



DATE: February 12, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-10
Update on Cluster Action Plans

BRIEF DESCRIPTION OF INFORMATION ITEM

No action is requested; information only.

At the February 12, 2020 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an overview of the recently updated Cluster Action Plans for the agency's traded sector work (see an executive summary in Attachment A and the full report in Attachment B). As Prosper Portland's industry cluster work has evolved over the past ten years, staff has consistently innovated, gradually introducing more substantial inclusive economic development practices into its work. The Cluster Action Plans build on this multi-year innovation and reinforce the agency's commitment to building an equitable economy through its traded sector work.

Prosper Portland will continue to focus business development, retention, and expansion efforts on the following four industry clusters: Technology and Media, Athletic and Outdoor, Metals and Machinery, and Green Cities. These four industries provide the best opportunity for the agency to partner with the business community, harness economic growth, and increase middle-wage job opportunities for Portlanders.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Prosper Portland's traded sector economic development work delivers on key objectives of the agency's Strategic Plan, particularly by supporting quality job growth and collaborating with partners for an equitable economy.

BACKGROUND AND CONTEXT

Prosper Portland has served as the City of Portland's economic development agency since 1981 and has focused on traded sector industry growth for many years. The 2009 adoption of the Economic Development Strategy: A Five-Year Plan for Promoting Job Creation and Economic Growth heralded a new phase of Prosper Portland's work. By prioritizing four industry clusters and devoting a staff member to each, Prosper Portland has improved its ability to understand industry needs, build relationships, and tailor programs and initiatives in ways that grow quality jobs for the benefit of the industry and the Portland community at large.

With the Prosper Portland Board's adoption of the Strategic Plan in 2015, the emphasis of the agency's economic development work shifted from a traditional growth mindset toward one focused on inclusive and equitable outcomes. Since then, staff has launched several new programs that use more rigorous metrics and center on equitable outcomes. Through groundbreaking initiatives such as the NY Now

Trade Show Assistance program, TechTown, and the Enterprise Zone Public Benefit Agreements, Prosper Portland has built a foundation for the strategic refinement represented in the Cluster Action Plans.

Strategic Framework. As staff began to update the Cluster Action Plans to focus on equitable processes and outcomes, a common strategic framework was critical in connecting the agency’s Strategic Plan to the tactics implemented at a staff level. The four industry clusters exhibit wide differences in terms of firm composition, industry mix, job growth, and access to quality jobs. As a result, the strategic framework needed to be flexible enough to encompass a range of interventions while maintaining a cohesive approach that ties the work together. The strategic framework includes the following four components that guide staff’s work: i.) a mission statement, ii.) a set of operating principles, iii.) a theory of change, and iv.) an equity lens that supports program design and evaluation.

Mission Statement. The Cluster Action Plans’ two-fold mission statement is to “Help Traded Sector Companies Become More Inclusive” and “Help Inclusive Traded Sector Companies Grow.” This dual mission has great operational significance.

Helping companies become more inclusive requires the creation of an entirely new infrastructure for driving culture change within traded sector businesses of all sizes. Activities include creating shared learning opportunities, pooling resources for equity training, and designing technical assistance programming around Diversity, Equity, and Inclusion work, particularly for smaller businesses that may appreciate the importance of culture change but lack the means or knowledge to address their challenges.

Helping inclusive companies grow also required significant shifts in staff’s approach. In developing the strategic framework, staff created an equity lens that utilizes targeted universalism concepts to prioritize direct assistance according to likelihood of equitable outcomes. Program design and evaluation will be based on staff’s ability to reach and support firms with these characteristics, organized in order of importance:

1. Businesses owned by people of color
2. Companies or industries with a high percentage of people of color in the workforce
3. Woman-owned businesses
4. Companies or industries that support a high number of middle-wage jobs
5. Companies located in historically under-resourced parts of the city (particularly East Portland, North/Northeast Portland, Old Town/Chinatown)
6. Companies that provide other community access opportunities (e.g., participation in TechTown Diversity Pledge, Portland Means Progress, Inspiring Diversity Grant, Enterprise Zone and/or engagement in environmental justice work or other initiatives leading to equitable outcomes)

Operating Principles. The second component of the strategic framework is the Cluster Action Plans’ operating principles, which state that Prosper Portland’s cluster-focused work:

- Is pro-growth – equitable outcomes depend on a growing economy and competitive firms
- Asks who benefits from that growth – and adjust the work accordingly
- Succeeds through partnerships – inside and outside the organization
- Is data-driven, using qualitative and quantitative research
- Commits to intervention at the firm level

Theory of Change. Prosper Portland believes that inclusive traded sector growth occurs when firms that create good jobs are competitive and equitable, leading to access to employment and advancement opportunities.

The simplicity of this formula masks the complex, self-reinforcing process that must be functioning properly for inclusive growth to occur. Prosper Portland staff intervenes at specific points to catalyze

and support this process. For example, staff supports the relocation and expansion of traded-sector firms from outside the region and provides services to make established traded-sector firms more competitive, focusing on firms that already provide quality jobs or have the potential to create them. Staff then works to ensure equitable access to the resulting job opportunities (as well as advancement in both existing and new jobs). Firms offering equitable access can tap into a broader and more diverse set of talents, making them more competitive. Giving people work experience and wealth opportunities builds capacity for entrepreneurship.

However, merely providing growth services in a different way is insufficient in addressing equity challenges in the traded sectors. Therefore, staff is beginning to build out an infrastructure of programming and services that focus on inclusion and culture change. The TechTown initiative, for example, is a data-informed, industry-led pledge seeking to create a more diverse, inclusive and equitable environment in the Portland Tech industry. Staff have also launched Portland Means Progress and the Inspiring Diversity Grant, but much more is needed, as there is significant private sector demand for for inclusion programming.

Equity Lens. The fourth component of the strategic framework the consistent application of an equity lens to the Cluster Action Plans. For example, within the Athletic and Outdoor cluster, Prosper Portland has organized booth space, technical assistance, and trade show promotion for 10 local firms, 90 percent of whom identify as owned by people of color. Likewise, staff are developing a mechanism for tracking culture change within firms.

Cluster Action Plans. The investigations detailed in the Cluster Action Plans make it clear that the four clusters require customized approaches: each cluster displays a different mix of firms, workforce and ownership diversity, competitive challenges, and opportunities. Following is a summary of the key strategic approaches detailed in each Cluster Action Plan:

Green Cities

- Help large, established firms become more inclusive, particularly by supporting more diverse hiring
- Focus growth services on three emerging sub-clusters: mobility, digitization, convergence of technologies

Athletic and Outdoor

- Support inclusion work in midsized, “core” Athletic and Outdoor firms where there is a significant need and demand for culture change
- Focus growth services on People of Color-owned businesses in “craft consumer” industries (e.g., accessories and home goods that are often spinouts from the large anchors as designers start their own ventures)

Technology and Media

- Drive inclusion within high-growth technology firms, as job growth is occurring without public intervention
- Investigate opportunities to support minority technology entrepreneurship

Metals and Machinery

- Retain and grow firms providing middle-wage jobs held by People of Color
- Foster manufacturing/maker entrepreneurship among manufacturing workers of color to create long-term wealth within these communities

EQUITY IMPACT

The Cluster Action Plans' premise and foundational core is that Prosper Portland's work must ensure that traded sector job growth is inclusive and will help close equity gaps across disadvantaged communities.

ATTACHMENTS

- A. Cluster Action Plans Executive Summary
- B. Strategic Framework and Cluster Action Plans



CLUSTER ACTION PLANS

Executive Summary



BACKGROUND

Prosper Portland has engaged in industry cluster development for more than a decade, reflecting the critical role the city's four target industries play in growing its economy and international stature. Until 2015, Prosper Portland's approach to this work reflected industry standards that considered equitable outcomes mostly out of scope when addressing traded sector challenges. However, the agency's [2015-2020 Strategic Plan](#) sounded a clarion call for equitable growth in the city. Our strategic goals challenge us to apply a formal equity lens across all business lines and to center the outcomes of historically marginalized groups in our work. This document represents our team's embrace of this challenge and outlines the first-ever traded sector strategy to formally center equity at its core.

Prosper Portland's Business & Industry Team

The Business & Industry (B&I) Team primarily works to impact Objective 2 in Prosper Portland's Strategic Plan—Access to High Quality Employment for Portland Residents. As part of the agency's Economic Development Department the team leads the City of Portland's work in supporting traded sector expansion. This includes international trade promotion, industry cluster support, and business incentives. The team's mission statement is:

**→ We help traded sector firms become more inclusive.
We help inclusive traded sector firms grow.**

The team's cluster work falls into three categories:

- Build, maintain and share knowledge and relationships within our clusters
- Provide programs that are relevant to cluster firms and drive equitable outcomes
- Serve as the city's leading voice in recruiting business and telling the positive story of Portland's globally competitive clusters

Target Industries



Athletic & Outdoor

# Jobs	Average Wage	People of Color in Workforce
6,719	\$67K	18.7%



Green Cities

# Jobs	Average Wage	People of Color in Workforce
20,232	\$83K	12.1%



Technology & Media

# Jobs	Average Wage	People of Color in Workforce
13,839	\$105K	15.2%



Metals & Machinery

# Jobs	Average Wage	People of Color in Workforce
13,374	\$71K	18.3%

Note: Number of jobs in Multnomah County, 2018.
Average wage in Multnomah County, Q2 2018.

Theory of Change

We believe that inclusive growth occurs when firms that create good jobs are competitive and operate in an inclusive and equitable manner, resulting in equitable access to employment and advancement opportunities in those firms. Because data shows that underrepresented founders—women and people of color—are more likely to create diverse teams with equitable and inclusive practices, we help firms with diverse ownership to access financial capital and the support needed to be competitive. The graphic below shows how this works.



Competitive, growing firms

+



Inclusive practices

=



Equitable access to quality employment

Operating principles

Our work rests on five operating principles—the practices that we believe ensure successful, equitable outcomes for the industries we serve:

1. **We are pro-growth** – equitable outcomes depend on a growing economy and competitive firms
2. **We ask who benefits** from that growth – and adjust our work accordingly through the rigorous application of an equity lens
3. **We succeed through partnerships** – inside and outside our organization
4. **We are data-driven** – we base our decisions on qualitative and quantitative research
5. **Our primary point of intervention is at the company level**, using industry cluster as the organizing principle



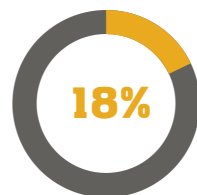
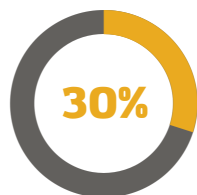
THE CHALLENGE

The fundamental equity challenge in Portland's traded sectors is lack of access to good jobs and wealth building for women and people of color.

The four clusters pay wages well above the average for the City of Portland, ranging from an average of \$64,609 in Athletic & Outdoor (A&O) to \$111,987 in Technology & Media. They are arguably the city's richest trove of high-paying jobs. However, the point of access often is a four-year degree. With the notable exception of Metals & Machinery, only around a quarter of available jobs in the clusters can be characterized as "opportunity jobs" in that they provide a path to the middle class for people without college diplomas.

Regarding race, Portland's population is approximately 70% non-Hispanic white, but people of color (PoC) hold only between 12% and 18% of cluster jobs, which are among the best employment opportunities in the region. Similar inequities exist for women.

These facts inform our approach to each cluster: where a large trove of "opportunity jobs" exist, we will focus our efforts on growing companies that provide them. Where most jobs are held by people with four-year degrees our emphasis will shift towards inclusion: making sure that the jobs that are being created can be accessed by people of color, and that we identify long-term ways to close achievement gaps between whites and people of color.



People of Color represent 30% of Portland's population but hold only 12-18% of cluster jobs

Jobs Definitions

The 2015-20 Strategic Plan focused economic development work around the creation and retention of Quality Jobs—those that pay a living wage or above (with a subset of Middle-Wage jobs which do not require a four-year degree to obtain). A recent Brookings study identified the industries that concentrate "good and promising" jobs in metropolitan America. We based our analysis on this study and reference its three types of jobs throughout the cluster action plans.

- **Good jobs** provide stable employment, middle-class wages and benefits. Prosper Portland tracks these as "middle-wage jobs" plus higher-paying jobs only attainable with a college diploma.
- **Promising jobs** are entry-level positions from which most workers can reach a good job within 10 years
- Together, **Good** and **Promising jobs** comprise "**Opportunity jobs**" – that either directly or over time provide a pathway to the middle class. The Business & Industry team influences this overarching category through business attraction, expansion and growth support.
- **Other jobs** do not provide decent pay, benefits, or pathways to good jobs

OUR RESPONSE

Our strategic pivot towards more equitable outcomes and subsequent investigation of cluster conditions will shift our work in two important ways:

1. The team will utilize a formal equity lens when considering which firms to prioritize for growth services
2. The team's mission statement serves as a flexible framework that allows a cluster-specific approach based on the conditions we have observed.

Equity Lens

Cluster programming uses an equity lens to ensure purposeful, transparent focus on more equitable growth. The lens aligns with the team's mission to help traded sector firms become more inclusive and help inclusive traded sector firms grow. Use of the lens will inform planning, decision-making, and resource allocation to realize more equitable policies and programs.

The Equity Lens (prioritized criteria):

- a. PoC-owned companies
- b. Company or industry has a high % of PoC workforce
- c. Women-owned companies
- d. Company or industry has a high % of middle wage jobs
- e. Companies located in or serving underserved areas of the city (East Portland, North Portland, Old Town/Chinatown)
- f. Provides other community access opportunities (participates in [TechTown](#), [Portland Means Progress](#), [Inspiring Diversity Grant](#), [Enterprise Zone](#); engages in environmental justice work or other initiatives leading to equitable outcomes)

Individual cluster action plans

The investigations detailed in the Cluster Action Plans make it clear that the four clusters require customized approaches: each cluster displays a different mix of firms, workforce and ownership diversity, competitive challenges, and opportunities. Therefore, we have designed individualized approaches that meet each cluster where they are. We considered industry structure, presence of quality jobs within a cluster, and demographics of jobs within a cluster in crafting specific approaches which we will pursue in the coming years for each cluster:

GREEN CITIES

- Help large, established firms become more inclusive, particularly through supporting more diverse hiring
- Focus growth services on three emerging subclusters: mobility, digitization, convergence of technologies

ATHLETIC & OUTDOOR

- Support inclusion work in midsize, "core" A&O firms
- Focus growth services on PoC-owned businesses in craft consumer vertical

TECHNOLOGY & MEDIA

- Focus on driving inclusion within high-growth tech firms
- Pursue opportunities to support tech entrepreneurship within communities of color

METALS & MACHINERY

- This cluster has the largest trove of middle-wage jobs held by people of color. The focus is on retaining and growing the companies that provide these jobs, irrespective of ownership
- Foster entrepreneurship among people of color working in the manufacturing sector to create long-term wealth

NEXT STEPS

The potential of these clusters to become crucial sources of jobs and wealth for underrepresented populations is high but hard to realize.

