

Memorandum



DATE September 30, 2011

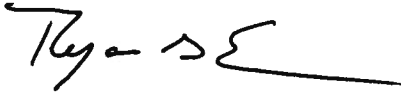
TO Members of the Economic Development Committee: Tennell Atkins (Chair),
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Dallas' Workforce and Jobs**

On Monday, October 3, 2011, the Economic Development Committee will be briefed on the Dallas' Workforce and Jobs.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3314.



Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, Acting City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Interim Assistant City Manager
Jeanne Chipperfield, Director, Chief Financial Services
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Dallas' Workforce and Jobs

Economic Development Committee
October 3, 2011



**DALLAS
ECONOMIC
DEVELOPMENT**



City of Dallas

National Overview

- Slow national growth, if any
- Events are moving fast
- Downside risks include:
 - Financial contagion from Europe
 - Slowing global growth: Japan, Europe, BRICs
 - Political impasse, austerity and consumer malaise at home
- Employment is the most pressing concern to middle class Americans and recovery in the job market will be key to long-term economic health
- Dallas is doing better than the nation and unassailable assets remain in place.

Dallas' Real Strengths

In an ongoing weak national economy, Dallas is better positioned than the nation and peer cities

- Diverse business base
- Regulatory and tax environments
 - No income tax
 - Low overall tax burden
- Geography and location
 - No geographic constraints
 - Central U.S. location
- Urban dynamic
 - Relatively young city (newer infrastructure)
 - Effective urban redevelopment investments

A Positive Legacy



Railroad hub
(1873)

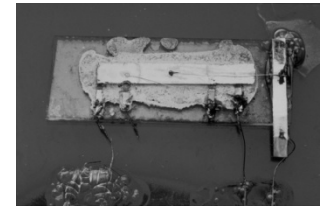


Aviation hub
(1928 & 1973)

Dallas' economic base is built
on a string of successful
industries



Aircraft plants
(1940/41)



Integrated circuit
(1958)



Banking center
(1913)



Group insurance
(1929)



Wholesale hub
(1957)



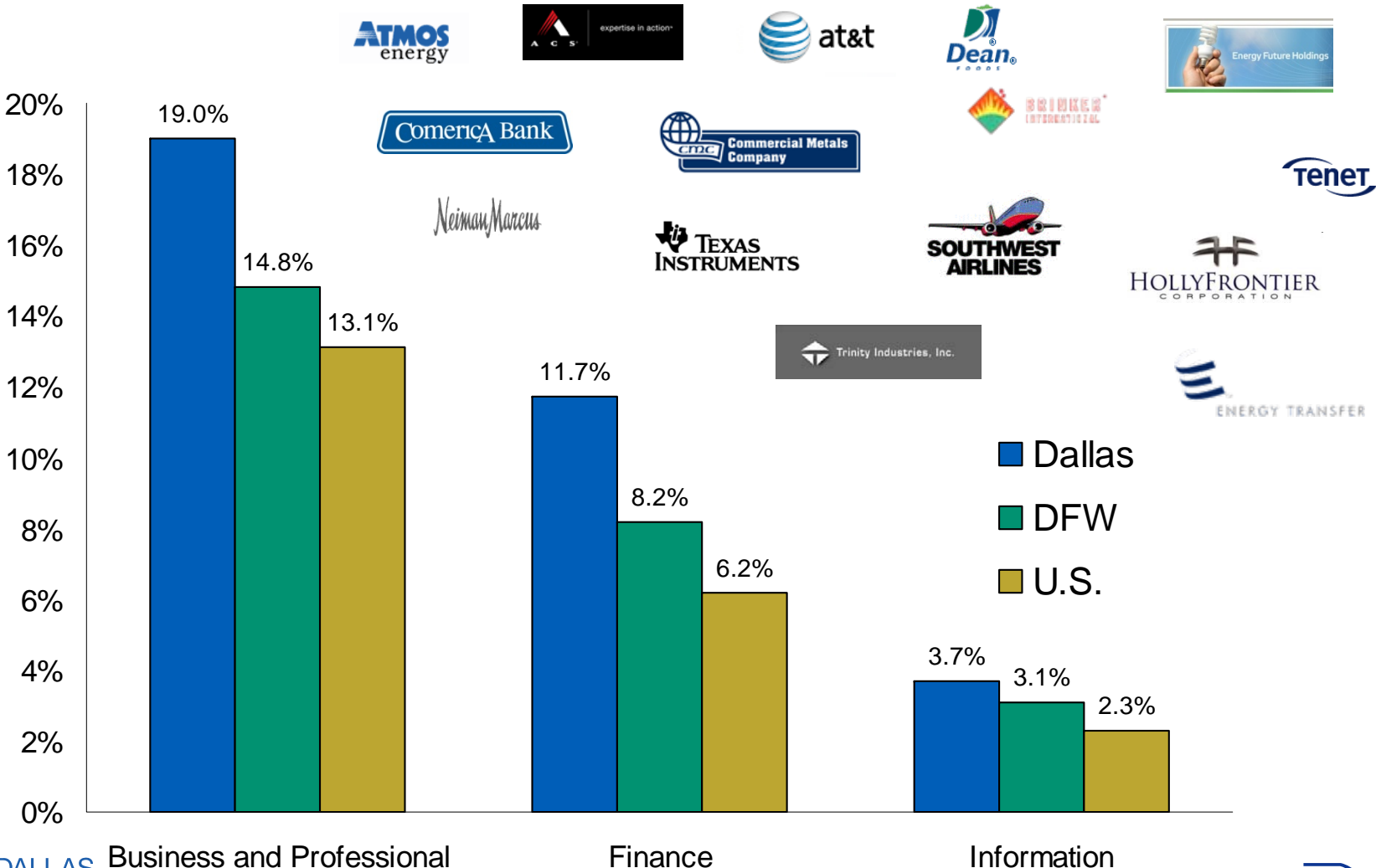
Convenience store
(1927)



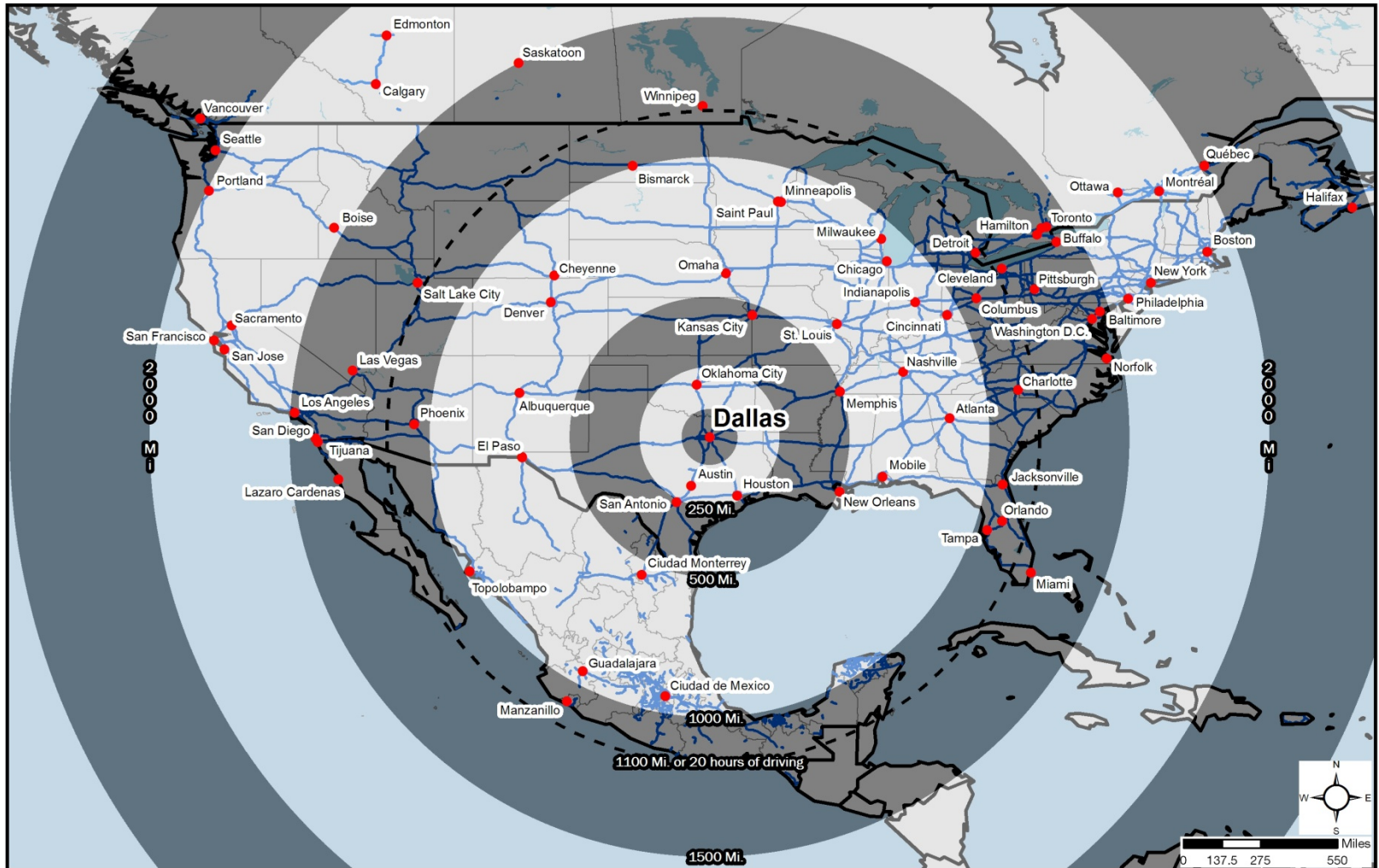
IT outsourcing
(1962)

