

TEXAS

2030

INCLUSION  
CHALLENGE

*Leading the Nation  
through Inclusive  
Innovation*



The University of Texas at Austin

**Inclusive Innovation and Entrepreneurship**

*Division of Diversity and Community Engagement*

## 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**

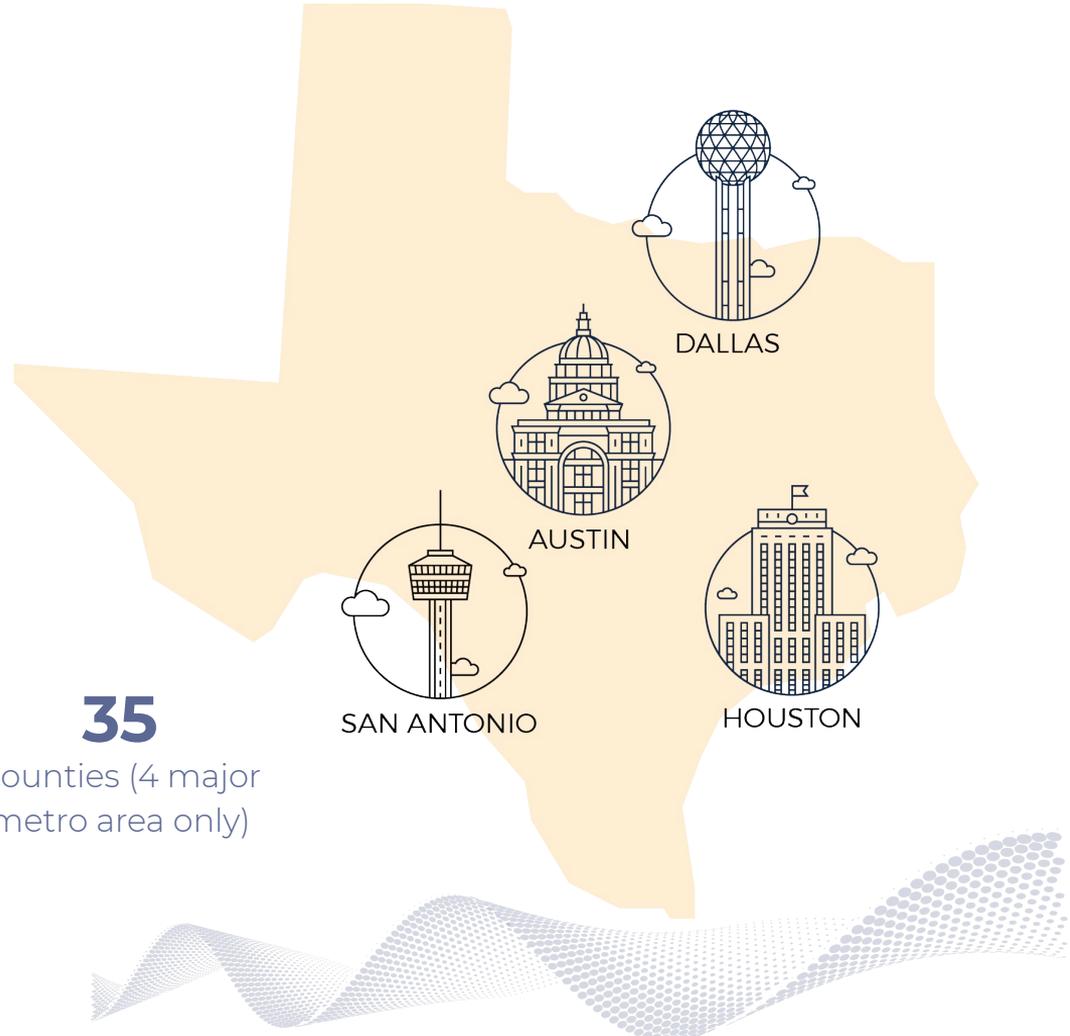
Texas' 10 biggest universities

**53 of 54**

Texas' Fortune 500 Companies

**35**

Counties (4 major metro area only)



