cleveland, paid sick days in Portland, paid family leave in New Jersey, organizing new workers in New Orleans, Community Benefits Agreements in Milwaukee, energy conservation in Kentucky, universal preschool in Oklahoma, wage floors in twenty-six states and eight cities including levels above \$15 for some jobs in Seattle—it all starts to add up to a better-looking America. But it’s patchwork, which means many places are left out. Leadership and investment from the federal level remain essential if we want to revitalize all corners of our country, particularly in an economy that simply needs more jobs.

And that is the problem. Lack of job growth is killing communities in Ohio and in much of the country. Weak demand for workers means that young people are graduating with enormous debt into economies that don’t have positions to offer them. Long-time workers, once laid off, are finding that getting rehired is a daunting-to-impossible proposition, and far too many of them have simply left the labor market. Those with jobs, mindful of the long line of people willing to replace them, have little power to demand raises. This is all taking place in a context where corporate profits are high and growing.

If the private sector isn’t creating opportunities for workers, the public sector can and should, not just because letting people languish jobless leaves them impoverished and permanently harms their lives, but because communities need their skills and contributions. Armies of Americans are poised to do those jobs, leaving the United States less polluted, safer, and better educated for the next generation.

Local efforts provide a blueprint for federal action. We need not look abroad for ideas about how to create good jobs, vibrant cities, healthy families, and equitable, sustainable communities. We just need to learn from the most innovative models already in place across the country, and bring those smart ideas to scale.

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