



DALLAS THRIVES

A community vision to double living wage attainment in a single generation

NOVEMBER 2020



Community leaders are committed to making Dallas the best place to live, work, and do business

Dear fellow Dallas stakeholders,

Dallas Mayor Eric Johnson and Dallas County Judge Clay Jenkins recently issued a challenge to a group of K-12, higher education and workforce leaders – How should we collaboratively work together to align and expand the workforce pipeline across our various systems to enable inclusive growth so that prosperity reaches across all our communities? And how will transforming our pipeline become a true competitive advantage in the recruitment of companies and industry to the Dallas area, while providing our existing employers the diverse talent they need to grow and prosper?

As evidenced by the data in this report and in light of recent events, it is clear to this group of leaders that Dallas must come together under a unified workforce pipeline plan. While we will continue to build upon many of the positive local innovations already underway, which range from the expansion of early college high schools and P-TECH, to the Dallas County Promise to experiential work-based learning, we can and must do more.

This work is even more imperative in the current workforce environment, where we see unparalleled levels of unemployment due to COVID-19. In Dallas County, over 70% of unemployment claims since mid-March of 2020 are by workers without a 2- or 4- year degree. Now is the time to act.

The Commit Partnership and Dallas Regional Chamber, in partnership with many community partners, are pleased to issue this report which outlines a new, comprehensive effort entitled “Dallas Thrives,” facilitated in this endeavor by the Boston Consulting Group. The long-term mission of this is simple ... to double living wage attainment and inclusion in a single generation while providing Dallas employers with the diverse, skilled talent they need to grow their companies and our economy.

We all agree that talent can be found everywhere in Dallas, and we are fully committed to collaboratively working on strategies to ensure that opportunity for our young adults is equally pervasive. Aligning credentials with high demand living wage jobs. Exposing our students to options and careers earlier in K-12. Expanding mentorships, internships and apprenticeships. Lifting up and recognizing employers who fully embrace their role in supporting, training, and hiring from our community where possible.

The potential dividends from these strategies and others are sizable; by doubling living wage attainment for Dallas County residents ages 25-34 from 25% to 50% by 2040, BCG projects that regional GDP can increase by an additional 1.5% annually, or \$3.9 billion, while substantially lifting tens of thousands out of poverty. Dallas Thrives is clearly an aspirational effort. If successful, it will demonstrate to other regions across the country what is possible when various institutional leaders use robust data, innovation and best practices to strategically and equitably focus on the outcome of each and every student and young adult. It will be hard work, but the dividends for Dallas will be enormous.

Let the work begin.



Dallas is growing but faces significant workforce challenges

▶ Dallas has been, and continues to be, an economic powerhouse. Among the nation's 12 largest metropolitan areas, Dallas had the fastest rate of job growth from February 2019 through February 2020.¹ Despite this success, several workforce challenges exist that could limit further growth ...



Employers find it difficult to fill talent needs

Dallas employers must frequently rely on imported talent to meet their employment needs.² **Only 50% of Dallas employers reported feeling that there was enough skilled and qualified local talent to meet business needs,³** and over a quarter cited recruiting a capable workforce as a top business concern.⁴





Three-quarters of young adults don't earn a living wage

The result is that **only 25% of young adults in Dallas earn a living wage**. Even for those with a post-secondary degree (Associate's or higher), most do not earn a living wage. Only 44% of young adult post-secondary degree holders work full time and earn a living wage.⁹

25%

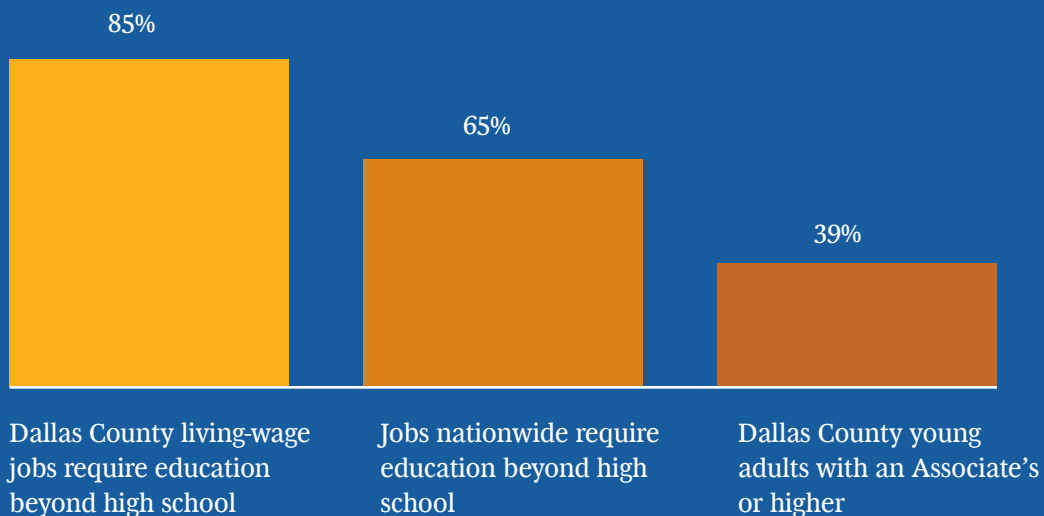
Only 1 in 4
young adults
earn a living wage



