

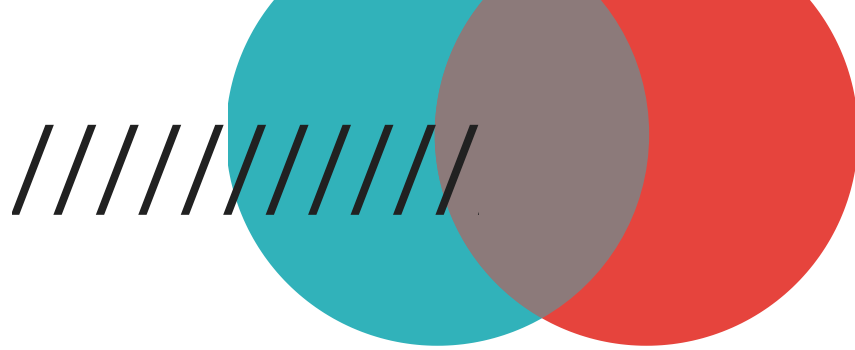


IMPACT ON MINORITY
AND LGBT COMMUNITIES
ECONOMIC PROSPERITY

REGIONAL ECONOMIC EQUITY DEVELOPMENT PLAN (REED)



AUSTIN DIVERSITY AND
ETHNIC CHAMBERS OF
COMMERCE (DECA)



REDUCING BARRIERS & CREATING EQUITY

Diversity and Ethnic Chamber Alliance (“DECA”) comprised of the Austin LGBT Chamber, Greater Austin Asian Chamber, Greater Austin Black Chamber, Greater Austin Hispanic Chamber of Commerce.

We're organized around each community we represent. Community needs, expectations and strategy provide the context for every project we carry out together.

THE VISION

DECA COLLABORATION

Better integration of individuals, firms, and communities who have not shared proportionately in the overall rise in local prosperity

STRATEGIC APPROACH

Better align the needs/desires/capacity of large private-sector economic actors with broader community needs for mutual benefit.

METHODOLOGY

01

DEFINE SCOPE

02

5 YEAR STRATEGIC
REGIONAL APPROACH

03

SOLUTIONS



Regional ECONOMIC EQUITY DEVELOPMENT PLAN (REED)

INTRODUCTION

It's no secret that, in the aggregate, Austin has done exceptionally well economically in recent decades.. It's also no secret that the benefits of this overall prosperity have been unevenly distributed, to say the least. In recent decades, economic inequality has grown throughout the country, decreasing economic opportunity for millions of Americans.

Austin, Texas has long been one of the nation's fastest growing cities, and over the last decade, it has been known for its strong economy and increasing diversity. What is not so well known is that Austin shows how a growing population and economy does not equally lift up all people. In fact, Austin is an example that even with growth, historically disenfranchised communities like African Americans and Latinos can be left further and further behind.

Overall, Austin has a promising economy with a growing population, increasing educational attainment and a growing median income. Yet sadly, Austin's path to prosperity is one where 2016 African Americans and Latinos make only 66% and 73% of the median income, while in 1980 African Americans made 75% and Latinos had 87% of the city's median income. If left unaddressed, this does not bode well for the future of Austin.



Regional ECONOMIC EQUITY DEVELOPMENT PLAN (REED)

INTRODUCTION (CON'T)

TXP has written extensively in the past about the benefits of closing this gap via raising people, especially communities of color, out of poverty. To draw from a report to the City from five years ago:

"Expenditures on poverty reduction and increasing educational attainment should be viewed as investments which generate first-order returns over time in the form of increased economic productivity, rising incomes, greater tax revenue, and reduced public expenditures on social programs. The quantitative analysis of these factors finds that aligning the Non-Anglo poverty rate in the Austin area with the Anglo rate would create billions of dollars in additional household income, generating a net gain of tens of millions of dollars for local jurisdictions (via new tax revenue and avoided social services). Beyond these benefits, it is also likely that poverty reduction will yield improved health outcomes (and decreased healthcare costs), lower rates of criminal behavior, and stronger social cohesion and civic participation. Clearly, the overall cost-benefit of investing in enhancing workforce capacity via targeted efforts to change the trajectory of impoverished young people could be highly positive."

At the time that was written, the focus on improving outcomes for disadvantaged Austinites largely was on enhancing and improving employment opportunities. While still crucial, this focus leaves out an essential additional element: fostering the creation and sustainability of minority-owned businesses. Minority business success is in many ways a gold-standard for addressing historic economic segregation and income inequality, as ownership provides income for both proprietors and employees, as well as leading to wealth creation that will have inter-generational implications.

