ICR Event Series

REBUILDING THE DREAM:
INCLUSIVE GROWTH IN THE INDIANAPOLIS REGION
Thank you to our Gold Sponsor

HAGERSMAN
Thank you to our Gold Sponsor
Thank you to our Gold Sponsor

Turner
Thank you to our Gold Sponsor
Thank you to our Gold Sponsor

BULLEY & ANDREWS
General Contractors Since 1891
Thank you to our Gold Sponsor
Thank you to our Silver Sponsors
Thank you to our Silver Sponsors
Thank you to our Silver Sponsors
Education Committee Members

Brent Crum, Chair  
*MSKTD*

Adam Campagna  
Shiel Sexton

Nate Lelle  
Meyer Najem

Stu Flannery  
*Eli Lilly*

Rosie Foulke  
*Browning Day Mullins Dierdorf*

David Roth  
*Tonn and Blank*

Audra Blasdel  
*Blasdel Solutions*

Julia Saltsgaver  
*Quality Connection*
Poll Everywhere During Today’s Event

During today’s event, the floor is open for questions at any time via the info below and in your nametags.

Text in questions at any point during the event via the info below. They will be forwarded to the moderator, who will answer them during the panel portion of the event.

To join:

Website: PollEv.com/icrpoll
Text Messaging: Text ICRPOLL to 22333 to join the session
Upcoming Events

- 16 Tech: Brick, Mortar, Rubber & Road - June 14th 8-9:30am
  - Indiana Landmarks 8-9:30am
  - Dale Pfeifer, Director of Real Estate Development - *Browning Investments*
  - Bob Coy, President - *16 Tech*
  - Jay McGill, COO - *Indiana Biosciences Research Institute (IBRI)*
  - Bill Stephan, Vice President for Engagement - *Indiana University*
  - Rob Lyles, President - *Cook Regentec*
  - **Moderator:** Michael Huber, President & CEO - *Indy Chamber*
Upcoming Events

- **Leaders in Workforce - August 9th**
  - Indiana Landmarks 8-9:30am
  - **Fred Payne**, Commissioner - *Department of Workforce Development*
  - **Sue Ellspermann**, President - *Ivy Tech Community College*
  - **Blair Milo**, Secretary of Career Connections & Talent - *State of Indiana*
  - **Phil Kenney**, President - *F.A. Wilhelm Construction*
  - **Chuck Goodrich**, President - *Gaylor Electric*
  - **Moderator: Chris Price**, President, *Indiana Construction Roundtable Foundation*
REBUILDING THE DREAM: INCLUSIVE GROWTH IN THE INDIANAPOLIS REGION

INDY CHAMBER
INDIANA UNIVERSITY
PUBLIC POLICY INSTITUTE
TWO-SIDED ECONOMY

Kiplinger
TOP 10
Cities to Start a Business

#3
Best Downtown

Forbes
TOP 10
Cities for Young Professionals, High Tech Job Growth

BROOKINGS
29th
In five year job creation

LIVABILITY
6th Most Economically Segregated Region (up from 53rd most in 1990).

80% increase of people in poverty over the last decade

64% workforce participation rate

20% of manufacturing base gone in last decade
BORN POOR, LIKELY TO STAY POOR

Chances of child born in bottom 20% reaching the top 20%, The Equality of Opportunity Project, 2014
CHANGING NATURE OF WORK
LEGACY MANUFACTURING DISAPPEARING

GM
Closed: 2011
Peak Jobs: 5,600
Peak Year: 1969

REXNORD
Closed: 2017
Peak Jobs: 4,000
Peak Year: 1969

CHRYSLER
Closed: 2005
Peak Jobs: 3,500
Peak Years: 1970s

Olin
Closed: 2003
Peak Jobs: 2,500
Peak Years: 1940s

Western Electric™
Closed: 1985
Peak Jobs: 8,000
Peak Years: 1960s-1970s

Visteon
Closed: 2008
Peak Jobs: 3,000
Peak Years: 1980s-1990s

RCA
Closed: 1995
Peak Jobs: 8,200
Peak Year: 1950

Navistar®
Closed: 2015
Peak Jobs: 4,450
Peak Year: 1946

SOURCES: Develop Indy

CHANGING NATURE OF WORK
THE IMPACT OF AUTOMATION

49% of time spent on work activities worldwide could be automated with existing technologies.

87% AUTOMATION

13% TRADE

MANUFACTURING JOB LOSS

38% of American jobs are at high risk of loss to automation by the 2030s.