# TODAY'S TEXAS'S EMERGING SECTORS



Artificial  
Intelligence



Diversity and  
Inclusion



Space  
Exploration



Energy and  
Climate Change

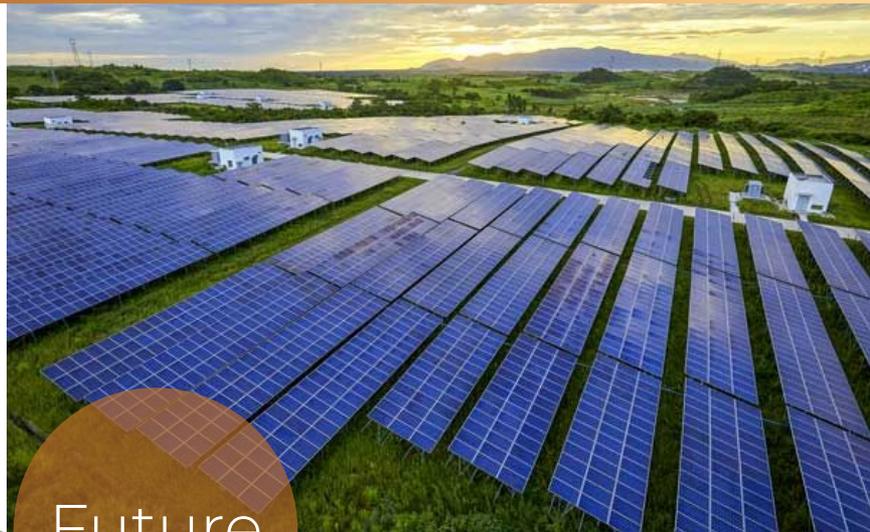
## CURRENT SITUATION

# 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



Past



Future



## CURRENT SITUATION

# SKILLS SHORTAGE

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.



Source: LinkedIn



May 2019

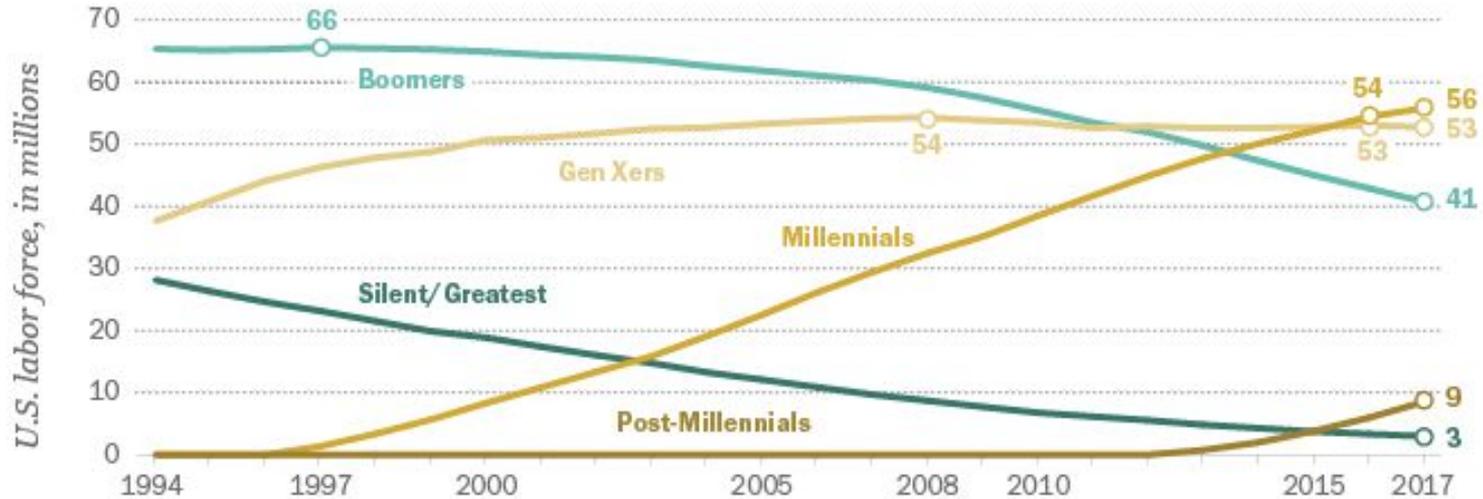
### Top Skills Shortages in Austin

1	Oral Communication	25,937 people
2	Business Management	19,930 people
3	Leadership	17,742 people
4	Digital Literacy	16,058 people
5	Social Media	12,084 people
6	Development Tools	9,782 people
7	People Management	8,741 people
8	Data Storage Technologies	8,703 people
9	Data Science	7,804 people
10	Graphic Design	7,524 people

## CURRENT SITUATION

# NATIONAL DEMOGRAPHICS

Millennials became the largest generation in the workforce in 2016



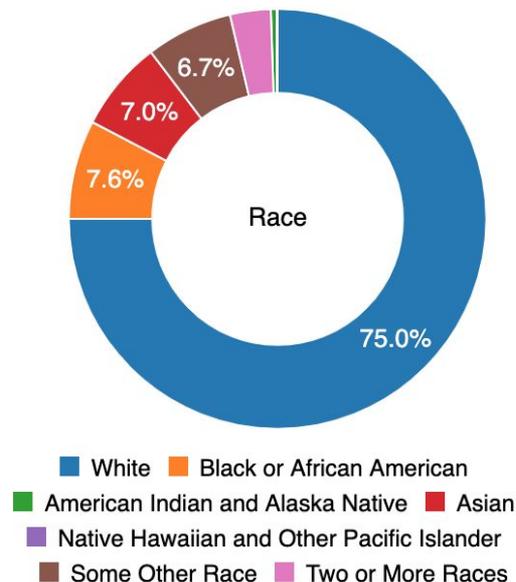
Note: Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown.  
Source: Pew Research Center analysis of monthly 1994-2017 Current Population Survey (IPUMS).

