

# "Trained to Death" and Still Jobless

A Case Study of the Efficacy of DC's First Source Law, Economic Development Policies, and the Marriott Marquis Jobs Training Program

By Organizing Neighborhood Equity DC (ONE DC), and the Kalmanovitz Initiative for Labor and the Working Poor at Georgetown University

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### **Contents**

- 1 Preface
- 3 Introduction
- **5** A Hotel for the Convention Center: The Marriott Marquis
- 7 ONE DC's Ten Year Campaign to Secure Living Wage Jobs for DC Residents Timeline
- 9 Financing a Convention Center Hotel & Efforts to Hire Local Residents
- 12 Hopes and Disappointments, Accomplishments and Shortcomings: The Marriott Marquis Job Training Program
- 16 James Ashford's story
- 16 Cynthia McLean's story
- 18 Holly Goldmann's story
- **23 Community Demands**
- **26 Conclusion**

# **Preface**

Organizing Neighborhood Equity- DC (ONE DC) tried an experiment. After about eight years of organizing DC residents to demand enforcement of the District's First Source Law we agreed to participate in the recruitment of DC residents for quality, living wage jobs. ONE DC was instrumental in convincing the City Council to pass a Job Training and Hiring Program outlined in the "New Convention Center Hotel Amendments Act of 2009". This program allocated \$2 million to finding long term unemployed DC residents and providing the necessary training for those residents to qualify for jobs at the new Washington Marriott Marquis Hotel at the Convention Center. We do not typically subcontract with other organizations; more often we organize people to challenge systemic inequalities and engage in transformative District-wide change. We provide outreach to engage people in problem solving and critical analysis, resident leadership development, and speaking truth to power.

This time we engaged in a process to test a law and a program. We did not want to just monitor the agreement, as we had done with other community benefit agreements. We wanted to participate in the project in order to make sure the intent behind the law was met, and to closely observe how it was implemented.

#### We learned a lot from this experiment:

- The Black jobs crisis is double-edged. It is about quality of work as much as availability of work.
- Companies do not need reasons to hire; they need penalties for not hiring. Even when they are given money, support, and a trained pool of candidates, they still choose to not hire DC residents. Currently, DC's First Source Agreement is a toothless law. It needs to have some teeth in it with real consequences, like a clawback provision for public funding and fines for any company not meeting legally mandated goals.
- Residents are not unskilled; they are merely unemployed. Even when they already have skills or are trained with new skills, they are still denied employment. As former outreach organizer Reece Chenault put it: "Everything from admission to recommendation for the actual job was dependent on them putting a show of being ruthlessly punctual, relentlessly chipper, and generally available to a group of people who often were training them in skills they already had."

- Workforce development is to jobs as Taco Bell is to Mexican food neither gets you any
  closer to the real thing, so we should stop acting like it does. Job training has to lead to a
  concrete job or at least a job offer. Otherwise it is meaningless and a waste of everyone's
  time and money.
- There needs to be accountability and transparency in job training and job placement programs to the citizens whose taxpayer dollars help fund these projects, and help to determine the effectiveness of their dollars when it comes to hiring D.C. residents under First Source.
- Organizations like Goodwill have practices that address only a segment of the job ready population; but these organizations do not adequately support or train the long-term unemployed or returning citizens. We need strategies and practices that will better support the more difficult to employ.
- Racism is alive and well and shows itself at every stage of job training and hiring.
   Organizations need to educate their staff about institutional racism and provide antioppression training; companies need consequences and fines for practicing racial
  discrimination.
- We did not really transform the system that allows so much unemployment and poor quality jobs, nor did we fix the problems with how to hire DC residents and Black DC residents in particular. We need stronger policies and out of the box thinking.
- We need alternative economic development strategies, especially those that include community and worker ownership, such as cooperatives, so that residents control their own labor and work rules, and benefit from ownership of thriving businesses.

#### In Solidarity,

Jessica Gordon Nembhard, President of ONE DC's Shared Leadership Team, and Reece Chenault, DC Black Workers Center Advisory Board member and ONE DC member

# Introduction

By all indications, James Ashford should have been a lock for one of the jobs at the Marriott Marquis. With sixteen years' experience as a cook, Ashford, a Ward 1 resident, had applied for the training program after hearing about it from a relative. As a member of one of the program's advanced classes, Ashford attended every day of the course at the University of the District of Columbia's community college and graduated as one of its top students. He was encouraged by the "once-in-a-lifetime experience" offered by the training program and the prospect of a union job at a prime hotel, as well as his experience and the topics covered in the training class. "It went good, because for me, a lot of the things [instructors] spoke on were things I already knew," he said. "Ashford was still encouraged after completing an initial interview for a "back of the house" position as a cook. "After that interview, I gained great energy; I thought that I had a job, I was answering all the questions they had," he said. "I was pretty qualified for the position that I was applying for. ...So I go sit back down, and I get called again. And that's when I was told that I didn't get the position."

Undaunted, Ashford applied three more times for jobs at the hotel on his own and once more at the insistence of Goodwill Industries of Greater Washington, which ran the training program, but was told each time he applied that the position was filled. He is still baffled by his outcome, nearly a year after completing the training program. "I haven't heard a reason why I didn't get the position," said Ashford, who has since landed a job as a cook at a Penn Quarter restaurant. "After I didn't get the job, it took a lot out of me. …It got personal with me, because I put a lot into it. I put my all into it. They said I was one of the four who finished the class at the top. You go in here, and you're well prepared, you're well groomed, you bought nice suits… you answer all the questions that they asked, you're having a great conversation with the interviewer, and you come back and you don't get the job."<sup>3</sup>

In May 2014, a long-awaited hotel opened at Washington's Mount Vernon Square next to the Walter E. Washington Convention Center. Delayed for 11 years after the convention center opened in 2003, the Marriott Marquis hotel had been envisioned as a boon to local residents who hoped to land many of the hundreds of jobs the hotel would offer. A year after the hotel's opening, officials with the District of Columbia government and Marriott International heralded

<sup>&</sup>lt;sup>1</sup> James Ashford, personal interview, January 15, 2015.

<sup>&</sup>lt;sup>2</sup> Ashford, personal interview.

