

A Decade of Individual Job Creation via self-employment in the Black community

Abstract:

When remaining unemployed is unacceptable, the strategy must change. In desperate times if a person cannot find a job, he must create one. Numerous men in targeted communities where given an opportunity to become self-employed and create jobs for themselves by selling household goods in their local communities. These ventures leveraged personal relationships to develop customers and generate revenue to sustain families. Data about the individual entrepreneur and his unique customer base was collected for ten years. The long term impact of this intervention is still being determined.

Introduction

The unemployment rate for Black males age 16 -55 in Dallas Texas in 2014 was 9.5 percent. This 4.0% higher than the national average. (D of L, 2015). Many of these men are excluded from the workforce because of lack of opportunity and training. A significant percentage of these men have felony convictions which makes them less attractive or unsuitable to many potential employers. For the men with children, lack of employment or unsteady income often results in non-payment of child support payments. Families are broken and legal issues develop. Children grow up not knowing both parents. The children from single parent households often survive in a sub optimal environment for educational success.

Background

Scholars and lay people have theorized cause and remedy. National data from the Department of labor show the difference in unemployment rates even after the economic recovery from the great recession of 2007 & 2008. One activist took the field, or the streets in case, and conducted a life changing experiment. Men ranging age 16 -60 were recruited to participate in a job training program. In this program the men were taught sales skills, inventory management techniques, relationship building, and customer service skills.

Insert Table 1 here

The chart above was taken from The Black and White Labor Gap in America *Why African Americans Struggle to Find Jobs and Remain Employed Compared to Whites* by Christian E. Weller and Jaryn Fields July 2011.

Further investigation uncovered data representing the state where this study was conducted. More specifically in Texas the unemployment rates vary drastically between the races. The chart below is from

Insert Table 2 here

The unemployed men were given an opportunity to work for themselves by creating their own jobs. They became vendors of products needed in their own communities. Relationships were built with customers by analyzing their buying needs and garnering a long term commitment to purchase required items on a regular basis. Prices of these items ranged from \$5 to \$200. The activist researcher supplied the inventory that included cleaning supplies, non-perishable groceries, cosmetics, clothing, small electronics and basic school supplies.

The primary investigator that provided the opportunity was an established businessman in the local community. Bruce Carter is a two-time all American Collegiate football player and a graduate of Iowa Wesleyan College and the father of five girls. As an activist and the people's champ, loyal and pragmatic Bruce Carter has traveled the country feeding the homeless, speaking to children and gathering data about the urban family. He has spoken to over 500,000 youth, personally mentored thousands and served over 1 million meals to low income children

and youth. He has vowed to be the glue that brings people together in America and especially within Urban Communities. He has maintained his independence and convictions by speaking at both progressive and republican events. His loyalty and commitment will always remain to the progress of people as he believes that is his GOD given talent and calling. Bruce's favorite quote is "Which person is worse - the one that creates the problem or the one that knows about it but does nothing to fix it?" Of course, he believes in fixing the problem.

Problem statement

Black men in urban communities are unemployed or under employed for various resulting in broken families.

Hypothesis

Entrepreneurship training and practice is a viable alternative to unemployment.

Creating jobs for Black men in urban communities can help restore families.

Literature review

A rigorous review of literature focused unemployment and job creation in diverse communities was conducted. The review included research from international settings as well as domestic. Other countries have tackled unemployment in a variety of ways. Seria (2016) states that in Hungary, the farmers with lack of knowledge and basic practical information which is needed to make a safer enterprise. A program was conducted to educate unemployed people about the strategies which help in earning some additional income. The specific objectives of the program are creating awareness of all the techniques used for agriculture and make them to have knowledge about the skills required. This training represents foundational skills in the local setting. Concurrently, a

case for greater investment in entrepreneurship is made by researchers in California. Deak, & Ferencz (2016) argue that the architecture of a job-creation engine fueled by technology entrepreneurs is important and that it should be made visible to the stakeholders of a regional venture system. Making visible the architecture of a job-creation engine enables individuals and organizations to:

- i) better understand the link between the investment made to service technology entrepreneurs and systematic job creation;
- ii) utilize the regional venture system more effectively;
- iii) set the performance benchmark for capability improvement and rapid adjustment to environmental changes.

This report provides a broad survey of economic development policies and strategies that seek to create jobs. With the U.S. economy struggling to recover from the Great Recession, job losses and stagnant employment remain pressing challenges across the country and in nearly every community. Our report is structured according to four major categories through which to view job creation strategies:

Federal- and State-Level Strategies. This category can be thought of as encompassing strategies used to “grow the economic pie.” They consist of fiscal and investment policies undertaken at the federal or state level to stimulate job creation and economic growth. The primary ways to influence job creation at these levels are: interest rate reductions, government hiring and purchases, infrastructure investments, short-time compensation programs, worker subsidies, and federal hiring credits.

