

CEOs for Cities

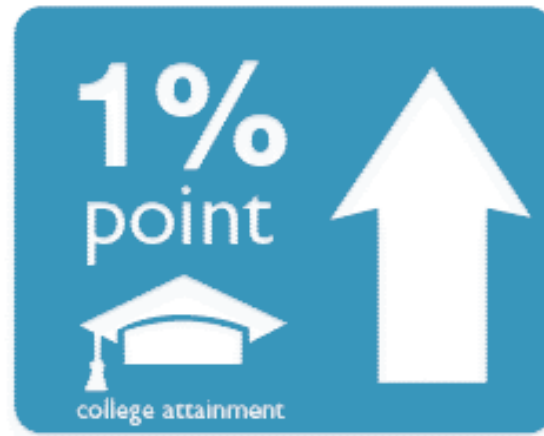
CEOs for Cities is a national network of urban leaders dedicated to building and sustaining the next generation of great American Cities.

CEOs for Cities

What We Do:

- Produce research-based insights
- Convene dynamic discussions
- Foster cross-sector networking
- Advocate passionately on behalf of cities

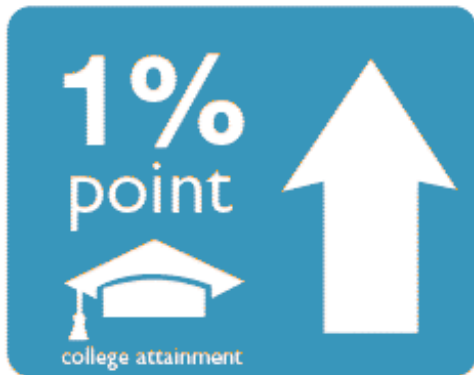
The Talent Dividend Tour



Sponsored by:



