If jobs stop bullets, why aren’t more companies stepping up?

By Lisa Bertagnoli

Can jobs stop bullets?

In violence-spiked Chicago, it’s a question that policy wonks and politicians keep asking. And while plenty of companies tout altruistic hiring practices, fewer than you think are making lasting commitments to training, hiring and promoting the under- and unemployed. For this special section, Crain’s studied the correlation between joblessness and violence in many Chicago neighborhoods, then talked to business owners who are hiring from the ZIP codes that are most in need of investment.

Bronzeville resident Jada Rouselle was volunteering at a local nonprofit when an aunt told her about LeadersUp, a program that connects young adults who need jobs with companies that need employees. Thoughtful and driven, Rouselle, 21, had spent a semester and a half at Southern Illinois University but dropped out when she could no longer afford tuition.

Through LeadersUp, she was tapped for a class that trains people for customer service jobs at C.H. Robinson, a third-party logistics firm that employs 2,000 people, or 15 percent of its global workforce, in the Chicago area. Rouselle began working as a customer service rep at the company’s Lincoln Park office in April 2016. Now she makes enough to pay her tuition at a community college, and has health benefits, a 401(k) and life insurance. “I have become more of an adult,” Rouselle says. “I am happy and grateful that I can take care of myself.”

Having grown up in Woodlawn, the Young Women’s Leadership Charter School graduate believes that if more of her peers felt this way, the city’s rampage of violence might slow, or even stop. Violence occurs “because (people) have nothing to do, because they don’t see anyone caring for them or their future.”

Researchers agree, to a point. Even though experts are reluctant to draw a straight, solid line between joblessness and violence, the evidence seems to
support the adage that “Nothing stops a bullet like a job.” More than half the city’s homicides from 2011 to 2015 took place in neighborhoods on the South and West sides with the highest rate of joblessness, according to maps created for Crain’s by the Great Cities Institute at the University of Illinois at Chicago.

On the South and West sides, some neighborhoods have a jobless rate of 85 percent among black youths ages 16 to 19. Rates are near 60 percent for those 20 to 24. “Some people have said, ‘If you want us off the street, give us jobs,’” says Teresa Cordova, director of the Great Cities Institute. The employment landscape in these neighborhoods wasn’t always so stark: Manufacturing and retail jobs, once plentiful, emptied out by the thousands decades ago. They’ve been replaced by . . . not much at all. Rouselle commutes two hours from Bronzeville to Lincoln Park and back, and that’s on a good day. Jobs near her home are limited to a “grocery store or a restaurant, and I don’t think they have a 401(k),” she says.

Which brings up another point: Not every job is equal. Depending on whom you ask, a so-called good job pays enough to support a family. Locally, that’s $48,000 a year, or 350 percent above the poverty line, according to LeadersUp research. It also offers full-time hours, a predictable schedule, affordable health care and paid time off in case the employee or a family member is sick. “Most of us don’t think twice when our kids get sick,” says Iliana Mora, CEO of Women Employed, a Chicago nonprofit focused on creating good jobs for women.

And while plenty of companies talk about the importance of job creation for low-income Chicagoans, fewer are making lasting commitments to make that happen. Crain’s sought out employers that prioritize hiring in neighborhoods plagued by violence and chronic unemployment. (See case studies below.) They spoke candidly about having to adjust HR policies and create training and even support programs to help new employees with such issues as transportation and child care.

“There are some practical realities you have to think about,” says Marc Klein, director of operations at C.H. Robinson. Working with LeadersUp, the Eden Prairie, Minn.-based company has hired 25 people like Rouselle. “We see these employees as having the same great potential as anyone else,” Klein says.

HIGH CRIME, FEW JOBS

Guns can travel, and so can people—which is why researchers resist drawing a solid line between joblessness and violence. Yet there’s a correlation between the two, as these maps produced by the Great Cities Institute at the University of Illinois at Chicago show. The three neighborhoods with the highest homicide rates per 10,000 residents—West Garfield Park, Englewood and West Englewood—report jobless rates higher than 70 percent for 16- to 24-year-olds.