<sup>&</sup>lt;sup>3</sup> Ashford, personal interview.

the project's \$2 million jobs training program as a grand success.<sup>4</sup> However, after interviewing program participants and documenting the recruitment and training process, it is clear that these claims of success do not reflect an objective assessment of the program's results.

This report shows how key stakeholders involved in executing the program under-hired from the pool of local residents who completed the job training program, failed to hire any meaningful numbers of "returning citizens" at the hotel, and sought to avoid public accountability.

Only 178 of the 719 graduates of the Marriott Marquis Job Training Program were initially hired; hundreds more of the program participants were trained than the number of jobs that were even available; qualified applicants were turned away in spite of having relevant experience and having completed multiple job training programs. The example of the Marriott Marquis Jobs Training Program sheds light on a much larger pattern of a failed workforce development ecosystem in the District, especially regarding projects receiving public funding that are subject to the District's First Source laws.

This report is produced under the guidance of ONE DC<sup>5</sup>, a community organizing group dedicated to exercising political strength to create and preserve racial and economic equity throughout the District. ONE DC seeks to counter structural causes of poverty, displacement and injustice through building sustainable community capacity and resident leadership so low-income people of color can speak for themselves. ONE DC's major campaigns center on the right to housing, community control of land, right to income, and the Peoples Platform. Its efforts include popular education, community organizing, and alternative economic development projects. ONE DC was an organizational partner of the Marriott Marquis Jobs Training Program and has invested years of organizing work to try to make sure this program best served community residents.

The report was produced with the assistance of the Kalmanovitz Initiative for Labor and the Working Poor at Georgetown University, which is dedicated to developing creative ideas and practical solutions for working people that are grounded in a commitment to justice, democracy, and the common good.

<sup>&</sup>lt;sup>4</sup> Abha Bhattarai, "Nearly a year in, Marriott Marquis says job training program has worked," *The Washington Post*, March 20, 2014.

<sup>&</sup>lt;sup>5</sup> Organizing Neighborhood Equity DC website.

#### A Hotel for the Convention Center: The Marriott Marquis

On May 1, 2014, Marriott International opened the Marriott Marquis, a \$520 million, 1,175-room hotel adjacent to the Walter E. Washington Convention Center in downtown Washington, D.C. First proposed by former Mayor Marion Barry in 1990, the hotel project went through 20 years of debate over its financing, development and construction, and was postponed during the Great Recession of 2007-09. After EventsDC, the city's sports and convention authority, provided \$206 million in public financing, construction finally began in 2010. The 1.1 million-square foot hotel, the largest in the city, opened 11 years after the convention center it serves.<sup>6</sup>

At the opening, the delays were part of a series of jokes by local leaders. "I remember the first meeting I had [about] this hotel, I met on this spot with Pierre L'Enfant and George Washington," D.C. Council member Jack Evans quipped. "I remember sitting down with Frederick Douglass and saying, 'Can you lobby Abraham Lincoln?' Still didn't happen." Added Mayor Vincent C. Gray: "We began to wonder whether it would come out of the ground. We have needed this hotel for a long time."

The Marriott Marquis hotel is significant as one of the largest First Source Employment Agreements with the District of Columbia.

Under First Source, new projects receiving government contracts were required to have 51 percent of new hires to be District residents.

The hotel is significant as one of the largest First Source Employment Agreements with the District of Columbia. In 1984, Mayor Marion Barry signed into District law the First Source Employment Agreement Act of 1984, commonly known to local residents as "First Source." Under First Source, new projects receiving government contracts were required to have 51 percent of new hires be District residents. This meant, for example, that if a developer received tax abatements, tax subsidies, TIF (Tax Increment Financing) benefits, or some other form of

<sup>&</sup>lt;sup>6</sup> Abha Bhattarai, "20 years in the making, hotel opens doors," *The Washington Post*, May 2, 2014.

<sup>&</sup>lt;sup>7</sup> Abha Bhattarai, "Hotel was a long time coming," *The Washington Post*, June 16, 2014.

governmental assistance, then at least 51 percent of newly hired employees on that project should be residents of Washington, DC. First Source was designed to combat high unemployment rates in the District, which had hovered steadily above 10 percent throughout the early 1980s. A 2011 amendment to the First Source law placed tighter reporting and compliance restrictions on companies receiving public funds. Despite this change the DC Fiscal Policy Institute reported that the First Source Program remains "largely ineffective"8.



D.C. residents lining up to apply to participate in the jobs training program

The First Source Agreement between Marriott and the District stated at least 51 percent of the hotel's new hires were required to be District residents. Marriott International chairman J.W. Marriott, Jr., estimated at the hotel's opening that 63 percent of the 500 employees came from the District. In March 2015 the Washington Post reported that "as of mid-January, 49 percent, or 409, of the hotel's 820 employees were District residents according to Christina Tucker, a spokeswoman for the D.C. Department of Employment Services." In June 2015, Drew Hubbard, Associate Director of First Source at the DC Department of Employment Services submitted hiring numbers to ONE DC stating that 59.9% of the total hires made by Marriott were DC residents. This discrepancy in official hiring numbers makes it difficult to determine whether the Marriott reached the 51% First Source mandate. It also reveals that the Department of Employment Services lacks the internal controls necessary to accurately track compliance on First Source contracts.

<sup>8</sup> DC Fiscal Policy Institute, "Reforming First Source: Strengthening the Link Between Economic Development and Jobs," December 2010

<sup>&</sup>lt;sup>9</sup> Abha Bhattarai, "20 years in the making, hotel opens doors"; "Marriott International opens 4,000<sup>th</sup> hotel, in Washington DC," *Progressive Media*, May 6, 2014.

<sup>&</sup>lt;sup>10</sup> Abha Bhattarai, "Nearly a Year In, Marriott Marquis Says Job Training Program Has Worked."

# ONE DC's Ten Year Campaign to Secure Living Wage Jobs for DC Residents

ONE DC hosts the Jobs Training Community Partnership Forum to connect residents with job training organizations willing to work within the framework and vision set forth by ONE DC.

The Marriott Marquis Hotel breaks ground, and the hotel is scheduled to open in June 2014.

2006

2007

2008

2009

2010



ONE DC members pursue a stronger training and hiring agreement for the new Convention Center Hotel. ONE DC submits amendments to the funding legislation for the hotel to preserve money for job training and working with the community.

