Memorandum

DATE February 26, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT New Skills at Work (JP Morgan Chase & Co.)

On Wednesday, March 2, 2016, The Dallas City Council will be briefed on New Skills at Work (JP Morgan Chase & Co.)

BACKGROUND

JP Morgan Chase (Chase), one of the nation's largest financial institutions, has invested in regions across the U.S. and Europe to address issues that will expand workforce opportunities and sustain economic growth. Most recently, Chase has committed $250 Million over five years to a global initiative to help markets build a demand driven workforce development system and to prepare youth and adults for careers in high-demand, middle-skill occupations.

New Skills at Work is the fourth in a series of reports that examines workforce conditions in major global regional markets. Compiled by Chase consultant, Loh Sze Leung, the DFW report is a data-based analysis of local conditions that focuses on opportunities in the healthcare and information technology sectors. It further provides recommendations to develop career pathways to meet the growing demand for middle-skill employees in high growth sectors.

Chase has contracted with United Way of Greater Dallas to coordinate the efforts of local workforce stakeholder groups to implement these recommendations. Susan Hoff, Senior Vice President of United Way of Metropolitan Dallas, will discuss the Pathways to Work initiative and how Neighborhood Plus can align with these ongoing stakeholder collaborations.

Briefing materials are attached.

Ryan S. Evans
First Assistant City Manager

Alan E. Sims
Chief of Neighborhood Plus

C: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavilkovsky, Director, Office of Economic Development
Lee McKinney, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager -- Mayor & Council

Dallas-Together, we do it better!
STRENGTHENING DALLAS-FORT WORTH: BUILDING A MIDDLE-SKILL PIPELINE TO SUSTAIN ECONOMIC GROWTH AND EXPAND OPPORTUNITY

Presented to the Dallas City Council
March 2, 2016
New Skills at Work

is a global workforce readiness and demand-driven training initiative to:

– **Build** a demand-driven system
– **Invest** in, strengthen, and scale effective training
– **Use data** to analyze skills in demand in regional markets
DFW MIDDLE- SKILL OPPORTUNITIES ARE GROWING

NEARLY ONE-THIRD OF JOBS IN HIGH-GROWTH INDUSTRIES REQUIRE MIDDLE-SKILL CREDENTIALS

There were 960,413 middle-skill positions in the DFW region in 2013; 29% of all employment.

Middle-skill jobs are projected to produce nearly 42,000 average openings per year, a 2% annual growth rate, through 2018.

Middle-skill jobs pay an average median hourly wage of $24.47, exceeding the living wage of $18.08 for the DFW region.

(Source: EMSI)

NEW SKILLS AT WORK
JPMorgan Chase & Co.
JOBS FOR THE FUTURE
A SIGNIFICANT % JOBS IN HEALTHCARE AND INFORMATION TECHNOLOGY ARE MIDDLE-SKILL

296,000 total jobs in the health care sector
$29.27 median wage for middle-skill health care jobs
5.5% projected annual middle-skill job growth, 2013-18
7,095 projected annual middle-skill job openings, 2013-18
Sample occupations: RN, medical coder, cardiovascular technician

NEW SKILLS AT WORK
JPMORGAN CHASE & CO.

123,000 total jobs in the IT sector
$29.11 median wage for middle-skill IT jobs
3.6% projected annual middle-skill job growth, 2013-18
2,224 projected annual middle-skill job openings, 2013-18
Sample occupations: Help desk, network support
UNFORTUNATELY, TOO MANY RESIDENTS OF THE DFW REGION ARE NOT PREPARED FOR MIDDLE-SKILL JOBS...

Large disparities in educational attainment persist among racial and ethnic groups

Many DFW residents lack the basic academic and job-readiness skills required to start a middle-skill career ladder:

950,000 adults, or 22% of the DFW region’s population ages 25 and older, do not have a high school credential.

640,000 or 14.7% of individuals in the DFW region ages 16–64 have limited English proficiency.

