

### **Regional Conditions, Job Quality and Geographic Considerations**

Welcome to Memphis. Home of the Blues, the birthplace of rock n' roll, a mecca of the Civil Rights movement, and a logistics juggernaut that moves the world. Juxtaposed with its historic significance as an economic engine is the fact that Memphis is the largest disenfranchised and disinvested urban community in Tennessee, consistently ranking in the top ten economically distressed communities in the country's 100 largest communities. Like many urban communities, Memphis is a city where destiny heavily depends upon one's zip code. Unlike other urban cities however, the overwhelming majority of the city's population lives within persistent poverty tracts.

Historically, there has been little to no economic mobility for families within these communities. In fact, of the 220 Census tracts in the City of Memphis, **123 are persistent poverty tracts having had 20% of the residents living at or below poverty for a sustained 30 years or more.** There are 429,180 Memphians and 144k households, (61% of the city) in these Census tracts, with some tracts having as many as 56% of residents living in poverty. Of the 123 persistent poverty tracts, 91 are also designated as historically disadvantaged communities. Although the city's population is estimated at nearly 65% persons of color, **64% of the unemployed population are persons of color.**

This is critical context for understanding the local communities (LC) for this grant project. While the Shelby County Tennessee local labor market (LLM) does not wholly qualify for the grant project, the vast gap of wealth distribution and economic mobility within Tennessee's most populated county is severe, **qualifying seventy-five percent of the City of Memphis census tracts for the grant project.**

**96 census tracts in the Shelby County LLM have a Recompete Grant qualifying PAEG of 5% or higher with a household income of less than \$75k.** They will be the focus of the grant project. But even among eligible census tracts, the gaps are severe. Of the 106,570 individuals of prime age population within the qualifying census tracts, only 67,415, or 63.2% are employed. The average household income of these qualifying census tracts is \$31,788 – more than \$23,000 below the County median household income. There are 97,734 households in these tracts with an average number of members of 2.6. **Additionally, 72.1% of these households are managed by single parents and the average area poverty rate is 36.4%.**

**Seventy two percent - 69 of the 96 qualifying census tracts - have a PAEG of 10% or greater.** Of the 71,907 individuals of prime age population, 42,962 or 60%, are employed. The average household income of these census tracts drops drastically to \$28,247 – almost \$27,000 below the County median. There are 71,031 households in these tracts with an average number of members of 2.6. **75% of these households are managed by single parents and the average area poverty level is 38.8%.**

**Forty five percent - 43 of the 96 qualifying census tracts - have a PAEG of 15% or greater.** Of the 41,518 individuals of prime age, only 23,014 or 55% - are employed. The average household income is \$24,953 – more than \$30,000 below the County median. There are 40,661 households in these tracts with an average number of 2.5 members. **79.2% of these households are managed by single parents and the average area poverty level is 42.8%.**

**Twenty percent - 19 of the 96 qualifying census tracts have a PAEG of 25% or greater.** Of the 15,214 prime age population only 7,317 or 48% are employed. The average household income is \$21,433 - \$33,500 below the County median. This income figure equates to \$10.30 per hour for full-time employees. There are 15,530 households in these tracts with an average

number of members of 2.5. **82.9% of these households are managed by single parents and the average area poverty level is 48.3%.**

Not only is our PAEG data underscored by the issues of generational poverty previously discussed, but a lack of job quality in the Memphis region - **over half of our population is stuck in a sandpit job- a job that provides no opportunity for economic mobility.** Of the 551 types of jobs in the Memphis metropolitan statistical area, 199 of them pay \$18 or less and 140 of them pay \$15 or less. Seven of the smartest factories ever built in North America are under construction at Ford's Blue Oval City, just 35 miles East of Memphis. We cannot and will not miss our opportunity to harness this momentum to attract additional research and development, advanced industries and entrepreneurial activity to the region. But more importantly, we cannot and will not miss this opportunity to prepare Memphians to benefit from the windfall. The time for Memphis is now.

**Our state of readiness for investment by the EDA is greater than ever because we have put in the work to understand the people, communities and industries that drive our economy.** In 2021, the Greater Memphis Chamber convened a small team to participate in the [Brookings Inclusive Economic Indicators Lab](#). This work identified 40 socioeconomic and economic indicators now called the [People Powered Prosperity Dashboard](#) – metrics that light the runway of cross-sector indicators that must improve if the tide is to rise for all Memphians.