## CURRENT SITUATION

# AUSTIN DEMOGRAPHICS

## Austin Total Population by Race

Race	Population ▼
White	687,777
Black or African American	69,848
Asian	64,049
Some Other Race	61,604
Two or More Races	28,849
American Indian and Alaska Native	4,208
Native Hawaiian and Other Pacific Islander	571



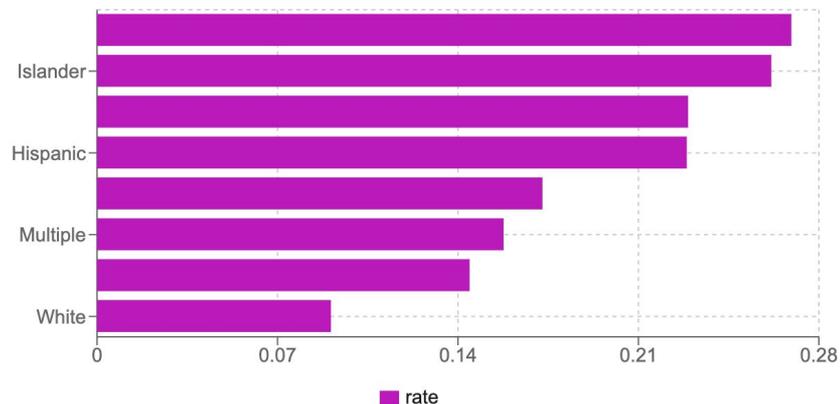
## CURRENT SITUATION

# AUSTIN DEMOGRAPHICS

## Austin Poverty by Race

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

Austin Poverty by Race

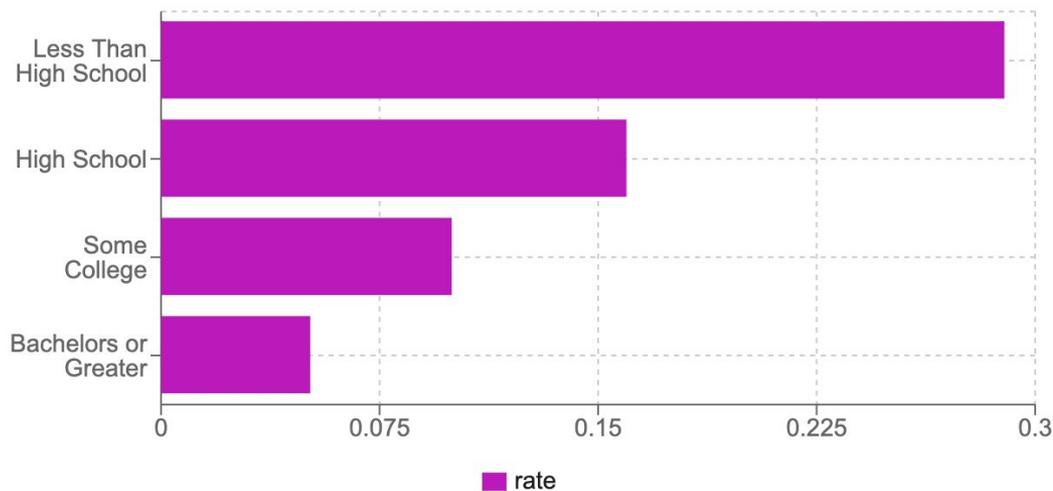


## CURRENT SITUATION

# AUSTIN DEMOGRAPHICS

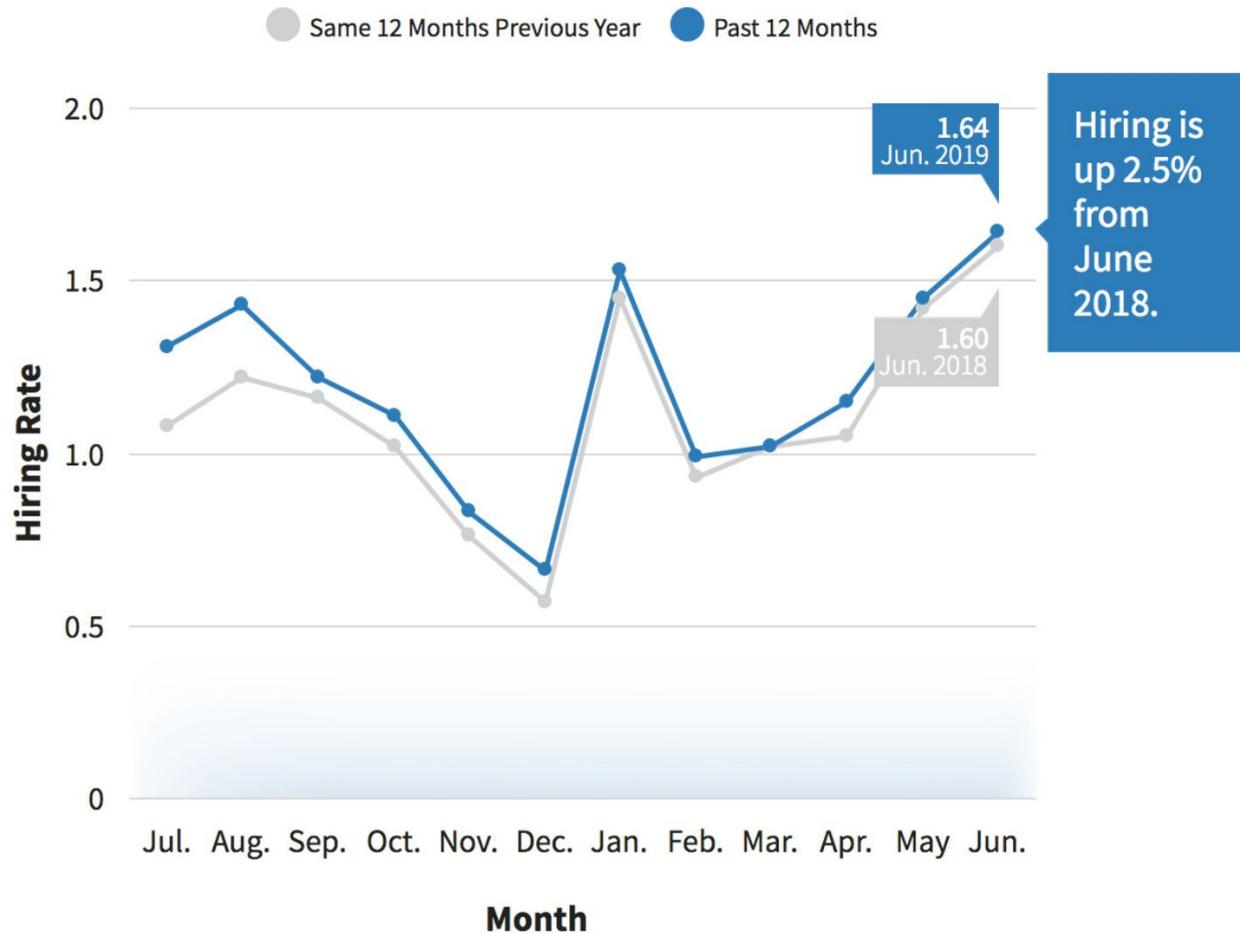
## Austin Poverty Rate by Education

Name	Poverty