ONE DC is named a designated agent in the development of the Job Training and Hiring Program as outlined in the "New Convention Center Hotel Amendments Act of 2009".

Community members testify before city council about the lack of compliance and enforcement of the First Source Agreement Act, which ensures DC residents are trained and hired for jobs, which leads to a meeting with ONE DC members and Mariott representatives.

ONE DC members meet Marriott representatives, Washington Convention Sports Authority officials, and developers to map out how many jobs will be needed for the construction, and operation of the hotel.

ONE DC holds two seats on the Headquarters
Hotel Committee, which creates a Request for
Proposal (RFP) for the program. As members, ONE
DC hears local community organizations'
(otherwise known as the workforce intermediary)
proposals for implementing the hospitality jobtraining program and offer their recommendations
for the workforce intermediary.

DC Trans Coalition joins ONE DC in working with the Marriott International's Director of Talent Acquisition to ensure 500 good jobs at the Marriott Marquis.

The Marriott Marquis hotel opens its doors.

ONE DC conducts outreach to Marriott program graduates, both hired and not hired, to gauge their experience with the program, identify issues and concerns with the hiring process, and ensure additional graduates are hired at the hotel

2011

2012

2013

2014

2015

个

ONE DC members meet with Marriott representatives to ensure that workers will be paid a living wage, receive fair benefits, and work free from discrimination.

Goodwill of Greater Washington is chosen as the organization to implement the hospitality job-training program.

As part of the 2006 and 2009
Convention Center Hotel legislation,
ONE DC is tasked with identifying and
recruiting up to 3,000 people to apply
and interview for the training program.

ONE DC launches ONE City, ONE Search campaign to 3,000+ District residents about applying for Washington Marriott Marquis Jobs Training Program.



ONE DC members and training program graduates hold accountability meetings with Marriott Marquis HR representatives to raise questions around hiring issues.

The delays in reaching the deals and raising financing for the convention center hotel gave the local nonprofit group an opportunity to win a critical change in Marriott's hiring practices. Working with Marriott, the D.C. government, and other local organizations, ONE DC secured training and job opportunities for hundreds of D.C. residents. ONE DC also won an agreement from Marriott that Marriott would not screen out applicants for most hotel jobs who have felony convictions that are more than five years old. This agreement predated the District's recently passed "Ban the Box" law.

While there have been some important positive outcomes, the story of ONE DC and the Marriott Marquis also highlights the shortcomings of local workforce development programs in actually producing jobs for District residents. A deeper analysis of these challenges can be found in the Shelterforce article "An Organizer's Work is Never Done." <sup>11</sup>

Many of these residents are African-American and Latino and from communities that are often locked out of one of the nation's most vibrant labor markets. Despite the claims of success from Marriott and the DC government, the training program is a starting point rather than an ending point for expanding opportunities to local residents who have been shut out of economic opportunities for far too long.

Even with its drawbacks and shortcomings, ONE DC's successes at the convention center hotel offers a template for labor organizations, community activists, businesses, and city governments on how to work together and open up opportunities for more local workers in other parts of the country.



D.C. residents learn about requirements and steps to applying for the jobs training program at an application session

<sup>&</sup>lt;sup>11</sup> Jodi Weinberger, "<u>An Organizer's Work Is Never Done</u>," *Shelterforce*, October 2, 2014.

#### Financing a Convention Center Hotel & Efforts to Hire Local Residents

At the time the convention center opened in March 2003, it still lacked a flagship hotel. Efforts to finance a hotel for the convention center stretched on between 2003 and 2009, during which time the city, Marriott Corporation, and developers went through two unsuccessful financing packages that collapsed – first when a developer could not round up private financing for the hotel, and again when credit dried up in the 2007-2009 Great Recession. Amid the two failed financing packages, the city assembled land for the hotel next to the convention center through a land swap with another developer and through the purchase of a historic building that served as the headquarters of the American Federation of Labor from 1916-1956 (now incorporated into the hotel). It also weathered a lawsuit against the city and Marriott from a rival developer.

Finally, on June 17, 2009, the D.C. council, Marriott, private developers, and the Washington Convention and Sports Authority reached agreement on a new financing plan for the \$516.2 million hotel drawn up by the city's chief financial officer. The agreement called for the city to issue \$225 million in bonds to provide \$159 million in equity financing for Marriott - \$135 million of the \$159 million would come through tax increment financing (TIF) for the hotel project and another \$24 million would come from other TIF revenues across the city. <sup>1213</sup> Furthermore, the Washington Convention and Sports Authority issued a \$25 million loan, repayable over 25 years, and a one-time \$22 million grant to build the hotel; in total, this amounted to \$206 million in public financing for the project. <sup>14</sup>

In addition to the \$206 million in public financing, the hotel developers, Quadrangle Development Corp. and Capstone Development LLC, agreed to contribute another \$310 million in private financing. At the final approval of the plan, on July 14, 2009, the city council added a \$2 million job-training program, to be paid for from the bond issue. The money for that program

<sup>&</sup>lt;sup>12</sup> John Ross, Office of the Chief Financial Officer (OCFO), Government of the District of Columbia, telephone interview, August 4, 2014.

<sup>&</sup>lt;sup>13</sup> Jonathan O'Connell, "D.C. OKs Convention Center Hotel Financing," Washington Business Journal, July 15, 2009.

<sup>&</sup>lt;sup>14</sup> O'Connell, "Public Financing of Convention Center Hotel Moves Forward."

was to be paid to the construction contractor for training unemployed workers in skilled construction jobs while the hotel went up. 15161718

The job training program was a goal of ONE DC's predecessor organization, Manna CDC, in the early 2000s, said John Boardman, executive secretary of UNITE HERE Local 25, which represents workers at D.C. restaurants and hotels, including the Marriott Marquis. Its creation was the result of conversations among Manna CDC, other community groups, and UNITE HERE. "We were talking with (Manna CDC) when they were still talking about whether there should be a convention center at all," Boardman said. "We sought them out and some other community

groups, and we asked if they would align with us to support the construction of a convention center." In return, UNITE HERE offered its support for language in the financing agreement to provide the \$2 million for training and development and for hiring D.C. residents to work at the hotel. 1920 Because of the delays in getting the convention center hotel built, the training contract for hotel operation jobs did not get under way until 2013, when hotel construction was almost complete.



