

THE BROOKINGS INSTITUTION
WEBINAR

LEVERAGING REGIONAL TECH HUBS
TO ADVANCE ECONOMIC INCLUSION

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Moderator:

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P R O C E E D I N G S

MR. MURO: Well, good everyone, and thank you for coming out this morning. And while we're at it, I want to thank Antoine and Emilize and Achmel at the Sunrise Charitable Foundation for their support of our independent research. Antoine has been deeply interested in the interplay of tech, place, and equity for years. So we really appreciated that.

So I'm Mark Muro, Senior Fellow here at Brookings. And what I want to do is briefly tee up our discussion about how regional technology hubs, a concept very much under discussion in Congress this summer, can help push back against the nation's racial and regional divides. Proposed initially by scholars here at Brookings, ITIF, and MIT, tech culture envisioned this federally recognized focal points for channeling flexible funds for R&D, workforce training, entrepreneurship, and place making into promising regions so we can help new places achieve faster growth, a faster trajectory.

Now today, we want to look beyond the competitive dimension though, as important as that is. Instead, I want to suggest that regional checkups are a compelling way to advance economic inclusion because they provide an opportunity for regions to center equity in their growth initiatives. So I'm going to say a few words about hubs as an equity agenda and then we will hear from some others. First we will hear from representatives Haley Stevens from Michigan who chairs the House science committee, subcommittee on research and technology, and who will play a role in shaping what Congress does this month and this fall in these issues. After that, my colleague Rodney Sampson, an investor, entrepreneur, author, and teacher will lead a great panel of regional leaders and craters who are already focused on inclusive tech in new places and thinking about how regional tech hubs could help.

Right now, though, let's look at why regional tech hubs matter so much. The first reason for the hubs' relevance is to start divergence of U.S. places on measures of economic and innovation performance. We've been tracking these trends at Brookings and it's clear the nation's regions and metro areas, which were once converging when you looked at wages or job growth, coming closer together,

have been growing apart. Most notably these trends have been especially stark in the critical innovation sector, a cross-section of the nation's most essential R&D and STEM worker industries that we follow.

Looking closely at these regions we showed in our original report proposing growth centers that a short list of high-tech coastal superstar metros have hugely outstripped the growth of all other places. Notably, just five innovation metros, Boston, San Francisco, San Jose, Seattle, San Diego, the usual suspects, account for more than 90 percent of the nation's innovation sector job growth during the years 2005 to 2017.

By contrast, 90 percent of the metros—the nation's metros—actually lost a share of this critical sector. And many actually lost absolute jobs within this sector, which is the first reason we need to counter business as usual with an urge in tech hubs initiative.

Powerful, winner take most dynamics are concentrating U.S. tech into just a few fortunate places. And we need to push back on that because it's not likely that this will simply self-correct. But we also need to push back on the diversity problem implicit in all of this. Regional disparity stage equity gaps.

To begin with the facts of the nation's regional disparities are unfair in social terms. We can put it as simple as that, that many cities in the South and Midwest are lacking real traction in tech, means that tens of millions of citizens, Black, Brown, Native American, Asian, or been seriously disadvantaged with respect to job opportunities, income possibilities, health and happiness outcomes.

Where people live is a huge determinant of their economic opportunities. We know that. And so the nation's hyper-concentrated economic geography is enforcing a kind of economic segregation.

But beyond that, let's also remember that the nations whole innovation sector is itself heavily White that's because systemic inequities in America's economy and in tech have reinforced a history of exclusion for much of the innovation enterprise in America. So looking at just those 13 industries in the innovation sector I just mentioned, you find that Black and Brown workers together now make up just 16 percent of the nation's employment base, about half their share of the population.

To be sure, that representation vary somewhat by region. And we have some inclusive tech-strong stories. But overall, underrepresentation is the rule in the U.S. innovation sector, all of which means that the nation is losing out on Black and Brown talent, ideas, and innovations all over America to its detriment. So it's clear that any regional tech hubs initiative should and can as a place that -- serve as place-based centers for helping to promote economic inclusion.

Regional hubs in 10 to 15 places say, can function as focal points for concerted work by which places use federal resources to build inclusive R&D and innovation programs, promote STEM skills, and exposure to edge technologies particularly for Black and Brown learners and workers, scale up entrepreneurship in a concerted way, invest in new companies, invest in place making supportive of accessible tech activity creating rich, diverse ecosystems. In short, any future hubs in building U.S. competitiveness should also serve as centers for building inclusive local tech ecosystems that support diversity and equity metro by metro.

And so with that, I would like to turn the floor over to Representative Stevens, continue our program. Haley, who is immersed in House discussions of these issues and more, we will give her view of the opportunity before us. After Haley, Rodney Sampson will take over and moderate a conversation with three exponents of inclusive tech from Kansas City, Birmingham, and Jackson where some of that work is really already starting. We're not starting at zero, but we need to move forward. So Haley, the floor is yours.

REP. STEVENS: Great. Well, thank you so much Mark, and to the Brookings community for having today's very topical and important discussion. This event is absolutely happening at a critical juncture as Congress looks to make the largest investment in federal research and development in several decades with a very intentional approach to catalyzing regional innovation, harnessing the potential and the opportunity of localities to drive our innovation and making abilities forward.