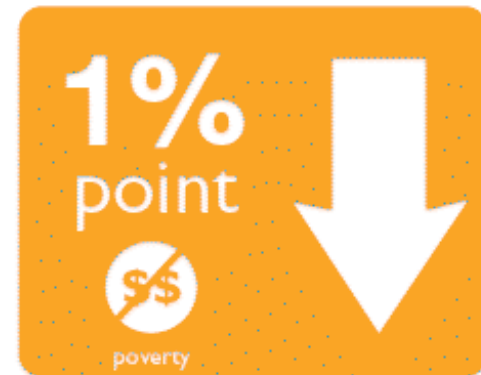
The City Dividends



 **Talent**

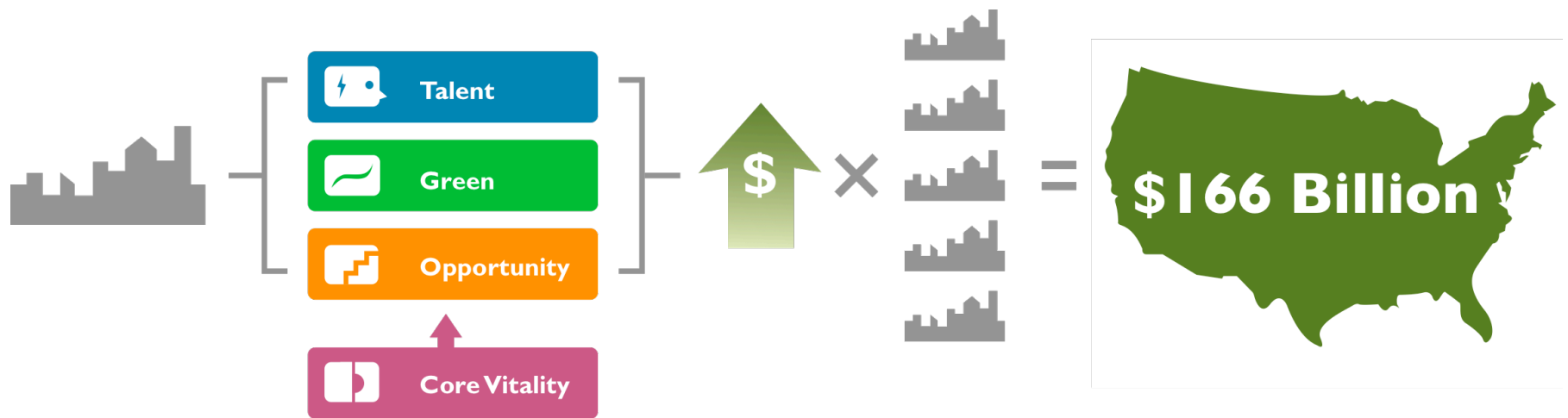


 **Green**



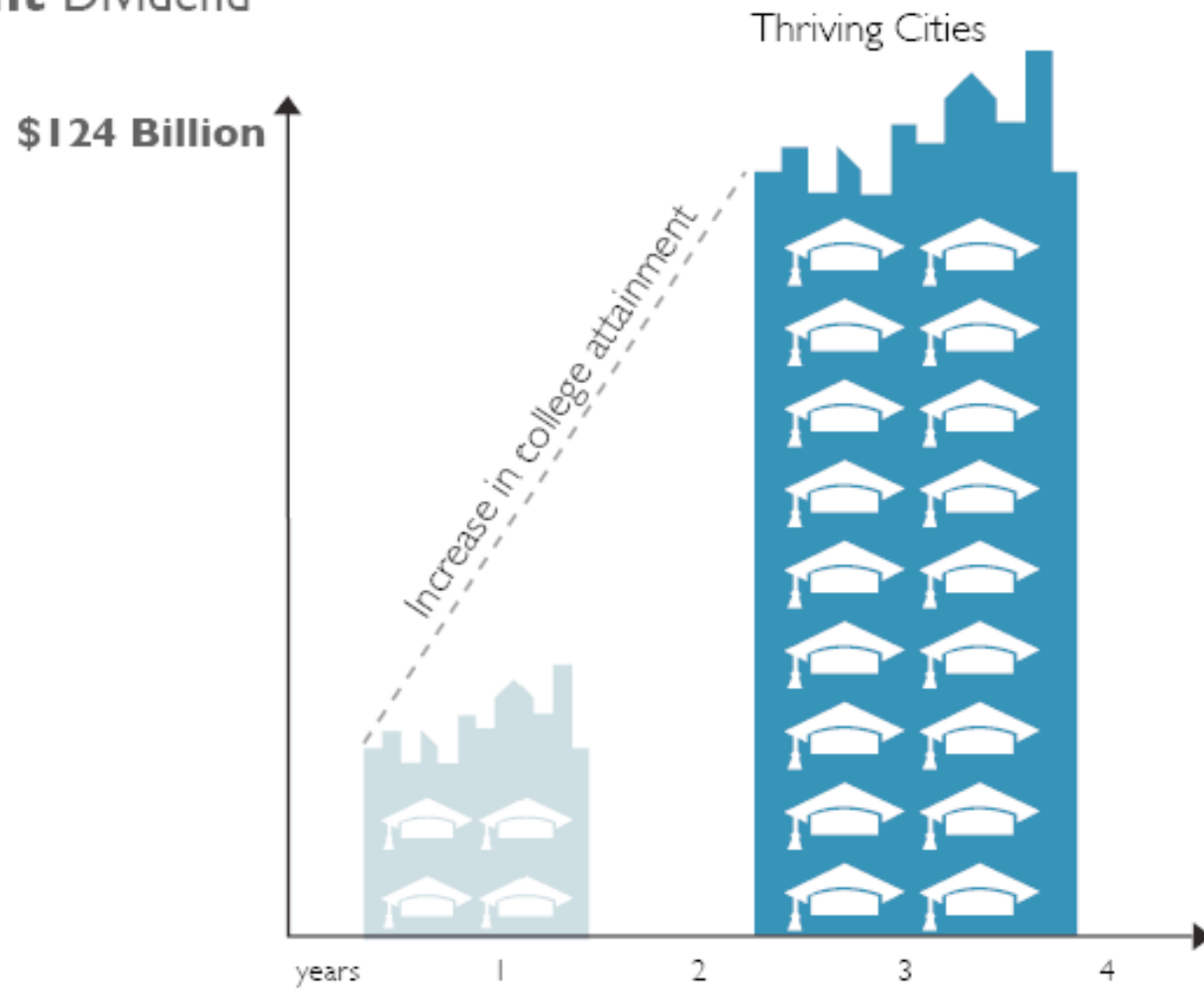
 **Opportunity**

National Gains



Talent

Talent Dividend

