

International cities: case studies

San Antonio

Introduction

San Antonio is located in the south of the United States in Bexar County in the state of Texas. It is 140 miles from the Gulf of Mexico and occupies an important strategic location in south central Texas as a gateway to Mexico. In the 2010 United States Census there were 1.33 million people in the city of San Antonio, 1.71 million in Bexar County and 2.14 million in the wider metropolitan area. By 2016 it is estimated that the respective populations had grown to 1.44 million, 1.90 million and 2.39 million. In terms of race 74% of the San Antonio Metropolitan Area population is White, 7% is Black/African American and 2.4% is Asian (the remainder being made up of a variety of other racial groups – including mixed groups), but the key defining feature is that around 55% of the population is of Hispanic or Latino origin (with this latter percentage being slightly larger in the city).⁵⁵ As such San Antonio has a relatively long-established 'minority majority' population; around three out of every four San Antonians are non-Anglo. The median age of the population in 2010 was 34 years.

GDP growth has been strong in San Antonio, with the city ranked 19th out of all OECD Metropolitan areas with a GDP growth of 13.8% from 2009 to 2012. On employment growth it was ranked 19th with an 8.8% increase between 2009 and 2013. Focusing on growth in large metropolitan areas in the US, San Antonio was one of only nine such areas to perform above average on growth (ranked 8th), prosperity (ranked 9th), overall inclusion (ranked 22nd) and inclusion by race (ranked 24th) between 2009 and 2014. Like other metropolitan areas in Texas it performs more strongly on growth than equity (Shearer et al., 2016). Median household incomes and median hourly wages remain lower than the national average. Yet in November 2015 there were nearly 1.108 million people employed in the San Antonio metropolitan area (a growth of 3.3% on the previous year) and the city's unemployment rate was 3.8% compared with 4.6% in Texas and 5.0% across the US.⁵⁶

Historically San Antonio has been characterised as a low wage, low tax and low regulation economy. *Economic development strategy* was focused on recruiting new domestic companies from outside San Antonio, highlighting the city's low wages and non-unionised labour. Alongside failure to invest in physical infrastructure,⁵⁷ this led to conflict, as the interests of poorer – mostly Latino residents – were ignored by long-standing Anglo elites. Over time, facilitated by political change (including a move from 'at large' to 'district level' electoral representation), and especially by the work of individuals and organisations with credibility on multiple sides of a conflict and so who are able to act as 'bridge builders', there has been a move towards a spirit of collaboration and a 'place pride' that has anchored commitments to improve the city, its labour market and prospects for its residents (Benner and Pastor, 2015). It was recognised that 'low wage' economic strategy of attracting inward investors to the city was not sustainable. The current economic strategy is one of very intentionally growing the San Antonio economy from within, with a tightly targeted sector- based policy⁵⁸ focusing on better jobs in globally competitive sectors (as outlined in Table 1).

Table 1: Towards a targeted sector focused policy

<i>Traditional industries</i>	<i>Targeted growth sectors</i>
Health care	Health care, biosciences, life sciences, and scientific R&D
Military	Aerospace (maintenance, repair and overhaul) Information technology and cyber security ⁵⁹
Education	Advanced manufacturing
	Energy
Tourism	Cultural and creative industries

In terms of *spatial development* San Antonio is a low-density auto-dependent city, reflecting the fact that historically there have been no major physical or political constraints to outward expansion – albeit this is now changing. Fast growth in Austin (a metropolitan area in relatively close proximity [in US terms] to San Antonio) provides an opportunity for a co-ordinated approach to growth in the wider region. In San Antonio a polycentric economic geography has developed and outward expansion has led to a perception of lack of investment in the urban core. There are employment centres throughout the city, yet the polycentric form and low density create challenges for connecting residents to jobs, and the existing highway system acts as a barrier to non-auto forms of transportation. The pattern of spatial development also contributes to economic segregation and difficulties in accessing services: a higher proportion of San Antonio’s low-income residents (13%) live at least one mile from a grocery store, compared to 12% in Texas and 7% nationwide. Housing affordability also contributes to segregation by income: fewer than 50% of homes on the market are priced attainably for families with median incomes and less than 30% of households in the San Antonio Metropolitan Area live in areas that are considered affordable when total housing plus transportation costs are considered.⁶⁰

Governance

The United States is a federal system, with most policy relevant to people’s day-to-day lives devolved to the 50 state governments. Each state has its own written constitution, government and code of laws. State constitutions vary in the level of power they grant to local governments and cities. Most states in the US finance local and state government largely through some mixture of sales taxes, property taxes and income taxes. Texas is one of a minority of states that does not levy an individual income tax. It allows municipalities (such as San Antonio) to levy taxes on property and on sales. In San Antonio the Sales Tax rate is 8.25%, with 6.25% distributed to the state of Texas and the remaining 2% covering city, county and special district tax. Residents may be charged for particular government services via a user fee. San Antonio may raise money for capital improvements through the sale of municipal bonds.