Place-Based Strategies. Much economic development takes place at the local level, with local governments undertaking a range of activities to attract and retain businesses for the purposes of increasing jobs in their locality and increasing the tax base. Local strategies include: provision of local economic data, marketing, tax incentives, industrial protection zones, enterprise zones, and redevelopment areas to target tax benefits and subsidies to businesses in disadvantaged areas.

Business- and Sector-Based Strategies. Which types of firms to target for job creation is an unsettled question. Here, we examine sources of net new job creation through small businesses and high-growth sectors. Specifically, we review subsidized and low-cost loan programs, programs administered by the Small Business Administration and U.S. Department of Agriculture, government procurement mandates, business incubators, and green job strategies.

Worker-Based Strategies. Finally, we discuss strategies focused on increasing equity and job quality—through local hire, wage increases, and high road policies—as a critical piece of long-term economic health. We used three general research methods in preparing and structuring this report: literature review; information gathering from a lecture series and separate interviews with economic development scholars and practitioners; and peer review comments from staff at the Institute for Research on Labor and Employment at the University of California, Berkeley.

To support the afore mentioned efforts, policy changes are needed. Cray, Nguyen, Pranka, Schildt, Sheu and Whitcomb (2011), gives us an understanding of the policies and strategies which helps in creating jobs. There are four different strategies are discussed in the article. They are Federal and state level strategies, place based strategies, Business and sector based strategies, Work based strategies. The different fields of occupations are considered here with different conditions. The advantages and disadvantages of the strategies are also discussed. The article gives us brief

understanding of the data and its effect with recession. In concert, Bartik (2011) explains the presentation at “Transforming Communities Conference” of National Employment Law project. The speaker takes example of labor employment in Michigan and how they are effected. He also emphasized about the business tax and its influenced economic activity. The report created by OECD (LEED program, in collaboration with the Directorate for Employment, Labor and Social Affairs) with the help of data collected from World Bank and the (WAPES) World Association of Public Employment Services. This report was reviewed by all the G20 countries. This report mainly focuses on the employment aspects, skills economic development policies. In this report the unemployment data is compared across the world. It also discusses about labor market policy and migration of skilled labor to developed countries. The report was prepared for the G20 Labour and Employment Ministerial Meeting (2014) by Oecd.org. *Effective local strategies to boost quality job creation, employment and participation* is the official title.

The Abstract from Jobs and Growth: Analytical and Operational Considerations for the Fund states the following:

Job creation and growth with inclusion are imperatives that resonate today in every country. While some advanced countries face the challenge of supporting aggregate demand with limited fiscal space in the aftermath of the Great Recession, many countries have to address ways to generate growth and create jobs in the face of the strong ongoing global megatrends of technological change, globalization, and significant shifts in demographic trends. The latter includes rapid population aging in some parts of the world, and the entry of a large number of new workers into the labor force in others. Low female labor force participation represents a significant missed opportunity to strengthen

economic development and growth in many countries. The paper discusses the role the Fund can play in helping countries devise strategies to meet these challenges by reviewing the theoretical and empirical state of the art in relevant policy research so as to provide the best “evidence based” advice. The main finding is that there is no single “silver bullet” strategy for any country nor any “one size fits all” approach for all countries. That said, one element of the approach on which there is little disagreement is the critical importance of macroeconomic stability—low inflation and output volatility—as the essential foundation for any growth strategy.

Reference: International monetary fund (2013) Jobs and Growth: Analytical and Operational Considerations for the Fund by Imf.org. Retrieved 6 March 2017, from <https://www.imf.org/external/np/pp/eng/2013/031413.pdf>

A review of Fund country and policy work yields the conclusion that, although there has been an increasing amount of coverage of issues related to growth and inclusion, there is scope to improve the analysis and policy advice, where relevant and consistent with the Fund’s mandate. In summary, growth and job creation are very important these days for every country.

Miller, S., (2012) focuses on the employment factors in the developing countries, which includes job creation strategies, policies by the government, opportunities in entrepreneurship, public and private sectors and comparing the unemployment globally with different nations. In conclusion, the authors suggest for more importance should be given for entrepreneurs and they should be encouraged by more investment policies. This reference is cited to support the intervention utilizing entrepreneurship training along with fundamental skills training as a remedy to decrease unemployment.