In 2021, community leaders also commissioned a [Mass Economics Indicator Report](#) – a report that identified the opportunities and barriers to the Memphis Economy. This report called out an overdependency of the logistics sector, but an opportunity to attract advanced industries as a logistical juggernaut capable of moving products across the globe in under 72 hours. The report stated clearly that historically, Memphis had been good at moving products, but not its people. The culmination of this work resulted in the Greater Memphis Chamber's strategic plan – *Prosper Memphis 2030*. A strategic plan to recruit 700 new advanced industries, create 50k jobs, half of which are to be held by BIPOC individuals and support an ecosystem that can produce 25k STEM credentials and degrees per year, half of which will be held by BIPOC individuals.

Concurrently, [Blue Meridian Partners](#), along with national and local foundations, made an \$8.5 million investment to seed true collective impact work in the areas of community development, education and youth, economic development, health and well-being, justice and safety and culture. [Led by Seeding Success](#), this work is now called [More for Memphis](#) and includes a coalition of more than 300 community organizations and place-based leaders and citizens that have convened, planned and published strategies powered by the voice of individuals and backed by extensive data collection. During year one, underserved community members served on a committee to design the governance for the collective impact work. For year two, they served on the planning teams within each anchor collaborative workgroup. Populations and organizations not previously involved in economic development efforts were involved in the More for Memphis Coalition. Community members received \$30 per hour to attend weekend and night community planning sessions that contributed to and then vetted and prioritized the results of the anchor collaborative findings for the workforce and economic development collaboratives. Last year, our coalition was the recipient of a Phase 1 Build Back Better Grant Award and most recently, [Start Co.](#) has led a two-year effort to produce a data and policy report on the state of Black business, helping to get us laser focused on efforts to build and scale Black-owned businesses for economic mobility.

Our work together has identified the following root causes attributing to our PAEG and inability to grow labor force participation and job quality: 1) Only through the **diversification of**

**industry clusters** to be less dependent on hospitality and logistics and to attract advanced industries, research and development and entrepreneurial activity can Memphis truly change its trajectory of job quality. We also cannot attract advanced industries without a skilled workforce. 2) **insufficient math and literacy proficiency impede success** in high school graduation, workforce training, upskill opportunities and the attainment of college certificates and degrees, significantly driving root causes of the PAEG. 3) **the lack of resources and wrap around support** allow seemingly insignificant factors to derail the completion of career and technical education 4) **insufficient supports** are available to help people align their professional aptitudes with living-wage career pathways. As a result, we are rich in human capital but have a significant deficit of skilled labor to support a growing region. Without addressing this **skills mismatch**, much of our needed talent will be transplanted from other regions, leaving behind generations of Memphians in sandpit jobs 5) **the prevalence of people who have experienced trauma** requires wrap around supports and work environments that provides evidence-based supports. Much of this trauma is a result of violent crime rates arguably driven by generations of systemic racism and poverty 6) **the high costs and proximity to quality childcare inhibit employment** options, and especially high wage industry clusters that require a 24 hour a day, 7 day a week workforce - healthcare and manufacturing 7) **unreliable transportation** limits access to employment and training opportunities, as much of the population center is not in proximity to employment corridors and public transit routes stop miles short of neighborhood centers 8) **uncoordinated policies and practices** can create greater financial vulnerability despite career progression, i.e. the benefits cliff.

For too long, economic development and workforce development have been viewed as mutually exclusive activities, with workforce development approached as a social service to place people into jobs. **Our approach disrupts this practice, replacing it with a theory of action that starts at an individual's front door, leads to classroom doors for training and upskill opportunities that takes them through an employment door not for just a job, but for a career pathway that enables every individual to grow and thrive.** Our approach creates safety nets, wrap around supports, earn to learn models, economic parity for individuals and economic competitiveness for the region by developing an Industry 4.0, speed-of-need workforce to attract advanced industries that can exponentially grow our economy, innovation, and BIPOC wealth. Importantly, industry is at the table with us. With just 55 employees for every 100 jobs in the state of Tennessee, the appetite among employers to do things differently and invest in talent pipelines with intentionality is greater than ever.

### **Strategy to Address Causes of the Local High Prime Age Employment Gap**

Addressing these challenges requires a comprehensive approach within the domain of economic and workforce development. By understanding the specific pain points faced by Memphis's working-age population, strategic actions have been developed to better align education and training with the needs of employers, reduce barriers to entry for high-demand jobs, and provide support for continuous skill enhancement. This, in turn, will contribute significantly to reversing the cycle of economic distress that has long marked certain regions of Memphis and raise our talent location quotients to increase our economic competitiveness.

