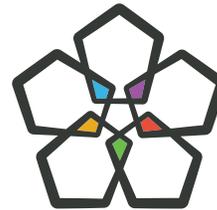




CLUSTER ACTION PLANS

Executive Summary



PROSPER
PORTLAND

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



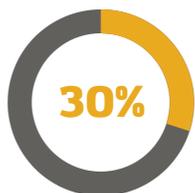
THE CHALLENGE

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 midsized, "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.