The B&I team is focused on two crucial parts of the puzzle: ensuring that (a) cluster firms change their culture and practices to be more equitable, and (b) cluster firms with equitable characteristics live up to their growth potential.

Successful implementation of the Cluster Action Plans and their equity components require continued learning as we address new metrics that capture the significant equity impacts already present in the team's work, pursue greater clarity of understanding of the team's role relative to the lending and entrepreneurship teams, and further define the roles played by the cluster liaisons and program staff in the Enterprise Zone and Portland Means Progress.



2019

Business & Industry Team - Strategic Framework & Cluster Action Plans

PROSPER PORTLAND – BUSINESS & INDUSTRY TEAM

About this Document

This strategy threads together our team's narrative on why equitable growth matters in the traded sectors, our theory of change, and the action plan each cluster liaison will follow as we continue to learn how to drive equity and inclusion within Portland's traded sectors.

In Section I we describe the background for the cluster action plans, the methodology we used to create them, and an executive summary of our findings.

The creation of the Cluster Action Plans was preceded by an extensive strategic planning process that resulted in the Business & Industry Team developing a mission statement, operating principles, a theory of change, and an operational equity lens that defines how the team's mission can be applied to our programming and initiatives. Section II describes these new features and how they have informed the creation of the new Cluster Action Plans.

Section III contains the four Cluster Action Plans themselves.

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Section I: Background

Relationship to Prosper Portland Strategic Plan

Prosper Portland's 2015-2020 Strategic Plan represents a clarion call for equitable growth in the city and requires the application of an equity lens to all aspects of our agency's work. The Business & Industry Team primarily works to impact the strategic plan's Goal 2 – Access to High Quality Employment for Portland Residents. A Key Action in Goal 2 is the creation of traded sector action plans that operationalize this imperative for equitable outcomes.

Process

In developing the traded sector action framework and cluster plans we developed a modified version of the approach devised by Impresa Consulting for the original City of Portland cluster strategies, which consists of six steps:

- **Investigate**
- **Inventory**
- **Convene**
- **Diagnose**
- **Act**
- **Evaluate**

While the original method focused exclusively on economic growth as the driver of cluster strategy, we needed to add measures and steps that provided for equitable processes and outcomes. This modified Impresa method is detailed in Appendix B. This document represents the results of moving from Investigate to Diagnose. Over the next several years we will implement (Act) and evaluate with iterative shifts along the way as we learn from our work.

Notes on Investigate & Inventory phases

The team utilized research and strategic assistance from BMRD Consulting to create the framework and action plans detailed in this document. In evaluating the most equitable approaches to cluster work, we based our assumptions on a recently developed framework ([Shearer et al., Brookings, 2018](#)) identifying the industries that concentrate good and promising jobs in metropolitan America. The Brookings analysis defines three types of jobs, which are referenced throughout the Cluster Action Plans:

- Good jobs provide stable employment, middle-class wages and benefits
- Promising jobs are entry-level positions from which most workers can reach a good job within 10 years
- Other jobs do not provide decent pay, benefits, or pathways to good jobs

Together, Good + Promising Jobs are characterized as “Opportunity Jobs” – the types of jobs that either currently or within a reasonable timeframe make a middle-class living feasible for American workers.

Because of Prosper Portland's focus on the creation and retention of Opportunity Jobs for workers without a Bachelor's degree, the research team further identified the proportion of these jobs within each of the city's target clusters. The chart below summarizes these findings.

Quality Jobs by Cluster, 2018 (Multnomah County)

Cluster or Industry Group	Total Emp	Total Good Sub-BA Jobs	Share Good Sub-BA Jobs	Total Sub-BA Promising Jobs	Share Promising Sub-BA Jobs	Ranked by: Total Opportunity Jobs	Share "Opportunity" Jobs
All Traded	158758	26309	17%	15062	9%	41372	26%
Non-Cluster Traded	119412	14658	12%	11559	10%	28635	24%
Cluster Combined	54165	11915	22%	3503	6%	15418	28%
Cleantech	20232	4567	23%	919	5%	5486	27%
Adv Mfg	13374	3948	30%	1314	10%	5261	39%
AO	6719	982	15%	770	11%	1752	26%
Software	13839	2418	17%	602	4%	3020	22%

This framework was supplemented with deeper analysis of race and gender access within individual clusters as well as several cluster-specific research projects guided by staff.

What we have learned so far

In the research and convening process we discovered three factors that impact how we think about our work.

We cannot build an equitable economy in Portland without influencing the city's key clusters

We have focused on four clusters for over 10 years because they are the engines of the Portland economy. They represent the majority of competitive traded-sector firms in the region, the areas in which Portland has an "ecosystem" that can nurture high-growth startups, and the assets that are likely to attract outside investment. They are, and will continue to be, the drivers of high-quality job and wealth creation in the region. **Put simply, Portland cannot create an equitable economy unless it creates opportunities for underrepresented populations in these clusters.**

The reality that these clusters are the *only* way to build an equitable economy in the long-term, however, does not mean that they are the *easiest* way to build an equitable economy in the short-term. In many ways the opposite is true. Minorities are significantly underrepresented in many parts of the clusters, and even those who find their way in earn significantly less than white workers in the same industry. Some of this reflects inequitable practices by firms that B&I can address. Much of it, however, reflects a deeper, more systemic problem that lies beyond the short-term influence of Prosper Portland: the high wages in these clusters correspond to high skills requirements, and the education and workforce development systems have systematically denied people of color the opportunity to acquire those skills.

Job growth and changes in firm-level hiring and training practices (i.e., B&I interventions) can go a long way towards extending opportunity to the *current pool of qualified candidates* from disadvantaged populations. (This includes encouraging firms to do more training and changing firms' perception of what formal qualifications are necessary.) But for these traded-sector clusters to deliver equity on a transformative scale, the region's education and workforce development system will need to

significantly increase the pool of candidates from those populations with the basic skills required to work in these clusters (a process that B&I can convene and inform but not lead).

In short, the potential of these clusters to become crucial sources of jobs and wealth for disadvantaged populations is high, but that potential will not be easy to realize. The B&I team is focused on two crucial parts of the puzzle: ensuring that (a) cluster firms change their culture and practices to be more equitable, and (b) cluster firms with equitable characteristics actually live up to their growth potential.

Founders and owners of color are rare in Portland's traded sectors – with the exception of A&O

Decades of systemic and institutional oppression show up in our data covering minority entrepreneurship and ownership within our traded sector clusters. According to the U.S. Census Bureau's Annual Survey of Entrepreneurs there are approximately 500 minority-owned traded sector firms with over 5 employees in the Portland Metropolitan Statistical Area. Our deeper analysis of the data found that the majority of these are in professional services and wholesale trade – sectors that have limited overlap with our four target clusters and are therefore not well-served by cluster programming. Unfortunately, the Census Bureau limits detail to the 2-digit NAICS level. A comparison with our existing BRE data confirmed this assessment: with the exception of Athletic & Outdoor, no cluster liaison has more than a handful of minority-owned firms in their network (Green Cities, for example, has assisted five disadvantaged businesses in Fiscal Year 2018-19 versus the 22 assisted by Athletic & Outdoor).

The Athletic & Outdoor exception did however prove notable: over the past decade several interesting and competitive firms founded by people of color have emerged as spinouts from some of the established players in the industry. These firms are most often found in the industry-adjacent “craft consumer” vertical. As a result, our team has made a strategic pivot to ensure we provide these firms with growth services. The Athletic & Outdoor Cluster Action Plan outlines this pivot in detail.

Our clusters have very different challenges – and opportunities

The investigations detailed in the Cluster Action Plans make it clear that the four clusters require customized approaches: each cluster displays a different mix of firms, workforce and ownership diversity, competitive challenges, and opportunities. The four Cluster Action Plans have been crafted with this in mind. Below follows a short synopsis of the key strategic approach decided on by each Cluster Liaison:

Green Cities

- Help large, established firms become more inclusive, particularly through supporting more diverse hiring
- Focus growth services on three emerging subclusters: mobility, digitization, convergence of technologies

Athletic & Outdoor

- Support inclusion work in midsized, “core” A&O firms
- Focus growth services on PoC-owned businesses in craft consumer vertical

Technology & Media

- Primary focus is driving inclusion within high-growth tech firms
- Investigate opportunities for supporting minority tech entrepreneurship

Metals & Machinery

- Cluster represents largest trove of middle-wage jobs held by people of color. The focus is therefore on retaining and growing the firms providing these jobs, irrespective of ownership
- Separate initiative to begin fostering manufacturing/maker entrepreneurship among manufacturing workers of color to create long-term wealth within these communities

What is left to do

Equity work requires a mindset focused on continued learning. In our process we also discovered several gaps in our current teamwide understanding and infrastructure, which the team will focus on addressing over the next couple of years. These will be important challenges to address on a teamwide scale to ensure successful implementation of the Cluster Action Plans:

Data and outcomes tracking/reporting

The Business & Industry team reports a set of metrics to the City Budget Office every year as part of our contractual obligations for General Fund resources. These metrics are currently heavily slanted towards outputs and do not show the significant equity impacts already present in the team's work. This will be resolved by intentionally reviewing our strategy on metrics and creating more accurate and user-friendly tracking mechanisms for the team such as a CRM.

Role clarity between B&I and partner teams

The Business & Industry Team are the primary relationship managers for traded sector firms in the city, and as such are asked to drive a lot of business towards Prosper Portland's services for these companies. In our investigation we found a gap in understanding around role clarity, particularly as it relates to the lending and entrepreneurship areas. As an example, it will be important to clarify at which point a business rising out of the Inclusive Business Resource Network becomes the primary responsibility of the Business & Industry Team. This point (in terms of revenue, headcount or some other objective metric) will likely differ substantially by cluster and even industry and will be the subject of a cross-functional project.

Interface between cluster liaisons and programs internal to B&I

In addition to four clusters, the Business & Industry Team also manages two other key initiatives for the City of Portland: The Enterprise Zone program and Portland Means Progress. The Enterprise Zone has recently been substantially altered with the introduction of Public Benefit Agreements and Portland Means Progress is a new cross-department brand driving resources to existing programming. In the case of both programs the exact role clarity between the Cluster Liaisons and program staff need to be sorted out – a focus of the upcoming fiscal year for the team.

Section II: How we serve our industries

Business & Industry Team Mission

- We help traded sector firms become more inclusive
- We help inclusive traded sector firms grow

Operating principles

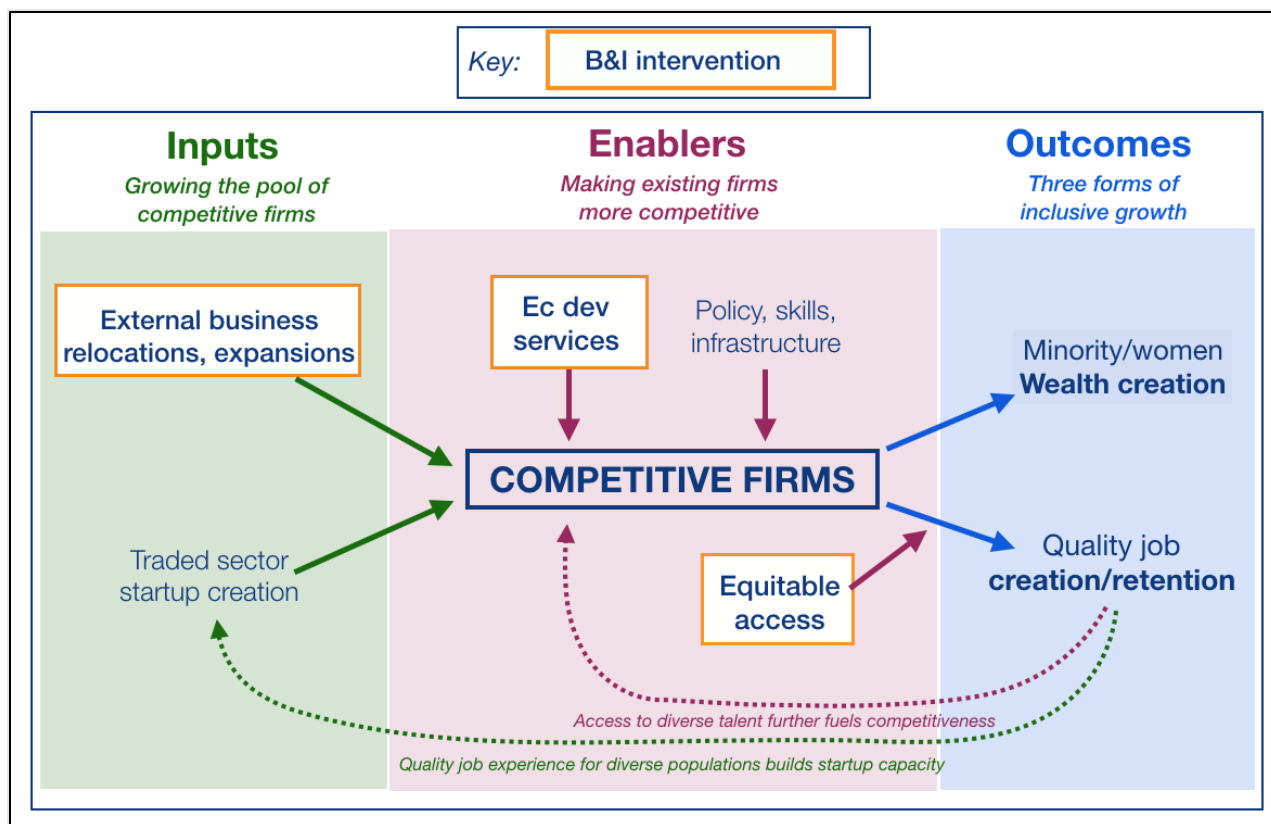
The work we do rests on five operating principles – our core beliefs – and a mission that outlines both our objectives and the equity lens we apply to reach and measure our outcomes.

