

JPMORGAN CHASE & CO.

BUILDING A MIDDLE-SKILL PIPELINE TO SUSTAIN ECONOMIC GROWTH AND EXPAND OPPORTUNITY

DALLAS-FORT WORTH

EXECUTIVE SUMMARY

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THE DALLAS-FORT WORTH REGION IS THRIVING

The Dallas-Fort Worth (DFW) region is a magnet for new companies and new residents. The region ranks among the top three U.S. metro areas for business expansions, relocations and employment growth.¹ This positive trend is projected to continue through 2023.

The regional labor market has grown **7%** since the end of the recession in 2009, compared with 5% nationally

The region added over **371,000** new jobs since 2001, outperforming the U.S. economy (1% to 0.8%)

The region has contributed **2.2%** of the nation's net new job growth from 2001 to 2013

Job growth is projected to be **1.7%** per year between 2013 and 2023, higher than the projected national rate of 1.2% per year

The regional unemployment rate as of December 2014 was **4.0%** much lower than the national rate of 5.4%²

(Source: EMSI unless otherwise noted³)

MIDDLE-SKILL JOBS ARE CRITICAL TO THE DFW ECONOMY

Currently there are **960,000** middle-skill jobs in the DFW region. These occupations represent 29% of all positions

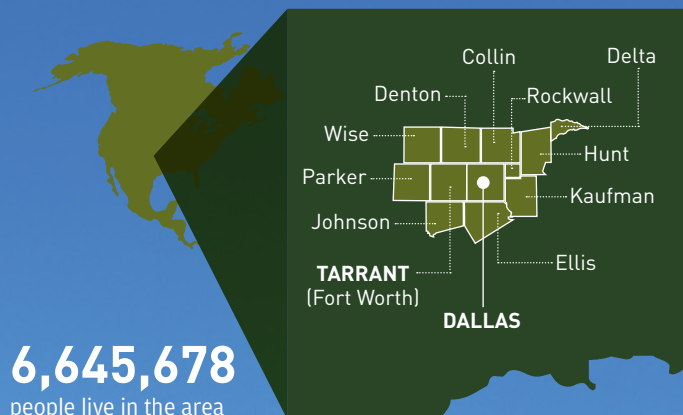
Middle-skill positions pay an average median hourly wage of **\$24.47** 35% higher than the region's living wage of \$18.08

Nearly **42,000** middle-skill job openings are projected every year through 2018

(Source: EMSI⁴)

1 Dallas Regional Chamber. 2014. *Dallas Economic Development Guide*. Retrieved from: trendmag2.trendoffset.com/publication/?i=195133 on February 11, 2015.
2 Bureau of Labor Statistics. 2015. *Dallas-Fort Worth Area Economic Summary*. Retrieved from www.bls.gov/regions/southwest/summary/blssummary_dallasfortworth.pdf on February 11, 2015.
3 EMSI conducted a proprietary analysis of middle-skill opportunities in the DFW region for JPMorgan Chase. All EMSI citations in this report refer to that analysis.
4 EMSI drew upon data from the Massachusetts Institute of Technology's *Living Wage Calculator* for the living wage for a family of three living in the Dallas-Fort Worth Arlington MSA. Additional information can be found here: livingwage.mit.edu

THE DALLAS-FORT WORTH METROPOLITAN AREA



6,645,678

people live in the area

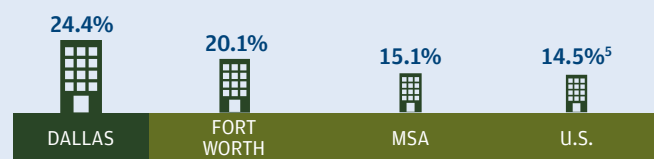
(Source: www.dallaschamber.org)

NOT ALL RESIDENTS ARE BENEFITING FROM THE REGION'S GROWTH

In dramatic contrast to the surrounding region's economic prosperity, the city of Dallas has one of the highest concentrations of poverty in the nation. Many of these residents are unemployed or underemployed, preventing them from benefiting from the region's economic growth.

This opportunity gap is disproportionately affecting African-Americans and Hispanics, who represent a large and growing pool of potential middle-skill workers, just as the region needs to expand its talent pipeline.