Regional ECONOMIC EQUITY DEVELOPMENT PLAN (REED)

INTRODUCTION (CON'T)

Beyond these direct effects, successful minority business owners can also serve as mentors and examples, extending the reach of their individual success. The pandemic has put focus on this community, in that the economic challenges created by COVID-19 have a disproportionate impact on industries that tend to be heavily minority-represented, eg, hospitality, retail, and consumer services. As a result, the opportunity to bear resources to address the issue has the possibility of creating real leverage; successfully responding to the short-term challenges ultimately lead to much greater long-term sustainability and therefore prosperity.

This plan sets out to reduce barriers and create access to prosperity for our minority and LGBT communities under the combined stewardship of the DECA Chambers.



Regional ECONOMIC EQUITY DEVELOPMENT PLAN (REED)

HISTORY

- History of Diversity & Ethnic Chamber Alliance (DECA)
- History of eco segregation
- Historical race/ethnic/LGBT data (chart)
- Historical economic data POC/LGBT
- Latino Donor Collaborative (LBAN)
- Membership surveys
- Demographic data
- New census data
- Eco census data
- Perryman Study
- Boston Consulting Group data/report
- Diversity equity barriers

STRATEGIC APPROACH

Better align the needs/desires/capacity of large private-sector economic actors with broader community needs for mutual benefit. Topic areas of focus:

- Housing
- Transportation
- Procurement
- Workforce Development
- Internal Entrepreneurship



Regional ECONOMIC EQUITY DEVELOPMENT PLAN (REED)

VISION

- Better integration of individuals, firms, and communities who have not shared proportionately in the overall rise in local prosperity
- Generational wealth
- Resilience of small businesses, how to recover from disasters

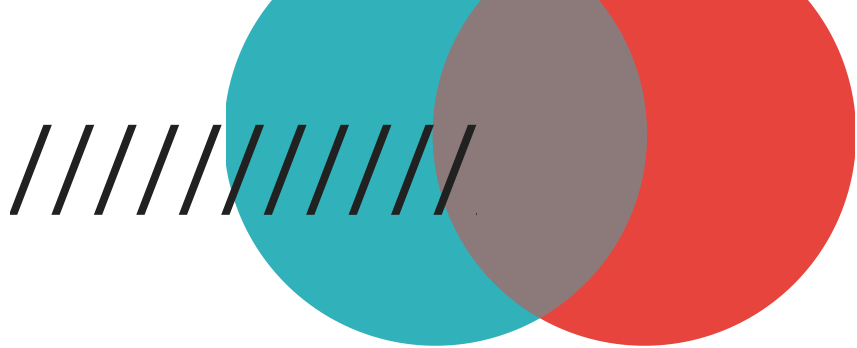
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KEY IMPLEMENTERS

- Minority Chambers, in partnership with City and County ED staff
- Identified corporate partners
- Regional Economic Diversity Council
- 5 years commitment/vision/plan
- Affordability (Housing & Transportation)
- Business Prosperity Programming
- Business retention & expansion
- Community business development financing tools
- Targeted recruitment
- DE&I programing



FOCUS AREA

HOUSING

Housing Goal: Increase the supply of workforce housing.

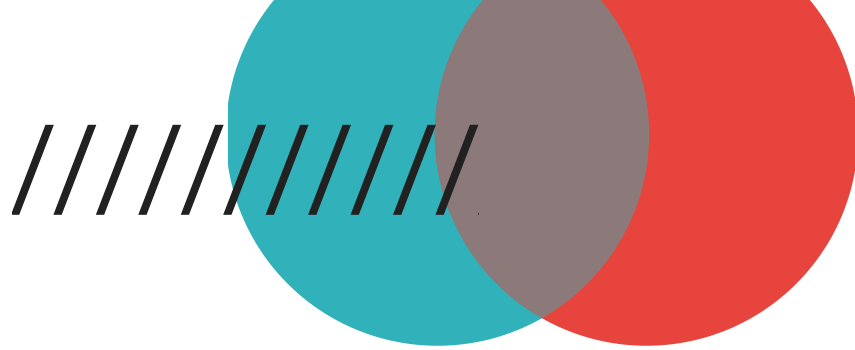
In an era where housing supply in Austin is effectively at zero and bidding wars erupt for every available house on the market, housing has become a crucial economic development issue. In simple terms, without adequate housing stock, workforce capacity is severely constrained; without adequate workforce capacity, a range of highly unpleasant consequences will be felt by the entire community. In many ways, this should be among the highest economic development priorities for the community.