Many young adults don't have a clear path to a living-wage career

More than 65% of job opportunities require education beyond a high-school diploma.⁵ Among jobs paying a living wage – at least \$50,000 per year⁶ – the qualifications are even higher. 85% of living-wage jobs in the Dallas region, 85% of living-wage jobs require education beyond a high-school diploma.⁷ **Yet only 39% of Dallas' young adults (25 – 34 years) have an Associate's degree or higher.**⁸

Credential Gaps



Addressing these challenges can drive immense economic impact

► Impact of increasing the number of Dallas young adults earning a living wage

~\$4B

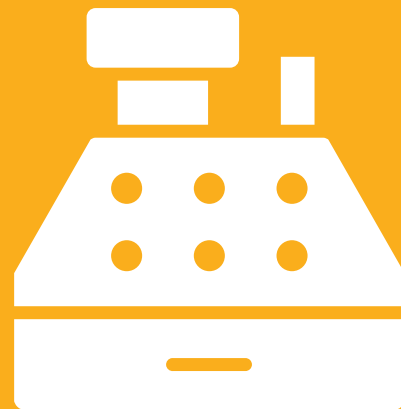
increase in
annual GDP



1.5% increase¹⁰

~\$40M

increase in
sales tax revenue



6.0% increase¹¹

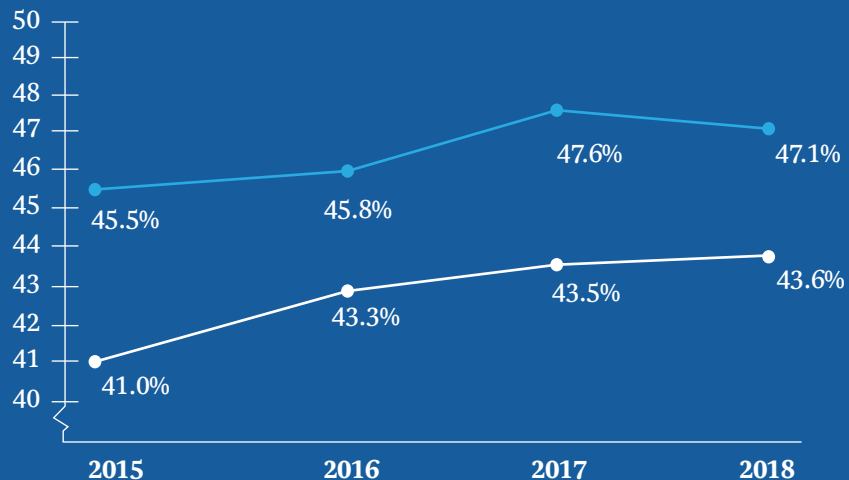


Innovative progress is being made. But not fast enough, especially for people of color

▶ In 2015, the State of Texas and Governor Abbott issued an ambitious goal – that by 2030, at least 60% of Texans aged 25-34 (young adults) will have a post-secondary certificate or degree, dubbed 60x30TX. 60x30TX aims to improve the living standards of Texans and continue to ensure the state’s economic growth. The state and the DFW metroplex (including Dallas) are making progress towards these ambitious goals, but substantial work remains to achieve targets by 2030.¹²

60x30TX Post-secondary Credential Progress

■ Metroplex
▶ Texas



Dallas’ positive progress towards 60x30TX has been due to leadership across the community, including programs such as P-TECH and the Dallas County Promise.