Less Than High School	28.94%
High School	15.97%
Some College	9.98%
Bachelors or Greater	5.12%



# CURRENT SITUATION AUSTIN HIRING TRENDS

Hiring on LinkedIn  
in Austin - July '19



# 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



# THE FUTURE

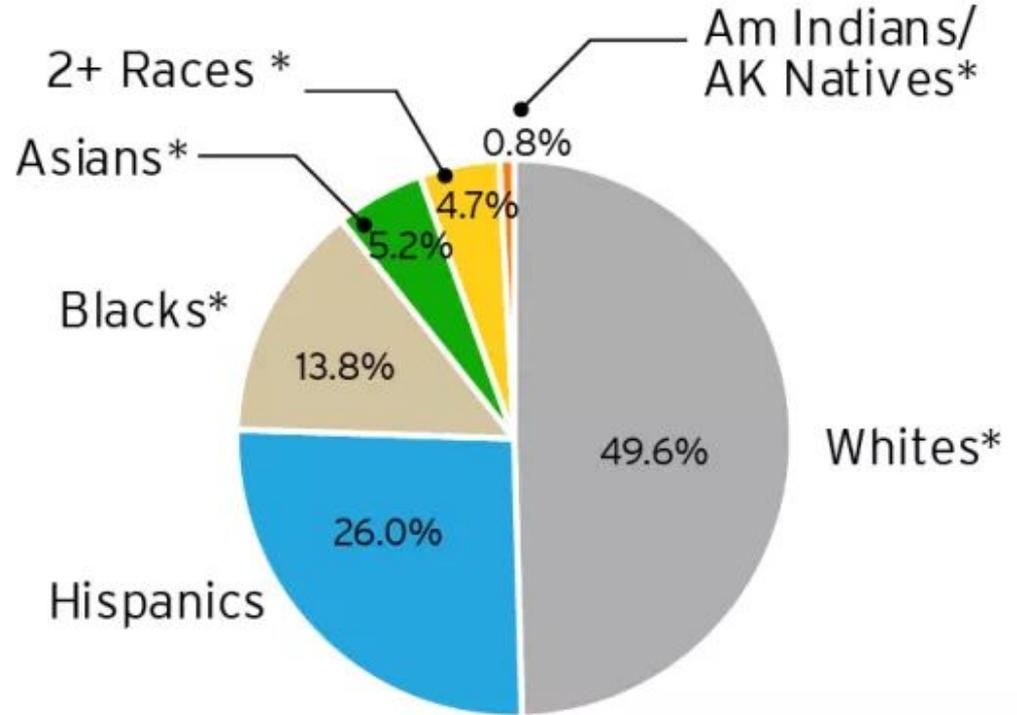
By 2020, Millennials (those born between about 1980 and 2000) are forecast to comprise half of the American workforce

# 75%

of the global workforce  
Millennials by 2025

# 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](http://brookings.edu)

# THE FUTURE

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.

