

Economic Development Strategy for the City of Waco

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Agenda

- How are we doing?
- Why are we that way?
- What are we going to do about it?

Research Effort

- Findings based on more than 90 one-on-one interviews, 11 focus groups, and 3 workshops conducted in 4 separate visits by members of the Upjohn/Mohr Team—in all 216 individuals were contacted
- Careful review of existing planning and economic development documents
- Best practice research
- In-depth data analysis

How are we doing?

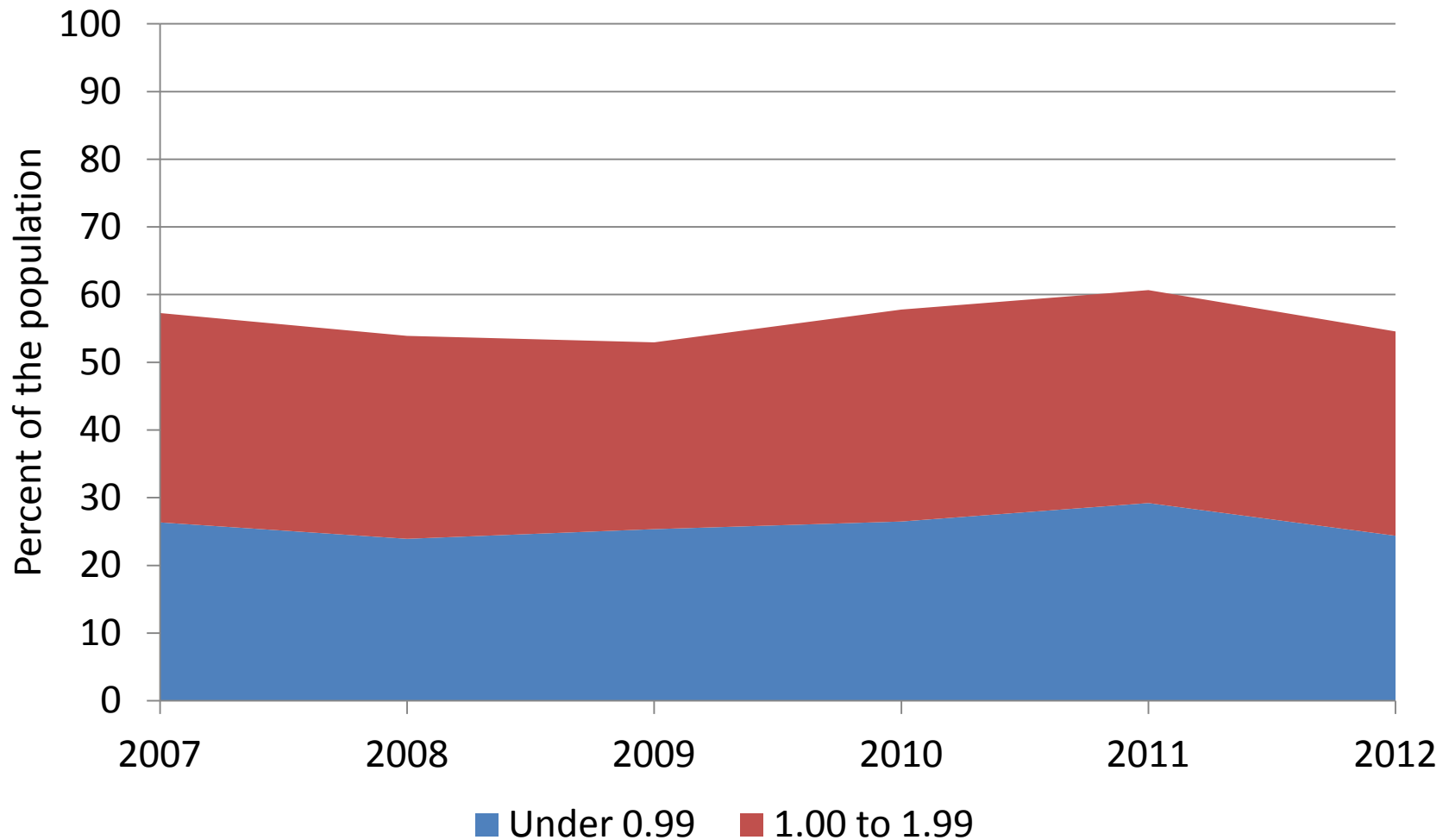
Major Findings

- Hispanic and African American residents face high unemployment, yet still are actively seeking employment
- Educational attainment, skills development, and finding full-time employment matter in achieving income growth and stability
- Many of the area's employers are seeking low-skilled workers. *Approximately 60 percent of the jobs available in the Waco area require no more than a high school diploma.*
- Median hourly wages in Waco are slightly below state averages for key occupations

