

## Notes from RegionSmart with Dr. Jim Johnson March 29, 2019

### What is your largest take-away from Dr Johnson's presentation? How does it impact the MidSouth?

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- Being more aware of what is out there will allow me to do more. For example, the IRS Tracking Data.
- Collective Ambition is my greatest take-away. We have a willingness to want to fix things. One of our greatest assets is that we are not in denial about our limitations, but we need to be more transparent about our own self-interest and leverage those in an enlightened way that allows us to do what we do best in a coordinated way.
- Even though we have MWBE & DBE policies in place, we need to look at the spirit of them. I.E. How are opportunities being created through these policies? Are these policies creating a more equitable world, or do they just look good on paper? Are they creating opportunities and sharing wealth, or have we missed a step in the process?
- We must be intentional and genuine.
- Rather than look at the 51% ownership (in industries with limited diversity), shouldn't we look at the composition of the company? How many women & minorities are in leadership, or board, positions. Who is being mentored to become future industry leaders?
- We need to think about what certification processes do to create barriers... It feels like no one is rowing in the same direction.
- We have a lot of work to do as it relates to pay equity & retention of young talent.
- When you have gentrification, professionals can't afford to live. Memphis property is so cheap, investors are just buying it up. Example: Crosstown has caused existing residents to either move out or start paying higher taxes in a neighborhood that previously had stabilized property values.
- We need to ensure affordable housing is being built with all the development happening in our community. If the median income level is \$46,000, we need to provide housing for people that actually live and work within this income level.
- We have to ban the box & stop drug testing and credit checks. We have to reduce these barriers.
- The working poor is no longer just the janitor. It's the teachers too
- Create a "yes in my backyard" mentality
- Continuing to break barriers across public/private partnerships
- Focus on growing small, entrepreneurial businesses. From 2-10 employees and more
- Building communities holistically addressing housing, education, transportation, etc.
- Dr. Johnson was spot on regarding comments on young people. It is important for Memphis to recruit people for jobs, especially the young people as this generation needs to be focused upon.
- Memphis does not have as significant a challenge regarding the Working Poor as does Durham. Memphis's challenge is nonworking poor and how to address.
- Population migration affects our business. This hurts the availability to train enough people to meet the needs of industry/businesses. Industries/Businesses migrate/fail to locate in the area.
- Opportunity to avoid mistakes of Atlanta, Nashville, etc.
- Working poor in Memphis – what does that look like?

- Development isn't bad – but how is it best for our community?
- Working poor very impactful/important to improving overall economics of city
- Transforming the way people live is good – but just focusing on their name isn't enough. Need to look at ways to transform peoples' lives
- Connecting the dots between more sustainable housing and environmentally friendly for working poor/lower income households
- There are some steps that have not been taken by our city planning that could begin to make a significant impact – collective ambition is important to empower other organizations
- Migration dividend interesting concept. Helpful to understand how recruiting people with higher incomes will impact current community. Need to focus on more than increasing median area income.
- Amenity rich are migration magnets: Has Memphis made an investment in making us sustainable, amenity rich, stable neighborhoods/areas in the city?

## How will what the said impact your business? Your industry?

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- How are we using data to drive our decisions? And where are the teeth?
- Reaffirming to hear things people have been guessing for awhile
- How can we better communicate in local government? \$\$ to developers – HCD, MLGW, etc. Needs to be one conversation
- How do we implement 3.0?
- Memphis working poor – they're not just on the streets – how can we bring everyone up?
- Need for contractors – need to train
- Memphis has a large unskilled labor force
- Disconnect between education community & commercial community
- Continuing concern of companies being listed in "wives" names
- Our net population growth hurts our ability to attract and retain the companies that offer high paying jobs.
- Many people leaving the city are skilled/trained workers.
- TCAT:
  - TCAT would do more if TCAT had more funding to expand offerings & buy equipment.
  - TCAT's biggest problem is that they are losing faculty to higher paying jobs to industries.
  - Question: Why not partner with Shelby County Schools? Answer: We are. TCAT offers dual enrollment and so does SWTCC. There are 14 different dual enrollment programs currently. There will be more with the opening of Collierville High.
  - A large portion of TCAT students will not go on to a four-year school. TCAT Training leads to jobs/employment opportunities that have salaries that pay more than many 4-year degrees/majors.
  - TCAT 60%/70%/70% - 60% of enrolled students must complete their program. 70% must be placed in jobs. 70% must achieve licensure. Otherwise the program will be shut down.
  - Inequality & Working Poor – The affects that it has/will have on the success of TCAT Memphis. TCAT constantly looks at data and uses that data for holistic workforce development & training. This is the primary goal of TCAT. Includes soft skills training (interview skills, time clock accountability/with early start times as