Workforce development policy in the United States is managed federally under the Workforce Innovation and Opportunities Act (WIOA) system. Each state has its own employment policy implementation system, in addition to workforce investment boards at the state and local levels which involve business and community-led organisations in planning and overseeing policy delivery. Education and skills policy is relatively decentralised.

San Antonio has a Council-Manager system of municipal government. Voters elect the Mayor and the Council (there are ten councillors each representing a district). The City Council acts as the policy-making and legislative body within the City’s government. Operating within the guidelines of the City Charter, the City Council appoints the City Manager, the City Clerk, the City Auditor and members of the City’s various boards and commissions. The current mayor of San Antonio is Ivy

Taylor. When taking up the post she became the first African American woman to serve as mayor of a city with more than one million people. The previous Mayor, Julian Castro, resigned as mayor to become US Secretary of Housing and Urban Development in the Obama administration. There has been a history of Democratic Mayors in San Antonio, while Texas is staunchly Republican.

The City's *Economic Development Department* works to foster growth and development in San Antonio, working with partner agencies. The *San Antonio Economic Development Foundation* – a private non-profit organization that assists business in locating and expanding in San Antonio leads on the Economic Competitiveness cause area of SA2020 (which sets out the vision for San Antonio, as outlined below). The *Workforce Solutions Alamo Board* serves as the governing board for the regional workforce system (covering twelve counties), which is a network of service providers and contractors that brings people and jobs together. Its mission is to build a premier workforce that meets business demand through investments that support economic growth.⁶¹

Strategy, Vision and Leadership

Various strategies guide the development of San Antonio. Here the focus is on:

1. *SA2020* – a vision which sets out goals for improving San Antonio by the year 2020;
2. *SA Tomorrow* – a long-range plan for San Antonio to 2040; and
3. *The San Antonio Trade and Investment Strategy* – which is illustrative of San Antonio's participation in the Global Cities Initiative.

SA2020 was driven by Mayor Castro's idea that the community needed to have a discussion about, in the words of one interviewee "what we wanted the city to be", so that as another reported "*the city can rally behind it for the next decade*". It was very much a visionary process, spearheaded by the City of San Antonio, but underpinned by the largest engagement exercise in the city's history – and this 'bottom up' participation was inherent in the design of the vision. The original Steering Committee for the *SA2020* visioning process was led by 26 people who were "purposely drawn from all parts of society" (i.e. including business leaders, community leaders, etc., from all geographical areas of the city). The visioning process during 2010 was led by the Jacksonville Community Council Inc.⁶² and nearly 6 thousand people participated in the visioning exercise through five public meetings held in different parts of the city, with table facilitators at each event drawn from across the community. Discussions were informed by the question: 'In the year 2020, what do you want our city to look like?' The 'cause areas' that make up *SA2020*⁶³ that emerged from the consultation exercise are: (1) arts and culture; (2) civic engagement; (3) community safety; (4) downtown development; (5) economic competitiveness; (6) education; (7) environmental sustainability; (8) family well-being; (9) health and fitness; (10) neighbourhoods; (11) transportation.

In each cause area a number of different indicators prioritised by the community are used to measure progress towards the vision. For example the 'economic competitiveness' cause is working towards a situation in 2020 where:

"San Antonio has a highly qualified and educated workforce and provides economic opportunity for all of its residents. The city fosters entrepreneurship as the engine of economic prosperity. It capitalizes on its unique historical and cultural heritage, as well as local institutions like its military bases, universities, medical centers and international airport system to become a leader in the global economy."

The indicators for economic development are:

- Increase per capita income

- Increase growth in target industries
- Increase entrepreneurship
- Increase professional certificates
- Expand STEM economy
- Reduce unemployment.

This illustrates a foremost demand-side emphasis on 'growing the economy' and then fostering inclusion through linking residents to such growth – with the Education cause area, for example, highlighting development of skills to meet the demands of the economy while providing transversal generic skills for employability.