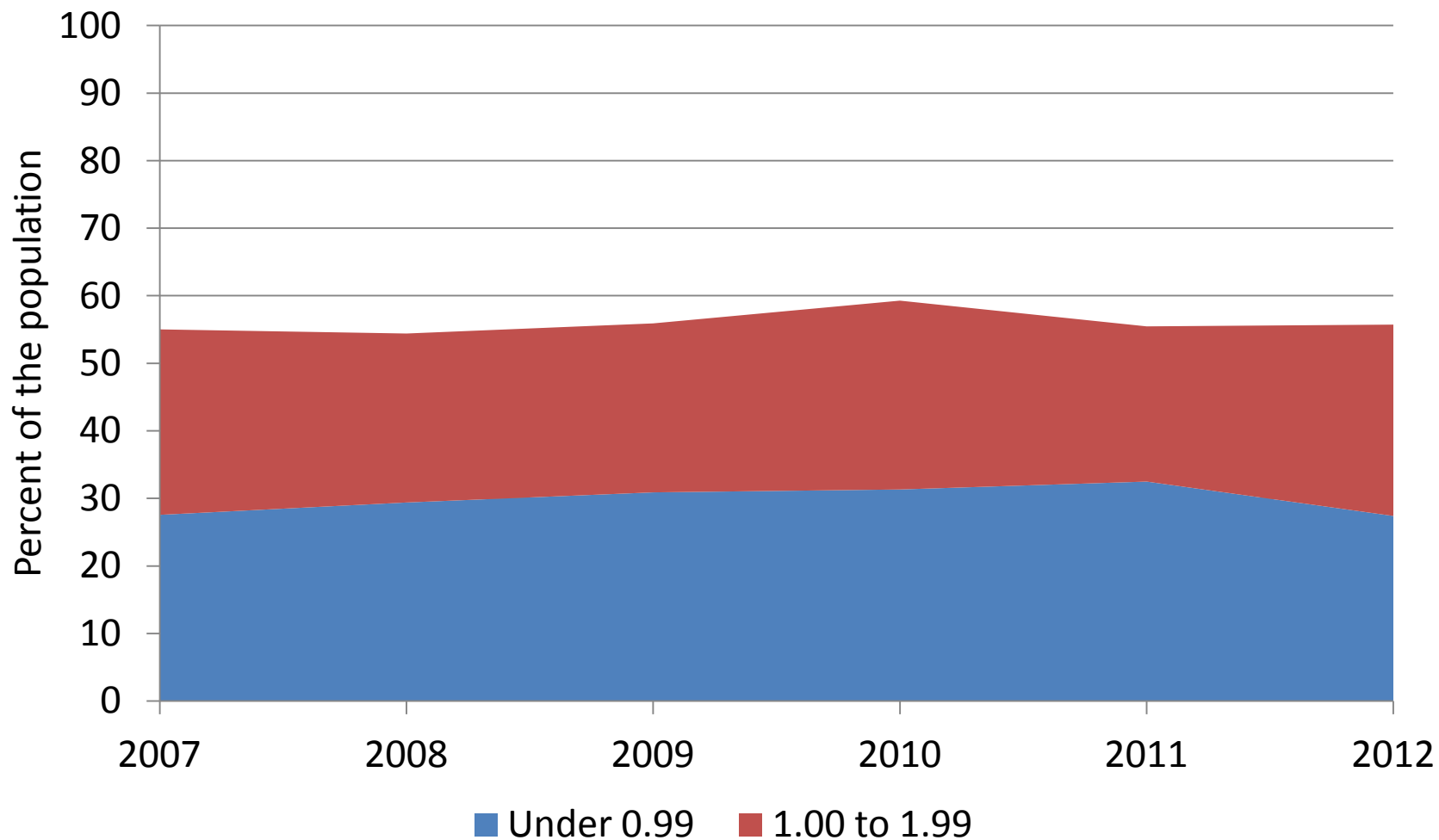
Major Findings

- Unemployment is concentrated among the city's younger adults. *If a young adult has a slow start in their career they will likely never recover.*
- College entry and graduation rates for African Americans are extremely low
- Transportation is a barrier, in part, because individuals do not work where they live, but instead work throughout the metropolitan area

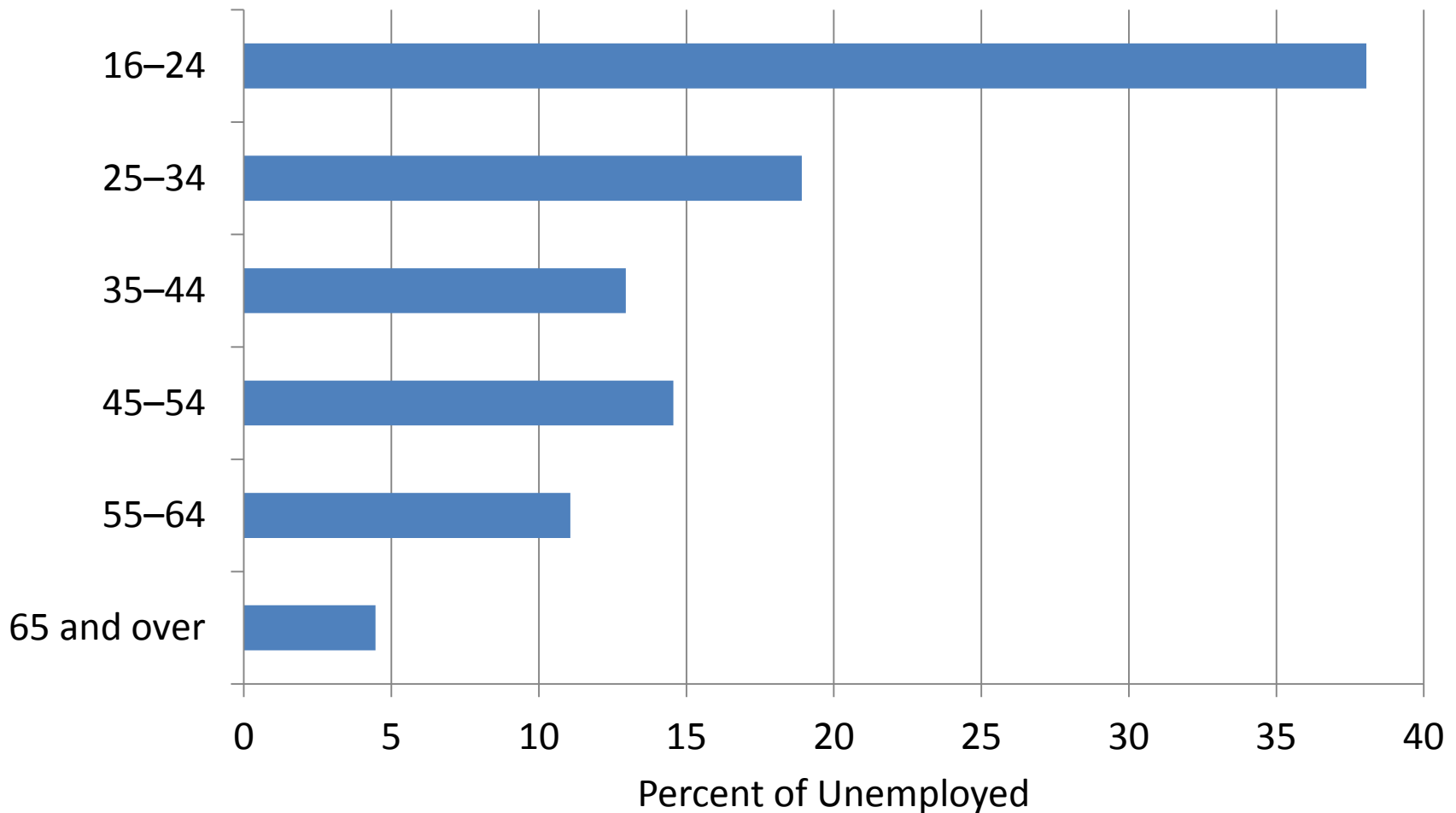
Percent of City Population Living Up to 200% of Poverty, 2006–2012 (excludes students)



Percent of City Population Living Up to 200% of Poverty, 2006–2012 (includes students)