- you see in the workplace with supervision and consequences for not meeting expectations) to prepare students for the jobs they will have.
- Question: How about people who have convictions or failed drug tests? Answer: TCAT is working to fight recidivism in partnership with Hope @ Hire. They offer programs in Construction, Masonry, I.T., Forklift Operations, etc. to inmates about to be released from Shelby County Division of Corrections. The Workforce Investment Network (WIN) works to place program graduates in jobs.
  - TCAT looks at the populations we serve and prepare to train students for the jobs that exist.
- Companies that invest in student training are more successful in employee retention.
  - We must do more in Memphis & Shelby County to retain our trained young people.
  - The City of Memphis has a sustainable division that is not well known and maybe not be utilized to its full potential. We need to make a focus about using these tools.
  - There needs to be collaboration within government. Diversify suppliers. Memphis has an office of diversity. Is that group being involved in diversity spending and supplies?
  - Is education being laid out correctly? Are trades being taught and there was a general agreement that vo-tech training needs to be taught.
  - The airport authority offers example of making big contracts which could not be handled by smaller contractors, of breaking these contracts into smaller contracts/ offerings. The small groups still have challenges on bidding and need assistance being educated on the business of business. Memphis airport authority goes over with contracts vendors about why they did not win the deal in order to teach them for the next time. Additionally many groups are missing out on grants which are being won by financially strong groups versus the deserving groups that need them but not educated on how to apply to win.
  - How are we implementing actions? One comment was using Streets Ministries where you can hire labor through Streets and Streets brings them young workers to the site, pays by the hour, offers transportation and a counselor is present.
  - Transportation is tough in Memphis.
  - A focus of the community needs to be small businesses. These are stabilizing to neighborhoods.
  - The EDGE program has a small business program. There is a program in south city for business for outside improvement period. Are there programs small businesses and existing businesses can apply for similar to pilots for large corporations.
  - There needs to be a focus on the working poor towards helping with homeownership and incenting people to move back into the city. Supporting neighborhoods that are in crisis or at a tipping point needs to be implemented. Good/Stabilized neighborhoods stopped distress
  - There is a hard sell in trying to make sure people/companies understand an area needs a diverse population close by. Diverse population can provide people for jobs at all levels.
  - We need more mixed-income schools
  - We need more employers that are willing to allow flexible schedules for parents, so they can be more involved with kids in school.
  - Need more minorities in skilled labor trades
  - Need ways to encourage MWBE growth in lacking areas – mentor relationships possibly

- Educational Attainment, Employment and Wages
  - Discrepancy between college vs non-college – white vs non-white
  - Need to get college right
- Equitable Development Venture Fund
  - Need to take closer look at other cities and their success models
  - Who should fund Private financial fund?
- DMC: Cross Section between private and public needs to be focused beyond just Downtown
- It is important to make advancements to improve access in education and opportunity. More equitability
- We need to work more collaboratively to address these issues – public & private sectors
- Need to help high school and college grads see value in a variety of jobs (not just white collar jobs)
- Skill gap in existing workforce is also problem. They may not be aware of opportunity
- We need to figure out how to improve peoples' wage
- Impact investing could be helpful vehicle
- Where is our orchestra conductor? Where does it come from?
- Important to have anchor employees at the table and having the same conversation
- Opportunity industries for Memphis: Next wave of logistics; Robotics; Need integrated workforce strategy; Businesses need to provide direction for job training