ONE DC organizer Nkechi Feaster assists a D.C. resident with the job-training program

Another provision that survived the delays in hotel construction was a 'labor peace' agreement tucked into the 2003 request for proposals as part of the hotel's construction. "One of the requirements was that the Marriott and other entities involved sign a 'labor peace' agreement; this agreement provides the framework for this process, allowed Local 25 to go in and organize

<sup>&</sup>lt;sup>15</sup> John Ross, telephone interview.

Jonathan O'Connell, "D.C. OKs Convention Center Hotel Financing."

<sup>&</sup>lt;sup>17</sup> Jonathan O'Connell, "<u>D.C. Council Approves Tax Increases</u>," *Washington Business Journal*, July 31, 2009.

<sup>&</sup>lt;sup>18</sup> Patrick Temple-West, "D.C. Council Approves \$537M Hotel Plan With \$206M of Debt," *The Bond Buyer*, July 16, 2009.

<sup>&</sup>lt;sup>19</sup> John Ross, telephone interview.

the workers and structure a contract very quickly," Boardman recalled. The agreement, which the District government placed into the RFP, is very similar to other agreements at hotels in the city. "It has worked out extremely well, both in terms of mechanics and getting people into the union, and I think the workers at the hotel would tell you that they're pretty pleased as well; a lot of those workers came off the unemployment rolls and went right into a middle class job."<sup>21</sup>

# Hopes and Disappointments, Accomplishments and Shortcomings: The Marriott Marquis Job Training Program

The training program and the potential for well-paid unionized jobs at a prominent hotel prompted an enthusiastic response from residents eager to find work. EventsDC, the public-private entity that operates the convention center as well as sports and entertainment venues in Washington, began to take more of an interest in the training contract. Goodwill Industries of Greater Washington was selected as the workforce intermediary tasked with carrying out the life skills and hospitality training program, and ONE DC became one of the key partners for recruiting

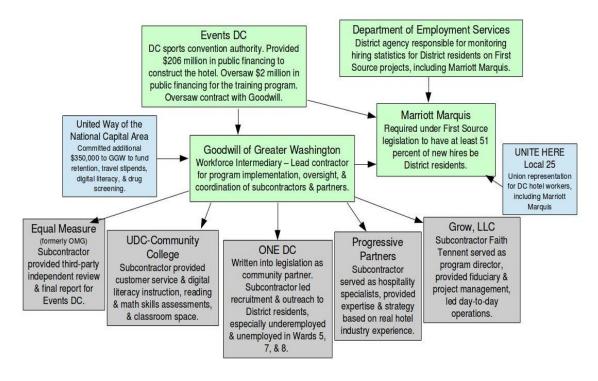


Chart of partners involved in the jobs training program

<sup>&</sup>lt;sup>21</sup> John Boardman, executive secretary of UNITE HERE Local 25, telephone interview, August 13, 2014.

job applicants as a subcontractor under Goodwill. Additional partners included Progressive Partners, a hospitality training and coaching consortium, UDC Community College, Grow, OMG Center for Collaborative Learning (now known as Equal Measure), and United Way of the National Capital Area. ONE DC's participation "was instrumental in figuring out how to structure the training program," said Boardman, who serves on the EventsDC board in addition to his duties with UNITE HERE. At the same time, other partners in the training project, including Goodwill, "were involved in implementing things, and ONE DC became one of the key partners in that part as well." Boardman added that ONE DC's involvement in the project brought in "remarkably good participation from the community. Anyone looking at this would say this was an all-around success." 23

The numbers, however, tell a story of a program that may have raised too many hopes among people looking for jobs. When the Marriott Marquis training program began in late 2013, ONE DC was one of several organizations that recruited more than 3,000 D.C. residents who wanted a shot at the training program for the hotel. Between the training program and responses from the general public, Marriott interviewed nearly 1,200 people at two hiring halls in March 2014 for the 500 initial positions, according to Kathryn Lambert, the Marriott Marquis' director of human resources. The compressed schedule for the training program and the hiring halls in March gave new employees only about two months to be trained before the Marriott Marquis opened in May. Trainees who completed the program were referred for interviews; successful candidates went through three interviews and a drug screening before learning if they would be selected for jobs, while hotel hiring personnel attempted to show flexibility in the hiring process, giving chances to people who might have had less than the optimal amount of experience. Furthermore, Lambert said she screened invitations to ensure each graduate of the Goodwill training program was invited to an interview and, while the hotel was gearing up for its opening, made follow-up contacts to people. "It was quite an adventure," Lambert recalled.<sup>24</sup>

<sup>&</sup>lt;sup>22</sup> Boardman, telephone interview.

<sup>&</sup>lt;sup>23</sup> Boardman, telephone interview.

<sup>&</sup>lt;sup>24</sup> Kathryn Lambert, personal interview, April 6, 2015.

Reporting Month	Total Hires	Total DC Hires	Total Non-DC Hires
March 2014	12	10	2
April 2014	341	252	89
May 2014	36	14	22
June 2014	39	9	30
July 2014	35	15	20
August 2014	30	14	16
September 2014	36	18	18
October 2014	3	1	2
November 2014	6	3	3
December 2014	5	1	4
January 2015	2	1	1
February 2015	18	7	11
March 2015	25	8	17
April 2015	13	7	6
TOTAI	601	360	241

Source: Department of Employment Services First Source Office, June 2015. Only includes new hires and not transfers form other hotels.

Hiring numbers reported to DOES by Marriott

After direct referrals from Goodwill or taking courses of between four and eight weeks, 719 residents were trained and referred to Marriott; 178 were initially hired for the Marquis by the time it opened. In keeping with D.C.'s First Source law, which requires a good faith effort to hire at least 51 percent of D.C. residents for projects financed with public money, Lambert estimated that 58 percent of the employees at the Marriott Marquis at the time of its opening were DC residents (Lambert estimated most employees were new hires, with some trainees; the figure also represents people who were hired outside the Goodwill program). By March 2015, nearly a year after the Marriott Marquis opened, Marriott claimed 77 percent of the residents hired through the program were still at the hotel. Marriott, the D.C. Department of Employment Services (DOES), and others who were familiar with the training program also touted the program a success. "From our hotel's standpoint, we were very pleased," Lambert said. At the time the hotel opened, roughly 35 percent of the training program graduates were hired at the hotel,

comprising 25 percent of its employees. "Twenty-five percent coming from one source was unheard of," Lambert said.<sup>25</sup>

Company: Marriott International, Inc.