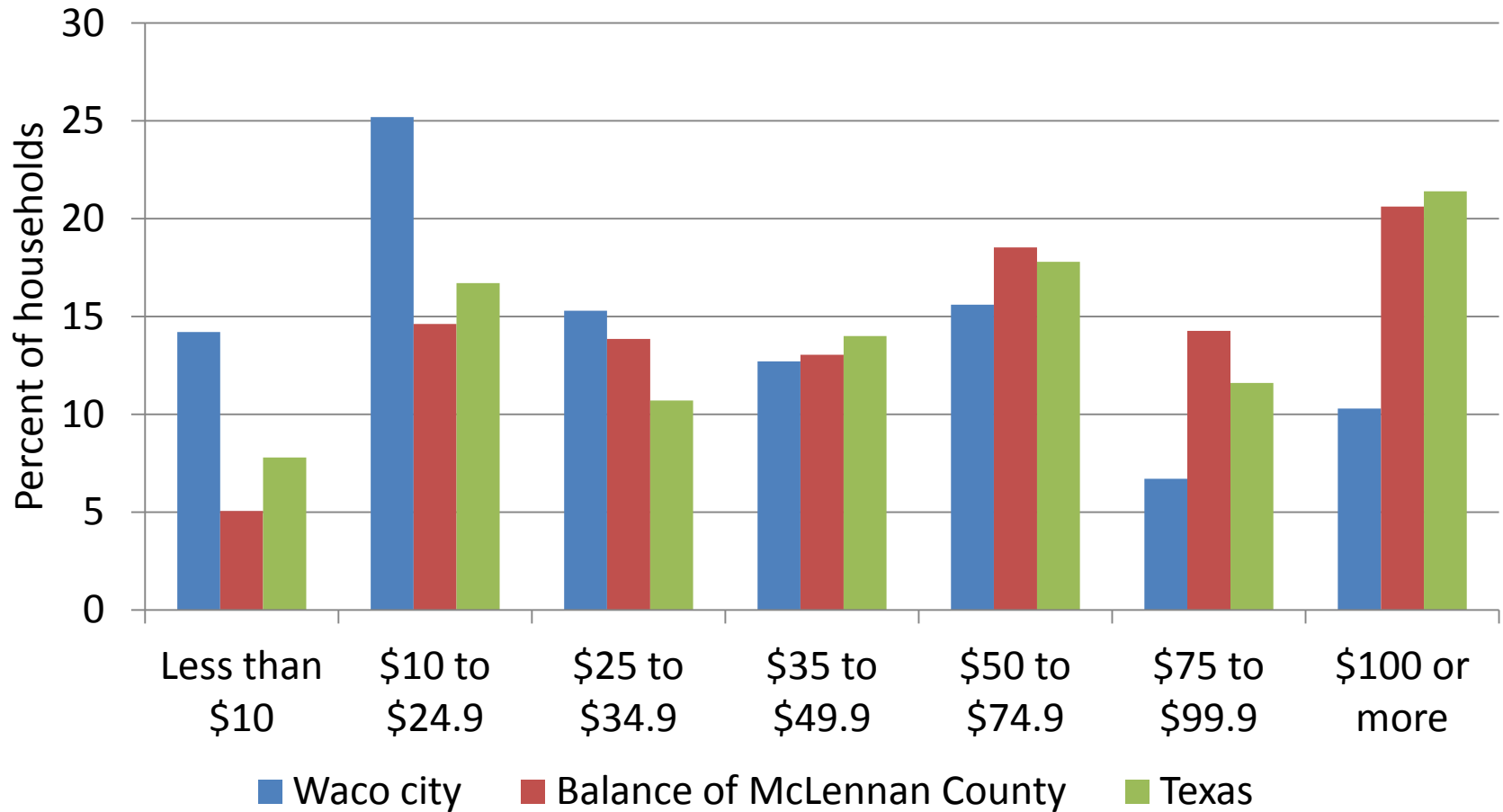
Age Composition of the City's Unemployed



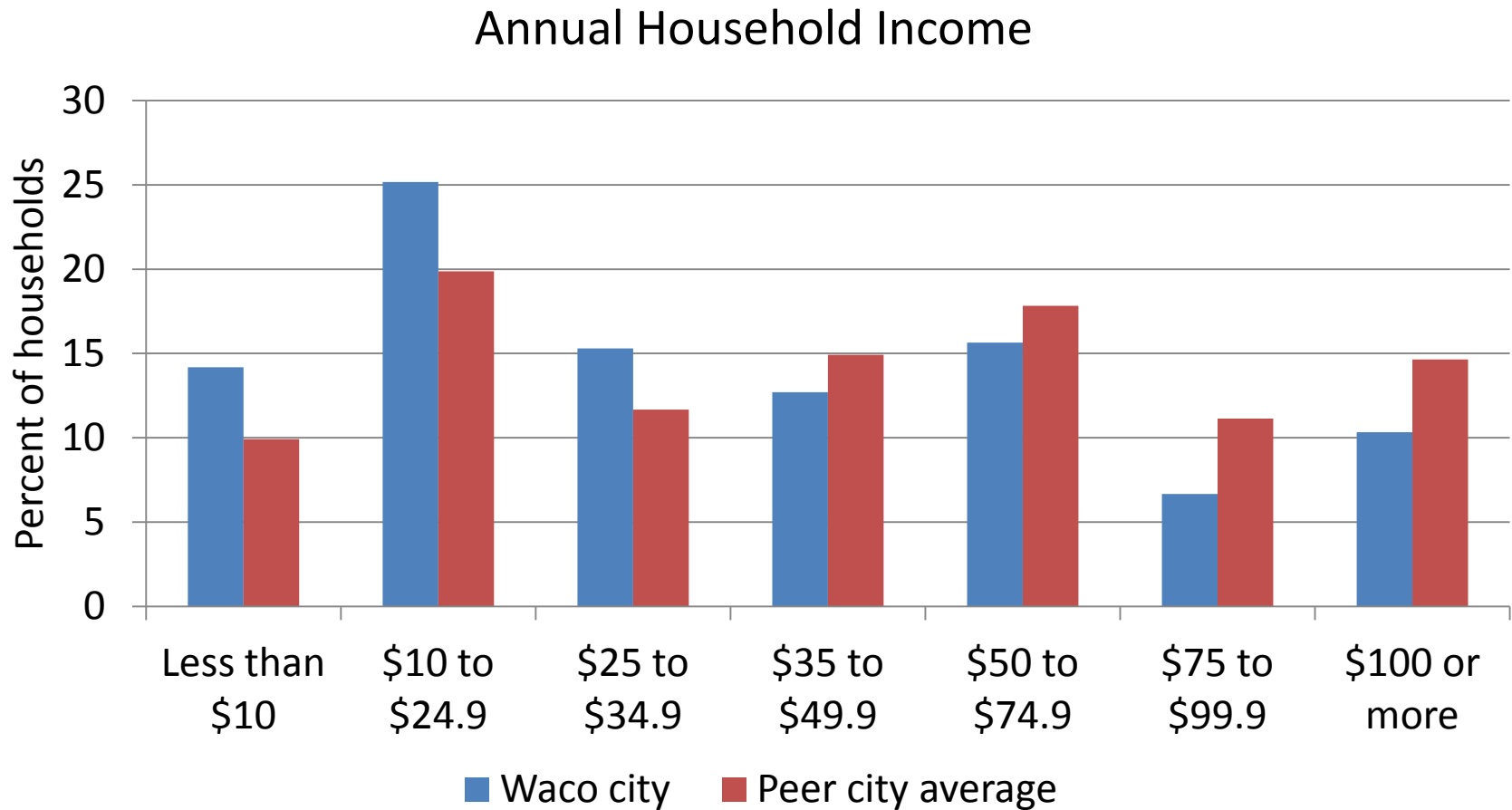
Employment Change for Peer Metropolitan Areas

Area	One year percent change	Ten-year avg. ann. change
Waco	1.0	0.3
Abilene	1.2	0.6
Amarillo	0.9	0.9
College Station-Bryan	4.1	1.8
Killeen-Temple	1.5	1.7
Lubbock	2.6	1.0
Odessa	2.2	3.6
San Angelo	2.4	0.7
Tyler	1.8	1.0
Wichita Falls	-1.0	-0.5
Average	1.8	1.2