Pieters, J., (2013) advocates for a youth focus within the employment and development debate, including the post-2015 agenda, is warranted for a number of key reasons: (Taken directly from text)

- Early work experience affects work and wellbeing throughout a person's life.
- Youth employment outcomes have spillovers across society, affecting social and political stability, and to future generations.
- Today's youth population is the largest the world has ever seen. The size of the challenge and economic burden is therefore unprecedented.
- Vulnerable groups of youth stand to lose out in today's environment of fierce competition for scarce jobs, exacerbating inequality within current youth cohorts.
- The school-to-work transition of young people has to be analyzed taking into account of parallel key early life transitions, including cohabitation, marriage and childbearing.

The various youth employment indicators show that low unemployment and inactivity rates are not necessarily signs of better youth labor market outcomes, as they mask high rates of vulnerable employment, informal work, and working poverty.

- South Asia and especially Sub-Saharan Africa face the largest youth employment challenge in terms of size and share of the youth population. These are also the regions where vulnerable employment shares (self-employment and unpaid work) are highest, particularly in the low-income countries. Vulnerable employment and working poverty are highest among youth with no or little education and in rural areas.
- Middle-income countries in the Southern Mediterranean and Sub-Saharan Africa have the world's highest youth unemployment rates. Youth unemployment rates tend to

rise with education and are higher in urban areas. Women fare much worse than men in these regions, both in terms of unemployment and vulnerable employment.

Pieters, J., (2013). Youth Employment in Developing Countries. By IZA Research Report No.58. Retrieved 9 March 2017, http://legacy.iza.org/en/webcontent/publications/reports/report_pdfs/iza_report_58.pdf

Even in wage employment, jobs can be informal, low-productivity, and low-pay. It is thus important not to focus exclusively on unemployment and self-employment rates as youth employment indicators. If the aim of youth employment policies is to secure decent work for young people, then productivity, earnings, social protection, and aspects such as occupational safety and health and job security all need to be considered. Pieters describes about the employment opportunities and factors which are affecting the job opportunities. He considered a wide range of opportunities across the global and the employment trends in different countries. The labor markets for both the men and women are analyzed. The industrial trade policies and economic conditions are also considered in the study here.

Bringing jobs to people: How federal policy can target job creation for economically distressed areas by Bartik directly addresses the challenges of urban communities and underserved minorities. This writing proposes three solutions to bring jobs to distressed areas: customized job training programs for businesses and employees, advice and consulting services through the Manufacturing Extension Partnership program, and a package of grants for local services and tax breaks through a reformed and revitalized Empowerment Zone program. Built on evidence from regional economics research, these policies provide investments and incentives that increase employment and productivity in distressed areas. These programs, directed largely to small- and medium- sized enterprises, can have large effects on worker productivity and business

competitiveness, encouraging sustained employment and rising wages. Because these programs offer investments in workers, firms, and local services, they provide a higher return on government spending and are more cost effective than programs that focus on incentives alone.

Methodology of the study

Active research was employed to seek positive outcomes for ten years. The researcher is a respected member of the community and was given access to engage via intervention. He permitted to survey the participants and their circle of support. The intervention is described as program for entrepreneurial training and mentorship.

The Next Top C.E.O. program was created to provide hope through opportunity to individuals that will impact our communities rather negatively or positively, consciously or unconsciously but the impact will take place. The Next Top C.E.O intended to create Educational and Employment Opportunities for non-working single fathers and individuals with a felony conviction.

The Next Top C.E.O mission was to provide specialized training to individuals that have very few opportunities and then partner with them to become the most productive direct marketing arm to ever exist. Beyond the financial impact for all involved the success of The Next Top C.E.O will create a much-needed voice for individuals that have a background that is often neglected or unheard.

Population and sample

Five hundred men participated in this program over a ten-year period. The five hundred participants each hand customer bases ranging from 10 – 43 people.

543 Participants in The Next Top CEO program ages 18 thru 55 years old. These individuals came with various challenges or perceived barriers to success. The most notable deficiency was education. The breakdown of the participants is as follows:

Education Attainment -

40% - earned High School Diploma

10% - obtained a GED

20 % - dropped out of school their last year as they had not applied themselves and was not going to graduate with their class - failure to advance at an acceptable rate

This population presented with legal issues as well. The breakdown is as follows:

Felonies - 60% had a felony conviction

Child Support Issues - 40% owed child support

Most devastatingly were the overlapping issues - 80% used marijuana on a regular basis as a coping mechanism. Regular drug use prevents these individuals from obtaining a job. Most pre-employment screenings include drug testing.

Based on the above information, black males must be reached at an earlier age to prevent unwanted pregnancies, addicting drug use and reduce the chance of obtaining a criminal record.