In recent decades we know that economic growth has, in the United States of America,

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as much as it has accelerated and transformed economies of scale, that economic growth has become increasingly concentrated in relatively just small number cities and regions.

So for instance, between 1980 and 2016, the top 10 metro areas in the United States saw their earnings grow 57 percent more than anywhere else in the country. So as we talk about on ramps to opportunity and on ramps to economic growth, it is imperative that we take a holistic and inclusive approach, not only with regional diversity and inclusion, but also population diversity and inclusion.

According to a recent report from the Brookings Institution, more than a third of American jobs in high-growth innovation industries such as technology, computer manufacturing, biotech, telecommunications, are located in just 16 counties in the United States of America. And while we absolutely celebrate success of innovation hubs and look to the success of innovation hubs like Silicon Valley and what we see in the Boston MIT corridor, and continue to support their role in advancing U.S. competitiveness, we must look to the rest of the country and populations that are being left behind, for if the United States is to be and remain globally competitive, we absolutely want to address the issues hindering geographic diversity and economic growth and have an intentional strategy to address some of the root causes for increasing social and economic disparities throughout our country.

For instance, as Mark mentioned, populations and demographics being left behind by our innovation sector. We can look to wealth creation as a great example of these disparities. African-American, Black families, households have a median income – oh excuse me, a median wealth in their household of 24,000 as compared to White households that have a median wealth of 188,000. We have 3-1/2 Black households with a negative net worth in the United States of America.

And as the federal government has long been a partner in building and catalyzing regional innovation economies through the -- through many agencies that touched innovation strategies with different missions, it is now a part of our charge to look at the approach of region -- regional economies that are self-selecting to become accelerators for various research concentrations,

manufacturing capabilities, technology corridors, and on.

We've seen that President Biden shares the core mission of the economic development administration. And in his American Jobs Plan he is calling for supercharging federal support for regional innovation by investing 20 billion in the economic development administration grants process to develop upwards of 10 regional innovation hubs. Obviously we've seen what's coming of the Senate, which is a notch up from that with the still 20 billion.

But such a plan, if and when it's enshrined into law and implement it carefully, will spark economic activity, certainly build community wealth, it must, and continue to bring individuals who would have been left behind.

And that is what we're seeing here today on our panel, which I'm so honored to kick off. The STEM education and training opportunities, on ramps to harnessing new opportunities for individuals by giving them certifications and plugging them into jobs in technology corridors. And as we all know, in the space it can't come from the top down. It must come from the bottom up.

And as we look at the intentionality of technology and regional innovation hubs, they will come from the bottom up. They will come because regions come together, put forward applications drawing down on community colleges, training programs, existing small businesses, and various technology corridors and their own human capital through -- that will be networked through a variety of different sources.

And if you allow me, I'll just quickly say that this is what we have shown time and time again in my home state of Michigan. Certainly a great history that began in the 20th century with automobiles and an entire innovation ecosystem that built up around it. And for long time in the United States of America, these types of things happened organically. They didn't happen because we had the 10,000-foot view perch that we have today through the great access of data and new systems and connectivity. And we cannot rely on old organic models of technology and regional economic development. We can certainly look to our past.

And again, in Michigan as we were putting the world on wheels in 1912, the nation's first highway materials testing lab was opened in Ann Arbor, Michigan, the home to the University of Michigan. And in 1918, a police officer from Detroit invented and installed our nation's first four-way, red, yellow, and green electric traffic light at the corner of Woodward and Michigan Avenues in downtown Detroit. And in 1916, Michigan became the first state to complete a border to border interstate.

And now today in the 21st century, we continue to double down on this innovation prowess. But it is not so organic. Rather, it is buoyed by organizations that are capturing and harnessing cyber security potentials in our advanced manufacturing sector. It is harnessed by organizations that are bringing in the internet of things, the industrial internet of things to localize and source not only the original designing, but also the production and shipment of goods that is taking place throughout the vast manufacturing potential that exists in our automotive sector that is diversified in the aerospace and defense sectors.

And so while we remain enthusiastic about putting forward and seeing signed into law real money to support technology, regional innovation hubs throughout this country that will allow us to compete and not, and not continue to leave behind the talent of America. This is going to be an all-hands-on-deck process, which is frankly wide today we are assembled in this panel in delving into some of the assets that exist around the country and where we might see the regional innovation approach manifest and ultimately be successful. And that is part of our focus right now on the science committee, which I probably serve on in partnership with our overview of what is driving innovation at the U.S. Department of Commerce to the National Science Foundation to the National Institute of standards and technologies.

And I'll just say in conclusion, coming out of the vast challenges of COVID-19, and we know it forced us to look inward. It forced us to look not only within our own households, but across our neighborhoods and how we access shots and why we access jobs. That continues to be a great springboard opportunity for the investment to come in regional innovation hubs, the response to supply-

chain challenges, recognizing if we make and buy and sell in America, we will continue to be successful.