FEIN: 522055918

Worl	Force Data	
Total E	mployees: 820	)
State	Total Emp	% Emp
DC	409	49.88%
MD	236	28.78%
VA	167	20.37%
OTHERS	8	0.98%

FEB 20	015 (till today)			Jan-15	
Monthly hires: 0		Monthly hires: 2			
State	Total Hires	% Hires	State	Total Hires	% Hires
DC	0	0.00%	DC	1	50%
MD	0	0.00%	MD	1	50%
VA	0	0.00%	VA	0	0%
OTHERS	0	0.00%	OTHERS	0	0%

	Dec-14		)	Nov-14		
Monthly hires: 4			Monthly hires: 5			
State	Total Hires	% Hires	State	Total Hires	% Hires	
DC	1	25%	DC	3	60%	
MD	3	75%	MD	2	40%	
VA	0	0%	VA	0	0%	
OTHERS	0	0%	OTHERS	0	0%	

Marriott's hiring numbers reported to DOES, November 2014 to February 2015

Dr. Jessica Gordon Nembhard, President of ONE DC's shared leadership team notes that the Marriott Marquis Jobs Training Program was "designed to have a large percentage of hires coming from one program. In fact, it was legislated to be so, in order to better ensure that local residents would be hired. Companies like the Marriott get around the First Source agreement because they say they can't find qualified people. Our program gave them over 700 qualified

<sup>&</sup>lt;sup>25</sup> Abha Bhattarai, "Nearly a year in, Marriott Marquis says job training program has worked." *The Washington Post*, March 20, 2015; Lambert, personal interview.

people."<sup>26</sup> Given that Marriott hired barely a quarter of the trained and qualified applicants from the job training program, it is surprising that the program was hailed as such a success by Marriott, DOES, and Goodwill. When this information is coupled with the many discrepancies in the program's hiring statistics as circulated by the different program partners, it calls into question how much any of these organizations actually knew about the operations or efficacy of their own job training program.

Yet Lambert said that she was satisfied with the job training program's organization. She offered special praise for Goodwill, which she characterized as the "most kind, caring, business-savvy organization for a nonprofit that I've worked with" because of its knowledge about the program and ability to quickly return information when Marriott needed it. An indicator of the training program's success is the impression it left on many graduates who were hired at the Marriott Marquis. Nearly a year after the hotel's opening, Lambert said, "people still reference the lessons they learned from the job training program." 27

However, many of the job training program's participants did not share Lambert's assessment of Goodwill and the efficacy of the program overall. The program triggered frustrations of program participants in part because it was driven by a short timeline of six to ten weeks leading up to the hotel's full opening. Many program participants said they were given less than 24 hours of notice

From: "MHRS, Marquis Washington DC Recruiter" <mhrs.wasco.Recruiter@marriott.com>
Date: March 27, 2014 at 1:11:36 AM EDT
To: "Subject: Marriott Marquis, DC: Interview Confirmation"

\*\*Less than 24 hour notice: We apologize for very little notice, but our Front Office team is available tomorrow to interview\*\* If you cannot make this time, please reply and we will do our best to reschedule you at a future time\*\*

Greetings from Marriott Marquis, Washington DC Recruiting Team!

Thank you for your interest in joining our team! At Marriott, it's a powerful feeling, to belong.

After reviewing your application we welcome you to join us for a Hiring Event to explore career opportunities with Marriott Marquis, Washington DC.

We ask you to arrive for an interview on Thursday\_March, 27th 2014\_at\_ 1:30pm. The interview will take place at the Carnegie Library at Mount

Marriott's email sent at 1:00AM to a program participant indicating less than 24 hours notice for

<sup>26</sup> Jessica Gordon Nembhard, personal interview, June 15, 2015.

an interview

<sup>&</sup>lt;sup>27</sup> Lambert, personal interview.

for interviews, making it difficult to arrange childcare or arrange leave from a part time position elsewhere. Because of the large number of applicants, Marriott Marquis staff could not offer multiple interviews to people who wanted to apply for more than one job, despite being urged by program participants to allow applicants to interview for more than one position. There were also training program graduates who did not receive an interview date, a call, or email response from the Marriott Marquis at all. And applicants' expectations and impatience played a role. "I think maybe there could have been... realistic expectations of, 'this is a readiness program but it does not lead directly to a job,'" said Lambert, who continues to flag Goodwill program graduates in an effort to track the number of training participants who land jobs at the hotel.<sup>28</sup>

Despite these and other claims of success, significant gaps remained. In February 2015, ONE DC testified at a D.C. Council oversight hearing that DOES and its First Source office refused to share statistics on the Marriott Marquis training program that could show the degree of success with the program. In the three months preceding the hearing, ONE DC organizer Jennifer Bryant sent seven e-mails, placed 11 calls, and made two visits to secure a meeting with the First Source office. At the hearing Bryant testified, "Each attempt has been met with a clear lack of transparency," adding that a previously scheduled interview was cancelled without explanation.

"If the First Source office is tracking hiring statistics, they are not very forthcoming when this information is requested by the public." Without readily available, detailed statistics, there is no way of knowing the full degree of effectiveness of the Marriott Marquis jobs training program.<sup>2930</sup> Ultimately, ONE DC was able to secure a meeting with the Associate Director of the First Source office in May of 2015. In this meeting organizers learned that there are four monitors responsible for tracking compliance for over five hundred First Source contracts.



ONE DC conducts outreach to Barry Farm residents interested in the training program

<sup>&</sup>lt;sup>28</sup> Lambert, personal interview.

Jennifer Bryant, <u>testimony</u> at D.C. Council performance oversight hearing, Committee on Business, Consumer and Regulatory Affairs, February 20, 2015.

Tonya A. Robinson, letter from D.C. Department of Employment Services to Jennifer Bryant, February 25, 2015.