Our coalition has identified strategies that create economic parity and economic competitiveness for America's largest Black majority community. This work was funded by an \$8.5 million dollar investment from Blue Meridian Partners and builds upon and provides resident voice to a year spent in the Brookings Economic Indicators Lab (2022) and a commissioned Mass Economics Study (2021).

**Strategy 1) Build career pathways to establish an Industry 4.0 Economy:** Working with Base11, the Delta Boule and the Divine9 Parity Project, our goal is to create economic parity by increasing the location quotient of BIPOC tech talent in the STEM fields needed to grow and sustain an Industry 4.0 economy of innovation. We will work alongside industry leaders within and outside of the region to identify desired skills sets, credentials and degrees to support the **future forward roles of Industry 4.0 for data analytics, cybersecurity, FinTech, Advanced Manufacturing and Autonomous Systems.** [Base11](#) is a nonprofit STEM workforce and entrepreneur development organization that is partnering with the Divine9 and the [Parity Project](#) to bring a proven ecosystem of young adult supports (mentors, innovation labs, innovation challenges, career exposure, aptitude assessments) for careers in next-frontier tech into urban communities.

Key Steps	Lead Partners	EDA Investment
Heavy career exposure and aptitude assessments at neighborhood levels	Greater Memphis Chamber, Delta Boule	\$500K
Base11/Parity project ecosystem planted and scaled in the Memphis market	Delta Boule	\$2 million
Industry convenings and DACUM skills mapping for the Tech ecosystem	Greater Memphis Chamber Industry Councils	\$100k
Build matriculation agreements for tech pathways from neighborhoods to classrooms, work experience for college credit agreements and register apprenticeships. Scale direct-pay employer tuition benefit programs to replace tuition reimbursement programs	University of Memphis, Southwest Community College, Christian Brothers University	\$400k
Talent Pipeline Management (TPM) academies (US Chamber) inside of industry clusters	Greater Memphis Chamber	\$50k

**Strategy 2) Radically scale existing tech training to support an Industry 4.0 economy and wrap around supports necessary to complete training and begin work.** Work with the local communities and the region’s premier tech training providers to build a systemic infrastructure of tech career pathways that begins inside of neighborhoods with training and wrap around supports and progresses through pre-apprenticeship and apprenticeship opportunities that translates and matriculates to credentials and degrees. With intentionality and strategic planning with coalition members from the Boule, education, labor, and community sectors, our ultimate goal is to radically expand our training and wrap around support capacity to create front door, one stop access to systems and processes.

Key Action Steps	Lead Partners	EDA Investment
Training expansion to scale available instructors, utilize neighborhood-based training locations and transportation solutions	The Collective Blueprint, Code Crew, Tech 901	\$3.5 million
Training wrap around supports, earn to learn stipends, tuition support for those	The Collective Blueprint	\$3.5 million

who do not qualify for traditional funds (Pell, WIOA, etc.)		
Career coaches that support from training through year 1 of job placement	The Collective Blueprint	\$1 million

**Strategy 3) Increase childcare offerings in centralized geographic locations** by scaling existing operations and building the capacity of new owner/operators as a small business model. Given that the majority of PAEG participants in eligible census tracts are single parent households (72%), identifying where childcare facilities need to be scaled or planted is an important part of the planning process. Addressing a solution for around the clock daycare so that individuals can participate in manufacturing and health care pathways is also part of this strategy.

Key Action Steps	Lead Partner	EDA Investment
Identify census tract proximity to childcare locations; designate childcare hub locations to scale	NEXT Memphis	\$100k
Support small business startups, scale existing provider locations	NEXT Memphis	\$3.5 million

**Strategy 4) Build employer capacity to better support high opportunity populations in their talent pipeline:** We cannot stop at just creating pathways. We will build upon the National Fund for Workforce Solutions report, *Trauma-Informed Approach to Workforce*, and the work of SAMHSA, to bring industry cluster councils to the table to embed wrap around support and trauma - informed care as part of their talent pipeline management practices.