But we can't just say those things because they sound good. We've got to come up with a holistic set of strategies that really grab on to what exists in the regions across this country and bring in the talent to say we need you. The imperative is today that we need you to connect into these technology and advanced manufacturing opportunities so that we can continue to drive forward the opportunities for the future that are really within our grasp.

So with that, I want to thank you again, Brookings, for having today's conversation. I want to pass it over to Mr. Rodney Sampson, who I'm really looking forward to hearing from as he moderates today's discussion. The future truly is the limit. Thank you.

MR. SAMPSON: Thank you, Representative Stevens for your intuitive and in tune remarks. Once again, good morning. I'm Rodney Sampson. I am a Nonresident Senior Fellow at the Brookings Institution. And I also had the privilege of serving as executive chairman and CEO of Opportunity Hub, affectionately known as O-Hub. Mark, thank you for your partnership in this work and for cohosting today's event.

I want to begin today's conversation by first thanking the over 700 people who registered to attend today's event. And I want to be intentional about centering today's conversation on equity, racial equity in particular in the innovation sector in particular. Why? Well, the data doesn't lie. By 2053, the projected medium wealth of a Black family is zero. And by 2073, is projected to be zero for Latinx families. Per McKinsey and Company, Black America will lose 4.5 million jobs due to automation, and that's been accelerated because of the COVID-19 pandemic, in the next 10 years.

Today's technology ecosystems racial gap is 1.1 million Black and Latinx Americans costing these communities 50 billion annually. That's \$1 trillion in the next 20 years. Last year we saw more than 39 percent unemployment in the Black community while the technology ecosystem was raising over \$156 billion in venture capital and hiring at an accelerated rate.

In the startup ecosystem we saw last year less than 1 percent, again, of all venture

capital going to Black founders. And according to the research by our friends at Harlem Capital, there's only been 305 Black and Latinx high-growth technology startup founders that have raised over \$1 million in venture capital in the last 20 years. I'm waving high because I was one of them over 20 years ago. 305 versus nearly 12,000 in 2020, one year, 2020.

It is clear that equity, again, racial equity should be the center of any and all innovation sector focused policy. I emphatically believe that a framework for measurable diversity equity solutions DEIS such as the certification we've created with UNC Chapel Hill (inaudible) with Duke University and Stanford should be operationalized throughout the federal funding, even the selection process, and on the ground in the regional technology hubs development at the land acquisition, dirt-up multiuse construction, rapid upscaling, hiring, commercialization, startup programming, acceleration, and early-stage investment and access to markets as we present in our codified work with the Federal Reserve Bank of Kansas City. This should be a part of the selection process of these regional hubs.

Racial equity must be front and center. DEIS must be front and center. If we get this right, we have the opportunity to reset the American ideal, construct, and dream so that everyone everywhere in this nation can equitably participate in the technology ecosystem, future of work, fourth Industrial Revolution and beyond, as a path to share prosperity and multigenerational wealth creation with no reliance on pre-existing multigenerational wealth. This will be our nation's competitive and unfair advantage globally.

With that, let me welcome my three esteemed guests to the virtual Brookings stage today. Sheri Gonzales, she is a vice president at KC Rising and the civic counsel in Kansas City, Missouri. Hi Sheri, how are you? Good to have you.

MS. GONZALES: Good morning.

MR. SAMPSON: Next is Waymond Jackson. He is the founder and CEO of Ed Farm in Birmingham, Alabama. Waymond, good to see you.

MR. JACKSON: Pleasure to be here.

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MR. SAMPSON: Absolutely.

And Dr. Nashlie Sephus, who is the founder and CEO of the Being Path in Jackson, Mississippi. Nashlie, good to see you.

MS. SEPHUS: Hey, thanks. Same here.

MR. SAMPSON: Absolutely. All right. Let's get to work. First up, I would like in this order, Sheri, and then Waymond, and Nashlie, talk a little bit about your respective work today and a little bit about your journey to this point as archetypes in this work of ensuring racial equity in regional tech hubs. Sheri?

MS. GONZALES: Sure. Thank you. So I -- you mentioned I'm VP of the civic counsel. So what is the civic counsel? Is the CEO member organization, invitation only, and some of the largest firms in our city. The top priority of the civic counsel is an effort called KC Rising. KC Rising is a regional collective consensus really focused on economic growth that includes everyone, but connecting people and organizations around common goals. We are business led, metrics driven and focused on the long-term. Some of the efforts we have been focusing on is traded sectors. What are those areas that we are competitive in nationally and globally? How do we sort of distinguish that? And so we want to play to our strengths.

One of the sectors we've identified as Biologics. There's nearly 300 life science industry firms in Kansas City growing by double-digit percentages at each time we sort of survey that. It is a prime destination for contracted pharmaceutical research for the U.S. and also internationally because of our high concentration of contract research organizations. The presence here is because of Marion Laboratories many years ago.

And so biologics, they are sort of the living organism or containing components products that containing products of living organisms, things like vaccines. Very important to us. Therapies that treat disease that help both human and animal health.