City of Professionals

(Headquarters and High-End Services)



Location, Location, Location

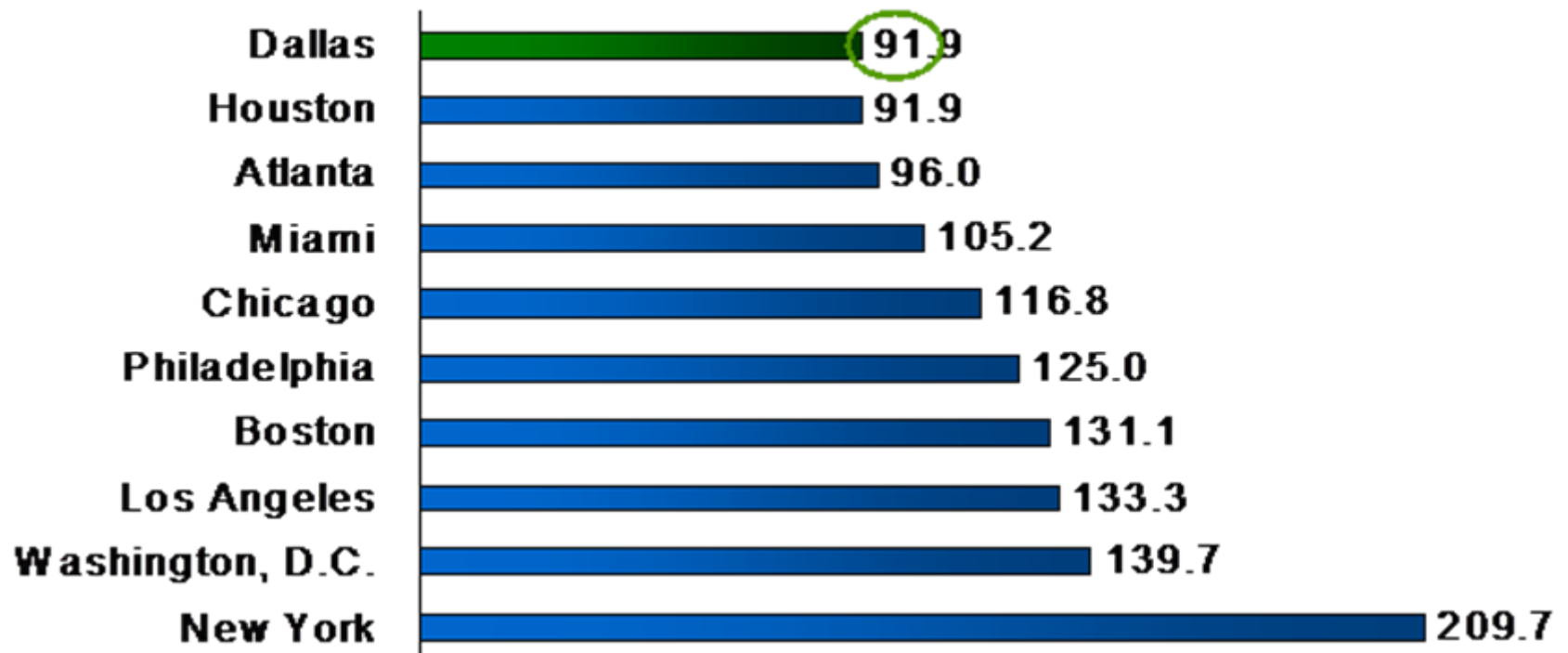


Planes, Trains and Automobiles

- Access all North American cities by air in fewer than four hours
- Reach 35% of the U.S. population (by truck) and 98% of the U.S. population (by rail) within 48 hours from Dallas
- 3 Class I railroads
- 5 Interstate highways
- 19 federal and state highways
- 45 DART rail stations
- 142 U.S. (38 international) cities non-stop from DFW

Inexpensive

Combined Cost of Living: Ten Largest Cities Areas

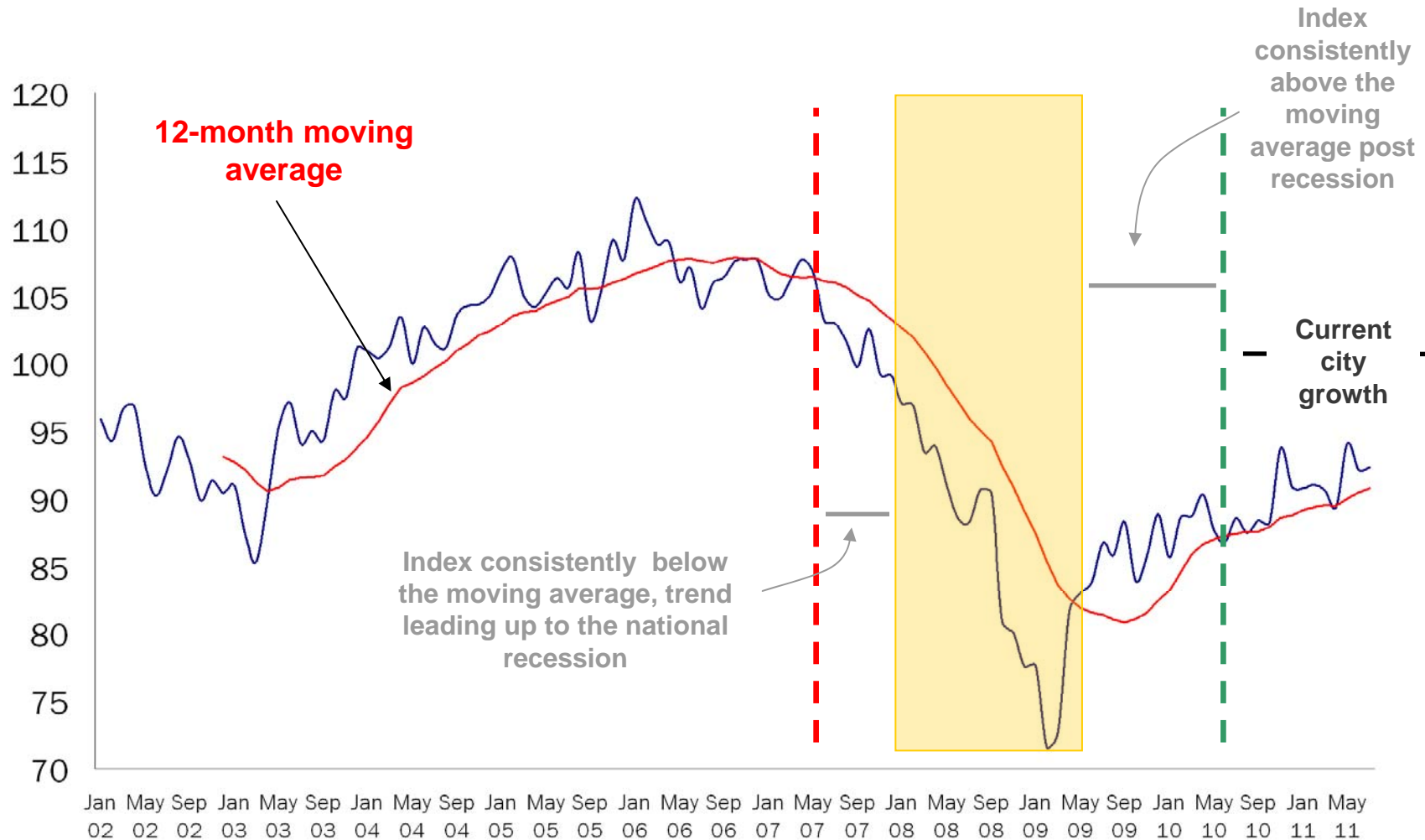


National Economic Summary

- All cities are challenged by ongoing depressed national and world economies
- Unemployment at 9.1%:
 - 13.9M unemployed
 - 8.4M part-time for economic reasons
 - 2.8M marginally attached
- Housing starts at a 51-year low
 - Sales up over last year, still down since 2008
 - Prices down 5% over last year, down 13% since 2008
- Personal income up by 0.1% (at 1996 levels, adjusted)
- Gross Domestic Product grew by 1.3%

