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# ALBUQUERQUE URBAN OPPORTUNITY AGENDA STRATEGIES

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PREPARED BY THE CENTER FOR NEIGHBORHOOD TECHNOLOGY

FOR THE CITY OF ALBUQUERQUE

*DRAFT FOR DISCUSSION*

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## EXECUTIVE SUMMARY

The Albuquerque regional economy grew \$4 billion from 2010 to 2015.<sup>1</sup> Yet, there were 19,000 more people in poverty in the city of Albuquerque over that time. Albuquerque’s population living in poverty has grown faster than the population as a whole. In 2015, 105,617 Albuquerque residents lived below the poverty line and the poverty rate was 19% citywide.<sup>23</sup>

The Center for Neighborhood Technology (CNT) has quantified the potential impact of a portfolio of strategies, which, taken together, could reduce poverty in Albuquerque by 20%, and additional strategies that could be added to meet a 25% poverty reduction goal. We call this an “Urban Opportunity Agenda” for Albuquerque. The Urban Opportunity Agenda is a unique approach to poverty reduction in that it focuses on place-based, sustainable solutions that can reduce household expenses and increase incomes through smarter community investments. Implementing the Urban Opportunity Agenda would bring benefits to all businesses and residents in Albuquerque in the areas of sustainability, livability, and expense reduction.

The bar chart in FIGURE ES- 1 shows the portfolio of possible strategies to fill the annual \$101 million poverty gap—the aggregate difference between current incomes and the poverty line, plus a cushion—for 20% of Albuquerque residents living in poverty by reducing household expenses and increasing incomes. We have also described a set of actions that can be taken to start implementing the strategies.

FIGURE ES- 1 also shows the potential of adding additional strategies through job creation in energy and water efficiency, waste reduction, and more to meet a larger goal of 25% reduction in poverty and a \$126 million annual poverty gap.

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<sup>1</sup> U.S. Bureau of Economic Analysis. Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area shows the GDP for the Albuquerque region at \$43 billion in 2015 up from \$39 billion in 2010.

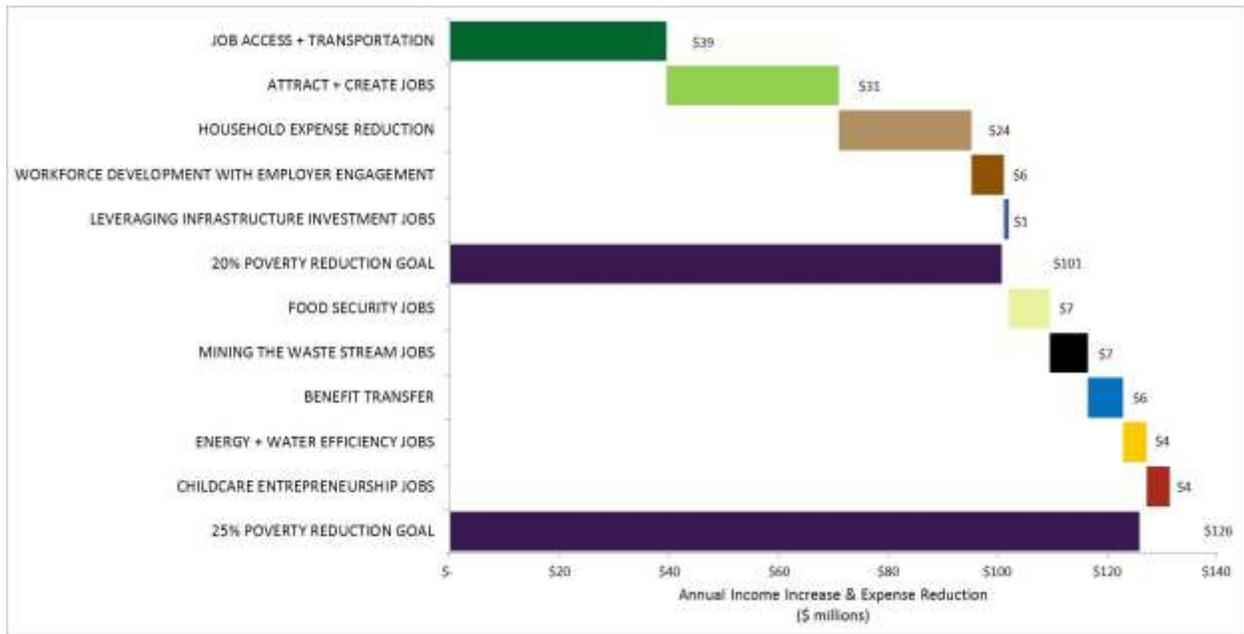
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Moody’s Analytics shows a different result with a regional gross metro product of \$36.7 billion in 2016 and \$36.8 billion in 2015 falling from \$37 billion in 2010. Moody’s projects some growth to \$40.1 billion in 2021.

<sup>2</sup> U.S. Census Bureau, American Community Survey, 3- and 5-Year Estimates. <https://factfinder.census.gov>

<sup>3</sup> The PowerPoint presentation “The Urban Opportunity Agenda: Reducing poverty through sustainable communities: Albuquerque Briefing, March 10, 2017,” prepared by the Center for Neighborhood Technology as part of this project provides more detail on the demographics of poverty in Albuquerque today.

FIGURE ES- 1. PORTFOLIO OF POVERTY REDUCTION STRATEGIES FOR ALBUQUERQUE, NM



The portfolio of poverty reduction strategies we identify in this paper are meant to be in addition to the many vital safety net and economic development programs already in place in Albuquerque. The strategies we have identified that could be scaled to meet a \$101 million annual poverty gap are as follows:

TABLE ES- 1. URBAN OPPORTUNITY AGENDA STRATEGIES TO MEET A 20% POVERTY REDUCTION GOAL

STRATEGY	POTENTIAL SCALE OF IMPACT
<b>JOB ACCESS &amp; TRANSPORTATION</b> Create connections with public transit and transportation alternatives.	\$39 million annual income   1,300 jobs
<b>ATTRACT &amp; CREATE JOBS</b> Plan for location efficient job creation.	\$31 million annual income   1,000 jobs
<b>HOUSEHOLD EXPENSE REDUCTION</b> Provide consumer information on smarter choices and invest in efficiency in energy, water, transportation, telecom and food.	\$24 million annual income
<b>WORKFORCE DEVELOPMENT WITH EMPLOYER ENGAGEMENT</b> Expand sector-specific job training in industrial sectors with good growth prospects and engage employers in the design of workforce training.	\$6 million annual income   190 jobs
<b>LEVERAGE INFRASTRUCTURE INVESTMENTS</b> Invest in sustainability and create jobs and income for low-income people.	\$1 million annual income or more   30 jobs or more

To aid the implementation of these strategies this report presents several near-term actions, including transit passes, removing barriers to transit, increasing transit frequency, transportation management associations, affordable housing, and location efficiency.

We also briefly examine five strategies that could be added to the portfolio to reach a 25% poverty reduction goal:

**TABLE ES- 2. ADDITIONAL STRATEGIES TO GET TO A 25% POVERTY REDUCTION GOAL**

STRATEGY	POTENTIAL SCALE OF IMPACT
<b>FOOD SECURITY JOBS</b> Increase local food self-sufficiency through urban agriculture and small-scale food processing.	\$7 million annual income   240 jobs
<b>MINING THE WASTE STREAM</b> Create jobs by reducing and reusing the waste stream.	\$7 million annual income   220 jobs
<b>BENEFIT TRANSFER</b> Reduce moderate- and high-income household expenses and invest 10% of the savings in poverty.	\$6 million annual income
<b>ENERGY + WATER EFFICIENCY JOBS</b> Make buildings more efficient through a large-scale, one-stop initiative that retrofits 20 percent of homes and businesses.	\$4 million annual income   140 jobs
<b>CHILDCARE ENTREPRENEURSHIP JOBS</b> Promote childcare entrepreneurship and workplace childcare policies to enlarge support systems for working families.	\$4 million annual income   130 jobs

There are several things Albuquerque can do to get started on these strategies today, including establishing expense reduction as a poverty reduction opportunity in the local mindset, engaging diverse groups around setting a poverty reduction goal, going after quick wins to create momentum, and measuring and reporting progress.

Albuquerque has significant assets to build on, from its relatively low cost of living and beautiful environment, to its strong and diverse population, but it must address poverty and inequality to continue to be a competitive economy in the 21<sup>st</sup> century. By pursuing strategies that improve the overall sustainability, resilience, and efficiency of the city while reducing poverty, Albuquerque can make the most out of scarce dollars and attract investment in community assets that benefit everyone.

## INTRODUCTION

There is significant potential for transportation strategies to create cost of living reductions for people living in poverty in Albuquerque. Transportation and land use changes can also be a means of improving jobs access and increasing incomes. This paper describes the scale of potential impact on poverty of making targeted investments that help families spend less on the basics while providing benefits to the entire community. We also look at strategies for creating quality jobs for low income Albuquerque residents. There are already many great efforts underway to tackle these issues, and this framework is intended to support and build on those—to take things we know can work and see what scale of action is needed to make a big impact.

The Albuquerque regional economy grew \$4 billion from 2010 to 2015.<sup>4</sup> Yet, there were 19,000 more people in poverty in the city of Albuquerque over that time. Regional unemployment has declined from a 2009 high of 9% during the economic downturn, but has not returned to a level near the 10-year low of 3.3% in 2007, and with a recent uptick to 6.2% unemployment in the region near-term prospects are uncertain.<sup>5</sup> The population living in poverty in the city of Albuquerque has grown faster than the population as a whole. In 2015, 105,617 Albuquerque residents lived below the poverty line and the poverty rate was 19% citywide. The poverty rate for children under 18 is even higher at 26%. Regionally, the poverty rate in the Albuquerque area at 19% is one of the highest among metropolitan areas nationwide.<sup>6,7</sup>

Consider a goal of reducing the population in poverty by 25% over the next ten years. That would mean 26,000 fewer people in Albuquerque live in poverty. In financial terms, this requires meeting what we call a “poverty gap” of \$126 million annually—the aggregate difference between current incomes and the poverty line, plus a cushion—with expense reductions and income increases.<sup>8</sup> Achieving this goal will mean moving the poverty rate in Albuquerque from 19% to 14%. Table 1 shows similar figures for goals ranging from 10% to 25% reductions in the number of Albuquerque residents living in poverty.

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<sup>4</sup> U.S. Bureau of Economic Analysis. Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area shows the GDP for the Albuquerque region at \$43 billion in 2015 up from \$39 billion in 2010. [https://www.bea.gov/newsreleases/regional/gdp\\_metro/gdp\\_metro\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/gdp_metro/gdp_metro_newsrelease.htm)

Moody’s Analytics shows a different result with a regional gross metro product of \$36.7 billion in 2016 and \$36.8 billion in 2015 falling from \$37 billion in 2010. Moody’s projects some growth to \$40.1 billion in 2021.

<sup>5</sup> U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

[https://www.bls.gov/eag/eag.nm\\_albuquerque\\_msa.htm](https://www.bls.gov/eag/eag.nm_albuquerque_msa.htm)

<sup>6</sup> U.S. Census Bureau, American Community Survey, 3- and 5-Year Estimates. <https://factfinder.census.gov>

<sup>7</sup> The PowerPoint presentation “The Urban Opportunity Agenda: Reducing poverty through sustainable communities: Albuquerque Briefing, March 10, 2017,” prepared by the Center for Neighborhood Technology as part of this project provides more detail on the demographics of poverty in Albuquerque today.