SA Tomorrow is a long-range plan to guide San Antonio to 2040, during which time the population is expected to increase by more than one million. It replaces the previous San Antonio Master Plan Policies adopted in 1997. *SA Tomorrow* consists of three linked plans covering transportation (various modes), sustainability (covering social, economic and environmental sustainability), and a comprehensive plan (focusing on spatial planning to accommodate growth).⁶⁴ Equity is an explicit component of *SA Tomorrow*, which aims to “provide benefits to all our current and future residents.” In terms of spatial planning the emphasis is on ensuring that growth is efficient. This involves focusing denser growth in 13 live/work/play centres providing a range of housing types and prices (with the aim of creating stable mixed income communities), and also enabling easier transport planning and infrastructure provision.

Mayor Taylor has a vision of San Antonio as “a globally competitive city where each of us has the opportunity to prosper”.⁶⁵ She sees the global competitiveness agenda as being closely tied to building an inclusive economy: “Cities have to be proactive and engage the global economy through efforts that stimulate the creation of sustainable, well-paying jobs – this is the inclusion agenda”. As part of San Antonio’s participation in the Global Cities Initiative,⁶⁶ San Antonio has developed a *Trade and Investment Strategy 2015*⁶⁷ – a 10-year plan which sets out how to connect San Antonio with economic opportunities around the world. The focus is on becoming more competitive in targeted industries. For the long-term economic benefit of the community, the goal is to establish San Antonio as a leading location for developing and attracting globally competitive businesses in ‘local industry specialisations’ in aerospace, bioscience, Cybersecurity, managed hosting, new energy, and transportation equipment through a targeted trade and investment strategy. The specific emphasis is on growing foreign investment, ecosystems and local supply chains in the local industry specializations with a particular focus on increasing exports. The broader idea is that understanding economic, technological and demographic trends around the world – as well as a city’s own strengths – enables a city to capitalize on current assets and fuel growth from within the community. By helping globally-competitive industries grow, the availability of good jobs can be increased. But alongside the emphasis on global competition, there is recognition that it is not possible to thrive unless all resources are utilised (i.e. un- and under-utilised resources are a drag on growth) – hence an emphasis on complementary youth mentoring, digital inclusion and adult literacy programmes.

Again this is indicative of the emphasis on developing the demand side of the economy through a specific competitiveness strategy looking outwards as well as inwards to identify San Antonio’s key strengths and then endeavouring to equip and link San Antonio residents to the opportunities.

Design, Implementation, Monitoring and Impact

Having undertaken the SA2020 visioning process that emphasised public participation, the next step was to move towards practical implementation. After the publication of a report in March 2011 outlining the vision areas and the indicators that the community said were important, the situation was described as “dormant”. One issue was that indicators had been agreed without checking whether underlying data sets were available to measure the ‘current reality’, progress and desired outcomes. A consultation exercise with ‘content experts’ was undertaken to revisit the indicators and to critically review them for reliability and validity. The original list of 65 indicators was reduced to 59 following this exercise, with adoption of the 59 indicators endorsed in a community vote. A data dashboard⁶⁸ was launched in 2014 to keep residents informed of progress in ‘real time’ (with progress rated as either ‘met and exceeded’, ‘on track’, ‘progress’ or ‘flat/getting worse’) and to encourage them to get involved in areas they are “passionate” about so that they can participate in “creating change” (by providing links to cause areas and associated organisations). To some extent *SA Tomorrow* may be seen as part of the policy for implementing the SA2020 in cause areas where longer-term infrastructure investment is needed.

The City of San Antonio has adopted the goals of the SA2020 and interviewees reported that funders “have shifted the way that they are funding things based on the indicators”. The Mayor’s Office recognised a need to be held accountable for progress towards the vision and so in 2012 an organisation SA2020 became a Texas non-profit corporation and subsequently became a 501(c)3 organisation in 2013⁶⁹ to fulfil this role and to act as a “catalyst” for change. In 2016 SA2020 has a staff of four people but its reach is far greater through the exercise of a co-ordinating function involving 145 non-profit partners, the San Antonio City Government, county government and fifteen cross-sector collaborative working groups developing more detailed strategies to guide practical implementation in various cause areas.

The core functions of SA2020 are to support and align effort around the target indicators, inform and engage the community on progress towards them.

Key themes emerging from the San Antonio experience are first the use of the 2020 indicators in helping to get residents and stakeholders on what one interviewee described as “the same epistemic page” such that they can accept the ‘same set of facts’ to help ground and guide discussion, and secondly, the importance of good underlying data and intelligence to inform strategy, develop indicators and measure progress. To support action in the medium-term work is underway to develop an initiative to develop a shared data network within and between city government and partners in the non-profit and other sectors.

Exemplar themes and initiatives

Two themes and initiatives from San Antonio are selected here as being of particular interest to UK cities: first, sector-based initiatives and associated workforce development initiatives; and secondly, Pre-K 4 SA – an initiative to invest in pre-school education funded by local taxes.