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

Source: U.S. Census Bureau

Credit: Connie Hanzhang Jin and Darla Cameron

Source: [texastribune.org](http://texastribune.org)

# THE FUTURE

2030 Texas Minority Groups Combined

**20,887,629** vs **11,792,588**

Population Characteristics	Census 2000	Census 2010	Population Projections, 0.5 Migration Scenario			
			2020	2030	2040	2050
Total Population	20,851,820	25,145,561	28,813,282	32,680,217	36,550,595	40,502,749
Male	10,352,910	12,472,280	14,333,797	16,292,058	18,269,648	20,317,593
Female	10,498,910	12,673,281	14,479,485	16,388,159	18,280,947	20,185,156
NH White	10,933,313	11,397,345	11,723,184	11,792,588	11,593,202	11,265,371
NH Black	2,364,255	2,886,825	3,274,738	3,616,745	3,876,830	4,065,757
NH Other	884,586	1,400,470	1,851,409	2,369,978	2,984,989	3,655,259
Hispanic	6,669,666	9,460,921	11,963,951	14,900,906	18,095,574	21,516,362

# 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



# POTENTIAL ECONOMIC IMPACT

# ETHNIC DIVERSITY

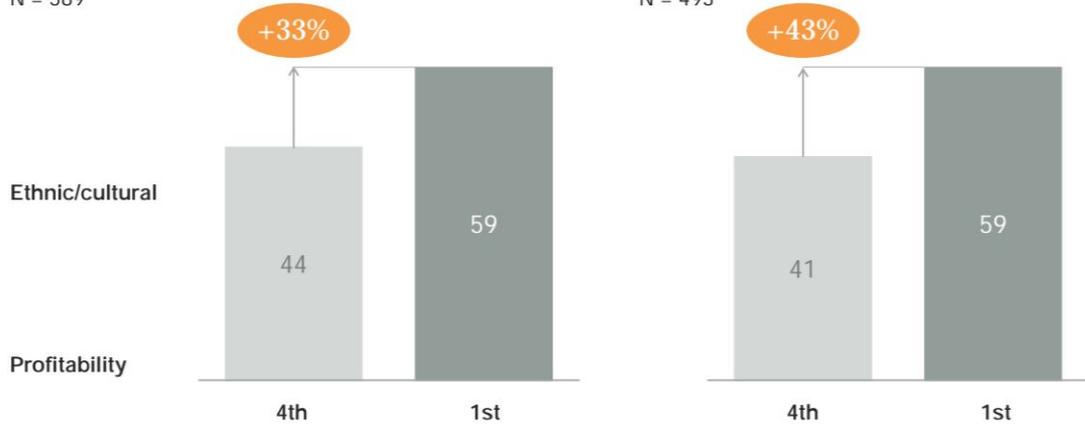
## How ethnic diversity correlates with Profitability

For every **10% increase in racial and ethnic diversity** on the senior-executive team, earnings before interest and taxes (**EBIT**) rise **0.8%**.

Likelihood of financial performance<sup>1</sup> above national industry median by diversity quartile  
Percent

Executive team  
N = 589

Board of directors  
N = 493



<sup>1</sup> Average economic profit margin 2011–15 and average EBIT margin 2011–15