<sup>8</sup> How do we come to that figure? The “poverty line” is a specific dollar figure for each household, and the Census reports the average difference between current earnings and the poverty line. For these 26,000 people there is a total gap of \$126 million per year between current earnings and no longer being in poverty. That value includes a 20% cushion, because to be just \$1 over the poverty line is a very insecure place to be. (The poverty threshold in 2017 is \$24,600 for a family of 4, \$12,060 for a single person.)

TABLE 1. POVERTY REDUCTION GOALS

Poverty Reduction Goal	Number of People No Longer Living in Poverty	Poverty Gap: Annual Income Increase & Expense Reduction Needed to Meet Goal	Poverty Rate After Goal is Met	10-Year Benefit to People Currently Living in Poverty
10%	11,000	\$50 million	17%	\$503 million
15%	16,000	\$76 million	16%	\$755 million
20%	21,000	\$101 million	15%	\$1.0 billion
25%	26,000	\$126 million	14%	\$1.3 billion

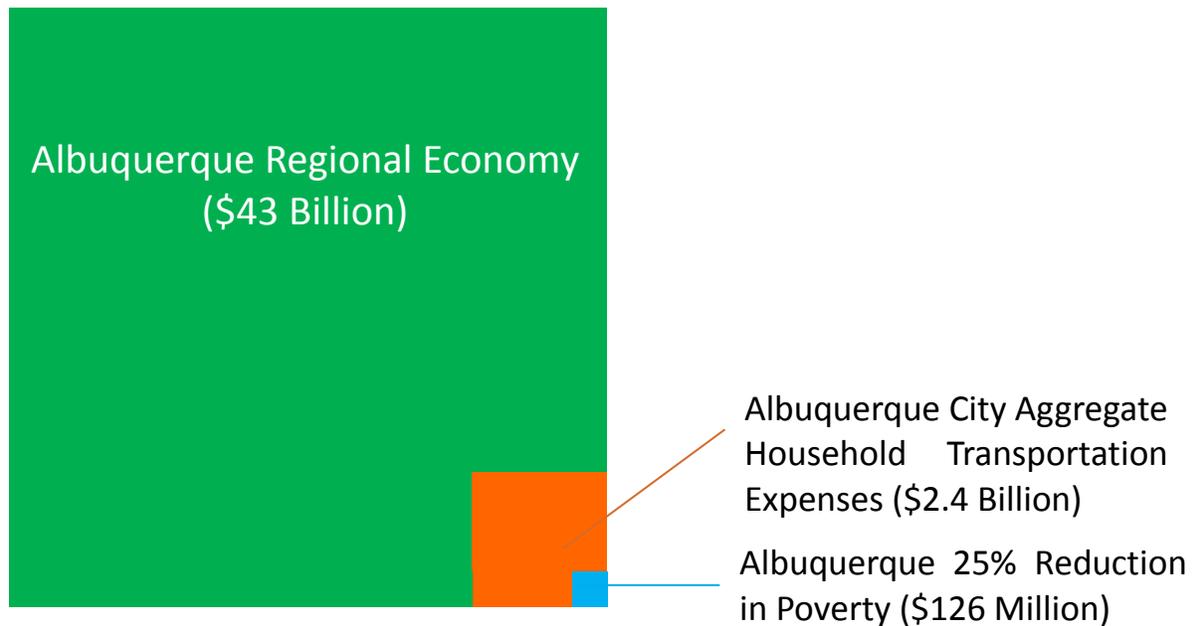
Reducing the number of people living in poverty 25% in any community is a bold goal, but Figure 1 puts this into perspective for Albuquerque:

- This poverty gap is just 0.3% of the \$43 billion regional economy.<sup>9</sup>
- Households in the city of Albuquerque are spending \$2.4 billion (or 19 times more than this) on transportation alone each year. This is not to say that the solution lies entirely in transportation, but transportation efficiency DOES have multiple environmental, health, and placemaking benefits.<sup>10</sup>
- Reducing transportation expense for all households in Albuquerque by just 4% each year would add up to \$1 billion in benefits over 10 years.

<sup>9</sup> U.S. Bureau of Economic Analysis. Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area. [https://www.bea.gov/newsreleases/regional/gdp\\_metro/gdp\\_metro\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/gdp_metro/gdp_metro_newsrelease.htm)

<sup>10</sup> Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/>

FIGURE 1. SCALE OF 25% POVERTY REDUCTION GOAL FOR ALBUQUERQUE. (ALL FIGURES ANNUAL)

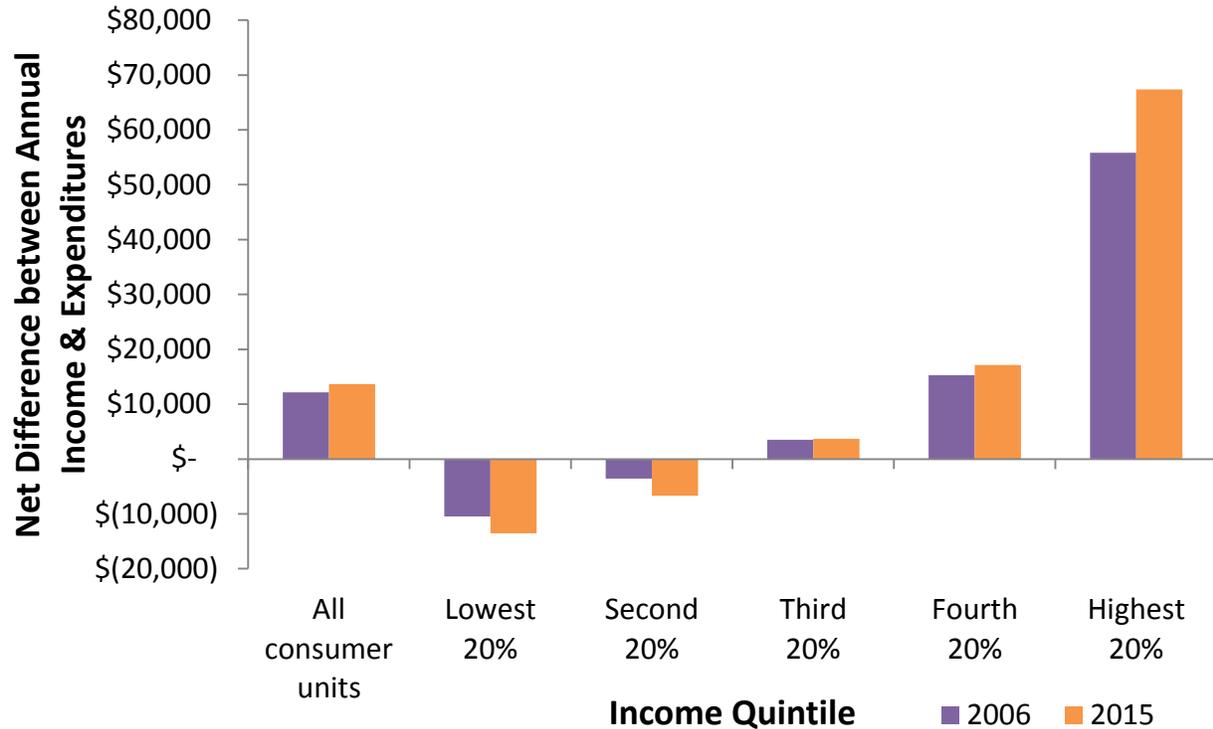


Poverty is a two-sided equation, it isn't just what you earn, it is also what you spend—and low-income families are often hit with high costs. The Center for Neighborhood Technology's (CNT's) Housing and Transportation Affordability Index shows moderate-income families in Albuquerque spend an average of 35% of their income on housing and an average of 27% of their income on transportation. This combined average of 62% is much higher than the 45% that CNT considers affordable. The impacts of high costs on households living under the poverty level can be even greater.

Nationally, income has not kept up with expenses for households with the lowest incomes. **Error! Reference source not found.** shows that households in the bottom two quintiles of earnings (income averages of \$10,916 and \$28,343) faced a gap between income and expenses that put their finances even more in the negative in 2015 than in 2006.<sup>11</sup> Turning this trend around will take a broad-spectrum, economy-wide effort and must both reduce expenses and increase incomes. The strategies presented in the next section are intended to do just that.

<sup>11</sup> The U.S. Bureau of Labor Statistics explains, "How can consumer units spend more than they earn? Data users may notice that average annual expenditures presented in the income tables sometimes exceed income before taxes for the lower income groups. Consumer units whose members experience a spell of unemployment may draw on their savings to maintain their expenditures. Self-employed consumers may experience business losses that result in low or even negative incomes, but are able to maintain their expenditures by borrowing or relying on savings. Students may get by on loans while they are in school, and retirees may rely on drawing down savings and investments." U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, "Frequently Asked Questions." <https://www.bls.gov/cex/faq.htm#q21>

FIGURE 2. NET HOUSEHOLD INCOME BY U.S. HOUSEHOLD ANNUAL INCOME QUINTILES 2006 AND 2015 <sup>12</sup>



## STRATEGIES

CNT has quantified the potential impact of a portfolio of strategies, which, taken together, could reduce poverty 20% in Albuquerque (\$101 million Poverty Gap) and additional strategies that could be added to meet a 25% poverty reduction goal (\$126 million Poverty Gap). We call this an “Urban Opportunity Agenda.” The Urban Opportunity Agenda is a unique approach to poverty reduction in that it focuses on place-based, sustainable solutions that can reduce household expenses and increase incomes through smarter community investments.

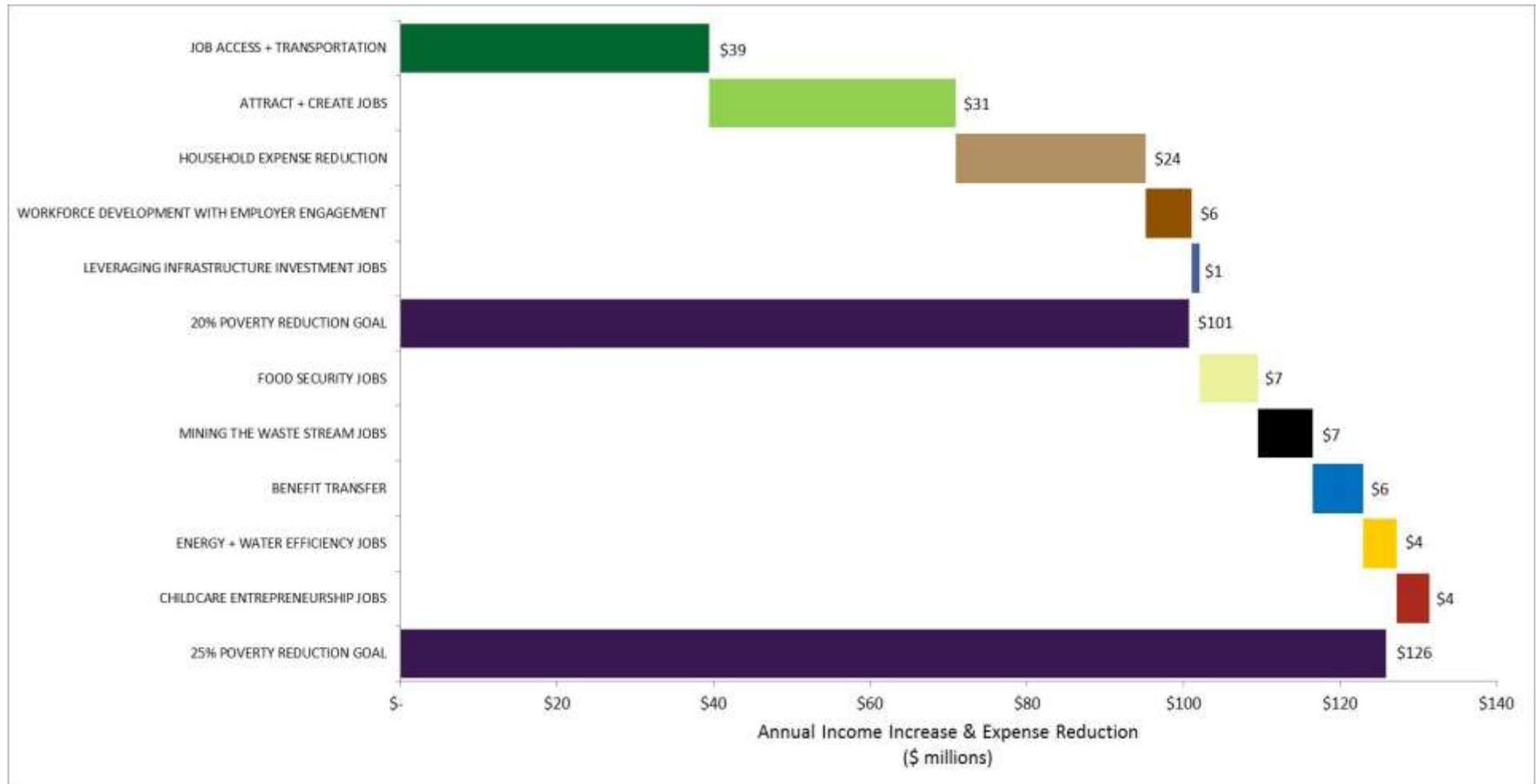
The bar chart in Figure 3 shows the portfolio of possible strategies to fill an annual \$101 million poverty gap in Albuquerque through reduced household expenses and increased incomes. Figure 3 also shows the potential of adding additional strategies through job creation in energy and water efficiency, waste reduction, and more to meet a larger goal of 25% reduction in poverty and a \$126 million annual poverty gap.