Sector-based initiatives

A long-standing sectoral initiative in San Antonio is *Project QUEST* (Quality Employment through Skills Training), dating from 1993. It was spearheaded by Communities Organized

for Public Service (COPS) and Metro Alliance (broad-based citizens' organizations comprised of religious and other non-profit institutions). Project QUEST brought together a diverse group - from workers to businesses and employers, the regional Private Industry Council, the governor, and the Texas Employment Commission – and was designed to upgrade and reskill low-income disadvantaged workers for good jobs in high-demand occupations, by targeting a cluster of in-demand, well-paying, and growing occupations, and working with the community college system to develop degree and certificate programs suited to these occupations. It was based on four principles (identified by residents of poor neighbourhoods and the business community): the programme must - (1) tie-in strongly with the occupational demands of local employers; (2) be selective and target training only for those careers that offer good pay and advancement opportunities (“demand occupations”); (3) incorporate intensive client services to help economically disadvantaged participants overcome financial and personal barriers to skill acquisition; and (4) leverage the training resources already operational in the community.

Through its work, QUEST contributes to raising the city's standard of living and quality of life, and at the same time enhances the city's ability to attract and retain businesses that rely on a skilled workforce. It not only links low-income individuals to training, but also links employers to its graduates. QUEST's in-house Applicant Information Management System - AIM - has been used extensively to track participant outcomes and to demonstrate to the city that the return on its investment in employment training is more than recouping itself in the long run in terms of increased tax revenue and decreased drains on other types of city-funded social services.⁷⁰ During the past twenty-one years, more than 80 percent of its entrants have graduated from the program, and 86 percent of those who graduated were placed into higher-paying occupations (Benner and Pastor, 2015).

A more recent initiative building on similar principles is the *Talent Pipeline Task Force*. Formed in early 2014 its work was propelled and inspired by the ongoing leveraging of San Antonio's assets in the areas of education and workforce development in an effort to accelerate the rate of change for SA2020 indicators in these areas. With a particular focus on three three main targeted industries: healthcare and biosciences, IT and cybersecurity, and advanced manufacturing (with a specific focus on Transportation Manufacturing, or Automotive and Aerospace), it referenced several significant community workforce development initiatives. These programmes and organisations include, but were not limited to the Alamo Academies, the Just-In-Time programme, Project QUEST and the Teacher Externship/Professional Development programme.

From January 2014 to May 2015, SA2020 convened the Talent Pipeline Task Force - a diverse mix of employers, workforce development leaders, chambers of commerce, and postsecondary education and social service providers - to create a framework and develop recommended strategies to close the skills gaps in these targeted industries. In addition, the Task Force agreed to a middle-skills strategy, targeting jobs that require more than a high school diploma and less than a bachelor's degree as the core focus of its work to engage educators and industry to work in partnership. In order to embed that strategy in a broader framework, the Task Force also developed career pathway documents to illustrate the necessary training, skills and credentials for individuals to move from entry-level to high- skilled jobs in the targeted industries and related occupations. While the number of people employed in target industries is currently on track to meet the SA2020 goal, the population is projected to grow by 1 million by the year 2040 and industry needs continue to grow disproportionately to the skill attainment of the workforce. As the Task Force Report⁷¹ released in July 2015 notes: “Our community has an opportunity to strengthen its home- grown workforce through a strategic collaborative plan that ensures local residents

can find opportunity, and local industry can meet growing needs”.

In a similar vein, *SA Works* is an industry-led coalition⁷² concerned with fostering experiential learning has been set up by Mayor Taylor to connect employers with upper secondary and post-secondary systems. The underlying idea of *SA Works* is that a skilled workforce stimulates competitiveness and inclusive growth. There are three main foci:

- identifying skills gaps in order to maintain and increase competitive advantage in target industries, making it easier to attract and grow competitive businesses;
- aligning the education pipeline to meet those needs (i.e. preparing the workforce for jobs that actually exist) – including through developing curricula and opportunities for experiential learning at secondary and post-secondary levels, including paid internships; and
- targeted interventions for unemployed and underemployed adults with a particular focus on addressing barriers to employment.

Pre-K 4 SA

The idea for Pre-K 4 SA grew out of Mayor Castro’s Brainpower Taskforce which in 2011 brought together education and business community leaders to identify what would be the best use of money if the remaining one-eighth local sales tax (i.e. 0.25% out of 2.0%), approximately \$40 million per year, was to be hypothecated to a specific cause for eight years. The context is that in Texas a Better Jobs Act enables municipalities to levy a sales tax to invest in education programmes for economic development that have a positive impact on the future economy, if authorized by the majority of voters). The Taskforce recommended that the development of a program focused on high quality prekindergarten services for four-year old children would be the most effective method for improving the quality of education in San Antonio. Increasing readiness of pre-school children for formal education was identified by the community as a priority for 2020 in Education, which gave more credence to the need for a Pre-K programme. Proposals for Pre-K 4 SA were passed with a relatively small majority and have been implemented in the challenging context of a highly politicized school education system in Texas.