And so what we have been looking at is where Kansas City differentiates. We have a

real opportunity in the heartland because of our connection to agriculture, our strength in manufacturing, to lead in pharmaceutical manufacturing, and especially as we are looking to onshore some of that in places like China, the supply chain that was talked about previously.

These also create good and promising jobs that are pathways to the middle class for individuals that, as we have talked about, are being left behind and creating a wealth gap. But we don't want to stop there, just creating good and promising jobs.

Another area of strength is really in design. We have more than 20 global headquarters. If you don't count just global headquarters, there is more than 5,000 employers in the engineering, architecture, and construction industry. We have led many ways in sports architecture, in green architecture, and some of that industrial design.

There's a little bit to know about Kansas City. We are bi-state with economic assets on both sides of the state line. But red lighting it had a huge impact on our community and continues to have a huge impact on the economy and our city. It's still highly concentrated in segregated by poverty and sort of racial lines and geography. And so what we are trying to do is stand up an innovation district known as Keystone in the part of town that has experienced historical divestment.

Keystone is aligned with the design industry. This would bring tech training to the community to fill jobs that are in high demand. In fact, we are looking at partnering with O-Hub in some of that. We would also be looking at placement of those and then supporting diverse entrepreneurs with venture capital and support for scaling of their business and then taking those ideas to market and using this place-based strategy in community.

The governance structure of this effort, it speaks to the equity that we are trying to build. We have continued to involve the community in the development of it. So why would something like this regional tech hubs be important to our community? We have the assets. We have the vision. What we don't have is the financial support. At the state level would you like to support many ways for entrepreneurs and innovation. And again, it's hard because we are bi-state.

KC also doesn't have a public or private institution with a large endowment that can just write a check for this. We do have engagement from our corporations, but as was mentioned before, much of that wealth exists in a few places with a few companies. So we don't have something the size of Google or Facebook that could underwrite the effort. So we need that federal investment to realize the potential of innovation, of commercialization, and taking these ideas to scale and in particular to create an opportunity for equitable growth and development in our community.

MR. SAMPSON: Thank you Sheri. I'm going to come back to you after we do kind of the contextual introductions to talk a little bit more specifically about how the civic counsel is approaching racial equity with some of the work that we are doing. So thank you for that.

Waymond, tell us about yourself, Ed Farm and the work you are doing in Birmingham and now Atlanta and beyond.

MR. JACKSON: Yeah, thanks Rodney, and thanks Brookings for pulling this together. I really appreciate you mentioning me as founder. I am CEO of Ed Farm. But when I talk about Ed Farm, I would like to say that Ed Farm was an initiative that was founded by the community in Birmingham. It's been an amazing opportunity for us to look at assets that we actually had in Birmingham.

I would say this dated back at least about five years ago where our community really took strong look at what is it that we are now and what is it that we actually want to be. We had a group of stakeholders that included our current mayor, individuals from UAB, Allen Power, the city who all came together around a collective impact or a collective mission of moving Birmingham forward as it relates to economic development or workforce development. And at the top of that was us actually using data to find out where the job is going to be for our city and our region over the next 10 years. What were we missing? What are we lacking now?

A lot of that information came back and basically said a few things. One, that like many other communities across the country, that we had a population that was heavily under skilled, low skilled occupation, low skill jobs, low skilled wages. In order for us to, as a community, compete in the new

economy, in the future economy, we need to make investment in talent and our people. We need to make an investment in entrepreneurship. We needed to look at the fact that we got back information that said over the next 10 years we were going to have six times as many jobs in computer science that required at least a bachelor's degree. Then we would actually have talent to fill those jobs.

From that, our community really took a hard look at itself and said, what are we going to do to address and fix this issue. A group, a coalition of us, had this amazing opportunity to actually pitch this idea to Apple around, this is where we are going and these are the needs that we have as community. And lo and behold, after I was a better year, your half, we were actually able to secure I think a seed or startup investment to this partnership with Apple to launch what Ed Farm is here in Birmingham.

And so Ed Farm is a nonprofit organization based in Birmingham Alabama. Our vision is one that we envision an inventive world where all people have access to the job, to the skills that they need to fill or create the jobs of the future. So how do we do that with what we start off here? A lot of the work that we as they came back and that we knew that we needed to get into a space and doing was upscaling our community.

And so were to approach where we wanted to start the K-12 level of cohorting educators around immersive learnings in technology and computer science and coding, helping these educators then transfer that information to their curriculum of students. We knew that the jobs of the future were going to require some level of digital literacy and digital skills. And so not just completely focusing on making sure that we were having a coding boot camp, but that we were actually able to offer something to our community that could provide them which is the basic entry-level digital skills through a path as to our program that we have now called Pathways, which is a 14 week coding boot camp that uses Apple Swift-based language.

But essentially what it really is doing is giving people an opportunity in our community to move from one place where they are, where they may have low code or no code skills, and actually been

able to have the opportunity to gain digital literacy, problem-solving skills, all those things that employers are saying they want and need. Our most recent venture when you mention about Atlanta, not only are we doing this work in Birmingham and beginning to spread our K-12 and community coding initiatives across the state, but we also recently, earlier this year, had an opportunity to launch in partnership with Apple and in partnership with (inaudible) company, what will become the Propel Center, which will be a state-of-the-art facility that's positioned within the Atlanta University Center is set to serve all 101 historically Black colleges and universities.