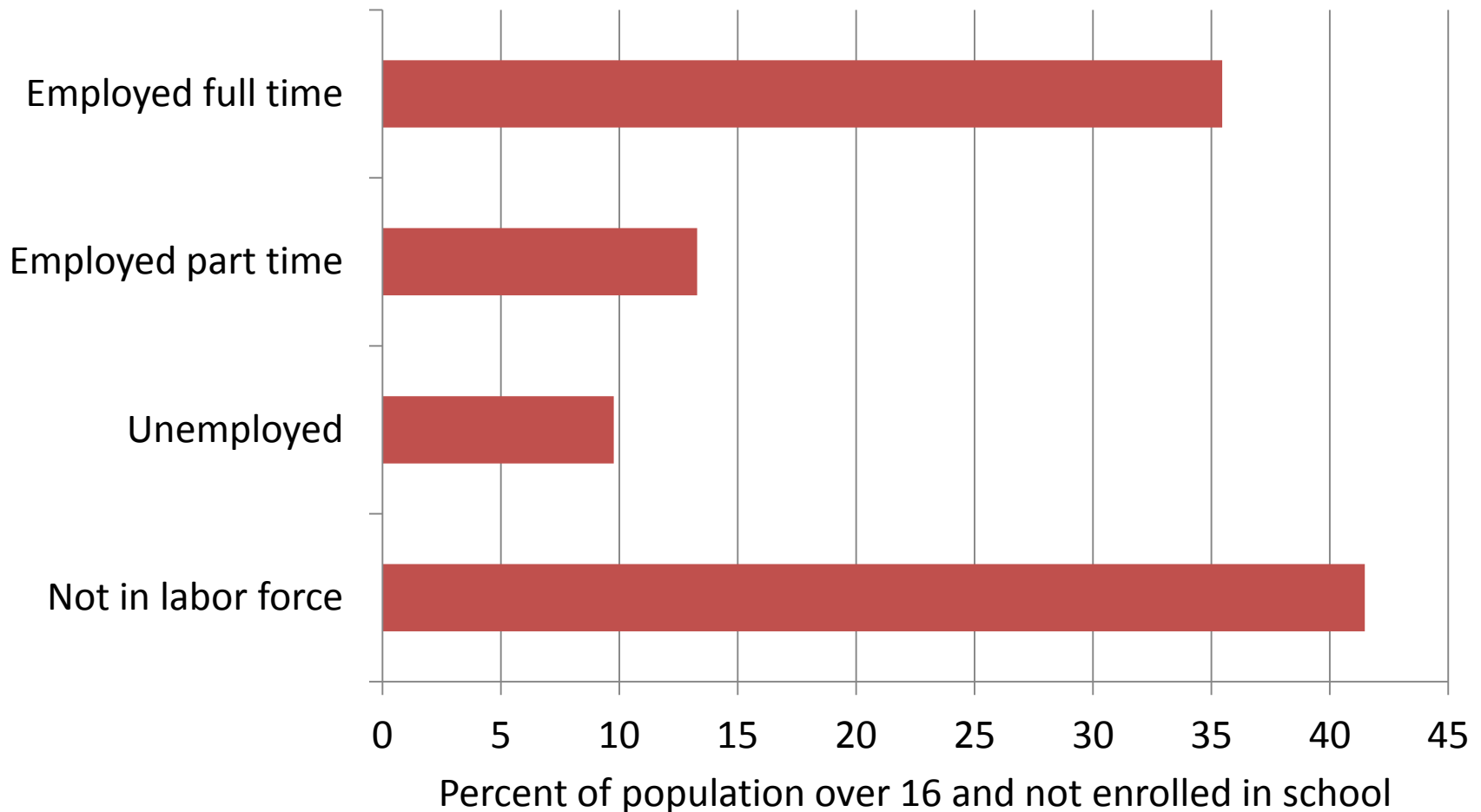
Annual Household Income



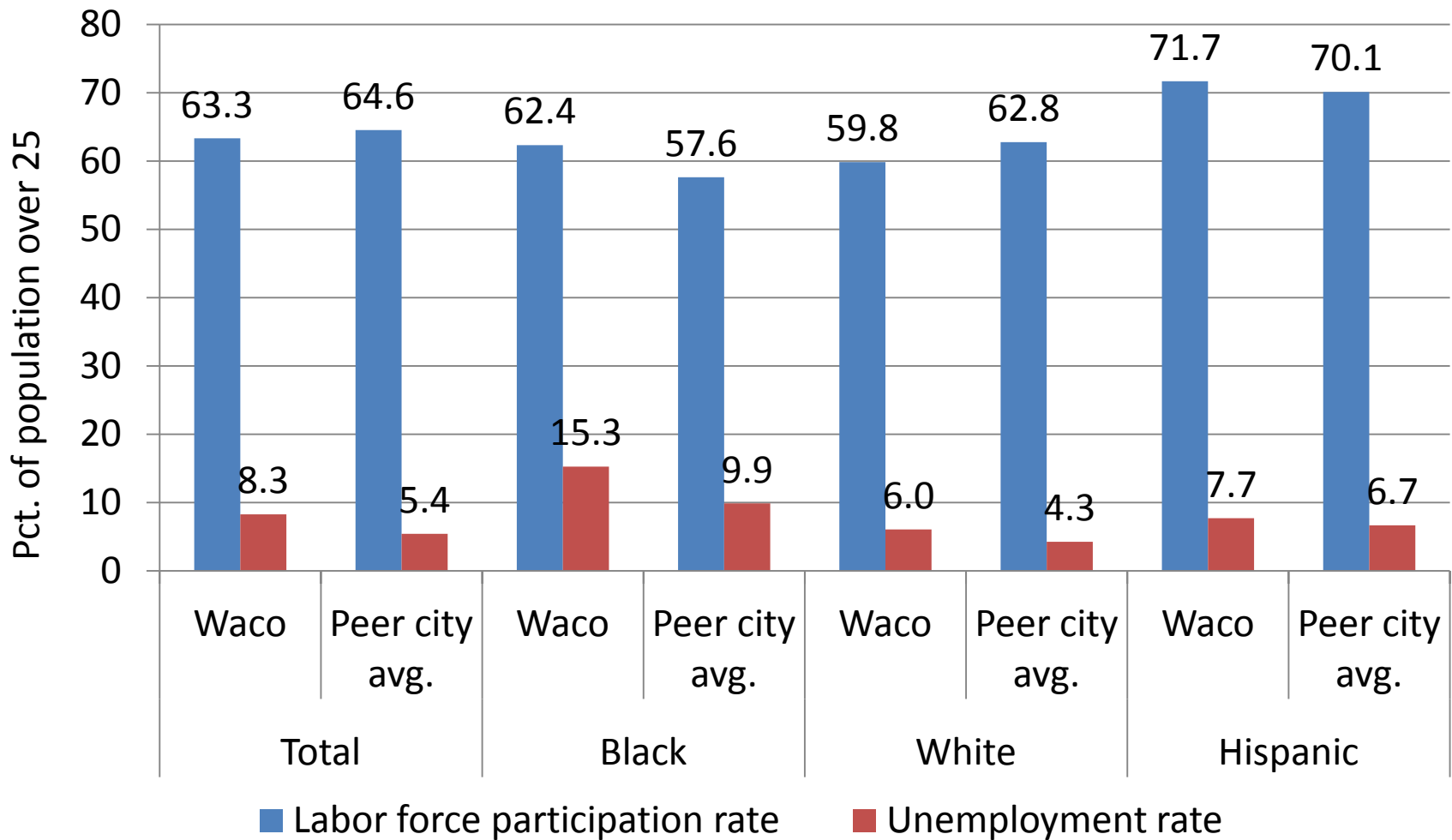
Annual Household Income



Labor Force Characteristics of Population Living in Poverty (200% of federal poverty guidelines)