Pre-K 4 SA is a full-day prekindergarten programme with experienced teachers, a high quality curriculum and bilingual education options that also offers free after school care until 6:00 p.m., plus meals and transportation at no extra cost. At the time of writing Pre-K 4 SA caters for 3,700 children throughout SA. There is no universal Pre-K education for 4 year olds in Texas and the children most likely to ‘miss out’ are those from families who make just above the poverty line and so who are excluded from many government assistance programmes. Pre-K 4 SA sets eligibility criteria by income to target this group: 80% of the student population have parents who make less than 185% above the poverty line, with the remaining 20% having scaled tuition fees.

What is particularly notable about Pre-K 4 SA is that the Chamber of Commerce has backed a long-term early intervention programme – recognising the importance of a ‘good start’ in education for the future competitiveness of the San Antonio economy.

Synthesis and Conclusion

San Antonio is a fast-growing city which is consciously planning to shape future growth, by focusing on particular carefully selected sectors with the potential to provide quality jobs rather than merely letting such growth happen to it. With a largely home-grown 'minority majority' population it is seeking to address inclusion (including on racial lines) through a primary focus on competitiveness in global markets by targeting specialisation in key local sectors. The idea is to grow quality jobs (both from within the San Antonio business base and through targeted inward investment) and open up opportunities for the local population to access them – through investment in education and skills at all levels, and with a particular focus on sector-led training. Hence the approach may be seen as primarily 'demand led' – with 'supply-side' initiatives targeted explicitly to that demand. This approach also has a long-term dimension, with the business community endorsing investment in pre- school education for the benefit of the longer-term development of the local economy (while reducing poverty).

The SA2020 visioning process has helped shaped strategy in San Antonio. What is particularly distinctive about the San Antonio approach is how progress is communicated so as not on to enable interested parties to read the data but also to provide links to partners in order foster engagement to 'create change'. In this way residents are kept informed of the SA2020 indicators and ongoing developments.

References

- Benner C. and Pastor M. (2015) *Equity, Growth, and Community: What the Nation Can Learn from America's Metro Areas*. Oakland: University of California Press.
- Shearer R., Ng J., Berube A. and Friedhoff A. (2016) *Metro Monitor 2016: Tackling Growth, Prosperity and Inclusion in the 100 largest US Metropolitan Areas*. Washington DC: The Brookings Institution

Notes

- 55 <http://www.sanantonioedf.com/living/demographics/>
- 56 <http://www.sanantonioedf.com/business-profile/major-employers/>.
- 57 The working class Latino population living in the poorer West Side of the city were vulnerable to poor drainage systems leading to flooding following torrential rainstorms (Benner and Pastor, 2015).
- 58 SA Tomorrow - http://www.sacomplan.com/app_pages/view/19.
- 59 San Antonio is nationally recognised as a leader in the field of information security.
- 60 SA Tomorrow - http://www.sacomplan.com/app_pages/view/19.
- 61 <http://www.workforcesolutionsalomo.org/about-us/overview-mission>
- 62 A non-profit group from outside SA that works on developing vision and indicators for several regions in the US.
- 63 See http://www.sa2020.org/wp-content/themes/sa2020/pdf/SA2020_Final_Report.pdf
- 64 See <http://www.sacomplan.com/>
- 65 Unpublished blog post 'Competitiveness and Inclusion in the Global Economy: A Q + A with San Antonio Mayor Ivy Taylor'.
- 66 The Initiative is a five-year project of the Brookings Institution and JPMorgan Chase to help the leaders of metropolitan America strengthen their regional economies by becoming more competitive in foreign direct investment and exporting.
- 67 <https://www.sanantonioedf.com/wp-content/uploads/2015/10/San-Antonio-Trade-and-Investment-Strategy.pdf>

68 <http://www.sa2020.org/progress/>

69 With funding from the City of San Antonio, national funders and through individual giving.

70 <http://www.questsa.org/images/Data/AspenDocument.pdf>

71 http://www.sa2020.org/wp-content/uploads/2015/07/SA2020_Talent_Pipeline_Task_Force_Report.pdf

72 Modelled on the Boston Private Industry Council and housed at the San Antonio Economic Development Foundation.