Leading the Nation through Inclusive Innovation
BACKGROUND
The Texas 2030 Inclusion Challenge is a statewide call to action.

By the year 2030 Texas will be one of the leading global technology hubs home to many more startups and fast-growing companies.
THE TEXAS TRIANGLE
Anchored by Austin, Dallas-Fort Worth, San Antonio, and Houston metro areas

18.4M Residents (2015)
~21.7M Residents in 2030

7 of 10 Texas' 10 biggest universities
53 of 54 Texas' Fortune 500 Companies
35 Counties (4 major metro area only)

Source: Lawnstarter.com
TODAY’S TEXAS’S EMERGING SECTORS

Artificial Intelligence
Diversity and Inclusion
Space Exploration
Energy and Climate Change
CURRENT SITUATION

INDUSTRY

- Working with a system designed for industries of old
- Future workforce will need to engage in innovative, creative thinking at all levels
- Goal: innovate, not maintain
Austin’s employer demand exceeds local worker supply of these top 10 skills.

These shortage counts imply that there is room to hire people with these skills.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Skill</th>
<th>Shortage Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oral Communication</td>
<td>25,937 people</td>
</tr>
<tr>
<td>2</td>
<td>Business Management</td>
<td>19,930 people</td>
</tr>
<tr>
<td>3</td>
<td>Leadership</td>
<td>17,742 people</td>
</tr>
<tr>
<td>4</td>
<td>Digital Literacy</td>
<td>16,058 people</td>
</tr>
<tr>
<td>5</td>
<td>Social Media</td>
<td>12,084 people</td>
</tr>
<tr>
<td>6</td>
<td>Development Tools</td>
<td>9,782 people</td>
</tr>
<tr>
<td>7</td>
<td>People Management</td>
<td>8,741 people</td>
</tr>
<tr>
<td>8</td>
<td>Data Storage Technologies</td>
<td>8,703 people</td>
</tr>
<tr>
<td>9</td>
<td>Data Science</td>
<td>7,804 people</td>
</tr>
<tr>
<td>10</td>
<td>Graphic Design</td>
<td>7,524 people</td>
</tr>
</tbody>
</table>

Source: Linkedin
Millennials became the largest generation in the workforce in 2016


Source: pewresearch.org
## CURRENT SITUATION

### AUSTIN DEMOGRAPHICS

Austin Total Population by Race

<table>
<thead>
<tr>
<th>Race</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>687,777</td>
</tr>
<tr>
<td>Black or African American</td>
<td>69,848</td>
</tr>
<tr>
<td>Asian</td>
<td>64,049</td>
</tr>
<tr>
<td>Some Other Race</td>
<td>61,604</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>28,849</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>4,208</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander</td>
<td>571</td>
</tr>
</tbody>
</table>

Source: [worldpopulationreview.com](http://worldpopulationreview.com)
## CURRENT SITUATION

### AUSTIN DEMOGRAPHICS

#### Austin Poverty by Race

<table>
<thead>
<tr>
<th>Name</th>
<th>Total</th>
<th>In Poverty</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>312,039</td>
<td>71,383</td>
<td>22.88%</td>
</tr>
<tr>
<td>White</td>
<td>433,798</td>
<td>39,357</td>
<td>9.07%</td>
</tr>
<tr>
<td>Other</td>
<td>61,096</td>
<td>16,456</td>
<td>26.93%</td>
</tr>
<tr>
<td>Black</td>
<td>66,680</td>
<td>15,289</td>
<td>22.93%</td>
</tr>
<tr>
<td>Asian</td>
<td>63,161</td>
<td>9,128</td>
<td>14.45%</td>
</tr>
<tr>
<td>Multiple</td>
<td>28,345</td>
<td>4,470</td>
<td>15.77%</td>
</tr>
<tr>
<td>Native</td>
<td>4,150</td>
<td>717</td>
<td>17.28%</td>
</tr>
<tr>
<td>Islander</td>
<td>562</td>
<td>147</td>
<td>26.16%</td>
</tr>
</tbody>
</table>