- We are pro-growth – equitable outcomes depend on a growing economy and competitive firms
- We ask who benefits from that growth – and adjust our work accordingly
- We succeed through partnerships – inside and outside our organization
- We are data-driven, meaning we base our decisions on qualitative and quantitative research
- Our primary point of intervention is at the firm level, using industry cluster as the organizing principle

Theory of Change

As a team supporting traded-sector economic development, we believe that inclusive growth occurs when firms that create good jobs are competitive and operate in an inclusive and equitable manner. The result is equitable access to employment and advancement opportunities in those firms. Because data shows that underrepresented founders are more likely to create diverse teams with equitable and inclusive practices, this also means we support firms with diverse ownership to access financial capital and the support needed to create competitive firms. Put simply: **competitive, growing firms + inclusive practices = equitable access to quality employment**

The simplicity of this formula masks the complex, self-reinforcing process that must be functioning properly for inclusive growth to occur. As illustrated below, the B&I team and its partners intervene at specific points to catalyze and support this process. At a high-level, and not in order of importance, we support the relocation and expansion of traded-sector firms from outside the region. We provide services to make established traded-sector firms more competitive, focusing on firms that already provide quality jobs or have the potential to create them. We work to ensure equitable access to the resulting job opportunities (as well as advancement in both existing and new jobs). When functioning properly, this process creates positive feedback loops, because equitable access enables firms to be more competitive (since they can tap into a broader and more diverse set of talents) and builds capacity for entrepreneurship (by giving people work experience and wealth that can be translated to startups).



How the Cluster Team relates to the rest of Business & Industry

The Business & Industry Team manages three business lines in addition to its service to four clusters:

- Portland Means Progress (PMP)
- The Portland Enterprise Zone Program (E-Zone)
- The Portland Film Office

While the Film Office operates almost entirely independent from the rest of the team, PMP and the E-Zone program are both highly integrated into our cluster work:

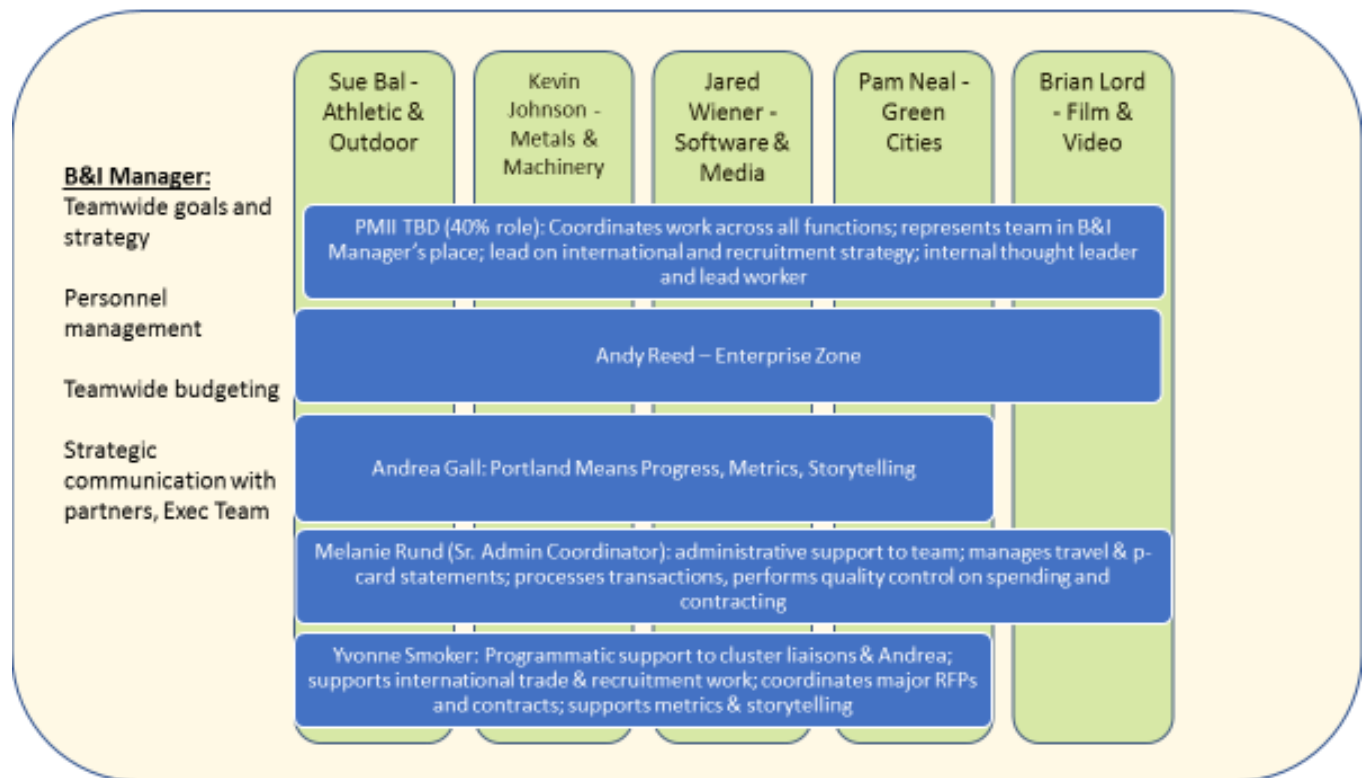
Enterprise Zone

Cluster Liaisons serve as both lead generators for the E-Zone and subject matter experts as Prosper Portland creates and implements public benefit agreements (PBAs). Cluster Liaisons also serve an important function as ongoing relationship managers with E-Zone companies, uncovering new opportunities and assisting with problem solving.

Portland Means Progress

While PMP is a new program it will ultimately serve as an important point of connection between traded sector employers in the city and diverse talent and small/micro businesses. As PMP grows the cluster team can take advantage of its brand to introduce firms to Prosper Portland's palette of services, and the initiative will also be a powerful tool to raise non-government resources for B&I programming. Finally, the DE&I Action within PMP will predominately concern cluster businesses.

The diagram below illustrates the matrixed structure of the Business & Industry team.



What we do

The team's cluster work can be summarized into three categories:

- **Build, maintain and share knowledge and relationships within our clusters**
- **Provide programs that are relevant to cluster firms and drive equitable outcomes**
- **Serve as the city's leading voice in recruiting business and telling the positive story of Portland's globally competitive clusters**

Within each category is a host of specific activities – described below – that are tailored to the needs of individual clusters and companies. Some of the activities – such as Business Retention & Expansion visits – cut across all four clusters, whereas others are informed by the needs of individual firms or industries. The cluster action plans detail how our liaisons have made strategic choices based on the feedback we receive from ongoing conversations with our constituencies.

Relationship building and management

Business Retention & Expansion Visits

Each Cluster Liaison conducts reconnaissance and assistance visits to companies and organizations with an emphasis on companies with growth trajectories, as well as those that align with the Cluster Equity Lens (detailed below). Through these visits, our organization gains insight into the pressing challenges within individual businesses and across a cluster, and the opportunity to share Prosper Portland products and those of our partners with clients. Less tangible but equally important, client visits develop relationships with key staff, and build trust and the reputation for individual staff and the agency as an independent leader in this industry. This increases the agency's influence within the industry cluster in a way that aligns with the broader mission and objectives we establish for our city's economy.

Conferences & Professional Development

Cluster staff regularly attend industry-leading events within the local community and nationally to further knowledge of industry needs. Within the local ecosystem cluster staff attend annual events hosted by Portland Business Association, Greater Portland Inc, Technology Association of Oregon among others. National attendance has occurred at events hosted by Kauffman Foundation, Change Catalysts, Angel Capital Association and CEO for Cities. Future efforts will continue within the local market and national attendance will align with "Non-local Market Development for Cluster Firms"

Strategic Partnerships and Service Referrals

Staff identify referral and resource opportunities with economic development partners including but not limited to Business Oregon (STEP Grant and Business Expansion Program), Greater Portland Inc. (marketing and branding of region), Portland General Electric, Partners in Diversity, Portland Women in Tech (PDXWIT), and Technology Association of Oregon (TAO) among others.

In addition, the Business & Industry team also serve as key lead generators for the financial tools offered by Prosper Portland to cluster businesses. These include loans, grants, and the Enterprise Zone program.

Programs and Initiatives

The Business & Industry Team is highly effective, but resource constrained in our ability to reach every company in our clusters with programming and support. We must therefore employ a rigorous approach to ensure that assistance is prioritized in a way that maximizes the opportunity for equitable outcomes.

The equity lens is created to ensure cluster programming purposefully and transparently focus on more equitable growth. The lens aligns with the team's mission and is used to improve planning, decision-making, and resource allocation leading to more equitable policies and programs. All proactive cluster programming must address at least one of the lens criteria and maintain records of how the program continually achieves the desired outcomes.

1. We help traded sector firms become more inclusive
2. We help traded sector firms grow using the following lens – in order of priority:
 - a. Minority-owned companies
 - b. Women owned companies
 - c. Company or industry has a high % of POC workforce
 - d. Company or industry has a high % of middle wage jobs

- e. Companies located in or serves disadvantaged part of the city (East Portland and North Portland)
- f. Provides other community access opportunities (participates in TechTown, PMP, IDG, E-Zone; engages in environmental justice work or other initiatives leading to equitable outcomes)

Marketing & business recruitment

Cluster Awareness

The four clusters our team serves are closely tied to Portland's identity and economic success. It is therefore important to tell the world (and our local community) about the great firms and products coming out of Portland, and about the successes of our team's work. The team maintains three brand identities: TechTown (for the Tech & Media Cluster), AOPortland (A&O) and We Build Green Cities (for Green Cities) that we leverage to get the story out, and we work closely with the Prosper Portland PR team on other avenues.

Domestic Business Recruitment

Cluster interventions predominately focus on growing our existing industry sector with the majority of staff time devoted to companies with an existing presence in Portland. Still, staff is responsive to requests for information from businesses interested in expanding or relocating. We work in tandem with state and regional entities on investment in Portland. A significant value add for the City of Portland is the presence of a full-service cluster team which often positions us to act as subject matter experts on behalf of the region and drives additional attention and interest in our programming.

Foreign Direct Investment Attraction

The importance of foreign direct investment (FDI) to Portland goes beyond the good jobs it creates (foreign-owned enterprises tend to pay better wages and benefits, and spend more on training, than domestic firms, according to [Brookings](#)). FDI also serves as a potent attractor of global talent and ideas to the city, creating powerful spillover effects. Portland's economy is among the most trade dependent in the United States, and our cluster firms are subject to a high degree of global competition. Simply adding new firms and talent through FDI can help grow competitiveness within our existing firm base.

The Business & Industry Team engages in a partnership with Business Oregon, Greater Portland Inc., the Port of Portland and many other entities to implement the Greater Portland Global strategy, which aims to grow FDI and trade in primarily five global markets: Canada, Mexico, Germany, the United Kingdom, and Japan.

Section III: The Action Plans

Green Cities

Portland is a global leader in Green Cities and has established strengths in large, anchor businesses and emerging, high-growth firms working to commercialize new technologies. The industry is thriving due to a strong sustainability culture and government support. The city's leadership status is reinforced by state-wide strengths: according to the Brookings Institution, Oregon ranks second nationally in cleantech jobs per capita.

About the Cluster

When compared to Portland's other industry clusters Green Cities is complex. It's a broad category of innovative products, processes and services that share a common thread in applying technology or operational innovations to produce efficiency while competing favorably on price or performance. It crosses over many segments of the economy making it difficult to identify common opportunities and obstacles happening throughout the cluster. It's much easier to break the cluster into specific segments. While there is no standard definition of "green cities", the cluster is primarily comprised of the following four sub-segments in which Portland has demonstrable strengths. Environment (services, air, water, waste), Mobility (connected, autonomous, electric), Energy (renewable, storage, efficiency), and the Built Environment (green building services, products, infrastructure).

Established strengths

Among the larger traded-sector sub-segments of the cluster (industries with at least 100 jobs), Portland has a particularly strong specialization (a location quotient of at least 1.5, or one and a half times the national concentration of employment) in several services: architecture, landscape architecture, engineering, environmental consulting, and surveying and mapping services.

Portland is among the top destinations worldwide for industrial design and environmental engineering. As a result, Portland is seeing strong entrepreneurial activity and recruitment success as companies locate here or build teams around the talent base already established here. Examples of this are Diamond Engineering, Moovel, AutoDesk and Jaguar Land Rover).

For decades, Portland has been a leader in green building. This emerged in large part because of our progressive land use and strong environmental policies. Key firms include ZGF, SERA Architects, Jacobs, and Tetra Tech who are adding to the quantity and quality of green building and environmental professionals.

The renewable and energy-efficiency industry is another leading segment that is supported by our efforts to reduce carbon emissions, such as the state's Renewable Portfolio Standard and the City's 100% renewable goal. Leading firms specialize in energy generation, development, distribution, finance, operations and the more efficient use of energy. Utilities, although not considered traded-sector, are an important part of the cluster by driving demand for renewables and energy efficient products and they provide a large percentage of quality jobs. Utility partners include PacifiCorp, Portland General Electric, and Bonneville Power Administration. Leading firms serving the North American market from Portland include ClearResult, Vestas, Sunpower, and Avangrid.

Emerging strengths

Oregon has a vibrant community of active entrepreneurs and startups whose products have a direct or indirect cleantech component. These firms are supported by a number of other important actors in the cluster including utilities and higher education resources. Forward-looking utilities along with support from organizations such as the Northwest Energy Efficiency Alliance and Energy Trust are providing resources for firms to pilot new technologies providing a fertile environment for small firms in the renewable and energy efficiency field. Higher education partners are also contributing to successes. Oregon Institute of Technology was the first institute in the nation to offer a bachelor's and master's degree in renewable energy. Several other universities offer highly relevant research programs (OSU and PNNL are leaders in biomass, biochar, bioenergy, and bioproducts innovations, while PSU, UO, and PNNL are leaders in "smart cities" research). Lastly, Portland has committed to creating an open platform for smart cities technologies, which will serve as an innovation enabler for local companies to pursue opportunities in: Electrification, IoT, first mile/last mile transportation challenges, smart water/leakage, and smart grid.