Poverty

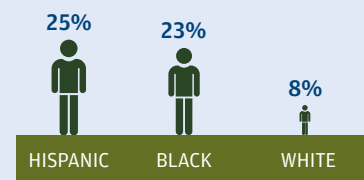


Poverty rate in city of Dallas increased by

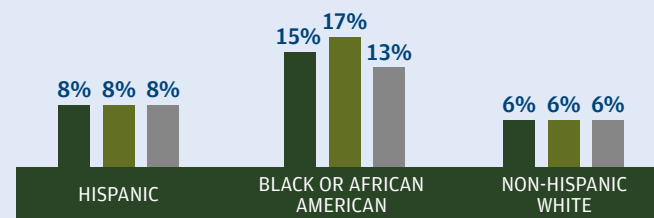
37%

from 2000-2013, while the city's population increased 6% over same time period⁶

Poverty in MSA varies by ethnicity



Unemployment rate varies by geography and race



■ Dallas ■ Fort Worth ■ MSA

(Source: U.S. Census Bureau. *American Community Survey*, averages for 2011-2013)

⁵ U.S. Census Bureau. *Income and Poverty in the United States: 2013*.

⁶ U.S. Census Bureau. 2000. American FactFinder. Retrieved from factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk on February 10, 2015. U.S. Census Bureau. 2013. State and County QuickFacts. Retrieved from quickfacts.census.gov/qfd/states/48/4819000.html on February 10, 2015.

HEALTHCARE AND INFORMATION TECHNOLOGY LEAD MIDDLE-SKILL DEMAND



DALLAS-FORT WORTH

High demand in
middle-skill jobs

HEALTHCARE

5.5%

average annual middle-skill job growth
projected between 2013 and 2018

INFORMATION TECHNOLOGY

3.6%

average annual middle-skill job growth
projected between 2013 and 2018

Core STEM (Science, Technology,
Engineering and Math) skills required for
middle-skill work in healthcare and IT can
prepare individuals for entry into other
sectors and careers

(Source: EMSI)

Nearly 40,000

middle-skill job openings were in these
two sectors in 2013-2014



HEALTHCARE

32,990

job openings

+



INFORMATION TECHNOLOGY

6,739

job openings

(Source: Burning Glass)

High wages for in-demand middle-skill jobs

\$20.29

median hourly
wage for surgical
technologists

\$20.30

median hourly
wage for help
desk positions

(Source: EMSI)

In addition to healthcare and information
technology, the leading economic sectors
with middle-skill workforce needs are:

(Source: EMSI)



FINANCE



**AEROSPACE
MANUFACTURING**



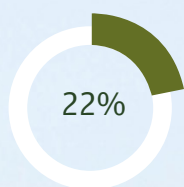
**ELECTRONICS &
COMPONENTS
MANUFACTURING**

WHERE NEW MIDDLE-SKILL WORKERS WILL COME FROM

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

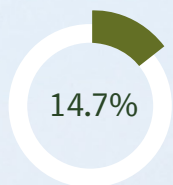
950,000

adults, or 22% of the DFW region's population ages 25 and older, do not have a high school credential⁸



640,000

or 14.7% of individuals in the DFW region ages 16-64 have limited English proficiency⁹



In order to address the DFW region's workforce challenges and the growing opportunity gap, low-income and low-skill individuals need to be among the region's workforce development priorities.

PREPARING MORE PEOPLE FOR MIDDLE-SKILL WORK WILL SUSTAIN ECONOMIC GROWTH AND INCREASE OPPORTUNITIES FOR DFW FAMILIES

Preparing more DFW residents for middle-skill occupations will grow the economy and improve outcomes for DFW families. Businesses will access the steady stream of qualified applicants to meet the demands of the region's economic growth. Residents will earn skills and credentials to position them for skilled, family-sustaining employment. This report is intended to advance efforts already underway by offering a framework for developing a demand-driven career pathways system leading to middle-skill credentials with high labor market value.

EMPLOYERS REPORT CHALLENGES FILLING MIDDLE-SKILL JOBS

The skills gap threatening other U.S. labor markets has had a smaller impact on the DFW economy, perhaps due to the region's robust population growth. Some employers, however, report difficulty in filling high-demand positions and finding applicants with the right skills. In healthcare, for example, many middle-skill jobs are taking up to 50% longer to fill than the regional average duration for open positions.⁷ This emerging trend, along with strong growth in middle-skill jobs, suggests DFW will continue to have challenges over the long term if the region does not expand its talent pipeline for middle-skill occupations.

⁷ Burning Glass conducted a proprietary analysis of middle-skill opportunities in the DFW region for JPMorgan Chase. All Burning Glass citations in this report refer to that analysis.

⁸ U.S. Census Bureau. *American Community Survey*, averages for 2011–2013.