P-TECH Programs¹³

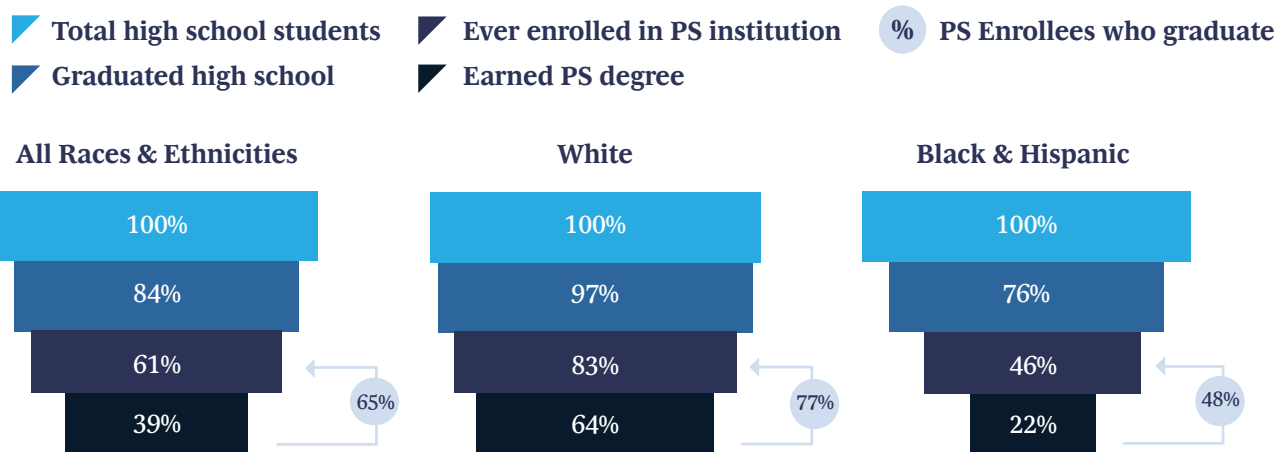
P-TECH is a high school program where students select a career pathway and take classes that provide academic, technical, and workplace skills to increase employability and job placement. Student can earn an Associate’s degree by high school graduation and/or industry certificates.

Dallas County Promise

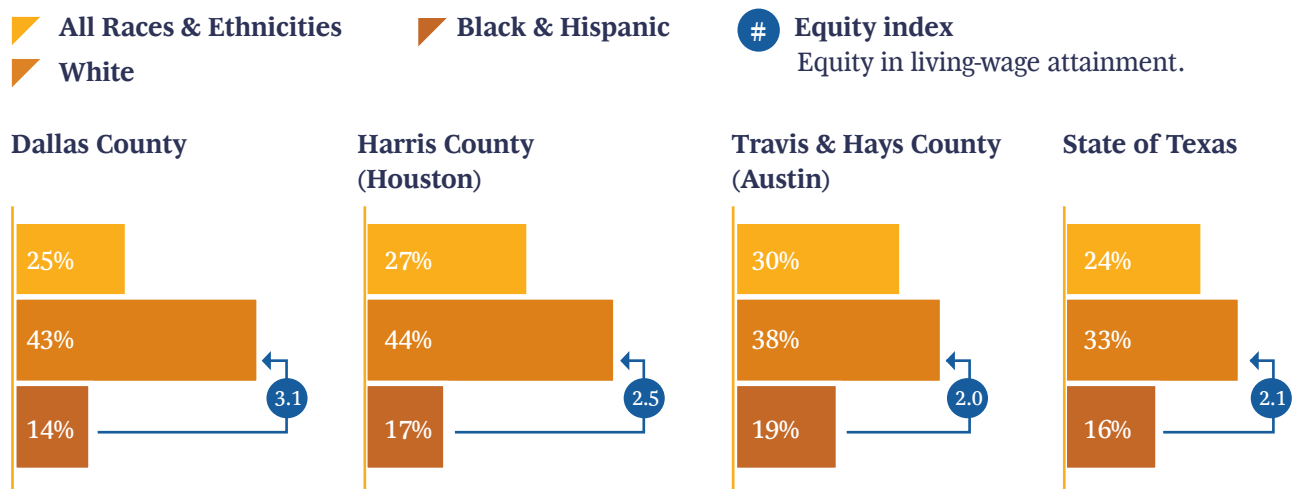
The Dallas County Promise is a “last dollar scholarship” that coupled with federal/state grants provides free college tuition for up to 22,000 seniors annually. If this cohort were a state, it would have ranked No. 2 in the nation in overall federal aid (“FAFSA”) completion in 2020.



Despite progress, challenges remain. While **nearly 60% of Dallas County young adults enroll in a post-secondary program, less than 40% earn a post-secondary degree.**¹⁴ The conversion rate is significantly lower among Black and Hispanic populations compared to their White peers.



Moreover, a post-secondary credential or degree does not guarantee a living wage. **Only 25% of young adults earn a living wage in Dallas County, and the racial disparities are stark.** 43% of White young adults earn a living wage, compared with just 17% of Black and 13% of Hispanic young adults. This means that in Dallas, **White young adults are 3.1X more likely than their Black or Hispanic peers to earn a living wage.**¹⁵ Relative to other large urban counties across Texas, Dallas has the deepest living-wage inequity by race.