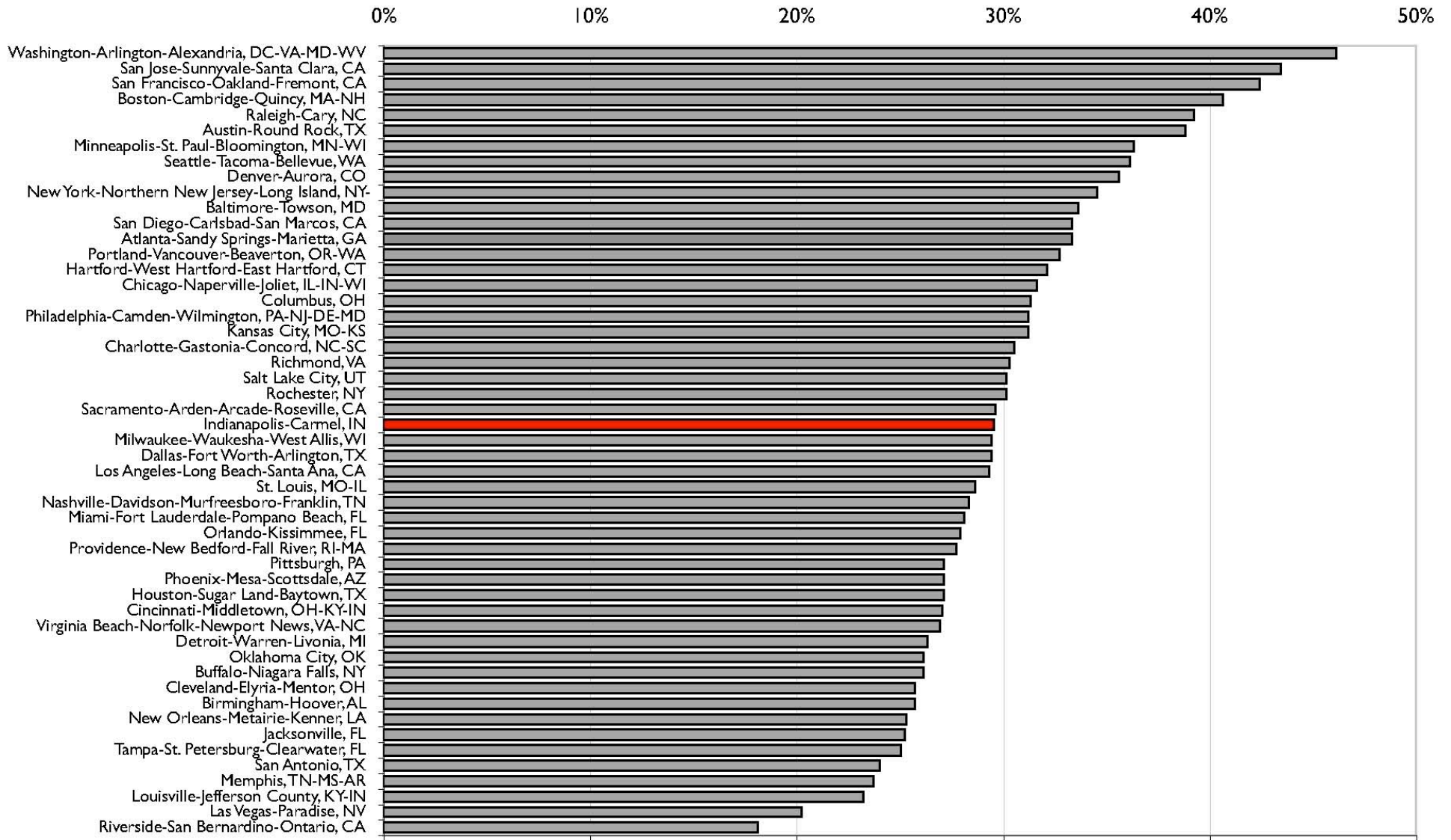


Talent Dividend: The Approach

- Cities differ in educational attainment
- Differences reveal opportunities for improvement
- Improvement gains estimated from evidence
- Gains represent potential payback from better policies