Another issue that arose at the February 2015 oversight hearing was the numbers of workers hired by the Marriott Marquis. D.C. council members Vincent B. Orange Sr. and Elissa Silverman were both surprised by the numbers presented by ONE DC; Orange said he had heard all along that 650 D.C. residents got jobs at the hotel, rather than the 187 trainees who went through classes of up to eight weeks for the jobs. "That's a pretty substantial amount of time, and it gives us a bad rap when people go through these training programs, expecting at the end of the training program to be hired, and then only get 26 percent of these persons hired. And then to hear elsewhere that 650 people got hired – something doesn't add up here."<sup>31</sup> Bryant added that it was difficult to tell what percentage of new employees were new hires or had instead been transferred to the Marriott Marquis from other Marriott hotels in the region.<sup>32</sup>

In addition to the lack of transparency offered by DOES and its First Source office, interviews with a few residents who enrolled in the training program highlighted issues that, if addressed, could have made the program much more effective and produced a larger number of eligible residents for the Marriott Marquis. The responses of interview subjects, as well as the D.C. government's lax tracking of data showing the efficacy of job training programs, point to a need for improvements in training programs under the city's First Source legislation and call for mechanisms to better assist job training graduates in finding work.

#### James Ashford's story

Ashford, whose story was highlighted in the introduction, thought his experience, ironically, was one factor that went against him in an interview with two sous-chefs. "I felt like, sometimes, with the cooking business, sous-chefs can feel a little threatened by when someone comes in with a little bit more experience than them. One of the guys who was interviewing me, I felt like he was just fresh out of culinary school. But that's about the only thing I could think of."<sup>33</sup>

Elissa Silverman and Vincent Orange, D.C. Council performance oversight hearing, Committee on Business, Consumer and Regulatory Affairs, February 20, 2015.

<sup>&</sup>lt;sup>32</sup> Bryant, D.C. Council performance oversight hearing, Committee on Business, Consumer and Regulatory Affairs, February 20, 2015.

<sup>&</sup>lt;sup>33</sup> Ashford, personal interview.

#### Cynthia McLean's story

Other participants, such as Cynthia McLean of Ward 7, had a better experience with the training program. "I can't really complain about anything," said McLean, who was hired at the hotel as a housekeeper. "It worked for me, but maybe because I really, really wanted it, and I was flexible."<sup>34</sup>

McLean said she initially wasn't seeking a housekeeping job, but was trying to find a job that got her into the hotel. "I had determined that I wanted this," she said. "I was really determined that I was going to get through it." She noted that many of the participants in her class "were stuck on specific positions and weren't trying to get their foot in the door" and probably lost out on those jobs to people who transferred to the Marriott Marquis from other Marriott-operated hotels in D.C.<sup>35</sup>

McLean, who had known the hotel was coming, had applied for a job at the Marriott Marquis. She had previously taken a computer class at Goodwill, and also went through the training program, attending evening classes at UDC.

McLean characterized the training class she took as sufficient, although McLean said she could have simply studied from the textbook for the tests and interviews instead of going to the classes. She characterized the training as generally covering customer service and employee ethics, rather than specific training for certain positions. "For me, with the customer service, a lot of it was common sense," she said, adding that she wanted more hands-on training that she could apply to specific tasks and in on-the-job situations.<sup>36</sup>

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After the course was complete, McLean said, trainees had background checks, drug screenings, and two sets of interviews – one mock, one live – in the neighborhood near the convention center. After the actual interviews, which involved four individual interviews of about 10 minutes, she was told she would be hired and then fitted for a uniform. By the second round of

<sup>&</sup>lt;sup>34</sup> Cynthia McLean, personal interview, March 26, 2015.

<sup>35</sup> McLean, personal interview.

<sup>&</sup>lt;sup>36</sup> McLean, personal interview.

interviews, only about nine of the 30 to 35 students in her class remained, she said. A few failed the drug screen, while others had obligations – such as childcare or other jobs – that eliminated them from contention. Still others faced difficulties getting to the classes and interviews because of family or job commitments.<sup>37</sup>

Since starting at the hotel in late April 2014, McLean has tended to her share of aches and pains that come with the physical labor of a hotel housekeeping job. But she loves the union-scale wages and benefits that come with it – now \$15.83 an hour and on schedule to rise to approximately \$20 an hour in 2016. As a current hotel employee, she also enjoys seniority over new hires, and is seeking a transfer to another hotel job.<sup>38</sup>

#### Holly Goldmann's story

One participant who left the training program with extreme frustration was Holly Goldmann, a Columbia Heights resident who was placed in an advanced training class. Amid encouragement from instructors and program staff up to and through the mock interview session, Goldmann felt she was on the way to landing a "front of the house" job at the hotel. During the actual interview, however, Goldmann said she and others in her class were told by Marriott staff that they were not ready to work at a hotel like the Marriott Marquis. Instead, she said, they were encouraged to apply to jobs at 'lower Marriotts' in the city. Goldmann estimated only one person from her class actually landed a job at the hotel.<sup>39</sup>

According to Goldmann, the outcome of the training program was the culmination of a number of major miscalculations by Goodwill and Progressive Partners. "Goodwill, it's the screwiest organization I've ever dealt with," Goldmann said, recalling a meeting at a Goodwill facility on South Dakota Avenue NE — a location not easily accessible by mass transit — that particularly rankled her:

They told us to be two hours early; I said, 'What do you think, we're going to be late?' So we're all sitting there, I have to be at work at three o'clock; you told me to be here at noon, I told my work I might be 15 minutes late, they said it was fine. And this whole fiasco interfered with my job, and I'm actually not

<sup>&</sup>lt;sup>37</sup> McLean, personal interview.

<sup>&</sup>lt;sup>38</sup> McLean, personal interview.

<sup>&</sup>lt;sup>39</sup> Holly Goldmann, personal interview, March 12, 2015.

working my part-time job because of this. And I had my hours cut on a semi-fulltime job, because I took time off for this because I thought something was going to happen. $^{40}$ 

"I met a lot of people in the lobby waiting around, and I felt there were a lot of people that drank what I called the 'Progressive Partners Kool-Aid,' and they, I think they just thought they were going to get a job," Goldmann continued. "We did have some people in the class at school that I realized... there were some people in the class that were going through the motions to keep up with getting TANF and stuff like that; there were about six or seven women in the class that were doing that."<sup>41</sup>

In addition, Goldmann said she felt officials with the training program often spread false hope among applicants that they would land jobs at the hotel. "They also were a little bit deceptive," she said. "They allowed people in the program who thought they could get part-time jobs. Once we got to class and were enrolled and adjusted our schedules, they were like, 'Well, there are no part-time positions.' Other applicants were told they didn't have experience for the jobs for which they were being trained. "We had experienced housekeepers in our class that did not get jobs. ...I just really think [Goodwill and Progressive Partners] made it seem like we were getting jobs," she said.<sup>42</sup>

"So they trained us, and then told us we had no experience, so we didn't have a job. That's the big issue. So what did Goodwill do? They took money from the government. ... So Goodwill got \$2 million and thinks they did a good training program. Progressive Partners thinks they have something good under their belt."