HOMICIDE RATE MAP
Note: Jobless rates are five-year estimates from the 2011-15 American Community Survey and the most recent available. Homicide rates are from the same 2011-15 period based on City of Chicago Data Portal data. The number of homicides show the total number of homicides from 2011-15.

Sources: U.S. Census Bureau, city of Chicago, Great Cities Institute at the University of Illinois at Chicago

CASE STUDY 1

Method

Method recruits from the 60628 ZIP code by asking employees for referrals and networking with local nonprofits. Photo: Method

Method, a maker of eco-friendly soaps and cleaners, handles its own recruiting for its Pullman plant, which opened in 2015. The plant employs 85 people, not counting those who work at rooftop garden Gotham Greens or at Amcor, a factory bottle supplier. It’s looking to add 15 entry-level operations employees this year to work on the production line or in the plant’s distribution center, says Kristin Perales, director of people and environment at the plant. Jobs will start at $13.75 an hour.

San Francisco-based Method recruits from the 60628 ZIP code, where the plant is located, and surrounding neighborhoods by asking employees for referrals and networking with local nonprofits, among them Cara Program, a Chicago-based workforce development agency; Chicago Urban League; and Bright Endeavors, which helps new moms. “We like our people and want to bring in more people like them,” Perales says. “Culture is a big driver for us.”

One challenge has been having employees show up regularly and on
time. To keep turnover low, Method offers what Perales calls “a relatively generous” attendance policy that factors in employees’ struggles with transportation and child care. Tardiness and absences accrue over time—but they can be erased when attendance and on-time records improve. “I would hate to see a great employee, one who contributes to the culture, leave for attendance reasons,” Perales says.

As for other adjustments, the company switched to a weekly payroll for hourly employees so they could better keep track of their pay and overtime. It has also offered financial wellness programs—for example, inviting in its 401(k) provider to speak to the group about making the most of that benefit.

**CASE STUDY 2**  
**Becker Logistics and LeadersUp**

Becker Logistics is a third-party logistics firm that has hired 20 people from low-income areas. But it has struggled to hold on to them: Five are still with the company, which is based in Carol Stream and has offices in Barrington and Glendale Heights.

In a bid to keep employees longer, founder and CEO Jim Becker has invested $80,000 in an in-house training program suitable for all levels of hires, from MBAs to those with only rudimentary computer skills. Candidates for entry-level jobs can learn basic customer service and computer skills in the first two levels in two weeks and be ready to work; those destined for management jobs continue on.

Becker also has begun working with nonprofit LeadersUp to recruit and hire. Chronically under- or unemployed people often need help with basic job readiness, says Jeffery Wallace, CEO of LeadersUp, which was created by Starbucks and some of its suppliers in 2013. Based in Los Angeles, LeadersUp established a presence in Chicago in July 2014. Since then, it has placed north of 600 young adults in jobs at 15 local companies. Overall, the retention rate is 67 percent; Wallace says that is 15 points higher than employees recruited through other means.

LeadersUp works with companies to develop a training curriculum for the jobs they are trying to fill. Candidates also learn such workplace necessities as handling criticism from a supervisor and effectively voicing concerns; showing up regularly and on time, particularly the day after payday; and staying focused even when co-workers “start to get on your nerves,” Wallace says.

**CASE STUDY 3**  
**University of Chicago Medicine**

With about 10,500 people on staff, University of Chicago Medicine is the South Side’s largest employer. In 2016, the organization hired a full-time person to target recruiting in 12 Chicago ZIP codes, including Auburn Gresham, Englewood, Roseland and South Shore, specifically to strengthen the institution’s ties to the areas where it does business. “Our workforce should reflect our patients,” says Bob Hanley, vice president and chief human resources officer.

Working with local nonprofits such as Cara and Skills for Chicagoland’s Future, U of C Medicine has hired nearly
200 people for entry-level positions in support services, transportation, food service, housekeeping and other key departments. The retention rate for those employees is 90 percent, in line with those recruited via other means. Partnering with nonprofits is the key: “They know who we are, they know the jobs, they prepare the employees very well,” Hanley says. Cara, for instance, has a strict attendance policy for its pre-employment training program; if trainees don’t punch in on time, they don’t graduate.