These are only two possible scenarios out of many, but they show that significant change is possible. Poverty reduction at this scale will take aggressive and systemic action, but each of these strategies is achievable. Increasing income through jobs access and creation makes up the bulk of this portfolio, but reducing expenses plays a significant role too. The portfolio of poverty reduction strategies we identify in this paper are meant to be in addition to the many vital safety net and economic development programs already in place in Albuquerque.

<sup>12</sup> U.S. Bureau of Labor Statistics, Consumer Expenditure Survey 2006 and 2015. <https://www.bls.gov/cex/>

The benefits of these strategies would go beyond households currently living in poverty in ways that we have not quantified with this current research. Implementing the Urban Opportunity Agenda would bring benefits to all businesses and residents in Albuquerque in the areas of sustainability, livability, and expense reduction. Improved transportation access and job creation for Albuquerque residents of all income levels, economic growth, environmental and livability benefits, reduced costs, and improved access to workers for local businesses are just some of the many communitywide benefit these actions would provide.

FIGURE 3. PORTFOLIO OF POVERTY REDUCTION STRATEGIES FOR ALBUQUERQUE, NM



## JOB ACCESS & TRANSPORTATION

\$39 million annual income | 1,300 jobs

CREATE CONNECTIONS WITH PUBLIC TRANSIT AND TRANSPORTATION ALTERNATIVES: Jobs access has been linked to economic mobility<sup>13</sup> and giving households currently living in poverty means other than driving alone to jobs increases opportunities and mitigates costs. It also creates benefits for employers and workers of all income levels.

CNT's AllTransit tool rates public transit performance in Albuquerque today at a moderate 5.3 on a scale of 1 (low performance) to 10 (high performance). The development of the ART will be an important step forward in transit improvement, but a close look at how the whole system supports jobs access, especially work lower income workers, is essential to ensuring Albuquerque meets its equity goals.

There are 116,537 jobs located within a 30 minute transit commute for the average Albuquerque resident and 69,076 jobs located within a 30 minute transit commute requiring an Associates' degree or less.<sup>14</sup> This access is not evenly spread throughout the city. As the Figure 4 map shows, residents in the central part of the city can access as many 100,001 to 134,000 jobs that require some college or associates degree or less on a 30 minute transit ride, while those in the outer areas may only have access to 0 - 25,000 of such jobs with a 30 minute transit trip. This is a transit jobs access differential of 5 times or more depending on where one lives in Albuquerque.

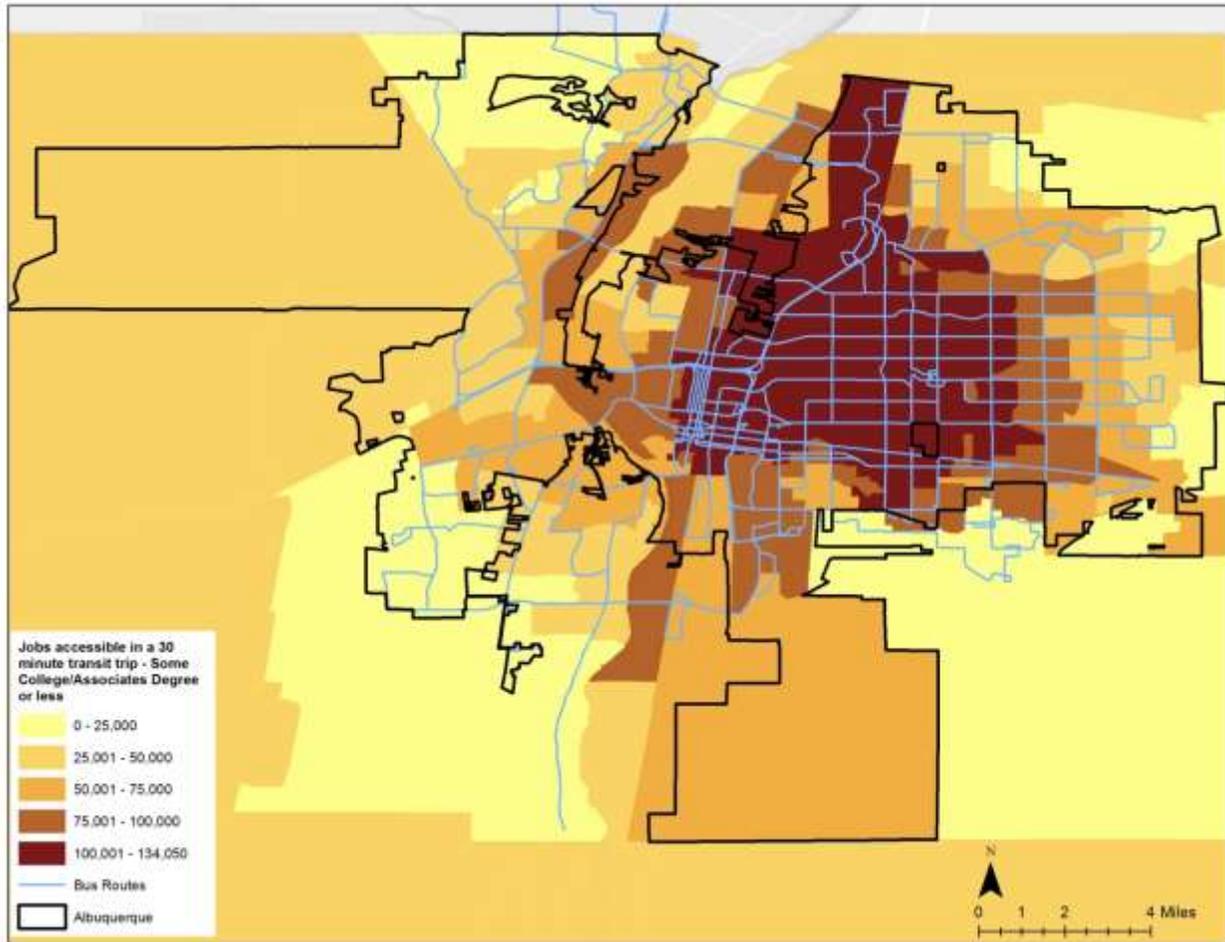
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<sup>13</sup> Reid Ewing, et al. "Does urban sprawl hold down upward mobility?," Landscape and Urban Planning Volume 148, April 2016, Pages 80–88, <http://doi.org/10.1016/j.landurbplan.2015.11.012>

This research expands on the correlation between commute time and economic mobility found in Raj Chetty's groundbreaking economic mobility work. Raj Chetty, et al, "The Impacts of Neighborhoods on Intergenerational Mobility Ii: County-Level Estimates," National Bureau of Economic Research Working Paper 23002, December 2016. [http://www.equality-of-opportunity.org/assets/documents/movers\\_paper2.pdf](http://www.equality-of-opportunity.org/assets/documents/movers_paper2.pdf)

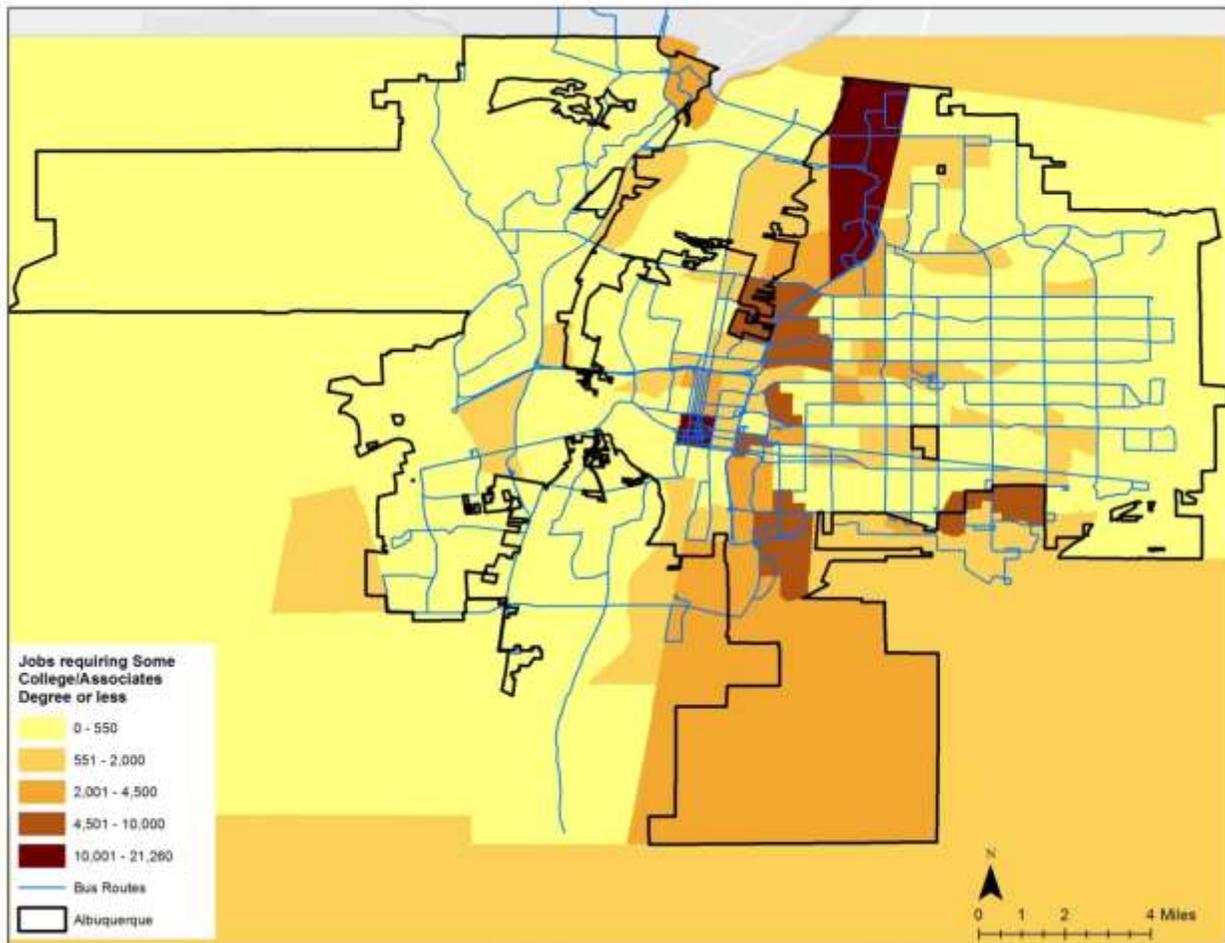
<sup>14</sup> Center for Neighborhood Technology, AllTransit. <http://alltransit.cnt.org/metrics/?addr=albuquerque%2C+nm#map>

FIGURE 4. JOBS ACCESSIBLE IN A 30 MINUTE TRANSIT TRIP OR LESS AND REQUIRING SOME COLLEGE/ASSOCIATES DEGREE OR LESS.