Source: worldpopulationreview.com
## Austin Demographics

### Austin Poverty Rate by Education

<table>
<thead>
<tr>
<th>Name</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than High School</td>
<td>28.94%</td>
</tr>
<tr>
<td>High School</td>
<td>15.97%</td>
</tr>
<tr>
<td>Some College</td>
<td>9.98%</td>
</tr>
<tr>
<td>Bachelors or Greater</td>
<td>5.12%</td>
</tr>
</tbody>
</table>

Source: [worldpopulationreview.com](http://worldpopulationreview.com)
CURRENT SITUATION

AUSTIN HIRING TRENDS

Hiring on LinkedIn in Austin - July ‘19

Source: LinkedIn
CURRENT SITUATION

AUSTIN HIRING TRENDS

Cities that Austin Has Gained the Most Workers From - July ‘19

Top Three

1) San Francisco Bay Area, CA
2) Houston, TX
3) New York City, NY

Source: Linkedin
The Future

By 2020, Millennials (those born between about 1980 and 2000) are forecast to comprise half of the American workforce.

75% of the global workforce Millennials by 2025

Source: inc.com
THE FUTURE

Generation “Z-Plus”
race-ethnic profile

*Non Hispanic members of Race
Source: US Decennial Censuses and Census Population Estimates, released June 21, 2018

Source: brookings.edu
Texans of color continue to easily outpace the white population

Soon to become a plurality, the Hispanic population in Texas has grown massively since 2010. Meanwhile, the white population is barely staying ahead of the Asian population in growth.

<table>
<thead>
<tr>
<th>Race</th>
<th>2010 population</th>
<th>2018 population estimate</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>9,460,921</td>
<td>11,368,849</td>
<td>1,907,928</td>
</tr>
<tr>
<td>Black</td>
<td>2,899,884</td>
<td>3,441,644</td>
<td>541,760</td>
</tr>
<tr>
<td>White</td>
<td>11,428,638</td>
<td>11,912,849</td>
<td>484,211</td>
</tr>
<tr>
<td>Asian</td>
<td>960,543</td>
<td>1,433,736</td>
<td>473,193</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Credit: Connie Hanzhang Jin and Darla Cameron

Source: texastribune.org
## THE FUTURE

2030 Texas Minority Groups Combined

<table>
<thead>
<tr>
<th>Population Characteristics</th>
<th>Census 2000</th>
<th>Census 2010</th>
<th>Population Projections, 0.5 Migration Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2030</td>
<td>2040</td>
</tr>
<tr>
<td>Male</td>
<td>10,352,910</td>
<td>12,472,280</td>
<td>14,333,797</td>
</tr>
<tr>
<td>Female</td>
<td>10,498,910</td>
<td>12,673,281</td>
<td>14,479,485</td>
</tr>
<tr>
<td>NH White</td>
<td>10,933,313</td>
<td>11,397,345</td>
<td>11,723,184</td>
</tr>
<tr>
<td>NH Black</td>
<td>2,364,255</td>
<td>2,886,825</td>
<td>3,274,738</td>
</tr>
<tr>
<td>NH Other</td>
<td>884,586</td>
<td>1,400,470</td>
<td>1,851,409</td>
</tr>
<tr>
<td>Hispanic</td>
<td>6,669,666</td>
<td>9,460,921</td>
<td>11,963,951</td>
</tr>
</tbody>
</table>

Source: demographics.texas.gov
THE CHALLENGE

- Ensure a better future for all of our Texan citizens by investing in an equitable, affordable, and innovative talent pipeline

- Cultivate a workforce to reflect surrounding communities by the year 2030 to drive higher profits, more innovation, and a thriving economy
How ethnic diversity correlates with Profitability

For every 10% increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8%.
Profitability Value Creation
Comparing top and bottom quartiles

POTENTIAL ECONOMIC IMPACT
GENDER DIVERSITY

Value Creation

4th: 18
1st: 23

Profitability

4th: 45
1st: 55

+27% +21%
Companies in the bottom quartile for both gender and ethnicity and race diversity are 29% less likely to achieve above-average financial returns than the average companies in the data set.