Labor Force Participation and Unemployment Rate by Ethnicity



Cost of Living and Cost of Business for Waco and Selected Texas Cities

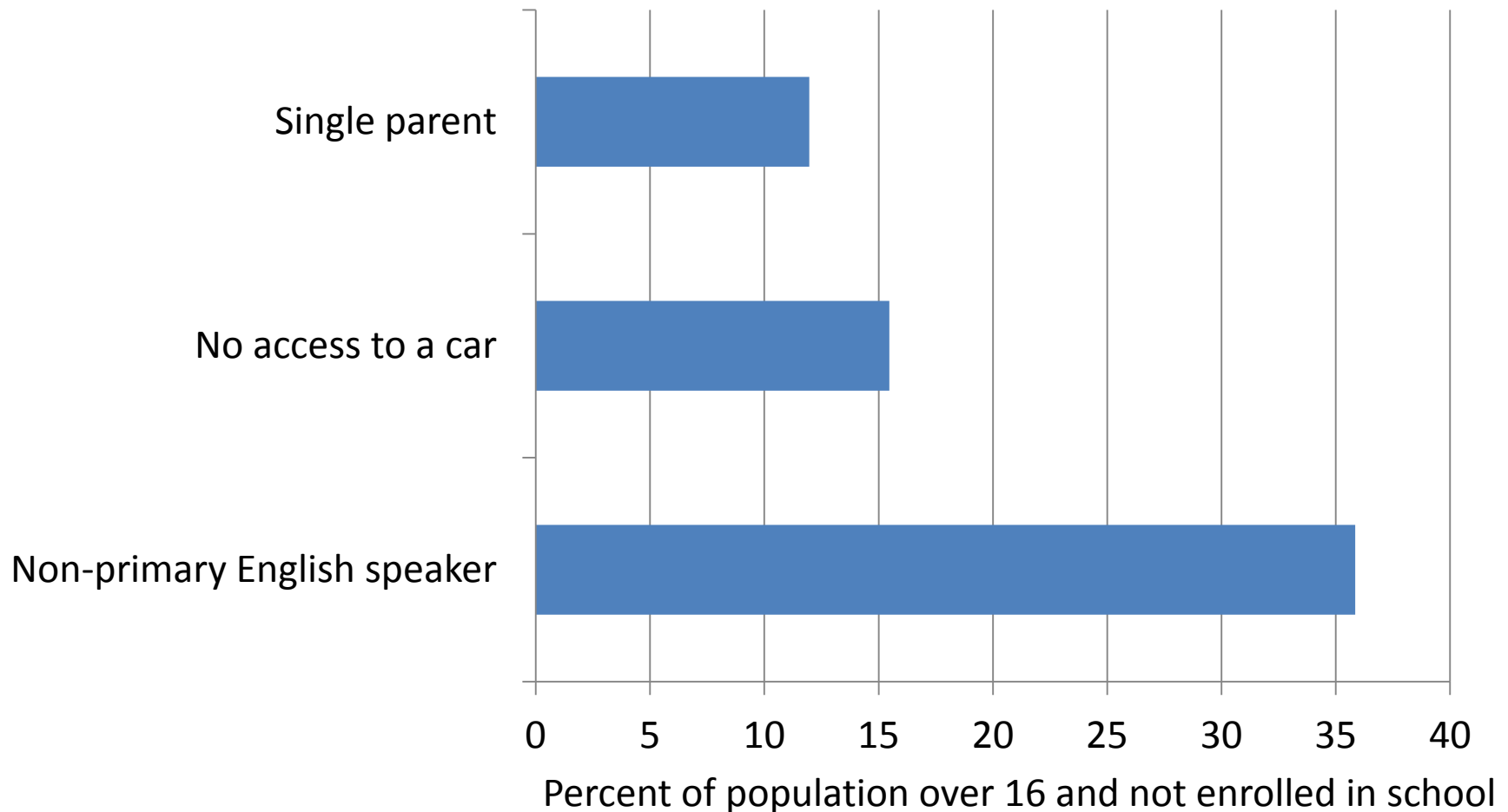
Area	Cost of living	Cost of business
Dallas	104.3	101
Austin	101.4	102
Houston	100.8	112
Tyler (peer city)	98.7	96
College Station (peer city)	96.3	82
Odessa (peer city)	95.4	94
Abilene (peer city)	95.2	85
San Antonio	94.8	81
Amarillo (peer city)	94.6	82
Lubbock (peer city)	94.6	91
Waco	93.0	92
San Angelo (peer city)	91.5	87
Wichita Falls (peer city)	91.1	90

Why are we that way?

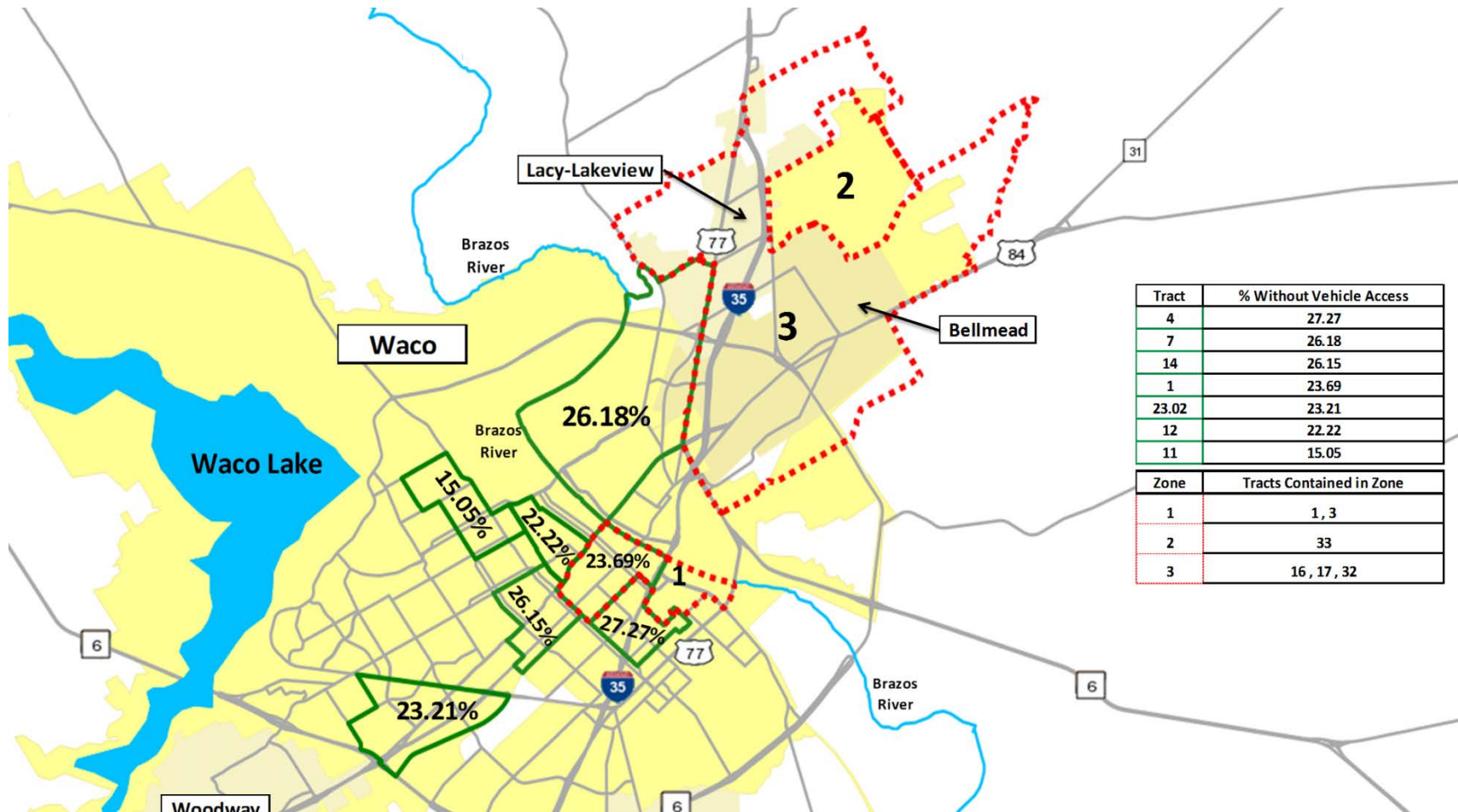
Perceived Barriers Facing Economically Disadvantaged Individuals in their Efforts to Find and Maintain Employment