Metro Variations in Educational Attainment

Four Year College Attainment Rate



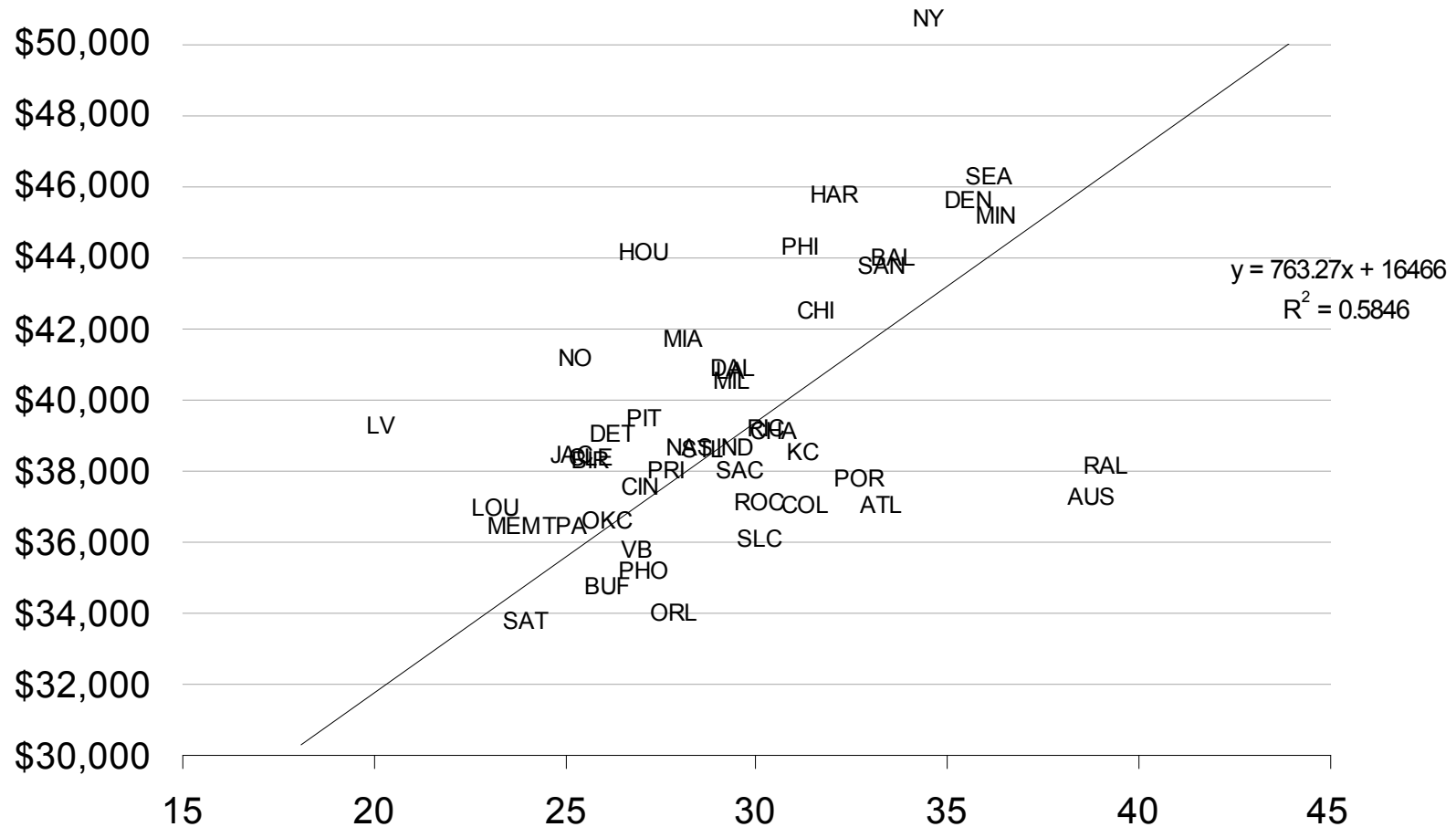
The Hypothesis

- Better-educated = higher incomes
- Better-skilled = more innovation and productivity