No Dallas Recession This Year

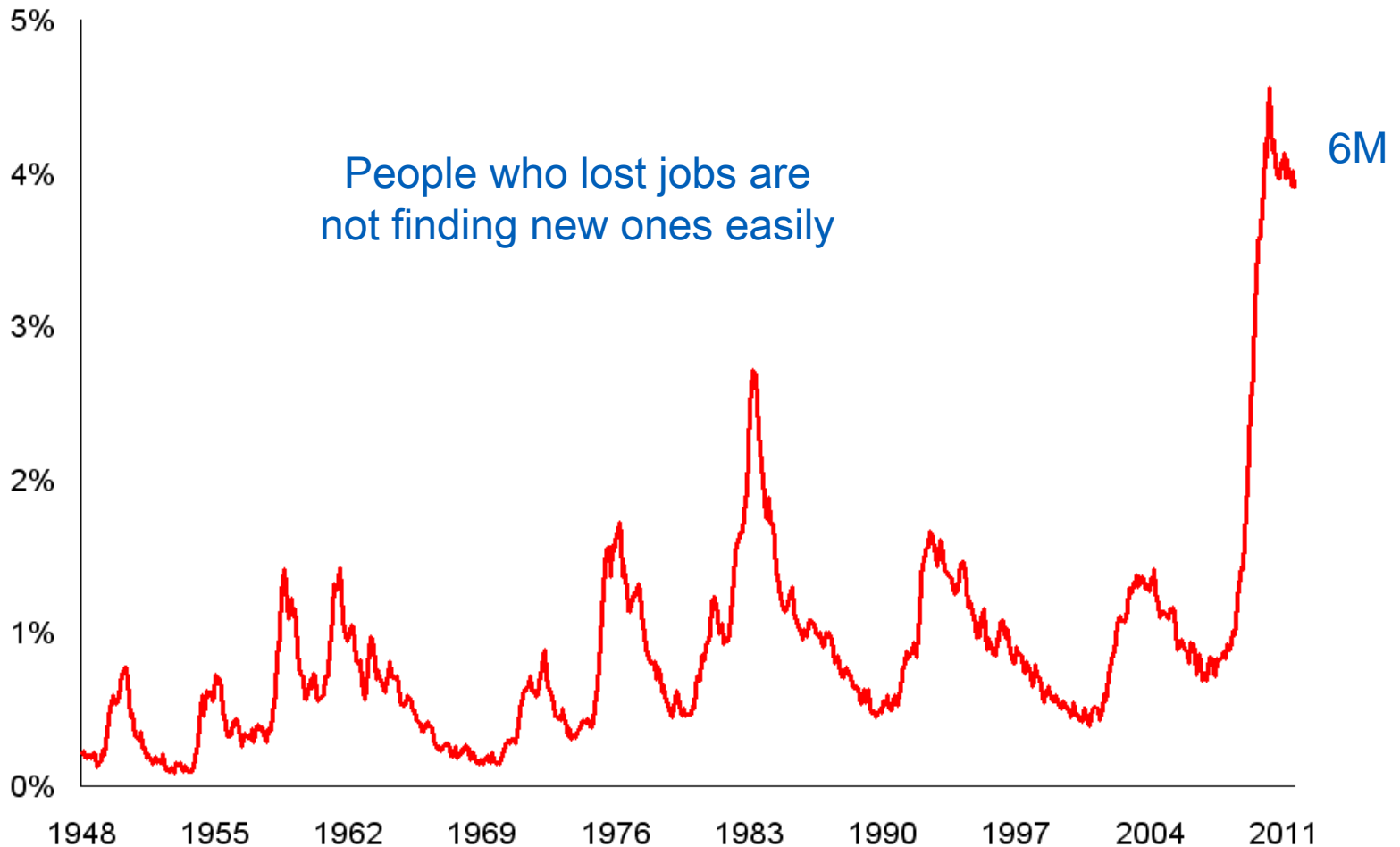
(City of Dallas Leading Index)



Great Recession – Dec 2007 to June 2009

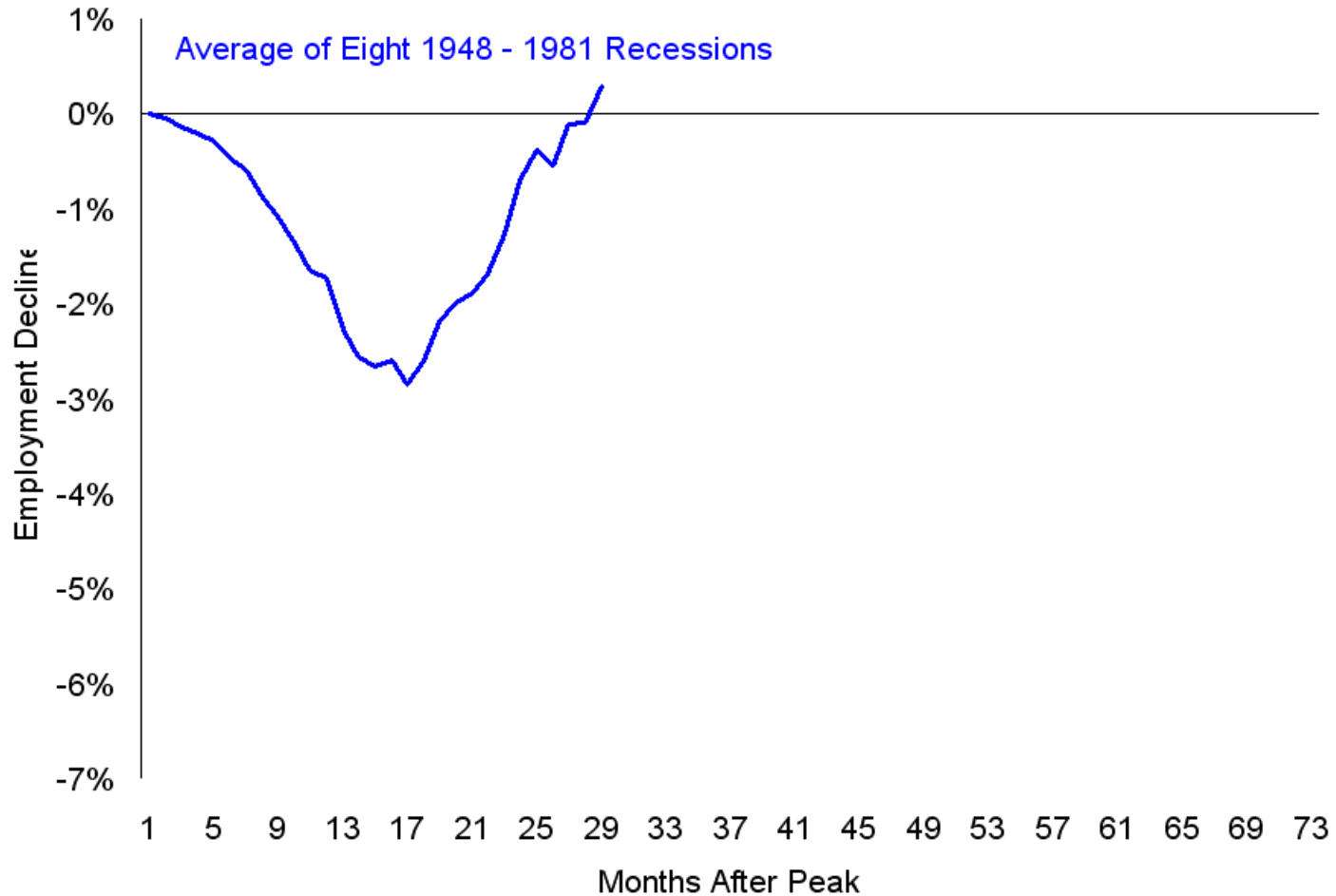
Staying Unemployed

(% of U.S. Civilian Workforce Unemployed More than 26 Weeks)



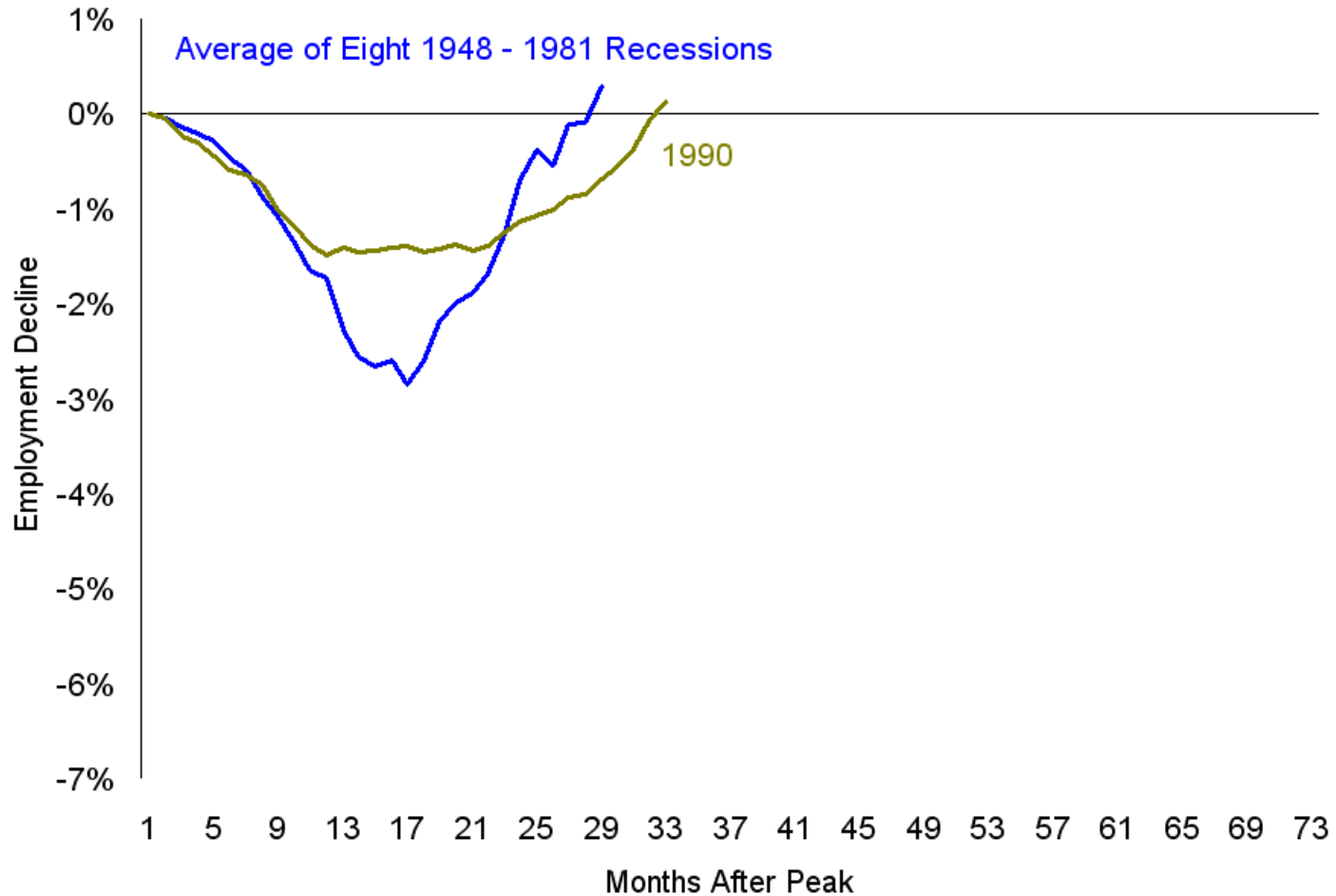
Jobless Recovery

(Number of months for employment to recover after recession starts)