<table>
<thead>
<tr>
<th>Level</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA or above</td>
<td></td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>Associate's degree</td>
<td></td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td></td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>HS Diploma or GED</td>
<td></td>
<td></td>
<td>28%</td>
</tr>
<tr>
<td>Less than HS</td>
<td></td>
<td>11%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: 2011-13 American Community Survey
...AND THIS RESULTS IN GREAT DISPARITIES IN UNEMPLOYMENT AND POVERTY

Source: 2011-13 American Community Survey
CREATING BETTER ACCESS TO MIDDLE-SKILL JOBS: RECOMMENDATIONS IN FIVE TARGET AREAS

1. Strengthen the “first rung” of career pathway programming

2. Increase persistence in and completion of middle-skill training.

3. Strengthen bridges between workforce resources and high need communities and populations
CREATING BETTER ACCESS TO MIDDLE-SKILL JOBS:
RECOMMENDATIONS IN FIVE TARGET AREAS

4. Increase awareness of middle-skill opportunities

5. Promote employer leadership in developing career pathways.
THE DFW REGION CAN BUILD ON EXEMPLARY WORK
Bridging the Skills Gap in Dallas…

950,000 adults without a high school credential
640,000 adults with limited English proficiency
140,000+ adults out of school and out of work

960,000 middle skill jobs today; 42,000 openings every year

Middle skill jobs pay $24.47 on average, 35% higher than the region’s living wage

Career Pathway Interventions

• Job skills training
• Workforce readiness training
• Basic skills education
• Industry-recognized credentials / certifications
• On the job training / internships
• Integrated Support Services
  • Child care
  • Transportation
  • Tuition assistance
  • Housing assistance
  • Coaching
Greater Dallas Workforce EcoSystem

- Serves both Employers and Job Seekers
- Identifies strong programs that can be scaled and gaps that can be filled by new, innovative programs
- Uncovers opportunities for connections and collaboration
- Helps with planning, sequencing and prioritization of workforce services
- Supports community-wide alignment – increasing system efficiency and reducing duplication
- Primary partners – Dallas Regional Chamber, Workforce Solutions Greater Dallas, DCCCD, United Way

### Workforce Development Inventory

<table>
<thead>
<tr>
<th>Preparation &amp; Applied Learning</th>
<th>Employment &amp; Talent Acquisition</th>
<th>Employer Support Systems</th>
<th>Awareness and Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Career Exploration in HS</td>
<td>• Job Development and Assessment</td>
<td>• Employer-sponsored training for upward mobility</td>
<td>• Infrastructure and employment support policies</td>
</tr>
<tr>
<td>• Career Pathways after HS</td>
<td>• In-person job placement, career counseling and support services</td>
<td>• Workforce alignment</td>
<td>• Employment and training administration programs</td>
</tr>
<tr>
<td>• Employer / Industry credentialing</td>
<td>• Human Resources assistance</td>
<td>• Transportation to work</td>
<td>• Pell grants</td>
</tr>
<tr>
<td>• Post-secondary education</td>
<td>• Job fairs and hiring events</td>
<td>• Layoff transition and relocation support</td>
<td>• Career and Technical Education grants</td>
</tr>
<tr>
<td>• Work-based training</td>
<td>• Online assessment and job search functions</td>
<td>• Financial management</td>
<td>• Tax credits/ incentives</td>
</tr>
<tr>
<td>• Fast Track Training</td>
<td></td>
<td>• Connection to wage supplementation support</td>
<td>• Employer convening</td>
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<tr>
<td>• Workforce Fundamentals and Essential Skills</td>
<td></td>
<td>• Availability and access to quality childcare</td>
<td>• Training for counselors</td>
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<tr>
<td>• Adult Literacy / English as a Second Language</td>
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<td></td>
<td>• Data-driven analytics</td>
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<tr>
<td>• Coaching</td>
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Pathways to Work
coordinates workforce stakeholder groups to implement targeted New Skills at Work recommendations

1. **Strengthen the “first rung” of career pathway programming**
   - New investments in community-based training partnerships:
     - Certified Nurse Aid Partnership, led by El Centro College and Sharing Life Community Outreach
     - IT Ready Initiatives, led by Per Scholas

2. **Increase persistence in and completion of middle-skill training**
   - Support the integration of support services with technical training to smaller cohorts of participants
   - 120 participants to date; 70 have earned industry-recognized credential or certification; 76 secured jobs in healthcare and IT

3. **Strengthen bridges between workforce resources and high need communities and populations**
   - Building stronger connections between community-based training providers and employer associations

4. **Increase awareness of middle-skill opportunities**
   - Workforce Symposium in November collected and distributed information on workforce programs from 30 organizations

5. **Promote employer leadership in developing career pathways**
   - 15 employers engaged to date- advising on curriculum, mentoring students, and hiring graduates
The Neighborhood Plus Initiative aligns well with these collaborative efforts, and we welcome the City’s active participation to help us move the New Skills at Work recommendations forward.

Potential next steps for the City to consider:
1. Provide information and conduct outreach to your constituents
   • Inform them about available workforce programs and services
   • Help us identify and engage residents who could benefit from these programs
2. Seek, compile and share feedback from constituents
   • Help us identify helpful services, challenges, needs and interests that could be met through workforce development programs and services