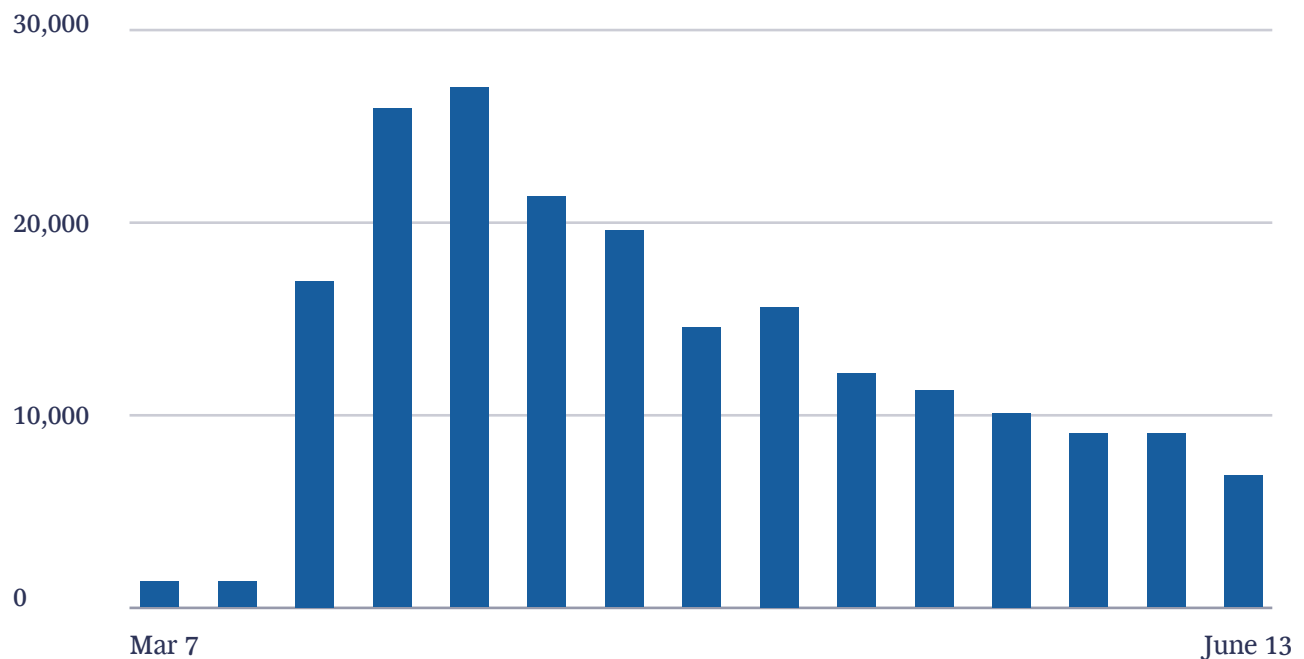
COVID-19 has magnified the importance of post-secondary education



COVID-19 has dramatically increased unemployment

Dallas County **unemployment claims (UI)** rose over **1500%** at the start of the COVID outbreak¹⁶ relative to the same period in 2019.

New Dallas County unemployment claims

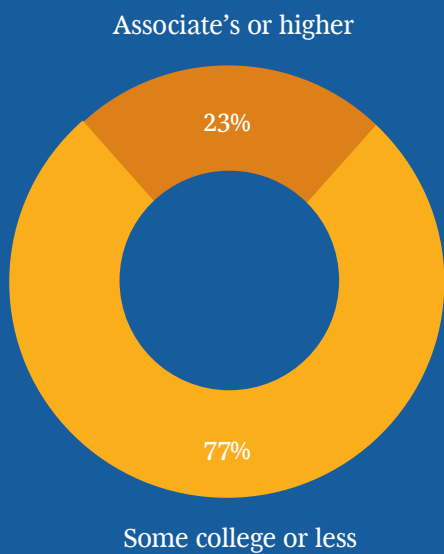




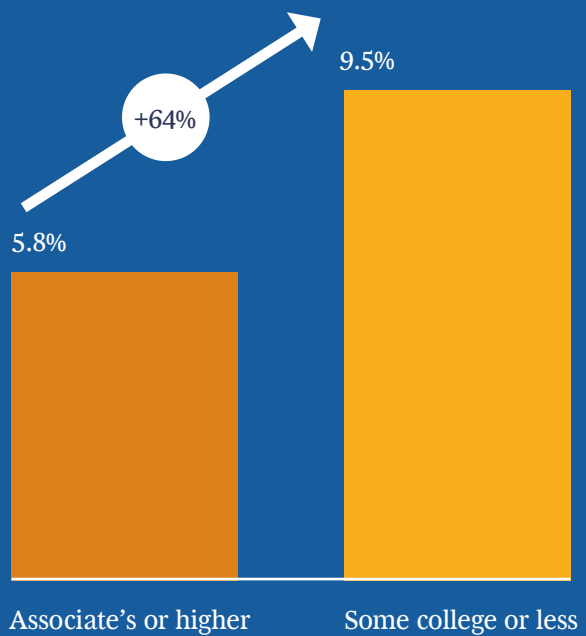
And has disproportionately impacted those without post-secondary education