As an example, consider a resident living in Baretas and working at the airport just over 3 miles away. A commute by car would take less than 10 minutes, while a commute on transit can take 45 minutes. That same Baretas resident working at the Kirtland AFB Commissary 7 miles from home would have a less than 30 minute transit commute, but a transit commute of over an hour. If that job involves early or late shift work, the transit trip can be even longer. The map in Figure 5 shows the location of all of the jobs in the area requiring some college or associates degree or less overlaid with the current transit routes.

**FIGURE 5. JOBS REQUIRING SOME COLLEGE/ASSOCIATES DEGREE OR LESS IN THE ALBUQUERQUE AREA.**



Improving access to jobs requires a multi-pronged approach with increased transit, rideshare, employer shuttles, and more. We discuss several of those tactics later in this paper. In addition to benefiting low-income workers, expanding transit access benefits employers by widening the work pool, and making it easier and less costly to get to work helps families of all income levels.

**Action:** Make smart investments in alternatives to driving alone. Ensuring that residents currently living in poverty have the opportunity to fill quality, full-time jobs will require more than just transportation alone, but a larger communitywide equity and opportunity commitment.

**Potential scale:** Growing the number of jobs accessible by a 30 minute transit ride 10% could mean 1,300 more jobs for people living in poverty in Albuquerque and \$39 million in additional annual income to help fill the poverty gap. These potential outcomes assume that 10% of newly accessible jobs are filled by those now in poverty and that the average wage for these jobs is \$15 per hour full-time.

**Benefits:** Improve access to jobs, reduce transportation expenses for families, and keep dollars in the local economy while creating a more connected city. This strategy could result in 13,000 more jobs accessible without driving alone to workers of all income levels in Albuquerque.

**Where it's been done:** Transportation Management Associations, like GO BNMC at the Buffalo Niagara Medical Campus in New York, are member-run organizations that allow employers to provide transportation services. GO BNMC was able to access hundreds of thousands of dollars in grants, and 5 percent fewer employees drove alone in the program's first year, saving themselves money and reducing parking demand.

## ATTRACT & CREATE JOBS

\$31 million annual income | 1,000 jobs

**PLAN FOR LOCATION EFFICIENT JOB CREATION:** By Attracting and Creating Jobs we mean supporting the re-shoring of manufacturing and drawing job growth into communities by addressing barriers to employers locating in cities, including land use and zoning, as well as freight transportation needs. Job location goes hand in hand with jobs access transportation, and lower commute times are correlated with higher economic mobility.<sup>15</sup>

According to the Mid-Region Council of Governments,

“Overall, the region is projected to gain 185,000 new jobs between 2012 and 2040 to reach a total employment forecast of 582,600.<sup>16</sup> Bernalillo County, which includes the City of Albuquerque, will continue to be the economic engine for both the state and the region. With over 474,000 jobs in 2040, it will contain four out of every five jobs in the region. However, it is notable that surrounding counties are expected to see much faster job growth.”<sup>17</sup>

Moody's Analytics forecasts a slower rate of job growth for the region in the near-term, projecting just 14,400 additional jobs from 2016 to 2021, which would make the need for a focus on job creation all the greater. Either way, the sprawl of jobs out into the region under business as usual would create major jobs access problems for Albuquerque's low-income residents and could decrease regional livability in general, so a strategy to attract and create jobs in Albuquerque proper is valuable.

<sup>15</sup> Raj Chetty, et al. “Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States,” June 2014. [http://www.equality-of-opportunity.org/assets/documents/mobility\\_geo.pdf](http://www.equality-of-opportunity.org/assets/documents/mobility_geo.pdf)

<sup>16</sup> The 2040 population projections for the region were decreased in February 2017 based on declining birth rate and negative net migration from a projected 1.4 million to 1.1 million people—an 18.6% decrease, so we have similarly decreased the job forecasts used for this strategy. (Source MRCOG “A Discussion Of the 2040 Population Projections Produced by UNM's Geospatial Population Studies Group.”)

<sup>17</sup> Mid-Region Council of Governments. 2040 Socioeconomic Forecast in the MRCOG Region by County and Data Analysis Subzone: Methodology Document. [https://www.mrcog-nm.gov/images/stories/pdf/region\\_and\\_people/dasz/2040\\_Forecast\\_Doc\\_v4.pdf](https://www.mrcog-nm.gov/images/stories/pdf/region_and_people/dasz/2040_Forecast_Doc_v4.pdf)

CNT's 2016 report prepared for the City of Albuquerque, "The Scale of the Prize," shows that with focused development effort there is potential for nearly 9,600 new office and retail jobs within 5/8 miles of the ART.<sup>18</sup> Working with employers to ensure that a significant share of new high-quality, full-time jobs near the ART are open to people currently living in poverty could be transformational. Linking poverty reduction and targeted job creation to ART-related development as a community benefit would bring additional value to Albuquerque residents from those investments.

The March 2017 "Transportation and Logistics Hub Study Strategy and Action Plan," prepared for MRCOG by Cambridge Systematics with GLD Partners in conjunction with the Center for Neighborhood Technology, details some of the paths the region can take to expand its competitiveness and attract jobs, including pre-certification of industrial sites. Specifically, the Plan says,

"Increasing the region's ability to compete for investments...requires both a short- and long-term focus. In the short term, the region should capitalize on project development opportunities in and around the Sunport (for aerospace, photonics and other high value and high velocity technology-related sectors); and value-added manufacturing and transload-related investments along the rail corridor in Bernalillo and Valencia Counties. In the longer term, the region needs to ensure that a purpose-crafted set of plans, policies, and regulations are in place to maintain a ready and skilled labor force, a friendly regulatory environment and extremely well-developed supply chain connectivity. These characteristics are critical to helping position both the region and the State as a hub for global technology business investment."<sup>19</sup>

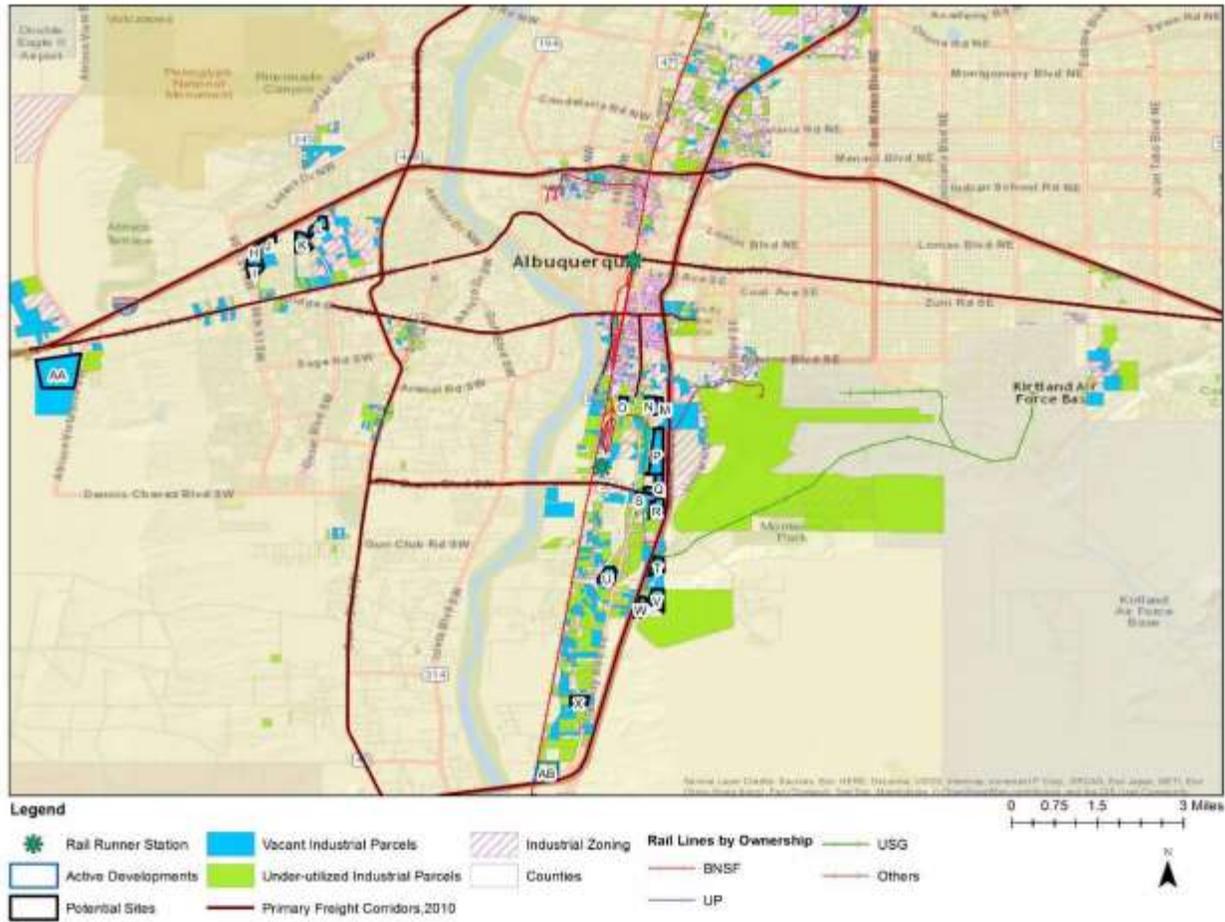
Such actions can be linked to an effort to target a significant share of job creation to Albuquerque residents currently living in poverty. As Figure 6 from the "Transportation and Logistics Hub Study Strategy and Action Plan" shows there are plenty of assets in and around Albuquerque that could be leveraged to bring high-quality jobs to location-efficient areas accessible to Albuquerque residents.

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<sup>18</sup> Center for Neighborhood Technology, "The Scale of the Prize," 2016. <https://www.cabq.gov/economicdevelopment/documents/f-scale-of-the-prize.pdf>

<sup>19</sup> Cambridge Systematics, GLD Partners, and Center for Neighborhood Technology. "Transportation and Logistics Hub Study Strategy and Action Plan," prepared for MRCOG, March 2017. <https://www.mrcog-nm.gov/economic-development/transportation-and-logistics-hub-study>

FIGURE 6. INDUSTRIAL ZONES AND AVAILABLE PARCELS IN BERNALILLO COUNTY



Source: Center for Neighborhood Technology, 2016

**Action:** A greater attraction of forecasted regional job growth to Albuquerque proper and stronger job growth through land use changes, policy, targeted investment, entrepreneurship, etc.

**Potential scale:** Attracting 7.5%<sup>20</sup> more of the forecasted job growth for the region to Albuquerque by 2027<sup>21</sup> could create 1,000 jobs for people currently living in poverty and \$31 million in additional annual income to help fill the poverty gap. This assumes that 25% of the resulting 4,000 additional jobs for Albuquerque over and above current

<sup>20</sup> This scale of change is a proxy for improvement in alignment of jobs to workers currently in poverty, or creation of jobs beyond the current forecast based on the size of the city in relation to region, strength of local economy, and poverty rate.