Conditions for helping firms become more inclusive

As green jobs grow, Portland residents gain more opportunities. An emphasis on creating more-equitable workplaces will be a magnet for companies and workers alike. The Green Cities cluster is projected to have the highest number of job openings in the coming 3 years and provides good jobs across a wide array of skills. As a cluster that combines R&D, manufacturing, and services functions across a range of firm sizes, Green Cities provides access to opportunity via a variety of pathways.

Projected Job Openings and Net Growth by Cluster, 2019-2021

Cluster	Total Job Openings	Net Job Creation
Cleantech	4,888	656
Software	4,379	918
Advanced Mfg	4,272	-209
A&O	1,896	48

Clean Tech products are highly innovative. The industry contains twice the rate of STEM-oriented jobs compared to all U.S. occupations. These STEM-oriented jobs provide high wages for those with advanced training, but also across the rest of the skill spectrum. Nationwide in 2013, workers in highly R&D- and patent-intensive "advanced industries" with an associate's degree earned \$58,000 on average, compared to \$38,000 for their peers in other industries (similar wage advantages also exist at lower education levels). In Portland, the average "advanced industries" job paid nearly \$90,000 annually, compared to \$53,000 for all industries. These wage advantages exist in small high-tech firms as well – those in parts of the Green Cities cluster, like precision instruments manufacturing and scientific R&D pay more than twice the national average wage and almost three times the average overall start-up wage.

Clear bright spots for sub-BA good jobs are cleantech and advanced manufacturing. Cleantech's strength is driven by architecture and engineering. Though only 1 in 5 workers in architecture and engineering has a sub-BA good job, the industry is so large that it is the single largest source of good jobs for non-college workers in Multnomah County. As expected, advanced manufacturing offers a very high share of

sub-BA good jobs (30% of all jobs in the cluster), but because the industry overall is smaller than cleantech it offers fewer total good sub-BA jobs.

Accessible, middle wage jobs are increasingly rare nationwide, and Portland is no exception – the share of middle wage jobs in the metro area fell from 69 percent to 57 percent between 1980 and 2013 (Value of Jobs Coalition). The Green Cities cluster, however, remains a reliable source of these high-quality, family-wage jobs: approximately 23% of Green Cities cluster jobs are middle-wage jobs that do not require a bachelors degree. And, due to the on-site nature of many renewable and energy efficiency jobs, many of these jobs cannot be outsourced.

Quality Jobs by Cluster, 2018

Cluster or Industry Group	Total Emp	Total Good Sub-BA Jobs	Share Good Sub-BA Jobs	Total Sub-BA Promising Jobs	Share Promising Sub-BA Jobs	Ranked by: Total Opportunity Jobs	Share "Opportunity" Jobs
All Traded	158758	26309	17%	15062	9%	41372	26%
Non-Cluster Traded	119412	14658	12%	11559	10%	28635	24%
Cluster Combined	54165	11915	22%	3503	6%	15418	28%
Cleantech	20232	4567	23%	919	5%	5486	27%
Adv Mfg	13374	3948	30%	1314	10%	5261	39%
AO	6719	982	15%	770	11%	1752	26%
Software	13839	2418	17%	602	4%	3020	22%

Cleantech in many ways is the “most inclusive” cluster in terms of current workforce demographics, if one combines total jobs for minorities and women with the relatively high wages for those populations.

There is no sub-portion of the cluster that is the most equitable. By far the most jobs for the black population is again in architecture/engineering and where most of the hiring is occurring but occupations are is high-skill oriented with a relatively high barriers to entry.

Employment at utilities are a bright spot. Although utilities are not traded-sector employers, they offer a high percentage and high number of good sub-BA jobs that can serve as entryways for diverse talent into traded sector firms within the Green Cities cluster. For decades, utilities experienced labor market stability, and offered a good wages and career mobility. Employees are predominantly white males while people of color, women and youth are underrepresented. Upcoming retirements and technological changes in the industry will provide opportunities to change that. Within the next 10 years, 35% of workers in this sector will hit retirement age. The utility market will need to revamp its hiring practices, especially for entry level workers. If the utilities can successfully achieve this, much can be gained in equitable opportunities throughout the cluster.

Cluster	Minority Jobs	Minority Share of Jobs	Black Jobs	Black Share of Jobs	Female Jobs	Female Share of Jobs
Advanced Mfg	2455	18.3%	379	2.8%	2556	19.1%
Cleantech	2441	12.1%	426	2.1%	7358	36.4%
Software	2102	15.2%	264	1.9%	4649	33.5%
A&O	1259	18.7%	206	3.1%	2841	42.2%

Conditions for helping inclusive firms grow

The Green Cities Cluster is competitive and growing. The cluster now provides more than 20,000 jobs across nearly 1,000 firms. Over the last five years, employment has grown by 10 percent in Multnomah County, exceeding the national growth rate of 4 percent.

Portland continues to build its clean energy economy. New initiatives are being adopted to drive private sector growth. Recently, the Clean Energy Community Benefits Fund was passed, Oregon's first ever initiative led by communities of color that will bring in an estimated \$55-71 million in new revenue to build green jobs and healthy homes.

The Green Cities cluster in Portland is not only growing but providing innovative solutions to help us meet our environmental and climate goals. Environmentally-friendly innovations, like the energy efficient window inserts made by Indow Windows, is a testament that Portland is not only a place where disruptive environmental technologies are being manufactured but also a place where these types of products are being deployed. By working with these firms, we are not only building our competitive advantage for sustainable products, but also improving the quality of life for our residents.

There is a global market opportunity that Portland is primed to seize. Between now and 2040, the global population will grow by about 1.5 billion people. The share of people living in cities will increase by nearly 15 percent. This creates a huge need to find ways to use resources more efficiently and rethink how cities function. From 2000 to 2015, Cleantech investment globally increased nearly thirty-fold. The opportunities provided by this global market are evident in the fact that Cleantech companies export twice as much value per job as a typical U.S. company.

Based on industry convening feedback and recent investment activity the following sub-segments of the industry have the highest potential for growth in the next 3-5 years. See findings of convening session for more information. By engaging with companies early in their growth trajectory, we can encourage them to build a more inclusive business which will help our businesses gain a competitive advantage.

Emerging Growth Segments

- Mobility: Electrification, connected, data-driven, shared, electric, and highly automated mobility solutions.
- Digitization: The digitalization of power generation, reliability, distribution, and system management. Demand response and demand side management.
- Convergence of Technologies: Solar, wind, storage, energy efficiency. Smart Grid.

While there is not a large number of minority firms in this cluster, there are high-quality wealth creation opportunities for founders of color and women in the Green Cities cluster. There are approximately 80 women-owned firms with 5 or more employees and 15 firms owned by people of color. Most of these firms fall within the (partly locally-serving) professional services portion of the cluster where barriers to entry are relatively low and opportunities exist to partner with anchor firms, and it remains unclear to what extent Prosper Portland's programming can support their growth.

Cluster Activities

Strategy

Because of the various complex segments of the Green Cities cluster, it makes it difficult to pinpoint major opportunities and obstacles impeding business growth within the entire cluster. Segments of the cluster are at different maturity levels and require different services. For example, the green building industry tends to be more mature than the energy storage industry and will require different interventions. Typically, early-stage firms need access to capital and customers while more mature businesses rely more on supportive policies to drive demand.

Our work to help inclusive traded-sector companies grow will focus on the fastest growing segments of the cluster (mobility, digitization and the convergence of energy technologies). Companies that fall within these segments are expected to create new high-quality jobs and engaging with them provides an opportunity to help them create more inclusive businesses. Our effort to focus on growth-stage companies that are growing are critical to building a more inclusive economy.

Efforts will also be made to foster the growth of businesses owned by people of color and women. Access to capital, access to new markets and mentoring are the biggest factors affecting the success of entrepreneurs, and even more so for people of color and women-owned businesses. Businesses owned by people of color and women are also more likely to employ minorities and hard-to-employ individuals.

For access to quality jobs, there aren't obvious segments of the cluster that provide people of color and women jobs. There are a few that provide high concentrations of good jobs for non-BA including architecture and engineering but those aren't projected to grow much. The most efficient way to lower barriers to entry will be to work with the more mature side of the industry (such as the green building, energy efficiency and utility sector) on a firm-by-firm basis to encourage companies to engage in diversity, equity and inclusion programming. This work will help them expand hiring practices and provide career-path opportunities. As mentioned above utilities, while not traded-sector, represent a particularly important avenue for vital skill- and experience building for underrepresented populations.

Relationships & Referrals

Knowledge Development & Current Trends

Goal: Support and participate in industry and equity conferences to learn and share best practices within the industry

Outcomes/Objectives:

- Participate in equity conferences such as Shades of Green and GoGreen
- Showcase businesses that have successfully engaged in equity work

Business Retention & Expansion Visits

Goal: Conduct 75 visits a year to companies and organizations related to the Green Cities cluster.

Gain insight into the pressing challenges within individual businesses and across the industry cluster and engage businesses to utilize Prosper Portland products such as the Inspiring Diversity Grant and those of our partners like VertueLab. Less tangible but equally important, client visits develop relationships with key staff, and build trust and the reputation for individual staff and the agency as an independent leader in this industry.

Outcome/Objectives:

Prioritize and target BRE's and equity resources to mature and established segments of the cluster

- Conduct 75 visits a year to companies and organizations (clients) related to the Green Cities cluster with an emphasis on mature companies including green building, energy efficiency and those in the utility market and those with a high growth trajectory who have a product or service in mobility, digitization and energy technologies.
- Increase the agency's influence within the industry cluster in a way that aligns with the broader mission and objectives we establish for our city's economy.
- Engage businesses in equity work and resources

Goal: Provide Direct Business Development Assistance.

Outcomes/Objectives:

- Refer businesses to state and local resources
- Connect emerging sectors to larger anchor firms and networks
- Advance Prosper Portland, City business assistance programming (I.E. loans, permitting) that will engage them in our equity programs.

Strategic Partnerships & Service Referrals

Goal: Leverage existing partnerships to develop resources and programs to grow cluster.

Outcomes/Objectives:

- Partner with industry resource partners such as Forth the smart transportation
- Support city policies and programs that will support industry growth. City's Electric Vehicle Strategy, Smart Cities Work.
- Identify economic development opportunities to drive demand and incentives for new technologies to be deployed such as the City's Consumption Based Carbon Strategy and 2020 Climate Action Plan update.

Programs & Initiatives – Helping Traded Sector Firms Become More Inclusive

Drive Diversity, Equity & Inclusion adoption among mature sections of Green Cities cluster

Goal: Build equity programming and the number of Cleantech firms doing equity work

The Green Cities cluster remains a reliable source of high-quality, family-wage jobs. People of color are underrepresented in the industry representing approximately 3% of the workforce.

Outcomes/Objectives:

- Prioritize mature, large and established firms who have resources to launch and support equity work.
- Build resources and maintain Inspiring Diversity Grant
- Market and engage businesses in Prosper Portland equity programming: Small Business Internship Grant, Portland Meets Progress, Community Benefit Agreements etc.
- Launch social media platform to share resources, develop cohorts of businesses and convene industry to build trust and share best practices.
- Convene recipients of Inspiring Diversity Grant to build trust and share successes
- Launch and create Slack Channel for cohorts engaging in Inspiring Diversity Grant
- Share successes of Inspiring Diversity Grant businesses and share on social media and other marketing platforms.

Goal: Identify Workforce Development Needs

In partnership with businesses, identify workforce development opportunities for people of color, women and youth.

Outcomes/Objectives:

- Prioritize workforce needs in emerging growth areas such as in the mobility space and specifically in the Electric Vehicles and Heavy-Duty Truck electrification. Electrification is changing rapidly due to new technologies that will create opportunities for existing residents.
- Identify job opportunities for people of color and women to enter the workforce.
- Fund training and job opportunities in partnership with workforce and education providers

Programs & Initiatives – Helping Inclusive Traded Sector Firms Grow

Build Non-local Market Development for Cluster Firms

Goal: Grow international demand for cleantech products and solutions by showcasing local expertise at international and leading domestic shows.

On average, firms who export create more jobs, pay more and increase sales faster than non-exporting firms. This provides our companies the opportunity to find new customers and strategic partners.

Outcomes/Objectives:

- Showcase businesses at leading international and domestic shows that are certified by the Department of Commerce as International buyers shows and have a high number of international delegates.
- Partner with State and regional entities with similar missions such as Business Oregon, Forth and Greater Portland Inc.
- Prioritize markets with new environmental and climate policies.
- Showcase local expertise for incoming delegations such as EVS33, the largest EV show in the world, that will be held in Portland in 2020.

Coordinate Educational Events and Programming

Goal: Increase the number of Cleantech companies receiving capital

Investment in cleantech continues to lag compared to other industries. Cleantech innovation takes longer to develop and requires significant R&D discouraging traditional investors. Impact investing provides capital to address social and/or environmental issues and is growing rapidly as investors align their investments with their values. Cleantech companies also require mentoring, assistance with pitching, marketing and fundraising support.

Outcomes/Objectives:

- Prioritize companies who have a more challenging time finding capital: manufacturers, women-owned, entrepreneurs of color, and entrepreneurs engaged in environmental justice work for the community. Manufacturers tend to be higher-risk and capital intensive and have more challenges accessing capital.
- Build relationships with Cleantech investors including Corporate and Impact Investors and connect them to firms seeking capital.
 - o Example: Partner with VertueLab to host Eco-Capital Connections event
- Market and provide information on Prosper Portland's new traded-sector loan programs
 - o Example: Distribute marketing materials via social media and industry gatherings
- Support mentoring and coaching resources
 - o Example: Partner with Oregon Entrepreneurs Network (OEN) Venture Catalyst to work with firms on pitching and meeting with investors.

Marketing & Recruitment

Cluster Awareness

Goal: Increase communication and branding for the Industry

- Promote Portland as a national and international leader
- Build awareness of cluster, firm expertise and resources,
- Expand We Build Green Cities web site,

- Expand communication on social media platforms.

Recruitment and Site Location Assistance

Goal: Recruit new business that is strategic for cluster growth

We are pro-growth. Our equitable outcomes are dependent upon a growing economy and competitive firms.

Outcomes/Objectives:

- Partnering with state and regional entities on investment in Portland (includes FDI)
- Work with companies engaging in Community Benefits Agreements to build resources for the industry.