And so what we are having the opportunity to do is to really work on the ground with those populations that we know need access an opportunity to the jobs of the future. What I think is so innovative about this approach around a regional economy, often times I think that we think of economies -- you know, city and then metro as far as the metro area. But Birmingham and Atlanta are two hours situated within each other. And Jackson, as Nashlie says, another three hours away to the west.

When you begin to think about making investments like the type of investments that organizations like ours, O-Hub and others are doing across the southeast, that truly begins to form a regional approach around talent and then growing companies and also being able to recruit companies to an area that is one, saturated with diverse talent. That's really one of the things that we are really focusing on, our work on. So glad to have the opportunity to be on and looking forward to share more about the work that we're doing.

MR. SAMPSON: Absolutely. Just to double click on one point you mentioned, really building this kind of regional ecosystem where we are building a density of skilled and experienced talent. Often times when we think of underrepresented, underserved, socially disadvantaged, there are so many titles to define, none of them better than positive, to be honest with you, but often times when we talk about upskilling those communities, we're still talking about upskilling into low income roles in the technology sector, whereas we have all seen where we can pathway folks to upwardly mobile in demand roles as well. So thank you for your work on the early side of the spectrum.

Dr. Nashlie, thank you so much for joining us today. I would like you to also tell us about your journey and the work that you are doing in Jackson, Mississippi as well.

DR. SEPHUS: Yeah. So again, I really appreciate you all for inviting me to be on this panel this morning. And I plus-one everything that's been said here this morning. This is an amazing group of people doing the work, because it takes work. It's not easy. Is not going to happen automatically. So it takes someone kind of going out, taking some risks, and saying hey, I want to make sure push this through. And usually you get the support to follow. So I'm happy to be a part of this group.

And so I will just kind of start by telling a little bit about my background, my story, because it is really what led me to be a strong believer that you can provide opportunities for people who would like those opportunities, but they are brilliant people. But once you get them a chance, you give them the opportunity, you show them the way, they will take it and run with it. And I'm a living witness and a product of that belief.

As someone who is actually also based – actually based in Atlanta, but I'm back and forth between Jackson, Mississippi and Atlanta, and I know with Rodney here and the Opportunity Hub, was the first opportunity ecosystem builders in Atlanta regarding tech and tech education, I remember those early years. I was a student at Georgia Tech. So definitely a part of all the work you've been doing and being able to adapt and still remain relevant in everything that you are doing in the area.

So I think that for me, Atlanta was a huge part of my influence in wanting to say, okay, wow, there are some people here especially in the Black community that are doing some amazing things. I can take that back to places like a Jackson, Mississippi where I was born and raised where I didn't necessarily see the progression in terms of technology and STEM the way that I saw and other surrounding areas as well as having lived in Silicon Valley, having lived in New York City.

I have a PhD from Georgia Tech in computer engineering. My specialty is artificial intelligence. I went to undergrad at Mississippi State University in computer engineering. And I remember when I first started, when I first got my first job, role as a CTO, chief technology officer at a

startup called Park Pig I honestly did not know what a startup was. Now I was a -- I had a PhD in computer engineering from Georgia Tech. I didn't know that people will give you money for your ideas that you haven't even fully built yet.

Apparently this is how Silicon Valley was built, but people in my community didn't know that. People in my community didn't have access to that type of capital, access to that type of knowledge to even be empowered to do so. And this is a problem.

And since, of course, having been that CTO of that startup, we were successfully acquired by Amazon. We sold the company in 2016. I now work at Amazon as an AI expert for them on various roles. We also focus on things like fairness and biases in AI. And having taken that knowledge and seeing what technology can do, what STEM fields can do, a lot of people don't know that for someone who has no background, no education in STEM, they can essentially self-teach themselves in about six months and start making six figures.

Now we talk about generational wealth, people who have not been allowed access to that type of knowledge or that type of career path. If the only thing you have been told is, hey, you have to go to school. You have to take this path. You have to do this in order to be successful, or you can just go back to the streets here that's not what the story has been told in Silicon Valley. Look at the majority of leaders of tech companies actually have -- don't even have a PhD. They don't even have a background in technology.

So when you start to tell people that hey, you can be a part of this tech ecosystem too. You don't necessarily have to be the coder. You can be the founder. You can be the investor. You can be the person who is educating the younger people as teachers to understand, hey, this is a field, this is a possibility for you.

And so what I did, was I took that and I said, okay. When we started the Bean Path, my team and I in Jackson, Mississippi, we just wanted to make things like AI, crypto currency, internet of things, cyber security, we wanted to make those household names. When I was -- if I was to set up shop

in Silicon Valley and say, hey, I'm going to give away free AI advice, I would have a line down the street and around the corner. Now when I do that same thing, I set up shop in Jackson, Mississippi on the corner, first of all, they are going to be like, why she out there. It's too hot outside. And then secondly, they're going to be like, why am I here. Why do I even want to know about AI? What is AI? And that is something that I wanted to change.