Goldmann felt misled by Goodwill and Progressive Partners in spreading false hopes among trainees about getting jobs, and by Marriott for the dismissive way in which some trainees were handled. "They could have not lied to us. They could have not brought our hopes up," said Goldmann, who later complained about the program to Progressive Partners. "But I don't know who lied."<sup>43</sup>

<sup>&</sup>lt;sup>40</sup> Goldmann, personal interview.

<sup>&</sup>lt;sup>41</sup> Goldmann, personal interview.

<sup>&</sup>lt;sup>42</sup> Goldmann, personal interview.

<sup>&</sup>lt;sup>43</sup> Goldmann, personal interview.

After her initial rejection, Goldmann applied unsuccessfully for several jobs at the Marriott Marquis and other hotels. "They just say they filled the position, and then you go online and find the position is still available," she said. At the time of her interview, she was unemployed, behind on her rent, and wondering if trainees were being looked upon poorly because they came through the Goodwill program. She also wondered about the efficacy of the Marriott Marquis program: "So they trained us, and then told us we had no experience, so we didn't have a job. That's the big issue. So what did Goodwill do? They took money from the government. ... So Goodwill got \$2 million and thinks they did a good training program. Progressive Partners thinks they have something good under their belt.

"I'm stuck in Marriott's system as the Goodwill person. Is that a bad thing?" Goldmann asked. "If it is a bad thing, please take it off, because they might think this thing is a joke too."44

# Final Thoughts

ONE DC organizer Reece Chenault concludes with these observations<sup>45</sup>: The District of Columbia has an area of about 68 miles total, with 61 of its land. I should know as I drove most of it last year trying to track down the scores of people we "touched" through what was known as the Marriott Marquis Job Training Program. My first phone calls were received warmly, though not without surprise. No one I spoke to had ever been followed up with after a job training program,

What does my work pay for?

taxes food son's school travel

parking shoes Esclothers and "as entertainment
anniversary present smarting thappy Hook
rent go disnost highways & roads

school school loans gown expenditures

RETIRE HENT: care home stehnology funerals
insurance TRAVEL:

medicare social security a moments notice
cable freedom

Program participants share what their work pays for

despite having been through many of them. In most cases, applicants were given a few calls afterwards but mostly to give them notice of new "training opportunities" to lead them out of unemployment. Sometimes when I showed up to their home, they would produce folders full of graduation certificates demonstrating their skill in an assortment of competency areas. They would offer me whatever they had in the house, sometimes even

<sup>&</sup>lt;sup>44</sup> Goldmann, personal interview.

<sup>&</sup>lt;sup>45</sup> Reece Chenault, personal interview.

dinner if it was late enough. I never had one person speak rudely, address me harshly, or even say that they didn't have time to speak to me. I was shocked at how with every interaction there was a kind of mild detachment with which they answered my often repetitive inquiries about their experiences with our program and others. It was as if they'd already resigned themselves to things remaining unchanged even after years of banging their heads against the large wall that is chronic unemployment.

This is not to say that there wasn't anger because there was plenty. People were anxious to express the giant-sized hole the program, if they were accepted, created in their day and in their life. Everything from admission to recommendation for the actual job was dependent on them putting a show of being ruthlessly punctual, relentlessly chipper, and generally available to a group of people who often were training them in skills they already had. If they weren't accepted, which was the majority of the thousands I visited, the whole process seemed mysterious. Most of those applicants, when all was said and done, reacted with some confusion and disappointment. They would ask, "What's the point of applying to a program that wants people with no experience to receive training if, in the end, I am rejected for a lack of experience?" More often than not, my response was "yeah, that's a good point." That is where it is time to talk about organizing neighborhood equity, demanding companies be fined for not complying, and creating our own community businesses.

# **Community Demands**

As Washington, D.C.'s local and regional economies continue to shift, the effectiveness of programs like D.C.'s First Source program is crucial to pull more D.C. residents into the city's workforce, especially residents from neighborhoods and groups with chronically high levels of unemployment.

But the largest obstacle to training programs like the Marriott Marquis Jobs Training Program comes from the lack of accountability, transparency, and enforcement by the D.C. Department of Employment Services and the way in which it carries out programs such as First Source. Without detailed statistics on the number of workers hired or whether they were new hires or transfers, the results of the Marriott Marquis Jobs Training Program wound up in a gray area, in which low numbers of D.C. residents who went through the program actually found new jobs there while Marriott and DOES officials claimed success.

ONE DC calls for significant improvements in the First Source law, now in its 31<sup>st</sup> year on the books. A new First Source law, with increased transparency, compliance, enforcement, and oversight will contribute to a reduction in the high unemployment levels that have persisted for too long in D.C., especially when used amid ongoing or forthcoming projects that involve public dollars, such as the redevelopment of the Southwest waterfront or the construction of the new Major League Soccer stadium for D.C. United.