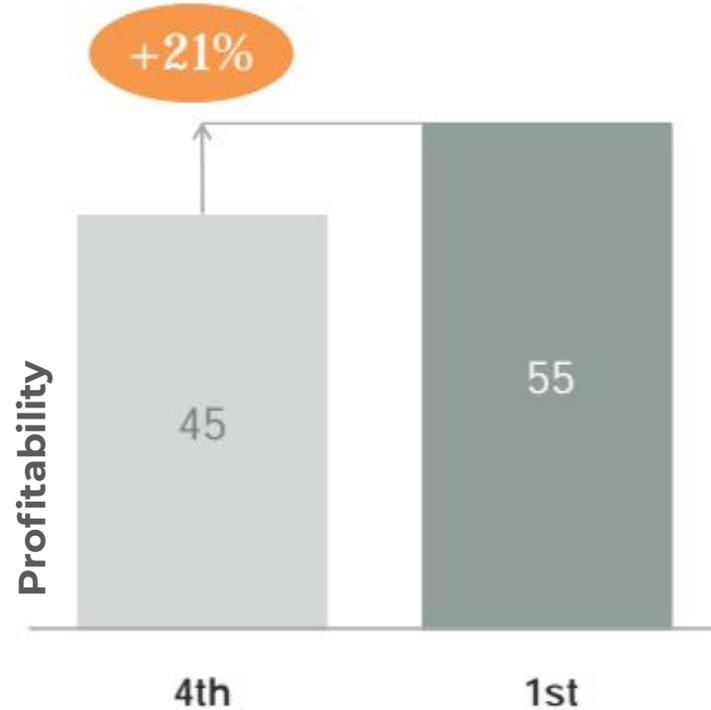
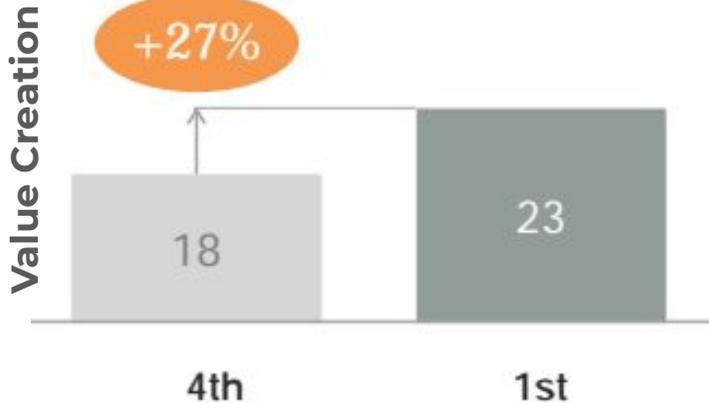
NOTE: Results are statistically significant at p-value <0.5. Percentages shown here are rounded to the nearest whole number; however, calculation of the differentials in quartile performance uses actual decimal values