Athletic & Outdoor Cluster

About the Cluster

Summary

The Athletic and Outdoor (A&O) cluster is a broad category of companies producing innovative consumer goods and services that put Portland on the global map for fashion, innovation, and design. Sectors in the cluster include footwear, apparel, gear, bicycle, and knife/tool companies as well as their suppliers and service providers. In recent years, the industry work has grown to include a broader range of consumer products companies in the handmade goods or “maker” space that include bags, accessories, home goods, and jewelry.

The industry consists of both large global brands and small to medium-sized homegrown companies, with 96 percent of cluster companies being defined as small businesses (fewer than 50 employees). Portland’s anchor A&O companies include Nike, Adidas, Columbia Sportswear, Keen, and Leatherman. Companies such as Revant, Cycle Dog, Orox Leather, and Nutcase Helmets represent the evolution of the local industry – these firms were started five to ten years ago in garages as friend-and-family operations with one to two employees or as brainchildren of former Nike executives.

New, more specific data on the structure and demographics of the A&O cluster reveals that it offers two key opportunities for advancing inclusive growth: (1) working with a relatively small set of mid- to large-sized firms on diversity- and talent-related initiatives, and (2) working to increase the competitiveness of relatively small firms, especially those owned by women and minorities.

Context

The strategy for Athletic & Outdoor shaped by three basic characteristics of the cluster:

- **Industry structure:** A cluster comprised of mostly large, steadily growing firms requires a drastically different inclusive growth strategy than a cluster comprised of mostly small, fast-growing firms.
- **Presence of quality jobs:** each cluster *on average* provides good jobs, but that masks huge variation within each cluster in terms of which firms or specific sub-industries provide the most opportunity to people with different levels of education. A cluster that provides mostly lower-skill, middle-wage jobs requires a different strategy than one that mostly provides high-skill, high-wage jobs – and a different strategy altogether is required for one that offers relatively few quality jobs but good wealth-building opportunities for women- and minority-owned firms.
- **Demographics of jobs:** the quality of jobs in a cluster does not necessarily translate to widespread quality jobs *for targeted populations*. Some clusters have excellent jobs but appear to present particularly high barriers for women and minorities; these clusters mostly demand efforts to change firm practices. Some clusters have relatively bad jobs but many workers from targeted populations; these mostly require efforts to increase the competitiveness of firms.

The following walks through new data on these characteristics for A&O.

- **Structure:** the A&O cluster is comprised of a small handful of nationally- or globally-recognized industry leaders and a larger base of small, mostly non-manufacturing firms. (See table below.)

A&O Establishments by Size, Multnomah County			
Employees	Number of Establishments	Manufacturing	Wholesale & Design
1 to 4	273	24	249
5 to 9	64	10	54
10 to 19	41	7	34
20 to 49	27	2	25
50 to 99	7	2	5
100 to 249	5	3	2
250+	2	1	1

- Quality jobs:** A&O does offer good jobs but is not better than the traded sector average in this regard. Compared to the other four clusters, it is the smallest in terms of total jobs, and by far the smallest in terms of good jobs. It has the smallest share that are good jobs for sub-BA workers (i.e., jobs that pay the regional median wage and offer benefits – see first table below for details).^[1] Note that “promising” jobs do not meet Prosper Portland’s standards for quality jobs – they are jobs that are likely to lead to a good job over the course of up to 10 years, but are not good currently. Together, this means the A&O cluster doesn’t have the scale necessary to produce large absolute numbers of good jobs for targeted populations. To create 50 new good jobs, for example, Cleantech would have to grow by 1%, whereas A&O would have to grow by 5%. (And projections by JobsEQ for 2019-2021 do not suggest that A&O is, in fact, going to outgrow Cleantech at that rate – the opposite is true, in fact. See second table below.)

Quality Jobs by Cluster, 2018

		Good Sub- BA Jobs		+ Promising Sub-BA Jobs		= Opportuni ty Jobs	
Cluster or Industry Group	Total Jobs	Total	Share	Total	Share	Ranked by: Total	Share
Traded Sector Overall	158,758	26,309	17%	15,062	9%	41,372	26%
Cleantech	20,232	4,567	23%	919	5%	5,486	27%
Adv Mfg	13,374	3,948	30%	1,314	10%	5,261	39%
AO	6,719	982	15%	770	11%	1,752	26%
Software	13,839	2,418	17%	602	4%	3,020	22%

Projected Job Openings and Net Growth by Cluster, 2019-2021

Cluster	Total Job Openings	Net Job Creation
Cleantech	4,888	656
Software	4,379	918
Advanced Mfg	4,272	-209
A&O	1,896	48

- **Demographics of jobs:** A&O does have a relatively high share of jobs for minorities overall, black people in particular, and women.

Cluster	Minority Jobs	Minority Share of Jobs	Black Jobs	Black Share of Jobs	Female Jobs	Female Share of Jobs
Advanced Mfg	2455	18.3%	379	2.8%	2556	19.1%
Cleantech	2441	12.1%	426	2.1%	7358	36.4%
Software	2102	15.2%	264	1.9%	4649	33.5%
A&O	1259	18.7%	206	3.1%	2841	42.2%

[1] This analysis is reinforced by Prosper Portland's 2015-2020 strategic plan (appendix, page 29).

Cluster Activities

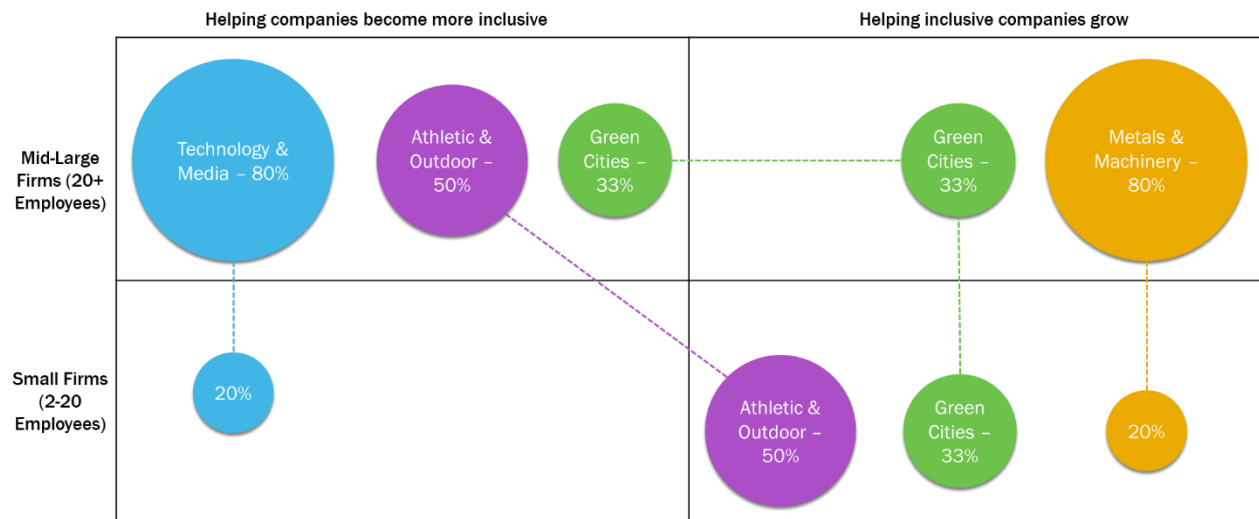
Strategy

While the A&O industry is not the largest cluster, it is one of the more diverse. Any cluster-level inclusive growth strategy must take stock of these fundamental characteristics of the industry and its workforce, then based on that, decide where to deploy limited resources to (a) create and retain good jobs for disadvantaged populations and/or (b) create wealth for those populations by providing services to firms owned by women and minorities. For A&O, what does the structure and demographics of the industry imply in terms of which types of firms should be prioritized **for proactive service and program delivery?**

Accordingly, the Athletic and Outdoor Cluster initiatives will be split equally among two types of service delivery- Hiring/Skills/Diversity for Medium to Large firms and Business Competitiveness for Small firms. Each program will be evaluated based on the ability to deliver these services, as well as with the cluster equity lens, to ensure that the beneficiaries of these programs are aligning with Prosper Portland's strategic plan.

The below shows how these areas of emphasis in the A&O strategy relative to other B&I clusters.

Overview: A&O Programming Emphasis Relative to Other Clusters



Relationships & Referrals

Partnerships & Referrals

- Primary partners for working with A&O industry on regional and statewide levels include: Oregon Sports Authority, Greater Portland Inc, and Business Oregon
- Primary educational partners include: PSU Athletic & Outdoor industry certificate program, Pensole, Functional Apparel and Accessories Studio (FAAS), U of O Sports Management Program, and OSU

Programs & Initiatives – Helping Traded Sector Firms Become More Inclusive

I. Who?: Medium to large companies (25+ employees)

- **What?:**
 - **Networking, referrals, connections to other firms and organizations** While larger firms in the A&O industry can rarely take advantage of Prosper Portland’s loan or grant programs, there is a need for a central convener and distributor of information. Prosper staff can play this role to offer mediated and safe spaces for the industry to come together around pressing topics, as well as provide connections to non-profits, community groups, and service providers that will help companies become more involved in hiring locally and supporting the local community. (i.e. through website, newsletter, events, and proposed catalog of A&O non-profits, events and organizations)
 - **DEI shared learnings** The Inspiring Diversity Grant and Emerging Leaders Internship Program provide an opportunity to bring traded sector companies into the fold as leaders in Diversity, Equity, and Inclusion work. The programs also help diverse talent to get their foot in the door at companies in this industry. As part of the IDG program, quarterly meetings are held to discuss successes and challenges in the companies’ various DEI initiatives. The group also has a Slack where they are able to share resources such as books, training documents, and referrals to providers.
 - **Talent** Hiring diverse talent and connecting the region’s talent to the industry is vital in creating wealth for future generations. The A&O Professionals committee works to host

and organize events and resources for the next generation of A&O talent. Local partnerships with institutions such as Pensole, Sneakerweek, PSU, Wild Diversty and more, help to create a linkage for underrepresented populations to potential careers in an industry many are already tied to through sports, recreation, or consumerism.

- Note: these talent programs are not necessarily oriented entirely around, or in service of, these medium to large companies. However, it is those companies that (a) spin-off potential entrepreneurs and (b) are majority for the lion's share of hiring in the cluster. Therefore, while some events/programs are industry-wide and company-agnostic, in practice these handful of large firms shape the talent ecosystem.
- **Why?** while the cluster is not expected to create many net new jobs, there will still be close to 2,000 job openings over the next several years due to turnover. Given the fact that A&O has a high share of minority and women employees already, it is worth taking advantage of this relatively inclusive environment/culture and ensuring that as many of those 2,000 jobs as possible are filled by minorities and women.

Programs & Initiatives – Helping Inclusive Traded Sector Companies Grow

II. Who: 20 to 25 small traded sector companies (2-25 employees, emphasis on minority and women owners)

- What:
 - peer to peer learning
 - access to domestic and international markets
 - networking
 - mentorship connections
- Why: because there is not a large set of fast-growing mid-sized firms that are going to create lots of net new jobs, there are not many opportunities to spur lots of job creation via competitiveness services for mid- to large-sized firms within the A&O cluster. There are, however, opportunities to increase wealth within disadvantaged populations by focusing on helping small firms, especially those owned by minorities and women, become more nationally and globally competitive. Because the A&O cluster is already relatively diverse, there are opportunities to help spinoff companies led by diverse founders with experience at large firms. And because the barriers to entry are relatively low in A&O (low up-front capital costs), there are opportunities to help less experienced entrepreneurs scale their businesses to national and even global reach.
- Example- NY NOW Show-
 - Why?- Growth program to help small, traded sector consumer products companies owned primarily by women and people of color, access new markets and write orders that translate into new dollars for our economy.
 - Wholesale orders are more lucrative and provide year over year business potential, as opposed to retail only opportunities.
 - How? Sponsoring a booth at the August and February NY NOW show for companies that have not been able to afford these booths previously. NY NOW has generated a total of

\$78,325 in wholesale orders for the 12 companies that have participated in 2018 and 2019.

- Who? See Section II of Strategy
- Other Opportunities- Outdoor Retailer, Outdoor (Europe), Capsule show, and other shows in Japan or Germany.

Marketing & Recruitment

Cluster Awareness

- Maintain and build relationships that meets industry need and strategic economic development goals (I.E. A&O Annual Event, CEIC Supply-Chain, Eco-Capital, AllyShift Training, etc.)
 - Example- A&O Annual Event
 - Why?- Creating platforms for education/networking and helping companies to be more inclusive is an important need for the A&O industry, as identified by the Cluster Survey, as well as through the other convening efforts.
 - How?- The theme of responsibility in the outdoors and the outdoor industry was the focus of the 2019 A&O Annual Event. Partnering with organizations such as Travel Oregon, Wild Diversity, Adventures Without Limits, as well as companies such as Keen and Columbia, gave an opportunity for attendees to explore and discuss issues around Social, Corporate, Personal, and Government responsibility within the industry.
 - Who? See Section I and II of Strategy
 - Other Opportunities- Native Creatives event, A&O Professionals initiatives and events, and Leave No Trace event, Peer to Peer.
- Maintain AOPortland.com website and newsletter as well as through attending trade shows/conferences and speaking at events or educational forums.

Domestic Business Recruitment & FDI Attraction

- Respond to requests for information from businesses interested in expanding or relocating
- Partnering with state and regional entities on investment in Portland (includes FDI)

Technology & Media Cluster Action Plan

About the Cluster

Portland's Tech and Media Cluster is competitive, growing and offers high wage jobs. The Tech and Media cluster is the fastest-growing traded sector cluster in Portland and is projected to be the largest within the next 4 years. It is currently nearly 16,000 jobs in Multnomah county, averaging a 6.1% annual growth during the last five years¹. The cluster also offers quality jobs with annual wages in excess of \$114,000, well above Portland's median.

The sector's growth is expected to continue, if not accelerate. McKinsey has identified 12 "disruptive technologies" that it expects to drive massive economic transformations over the next several decades. All of them – but especially the largest ones, like mobile internet, internet of things, cloud computing, and autonomous vehicles – are clearly dependent upon or linked to software.