Key Action Steps	Lead Partners	EDA Investment
ACES Trauma Informed Care training across the industry cluster ecosystem	Greater Memphis Chamber	\$1 million
Employer professional development, coaching and technical assistance to overcome stigmas of trauma and embed TIC into the workplace and recruit from under-championed neighborhoods	Greater Memphis Chamber	\$1 million

**Strategy 5) Support Entrepreneurship for Economic & Physical Mobility:** There are 12,571 Black individuals in Memphis who earn the majority of their income through self-employment, but only 3,791 own an incorporated business. Memphis has a density of Black-owned businesses, but they are disproportionate to the population size. Forty-six percent of our adult population is Black, but only 7.3% of businesses are Black-owned. Our collective impact work has shown us that while communities hold their own solutions, they often lack support to execute them. This strategy focuses on building an ecosystem of back-end support and connectivity for small businesses and entrepreneurs to generate Black wealth. Concurrently, small businesses and entrepreneurs will be convened and supported to focus their efforts and solutions on solving neighborhood-based mobility solutions that build off of the existing public transit system. Addressing the need for around-the-clock transit solutions is part of this strategy.

Key Action Steps	Lead Partners	EDA Investment
Build back-end support systems for small businesses and entrepreneurs	Start Co	\$500k
Urban transportation micro business incubator lab to support neighborhood grown mobility solutions	Start Co	\$500k

**Strategy 6) Refocus economic development incentives and entrepreneur resources into disinvested neighborhoods to create more equity and proximity to quality jobs.** We believe our economic incentives and entrepreneur environment can be redesigned and redirected to attract investment to under championed communities and encourage hiring from high opportunity populations. We will work alongside community residents to execute the best practices for the use of economic development incentives to accelerate equitable economic development and hiring practices that attract advanced industries and entrepreneurs and empower neighborhood leaders to develop and lead place-based economic development strategies that generates quality jobs.

Key Action Steps	Lead Partners	EDA Investment
Study Mission, Guest Faculty, technical assistance and economic forecasting to assess strengths, weaknesses and opportunities of existing incentive structure	Greater Memphis Chamber, Seeding Success, Start Co	\$150k
Site development identification and site development dashboard for disinvested communities	Greater Memphis Chamber	\$500k
IEDC Economic Development training for place-based leaders	Greater Memphis Chamber	\$200k
Develop neighborhood-based economic development plans for eligible census tract clusters	Greater Memphis Chamber	\$500k

**Strategy 7) Revise and Align Policy to Support People:** Convene a multidisciplinary workgroup of labor, social service, philanthropic and education experts to identify opportunities for new leadership or shared leadership roles, policy refinement and change at the local and state level that will maximize government and philanthropic funding streams that support the development of a future-forward workforce by placing economically fragile individuals onto supported and well-defined career pathways to a quality job.

Key Action Steps	Lead Partner	EDA Investment
Convene multisector workgroup focused on shared leadership and practices, policy development and braided funding for sustainability.	Seeding Success	\$1 million total for all strategies

**Equitable Organizational and Leadership Capacity:** We are a collective impact coalition that has learned to govern ourselves to engage in equitable and meaningful work. Through the Brookings Economic Indicators Lab, the Phase I Build Back Better award, and the

More for Memphis coalition work, we've embraced processes that gives equitable voice to collaboration, disagreement and consensus building across communities and organizations. The people we are seeking to help are at the table with an equal decision-making voice and voting power and that economic development efforts focus on historically neglected marginalized communities, resulting in reducing disparities in access to quality jobs, education, and essential services (see uploaded service area map).

As the regional economic development organization, the Greater Memphis Chamber will house the Recompete project coordinator, yet to be identified. **Seeding Success** is the cross-sector backbone organization for all collective impact work in Memphis and is a member of the Chamber's Chairmen Circle and the lead agency of the More for Memphis Collective Impact strategy. The combined leadership of the Chamber and Seeding Success has over 75 years of experience in large systemic and policy change efforts – they will jointly oversee the work of the recompete plan. The juxtaposition of the Chamber's partnership and collaboration with Seeding Success, brings a synergy between industry and communities that supports the planning and execution of equitable, large scale systemic change efforts.

**The wrap around support and training models design will be led by [The Collective Blueprint \(TCB\)](#).** TCB is helping Memphis become a city where all young adults can thrive. Founded in 2017 to support the 45,000 local young adults out of work and school, they support socioeconomic mobility for young adults through career focused training. As Memphis' go-to model for supporting adults 18-30, they facilitate adults' entry into in-demand careers via readiness training, ongoing coaching, monthly stipends, free therapy, internships, employment support, and lifelong access to a well-connected network. **Lead training partners in this work include [CodeCrew](#) and [Tech901](#)** Code Crew. As Memphis' first full-time adult coding bootcamp, CodeCrew Code School fuels economic and social progress in low- and moderate-income communities by connecting Opportunity Adults to careers in software development. Their work is supported extensively by local industry, the NBA and Nike. Guided by the workforce needs of Memphis employers, Tech901 offers entry-level certification training to qualifying Memphians that are seeking new career opportunities. Their mission is to grow Memphis' information technology job base through talent and employment development.