And this is happening in places all over like Jackson. But I wanted to make sure that I was part of the solution there and not part of the problem. And so what I also thought was, we started doing the Bean Path in 2018. When we first started, no one was coming. And so we would set up in the local libraries. So we refined our marketing techniques, refined our target market.

And before you know it, before the libraries even opened, we had people lined up, 15 people at the door waiting to come in to get the tech help that they needed from our experts at the Bean Path, whether it was help with their tech company or they needed help mentoring their children, or if they just were a senior citizen and needed help with their devices because your grandchildren always won't help you with your devices. So you can come to the Bean Path.

And so we were a very viable resource to people in those communities. And of course after COVID we went virtual. We were still able to help over 400 people with just the staff that we had working on weekends. And so I then began to think, okay, how can we scale what we're doing. We need real estate. We need a place to call our own. As I started looking for property. I ended up purchasing in fall of last year, during COVID, 14 acres of land in downtown Jackson, Mississippi. I now have 8 buildings. We are going to tear down two, renovate six, and build five new construction buildings. And I'm calling it the Jackson Tech District.

Of course I have a team and all of that that helps me. I'm not a real estate developer, but I'm learning a lot. I'm learning that these things are being built all around us and we can do it too. And rest assured, I'm definitely going to show others how to do it as well.

And so we have a live, work, play tech hub where you can have the tech training, the

entrepreneurship center. Also the restaurants, the venue center, the concerts, the festivals. You got to bring the people out. You've got to meet them where they are. If you do that, you bring them out, and then you start sprinkling hack-a-thons, you start sprinkling robotics competitions. And before you know it, the whole community is involved with this tech awareness of the didn't have knowledge to prior to that.

And so I'm very excited again to be here. And I'll hand it back over to you, Rodney.

MR. SAMPSON: Thank you. Thank you, so much Nashlie. Wow, just listening to all of you, I am inspired, yes of course by your personal journeys, but I'm approaching 50. And as I start looking at what the next part of my life will look like, I'm starting to think about processes and systems for scale, but smart and not just hard. When you're doing things by yourself, it can be incredibly hard on especially when you are talking about equity and racial equity.

And each of you represent models and systems and frameworks that can be codified and duplicated. And that's what we've done at the Opportunity Hub. It's taken us nearly a decade to do that. When we first, to your point Nashlie, were talking about startups and tech hubs and coding boot camps and sales boot camps and hack-a-thons, and pitch-a-thons, and pitch competitions. Very, very astute people, including a lot of politicians, would roll their eyes at us and say, oh, that's cute. That's for the kids. I'm like, wait, no, this is what's creating jobs.

Sixty percent of net new jobs in this country are coming from startups that are fueled by only 3 percent of our country's capital. Only 3 percent. I know a lot of folks will say, well, what about Main Street and what about small businesses? Absolutely. They contributed to our GDP. However, as we accelerate into the fourth Industrial Revolution, we are going to have to pivot to make sure the Black people, Latinx people, Indigenous people, poor people, people from communities that might not be obvious centers of innovation, we have to make sure that they are also in this technology ecosystem and fourth Industrial Revolution.

Before we get to the Q&A, we are going to have about 10 minutes of Q&A, I want each of you to talk about a model. So it's a two-part assignment. Talk about one model that you are working on.

And if you could wave a wand, how much money do you need to fulfill your mission at scale?

And I will just kick it off and give an example. We took the O-Hub model, to the best of it, and have now codified in what we are calling innovation and equity districts. In the mission is to ask a 1.1 million Black and Brown folks into in-demand technology jobs and to accelerate 10,000 high-growth Black and Brown startups. And the cost of that, 33 billion.

All right. Sheri, you are up first.

MS. GONZALES: Well, I wouldn't have a price tag like 33 billion. But one of the things that I mean, we are working with you. And some portion of that actually affects what we are doing. We know – so one of the things KC Rising does is we look at how our growth relates to other cities. So Indianapolis, Minneapolis, Nashville, Austin, Denver, those are some of what we would consider benchmark cities in our geographic region. And our tech growth is relatively competitive with those.

The problem is what we've all been talking now, the diversity in the tech workforce isn't. And so we are seeing like maybe 7 percent of the tech workforce is Black or African American, which is not representative of the percentage in the community, 4 percent Latinx. Again, maybe half of what's represented in the community. And even as women, we are not even at half of what is represented in the community. And so we've been focusing a lot on building that ecosystem.

I've not but a total price tag on it, but what I do know is that it's in at least the tens of millions initially. Like, if we could get an investment of 25 million or 30 million, what it would do to allow us to start to scale some of what is happening within the communities would be worthwhile. Now, if that was over the course of years, say 10 years where we would be on the other end, I think would have different outcomes both in what the industry looks like as well as the wealth building that we are all talking about and tracking personally in Kansas City.

So I don't know if that answers your question, but I would like it to not just be a one-time check, but sort of be an investment over a decade. It took us years to get here. Let's actually make that investment over a long period as well.

MR. SAMPSON: Absolutely. And I think you've made the case if they were making a decision today, Kansas City should definitely be one of those regional tech hubs.