Tactics:

- Identify key barriers to housing expansion
 - Land availability
 - Construction costs
 - Materials
 - labor
 - Regulatory issues
- Examine possibility of using federal funds to provide financial support
- Engage corporate partners in either on-site or supported off-site supply development
 - Property finance models

- Regional Economic Diversity Council
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FOCUS AREA

ENHANCE SUSTAINABILITY AND OVERALL PROSPERITY

Small businesses, especially small businesses owned by minorities, are perpetually under-resourced. The constraints are daunting and often mutually reinforcing; lack of bonding capacity, for example, prevents a minority-owned firm from successfully winning a bid for a key contract from a large potential client. In turn, the failure to secure that contract means that the firm doesn't therefore have the resources (or qualifications) to take on debt that would enable further growth and prosperity. The following outlines a series of tactics to address these issues.

Tactics:

- Examine procurement policies with corporate partners with goal of increasing depth and breadth of disadvantaged participation
- Evaluate Access to capital
- Debt - direct lending/guarantees
- Equity sources
- Review Economic incentives
- Reaching smaller business expansion
- Entrepreneurship cultivation
- Mentorship
- Commercialization of intellectual property
- Entrepreneur education / training
- Cradle to career
- Workforce/skills training
- Starting your own business
- Regulatory issues
- Small business ombudsman
- Affordable commercial space
- Incubators
- International market development
- Connection between local suppliers and international customers
- Terms of trade
- Tariffs
- Regulatory issues
- Currency/payment issues
- Transportation/Shipping



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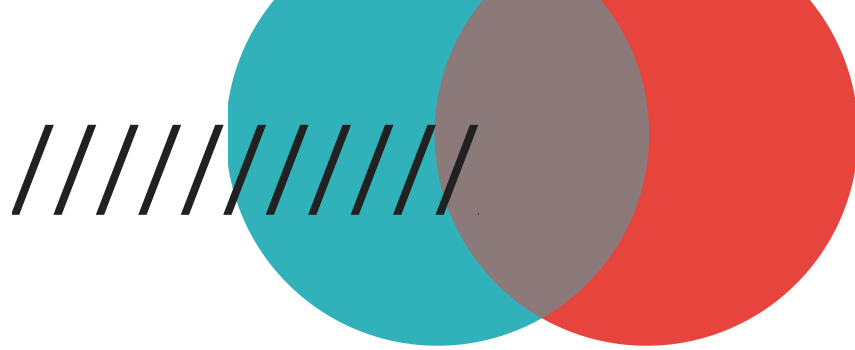
DIVERSE WORKFORCE DEVELOPMENT

Success for minority-owned firms, as for any firm, often depends on the ability to attract and retain appropriate employees. As a result, DECA will engage and participate with overall community efforts to improve/enhance workforce, with a specific eye toward facilitating the communication between employers and those working to improve labor force capacity.

TACTICS:

- Traditional recruitment & retention
- Targeted recruitment
 - Communities of color/LGBTQIA
 - Advocacy /mktg outreach
- Workforce development
- DE&I programing
- Employee resource groups & toolkit
- Health & wellness equity
- Targeted advocacy
- Programming/training (collegiate partnership)
- Innovation





FOCUS AREA

SUPPORT CREATIVE COMMUNITIES

- Housing
- Creative spaces
- Financing instruments

FOCUS AREA

REGIONAL COMPETITIVENESS

- EDC
- Tax incentives of growth & expansion
- Innovation zones

FOCUS AREA

INTERNATIONAL ENGAGEMENT

- Business retention & expansion
- Economic incentives
- Regional (local, county, state)



LONGTERM VISION

CAPACITY BUILDING

- Workforce housing trusts/banks
- Affordable commercial space trusts/banks
- Opportunity -rich neighborhoods for all
- Health & wellness
- Inclusionary zoning
- Raise floor on low-wage jobs
- Strengthen k-12 system for POC/LGBT students



PARTICIPATION

SUPPORT

- REED Plan is a five year strategic capacity building program for diversity communities in business and workforce development
- The REED Plan is to be developed in support of diverse communities for the five county region (MSA) to encourage economic development, access to opportunity and prosperity, generational wealth and job creation.
- The REED Plan is a business initiative for Austin and surrounding areas that encourages economic development and job creation that requires investment from regional partners
- REED Plan to be finalized on or before Dec 31, 2021
- MECA will complete the scope of Work outlined in the final version of the REED Plan

TIMELINE

FIVE YEAR APPROACH

- Year one : Plan development, adoption and regional partner investment
- Year two onward: Plan execution
- Year five: Plan revision with strategic partners



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