The Evidence

Education Explains Most Differences in Metro Income

Annual Per Capita Income, 2005



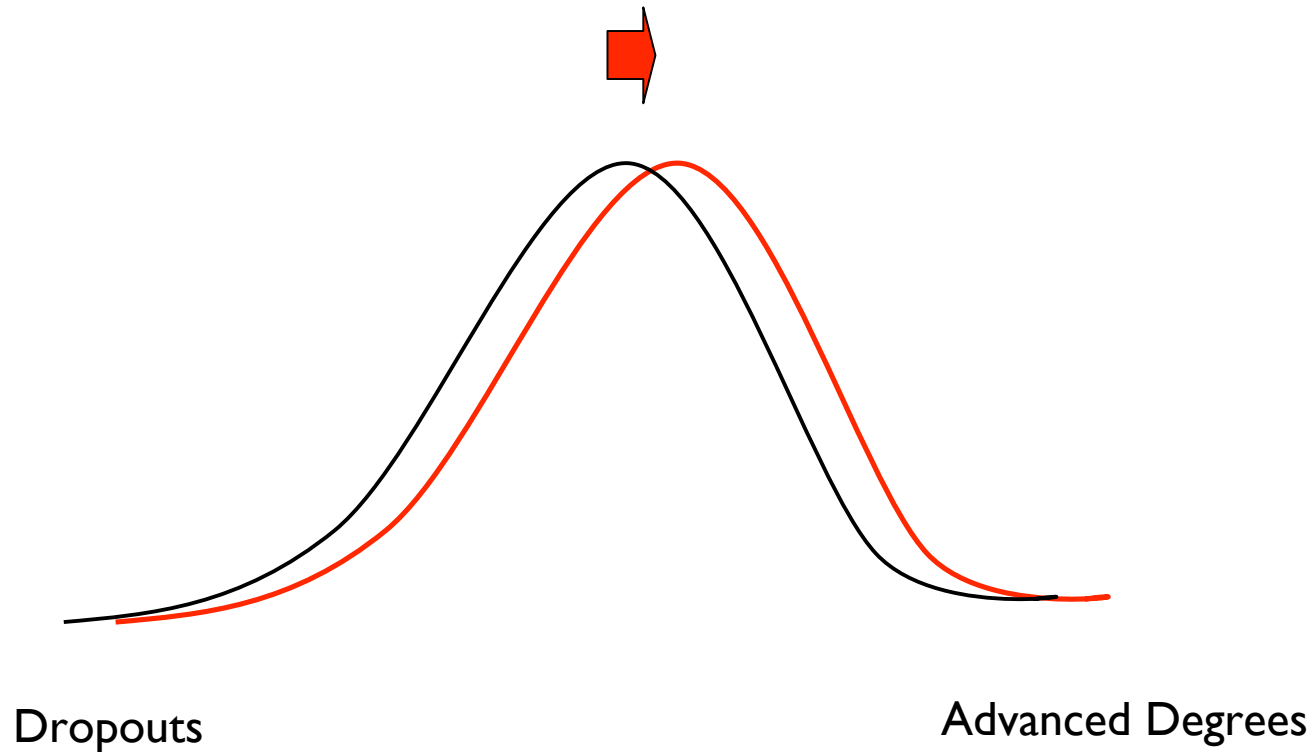
Percent of Population with a 4-Year College Degree, 2006