Reforming and enforcing the First Source law, as well as its office within the Department of Employment Services, needs the type of scrutiny and pressure that the Marriott Marquis attracted from various groups and individuals, as John Boardman recalled:

Marriott sat down with local organizations and said that, yes, we'll do the 51 percent. But then there was plenty of ... encouragement ... for Marriott to do more than that. There was definitely some pressure on them to do more. ... There were a lot of people watching this – members of the city council, (former) Mayor (Vincent) Gray – who were letting it be known that they wanted District residents to benefit from this; also political appointees, like me; community groups near the convention center and across the city. All of those folks were not shy about letting them know that there was a lot of city tax money going into this, and the DC community better be getting more than what was listed in the legislative requirements for this. ... If you're using public money to create financial opportunities, the public ought to get as good a return on that investment as possible. It's not enough just to say a project creates a job; it needs to be a good job, something that allows a union in the workplace. We are finally waking up in D.C. to the fact that people want to come here and

invest money; that we don't have to give away the store to get people to come here.<sup>46</sup>

The suggested improvements in the First Source legislation and office are as follows:

- Improved infrastructure. The First Source office and DOES need additional staff to
  adequately enforce labor laws and monitor job-training programs and First Source
  agreements. A new approach could mirror that of San Francisco, which created an Office
  of Labor Standards Enforcement to ensure its labor laws were enforced. A similar office
  in D.C. could oversee First Source compliance, as well as laws governing minimum wage,
  paid sick leave, anti- wage theft, and "ban the box" legislation to ensure returning citizens'
  access to work is not denied.
- 2. Increased transparency. With D.C. putting millions of taxpayer dollars into public projects, First Source hiring statistics should be publicly accessible. Doing so would grant transparency to the citizens whose taxpayer dollars help fund these projects and help them determine the effectiveness of their dollars when it comes to hiring D.C. residents under First Source. DOES should publish First Source hiring statistics on its website, creating greater transparency for the public and greater accountability for employers. Also, First Source agreements should be designed to determine if a job is filled by a new hire or by a transfer from a different facility, which would establish a baseline for what constitutes a new hire under the First Source agreement.
- 3. **Greater enforcement.** A recent report by the D.C. auditor<sup>47</sup> revealed that DOES ineffectively monitors its First Source program goals, allowing developers and others who had entered into First Source agreements to avoid reaching the 51 percent employment level for newly created jobs. The inability to reach this benchmark has cost D.C. more than \$14 million in lost penalties that could have been collected under First Source. DOES must immediately enforce First Source penalties, with the funds from those penalties used for workforce development initiatives, including new efforts like the D.C. Black Worker Center or the development of worker-owned cooperatives.

Improvements can also be made at the individual job-training program level, as interviews with participants in the Marriott Marquis Job Training Program suggest. As the Marriott Marquis Jobs Training Program is intended to be a job-training model, future training programs could include their suggestions to improve effectiveness. One such improvement was a longer lead time for meetings or interviews. Ashford and Goldmann both cited examples where participants received e-mails between 1 a.m. and 4 a.m. calling them to appointments, meetings or interviews at noon the same day – an issue for people who may not have Internet access or who cannot reschedule other activities as easily.<sup>48</sup> "They sent the e-mails out at 2, 3, 4 o'clock in the morning and they

<sup>&</sup>lt;sup>46</sup> Boardman, personal interview.

<sup>&</sup>lt;sup>47</sup> D.C. Auditor's report citation

<sup>&</sup>lt;sup>48</sup> Ashford and Goldmann, personal interviews.

told you if you miss your e-mail, that's it," he said. "So your e-mail probably came through at 3 o'clock a.m., but if you're not up that time of morning, you miss your interview." Some people did miss their interviews because they did not read the e-mails during this narrow time window or lacked internet access. Ashford, who estimated between five and seven members of his 30-person class landed jobs at the hotel, cited an example where a program participant failed to receive an e-mail notifying him of interviews.<sup>49</sup>

Goldmann said she received an e-mail notifying her of job interviews that arrived in the middle of the night, less than 10 hours before the interview was scheduled to take place. While it urged applicants to respond if they needed to reschedule, "it was one of those e-mails that doesn't take responses," she said. She thought the interview process could involve smaller groups or even individual interviews, and she and Ashford urged that interviews should be conducted by more experienced interviewers. Goldmann likened the mass interviews to "a cattle call" and remembered interviews being conducted "by somebody that didn't even bother looking up at us. ... We almost felt, like, oh, we are the Goodwill people. They didn't look at our people the same way." 151

Both Goldmann and Ashford saw conflicts between their training and part-time jobs they held, leaving applicants in danger of losing jobs they already had without the assurance that they would land a job at the Marriott Marquis.<sup>52</sup> Inconsistent information was also an obstacle. Ashford said he was told during training that missing one or two classes could be grounds for dismissal, yet some participants who missed more than two classes went through the program and landed jobs.

McLean thought resume preparation exercises and mock interviews helped program participants a great deal. However, she believes the organizers could have helped trainees by offering more information about the variety of positions at the hotel. Trainees also needed to know that positions at the hotel were limited, with many of the vacancies likely to be filled by transfers from other Marriott properties. "I noticed once I got hired, a lot of the people I ran into were people who transferred in from other hotels," she said. Another likely detraction McLean noted was that some applicants appeared to focus on landing certain jobs, rather than simply getting a job at the hotel.<sup>53</sup>

Finally, Goldman urged program participants to reconvene with trainees to address why they didn't land jobs. "I think we should have had a meeting follow-up and I think there should have been a class follow-up of what happened. ...UDC, Progressive Partners, Goodwill, I think they should have gotten us all together to address what happened." <sup>54</sup>

<sup>&</sup>lt;sup>49</sup> Ashford, personal interview.

<sup>&</sup>lt;sup>50</sup> Goldmann and Ashford, personal interviews.

<sup>&</sup>lt;sup>51</sup> Goldmann, personal interview.

<sup>&</sup>lt;sup>52</sup> Ashford and Goldmann, personal interviews.

<sup>&</sup>lt;sup>53</sup> McLean, personal interview.

<sup>&</sup>lt;sup>54</sup> Goldmann, personal interview.

## Conclusion

D.C. residents need greater First Source enforcement and accountability. Even more importantly, ONE DC believes District residents need community control of labor, worker-owned cooperatives, and organized Black workers.

With this report we have outlined both the flaws that emerged in the Marriott Marquis Job Training Program as it was implemented and our suggestions to the D.C. Council for improving our city's First Source laws and enforcement mechanisms in the future. However, even if the city makes these changes it will still be incumbent on communities to find creative and dynamic ways of holding our city's government and business community accountable.

For the last year ONE DC has been organizing residents to create the DC Black Workers Center. In that time we've arranged three learning journey trips to take long-time DC residents to visit worker owned cooperatives in Baltimore, New York City and Philadelphia; co-convened the DC Worker Cooperative Coalition which recently received funding to host a three day training in partnership with the Democracy at Work Institute; and hosted freedom schools to explore the intersection of employment and housing and the importance of organizing in resisting displacement. Entities like the DC Black Workers Center can play a critical role in building power in our communities while holding government accountable for its commitments to those communities.









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