Across all age groups, over 75% of unemployment claimants in Dallas County had only some college or less. Residents with only some college or less were over 64% more likely to file an unemployment claim.¹⁷

Overall share of UI claims



UI claims as a percent of population



Several challenges must be addressed to build a strong local talent pool

“ A lot of folks get lost in the wilderness, especially people of color who don’t have other people to follow on the path.

— Government stakeholder



“ Advisors, teachers, website would all say different things ... I figured it out but seemed like everyone gave me a different answer.

— Student



Five major pain points must be addressed to provide living-wage access for all residents and ensure employers have access to diverse and local talent.



There is **no singular process to identify priority jobs that lead to living-wage careers**, and pathways to reach them are undefined and inconsistent



Career experiences and programing varies widely and does not begin until high school, resulting in lack of student awareness and limited guidance towards many living-wage pathways and careers



Once searching for jobs students frequently lack the experience or networks to reach desired careers and are not sufficiently trained on how to market their skills



Students often start, but do not finish, post-secondary programs; many degrees and credentials obtained are not building skills (soft and hard) critical for living-wage jobs



There is **opportunistic and limited employer engagement to improve the local supply of high-quality, diverse talent**; strong engagement is often difficult for employers, is uncoordinated across Dallas, and is insufficiently recognized and celebrated as a role model for other employers to follow.

Strengthening the local talent pool will benefit young adults and employers





Young Adults¹⁸

Equitable access to living-wage work

Living-wage equity index
Equity in living wage attainment by race and ethnicity – how much likelier a White young adult is to earn a living wage than a Black or Hispanic¹⁹

Living Wage
Percentage of young adults who earn a living wage²⁰



Employers

Local, diverse talent meets needs to enable growth

Hiring and developing local
Extent to which Dallas employers hire locally/ diverse and engage in development of local talent pool within the community²¹

Hiring ease
Ease of hiring talent in Dallas relative to the US²²



Education

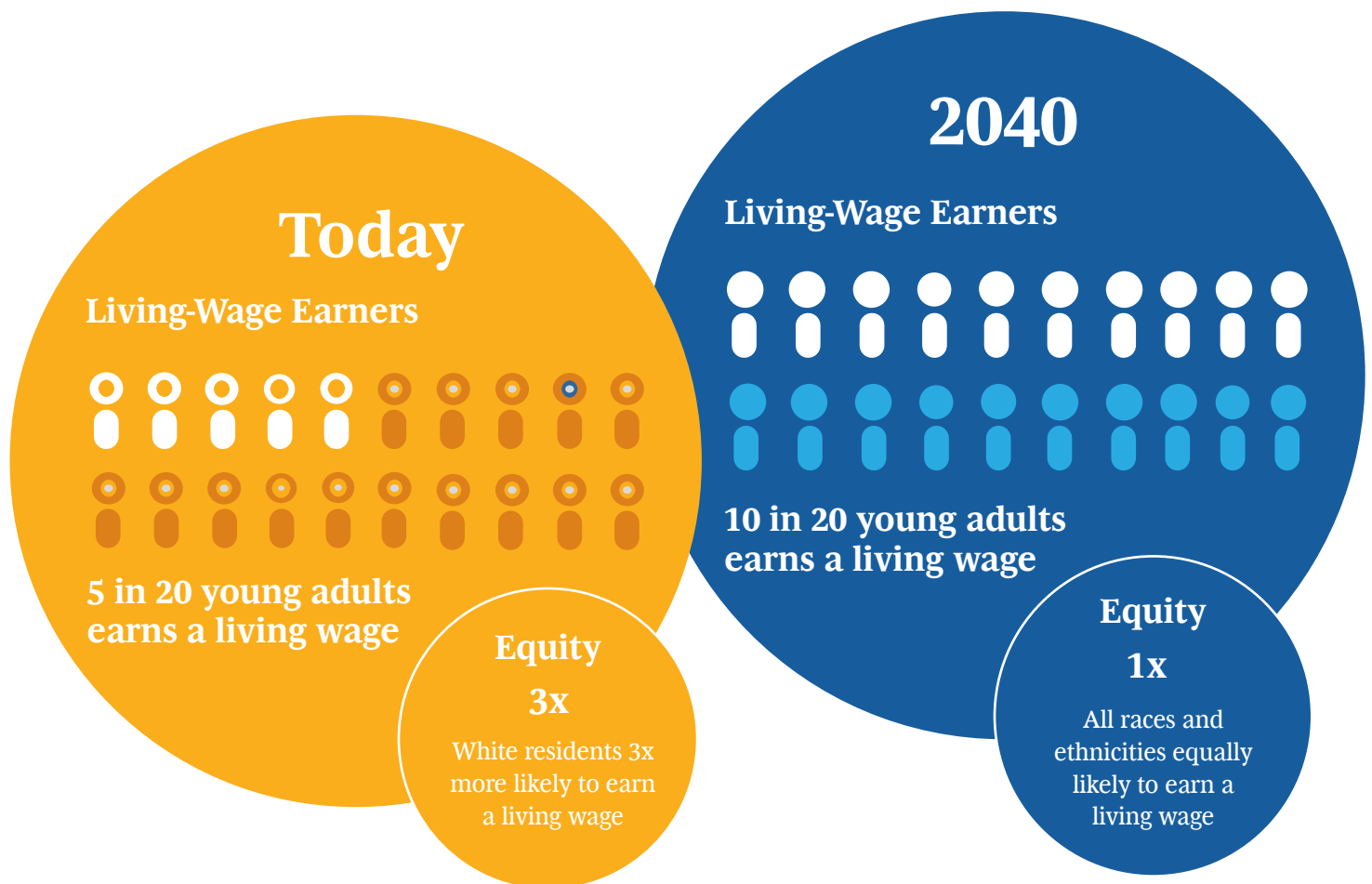
Career-aligned knowledge, skills, and mindsets to strengthen talent