<sup>21</sup> Extrapolated to 2027 from MRCOG 2040 forecast adjusted down 18.6% based on population forecast update.

projected job growth for the city are targeted for people in need and have an average full-time wage of \$15 per hour.<sup>22</sup>

**Benefits:** Improve employer access to workforce, efficient use of existing infrastructure assets, reduce travel of people and goods, 4,000 additional jobs in Albuquerque for workers of all income levels.

**Where it's been done:** The Brooklyn Navy Yard in New York is an industrial revitalization success story with more than 300 businesses employing 7,000 workers in a transit-accessible location.

## HOUSEHOLD EXPENSE REDUCTION

\$24 million annual income

PROVIDE CONSUMER INFORMATION ON SMARTER CHOICES AND INVEST IN EFFICIENCY IN ENERGY, WATER, TRANSPORTATION, TELECOM, AND FOOD: A city cannot just give every resident more money, but it can help them cut down on bills and save. In the areas of energy, transportation, telecom, and even food, it is possible to save money by reducing waste and making efficient decisions.

In addition to individual actions, systemic efficiencies, such as smarter land-use planning, can reduce costs communitywide. Expansion of transit, biking, walking and other low-cost transportation infrastructure gives households more options of ways to save. A 20 percent decrease in auto travel could save a low-income household \$770 per year in Albuquerque, and savings can be even greater if a household can give up one car.<sup>23</sup>

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**Action:** Financial education and efficiency programs to help households cut expenses.

**Potential scale:** If 25% of the households currently living in poverty in Albuquerque successfully save 20% on transportation, energy, telecom, water, and food expenses through efficiency and targeted programs the result would be \$2,300 savings per year per household (\$190 per month) and \$24 million in total annually to help fill the poverty gap.<sup>24</sup> No job creation is assumed as part of this strategy.

**Benefits:** Households save money and lower their environmental footprint.

**Where it's been done:** In a 2012 evaluation of CNT's Equity Express Green Financial Education Program, participants reduced their household expenses by \$125/month—the equivalent of a \$0.72/ hour raise. These are programs that can benefit households of every income level.

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<sup>22</sup> Employment in Bernalillo County is forecasted to grow 39% from 341,452 jobs in 2012 to 474,351 jobs in 2040, an increase of 132,899 jobs over that period according to MRCOG's 2040 Socioeconomic Forecast.

[https://www.mrcog-nm.gov/images/stories/pdf/region\\_and\\_people/forecast/SE2040\\_methods\\_website.pdf](https://www.mrcog-nm.gov/images/stories/pdf/region_and_people/forecast/SE2040_methods_website.pdf)

<sup>23</sup> Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/>

<sup>24</sup> Calculated based on Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/> & U.S. Bureau of Labor Statistics, Consumer Expenditure Survey 2015. <https://www.bls.gov/cex/>. Expenses before savings for transportation, energy, telecom, water, and food estimated at \$11,300 per household per year.

## WORKFORCE DEVELOPMENT WITH EMPLOYER ENGAGEMENT

\$6 million annual income | 190 jobs

EXPAND SECTOR-SPECIFIC JOB TRAINING IN INDUSTRIAL SECTORS WITH GOOD GROWTH PROSPECTS AND ENGAGE EMPLOYERS IN THE DESIGN OF WORKFORCE TRAINING: The most effective workforce training is through strategic partnerships between employers and training programs, such as at community colleges. Employers can define the skills that they are looking for, ensure the curricula meet those needs, and then employ the resulting trained workers. Community colleges can engage employers to ensure they design their curricula around these market-related skills, offering workers skills certificates that are nationally recognized. Programs to promote apprenticeships and on-the-job training are also essential, as lack of work experience is cited in many cases as a primary barrier to job access, and not all jobs require—nor are all workers suited to—community college enrollment.

While there are workforce development programs in Albuquerque and the Healthy Neighborhoods Albuquerque initiative has shown the commitment of local institutions to hiring local workers<sup>25</sup>, a more cohesive, coordinated strategy could be beneficial for workers and employers. Pairing workforce development strategy with industrial and cargo oriented development could prove greatly beneficial. The “Transportation and Logistics Hub Study Strategy and Action Plan,” discusses these strategies in more detail:

“Specifically, programs should be customized to meet industry/company requirements. This may involve formalizing partnerships, expanding existing workforce development efforts, including workforce program-employer communications, and proactive development of skill certificate programs in growing industries.”<sup>26</sup>

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**Action:** Expand workforce training for key growth sectors and engage employers so training is directly linked to employer needs and potential jobs.

**Potential scale:** There are 75,000 jobs in Albuquerque requiring some college or an Associate's degree. Increasing access for workers currently living in poverty by 0.3% would mean 190 jobs and \$6 million in annual income at full time wages of \$15 per hour.

A somewhat limited goal is assumed for this strategy of increasing workforce training, because Albuquerque already has an unusually high number of people who have completed some college or an associate's degree but are living in poverty—33% of the population 25 years or older living in poverty in Albuquerque in 2015 had achieved some college or an associate's degree (18,000 out of 56,000 residents)—indicating access to education and training may not be the barrier to quality jobs these residents are facing.<sup>27</sup> Census poverty data can include college students living off campus, so further study is recommended on this issue, though the data used here is for adults 25 and older, which should exclude most undergraduate students.

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<sup>25</sup> Jessica Dyer, “Hospitals lead ‘Healthy Neighborhoods’ initiative,” *Albuquerque Journal*, Tuesday, September 27th, 2016. <https://www.abqjournal.com/854510/hospitals-lead-healthy-neighborhoods-initiative.html>

<sup>26</sup> Cambridge Systematics, GLD Partners, and Center for Neighborhood Technology. “Transportation and Logistics Hub Study Strategy and Action Plan,” prepared for MRCOG, March 2017. <https://www.mrcog-nm.gov/economic-development/transportation-and-logistics-hub-study>

<sup>27</sup> U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates. <https://factfinder.census.gov>

**Benefits:** Job creation and job training, trained workforce meeting employer needs, possibly reducing commute distances.

**Where it's been done:** A recent focus on demonstrated outcomes has led to a growth in successful, data-driven models for workforce development that link the needs of workers and employers. As one example, the Year Up program offers six-month training programs to disadvantaged young adults in cities around the U.S. followed by six-month corporate internship placements. The participants receive a stipend and potential college credit while in the program. Training focuses on areas where employers express needs, including software support, computer hardware repair, customer service, and sales. The results are significant: 70 percent of participants complete the program and of those, 85% are in college full-time after the program or employed earning an average of \$15 per hour.<sup>28</sup>

## LEVERAGE INFRASTRUCTURE INVESTMENTS

\$1 million annual income or more | 30 jobs or more

**INVEST IN SUSTAINABILITY AND CREATE JOBS AND INCOME FOR LOW-INCOME PEOPLE:** Infrastructure investment can be used for poverty reduction by creating jobs for workers currently in poverty, finding efficiencies in public services, and incentivizing private investment in anti-poverty income creation and expense reduction. The impact of a local and disadvantaged worker hiring rule is estimated as a proxy for a varied set of policies and programs.

More broadly, Albuquerque can consider the equity and poverty alleviation impacts of its spending and investments and encourage companies and non-profits it does business with to do the same. Investments that advance economic mobility for low-income residents create double bottom line benefits and multiply the value of scarce public dollars.

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**Action:** Use infrastructure investment and capital spending to create jobs for city residents currently living in poverty.

**Potential Scale:** Requiring 50% local hiring of and, of that, 30% disadvantaged workers, for projects included in Albuquerque's Component Capital Improvement Plan budget could create 30 jobs for currently disadvantaged workers and \$1 million in annual income at full time wages of \$15 per hour.<sup>29</sup>

This rather modest result is based on \$22 million annual capital expenditures estimated from the Albuquerque 2012 to 2022 Component Capital Improvement Plan. Applying a local disadvantaged workforce rule to a broader set of city investments would increase the impact of this strategy. For example a 50% local hire and 30%

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<sup>28</sup> Carolyn Heinrich, "How Does Year Up measure up?" *Focus*, Vol.29, No. 2., Fall/Winter 2012-2013.

<https://www.irp.wisc.edu/publications/focus/pdfs/foc292d.pdf> and [yearup.org](http://yearup.org)

<sup>29</sup> Based on 2012 to 2022 Albuquerque Component Capital Improvement Plan as described in City of Albuquerque, Mayor's Recommendation to the City Council, Capital Improvement Program 2017, p180.

<https://www.cabq.gov/municipaldevelopment/documents/cip-documents/2017-go-program/2017-mayors-recommendation-to-city-council.pdf>

disadvantaged hire for the \$120 million in annual capital expenditures could create 180 jobs for disadvantaged residents and \$6 million in annual income for their households.<sup>30</sup>

**Benefits:** Job creation and job training, keeping dollars in the local economy, increasing the community benefits with public investment, possibly reducing workers' commute distances.

**Where it's been done:** In 2015, New Orleans passed a "Hire NOLA" law, which requires 50 percent local hiring for public contracts, 30 percent of which must be from a disadvantaged population by 2020. Local governments and institutions cannot tackle poverty alone. State and federal changes to realign investments and create enabling policies are essential. For example, Federal policy prohibits the application of such ordinances to federal funds, but in 2015 the US Department of Transportation launched a pilot to enable local hiring requirements on select projects.

## ACTIONS: MAKING IT HAPPEN

To support the five large-scale strategies described above, we have identified several implementation-focused actions for Albuquerque to reduce household costs and expand transit access. The benefits of these actions are likely to overlap with those of the broader strategies—for example, a household trying to reduce transportation costs 20% will be greatly helped by an increase in transit frequency, but they will not save the same dollars twice—so we do not assign these savings values to avoid double counting. As a best practice, planning for implementation of any of these would include a plan for program evaluation to document impact, share successes, learn, and make program adjustments as needed. The actions described here do not represent a complete list for Albuquerque by any measure, but are rather a few of the many possibilities for the path forward.

## TRANSIT PASSES

Expanding the use of transit passes could help improve jobs access and reduce household expenses. Public transit provides transportation choices and significant cost savings over driving—a household that replaces one car with transit trips could save thousands of dollars. Albuquerque's bus system is quite affordable by national standards at \$1 per ride or \$2 per day (there are no transfers on the \$1 ride). But for a low income household even an annual transit pass of \$225 can be a burden.<sup>31</sup> Discounted transit passes can help attract ridership by offering convenience and even lower costs, and provide a predictable revenue stream for transit agencies.