- Reliable transportation to work
- Limited education/training/skills
- Wage rates are too low
- Lack of adequate child care

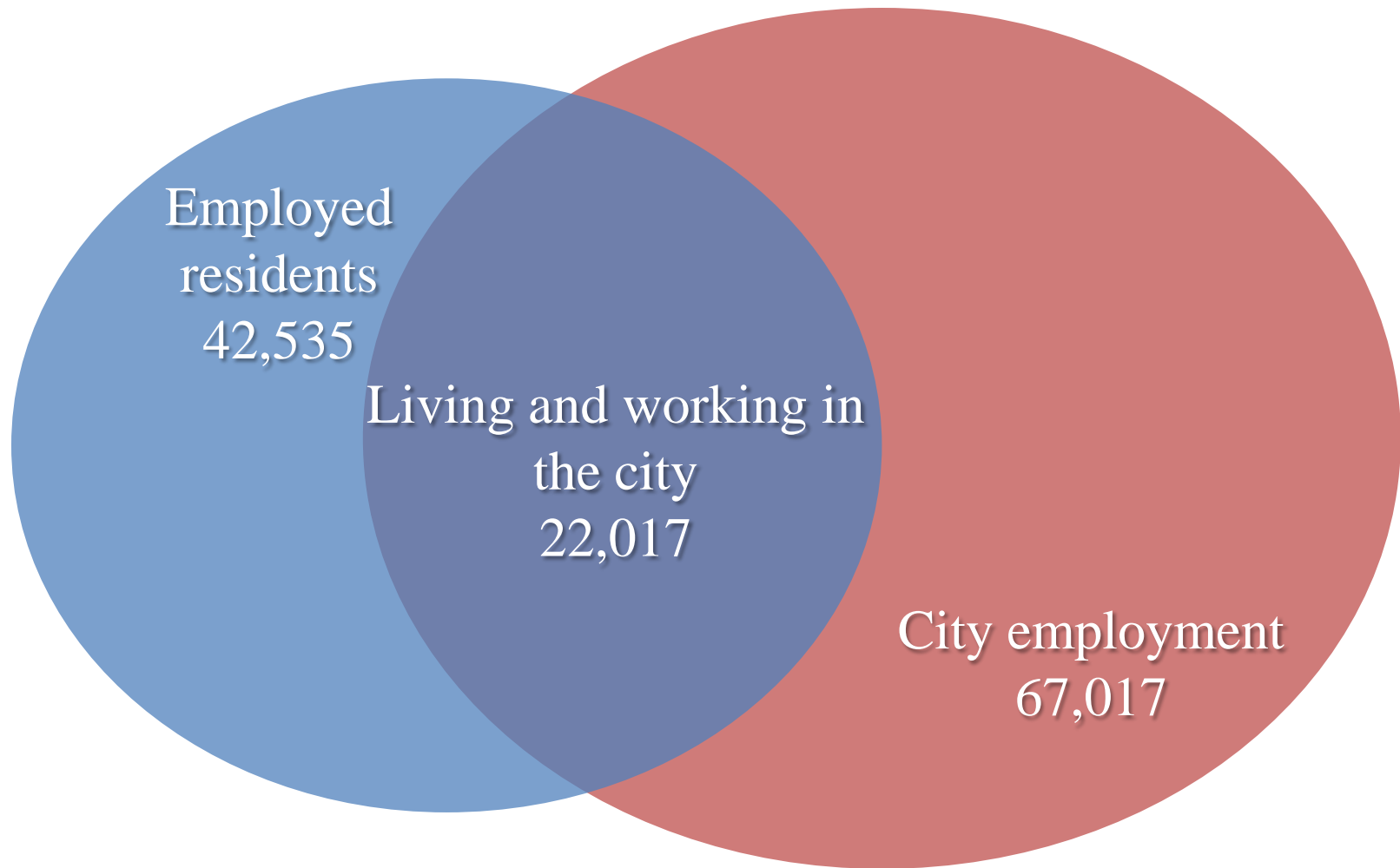
Other Characteristics of Population Living in Poverty (200% of federal poverty guidelines)