Waymond.

MR. JACKSON: So I'm going to take up approach. I will go quick, quick and do kind of two projects right quick. So when you think of what we're doing in Atlanta with Propel and this vision of serving 101 HBCUs with artificial intelligence, machine learning, all these great new and different future workforce related skills that when you look around and think that many of these 101 HBCUs are not at parity and they don't have those.

We are quickly approaching \$150 million project for this to be a thing and for it to be truly a reality. This is definitely an investment that gets into the space of \$500 million to \$750 million so that you can adequately make sure that the resources of what you're trying to do but building a virtual dynamic platform and a center and a space and actually eliminating barriers that many entrepreneurs, student founders face when they're trying to come out of college and start their own company as – that gets in the ballpark.

What we are doing in, I would say in the Birmingham space, is when you start to get about an organization that is working at the top of the funnel, Rodney, that you mentioned about being, how do you prepare communities. How do you prepare people before they become entrepreneurs? Before they come into a true coding boot camp? For us to scale the model that we have now, that is truly looking at something that over the course of being able to put this in 10 to 15 other cities and partnering with other organizations like O-Hub and others, a \$100 million to \$150 million project to really -- annually, to be able to set this up as a model to do this and impact -- you know, to have equity impact in communities of color across the country.

MR. SAMPSON: Excellent. Thank you. Thank you for that. And thank you for your transparency. I can tell that both of you have definitely thought through this. And so we've definitely got to make sure that Birmingham and Atlanta are on that list as well. Nashlie?

DR. SEPHUS: Yeah, absolutely. So the Bean Path is definitely -- been in operation since 2018. We are currently in the process of raising funds. I would say we have a potential grantor for almost a million that will keep us going for -- to be on a scale like all over Mississippi within the next couple of years.

With the tech hub, the Jackson Tech District we are building, it is \$100 million project. So the first phase is about 25 million and we have three phases total. There are several different ways to get those funds. There is very diverse capitals that -- including grant funding. And then there is also that I didn't mention this, but we do have that I recently cofounded a lap space in Atlanta right down the street from Georgia Tech. So my Georgia Tech colleagues, we started -- called KITT Lab, stands for -- K-I-T-T -- Knowledge, Information, Technology and Tools. And we just wanted a place for Black STEM professionals to be able to call their home and hang out, have meetings and be able to collaborate and work on different things with lab spaces like electronics labs and 3-D printers and have workshops and things like that.

So we are excited about all of that. I think we have a nonprofit model there as well. So I think building that community, we could use all the help we can get in other words. So, yeah.

MR. SAMPSON: Absolutely. And I think for those who are listening, whether you're policy makers or work in the industry or perhaps in the media as well, you can see that these are not performative investments. And I believe it was Arlen Hamilton a couple of days ago on Twitter, and I wholeheartedly agree and I've also made comments to this as well, so that when I hear about 1 million, 5 million, 10 million, 3 million, what have you, announcements, I always go look at the organization, look at the size of the company and look at sort of like the market, their market share. Or they say we are investing \$5 million into Black founders, but I know you have a venture fund that invests \$5 billion, it doesn't quite add up.

But what I want to applaud you all specifically here today, is that you're not building programs that are performative. These are not pilot programs for just press releases. These are

sustainable models that are measurable. And I think that's what's key. And the fact that they are built in racial equity from the onset.

It's not a reactive approach like, oh yeah, let me go back and let me include equity. Let me make sure the Black people are at the table, that Latinx people are at the table, that indigenous people are at the table, making sure that Black women are at the table, Black LGBTQIA, Black veterans, Black differently abled. When to go back and say, oh yeah, I forgot someone. We are intensely inclusive from the beginning and I believe that's the signal that we want to put forth today.

Okay. So we have a few minutes left for questions. And we will get through as many of these as possible. Thanks everyone for your patience. Thanks for submitting your questions as well. If we do not get your questions here, please use the hashtag, tech hubs. And at our mutuality or convenience today, we may jump onto Twitter, you never know, and I will respond. Just be patient with us because normally after these events we get inundated with requests to connect. So thank you for your understanding.

So here is the first question that I'm going to direct towards Waymond. This is kind of a layup for you. Does it make sense to partner with HBCUs or technical colleges to establish these hubs?

MR. JACKSON: Absolutely. I would say that HBCUs are one, a hidden treasure. When you look -- you know, some of the research that we did, companies are saying that they want the best, the brightest, and diversity is a huge focus right now. And so when you look across the Southeast, if you take I think Jackson, Alabama, Georgia, South Carolina, North Carolina, I'm probably missing one, but about 65 percent of all historical Black colleges and universities are located within that.

So the amount of talent, African-American talent, talent of color, females of color that you have access to by partnering with those HBCUs is tremendous. And then the universities and colleges themselves are just had a space of being very open and flexible about building out what true partnerships look like with industry. And then when you really start thinking about two-year colleges and technical colleges, companies now want fast, quick, ready individuals they can get into jobs. And the freedom of

flexibility that a company has to work with a two-year system or technical college, to develop them into something that is a job that they can go immediately into, it's a win-win for everyone.