U of C Medicine offers subsidized child care, including last-minute care when Chicago Public Schools closes during winter storms. Hanley says the organization is exploring ways to help employees become more financially savvy.

Nonprofits can close the gap between employers and potential employees, says Marie Lynch, CEO of Skills for Chicagoland’s Future, a nonprofit that matches employers with the under- and unemployed. “Companies might want to hire but don’t have the infrastructure to access the talent,” she says. Like an employment agency, Skills finds candidates, then works with them to solve employability issues, such as resume gaps or criminal backgrounds. “We are able to de-risk the hire of an unemployed or under-employed person,” Lynch says.

CASE STUDY 4
Related Midwest

While some companies work through nonprofits, others are finding the benefit of hiring small community-based businesses. Thirteen years ago, Chicago real estate developer Related Midwest began working with such businesses on the South and West sides, among them West Side Transformation, a construction services firm in Tri-Taylor. Since then, Related has hired 30 to 40 small, local businesses to work on a variety of sites, including the rehab of the Marshall Field Garden Apartments in Old Town. For that project, at least 25 percent of the hires were from community-based businesses, says Don Biernacki, senior vice president of construction. “We want to be able to invest in communities, be a part of them,” Biernacki says.

One new partner is Community Play Lot Builders, based on the Near West Side. Owner Calvin Jenkins, who grew up in the Henry Horner Homes housing development, started the business last July and in his first year grossed $200,000. This year, Jenkins expects to double revenue and have full-time carpenters on payroll. The company builds play lots and will also begin to lay pavers, says Jenkins, 47.

The play lot project at Marshall Field Garden Apartments helped Jenkins train, employ and get union cards for his eight hires, all of whom he recruited from the streets. He bought work equipment, including hard hats, safety vests and glasses, and work belts, for his new employees. He’s also had to counsel them to stay out of trouble off the clock. “I told them it would be an embarrassment to the company,” Jenkins says. “They all understand.”

CASE STUDY 5
ComEd Construct

Earlier this year, when Magellan Development Group and James McHugh Construction teamed up for the 100-story Vista tower project at Lakeshore East, they tapped Common-
wealth Edison’s Construct program, which recruits and trains people for construction-related jobs.

Magellan plans to place at least five Construct graduates at its 100-story Vista tower project at Lakeshore East, for which McHugh is the general contractor. Heartland Alliance, a nonprofit, is helping graduates buy equipment and apparel they need to start work, and also providing help with child care, transportation and financial literacy. Soon, a Constructing Bright Futures partnership between Magellan and McHugh will support the new hires. But that’s where the special treatment will end. “They will be held to the exact same standards” as other employees, says Magellan President David Carlims.

ComEd launched Construct in 2013, when it began work on its smart grid project. “We heard feedback that the people doing the work did not reflect the people in the community,” says Fidel Marquez Jr., chief governmental and community relations officer. To help fill the gap, ComEd developed an 11-week curriculum to train electricians and sought recruiting help from several area nonprofits. Each agency delivered 10 recruits, who had to be at least 18 years old, possess a high school diploma or its equivalent, pass a drug screen and background check, and have a valid driver’s license. All but one member of that first class completed the training and went on to union jobs.

As of 2016, 220 people had graduated from the Construct program. Of those, 80 percent have found full-time jobs, starting at about $18 an hour, in the construction industry, Marquez says.

One graduate is Brandon Bradley. Before he completed Construct, Bradley was a high school graduate with two dead-end jobs, one at a shipping firm and one at a fast-food chain. He applied to Construct in 2013 after a friend told him about the program; he now works for Union-based Intren as a union laborer making $41.20 an hour, with full benefits. Before Construct, “I didn’t know unions existed,” says Bradley, 23, who lives in West Humboldt Park. “I didn’t know how to read a tape measure.”

Like the experts, Bradley doesn’t know for sure whether jobs can help cure violence. What he does know is this: “People have nothing to do, so they go out and make mistakes,” he says. “If you have nothing to lose, everything’s a game.” Meanwhile, Bradley’s recommending Construct to everyone he knows, from a cousin to an older brother to a friend. “This is a second chance,” he says.