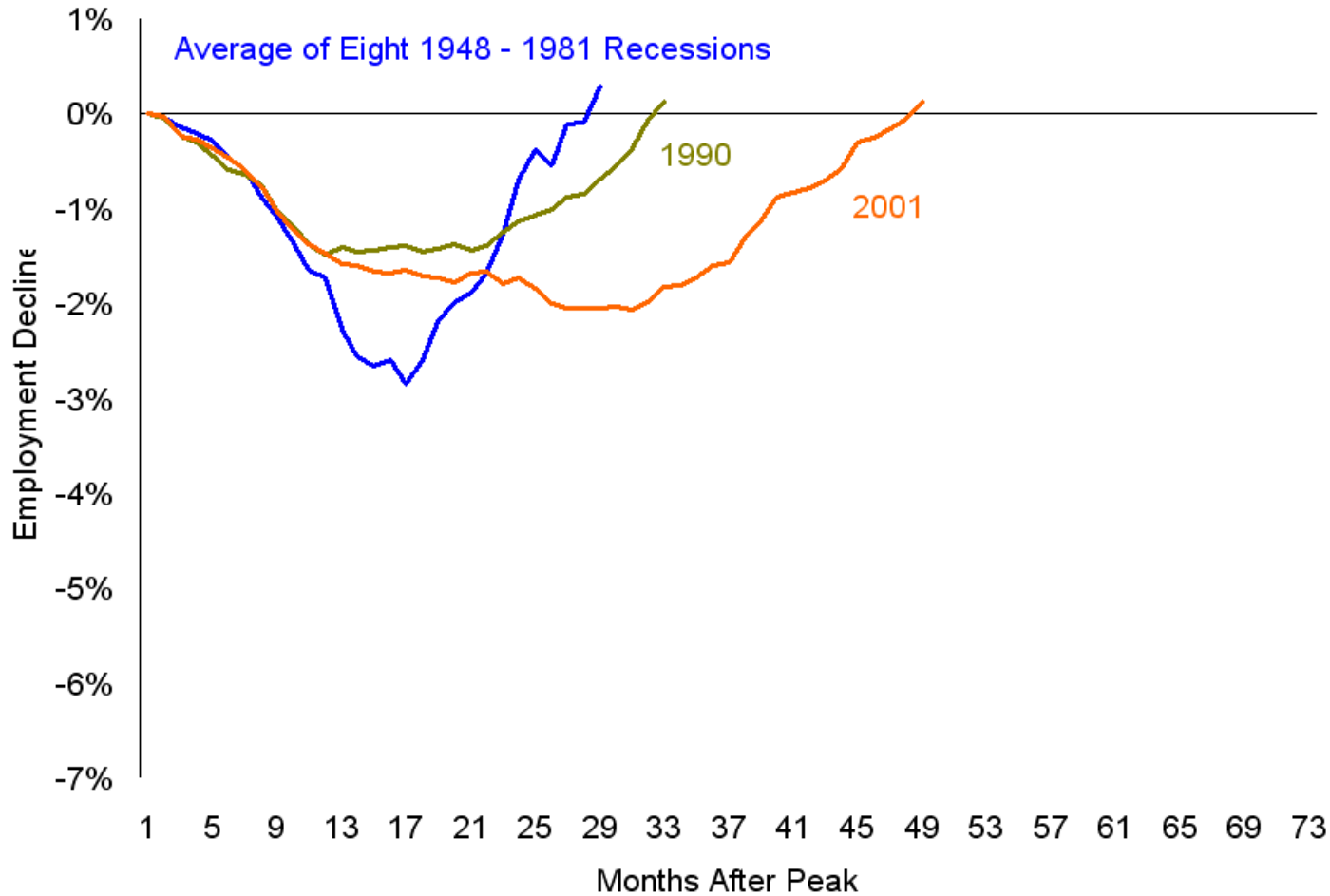
Jobless Recovery

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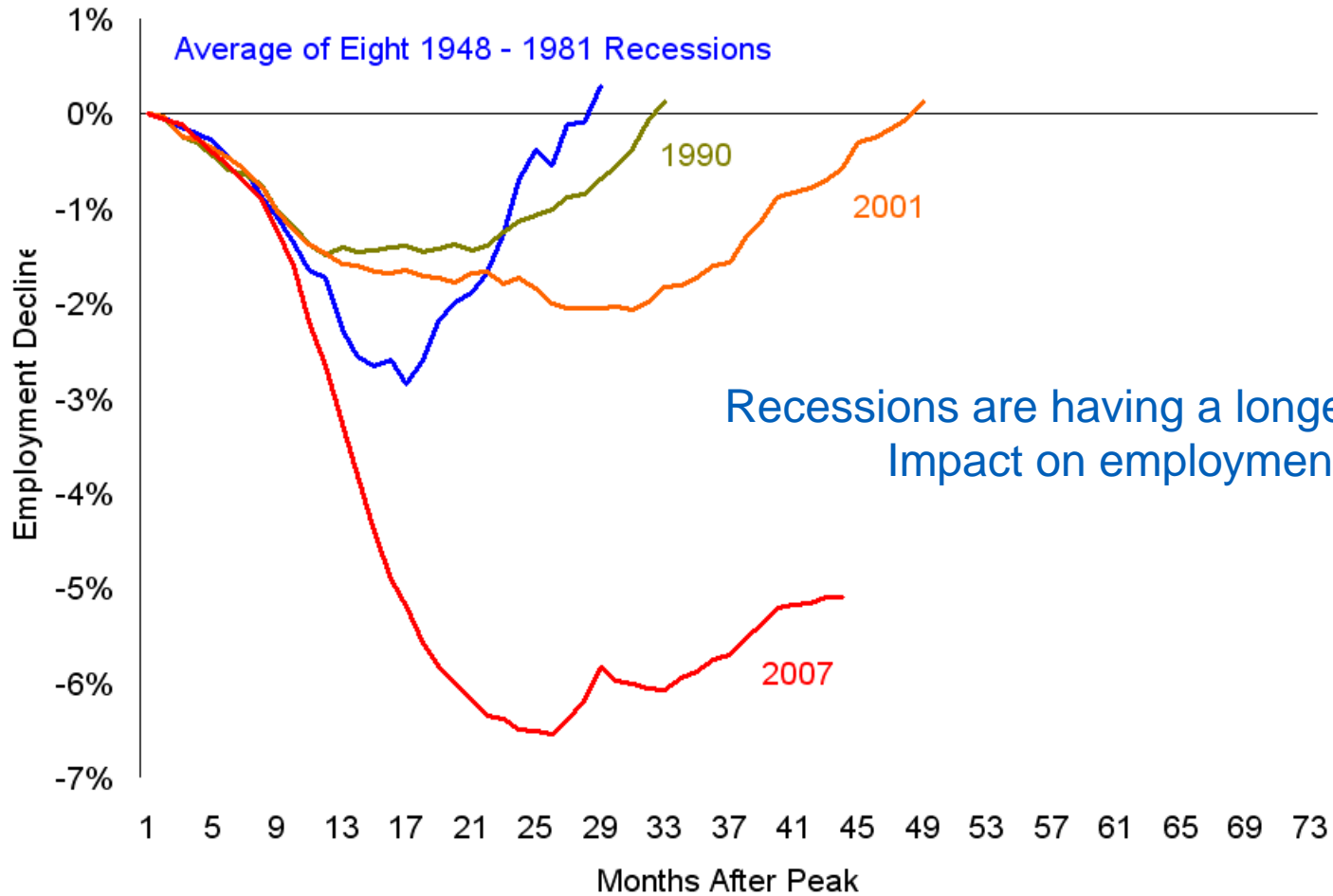
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Jobless Recovery