Post-secondary ready
High-school graduates who are college, career, or military ready as defined by HB3 (Texas House Bill 3)²³

Post-secondary credentials
Young adults with a post-secondary credential²⁴ or Associate's degree and above²⁵

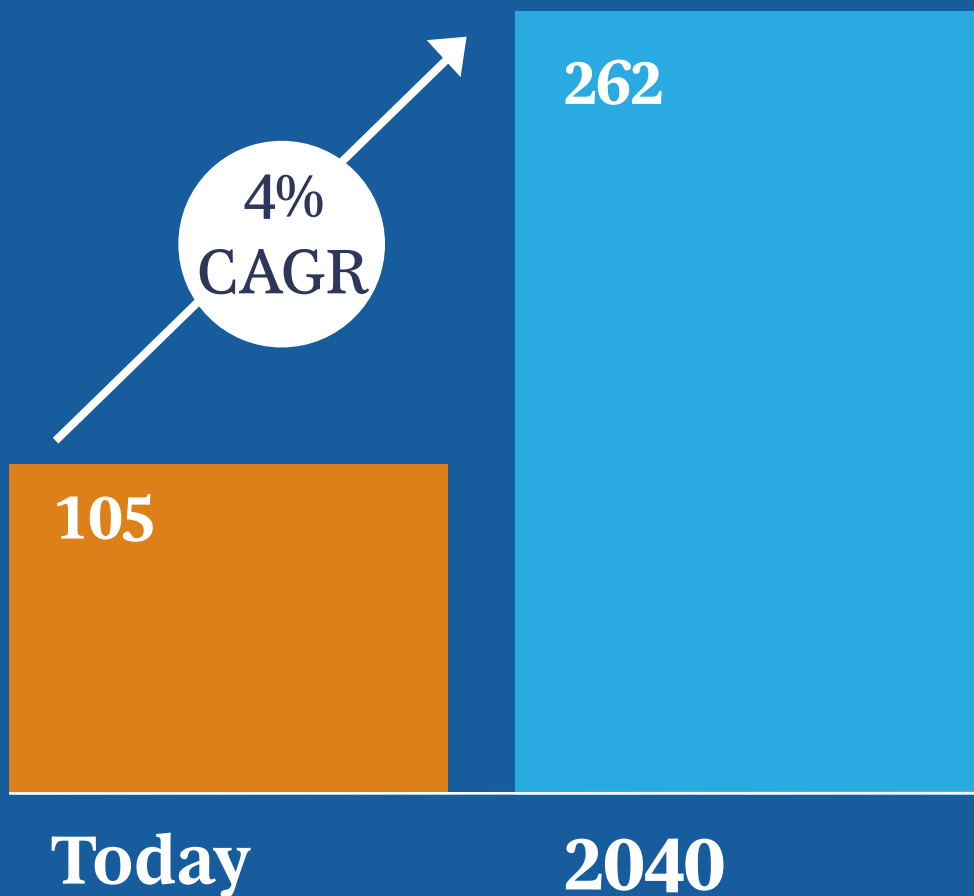
Dallas leaders have come together with an ambitious goal: Double living wage attainment in a single generation