This industry encompasses technology and media businesses who sell primarily to businesses but also directly to consumers. This includes those that sell custom-designed software products and services, design studios, and verticals including fin-tech, open source software, and e-commerce solutions. Examples of key firms in the cluster – those doing high-value product/engineering work within the city of Portland – include AWS Elemental, Puppet, Google, Jama Software, New Relic, Cloudability, eBay, Simple, Jaguar LandRover, Opal Labs, Zapproved, and Autodesk. There are also a number of successful design studio firms such as Instrument, eROI, Appearance, and Uncorked Studios.

Portland's location and culture position it to exceed global growth rates. Portland is well positioned geographically to capture more than its share of this global growth, as the largest metropolitan area between the more established, global tech hubs of Seattle and the Bay Area. Locating in Portland, rather than Seattle or the Bay Area, enables companies to pay less for talent and real estate, while continuing to attract skilled workers because the lower cost of living means more disposable income. In 2013, the region saw a net gain of over 4,200 new college-educated residents over 25, nearly as many as Austin and more than Seattle or Denver.

Additionally, the tech industry is largely concentrated within the central city and therefore employees can benefit from the density of bike and transit infrastructure that permeates the region. This matters because the average resident of a high-poverty or majority-minority neighborhood in the city of Portland saw an 8% decrease in the number of nearby jobs between 2000 and 2012.

Portland must be purposeful to better enable equitable growth within the tech and media cluster. The sector has shown remarkable growth, and this growth has oftentimes expanded inequities. To combat structural inequities and facilitate more equitable outcomes, Prosper Portland must utilize an equity lens to drive cluster interventions that are purposeful and transparent in their objectives to achieve more equitable growth in the sector.

¹ Source: JobsEQ data set is quarter 1, 2019

Cluster Activities

Strategy

Work within the Technology and Media cluster is prioritized through the Cluster Equity Lens to “help traded sector firms become more inclusive”. The Technology Sector is high paying, fast growing sector, yet women and most people of color demographic groups are underrepresented. While growth in the sector is not a given, Prosper Portland’s can have the greatest impact on creating more equitable growth. Therefore, interventions focus on how to increase equity, diversity and inclusion within the industry.

[TechTown Portland](#) launched in 2015 with a public pledge. It has grown from a stated commitment to a movement and community of 25 industry-leading technology companies, Prosper Portland and numerous support organizations with the established mission “*to expand diversity, equity, and inclusion within pledge companies.*” Prosper Portland serves as the engine of the effort, providing financial and staff resources, program development, and convening support. TechTown programming, brand management and the ethos of the effort encompass the interventions within the cluster and overlap with all initiatives. TechTown has grown and now functions to provide expertise to companies on their EDI journey and exist as an external employee resource group to build community. Further, TechTown has coalesced the industry around these issues, and accelerated their interventions.

TechTown has been incorporated into the Regional Talent Strategy Plan coordinated and co-led by three workforce entities in the region. Additionally, during its involvement with TechTown, the Technology Association of Oregon has prioritized an equity focus and interventions within their work, PDX Women in Tech has grown to include more than 6,000 members, and the industry has decided to come together to collectively market the work being done and that which remains in a promotional video. TechTown started with a commitment that continues today but has built a community and a collective movement.

Currently, TechTown is slightly more diverse than Portland Tech overall.

Study 1 TT Female Workers		Study 2 TT POC Workers	Study 3 TT Latinx Workers	Study 4: TT Black/AA Workers	Study 5 TT White Workers	Study 6 TT Asian Workers
Subset (<i>female for study 1</i>) TechTown workers surveyed	661	333	86	32	1361	141
Total TechTown workers surveyed	1637	1567	1567	1567	1567	1567
Subset (<i>female for study 1</i>) tech workers in Portland MSA	10713	6797	1618	486	26622	3775
Total tech workers in Portland MSA	33419	33419	33419	33419	33419	33419
Location Quotient	1.26	1.04	1.13	1.40	1.09	0.80
Is TechTown more concentrated in female workers than Portland Tech (MSA)? Yes		Is TechTown more concentrated in People of Color (POC) workers than Portland Tech (MSA)? Slightly	Is TechTown more concentrated in Latinx workers than Portland Tech (MSA)? Yes	Is TechTown more concentrated in Black/AA workers than Portland Tech (MSA)? Yes	Is TechTown more concentrated in white than Portland Tech? Slightly	Is TechTown more concentrated in Asian workers than Portland Tech? No

Interventions largely center on supporting traded sector firms in becoming more diverse and inclusive. This approach is shaping the industry and has the potential to have the largest impact on who benefits from the high-income jobs within the industry. Further, it has the largest influence on career advancement and culture industrywide. However, it does not directly focus on which demographic groups are forming businesses within the sector. Assuming staff and financial resources for the cluster are relatively fixed, prioritizing this will be at the expense of current efforts. Independent of this Cluster Action Plan will be the development of a memo outlining strategic options in transitioning away from current efforts and new interventions, along with recommendations from cluster staff.

Relationships & Referrals

Business Retention and Expansion (BRE) visits

Staff conduct 75 visits a year to companies and organizations (clients) related to technology and media cluster with an emphasis on companies with growth trajectories and those that align with Cluster Equity Lens. Staff gain insight into the pressing challenges within individual businesses and across the industry cluster, and share Prosper Portland products and those of our partners with clients. Less tangible but equally important, client visits develop relationships with key staff, and build trust and the reputation for individual staff and the agency as an independent leader in this industry. This increases the agency's influence within the industry cluster in a way that aligns with the broader mission and objectives we establish for our city's economy. TechTown has a circular relationship with BRE visits – it oftentimes is

the tool to create interest in Prosper Portland from the business. Additionally, it is a service shared with each business during a BRE visit.

Referral to state and local resources

Staff identify referral and resource opportunities with economic development partners including but not limited to Business Oregon (STEP Grant and Business Expansion Program), Greater Portland Inc. (marketing and branding of region), Portland General Electric, Partners in Diversity, Portland Women in Tech (PDXWIT), and Technology Association of Oregon (TAO) among others.

Advance Prosper Portland, City business assistance programming (I.E. loans, permitting)

Staff will partner on developing a marketing outreach plan in coordination with Finance team to effectively communicate the tools being developed to better align with the business community.

Trade Show and Conference Attendance to build Knowledge

Within the fast-growing technology sector, the focus of trade show events is obtaining best practices and increasing awareness of efforts individual companies and the industry are making towards incorporating equity, diversity and inclusion (EDI). This is done underneath the TechTown Portland brand. The tech industry is significantly disbursed (I.E. tech-enabled banking, tech-enabled construction tools, mobile tech, cloud-based, etc.) so focusing on EDI events and events with EDI components is a unifying element for our efforts. Three out of the last four years, Prosper Portland has led trips with industry partners to Bay Area for the Tech Inclusion Conference. These events provide cluster staff and partners who attend access to sessions led by industry experts, an opportunity to interact with leaders in this space at other firms, and participation in a career fair predominately attended by women and people of color. This exposure and knowledge gain positively benefits efforts locally and interventions within key business partners.

Knowledge Development & Current Trends:

Cluster staff regularly attend industry-leading events within the local community and nationally to further knowledge of industry needs. Within the local ecosystem cluster staff attend annual events hosted by Portland Business Association, Greater Portland Inc, Technology Association of Oregon among others. National attendance has occurred at events hosted by Kauffman Foundation, Change Catalysts, Angel Capital Association and CEO for Cities. Future efforts will continue within the local market and national attendance will align with “Non-local Market Development for Cluster Firms”

Programs & Initiatives to Help Traded Sector Firms Become More Inclusive

Coordinate Educational Events and Programming

Creating space and bringing together employees of cluster companies is an extremely valuable contribution for cluster development. Within the tech cluster, these efforts are contained within TechTown and EDI efforts, and more information is available on the [Programming page on TechTownPortland.com](https://www.techtownportland.com). Creating this space is achieved in general convening and information-sharing for:

- CEOs and company leaders on a quarterly basis;
- For company's EDI leads monthly; and
- For EDI leaders in monthly TechTown Steering Committee Meetings where decisions for the collective effort are made

Beyond general convening, TechTown provides targeted events and programming to support companies in their EDI journey. Currently, TechTown offers three options.

- 1) **AllyShift Training:** a three-hour training session to support employees in being more effective allies. The AllyShift Training series will train 300 people by the end of 2019, and also includes one-hour bonus training sessions available to individuals who complete the three-hour session.
- 2) **Quarterly Pipeline & Recruitment Events:** TechTown companies unite under the TechTown umbrella to amplify impact and support existing events and activities that improve the talent pool's awareness of and access to this industry. Talent needs for TechTown companies differ significantly, so collective efforts focusing on future talent address a wider array of company interests. TechTown initiated a more concerted effort to execute, track and partner on events in 2018. [Click here](#) to see a 2019 partnership.
- 3) **TechTown Social Events:** EDI work is serious, and this oftentimes makes it difficult for committed professionals to build community with one another. TechTown Social Events are designed entirely for this purpose.
- 4) **What's Next:** In 2019 TechTown will develop program specifically supporting women of color. This population is the most adversely impacted by the lack of diversity and inclusion within the industry. Future efforts under consideration include additional affinity groups, further training models, and deeper community partnerships.

Communications, Branding and Marketing:

To effectively scale efforts locally and beyond, communication is essential. While TechTown and member companies fall short of perfection, there are individual and collective efforts made that are beyond what most achieve. The current approach relies on unified logo, color schemes, presentation material, and physical & digital collateral to create brand cohesion. Internally, TechTown utilizes these assets through the Slack Channel, Resource Library, email communication, and presentations to convened groups. Externally, TechTown utilizes the following channels to communicate:

- TechTown website (specifically the News & Stories page)
- Social Media Channels
 - o Twitter via the @TechTownPDX Twitter handle
 - o LinkedIn via the TechTown Portland page

Future efforts will focus on earned media to regularly and effectively share the work put in and results achieved. Additionally, a more concerted effort to enhance the website and social media presence would be beneficial.

Marketing & Recruitment

Recruitment and Site Location Assistance: Strategic for cluster growth (I.E. business recruitment, Portland-hosted industry trade shows and events, etc.)

Cluster interventions predominately focus on growing our existing industry sector with the majority of staff time devoted to companies with an existing presence in Portland. Still, staff is responsive to requests for information from businesses interested in expanding or relocating. We work in tandem with

state and regional entities on investment in Portland. During these conversations, a large value-add Portland has for these businesses that other communities do not have is the TechTown Portland effort. Through the effort, perspective companies have the ability to quickly become connected within our tech sector and to improve their diversity and inclusion efforts.

Metals & Machinery Cluster

About the Cluster

The Metals & Machinery (M&M) cluster is represented by four primary NAICS consisting of primary metal manufacturing (331), fabricated metal product manufacturing (332), machinery manufacturing (333), and transportation equipment manufacturing (336).

M&M evolved from the (1) metals & transportation cluster which was defined as businesses which produce raw metal, shape it, make it into parts or manufacture machinery or equipment for transportation purposes that is made mostly of metal and metal products, and (2) advanced manufacturing cluster defined as businesses involved with metals and transportation equipment that utilize high technology tools, including engineering, computing and metallurgy, for the purpose of producing a product or part, or for enhancing manufacturing capabilities.

Bright Spots

Quality Jobs by Cluster, 2018

Cluster or Industry Group	Total Emp	Total Good Sub-BA Jobs	Share Good Sub-BA Jobs	Total Sub-BA Promising Jobs	Share Promising Sub-BA Jobs	Ranked by: Total Opportunity Jobs	Share "Opportunity" Jobs
All Traded	158758	26309	17%	15062	9%	41372	26%
Non-Cluster Traded	119412	14658	12%	11559	10%	28635	24%
Cluster Combined	54165	11915	22%	3503	6%	15418	28%
Cleantech	20232	4567	23%	919	5%	5486	27%
Adv Mfg	13374	3948	30%	1314	10%	5261	39%
AO	6719	982	15%	770	11%	1752	26%
Software	13839	2418	17%	602	4%	3020	22%

As the table above shows, the M&M cluster provides good paying jobs with career ladders that lead to middle income jobs for working families. M&M leads Portland's clusters in the percentage of jobs characterized as "Good, Sub-BA" and "Opportunity" (the latter being jobs with strong career ladder potential). Many M&M businesses in Portland are among the leaders in our community in hiring from underrepresented communities.

The overall long-term outlook of the M&M cluster depends in great part on companies continuing to receive critical workforce, R&D and lean/efficiency improvement support they need to maintain high level competitiveness.

A relatively strong infrastructure for training and mentoring is already in place for underrepresented groups. Facilities exist with specific types of shared equipment and resources to lower barriers to entry, and startups can get off the ground by making products that don't require heavy machinery. An alternate route is through receiving ownership of a firm through succession from a retiring owner.

Concerns

In 2018 Prosper Portland partnered with the Urban Manufacturing Alliance and Portland State University on developing a report on [The State of Urban Manufacturing in Portland](#). The report was deeply researched and relied on extensive qualitative and quantitative research. Its findings revealed ongoing concerns in the manufacturing sector about encroachment of other uses into traditional industrial zones – borne out as well by our ongoing Business Retention and Expansion work. The buffer zone between industrial and housing/commercial is perceived as diminishing, resulting in complaints regarding odors, noise, late night lights, and transportation vehicles. If these concerns turn out to be accurate, negative equity impacts could be significant. According to the report, *“The City’s Industrial Sanctuary policy remains an important tool for mitigating displacement pressures on viable industrial businesses, but recent changes that allow higher densities of “industrial office” uses – for instance, software development – will need to be monitored to ensure that they don’t exacerbate these pressures. Active measures by the City to continue to support affordable industrial development will be critical for ensuring sufficient supply.”* In addition, *“Communities of color and low-income populations have been pushed to the margins through gentrification and displacement, exacerbating long-standing inequities. Small industrial businesses are also feeling the pinch as rents rise, making it harder to operate in the areas, like Central Eastside, that have traditionally supported these businesses to start and grow.”*

Portland continues to lose legacy industries to the suburbs and other regions of the country due to gentrification and operational difficulties in the city of Portland. Some of the city’s recent losses include ESCO, Portland Bottling, Premier Gear, and PECO Manufacturing. Job losses from these four companies totaled more than 2,000 jobs paying an average of \$60,000.

Through participation on the Portland Freight Committee, staff has learned that worsening traffic congestion is another significant issue for manufacturers on two fronts: (1) shipping and receiving goods and services, and (2) employee retention and efficiencies due to long commutes. Freight movement is vital to Portland’s economy, but members of PFC expressed specific concern that reduced lane sizes and new bike lanes are examples of policies that hinder freight movement. Examples of companies that have expressed concerns include Portland Bottling, Franz Bakery and FedEx.