Bottom-quartile companies are lagging rather than merely not leading.
POTENTIAL ADDED BENEFITS FOR YOUR COMPANY

- Innovation
- Workforce attraction and retention
- Cultural insights
- Alignment between individuals and organizational culture
- Improved global image and license to operate
GROWING INEQUITY IN AUSTIN

HOME VALUE
Black and Latino homes are valued $150K less than White household homes

White-owned properties are valued at $320k

HOUSEHOLD INCOMES
Black and Latino household incomes have not recovered from the recession
GROWING INEQUITY IN AUSTIN

INCOME IN 1980 - AUSTIN, TX

- WHITE: $51,435
- LATINO: $42,245
- BLACK: $36,506
- ASIAN: $35,055

MEDIANS:

- WHITE $51,435
- LATINO $42,245
- BLACK $36,506
- ASIAN $35,055

INCOME IN 2016 - AUSTIN, TX

- ASIAN: $78,629
- WHITE: $72,341
- LATINO: $44,239
- BLACK: $40,004

MEDIANS:

- ASIAN $78,629
- WHITE $72,341
- LATINO $44,239
- BLACK $40,004

$60,939
FUTURE IMPACT

- Changing workforce demographic and tightening labor market
- Our responsibility to create inclusive workplace to attract diverse ways of thinking for future corporate, social well-being
THE PATH FORWARD

1. Create a comprehensive and nimble process that allows for agility.

2. Create incentives for industry and academic collaboration.

3. Ensure that diversity, equity, and inclusion is at the heart of every conversation.

4. Create a shared learning community of cross-sector leaders to research and distribute insights to create best practices.

5. Create support and consultative resources to help on-ramp corporations.

6. Convene and support annual gains and progress
SELF-ASSESS

DIVERSITY MATURITY AT YOUR ORGANIZATION

Where are you now?

Equal Opportunity

Valuing Diversity

Inclusion

Where do you want to go?

Managing Diversity

Stages of Diversity
PREVIEW TOOLKIT

- Initial assessment and audit with benchmarks and path options
- Identify key metric goals in conversation with company employees
- Gauge how much productivity they will be able to recapture through inclusivity
- Annual/biannual data report on organization’s status
- Change management resources
- Design thinking resources
Inclusive innovation labs inside organizations

Workgroups within companies and among fellow pledge members to inform strategy and resources

Workgroups will assess current state of sector, identify gaps, ideate with IIE designers on initiatives based on data gathered

In conjunction with IIE, implement small pilot programs for quick feedback and refinement

COLLABORATION
We commit to executing our vision of inclusive innovation and entrepreneurship by prioritizing our responsibility to students and community.

As a part of the University of Texas, the state’s flagship center of research and innovation, our office will draw upon diverse, interdisciplinary scholarship to fuel audacious and robust programs that will change the world.
1. Sign the challenge, talk to your community
2. We’ll circle back to build out workgroups by end of year to get support from your companies--if you’re interested, let us know if you’d like to chair--shape the larger plan
3. Connect us to your business leader contacts in surrounding metro areas: Dallas, San Antonio, Houston
4. Attend executive summit in April
As a representative of my company, I agree to join the Inclusion Challenge that will create leadership and job opportunities for diverse candidates within my company so that by 2030 my workforce will reflect the demographics of Austin, Texas.

1. Cross-Sector Collaboration
2. STEAM & Entrepreneurship Curriculum
3. Advocacy & Policy Creation
4. Annual Diversity & Inclusion Report
THE CHALLENGE

Cross-Sector Collaboration
I will work with neighboring companies and industries and share best practices so that we are able to strengthen our workforce ecosystem and help address the affordability and economic disparity issues in our city.

STEAM & Entrepreneurship Curriculum
We will support early childhood STEAM and Entrepreneurship curriculum and programs that help teach these future candidates the skills they need in order to qualify and compete for an opportunity within my company.

Advocacy & Policy Creation
We will work with academia, nonprofit, and local government leaders to help steer this effort and create policies that work for the entire city and help us attract diverse talent and keep diverse candidates that we have cultivated living here.

Annual Diversity & Inclusion Report
Finally, I pledge to publish and review our annual diversity and inclusion report so that we collectively as a city can see how we’re doing to advance this issue towards the year 2030.
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