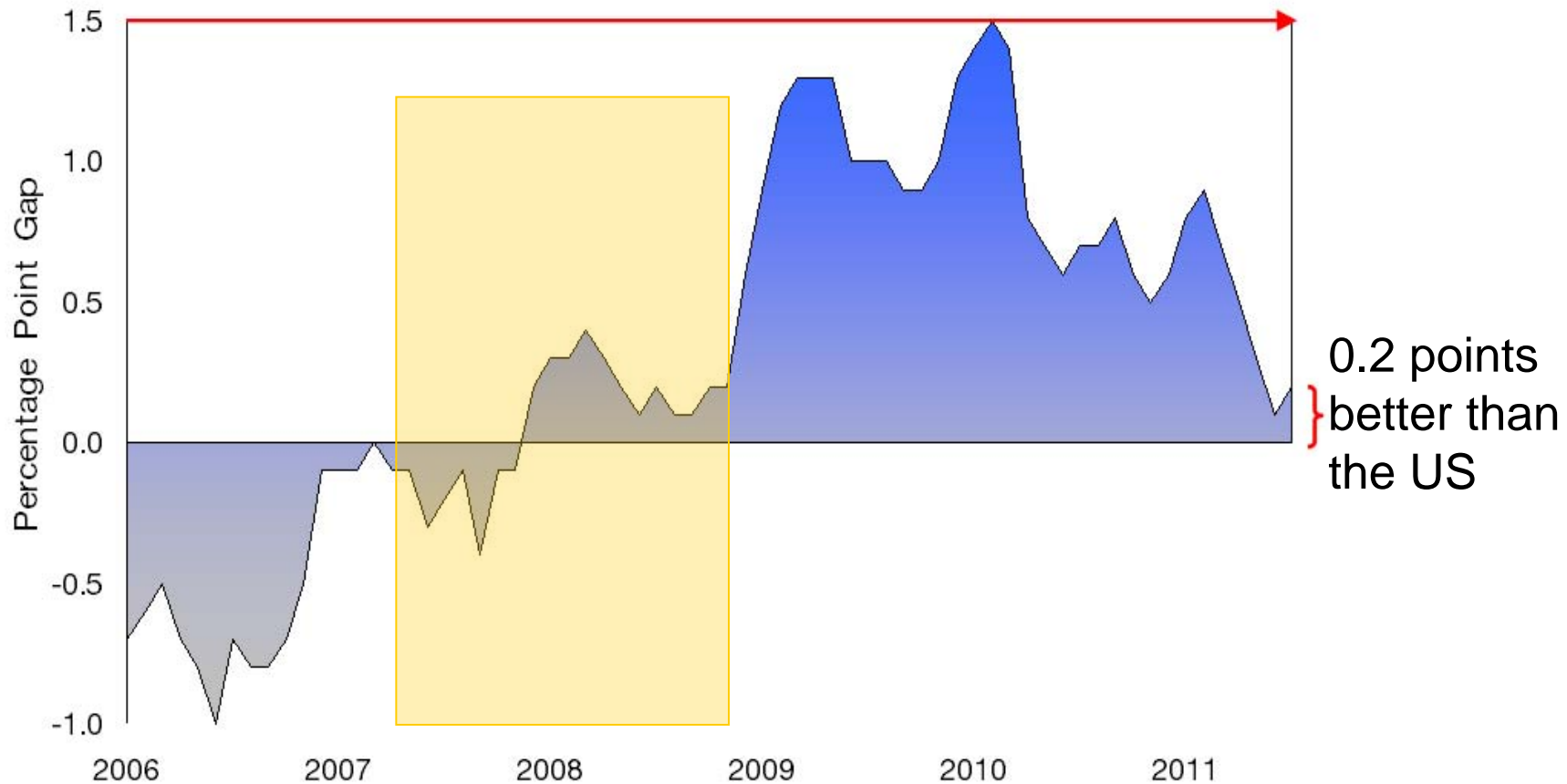
(Number of months for employment to recover after recession starts)



Dallas Unemployment Gap

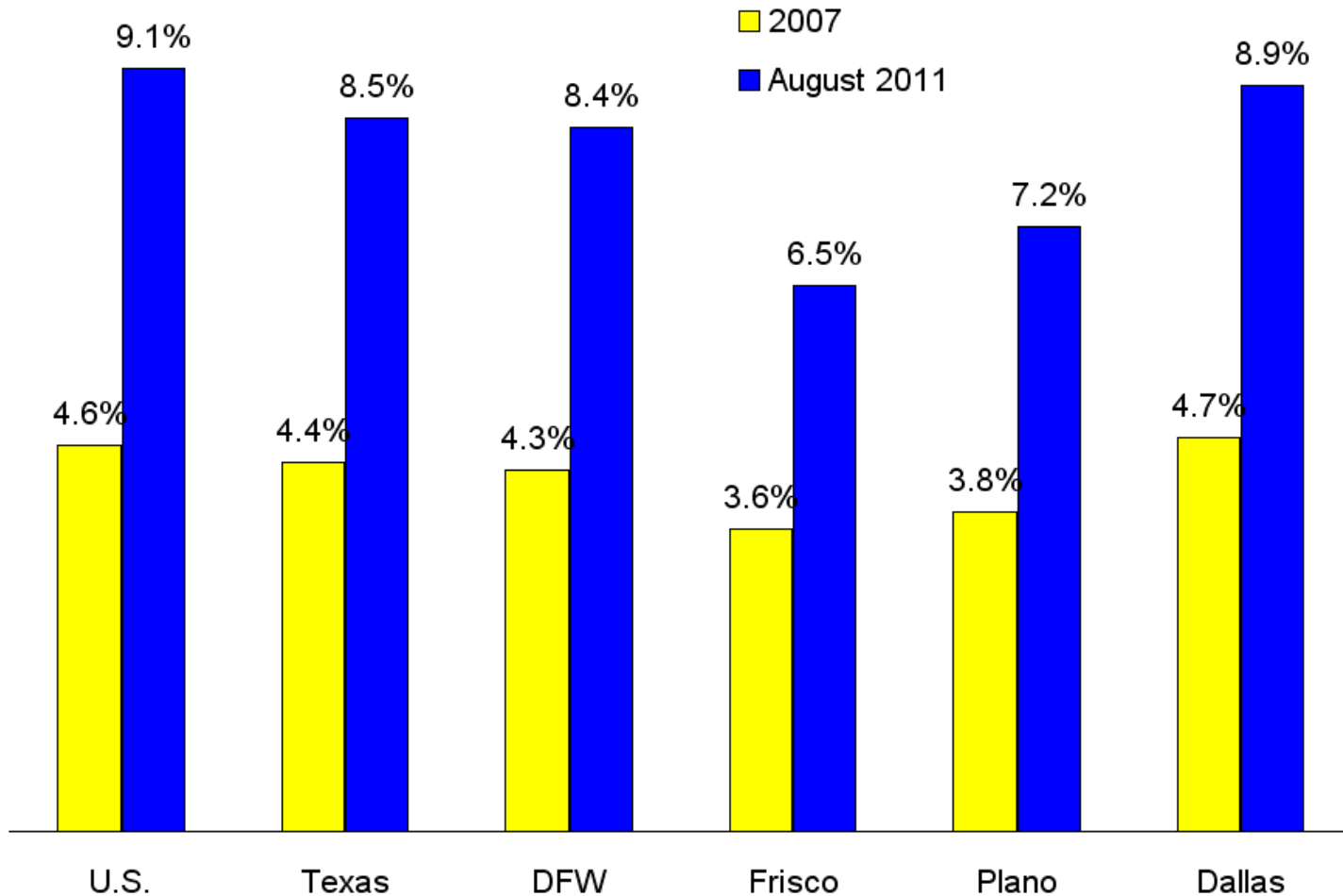
(U.S. rate minus Dallas rate)

From outperforming the nation handily,
Dallas' unemployment rate is converging to the U.S.



Consistent Regional Gap

(Unemployment rates)



Jobs verses Employed

- 1M people report to work in Dallas city limits
- 554,000 Dallas residents have jobs
 - 60% work in Dallas
 - 40% work in suburbs
- 727,000 suburban residents come into the city for their work