### **What is it that binds us together about this information and how should we work together regionally?**

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- If we do not adjust our current ways, we will not have a workforce as people retire.
- We need to make sure our K-12 students have basic necessities met. Otherwise, they will not receive the full benefit of their education.
- Our work is with people in crisis, who disproportionately are the working poor. If we can find solutions for our folks, this region benefits economically.
- In looking at performance, I will look through the lens of equity, working poor & ???
- We want to be better. We want to be safe and healthy. More and more we recognize that we are tied together.
- When one person succeeds, we all win. When one loses, we all lose.
- Better coordinated work between government.
- Pushing to ban the box and pushing leaders to provide affordable housing based on median income.
- Everybody wants to be a part of the community, have a commitment to place and all wants to see the core do well.
- We may not understand our own demographics.
- We may not understand our own demographics, especially the aging. Aging in place is hard financially with homeownership, repairs and maintenance. Some have children and parents living with them.
- Memphis has a lot of outside ownership for houses, too much of the rental housing stock is investment properties owned by out of town, unknown LLCs, which is not positive
- Commonalities bind us, shared vision, mission, business ventures, need to work together on Vision Councils, Mission Councils in a Collective Administration in the interest of Economic Prosperity and Profitability.

- Collective Engagement
  - Privilege, Execution, Strategies
- We need to remove barriers like: 1) Property assessments needs to be lowered to close PILOT on Frayser development; 2) Working poor aren't eligible for programs and benefit from government – is that the role of philanthropy?
- Problems of getting businesses: Airport – no direct flights; Property taxes – drive people out, especially investors

### **What actions could you take (or should you take) based on today?**

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- Research Equitable Venture Capital Funds in other cities
- Research the Median Income of Shelby County
- Keep trying to hire from Memphis
- Model the way (leading with action)
- Participate in the economic growth process
- Policies/best practices/shared prosperity
- Expand jobs training
- Develop our scorecard and flow chart the effect scores
- Memphis 3.0 is a good start
- I will work to provide equal access to opportunity and encourage diversity among leadership, so we have a group representative of our population making decisions.
- Check my own personal and organizational self interest and do what we can do well and better. Let the other experts do their part and stay in their lane.
- How to be competitive? Be an equitable city.
  - Govt should provide incentive for small businesses to adopt a proactive Equal Business Opportunity program
  - Contractors vs. Subcontractors
  - How are we enforcing it?
  - Private (non-federal) dollars have no need for compliance
  - But then how do we compete nationally (large tax incentives for companies)
  - Montgomery county, VA – need to plan for % of homeless
  - Know we can't afford to live in Nashville!
  - Appreciate the perspective in a comprehensive manner + data
  - Compliance piece – ex: Electrolux
    - Who went to check it out?
    - Who made sure they were successful?
    - Accountability
    - What is the drawback?

### **Misc Comments/Ideas:**

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- It would have been helpful to see data by age
- Equitable Venture Capital Fund
  - Most cities have similar problems to Memphis
  - Is throwing more money at it going to solve the problem – No “One Size Fits All” solution
    - Frayser and Whitehaven are different
  - Why are businesses not already populated by a diversity of people?
  - Need a network to introduce minority business people to major contractors

- Opportunities
  - Internships
  - Apprenticeships
  - Building networks over time
  - Share with the community by training minority businesses and offer to bring them up to high capacity expertise.
  - Education system is not adequate
  - Graduate High School Rate – 80%
    - Only 5% of them are college ready
    - Need honesty in education
      - Prepared should mean prepared
    - Disparity between schools
- Shelby County Schools System is disproportionately large versus other cities.
- Teachers are teaching for the CAT Test rather than general education
- Kids are being classified in order to secure more federal and state funds
- Teach what a kid needs to succeed in life not for specific tests
- How do you help an entrepreneur who does not have access to capital?
  - Need more aggressive version of the current access to capital systems and other institutions
  - Need to go beyond the standard and basic methods of contacting women and minority firms to participate in contracts and projects
- Businesses have challenges in finding employees because of aging of workforce. Need to train young people.
- Manpower Issues: Need to balance: Cultivating existing lower education workforce and attracting new people from outside Memphis. There is a tiny information sector and logistics jobs may be going away.
- Need a plan to recruit former Memphians to come back home. Need opportunities for them and to Target sectors.
- Some young people have left Memphis due to other factors from jobs including amenities. What caused them to leave? Want to start over on their own and move
- Why do we not have a workforce to do basic tasks?
  - Goes back to Pre-K
  - 40% of kids in schools live in HH with less than \$10,000
- Companies need to help people start at the bottom and then work up to higher positions.
- Bias: The Overt has changed to economic bias (like redlining). Need to fix the wrongs of the past