One popular form this takes is a UPASS for students. The University of New Mexico (UNM), the University of New Mexico Hospital (UNMH), and Central New Mexico Community College (CNM) offer bus passes for qualified faculty, staff, and students. The program may be undersubscribed, with less than half of the students at UNM and even fewer faculty and staff making use of it.<sup>32</sup> Students at other college or vocational institutions may purchase a bus

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<sup>30</sup> The Mayor's Recommendation to the City Council includes \$120 million in general obligation bonds for 2017. <https://www.cabq.gov/municipaldevelopment/documents/cip-documents/2017-go-program/2017-mayors-recommendation-to-city-council.pdf>

<sup>31</sup> ABQ RIDE, City of Albuquerque Transit Department, "Fares & Pass Prices," 2017. <https://www.cabq.gov/transit/fares-bus-passes>

<sup>32</sup> UNM Parking and Transportation Services, "Student Fee Review Board Funding Application for Fiscal Year 2015-2016," 2014. <https://sfrb.unm.edu/common/applications%202015-2016/pats/pats-application.pdf>

pass from ABQ Ride for \$90 per year in 2017, a significant discount from the standard annual pass rate of \$225,<sup>33</sup> but a rate higher than the average of approximately \$5.50 per year that UNM students are paying through student fees.<sup>34</sup>

Overall Albuquerque's transit prices are very low compared to peer agencies, which is helpful for keeping costs low for residents.<sup>35</sup> However, to the extent that a low farebox recovery rate is limiting revenue that could be put toward improving transit frequency, service hours, or quality, a restructuring of rates may make sense. Many communities are revisiting transit rate structures and including discounted fares for low-income residents or other equity-oriented rate structures. Monthly passes at \$10 are available for clients in need through social service agencies and passes for Temporary Assistance for Needy Families (TANF) recipients are available through an agency or employer at \$20 per month, a discount from the standard rate of \$30 per month.<sup>36</sup> The potential benefit of expanding this type of income-screened pass should be further studied for Albuquerque. Discounting transit passes could be offset by streamlining administration and broadening their uptake.

One potential model is Boulder, Colorado's Neighborhood Eco Pass, which provides steep discounts on transit passes if a whole neighborhood commits to buying them in bulk.<sup>37</sup> Similar deals can be struck with housing developers, hotels, businesses and building associations to expand revenue from transit pass sales. The benefits of doing this go beyond the economics. Creating a culture of ridership supports transit use, and diverse transit pass holders can spread out transit demand over the day, rather than focusing it at the standard commute hours.

## REMOVING BARRIERS

Removing barriers to public transit could improve jobs access and reduce household expenses. Research shows that fare price is an important element in public transit use, but transit quality, including accessibility, reliability, and frequency matter as well.<sup>38</sup> Residents and workers may face many different types of barriers to becoming transit users, from physical barriers (such as, distance to transit stops, lack of walkability, or crowding) to issues with service and convenience (such as, long travel times, lack of connection to desired destinations, or multiple transfers). Perceptions and information also play roles.<sup>39</sup>

Lowering barriers so that residents can easily use transit instead of driving a few days per week can create significant household savings. Our research shows that a 20 percent decrease in auto travel could save an

<sup>33</sup> ABQ RIDE, City of Albuquerque Transit Department, "Fares & Pass Prices," 2017.

<sup>34</sup> UNM Parking and Transportation Services, "Student Fee Review Board Funding Application for Fiscal Year 2015-2016," 2014. <https://sfrb.unm.edu/common/applications%202015-2016/pats/pats-application.pdf>

<sup>35</sup> City of Colorado Springs, "Mountain Metropolitan Transit Fare Study," May 2012. [https://coloradosprings.gov/sites/default/files/transit/files/fare\\_policy\\_study\\_final\\_1.pdf](https://coloradosprings.gov/sites/default/files/transit/files/fare_policy_study_final_1.pdf)

<sup>36</sup> ABQ RIDE, City of Albuquerque Transit Department, "Fares & Pass Prices," 2017.

<sup>37</sup> City of Boulder Colorado, "Neighborhood EcoPass Program (NECO Pass Program)," <https://bouldercolorado.gov/goboulder/neighborhood-eco-pass>

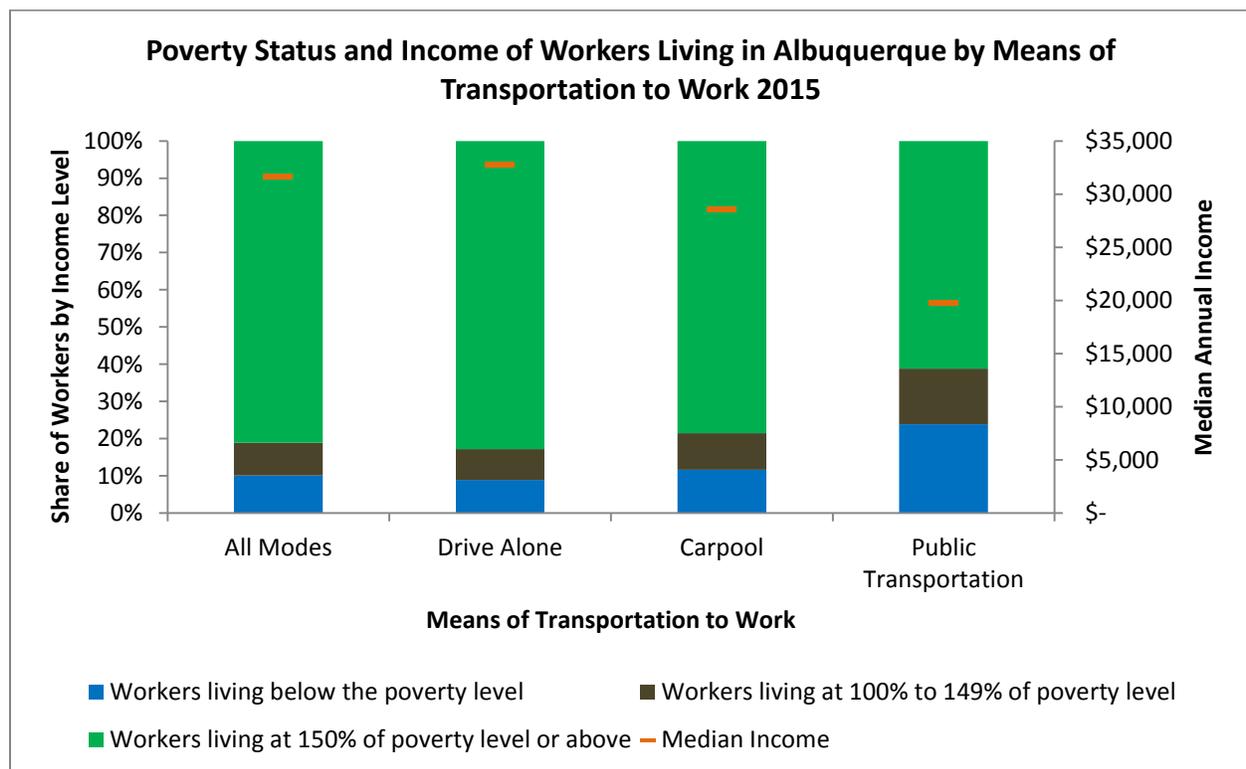
<sup>38</sup> Lauren Redman, et al. "Quality attributes of public transport that attract car users: A research review," *Transport Policy*, Volume 25, January 2013, Pages 119–127. <http://dx.doi.org/10.1016/j.tranpol.2012.11.005>

<sup>39</sup> [http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7\\_12\\_2016.pdf](http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7_12_2016.pdf)

Albuquerque household \$770 per year or more, and savings can be even greater if a household can give up one car.<sup>40</sup>

Workers living below the poverty line in Albuquerque are more heavily represented as a share of transit riders than on other modes of travel. The U.S. Census Bureau’s American Community Survey provides estimates of the means of transportation to work for workers aged 16 and older. This is not a perfect characterization of the transit ridership population, because transit riders include students, caregivers, children and others, but it can give some insight into the attributes of an important share the population riding transit. In Albuquerque in 2015, just 2% of workers used transit to get to their job (Figure 9).<sup>41</sup> Workers living below the poverty level were much more likely to take transit to work than other workers in Albuquerque as is shown in Figure 7. The median income of Albuquerque workers commuting by transit was \$20,000 compared to \$33,000 for those driving alone to work or \$28,000 for those carpooling. The regional trends were similar, although the median income for regional transit commuters was \$24,000 (which may point to the higher income of regional commuter transit users). Therefore, efforts to improve transit access and rider experience will especially benefit lower-income workers.

FIGURE 7. POVERTY STATUS AND INCOME OF WORKERS LIVING IN ALBUQUERQUE BY MEANS OF TRANSPORTATION TO WORK IN 2015



There are many industry best practices that Albuquerque can make more use of to attract and maintain riders. A few include:

<sup>40</sup> Calculated based on Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/>

<sup>41</sup> U.S. Census Bureau, S0802 Means of Transportation to Work by Selected Characteristics, 2011-2015 American Community Survey 5-Year Estimates. <https://factfinder.census.gov>

- Routes, connections travel times, and destinations: With the arrival of the ART, can other bus routes be coordinated to maximize its benefit by timing connections and minimizing the travel time to major destinations? Is on-time performance strong enough that a rider can rely on it?
- Last-mile connections: Public transit can't get everyone door-to-door to their destinations, but innovations on last-mile connections can help. Multi-modal solutions, such as bike-sharing, carsharing and employer shuttles are widely used for this. Some communities are also looking towards other shared-use modes like Lyft Line or Uber Pool. The cost impacts of such solutions for lower-income travelers should be carefully considered, however, as market pressures and dynamic pricing can make some private-sector transportation options quite expensive, and publicly-owned solutions may be better long-term investments than subsidizing ridehailing.
- Walkability, accessibility, and streetscape: Is transit safe to access on foot, by bicycle, or in a wheelchair? Are there streetscape amenities, such as trees and shelters to help mitigate climate and weather? Are the paths lighted and maintained?
- Perception and information: With the relatively low share of commuters using public transit in Albuquerque, many residents may have little experience with transit, which can lead to misperceptions about safety, cleanliness, and convenience. Meeting or exceeding industry standards on those issues is essential, but in addition, a campaign with community ambassadors and perks for riding transit to major events could help overcome perception and information barriers.

## TRANSIT FREQUENCY

Increasing the frequency of public transit could improve jobs access and reduce household expenses. According to the Victoria Transport Policy Institute, “[I]ncreased service frequency tends to increase transit ridership more than fare price reduction projects.”<sup>42</sup> A recent survey by TransitCenter found that, “The two most important determinants of rider satisfaction with transit are service frequency and travel time.”<sup>43</sup>

A bus or train that arrives every 15 minute is increasingly being used as a marker of high quality transit. Figure 8 from CNT’s AllTransit database shows that just 15% of all Albuquerque households live within ½ mile of transit that runs every 15 minutes during rush hour—this rises to 22% for households making less than \$25,000 per year. But, no household in Albuquerque has access to transit at this frequency all day (7am to 10pm).<sup>44</sup>