Employee commutes are also a major concern for industrial employers. Keeping good employees becomes a challenge when they have to spend 1.5 hours, or more, each way for their commutes. Manufacturers have cited this concern at meetings and during BRE visits. The meetings included focus groups for the SUM study; and at PFC, Manufacturing Industrial Group, and monthly Industrial Group meetings.

The City of Portland’s permitting process is the final concern often raised by the manufacturing community in general, and M&M businesses in particular, including during the information gathering for the State of Urban Manufacturing report. Manufacturers wish to invest in their facilities and equipment to meet rising demand, but we have seen example of a permitting process taking up to two years to complete, leading to lost sales and productivity particularly for smaller firms with limited internal capacity.

Cluster Activities

Strategy

The Metals & Machinery cluster remains the most reliable and largest source of middle-wage jobs for communities of color in Portland, but these jobs are under threat from factors global and local. As a result, the key objective for our efforts in Metals & Machinery is to create the right competitive environment to ensure continued growth: building capacity within smaller manufacturing firms, strengthen workforce programming, and provide growth services for cluster businesses, which the sector's racial diversity renders inclusive according to our equity lens. The M&M strategy utilizes well formulated programing and key partnerships to strengthen workforce training resources; expand lean/efficiency improvement implementation through OMEP; increase buying and selling among manufacturers in Portland through supply chain programs; increase domestic and international trade through trade missions and trade shows; and strengthen industrial zoning.

Relationship Building & Management

Strategic Partnerships & Service Referrals

(Why?) Strategic Partnerships

Partnerships are key to helping the metals & machinery cluster grow. When managed effectively, M&M cluster partners can be equivalent to 1.5 – 2 FTEs. M&M partners include OMEP, CEIC, NIBA, WSI, PWA, and JASO, Willamette Week.

(What?) Strategic Partnerships

Following is a brief overview of how each partner contributes to the success of the M&M cluster:

- **OMEP** provides lean/efficiency improvement consultations to manufacturers on behalf of Prosper Portland. These consultations have helped Portland manufacturers improve their efficiencies by as much as 60%. Efficiency improvements enable manufacturers to reduce their product's prices to be more competitive while simultaneously increasing their profit margins. We also contract with OMEP to conduct the other highly effective programs including the Smart Talent Program and the Business Innovation Workshop. They have become an active partner in our supply chain programs. In our convening process we learned that revenue generation is becoming an emerging challenge for manufacturers buffeted by tariffs and global competitive pressures, so we are in the process of exploring a cohort-based program on sales strategy.
- **CEIC** is our primary partner for coordinating our supply chain programs, SINC conferences, implementing and managing the Making Portland Switchboard, and with helping us make deeper connections with manufacturers and the maker ecosystem.
- **CCA** is our "eyes and ears" in the Columbia Corridor and is our point person on regulatory issues impacting industrial activities.
- **NIBA** is our "eyes and ears" in the Northwest Industrial District. They keep us apprised of issues impacting industrial activities and the latest news in manufacturing. They are very active in helping to strengthen industrial zoning and striving to create a better regulatory environment for industrial activities. NIBA is currently working on developing a Portland manufacturing and industrial podcast.

- **Willamette Week** conducts the annual TechFest NW Conference. They are helping to increase the visibility of Portland as a hub for start-up businesses. M&M is leading the SINC conference on their mainstage of their next TechFest NW Conference.
- **JASO** is our “eyes and ears” in the Japanese business community in Oregon. They introduce us to relevant Japanese business delegations and partner with us on programs related to Japanese manufacturers and start-ups.
- **PWA** coordinates programming that expose students to career opportunities. They organize and conduct the annual NW Youth Careers Expo.

(How?) Strategic Partnerships

- OMEP will be measured by
 - Number of companies pursuing consultations
 - Number of companies participating in Smart Talent Programs
 - Number of POC employed at each company
 - NIST results
 - Number of participants in supply chain programs
- CEIC will be measured by
 - Number of participants in supply chain programs
 - Number of participants in SINC conference
 - Number of members of the Switchboard
 - Number of transactions from Switchboard
- CCA will be measured by
 - Number and quality of agendas prepared for Industrial Group meetings (10-12)
 - Arrangement of Manufacturing Industrial Group meetings (4)
 - Number of issues referred and addressed
- NIBA will be measured by
 - Number of issues referred and addressed
 - Launch of the manufacturing and industrial podcast
- Willamette Week will be measured
 - Number of participants in SINC Conference
 - Number of international start-ups attracted
 - Survey results
- JASO will be measured by
 - Number of Japanese investors referred
 - Number of times partnering with Prosper Portland on programing
- PWA will be measured by
 - Number of students attending Youth Careers Expo
 - Number of businesses exhibiting at Expo

Programs & Initiatives that Help Inclusive Traded Sector Firms Grow

Non-local Market Development for Cluster Firms

Trade Shows and Trade Missions

(Why?) Trade Shows and Trade Missions

Trade shows are the most effective method for M&M businesses to meet many businesses in the same industry to find new customers, new strategic partners, learn industry trends and best practices. **Trade missions** provide an opportunity for M&M businesses to join a delegation, participate in prearranged meetings, and gain international experience. Trade missions are most effective when they align with existing trade shows in targeted countries.

(What?) Trade Shows and Trade Missions

M&M and Clean Tech have been highly successful at getting repeat participants for trade shows. This is an indication that manufacturers find value in the trade shows because they find new customers and can shore up their relationships with existing customers. Most all sales are traded sector sales that help lead to new hiring and expansions. Since M&M companies produce for a broad range of industries, it is necessary to attend trade shows where M&M products are in demand, such as clean tech shows including Wind Power, Power Gen, and WefTec. Recently, the Construction, Power, Mining and Water trade show in Myanmar has garnered our attention because each of these sectors are areas where our manufacturers have notable strength. Recruitment is another major focus of our team at trade shows and during trade missions. We generate at least three leads from each trade show and participate in two calls on businesses during trade missions.

(How?) Quantifying Benefits of Trade Shows and Trade Missions

Results from trade shows and trade missions will be measured by:

- Number of leads generated
- Gross sales generated after 6 months
- Projected future sales
- Number of recruitment leads

Coordinate Educational Events and Programming

SUPPLY CHAIN PROGRAM AND BENEFITS FOR POC WORKFORCE

(Why?) Supply Chain Opportunities Conference

Supply chain programs stimulate regional buying and selling among manufacturers. This in turn, increases revenues for businesses and jobs for Portlanders.

(What?) Supply Chain Opportunities Conference

By getting local manufacturers and other users of manufactured parts and equipment to purchase from local suppliers, more wealth is created and kept within this region. The multiplier impact for every \$1 of manufacturing revenue creates an additional \$1.51 in the economy. Also, for every \$125k - \$175k of revenue generated by M&M manufacturers, an additional job is created for the firm. Manufacturing

hires people of color in large numbers and has a low barrier for entry. The industry provides good paying jobs for working families and has great career ladders. Manufacturing provides great opportunities for reentry people, a large proportion of whom are Black or Mexican. POC are welcome and sought after by this industry.

We created a special supply chain program format to maximize buying and selling among manufacturers in the Portland region. Interactions with manufacturers during BRE meetings and other functions were enough to inform us that an alarming amount of manufacturing inputs were being purchased from outside of the Portland region primarily because companies weren't aware that suppliers exist here in Portland. The program has proven to be a great success. The conferences proved to be highly effective in areas that we had not anticipated including:

- Develop 25-30 new connections with other startups
- Establish new customers or suppliers
- Generate new innovative ideas
- Create new strategic partnerships
- Obtain business development guidance
- Improve company sales pitches
- Participants assisting other participants in making new contacts outside of the conference
- Learn about resources to help manufacturers grow
- Increase participant knowledge about the manufacturing ecosystem

(How?) Quantifying Results of Supply Chain Programs

Results of supply chain programs will be measured in the following ways:

- Number of attendees at each event
- Survey results – How they rate the items
- New customers
- New suppliers
- Strategic partnerships created
- New business or innovative ideas generated

Start-up and Innovation Networking Conference

(Why?) SINC Conference

Start-up, innovators and investors have a difficult time making connections with one another. Even if they are all in the same room at a conference. The SINC conference provides a structure where they can meet and network with a large range of start-ups, innovators and investors from throughout the world.

(What?) Start-up and Innovation Networking Conference

The supply chain program format was applied to the SINC conference to determine whether this program could work for start-ups, innovators and investors as well as it does for manufacturers. SINC was a resounding success and it provided our team with the “proof of concept” that we needed to convince TechFest NW that they need to move the program to the mainstage at the Viking pavilion next year. We will be inviting mature manufacturers from clean tech, advanced manufacturing, and

electronics to participate in the event. The SINC conference can play a major role in helping us to identify and recruit more people of color that are manufacturers or are seeking to become manufacturers. SINC enables our team to identify and assist start-up manufacturers who are POC and/or women. Manufacturing hires more people of color than any of our other clusters, and it is the only cluster that has a low barrier for entry where average salaries and career ladders exist.

The following are goals that are in addition to the goals identified in Table 1 below:

- Meet 25-60 new contacts *(if attendees participate in between 4-10 roundtable sessions.)*
- Learn how other start-ups deal with scaling, finance, workforce and other business issues
- Meet and obtain advice from participating investors
- Meet new customers and suppliers
- Meet international visitors from throughout the world
- Obtain business development guidance
- Improve company sales pitches
- Link and have others link you to additional contacts
- Learn about resources to help start-ups grow
- Increase participant knowledge about the manufacturing ecosystem

***(How?)* Quantifying Results of SINC Conference**

Results of SINC conferences will be measured in the following ways.

- Number of attendees at each event
- Survey results – How they rate the above listed items.
- Strategic partnerships created
- New business or innovative ideas generated
- Number of new customers or suppliers

Smart Talent Program

***(Why?)* Smart Talent Cohort Benefits**

The Smart Talent Cohort assists manufacturers in increasing efficiencies and reducing employee turnover by hiring and training employees effectively. The Cohort leads to increased hiring and retention of people of color and individuals from the reentry populations.

***(What?)* Smart Talent Cohort**

The Smart Talent Cohort was designed by OMEP to help manufacturers lower labor costs without layoffs, reduce employee turnover, and train new and existing employees to be proficient. The Cohort's structured on the job training models enable manufacturers to hire individuals with limited skills and train them to assume positions that typically require lengthy training. It also helps them become more effective at onboarding new talent and maximizing the development of incumbent employees. These activities help link employee development to company career ladders.

***(How?)* Smart Talent Cohort Effectiveness Measurement**

The Smart Talent Cohort will be conducted 1-2 times annually. The effectiveness of the of the Cohort will be measured by:

- Number of new employees hired and remain after one year
- Number of POC hired and remain after one year
- Number of manufacturers participating in Cohorts

MAKING PORTLAND SWITCHBOARD (MPS)

(Why?) Making Portland Switchboard

MPS enables manufacturers to maximize resources, increase sustainability, exchange information, and increase strategic partnerships.

(What?) Making Portland Switchboard

MPS is an online resource that enables businesses, non-profits and individuals exchange information and resources. Businesses can divert certain resources from to trash to an entity that can put those items to use. Other benefits that can be achieved from MPS include:

- material waste streams and material needs
- requests for assistance with problems (including engineering)
- employee exchanges during downtimes and busy times
- notifications about relevant upcoming events
- networking to learn more about businesses, people and resources in the Portland region

(How?) Making Portland Switchboard

The success of the MBS will be measured by the:

- total number of members
- total number of asks
- total number of offers

Marketing & Business Recruitment

Cluster Awareness

GENERAL PROMOTION OF METALS & MACHINERY CLUSTER

(Why?) The M&M cluster has a range of existing and new methods of promoting Portland as a national and international leader in cluster support and development. We will be promoting the cluster through our partners, domestic and international events and through media. Our means of promoting the cluster will be through trade missions and trade shows, the Making Portland Switchboard, the new Japanese newsletter, and new (Portland) “Manufacturing Matters” podcast.

(What?) Promoting M&M

Portland manufacturing is growing more than twice as fast as the economy as a whole. While some have been writing manufacturing’s obituary, the reality is that in the last 12 months manufacturing jobs grew

by 3.7 percent in the Portland region. There are more manufacturing jobs in the region today than at any time since 2001. So far this decade, manufacturing has overcome foreign competition, an aging workforce, and increasing automation to enjoy strong job growth recovery from the depths of the 2009 recession.

(How?) Promoting M&M

Promotion results of the M&M cluster will be measured by:

- Promotional materials created
- Materials distributed during trade shows, trade missions and events
- Establishment and launch of a “Manufacturing Matters” podcast

URBAN MANUFACTURING ALLIANCE PARTNERSHIP

(Why?) The UMA works to strengthen urban manufacturing throughout the country. Their work helps to elevate the importance of urban manufacturing at the federal, state and city levels of government.

(What?) Urban Manufacturing Alliance

The Urban Manufacturing Alliance is a national coalition of organizations and individuals that are building manufacturing economies fit for the 21st century. Their collective goal is to create pathways to middle-class jobs, spark homegrown innovation and ensure that cities and towns continue to be the places where we make things. They utilize their annual events as a means to promote best practices by sharing information they gather from their network of manufacturers and economic development representatives from throughout the country. Portlanders benefit by job creation that results from programs and resources that help manufacturers grow. This growth leads to new business expansion and the creation of new jobs. UMA’s activity in the maker and start-up space is helping to drive new interest in pursuing manufacturing within the POC community.

Since the UMA focuses on manufacturers ranging from makers to large manufacturers in urban areas, the M&M cluster maintains close contact with the UMA to stay abreast of national news about manufacturing and best practices. In 2015-2016, Portland was among six cities where the UMA conducted research studies on the State of Urban Manufacturing. Prosper Portland partnered with the UMA in organizing and conducting the study. The results of the SUM study helped to increase our understanding of issues and opportunities confronting Portland’s M&M cluster.