MR. SAMPSON: Excellent. Thank you for your response. Nashlie, this question is for you. What is the best way or best practices to attract and engage women, particularly Black or Latinx women into the technology ecosystem or these regional tech hubs?

DR. SEPHUS: Yeah. So you want to make sure that you show that they can advance in their careers. And one way of doing that is by having advanced careered women in your organization. That means making sure that when they come in, not just sourcing diverse talent very aggressively and very intensely, but also when they arrive, make sure they are included, make sure that they are involved, make sure that they have a voice, make sure that you are taking them seriously and understanding that it's a privilege for them to be there, not the other way around.

I think also there been several studies. I know the National Society of Black Engineers, Society of Women Engineers show that when you have mentors in place, that is a very significant catalyst and push as well. So that's what I would say.

MR. SAMPSON: Excellent. Thank you for your response. Sheri, what can CEOs, particularly of a large companies, what can they do concretely to support initiatives to ensure that these regional technology hubs are equitable, inclusive, and diverse?

MS. GONZALES: There is a lot of things that CEOs can do. It's hard to answer in the few minutes we have left. But one of the things we have been sort of asking CEOs to do is to, yes, give to these efforts, of course. But how can they give is many, many ways. Yes, writing checks, but we want to make sure that they are doing what Dr. Sephus just said, that they are bringing in talent that is diverse, that represents what they espouse to want to be doing internally in their companies.

We also want to make sure that the dollars that they spent our with diverse companies. We need the cash for these companies to grow, for the founders to be able to continue to grow that innovation. And so we have a number of firms that have made a pledge to do more in that space and are

fulfilling that pledge, although the pages are new. And then we also want them to engage, as was mentioned, as mentors in creating real opportunities for both the founders and not just sort of the talent within their company. And so those are some of the ways that we actually asked them to engage. There is many more, but --

MR. SAMPSON: Absolutely. And then I definitely going to follow-up to that, I'm excited about some of the work that we are doing in Kansas City that we will be announcing in the coming weeks to work with CEOs. And we ask that you work with us, you trust us. If you don't know all the answers as it relates DEIS, you know, diversity equity inclusion solutions, we are here for that. Let us be the experts and we will work with you.

Last question, and I will open it up to all. If we build racial equity into the regional tech hubs and this funding and the work on the ground, how do you think this will assist in closing the racial wealth gap and building generational wealth in minority communities?

Waymond, let's start with you.

MR. JACKSON: I think it's a start. It is definitely a start in the right direction. But knowing the amount of work that it's going to take, one, just to catch up -- I look at the work that Brookings, the Metro team did with the City of Birmingham. I think one of the statistics they came back that we were maybe 140 percent fewer African-American owned companies in order for us to have an actual thriving middle-class economy.

So when you look at statistics like that, those are staggering numbers of where a community like Birmingham actually has to climb to get out of that. So I think it's a start in the right direction and it puts a city or regions on the path to being able to kind of reach financial freedom and generational wealth and growth.

MR. SAMPSON: Excellent. Nashlie, would you like to respond?

DR. SEPHUS: Yeah. So keep in mind that it's an entire ecosystem. You need all the pieces in order for the collective to be successful. And as they say, you are as strong as your weakest

link. And so that takes a lot of stakeholders coming together, being willing to work or other people; being willing to bring in other organizations that focus on specific things. I don't believe there can be one organization that does at all. Because it's too much. It's a lot of work. And so the work has to be done getting people specifically focused on each individual task and initiative. And that's how I think it happens.

MR. SAMPSON: Excellent. Excellent question with excellent answers. Just to chime in, I really believe that the American people would be served to really understand the magnitude of what the actual racial wealth gap is. And first, you've got to understand that there is a racial wealth gap. Well, first, you've got to understand what wealth is. You know, assets minus liabilities. What are assets? What are liabilities? So I think there's basic education that has to be delivered.

And you've also got to understand that in context of the African in America from enslavement through -- just through antiquity from the Emancipation Proclamation for southern slaves, through reconstruction, deconstruction, Jim Crow, states' rights, the right to vote, you know, the right to fair housing. It's -- you know, right to education, there's so many parts to really understanding how policy and personal -- you know kind of personal intention was used to keep black people from accumulating income to accumulate wealth.

And so to reverse engineer that is going to have to take disruption no transformational policy and also private sector reports. So we may not close the racial wealth gap, but we can work to narrow it. In Atlanta, a child born in poverty have a 4 percent chance of escaping poverty. Think about that. A child born in poverty has a 4 percent chance of escaping poverty. So that means we have a lot of disruption in transformation to do, for parents to be more economically sound and to create wealth so that then they can do the same for their children. While they have the participation of everyone in society.

And these regional technology hubs, again, we have seen millions of people in the innovation sector through the commercialization of ideas and research and products and services create new wealth with no reliance on pre-existing wealth. I am a testament to that. I know that Wayman is. I

know that Nashlie is, and I know that Sheri is. Look at us. We come from diverse backgrounds, and we come from diverse ethnicities.

And so we are excited to go on this journey with you. Thank you for listening today, and this concludes today's conversation. Thank you.

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