Data collection

Customers provided data about themselves and their willingness to commit to buying from the subjects. Each customer of each participant completed a survey about their wiliness to purchased items from the participants. A sample of the questionnaire is included in the appendix.

Presentation of the data

Number of customers secured by each participant – average and range.

Number of children each customer had – average and range.

Others available to customers to support participants.

Average monthly income to the customers that supported the participants.

Insert Figure 1

Insert Figure 2 Here

Data from one group of subjects.

Insert Figure 3 here

Insert Figure 4 here

Findings

1. People that are unemployed are willing to create their own jobs given the proper resources and training.
2. Training for these individuals is critical because lack of formal educational. Fundamental skills are needed.
3. Community members will financially support each other regardless of perceived lack of buying capacity or other obligations.
4. Consumers with meager incomes will commit to buying necessities for life from someone they know or with whom they have a relationship
5. The number of children that an individual parent has no bearings their ability to financially support a community members retail business.
6. Participants needed fundamental skills to be more successful in sales positions, as entrepreneurs, and productive employees in general.

Recommendations

Training programs are need to help disenfranchised groups of citizens enter the workforce. Major financial investments should be committed to preparing individuals to being productive in the workforce and thereby supporting local neighborhoods. Communities rarely rebuild themselves without an infusion of resources and support of decision makers, power brokers and concerned citizens.

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Tables and figures:

Table 1

TABLE 1
The black and white gap
 Differences in unemployment rates for African Americans, broken down by subgroups, since start of Great Recession

Unemployment rate for...	Fourth quarter 2007	Second quarter 2009	Second quarter 2011	Difference between African Americans and whites for respective groups in second quarter 2011 (in percentage points)	Change since start of Great Recession (fourth quarter 2007 to second quarter 2011)	Difference in change since start of Great Recession between African Americans and whites for respective groups
African American	8.4	14.8	16.1	8.2	7.7	3.8
White	4.0	8.3	7.9		3.9	
African American men	9.2	18.0	18.3	10.0	9.1	4.9
White men	4.1	9.2	8.3		4.2	
African American women	7.6	12.1	14.1	6.7	6.5	3.0
White women	3.9	7.2	7.4		3.5	
African American, no high school	13.6	20.7	26.0	14.0	12.4	7.2
White, no high school	6.8	13.6	12.0		5.2	
African American, high school	7.3	13.9	15.9	7.5	8.6	4.1
White, high school	3.9	8.5	8.4		4.5	
African American, college	3.0	7.6	6.9	3.0	3.9	1.8
White, college	1.8	4.1	3.9		2.1	
African American, 35 to 44	6.4	12.2	12.6	6.1	6.2	2.8
White, 35 to 44	3.1	6.9	6.5		3.4	
African American, 65+	4.4	6.9	9.4	3.5	5.0	2.3
White, 65+	3.2	6.2	5.9		2.7	

Note: All unemployment rates are in percent. All changes and differences are in percentage points.
 Source: Authors' calculations based on Bureau of Labor Statistics, Current Population Survey (Department of Labor, 2011).