(How?) Quantifying Benefits of Urban Manufacturing Alliance

UMA results will be measured by capturing:

- Best equity practices pertaining to POC
- Best business practices pertaining to manufacturing and start-ups
- Number of key contacts throughout the country
- Number of Investment leads

Appendix A: Convening Summaries

Green Cities

In April, 2019 Key Clean Tech Industry Partners convened (see attached list) including Business Oregon, GPI, OSEIA, Forth, VertueLab, and TAO to revisit industry trends, equity priorities, synergies, and activities/gaps to be filled. Findings from the session identified the top industry segments with the highest potential for growth.

Recommendations

Advance Equity

Expand Community Outreach

Expand Smart Cities

Expand Community & Consumer Engagement

Identify infrastructure needs for residents 10-15 years out.

Expand clean mobility with focus on low-income.

Employment Opportunities - Retirements

Identify workforce development needs. Support STEM and internship programs.

Increase Diverse Staffing - Make sure leadership and management teams are diverse.

Support low-income neighborhoods. Provide business services, pilot and deploy technologies

Track equity metrics. Encourage Green Cities cluster to report out diversity goals. Track diverse technical and leadership teams.

Expand policies to support low-income geographies and people of color

Convene industry partners to share best practices in equity

Support people of color and women to receive support from Clean Energy Fund

Catalog equity resources possibly on the We Build Green Cities web site.

Growth Areas

The industry continues to mature. The adoption for stronger climate goals provides new market opportunities that we are well positioned to capitalize on. The Framework for We Build Green Cities still works. The collaboration between start-ups and large corporates in fostering new innovation continues. Expansions and investments are primarily being made from the larger more mature companies. Continue to tell our story to help with export opportunities. These are the key industry segments with the highest potential for investment and employment opportunities over the next 3-5 years.

Smart Transportation

Portland continues to be a policy leader driving new market opportunities. Pollution and traffic have resulted in the demand for mobility solutions. Electrification. Fifty percent of all new cars sold globally

are expected to be electric by 2033. The future transport systems will be connected, data-driven, shared, electric, and highly automated. We are seeing existing and new companies invest in this space including Daimler who announced in April that they will retrofit their existing plant to manufacture electric trucks by 2021. Other companies in this space who continue to invest are Moovel/ReachNow and Jaguar Land Rover.

New policies and programs that may drive expansions and new technologies include:

- City of Portland Climate Action Plan update for 2020.
- City of Portland 100% renewable goal, including the transportation sector by 2050.
- Portland Clean Energy Community Benefits is estimated to bring in \$54 -71 million in new revenue for green jobs and healthy homes. A portion of these funds will be dedicated to transportation projects.
- Portland's EV Strategy was unanimously adopted by City Council in 2017 and has 49 actions that are to be completely or significantly underway by 2020. The EV charging location strategy is being utilized by utilities to prioritize charging locations such as East Portland.
- In June of 2020, the largest electric vehicle trade show in world, EVS33, will be in Portland, providing us the opportunity to showcase our leadership. PGE launched a new grant fund, Drive Change, providing \$1.75 million in grant fund for clean electric mobility projects.
- Cap & Invest. Oregon will set a statewide cap on emissions. Every entity emitting more than 25,000 metric tons of carbon dioxide equivalent (CO₂e) must purchase allowances equal to the tons of CO₂e they emit. Over time, the number of allowances available steadily declines — 45 percent below 1990 levels by 2035, and 80 percent by 2050.

Convergence of Energy Technologies.

There is a rapidly growing demand from world-leading companies to become 100% renewable including AutoDesk, Nike, Salesforce, and Vestas. Wind and solar are now in most cases a cheaper option than generating energy from traditional fossil fuels. This is driving new innovations in smart grid technologies and renewable energy including using traditional wind and solar resources with battery storage. Energy storage plays an important role in balancing power supply and demand and is addressing intermittency issues of renewable energy. With more power coming onto the grid such as electric vehicles, wind and solar there will be a larger demand to manage those assets. Several battery storage firms are also located in the region and provide middle-wage employment opportunities including Energy Storage Systems (ESS) and Powin Energy.

Digitalization/IOT/Smart Cities.

The use of digital technologies and software brings energy management and efficiency resources closer to energy consumers. Companies include blockchain firms such as LO3 in Portland who provides decentralized energy transactions for metering and billing. Trip Wire who provides cybersecurity, and mobile and tablet devices to standardize and automate data collection. Our work to develop a smart city by installing technology to provide intelligence including air pollution control monitoring systems and traffic sensors that are collecting data and providing new opportunities for companies to deploy solutions.

Participants

Company	Name	Title
Prosper Portland	Pam Neal	Project Lead/Green Cities Industry Liaison
Clean Edge	Ron Pernick	Facilitator/Consultant
Prosper Portland	Troels Adrian	Business & Industry Manager
Prosper Portland	Melanie Rund	Administrative/Cluster Team
Business Oregon	Colin Sears	Inbound Investment & Global Trade Officer
Business Oregon	Mark Brady	Innovation Strategist
Business Oregon	Sunun Set	Global Trade Specialist
Greater Portland Inc.	Amy Jauron	Director of Business Development
PGE	Melissa Rogers	Business Development Specialist
PGE	Isaac Barrow	Business Development Project Manager
PGE	Jake Wise	Smart Cities Program Manager
VertueLab	David Kenney	Executive Director
OSEIA	Meghan Craig	Executive Director
Energy Trust	Cameron Starr	Sr. Customer Service Strategy Manager
TAO	Jerry Gaube	Director of Membership/Smart Cities Lead
Forth	Jeff Allen	Executive Director
NEEA	Mark Rehley	Emerging Technologies
Renewable Northwest	Nicole Hughes	Executive Director
Bureau of Planning & Sustainability	Vinh Mason	Energy Policy Coordinator

Athletic & Outdoor

Current Efforts

While current efforts around convening focus on developing industry led events, creating platforms for shared information, and participating in export related events, these efforts provide opportunities to get feedback and commitments for action plan development. The industry mailing list can also be utilized to send surveys and collect input. The following are the regularly scheduled meetings and events where industry leaders and business owners currently convene on a regular basis and may potentially be asked to give input on the A&O Action Plan:

- AOP Committee meetings- meet monthly to bi-monthly
- AOP Events- larger events and smaller monthly meetups
- Peer to Peer group (small business)- meet on a bi-monthly basis
- A&O Annual event- brings larger industry together under one roof
- NY NOW cohort (small business)- meet within 3 months prior to NY NOW show

Partner events and boards also offer a unique opportunity to discuss the action plan and gather input, while at the same time, engaging more deeply with existing partners:

- Oregon Sports Authority Board Meetings- quarterly basis
- Oregon Outdoor Alliance- New group that is planning monthly or bi monthly meetups
- Oregon Outdoor Recreation Summit- statewide summit bringing together leaders from government, non-profits, and industry. (annual)
- Council of Economic Advisors- meets quarterly?

Potential Additional Convening:

- AOP Committee retreat-with Sneakerweek, Travel Oregon, Wild Diversity, etc. There is also a desire to create a more concrete pipeline for talent to the industry. Recommended course of action would be to have a 3 hour “retreat” to provide the group the opportunity to brainstorm programming that is a step beyond periodic events and meetups. (April/May 2019)
- Entrepreneurs Outreach- utilizing current and previous participants in both Peer to Peer and NY NOW programs, bring entrepreneurs together to understand the types of services that are needed to help their business grow, as well as what level of funding is most desirable.
- Survey- could utilize current A&O mailing list, along with partner lists to get a holistic overview about who is engaging with our groups and what they are seeking. Could also be a good way to gather demographic data. Survey development should be done with key partners- OSA, OOA, BO, TP, TO, etc. (Summer 2019)

Findings:

AOP Committee Retreat- The AOP Committee met on May 2nd to discuss strategic initiatives for the coming year. The committee was asked to think about what it felt was missing for underrepresented talent in the city. The committee also reviewed its current mission, objectives, and values.

Retreat Summary:

- Overall mission and objectives/values still resonate with the committee. Renewed focus on A&O versus A&O + Consumer Products is recommended.
- Values statement should be updated to reflect new categories of focus- Visibility, Awareness building, Creating inclusive community, Accountability etc.
- Building a toolkit on how to make it in the industry seemed to be a big idea- building events and an online resource for those starting their careers or those looking to get in. Something that people from out of state can use as well.
- When In Portland Series- Don't be on the outside looking in. Don't have to be just a consumer, can work in this industry and be part of building it.
- How do we start to build accountability within the industry around- Hiring and promoting underrepresented people; increasing action around Diversity, Equity, and Inclusion (DEI), and Taking risks on candidates that might not have the “right” kind of background, but add valued skills and perspective?

Oregon Outdoor Recreation Summit and Governor’s Task Force on the Outdoors- Prosper Portland staff attended the Summit on May 13-14, 2019, as well as attended the Task Force meeting #1 on May 22, 2019. The gatherings gave staff the opportunity to get a general sense of the trends and thoughts shaping both statewide policies, as well as the needs of those engaged with the outdoors both in the private and non-profit sectors.

Summary:

- The lack of inclusive means of engaging diverse populations in both recreational and workforce opportunities was a clear theme and high priority.
- Need for organizing tool or resource to promote and give visibility to the many non-profits that are working to increase recreational access for POC and underrepresented. Suggested course of action included directory and profiles (could tie into When In Portland brochure), as well as a matching fund or central fund that these organizations could apply for, rather than having to go to corporate sponsors individually. Central fund idea also allows companies to support vetted organizations and increases sponsorship efficiency and reach.

Cluster Business Survey- Cluster Staff worked together to develop a survey that would assess the needs of businesses within any of the cluster industries. The survey was released through cluster leads' contact lists, as well as through the Small Business newsletter and the A&O industry newsletter. The survey ran from May 28, 2019 through June 15, 2019.

Technology & Media

Prosper Portland conducts monthly convening of approximately 30 representatives from the industry. These sessions focus on issues related to diversity, equity and inclusion that impact company (and industry) growth. A similar structure is used quarterly for approximately 10-15 company leaders. Additionally, a Steering Committee formed to address these issues and drive change with Prosper Portland convening the group monthly.

Partner events and boards also offer a unique opportunity to discuss the action plan and gather input, while at the same time, engaging more deeply with existing partners:

- Technology Association of Oregon
- Smart Cities Working Group
- PDX Women in Technology Ambassador Board

Potential Future Convening:

Survey- Finalize outreach to survey and conduct analysis of the findings.

TechTown Summer Retreat - The current members have expressed an initial desire to come together for a more in depth meeting around our future goals and initiatives. There is a strong desire to take programming to the next level, deepening our impact with employees of companies and developing more robust partnerships throughout the community. Members of the TechTown Steering Committee have also expressed interest in holding a fall or early winter retreat to plan for 2020 and beyond.

Metals & Machinery

Much of the data and qualitative research used for this action plan is based on "[The State of Urban Manufacturing](#)" – a rigorous study from 2018 of the Portland manufacturing industry conducted by Portland State University and the Urban Manufacturing Alliance. The report included extensive survey and focus group research, effectively functioning as a timely convening effort for the cluster.

In addition, the M&M Cluster Liaison convenes manufacturers (during supply chain and other programmed events) an average of three times annually. During the May 29, 2019 Supply Chain Program, we used the opportunity to incorporate brief facilitated segments. The purpose of the segments were to determine the current “opportunities and challenges” confronting the cluster. Program participants provided the following feedback in order of importance:

- Increase sales revenue
- Workforce development
- Working capital
- Supplier issues

Finding skilled workers has traditionally been the most important issue confronting manufacturers. It still remains among the most important issue. However, most of Portland’s manufacturers are job shops that focus on producing customized products. Their customers typically account for anywhere between 1%-50% of their total revenue. Customers that account for 30% or more of their revenues are considered “anchor” customers. Anchor customers are great because they provide revenue stability. However, anchor customers can also create revenue instability if their purchases decrease due to unforeseen market forces. This scenario prompts manufacturers to do more to diversify their customer base in order to minimize the impact of the reduction in sales to one of their major customers.

To address this issue, we are in the planning stages of developing a new cohort with OMEP that focuses on increasing sales revenue.

Appendix B: Investigative Approach

	Investigate	Inventory	Convene	Diagnose	Act	Evaluate
Maximize Competitiveness Green – remains in equity lens framework Yellow – modified in equity lens framework Red – not present in equity lens framework	<ul style="list-style-type: none"> Establish criteria for selection <ul style="list-style-type: none"> LQ Avg Wage Growth trends Analyze local and national trend data Perform initial outreach to very data conclusions Select Clusters that have most potential for growth 	<ul style="list-style-type: none"> Define cluster Inventory firms, organization and institutions Identify leaders, innovators and trendsetter Identify key policies and practices impacting cluster Create informal map of cluster ecosystem 	<ul style="list-style-type: none"> Identify incentive for convening Review & confirm cluster focus/scope, definition and participant Identify cluster needs, opportunities and obstacles Identify areas of strongest mutual interest 	<ul style="list-style-type: none"> Synthesize findings into a market analysis Select initial strategic interventions (e.g. workforce, trade, marketing, R&D) Develop Action plan with stakeholders 	<ul style="list-style-type: none"> Establish clear expectations and accountability for partners, including shared resources and staffing Allow for cluster leadership to emerge Implement identified interventions 	<ul style="list-style-type: none"> Does the intervention support its intended goals? Does the intervention support job growth? Is the cluster self-supporting? Are higher level interventions possible?
Inclusive Growth	<ul style="list-style-type: none"> Added Criteria (at subcluster level) <ul style="list-style-type: none"> Concentration of middle income jobs Concentration of MWESB, workforce diversity Update aged data, review growth vs. inclusion assumptions, compare subclusters on potential for inclusive growth 	<ul style="list-style-type: none"> Added: applying equity lens by identifying firms and partners most likely to yield equitable outcomes (growth and/or inclusion) using criteria such as: <ul style="list-style-type: none"> MWESB status Diversity in executive team Workforce diversity Geographic location Middle-wage job concentration 	<ul style="list-style-type: none"> Convening focuses on anchor firms, institutions, and partners along with portfolio companies Questions and discussion centered on testing efficacy of different approaches 	<ul style="list-style-type: none"> Market analysis identifies initial portfolio and programming, including logic model In cases where growth is not primary issue, room to create inclusion-focused programming (e.g. Tech Diversity Pledge) 	<ul style="list-style-type: none"> Initially limited-scope interventions vs. at cluster scale Programming designed for portfolio firms, with non-portfolio firms participating to provide resources, network, or as space is available 	<ul style="list-style-type: none"> Primary evaluation focus is equitable outcomes at firm level