SOURCE: Company websites; McKinsey Diversity Matters database

POTENTIAL  
ECONOMIC IMPACT

# GENDER DIVERSITY

Comparing top and  
bottom quartiles



## POTENTIAL ECONOMIC IMPACT

# DIVERSITY

- 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

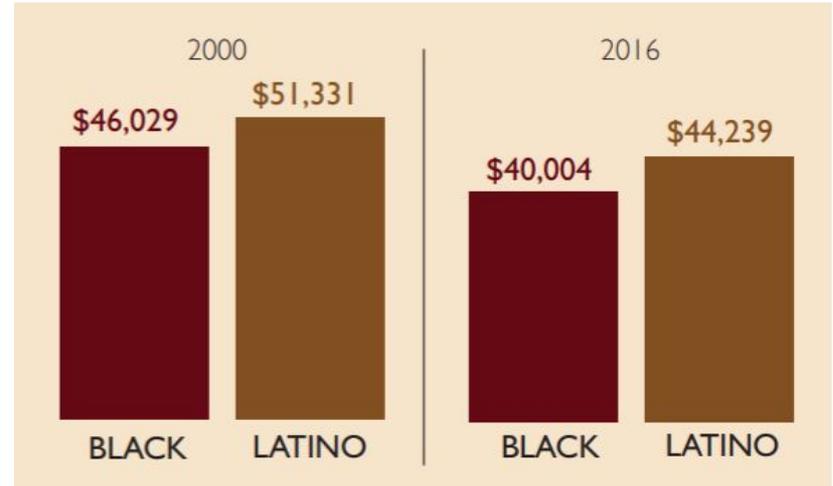
**\$150K less**

than White household homes

White-owned properties  
are valued at \$320k

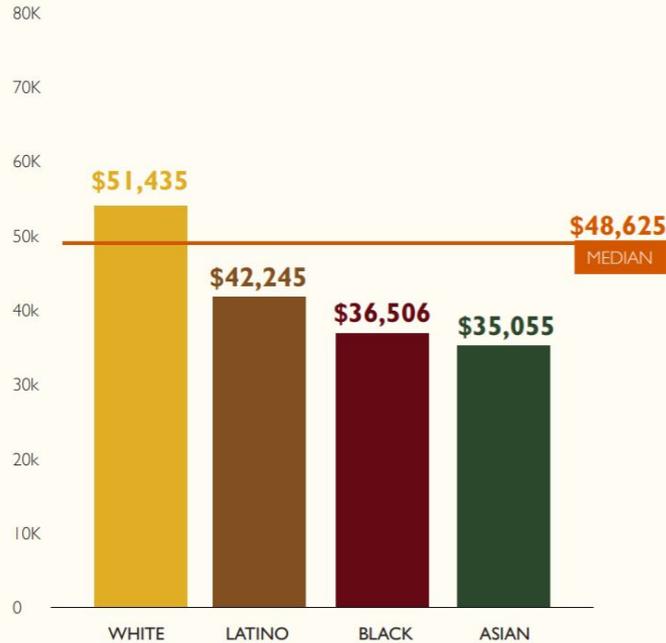
## HOUSEHOLD INCOMES

Black and Latino household incomes have not recovered from the recession

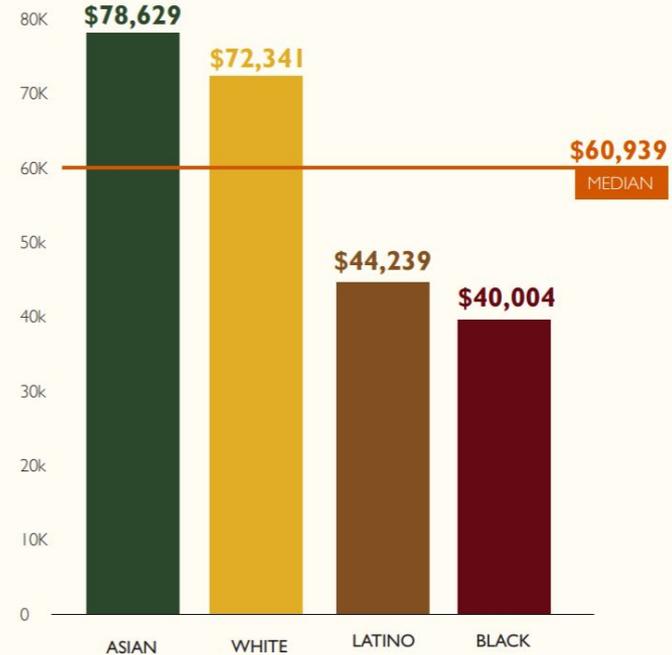


# GROWING INEQUITY IN AUSTIN

INCOME IN 1980 - AUSTIN, TX

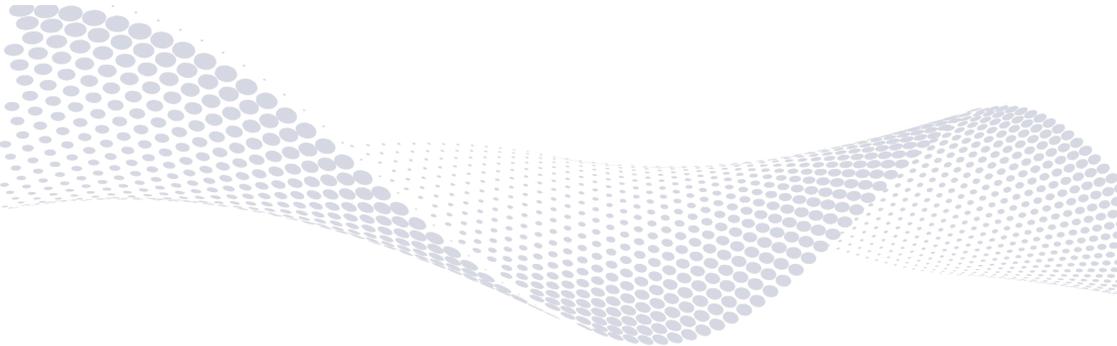


INCOME IN 2016 - AUSTIN, TX



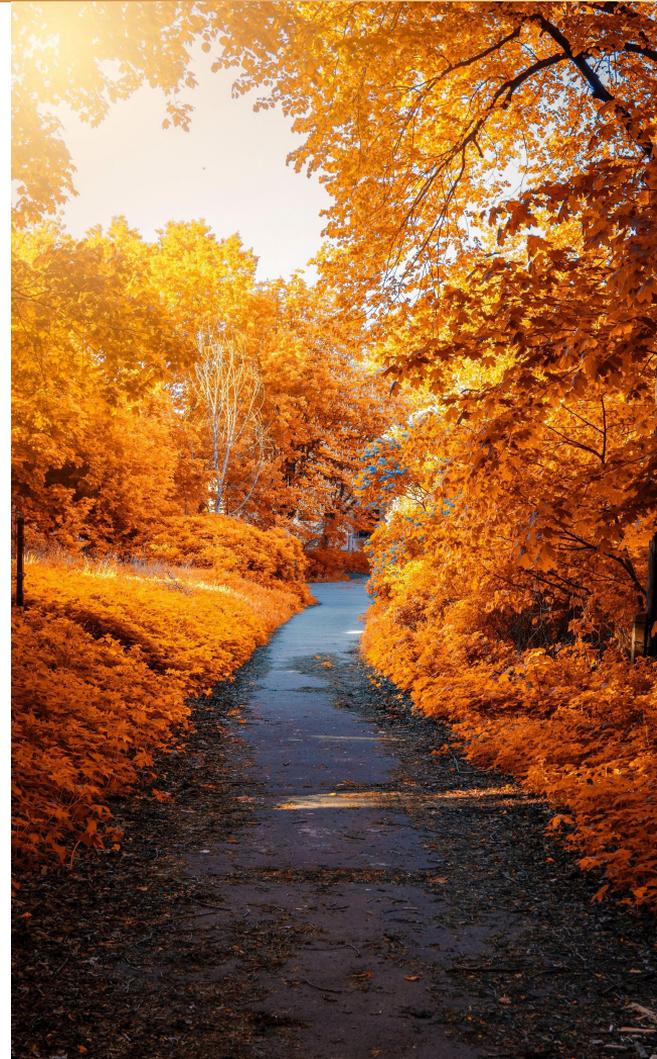