**Solutions to scale and operationalize daycare hubs will be led by [NEXT Memphis](#).** NEXT Memphis has built a one stop shop ecosystem to address the key challenges that day care centers and home childcare operations face in providing high quality programming. Their expertise in providing back-end support services and professional development for licensed centers will be critical to community located solutions

**Entrepreneur and small business strategies will be led by Start Co.** Start Co. has supported over 4,000 businesses since inception ranging from technology startups to SMWBE's. These businesses have created 3,000 jobs, raised over \$200M in debt and equity financing, and have generated over \$200M in revenue. Over 50% of the founders and owners worked with were people of color and women led companies. Start Co. has expertise in building civic innovations for digital inclusion, black and Jewish poverty, social enterprise development, urban mobility challenges, and data analysis of black businesses in peer regions across the country.

Finally, **The Sigma Pi Phi Fraternity**, also known as "The Boule", is an African American fraternal organization and nonprofit. The Fraternity is deeply rooted in the Delta region with a network of Black professionals committed to leveraging their social capital and financial resources to bring economic parity to the Memphis region through careers in tech. Nationally, the Boule and Divine9 have created the Parity Project, a national call to action to

achieve economic parity for Black America by 2030, through STEM degrees. They have identified Base11, a nonprofit committed to creating economic parity through Tech Careers as their partner. Funds will be utilized to plant the Base11 model in eligible census tracts.

**Regional Assets:** More than 1.3 million people live in the tri-state Memphis MSA, and 630k of them reside within Memphis city limits; our greatest regional asset is literally our people – our ability to provide for the human capital needs of the Mid-South growing manufacturing economy stands to be unlocked by significant investments in workforce and economic development place-based investments. The Memphis market serves as America’s Distribution Hub, ensuring reliable and cost-effective solutions grow bottom line revenues and improve supply chain management systems. North America’s busiest cargo airport and the 3rd busiest trucking corridor in the U.S. allows companies to reach 75% of the U.S. population within 2 days and 95% of the globe in 3 days.

This is why manufacturers leverage Memphis as a competitive location advantage. Relative to its influence on total gross regional product, manufacturing industries account for \$12 billion and have expanded 18.4% over the last 4-years, 2019 to 2022. These projections do not include the anticipated impact Ford’s Blue Oval City will have on the Memphis Region. Thirty-five miles east of Memphis, seven of the smartest factories ever built are under construction at Blue Oval City, creating a vertical supply chain to produce Ford’s next generation electric pick-up truck. Eleven thousand new jobs are expected to generate upwards of 30k jobs for the Memphis MSA over the next 5 years, with demands for Industry 4.0 roles forecasted with double- and triple-digit growth. Outside of the Ford impact, the Memphis tech industry contributed \$2.4 billion in GRP growth in 2022 and marked a 50% GRP growth over the past decade in 2022.

Notably, roles for software developers experienced a 65% growth between 2017-2022, placing Memphis in the top ten fastest growing major metros for software developers. As more businesses automate processes and more manufacturers seek proximity to the Memphis market, regional growth for software-based roles is expected to reach 18% within the next five years. These jobs pay on average \$100k per year. With regional employers already embracing skills-based hiring for Industry 4.0 tech roles, these roles stand to create economic parity more rapidly than any other career pathway.

AgTech and Food Technologies is also a growing industry cluster in the Memphis Region and a subsector that requires the industry 4.0 skillsets and career pathways that are part of our recompute plan. Estimated 5-year growth in Agribusiness and AgTech is 7% and local certificate, two year and four-year degrees have grown 15% in the last five years. Like manufacturing, this growing industry cluster pays more at every rung of the career ladder for education attainment that ranges from a high school diploma, certificate or degree. It also has a large niche of entrepreneurs and microbusiness opportunities to increase small business ownership rates.

There are 12 accredited institutions in the Greater Memphis region that confer degrees and credentials in tech-related fields and two premier training institutions, Code Crew and Tech 901, certified by the Tennessee Higher Education Commission, to provide training credentials eligible for articulation agreements. Additionally, Tennessee’s lottery-funded scholarship program provides free technical and community college degrees to new high school graduates and adults attaining their first degree or certificate. Juxtaposed with our intent to scale existing and establish new pre-apprentice, apprenticeships and work experience for credit hours pathways, these assets are foundational to moving individuals along their career pathways.