INCREASE IN ROBOT USAGE, 1993-2007

INCREASE PER 1K WORKERS

0 - .25
1 - 1.25
.25 - .5
1.25 - 1.5
.5 - 1.75
1.5 - 1.75
.75 - 1
HIGHER


CHANGING NATURE OF WORK
THE CHANGING NATURE OF JOBS

MANUFACTURING
CHANGE IN JOBS (1995-2015)
-30,743
2015 WAGES $72,861

HEALTH CARE
CHANGE IN JOBS (1995-2015)
+53,482
2015 WAGES $52,653

NEW ECONOMY, NEW SKILLS

SOURCES: EmployIndy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-30,743</td>
<td>$72,861</td>
</tr>
<tr>
<td>Government</td>
<td>-203</td>
<td>$52,484</td>
</tr>
<tr>
<td>Mining</td>
<td>116</td>
<td>$65,019</td>
</tr>
<tr>
<td>Wholesale</td>
<td>1,051</td>
<td>$66,426</td>
</tr>
<tr>
<td>Management</td>
<td>1,075</td>
<td>$91,692</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1,312</td>
<td>$41,661</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,501</td>
<td>$89,577</td>
</tr>
<tr>
<td>FIRE</td>
<td>2,140</td>
<td>$76,845</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2,768</td>
<td>$49,625</td>
</tr>
<tr>
<td>Construction</td>
<td>3,357</td>
<td>$56,137</td>
</tr>
<tr>
<td>Arts</td>
<td>4,544</td>
<td>$47,246</td>
</tr>
<tr>
<td>Other</td>
<td>4,922</td>
<td>$35,216</td>
</tr>
<tr>
<td>Retail</td>
<td>6,929</td>
<td>$28,617</td>
</tr>
<tr>
<td>Education</td>
<td>8,836</td>
<td>$36,600</td>
</tr>
<tr>
<td>TDL</td>
<td>22,290</td>
<td>$43,737</td>
</tr>
<tr>
<td>Pro Services</td>
<td>22,321</td>
<td>$73,348</td>
</tr>
<tr>
<td>Food Services</td>
<td>24,992</td>
<td>$16,705</td>
</tr>
<tr>
<td>Waste/Administration</td>
<td>41,090</td>
<td>$30,946</td>
</tr>
<tr>
<td>Health Care</td>
<td>53,482</td>
<td>$52,653</td>
</tr>
</tbody>
</table>
INDY’S SHRINKING MIDDLE WAGE JOBS

Job Distribution by Level

1950
29.4% 56.4% 14.1%

2015
35.0% 46.0% 19.0%

Average Wage by Sector in 2015 Dollars

Lower Income/Service
Middle Income/Labor
Higher Income/Innovation

SOURCES: Indiana Department of Workforce Development
WAGE PREMIUMS IN ADVANCED INDUSTRIES

1 OUT OF 2 Advanced industry jobs require less than a 4-year degree

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Ai Average Wage</th>
<th>Non-Ai Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral Degree</td>
<td>$153K</td>
<td>$117K</td>
</tr>
<tr>
<td>Professional Degree</td>
<td>$130K</td>
<td>$115K</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>$89K</td>
<td>$69K</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>$89K</td>
<td>$56K</td>
</tr>
<tr>
<td>Associate's Degree</td>
<td>$56K</td>
<td>$38K</td>
</tr>
<tr>
<td>Some College</td>
<td>$60K</td>
<td>$32K</td>
</tr>
<tr>
<td>Secondary Diploma</td>
<td>$54K</td>
<td>$28K</td>
</tr>
<tr>
<td>No Secondary Diploma</td>
<td>$44K</td>
<td>$33K</td>
</tr>
</tbody>
</table>

SOURCES: Brookings Institution

DYNAMIC FIRMS
PROLIFERATION OF POVERTY

WHY IT MATTERS

SOURCES: IU Public Policy Institute, Brookings Institution

FIVE DIMENSIONS OF POVERTY:

- INCOME LEVEL
- EDUCATION LEVEL
- HEALTH INSURANCE
- LIVE IN CONCENTRATED POVERTY
- NO WORKERS IN FAMILY

SOURCES: IU Public Policy Institute, Brookings Institution

1 Dot = 15 People
- Below 50% Poverty
- 50% to 99% Poverty
- 100% to 149% Poverty
- 150% to 199% Poverty
- Without Health Insurance
- HSE or Less
- No Workers in Family
WORKER PROFILE: CAROL

FAMILY STATUS: Single mother of two children

JOB STATUS: Recently hired at ABC Call Center, earning a starting wage of $13.50/hour.

PROS: In-house health clinic access, extensive employer training

CHALLENGES: Long commute via IndyGo bus system to and from work at inconvenient times, disqualified from child care voucher if wage exceeds $16/hour, housing options limited due to low wages

SOURCES: In-Person Interviews
EMPLOYER PROFILE: ABC CALL CENTER

JOB REQUIREMENTS: High school diploma

WAGES & BENEFITS: Starting wages of $13.50/hour, in-house health clinic, training

CHALLENGES: 15% of employees ride IndyGo, employees refuse wage increases from $15/hour to $16/hour to remain eligible for child care voucher

TURNOVER COSTS: 4-6 weeks of expensive onboarding for 50 new hires per month (600 annually), 40% new hire turnover (240 annually), turnover costs 86% of salary ($5.7 million annually)

SOURCES: In-Person Interviews, Center for Economic & Policy Research
INDY’S WORKING POOR