A. Work in Dallas:

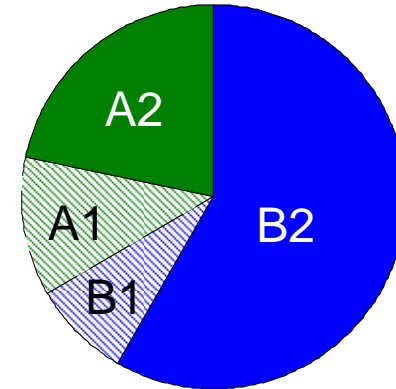
A1. Live and work in Dallas

A2. Live in suburbs, work in Dallas

B. Work in suburbs:

B1. Live in Dallas, work in suburbs

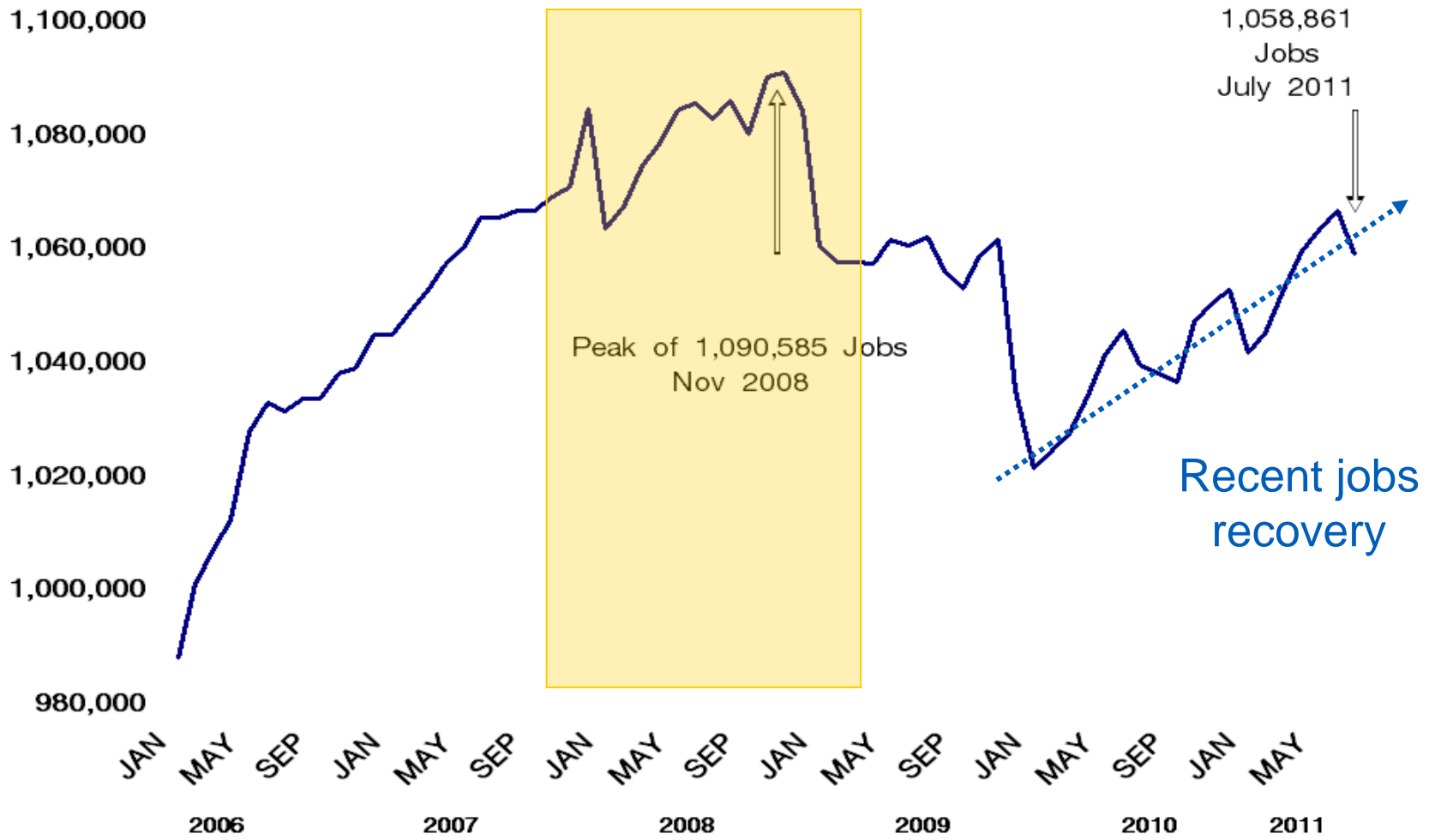
B2. Live and work in suburbs



3M DFW Jobs and
3M Employed Workers

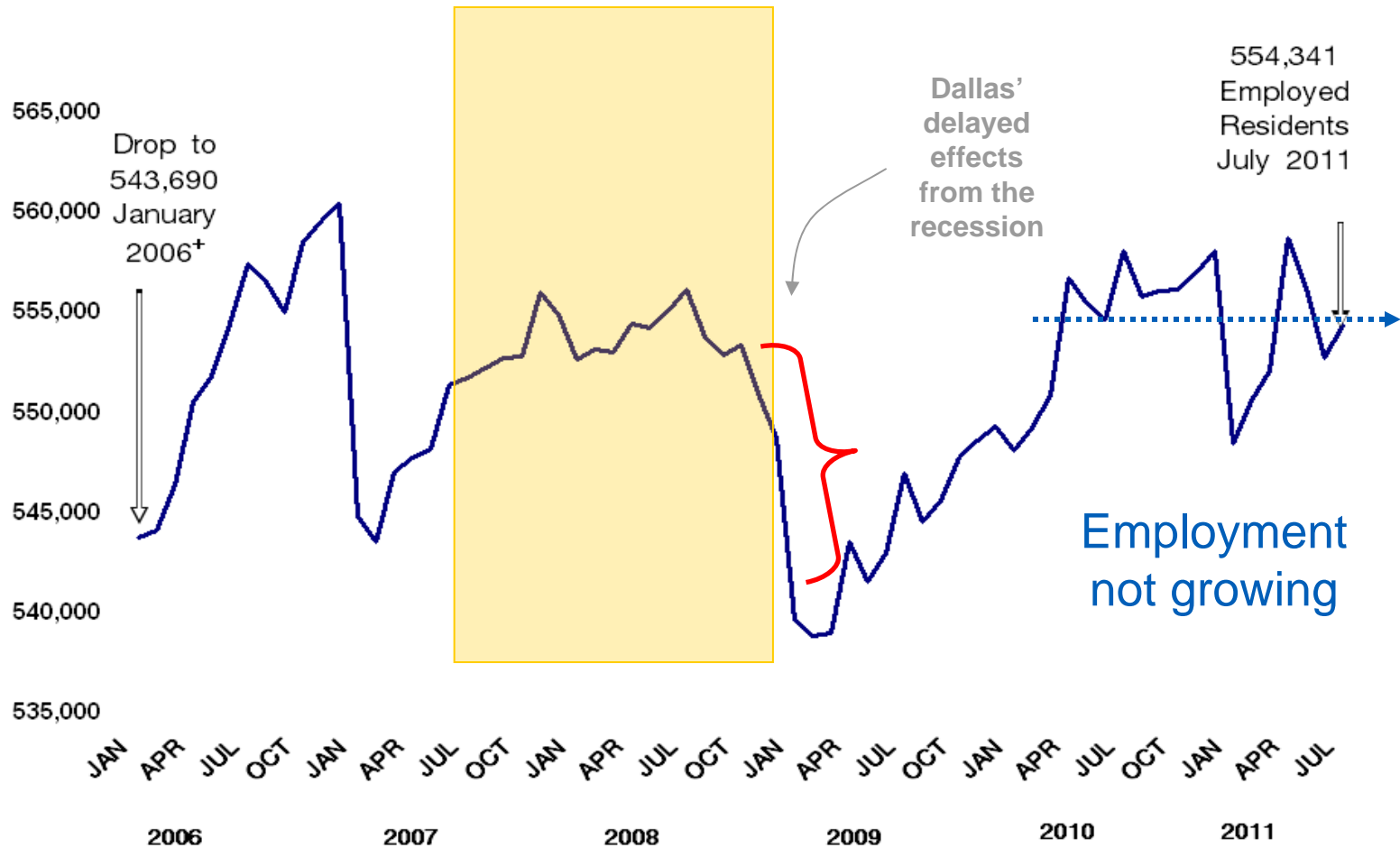
Recovering Jobs

(People working in Dallas)



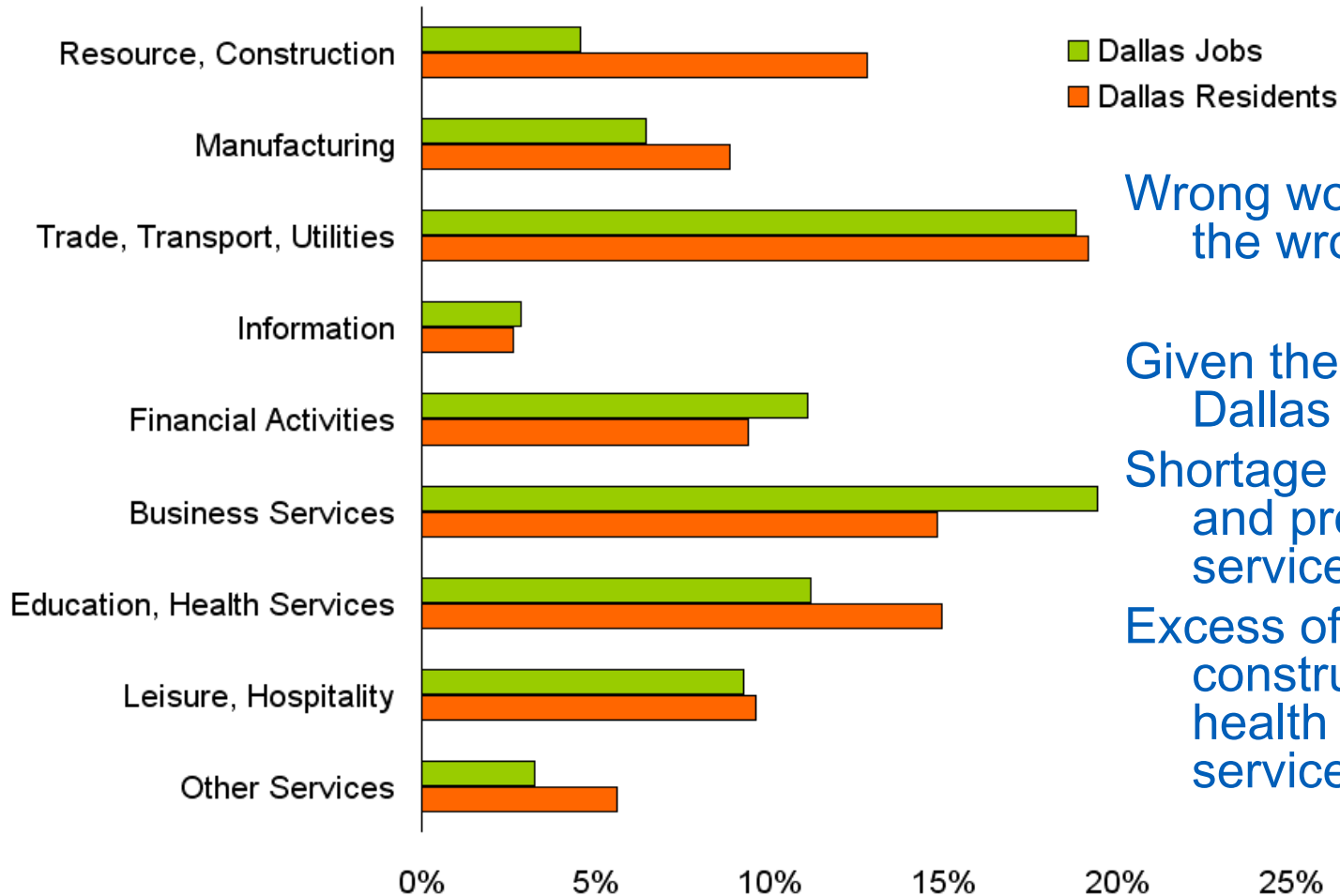
Flat Employment

(Dallas residents that have jobs anywhere)



Industry Mismatch

(% workforce and employment by industry)



Wrong workforce or the wrong jobs?