⁹ Brookings Institute. 2014. *Investing in English Skills: The Limited English Proficient Workforce in U.S. Metropolitan Areas*. Retrieved from www.brookings.edu/research/reports/2014/09/english-skills/M19100 on February 10, 2015.

EXECUTIVE SUMMARY CONT.

OPPORTUNITIES TO EARN HIGHER INCOMES WITH MORE EDUCATION AND TRAINING



HEALTH INFORMATION PATHWAY

	Occupation	DFW Median Hourly Wage
Advanced Roles	Health Information Manager	\$35.26
	Coding & Medical Records Supervisor	\$34.77
	Medical Coder/Coding Specialist	\$25.55
Upward Middle-Skill Roles	Health Information Clerk	\$13.52*
	Medical Assistant	\$14.94
Entry-Level Middle-Skill Roles		



INFORMATION TECHNOLOGY PATHWAY

	Occupation	DFW Average Hourly Wage
Advanced Roles	Database Administrator	\$38.30
	Network Administrator	\$34.76
	Information Security Analyst	\$42.77
Upward Middle-Skill Roles	Help Desk Manager	\$49.54
	Network Support	\$36.37
	Advanced Computer Support	\$29.81
Entry-Level Middle-Skill Roles	Help Desk/Entry-Level Computer Support	\$20.30

* National median hourly wage

(Source: Burning Glass)

OUR RECOMMENDATIONS

The region has laid a strong foundation for developing more robust middle-skill career pathways. Dallas and Fort Worth have solid workforce development and community college systems that offer a wide range of industry-recognized credentials in high-demand fields. Local stakeholders have been collaborating to expand the middle-skill talent pool for high-demand jobs. The Regional Workforce Leadership Council has organized “industry clusters” in major sectors, including healthcare and IT, to improve and expand training for prospective and current employees.

The DFW region can build on existing efforts by establishing a career pathways system that effectively engages and prepares low-skill adults to meet the growing demand for middle-skill employees in high-growth sectors. Local stakeholders, especially in Dallas and Fort Worth, are well positioned to accomplish this goal.

DEVELOP A DEMAND-DRIVEN CAREER PATHWAYS SYSTEM TO CONNECT MORE RESIDENTS TO MIDDLE-SKILL JOBS

Recommendation

Strengthen the “first rung” of career pathway programming so that more low-income, low-skilled adults can effectively prepare for and earn middle-skill credentials

Support local institutions in working together to strengthen entry points to career pathway programs. Requirements include a robust basic skills curriculum that integrates academic and workforce readiness instruction aligned with industry demands, and the development of transition strategies that connect students with technical career pathway programs at community colleges.

Recommendation

Invest in comprehensive student supports that help more low-income students persist in and complete middle-skill training

Invest in community-based organizations to expand “wraparound” services, including job coaching, child care, housing assistance, financial coaching and case management to help low-income students overcome barriers to training completion. Allotting funds to community colleges and other training providers for emergency assistance grants and other supports to students can also help.

Recommendation

Promote employer leadership in developing career pathways and expanding sector-based strategies

Recognize and reward employers that invest in employee training, advancement opportunities and living wages. Promote employers that help high-need populations access training, internships and jobs. Encourage businesses to invest in mentoring, career advising and other career advancement efforts.

Recommendation

Develop stronger connections between workforce development resources and the region’s high-need communities and populations

Facilitate the coordination of education and training organizations to help ensure resources reach those in high-need communities. Recent mapping of the workforce ecosystem in the city of Dallas determined gaps in workforce development services, as well as opportunities to expand capacity and increase collaboration among providers. The data also identified specific neighborhoods with highly concentrated poverty and population groups with the greatest need for education and skill development. Similar mapping can be undertaken in other communities in the region.

Recommendation

Increase public awareness of middle-skill job opportunities

Expand initiatives to help K-12 students and their parents better understand middle-skill career pathways and the educational choices that can prepare them to succeed in these jobs. Expand internship and youth employment programs to serve more at-risk or disconnected young adults. Make sure community-based organizations and other providers that work with low-income jobseekers on training or employment are well informed of high-growth occupations and the credentials needed to land these jobs.

Through the *New Skills at Work* initiative, JPMorgan Chase will contribute resources and expertise to accelerate this work in the DFW region and help transform lives and strengthen economies.

NEW SKILLS AT WORK

JPMORGAN CHASE & CO.

MORE INFORMATION

For more information on *New Skills at Work*, visit www.jpmorganchase.com/skillsatwork

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