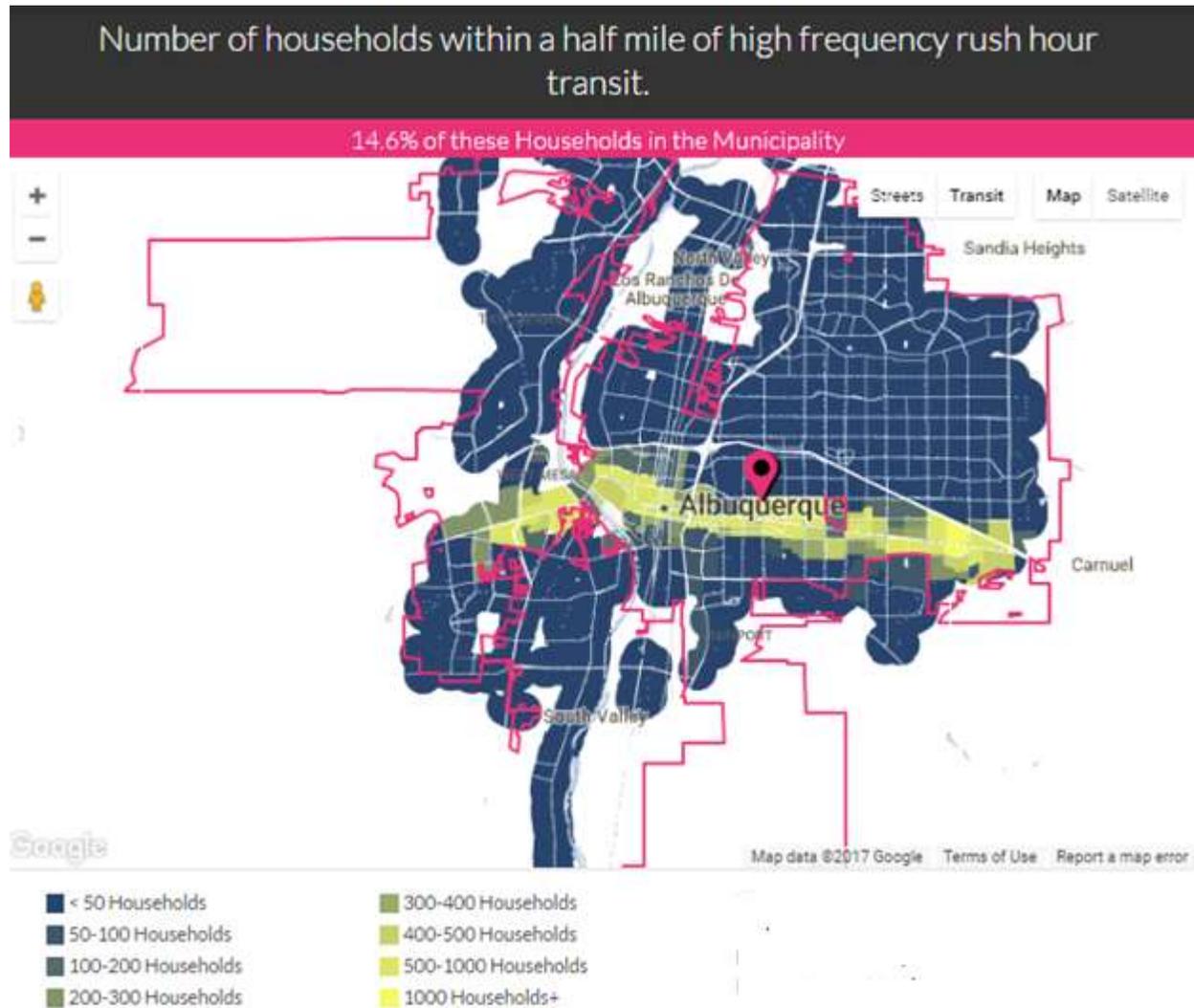
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<sup>42</sup> Todd Litman, “Transit Scheduling and Frequency Traveler Response to Transportation System Changes,” Victoria Transport Policy Institute, February 2017. <http://www.vtpi.org/tranelas.pdf> see also Transit Cooperative Research Program, Transit Scheduling and Frequency Traveler Response to Transportation System Changes,” TCRP Report 95 Chapter 9, 2004. [http://www.tcrponline.org/PDFDocuments/TCRP\\_RPT\\_95c9.pdf](http://www.tcrponline.org/PDFDocuments/TCRP_RPT_95c9.pdf)

<sup>43</sup> TransitCenter, Who’s on Board 2016: What Today’s Riders Teach Us about Transit that Works,” July 2016. [http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7\\_12\\_2016.pdf](http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7_12_2016.pdf)

<sup>44</sup> Center for Neighborhood Technology, AllTransit. <http://alltransit.cnt.org/metrics/?addr=albuquerque%2C+nm#map>

FIGURE 8. HOUSEHOLDS NEAR HIGH FREQUENCY RUSH HOUR TRANSIT.<sup>45</sup>



Increasing transit frequency along existing routes would take investment in equipment and capacity, but could increase substantially the number of residents who feel they can rely on transit for their day-to-day needs. It is possible that the long-term household savings in travel costs could more than make up for the investment.

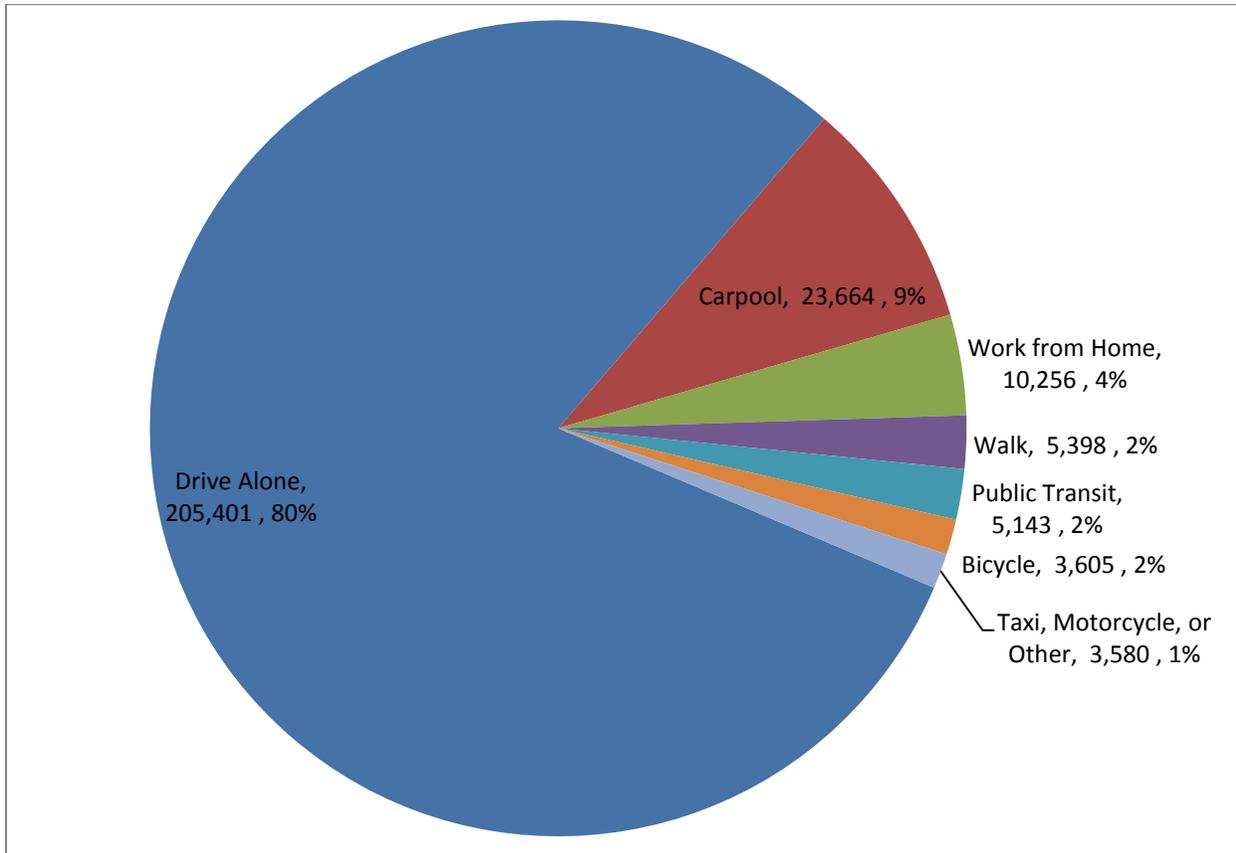
## TRANSPORTATION MANAGEMENT ASSOCIATIONS

One or more Transportation Management Associations could improve jobs access and reduce household expenses, while creating cost savings and employee recruitment and retention benefits for employers. As shown in Figure 9, commuters in Albuquerque overwhelmingly drive alone to get to work. This poses a burden on workers, employers, and the community through the financial and land-use costs of parking, the stress and time delay of

<sup>45</sup> Center for Neighborhood Technology, AllTransit.  
<http://alltransit.cnt.org/metrics/?addr=albuquerque%2C+nm#map>

congestion, air quality health impacts, and fuel-purchase dollars leaving the local economy, just to name a few impacts.

FIGURE 9. MEANS OF TRANSPORTATION TO WORK OF ALL WORKERS LIVING IN ALBUQUERQUE 2015<sup>46</sup>



A Transportation Management Association (TMA) is an organization of employers in a defined geography that work together to provide transportation solutions for their employees, such as employee shuttles and last-mile connections to transit, parking cash-out programs in which employees receive compensation for not driving alone, carpool coordination, pre-tax transit benefits, guaranteed ride home services for employees that work late or have a family emergency, and more. A partnership with a TMA could be used to expand the ART’s impact by adding connections to key employment destinations.

A TMA is a benefit for employees of all income level but with programs particularly focused on easing the burdens on lower-income workers, it could help residents overcome one of the major barriers to full-time work. As stated above, our research shows that a 20 percent decrease in auto travel could save an Albuquerque household \$770 per year or more.<sup>47</sup> An existing collaborative of employers, such as the Healthy Neighborhoods Albuquerque initiative, could be a platform for an Albuquerque TMA.

<sup>46</sup> U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates. <https://factfinder.census.gov>

<sup>47</sup> Calculated based on Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/>

## AFFORDABLE HOUSING AND LOCATION EFFICIENCY

Expanding the supply of affordable housing and promoting location efficiency are ways to reduce household costs, improve jobs access, and attract jobs.

CNT's 2016 report prepared for the City of Albuquerque, "The Scale of the Prize," forecasts \$2.9 billion in new development linked to ART implementation. This projection includes over 7,000 residential units.<sup>48</sup> However, barring intervention the bulk of those units will be market rate and out of reach for Albuquerque's low-income households. As a result, "The Scale of the Prize" recommends,

"City and regional planners should also expect that property values in ART neighborhoods will rise, potentially leading to the displacement of some lower-income households but also creating opportunities to establish thriving mixed income communities in keeping with HUD's Affirmatively Furthering Fair Housing guidelines. By ensuring that residential developments contain a mix of market rate and affordable units, considering the development of land trusts in selected locations, and focusing job training and placement efforts to aid residents in filling the jobs generated in the corridor, public initiatives can help to deliver the benefits of ART-linked development to all local residents."<sup>49</sup>

Ensuring affordable housing has access to transportation alternatives is essential to helping households keep expenses down. This is why cities are establishing affordability and equity policies and programs as part of transit oriented development (TOD). CNT's 2014 research for Transform and the California Housing Partnership Corporation has been used to support funding for affordable housing near transit, because it found that,

"Lower Income households drive 25-30% fewer miles when living within ½ mile of transit than those living in non-TOD areas. When living within 1/4 mile of frequent transit they drove nearly 50% less.

- Higher Income households drive more than twice as many miles and own more than twice as many vehicles as Extremely Low-Income households living within 1/4 mile of frequent transit. This underscores why it is critical to ensure that low-income families can afford to live in these areas."<sup>50</sup>

TOD can be used to support and expand transit ridership as well. TransitCenter recommends,

"To expand transit ridership, policymakers should: 1. Concentrate development around transit corridors, and make the walk to transit safe, easy, and pleasant. 2. Concentrate transit

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<sup>48</sup> Center for Neighborhood Technology, "The Scale of the Prize," 2016.

<https://www.cabq.gov/economicdevelopment/documents/f-scale-of-the-prize.pdf>

<sup>49</sup> Center for Neighborhood Technology, "The Scale of the Prize," 2016.

<https://www.cabq.gov/economicdevelopment/documents/f-scale-of-the-prize.pdf>

<sup>50</sup> Transform and California Housing Partnership Corporation, "Why Creating and Preserving Affordable Homes near Transit is a Highly Effective Climate Protection Strategy," 2014.

<http://www.transformca.org/sites/default/files/CHPC%20TF%20Affordable%20TOD%20Climate%20Strategy%20BOOKLET%20FORMAT.pdf>

improvements in walkable places with large numbers of residents and destinations. 3. Pay special attention to increasing frequency and reducing transit travel time.”<sup>51</sup>

TOD can be a cornerstone of location efficiency—wherein neighborhoods are designed so that households can live near jobs, schools, shopping and other destinations and reduce overall need to travel—but the ART corridor is not the only area in which location efficiency principles can be applied. Supporting location efficient land uses in all parts of Albuquerque will create vibrant, livable communities while lowering travel demand and creating environmental and economic benefits.