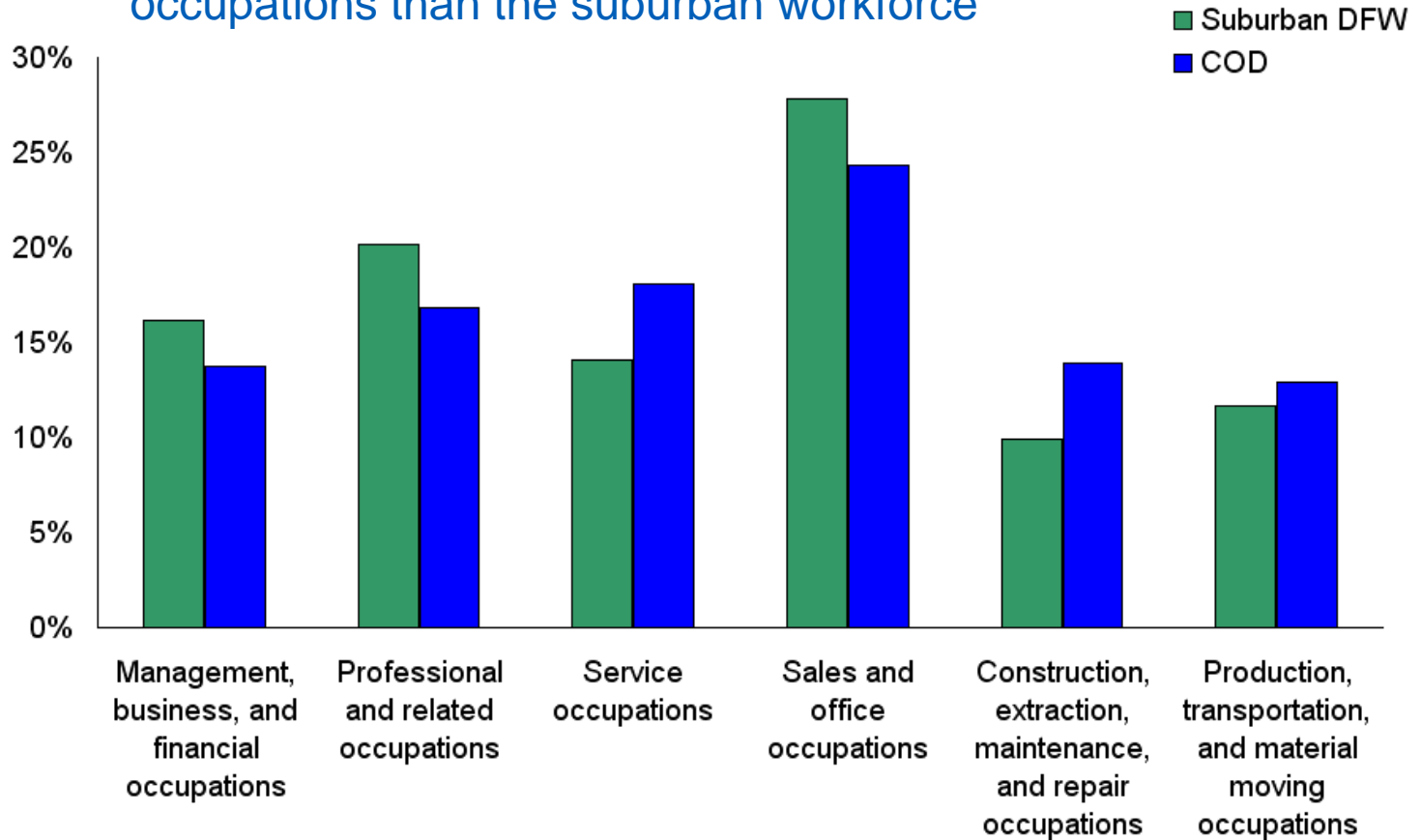
Given the job base Dallas has:
Shortage of financial and professional service workers

Excess of construction, health and other service workers

Dallas and DFW Workforce

(Share of employment by occupation)

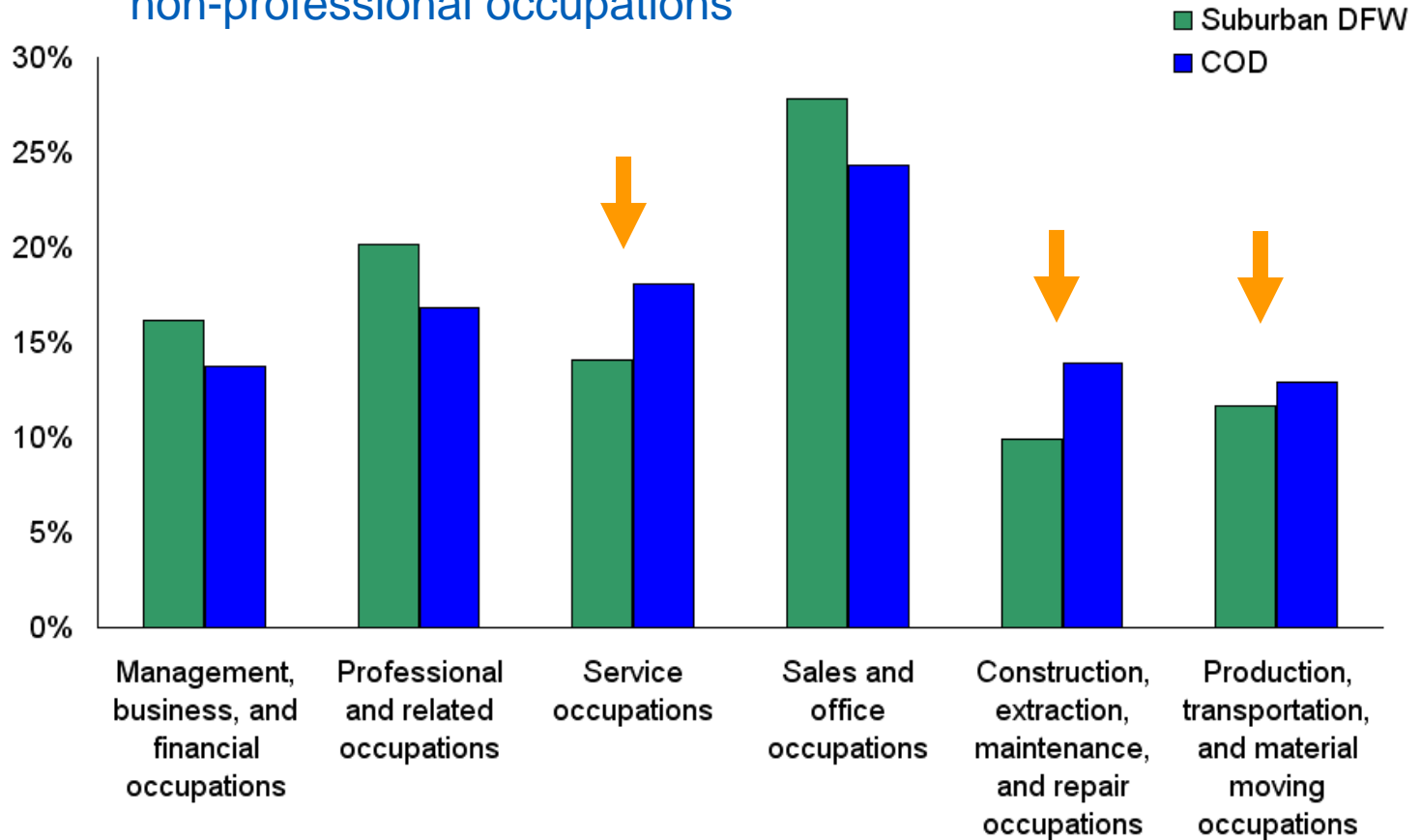
Workforce in Dallas is concentrated in different occupations than the suburban workforce



Dallas and DFW Workforce

(Share of employment by occupation)

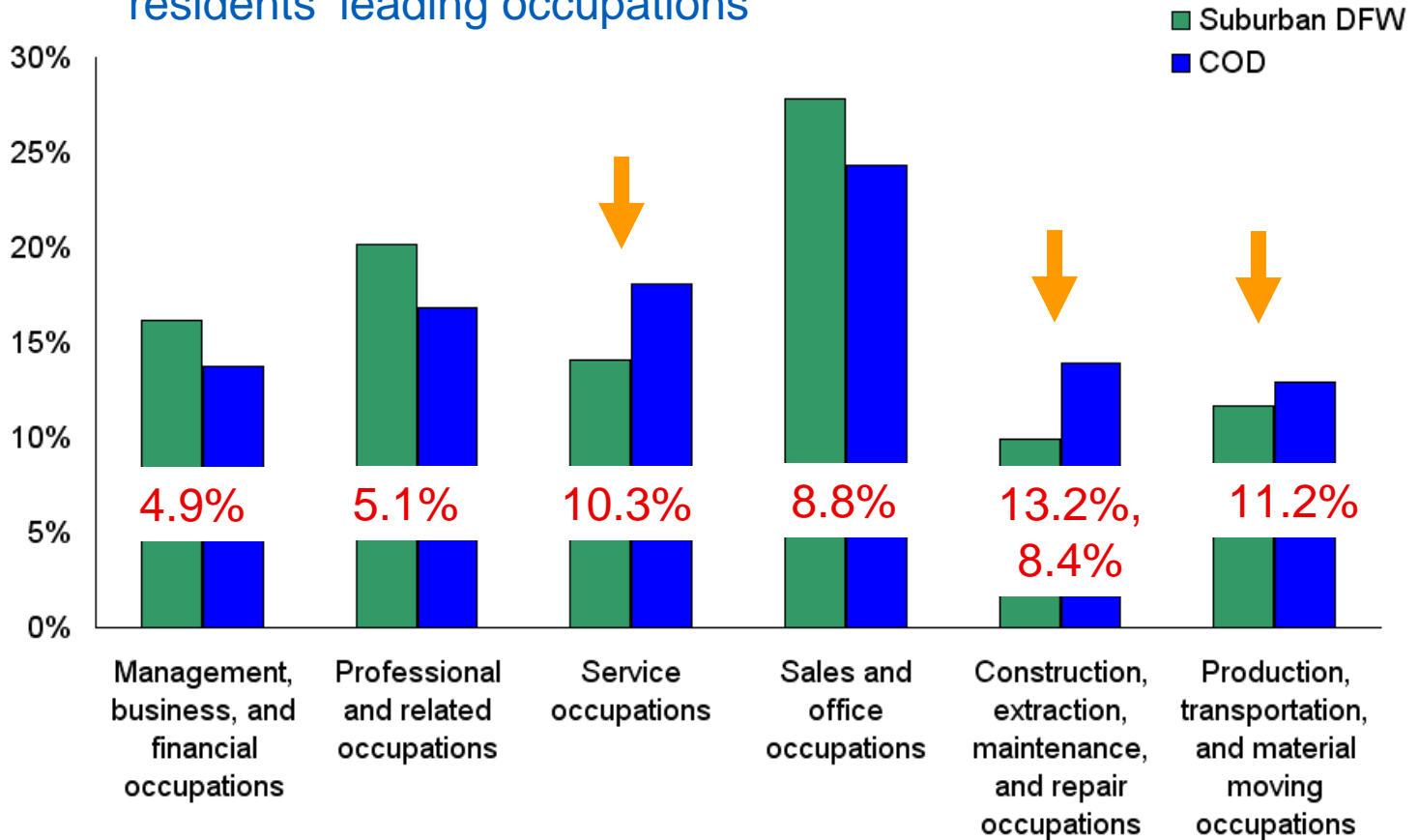
Dallas workforce is more concentrated in non-professional occupations