# FUTURE IMPACT

- 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



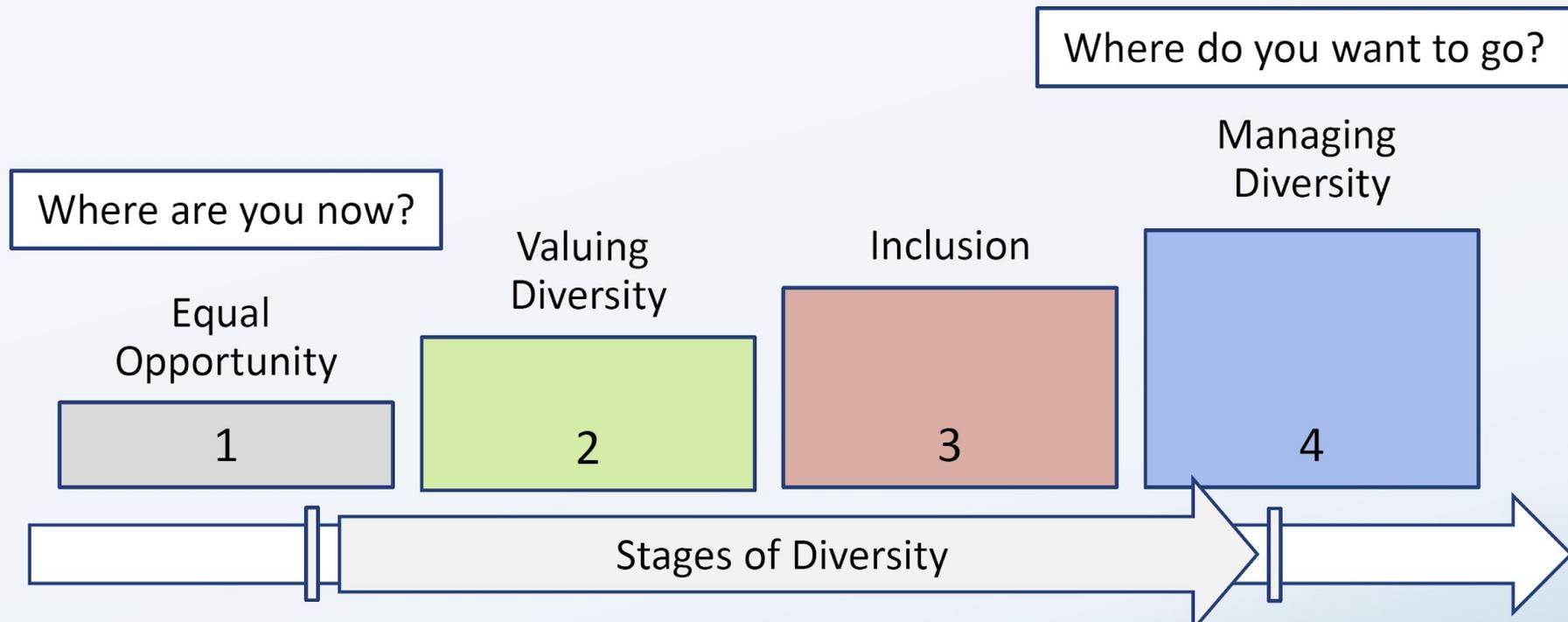
# THE PATH FORWARD

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



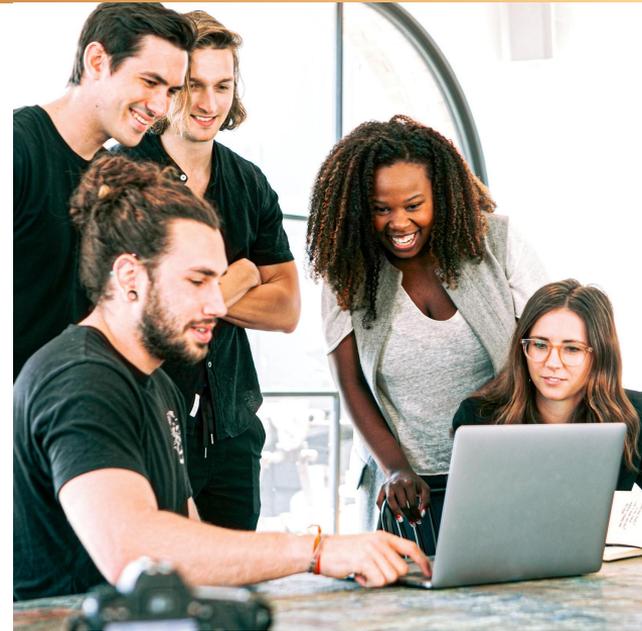
# PREVIEW TOOLKIT

- 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



# COLLABORATION

- 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



# OUR COMMITMENT

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.



# NEXT STEPS

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



# THE CHALLENGE

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.



# CONTACT US



The University of Texas at Austin

**Inclusive Innovation and Entrepreneurship**

*Division of Diversity and Community Engagement*

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