Indy’s Asset Limited, Income Constrained, Employed (ALICE) and Below

MONTHLY COST OF LIVING FOR MARION COUNTY FAMILIES
(1 adult, 1 preschooler, and one school-age child)

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$781</td>
</tr>
<tr>
<td>Food</td>
<td>$526</td>
</tr>
<tr>
<td>Childcare</td>
<td>$1,160</td>
</tr>
<tr>
<td>Health Care</td>
<td>$503</td>
</tr>
<tr>
<td>Transportation</td>
<td>$255</td>
</tr>
<tr>
<td>Taxes</td>
<td>$527</td>
</tr>
<tr>
<td>Other Necessities</td>
<td>$322</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$4,075</strong></td>
</tr>
</tbody>
</table>

Total Annual Salary: $48,900
Wage Needed: $23.15/hr
CHANGING LOCATION OF JOBS

STUCK IN NEUTRAL
Fewer nearby jobs within a typical commute, 9.2 miles.

LOCATION, LOCATION, LOCATION
10.6% decrease in nearby jobs overall and 23.6% decrease in nearby jobs in high-poverty neighborhoods.

SPACIAL MISMATCH
205,000 commuters into Marion County, about 50,000 reverse commute.

SOURCES: Brookings Institution, Indy Partnership
## HOUSING & INCOME

### EARNINGS BY COUNTY PER $10K EARNED BY WORKERS IN COUNTY

<table>
<thead>
<tr>
<th>County</th>
<th>Median Earnings by Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boone</td>
<td>$16,653</td>
</tr>
<tr>
<td>Hamilton</td>
<td>$14,237</td>
</tr>
<tr>
<td>Hancock</td>
<td>$15,778</td>
</tr>
<tr>
<td>Hendricks</td>
<td>$14,996</td>
</tr>
<tr>
<td>Johnson</td>
<td>$15,775</td>
</tr>
<tr>
<td>Marion</td>
<td>$6,011</td>
</tr>
<tr>
<td>Morgan</td>
<td>$19,732</td>
</tr>
<tr>
<td>Shelby</td>
<td>$9,985</td>
</tr>
<tr>
<td>Madison</td>
<td>$11,458</td>
</tr>
</tbody>
</table>

**Sources:** Bureau of Labor Statistics, Stats Indiana
PHYSICAL & MENTAL HEALTH

LIFE EXPECTANCY IN CENTRAL INDIANA

#50 of 50 metros ranked by the American College of Sports Medicine’s American Fitness Index 2016

36th of 50 metros in total mental & behavioral health professionals per capita

80% of Indiana employers have observed an issue of prescription drug abuse in the workplace

SOURCES: Richard M. Fairbanks School of Public Health at Indiana University, BitterPill.IN.gov, American College of Sports Medicine, Indiana State Department of Health
BARRIERS IN LANGUAGE & PERSONAL FINANCE

ESTIMATES OF HOUSEHOLD WEALTH & FINANCIAL ACCESS IN INDIANAPOLIS, IN METRO

LIMITED ENGLISH
MARION COUNTY: 14,262
SUBURBS: 2,879

Asset Poverty
23%

Liquid Asset Poverty
37.7%

Unbanked
11%

Underbanked
18%

SOURCES: Assets & Opportunity Local Data Center
EMPLOYERS NEED TALENT

WHY IT MATTERS

Net Metro Migration
2014-2015 IRS

<table>
<thead>
<tr>
<th>Region</th>
<th>Rest of state</th>
<th>NE</th>
<th>Midwest</th>
<th>South</th>
<th>West</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015 IRS</td>
<td>3371</td>
<td>2436</td>
<td>2440</td>
<td>2044</td>
<td></td>
</tr>
<tr>
<td>2010-2015 IRS</td>
<td>1909</td>
<td>522</td>
<td>283</td>
<td>1340</td>
<td>651</td>
</tr>
</tbody>
</table>

SOURCES: IU Public Policy Institute

Estimated Changes in Age 25-64 Population
2010-2040

Source: STATS Indiana using data from Indiana Business Research Center
ALIGN ECONOMIC & COMMUNITY DEVELOPMENT

ONGOING STRATEGIES

NASCENT STRATEGIES

① Anchor Institutions
② Equitable Transit Oriented Development
③ 16 Tech/IBRI
④ Indy Promise
⑤ Inclusive Public Incentives
⑥ Return & Complete
⑦ Next Level Jobs Program

PROMISING STRATEGIES

① Workforce Housing
② Wrap Around Services (Childcare/SNAP)
③ Regional Tax Policy
④ Brownfield Redevelopment
⑤ STEM Education

WHAT’S MISSING?

① Infrastructure & Parks
② Food Deserts
③ Criminal Justice
④ Technology
⑤ Physical/Mental Health Care

WHAT TO DO
QUESTIONS?

MARK FISHER - mfisher@indychamber.com

DREW KLACIK - dklacik@iupui.edu