Dallas and DFW Workforce

(National unemployment rates by occupation)

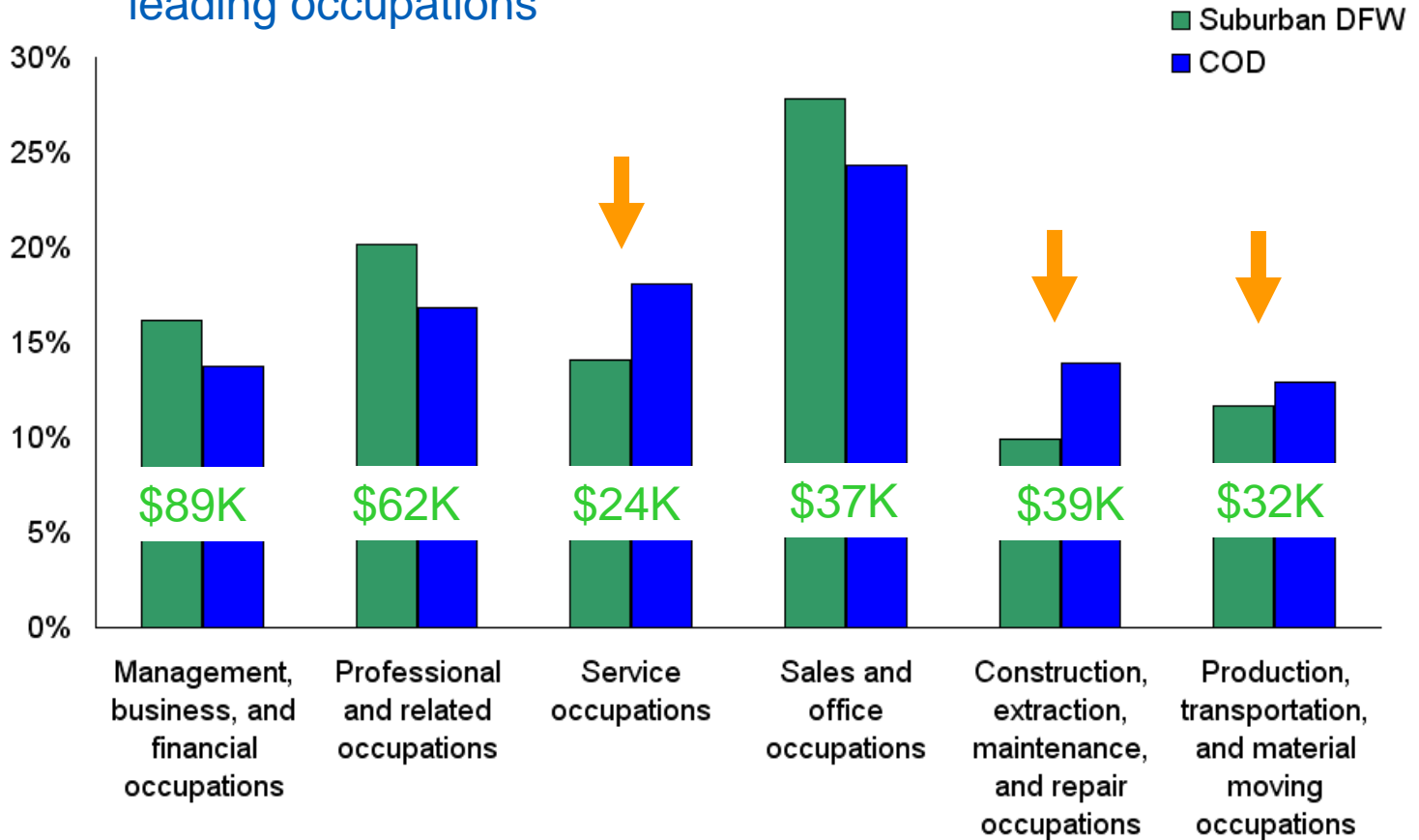
Unemployment rates are higher in Dallas residents' leading occupations



Dallas and DFW Workforce

(Local annual average wages by occupation)

Wages are relatively low in Dallas residents' leading occupations



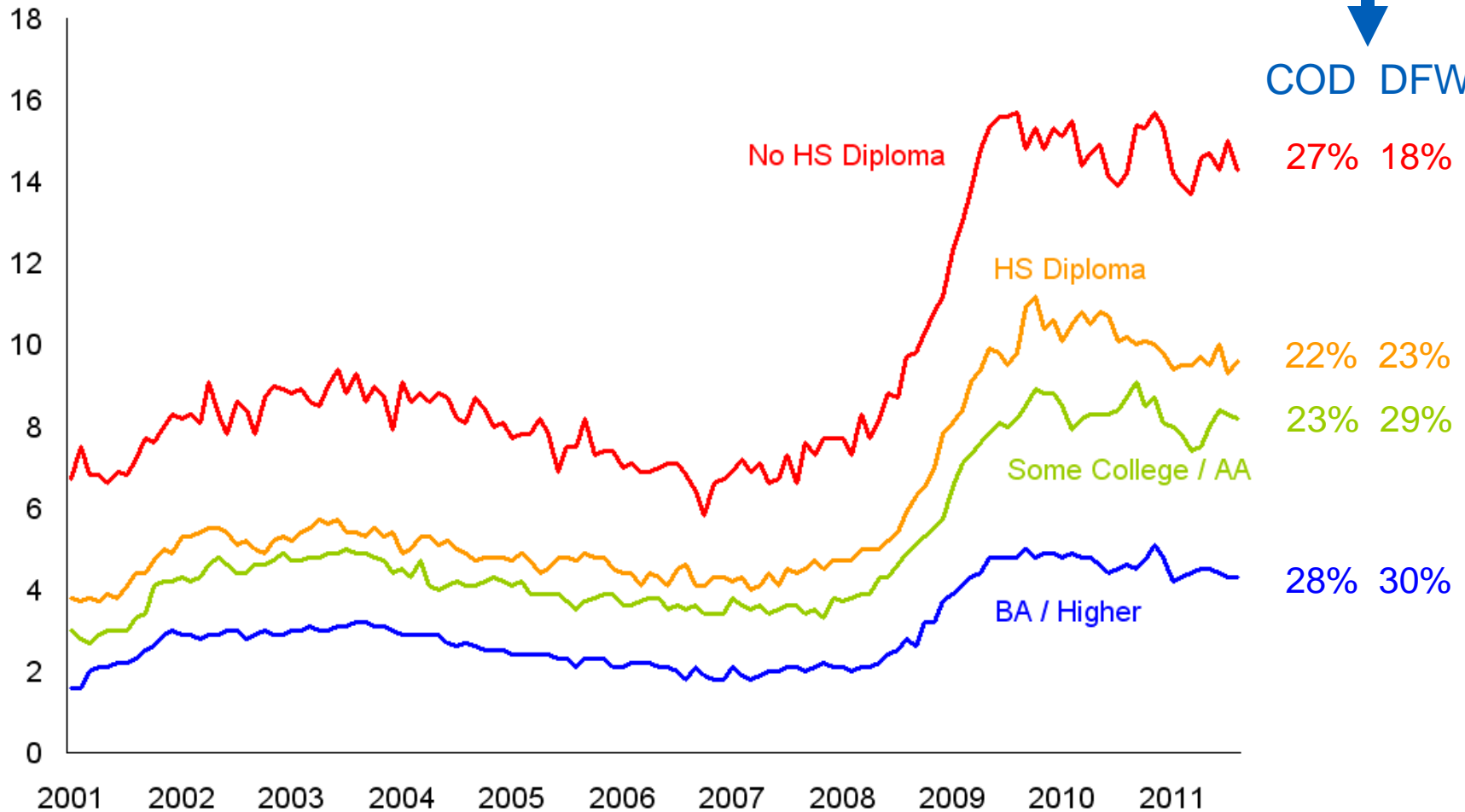
Uneducated = Unemployed?

(U.S. unemployment rate by education level)

Local Workforce Share



COD DFW



Jobs-Workforce Mismatch

Given the characteristics of North Texas' industrial mix:

- Dallas' industry mix is concentrated in higher paying industries (jobs in city limits)
- Dallas' workforce is heavily concentrated in the lower paying, higher unemployment occupations (residents)

Next Steps

- Complete more detailed examination of Dallas workforce educational and employment characteristics and relationship to Dallas industries and jobs
- Identify implications for workforce training, education, housing policy and business development activities
- Report results and recommendations to committee