Table 2

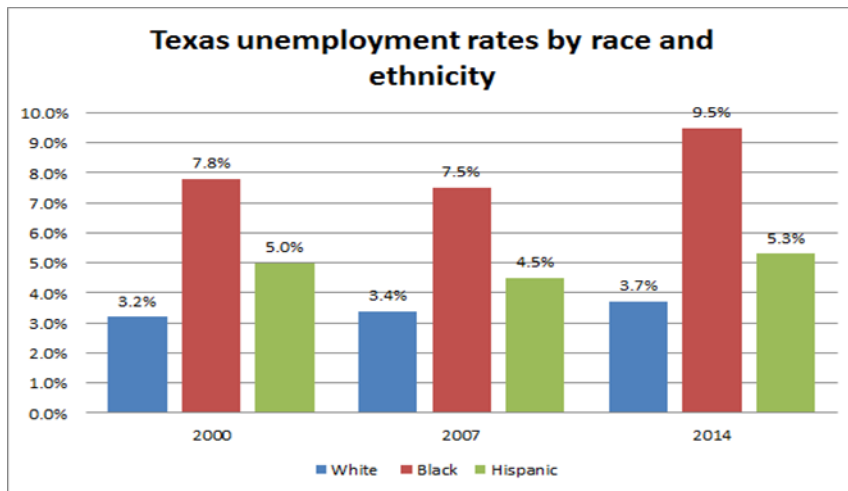


Figure 1

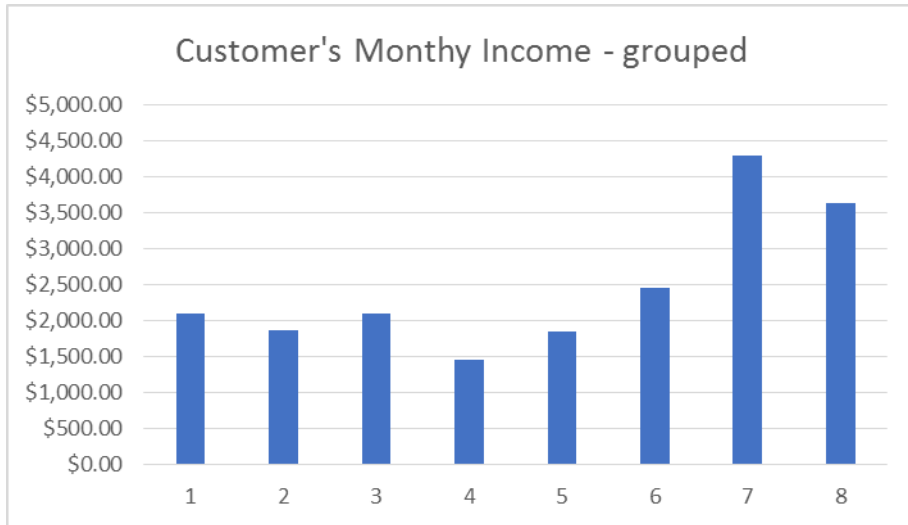


Figure 2

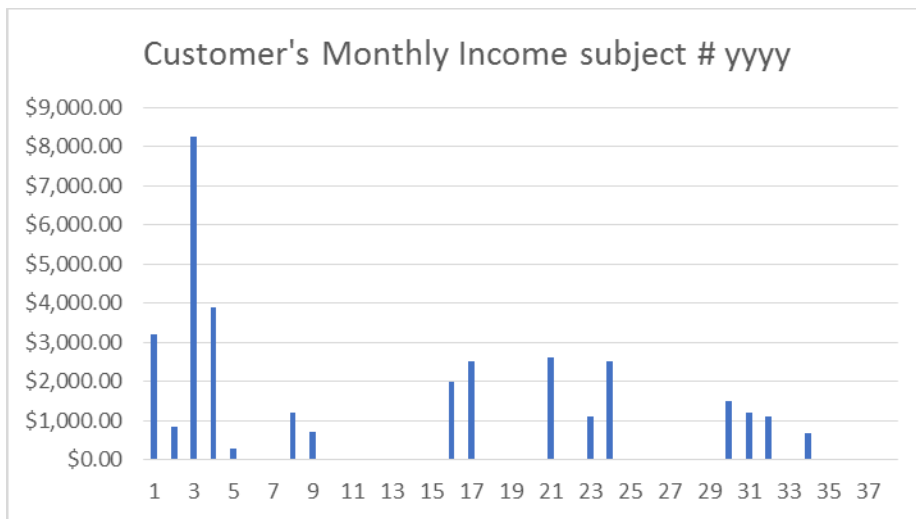


Figure 3

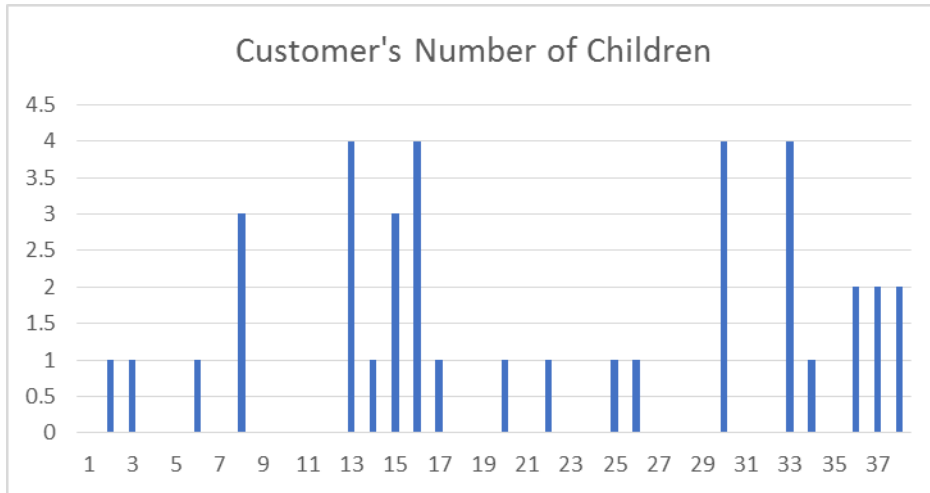


Figure 4