Sources: BEA (Income), Census (Education)

Estimating the Gain

- Each 1 percentage point increase associated with \$763 increase in per capita income or about \$1,900 to \$2,290 per year for average household (2.5-3 people)
- Important to note: education gains are product of shift in entire skill distribution - not just moving a certain number of people from no degree to college graduation

Shifting the Distribution of Educational Attainment



Educational Attainment

Talent Measures	%	No. of People
Educational Attainment (Population 25 and Older)		
Less than High School	12.6%	139,050
High School Only	30.6%	337,692
Some College/AA	26.6%	293,549
Four-year Degree	30.1%	332,174
Educational Attainment of Young Adults (25 to 34)		
Less than High School	11.2%	26,648
Four-year Degree	34.0%	80,895
Talent Dividend		
Goal	31.1%	
Additional degree holders		11,036

Source: 2007 American Community Survey

Why Focus on Educational Attainment?

- Overall unemployment: **9.4%**
- Unemployment w/o HS diploma: **15.5%**
- Unemployment w/BA or higher: **4.8%**

A Telling Example

56% = graduation rate from CPS in 2007

50% = H.S. grads who enrolled in any college

68% = enrolled in four-year college

45% = expected to graduate from four-year college

$$.56 \times .50 \times .68 \times .45 = .0856$$

8.6% - percentage of CPS class of 2007 expected to graduate from four-year college

Indianapolis' Talent Dividend

If we increase Indianapolis' college attainment rate from 30.1 percent to 31.1 percent...

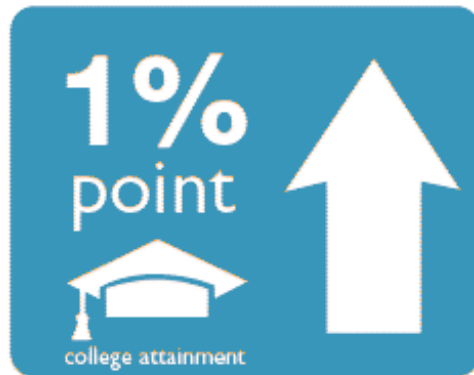
(11,036 additional new grads)

It would mean an annual Talent Dividend of:

\$1.3 billion annually

Indianapolis' City Dividends

\$1.3 billion



 **Talent**

\$305 million



 **Green**

\$138 million

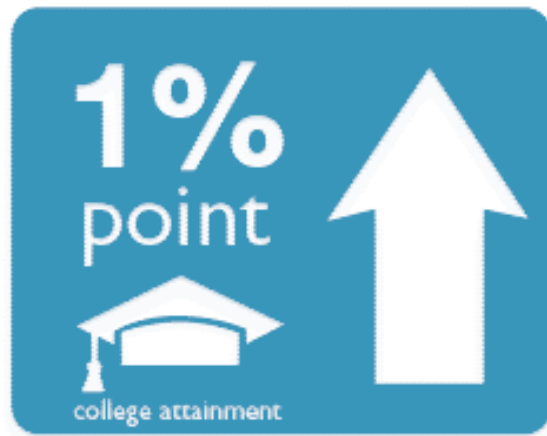


 **Opportunity**

**Total City Dividends:
\$1.7 billion annually**

Capturing the Talent Dividend

Questions to Answer:



What do you believe is your best opportunity for achieving the Talent Dividend in your community within 24-36 months?

What are the next three steps you need to take now to achieve the Talent Dividend for your community?

What would you like to know that you don't currently know that you believe would make your Talent Dividend pursuit more effective?

What can CEOs for Cities do to support your efforts?