Leaders across the community recognize the importance of addressing these challenges. They have committed to Dallas Thrives, which aims to double the number of young adults earning a living wage, while achieving living-wage equity in a single generation. This means moving from 25% to 50% of young adults earning a living wage by 2040. This goal requires broad action to build a strong local talent pool, and will also drive strategic advantage for Dallas – attracting more employers and shifting the region’s job mix to higher-skill, better-paying work.



50x40, coupled with population growth, will increase the number of young adult living-wage earners in Dallas County by over 150,000.²⁶

000's of young adult living-wage earners



Dallas is making five 'Big Moves' to jump start the effort

- ▶ Dallas education, private sector, non-profit, and government stakeholders have identified five, interconnected 'Big Moves' to address major pain points and begin working towards living-wage goals. Across all of these 'Big Moves', there will be a critical focus on enabling students and young adults to succeed by addressing and eliminating structural barriers that inhibit their progress.





Workforce pipeline alignment

Define and align on region's highest priority living-wage jobs and career pathways; regularly update and develop strategies to fill these jobs.



Career exploration and guidance

Provide early and consistent career exposure and pathway guidance to inform student and parent choices.



Readiness, credential attainment, and placement

Grow and support the number and percentage of young adults earning credentials and job placement that lead to a living wage.



Connections to the workforce

Support all students and young adults to gain the necessary work experiences, networks, and coaching to achieve job placement in their desired, living wage careers.



Employer investment

Increase the number of employers who are actively engaged in strengthening our local talent pool to enable economic prosperity for all.

Join the movement



▶ The Dallas Community is calling upon businesses, educators, policymakers, and community leaders to step up, join this movement, and **come together to ensure Dallas continues to thrive and is a city of opportunity for everyone.**



Businesses

Seek out opportunities to engage with local schools and shape the talent pipeline. Commit to hiring diverse, local talent and institute practices to ensure all candidates have an equal opportunity for success.



Educators

Make career experiences and programming a core part of curriculum. Provide students visibility into what various careers look like, how to reach them, and prepare them with the knowledge, skillsets, and mindsets for career success.



Policymakers

Design and promote policies that support living-wage attainment for all individuals and provide policy incentives to increase desired behaviors across education, businesses, and individuals.



Community leaders

Catalyze action, offer resources, and bridge and close gaps so that all individuals in the Dallas Community are supported in and can earn a living wage.



☞ Dallas is an ascendant city, but our future will depend on our ability to train and retain our workforce, especially in our historically under-served neighborhoods. This plan can help all of our residents succeed and thrive for years to come.