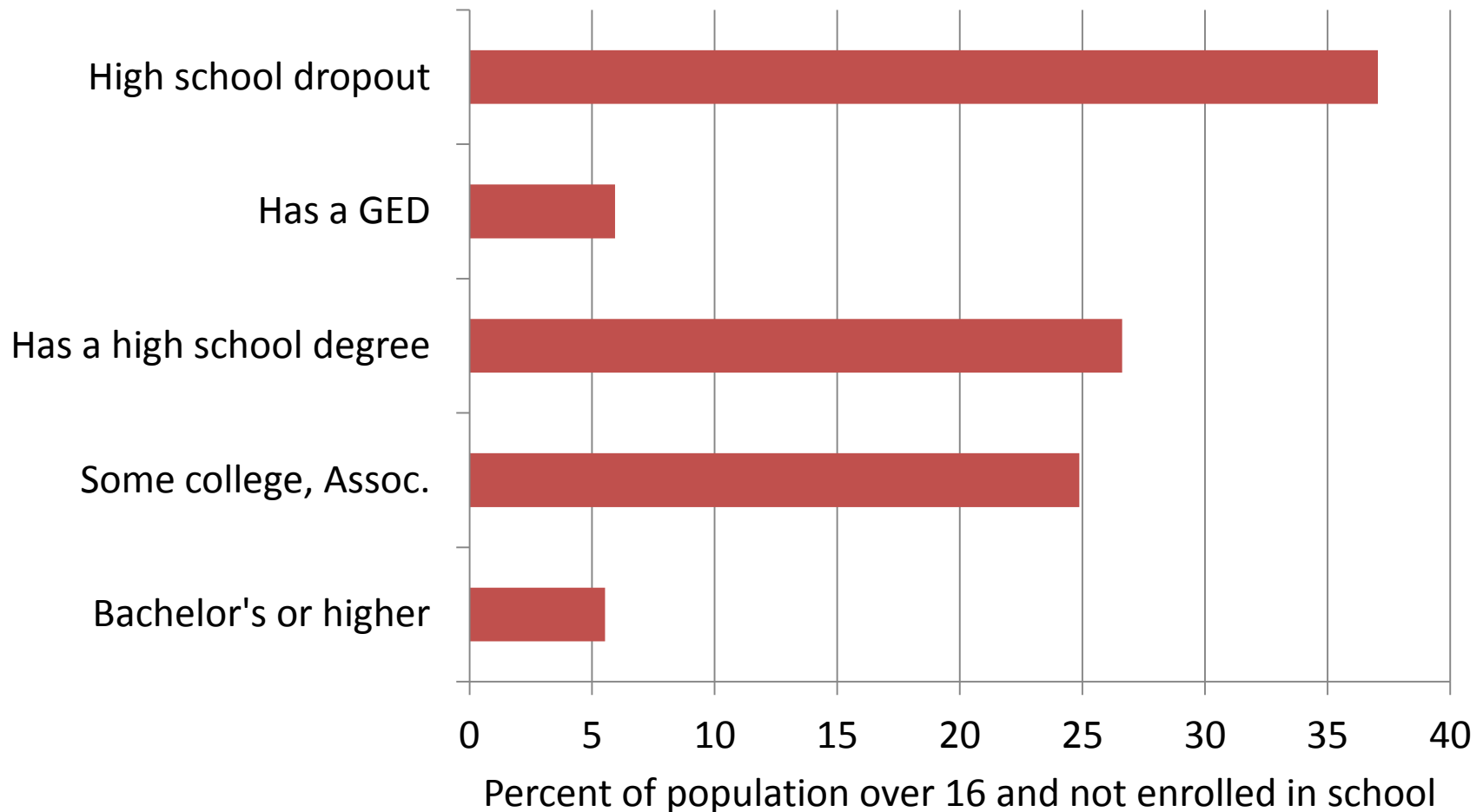
35 to 64 years, in Selected Census Tracts That Do Not Have Access to a Vehicle