## ADDITIONAL STRATEGIES

Taken together the strategies above deployed at the scales discussed could fill an annual poverty gap of \$101 million and meet the goal of reducing poverty in Albuquerque by 20%. Expanding that goal to 25% would require expanding the scale and/or scope of action to fill an annual poverty gap of \$126 million. A handful of additional strategies are outlined below that could be pursued further, but are outside the scope of this research.

### FOOD SECURITY JOBS

\$7 million annual income | 240 jobs

**INCREASE LOCAL FOOD SELF-SUFFICIENCY THROUGH URBAN AGRICULTURE AND SMALL-SCALE FOOD PROCESSING:** Households in Albuquerque spend \$7,167 on food per year on average.<sup>52</sup> This translates to \$1.6 billion a year in aggregate spending. If just 2% of that spending were moved to businesses creating jobs for those currently living in poverty that could create 240 jobs and \$7 million in annual income at full time wages of \$15 per hour. Food production is an area ripe for creating jobs to help move residents out of poverty, because it can have a low barrier to entry and can build on Albuquerque’s diverse cultural heritage.

Supporting entrepreneurship and job creation in the food production arena may involve policy changes to allow cottage industries and promote the use of local producers. It may also come in the form of start-up incubators, business training, or the establishment of seed capital funds. There is already a lot going on in this space in Albuquerque that can be built on to grow the job potential for low-income residents in this industry.<sup>53</sup>

### MINING THE WASTE STREAM

\$7 million annual income | 220 jobs

**CREATE JOBS BY REDUCING AND REUSING THE WASTE STREAM:** Making use of the resources in the waste stream, including building materials, metals, recyclable plastics, and compostables is more job-intensive and sustainable

<sup>51</sup> Transit Center, “Who’s On Board 2016: What Today’s Riders Teach Us about Transit That Work,” July 2016. [http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7\\_12\\_2016.pdf](http://transitcenter.org/wp-content/uploads/2016/07/Whos-On-Board-2016-7_12_2016.pdf)

<sup>52</sup> U.S. Bureau of Labor Statistics, Consumer Expenditure Survey 2015. <https://www.bls.gov/cex/>

<sup>53</sup> See, for example, <http://www.bizjournals.com/albuquerque/news/2017/02/28/fresh-concept-targets-abqs-growing-food-scene.html> and <http://www.svedc.org/business-programs/>

than landfilling. Diverting an additional 18% of waste has the potential to create 220 jobs for workers currently living in poverty in Albuquerque and \$7 million in annual income at full time wages of \$15 per hour.

Recycling rates in the city are low compared to state and national averages, so programs to increase residential and business recycling rates along with building deconstruction and large-scale composting would bring multiple benefits. In 2008, Albuquerque had a waste diversion rate of just 5%, much less than the national rate of 32%.<sup>54</sup> The Albuquerque region and Bernalillo have lower employment rates in manufacturing than the national average, so a combined a materials reuse effort and local manufacturing expansion would help diversify the local economy.

The job creation potential of mining the waste stream may be even larger. A New Mexico Recycling Coalition estimate puts the potential job creation of 50% waste diversion at 9,000 jobs statewide, of which 3,500 would be direct jobs managing recyclables. As Albuquerque represents 27% of the state population job creation at those level would translate into 2,400 jobs, 933 of which would be directly involved in recycling.<sup>55</sup>

## BENEFIT TRANSFER

\$6 million annual income

**REDUCE MODERATE- AND HIGH-INCOME HOUSEHOLD EXPENSES AND INVEST 10% OF THE SAVINGS IN POVERTY REDUCTION:** If moderate- and high-income households participate in a program like the one described in the Household Expense Reduction strategy above and save 20% on their transportation, energy, water, telecomm, and food expenses they could save \$230 per month or more.<sup>56</sup> A share of those savings could be invested in a poverty alleviation fund—if 10% of Albuquerque households participate and each donated 10% of their savings, it could make \$6 million per year available for poverty reduction. These funds could be used for poverty reduction efforts, such as scholarships, small business seed funding, or matching funds for apprenticeship stipends.

## ENERGY + WATER EFFICIENCY JOBS

\$4 million annual income | 140 jobs

**MAKE BUILDINGS MORE EFFICIENT THROUGH A LARGE-SCALE, ONE-STOP INITIATIVE THAT RETROFITS 20 PERCENT OF HOMES AND BUSINESSES:** Investing in making buildings more energy and water efficient is a way to create jobs, while improving the resiliency and sustainability of the community and lowering costs. Many efforts of this type are underway already. What our analysis asks is, “What impact on poverty is possible if we really scale these efforts up and target the jobs toward the poor?”

<sup>54</sup> City of Albuquerque, Solid Waste Management Department, “Albuquerque Integrated Waste Management Plan, Executive Summary,” 2010. [https://www.cabq.gov/solidwaste/documents/executive\\_summary2.pdf](https://www.cabq.gov/solidwaste/documents/executive_summary2.pdf)

<sup>55</sup> New Mexico Recycling Coalition, “Interim Committee Report on HM51, ‘Study Solid Waste Recycling,’” Executive Summary, 2014. <https://www.nmlegis.gov/handouts/WNR%20120214%20Item%203%20New%20Mexico%20Recycling%20Coalition%20Report.pdf>

<sup>56</sup> Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey 2015. <https://www.bls.gov/cex/> and Center for Neighborhood Technology, Housing +Transportation Affordability Index. <http://htaindex.cnt.org/>

Retrofitting 20% of ALL buildings in the city and saving 20% on energy and water in each, which could create 140 jobs for people currently living in poverty and \$4 million in annual income at full time wages of \$15 per hour. Based on efficiency programs across the country, achieving a 20 percent reduction in energy bills is a feasible and cost-effective outcome that can mean saving hundreds of dollars a year for a household and thousands of dollars a year for a business. Channeling a share of those savings to a poverty alleviation fund as described in the Benefit Transfer strategy can multiply impacts.

## CHILDCARE ENTREPRENEURSHIP JOBS

\$4 million annual income | 130 jobs

PROMOTE CHILDCARE ENTREPRENEURSHIP AND WORKPLACE CHILDCARE POLICIES TO ENLARGE SUPPORT SYSTEMS FOR WORKING FAMILIES. Increasing employment in Albuquerque will likely increase childcare needs. A strategy to focus on childcare entrepreneurship could create 130 jobs for individuals currently living in poverty while expanding childcare options. At a \$15 per hour full time wage, this could create \$4 million in annual income. However, the Bureau of Labor Statistics reports that the median hourly wage for childcare workers in the Albuquerque area is \$9.44, so achieving an average wage of \$15 per hour for this strategy will require a specific focus.<sup>57</sup> Partnerships with area institutions and employers could help reduce overhead costs and make more funds available for wages. Expanding the availability of quality child care not only is a job creation strategy, but a way to promote intergenerational equity.

## CONCLUSION

Achieving a 20% or 25% reduction in the number of people living in poverty in Albuquerque would be a major accomplishment of regional and national significance. This can be accomplished by investing in better livability and lower cost of living for all Albuquerque residents and businesses. From improving jobs access through transportation alternatives to working with employers to ensure that job opportunities and training are targeted to support the economic mobility of residents living in poverty, Albuquerque can build on proven successes to make real change. This portfolio of poverty reduction strategies is meant to complement the many vital safety net and economic development programs already in place. Addressing inequality requires an “all hands on deck” effort and local leaders and institutions must be engaged to achieve results at the city-wide scale. The double bottom line results would be significant: reducing inequality is a proven economic engine for communities.

Implementing the strategies below at the scales identified in this paper, has the potential to generate over \$100 million per year in additional income and expense reductions for people currently living in poverty. That would mean \$1 billion over the course of 10 years.

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<sup>57</sup> U.S. Department of Labor, Bureau of Labor Statistics, “Occupational Employment Statistics: May 2016 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates.” <https://www.bls.gov/oes/current/oesrcma.htm>

TABLE 2. URBAN OPPORTUNITY AGENDA STRATEGIES TO MEET A 20% POVERTY REDUCTION GOAL

STRATEGY	POTENTIAL SCALE OF IMPACT
<b>JOB ACCESS &amp; TRANSPORTATION</b> Create connections with public transit and transportation alternatives.	\$39 million annual income   1,300 jobs
<b>ATTRACT &amp; CREATE JOBS</b> Plan for location efficient job creation.	\$31 million annual income   1,000 jobs
<b>HOUSEHOLD EXPENSE REDUCTION</b> Provide consumer information on smarter choices and invest in efficiency in energy, water, transportation, telecom and food.	\$24 million annual income
<b>WORKFORCE DEVELOPMENT WITH EMPLOYER ENGAGEMENT</b> Expand sector-specific job training in industrial sectors with good growth prospects and engage employers in the design of workforce training.	\$6 million annual income   190 jobs
<b>LEVERAGE INFRASTRUCTURE INVESTMENTS</b> Invest in sustainability and create jobs and income for low-income people.	\$1 million annual income or more   30 jobs or more

To aid the implementation of these strategies several actions can be undertaken in the near-term, including transit passes, removing barriers to transit, increasing transit frequency, transportation management associations, affordable housing, and location efficiency. Smart policies and investments like these can increase Albuquerque's sustainability while improving convenience and livability for residents of all income levels.

This paper identifies five additional strategies to reach a 25% poverty reduction goal. These opportunities could be a big part of a broader sustainability, resilience, and equity plan for the city.

TABLE 3. ADDITIONAL STRATEGIES TO GET TO A 25% POVERTY REDUCTION GOAL

STRATEGY	POTENTIAL SCALE OF IMPACT
<b>FOOD SECURITY JOBS</b> Increase local food self-sufficiency through urban agriculture and small-scale food processing.	\$7 million annual income   240 jobs
<b>MINING THE WASTE STREAM</b> Create jobs by reducing and reusing the waste stream.	\$7 million annual income   220 jobs
<b>BENEFIT TRANSFER</b> Reduce moderate- and high-income household expenses and invest 10% of the savings in poverty.	\$6 million annual income
<b>ENERGY + WATER EFFICIENCY JOBS</b> Make buildings more efficient through a large-scale, one-stop initiative that retrofits 20 percent of homes and businesses.	\$4 million annual income   140 jobs
<b>CHILDCARE ENTREPRENEURSHIP JOBS</b> Promote childcare entrepreneurship and workplace childcare policies to enlarge support systems for working families.	\$4 million annual income   130 jobs

There are several things Albuquerque can do to get started on these strategies today:

- Establishing a mindset throughout Albuquerque to look for ways programs and investments of all kinds can become expense reduction opportunities for low-income households can be eye opening.
- Engaging diverse groups around a conversation about inequality and a poverty reduction goal can spur action and help groups and institutions take ownership of the initiative.
- Going after quick wins like the actions discussed in this paper can build momentum.
- Measuring and reporting progress by tracking and sharing the poverty reduction impact of policies, programs, and investments, as well as the benefits they create for all residents, can facilitate innovation and continuous improvement.

Albuquerque has significant assets to build on, from its relatively low cost of living, its beautiful environment, to its strong and diverse population, but it must address poverty and inequality to continue to be a competitive economy in the 21<sup>st</sup> century. By pursuing strategies that improve the overall sustainability, resilience, and efficiency of the city while reducing poverty Albuquerque can make the most out of scarce dollars and attract investment in community assets that benefit everyone.