— Dallas Mayor Eric Johnson



References

1. Dallas-Fort Worth-Arlington MSA, Bureau of Labor Statistics (BLS). Based on non-Farm employment, Feb 19' – Feb 20' used to indicate pre-COVID trends.
2. Federal Reserve Bank of Dallas, "[Gone to Texas: Migration Vital to Growth in the Lone Star State.](#)"
3. BCG Survey, March 2020. Employer/ business respondents only. BCG analysis.
4. DRC Member Survey, January 2020. BCG analysis.
5. Georgetown Center on Education and the Workforce, "[Recovery: Job growth and education requirements through 2020.](#)"
6. The MIT Living Wage Calculator estimates that one working adult needs to earn ~\$50K in Dallas County to support a family of either one child alone or one child and another adult who does not work.
7. Burning Glass. Job postings from Oct 1, 2019 to Mar 31, 2020. Based on % of job postings requiring level of education other than High School. BCG Analysis.
8. American Community Survey (5YR), 2018.
9. American Community Survey (5YR), 2018. Living wage defined as individual earning \$50K+. BCG Analysis.
10. American Community Survey (5YR), 2018; [Federal Reserve Economic Data](#); Congressional Budget Office, "[The fiscal multiplier and economic policy in the United States.](#)" Value computed using the average income increase needed to move to 50% of 25-34yr workforce earning a living wage and a spending multiplier. Average income increase is the average of a low-scenario (highest earners below living wage move to living wage) and a high-scenario (lowest earners below living wage move to living wage). Only residents participating in workforce included. Spending multiplier of 1.5 used to model total GDP impact (i.e., including indirect and induced benefit from income increase). Modeled at constant population (2018 ACS) to net out impact of population growth. Percentage increase based on \$264.4B 2018 Dallas County GDP.
11. [Bureau of Labor Statistics](#), [City of Dallas](#). Sales tax revenue reflective for Dallas County (excludes state sales tax revenue). Assume 2% of sales revenue to county based on difference between assumed county wide tax rate of 8.25% and state rate of 6.25%. Assume 47% of income is spent on sales taxable items (e.g., food, entertainment). Percentage increase based on 2018 sales tax revenue of \$611M (\$311M 2018 City of Dallas sales tax revenue scaled to county based on population).
12. [Texas 60x30](#). 60x30: Educated population. Metroplex region defined by Texas 60x30 and includes multiple counties, including Dallas County.
13. Pathways in Technology Early College High School
14. American Community Survey (5YR), 2018. Post-secondary degree defined as an Associate's degree or above (e.g., Bachelors, Masters).
15. American Community Survey (5YR), 2018. Comparison based on % of White young adults who earn a living wage and % of Blacks and Hispanics who earn a living wage (weighted to population).
16. Texas Workforce Commission. Week ending Mar 7 to week ending May 9. Dallas County.
17. Workforce Solutions Greater Dallas. American Community Survey (5YR), 2018. Education data available from 3/15 to 4/4 and 4/25 to 5/9. Percentages for education computed based on the weighted average education of claimants in both periods. Overall claims based on claims from week ending Mar 7 to May 9. Population excludes those under 18.
18. Individual and education metrics for Dallas County. Employer metrics considered at a broader, regional level, to reflect the fact that individuals in Dallas County frequently work outside of county lines. Dallas County used as the initial basis for metrics and focus given the disparity in Dallas County for living wage attainment overall, and by race relative to the broader DFW region. Denton, Collin, Tarrant and Parker counties have better young adult living wage outcomes (29%), are whiter (~50%), and have greater equity (2.0 living wage equity index) than Dallas County (25%, ~30%, and 3.1 respectively).
19. Measured and subsequently calculated via the American Community Survey (5YR).
20. Measured via the American Community Survey (5YR)



About the Study

A group of community stakeholders, led by the Dallas Regional Chamber (DRC) and The Commit Partnership, engaged a team from the Boston Consulting Group (BCG) during the spring of 2020 to build a coordinated strategy to address workforce challenges in the community.

The work kicked off with a retreat of over 60 stakeholders on March 6, and continued through May, 2020. During this time, the world changed dramatically with the spread of COVID-19 in the United States. COVID-19 drew increased importance and urgency to the work of the group.

In building the strategy and factbase, BCG conducted multiple surveys of employers and students in Dallas County, benchmarked over 60 workforce/ talent-related organizations and programs, conducted a wide array of research on economic and population data, and interviewed community leaders across the private, non-profit, and government sectors. The BCG team

was supported by several members of Commit and DRC leadership and program teams.

The DRC, Commit, and BCG would like to thank all the education, private, non-profit, and government sector leaders who generously gave their time to co-develop this strategy, especially during such an incredibly busy and tumultuous time.

In addition to time, we would also like to acknowledge and thank JP Morgan Chase and Bloomberg Philanthropies for their financial support of the strategic plan's creation.

Thank you to PepsiCo and FritoLay and the Southern Dallas Thrives initiative in partnership with United Way, not only for their support in providing wraparound services, training, and commitment to hiring from the Dallas community, but also for inspiring us to align the naming of this greater regional effort with their innovative and very complementary initiative.

21. Metric from Burning Glass Technologies.
22. Metric options being explored via the Dallas Regional Chamber, Workforce Solutions Greater Dallas and other groups.
23. [HB3, or Texas House Bill 3](#), provides funding to schools based on students who meet the requirements of readiness and enrollment, or readiness and certification, or ASVAB and enlistment. Readiness defined as Texas Success Initiative (TSI) score on SAT/ACT/TSI Assessment (TSIA). Enrollment considered earning an associate degree prior to graduation or enrolling in college by the fall immediately after high school graduation. Certification defined as receiving an industry-based certification/Level I/ Level II certificate.
24. Credential per [Texas 60x30 definitions](#): A formal award granted by an Institution of Higher Education.
25. Associate's degree and above measured via the American Community Survey. Credentials measured per the Texas Education Agency.
26. [Texas Demographic Center](#). Projected 2040 Dallas County numbers include population growth (525K 25-34yr projected in 2040 for Dallas County).



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CONSULTING
GROUP

DRC
DALLAS REGIONAL CHAMBER

commit