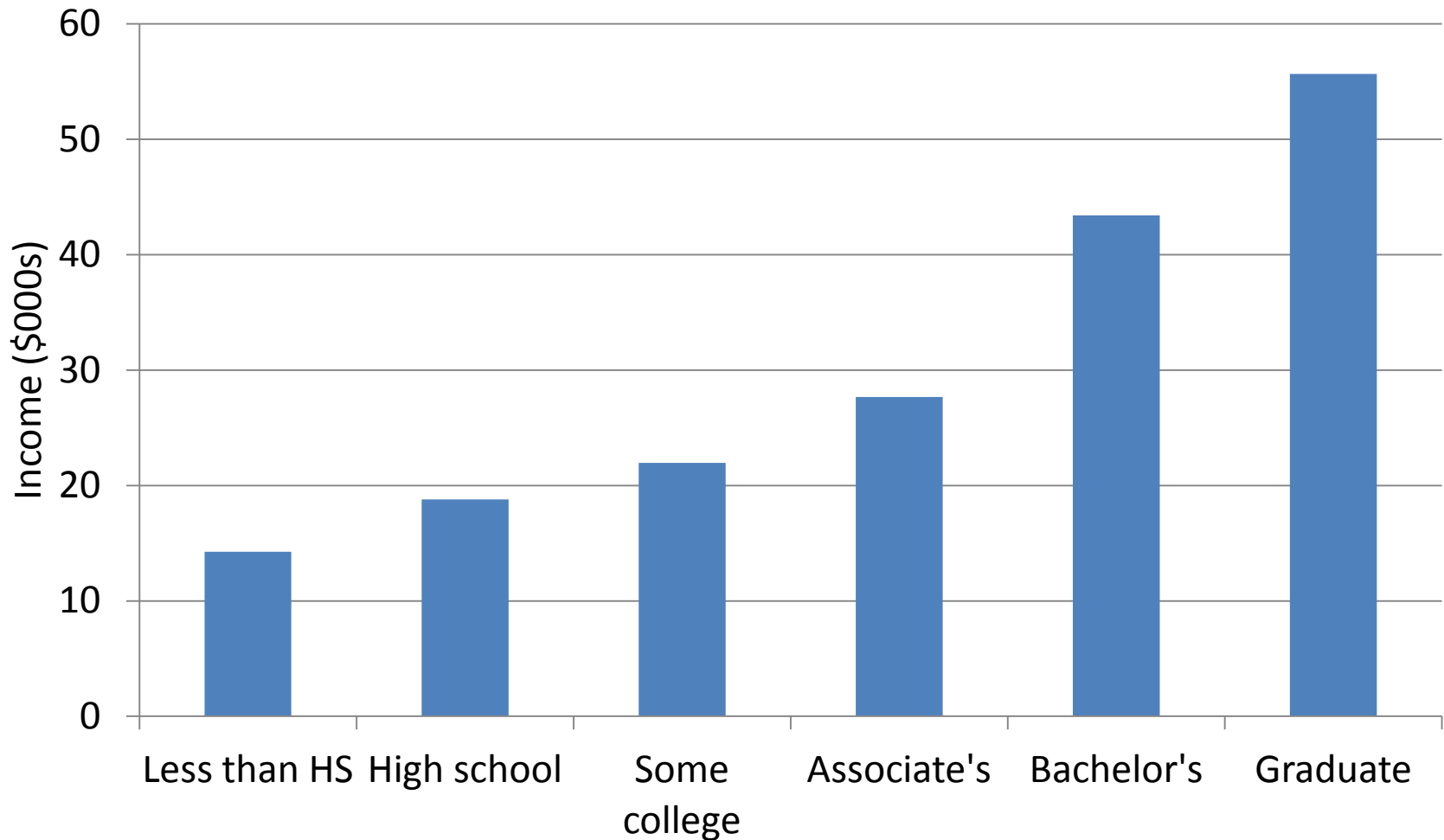
Metropolitan Waco Commuting Patterns



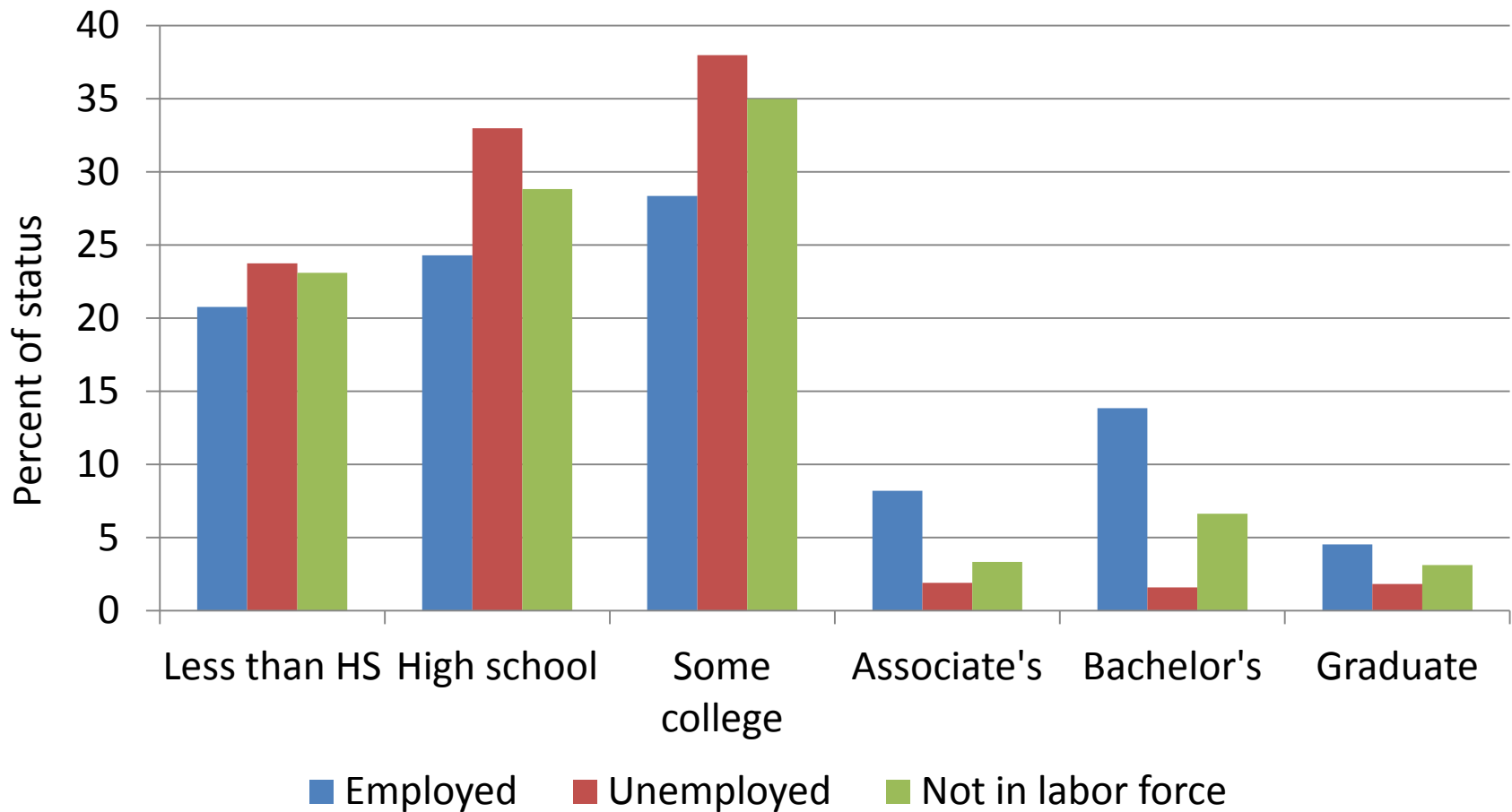
Educational Characteristics of Population Living in Poverty (200% of federal poverty guidelines)



Average Income by Educational Attainment



Labor Force Status by Educational Attainment



Median Hourly Wages for Selected Occupations

Occupation Title	Waco	Texas	Difference
Industrial Production Managers	31.87	43.75	-11.88
Computer Systems Analysts	31.62	33.93	-2.31
Network and Computer Systems Administrators	30.60	31.04	-0.44
Computer User Support Specialists	18.44	19.98	-1.54
Graphic Designers	16.70	17.62	-0.92
Registered Nurses	28.70	29.66	-0.96
Licensed Practical and Licensed Vocational Nurses	21.71	20.12	1.59
Operating Engineers and Other Construction Equipment Operators	13.80	16.02	-2.22
Electricians	18.28	19.52	-1.24
Plumbers, Pipefitters, and Steamfitters	24.32	19.71	4.61
First-Line Supervisors of Mechanics, Installers, and Repairers	25.79	26.61	-0.82
Industrial Machinery Mechanics	21.34	21.03	0.31
Maintenance and Repair Workers, General	12.52	14.05	-1.53
First-Line Supervisors of Production and Operating Workers	22.86	26.36	-3.50
Machinists	17.76	17.66	0.10
Welders, Cutters, Solderers, and Brazers	13.74	17.22	-3.48
Inspectors, Testers, Sorters, Samplers, and Weighers	15.62	16.88	-1.26

What are we going to do about it?

Recommendations

1. Implement an Employer-Driven Workplace Readiness Skills Training Program
 - *Must be supported by the business community for economic reasons*
 - *Must meet the needs of working-age economically disadvantaged residents*
 - *Must have a neighborhood presence*
 - *Must offer support service to participating workers for up to 18 months*
 - *Must be monitored to measure its impact*
 - *Must be interwoven with community-wide efforts to address core issues impacting long-term poverty*

Recommendations

2. Develop Target Industry Career Fairs

- *Unique, invitation-only, two-day events that focus on the need of employers in a single-targeted industry*
- *Most appropriate for job seekers who are relatively job ready*
- *Job seekers are required to register in advance to attend day one, which reviews and teaches necessary skills for targeted industry*
- *Job seekers must successfully complete day one for admittance to day two job fair with employers*
- *Employers from targeted industry must have current openings*
- *Results indicate high level of motivation required by job seekers to participate in job fair translates to a greater probability of retention once hired*

Recommendations

3. Extend the Activities of the Consortium of Employers to Include Shared Training Needs
 - *Develop stronger lines of communication between employers and MCC and TSTC to continually identify training needs, inclusive of ESL training*
 - *Share the benefits and costs of a “success coach” available to workers who can address work and non-work issues before they become job threatening*
 - *Should be monitored to measure impact on reducing turnover and improve productivity*

Recommendations

4. Bring Jobs to City Residents

- *Encourage manufacturers to locate in the inner city, which would directly alleviate the transportation barrier faced by many residents*
- *The parcel could also be located near existing daycare centers, resolving another key barrier*
- *The development would improve the city's tax base*

Recommendations

5. Improve the City's Delivery of Economic Development Services
 - *Improve the City's Economic Development Website*
 - *Create a Brand Identity for the City*
 - *Enhance attraction and outreach efforts*
 - *Enhance delivery and further promote the concierge service*

Recommendations

6. Development of an Education Pathway for African Americans to Enter and Complete College
 - *Explore high school and community based outreach models, such as Future Centers, to connect the MAC College Money Program with target populations*
 - *Explore an accelerated program for targeted English developmental education students*
 - *Explore developmental math education models*
 - *Establish support services such as tutoring and small learning communities*

Recommendations

7. Design and implement system improvements to ensure all children are ready for kindergarten
 - *Focus on access and quality with the goal that all children who enter kindergarten are ready academically and socially*
 - *Have Prosper Waco seriously consider adopting quality early childhood system*
 - *Encourage the expansion of SmartBabies Early Childhood to include the issue of kindergarten readiness*

Taking the Next Steps

- Currently holding discussions with companies to determine if they would be willing to participate in the Workplace Readiness Skills Training Program
- Prepare worksheet for companies to use to estimate cost savings due to lower turnover rates and improvements in productivity

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