National Trends & Opportunities for Appalachia, Ohio

Positioning Appalachia: Economic Growth Strategies for Success

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About IEDC

The International Economic Development Council (IEDC) is the world's largest membership organization serving the economic development profession. We are dedicated to helping economic developers do their jobs more effectively and raising the profile of the profession. When we succeed, our members create more high-quality jobs, develop more vibrant communities, and generally improve the quality of life in their regions.
IEDC Membership

From public to private, rural to urban, and local to international, our 4,600+ members include:

• Public state, regional, city and county ED professionals
• Chambers of Commerce and other business support agencies
• Technology development agencies
• Redevelopment authorities
• Educational Institutions & Non-profits
• Consultants
• Utility companies
Member Services

- Conferences
- Professional Development & Certification
- Legislative Tracking
- Clearinghouse
- Career Services
- Newsletters and Journal
- Advisory Services & Research
Overview of the U.S. Economy
Overview of the U.S. Economy

The Great Recession & the Recovery
– A Snapshot of Losses –

- Over 8.8 million jobs lost since recession began in December 2007
  → we have regained only one-fifth of them to date
- Over 14 million people remain unemployed today
- Construction lost over 2 M jobs since the recession
- Manufacturing lost approximately 2 M jobs since the recession
  → 1.1 M manufacturing jobs were lost in 2009
Overview of the U.S. Economy: The Great Recession – Snapshot of Losses

- The Financial Sector continued to cut jobs through 2011 due to merger activity among firms
  → and...expects 21% more job cuts by end of 2011 than in 2010

- The Public Sector shed 430,000 since the end of the recession
  → largely due to budget cuts at the state and local levels

- 4.2 M properties have been foreclosed
  → the housing market lost $8 trillion in value since the recession & home prices are still falling in some regions
Overview of the U.S. Economy

In addition to the Great Recession the U.S. economy has been impacted by other shifts and challenges:

- An increase in both natural and man-made disasters
- Globalization
- Lack of Diversification, i.e., reliance on a single industry which increases a community’s vulnerability
- Dependence on the Old Economy
Challenges to Communities
Challenges to Communities

- Communities have been increasingly challenged due to the negative effects of the recession and other global shifts.
- The recession and global shifts have instigated a reassessment of economic development strategic priorities and the role of the practitioner in the community.
Challenges to EDOs

Over the last 4 years, communities overall has been greatly hindered by:

→ Lack of access to capital and financing

→ Business closures and downsizing

→ Declines in real estate development
Additional challenges have included:

- City/county/state budget cuts
- Lack of political support for economic development
- Industry restructuring
- Complicated regulations/permit process
- Lack of skilled labor
- Inadequate education
National Trends for Jobs & Economic Development
Jobs for the Future

Nationally, sectors that show potential for job growth include:

- Healthcare
- Information Technology
- Utilities—Energy
- Financial Services
- Public transportation
National Trends for Jobs & Economic Development

The gap between industries that lost jobs vs. industries that are hiring:

**Jobs Lost** vs. **Jobs Available**

- Auto (manufacturing)
- Construction
- Finance
- Health
- Engineering
- Energy
Healthcare

- Over a million hired in Healthcare between Dec ‘07 and now
  - since June 2009, job growth in healthcare grew by 3.5%, adding 466,400 jobs to date
  - growth is expected to remain steady in the sector as baby-boomers grow older & obesity is on the rise
  - Notable sectors for growth: physical therapists, nurses, cardio technicians and occupational therapists
National Trends for Jobs & Economic Development

Information Technology

› 1 million new technology-related jobs will be created over the next four years—an increase of about 10%

› Database administrator jobs: is a hot field with ample opportunity for growth

Note: The intermingling of healthcare and IT—stemming from increased pressure to digitalize all medical records—could provide a large number of new jobs “health IT”
Utility – Energy Sector

The turnover for utilities positions will be high in the coming decade as older workers retire.

- In 2008, 53% of utilities workforce was age 45 or older.
- Jobs include support staff, technology workers and analysts.
The job-creation potential of the green economy is immense:

→ The RAND Corporation says 5 million new jobs will be created if the U.S. generates 25% of its energy from renewable power by 2025

→ Half of these jobs will be in high-paying science and engineering, legal, research and consulting fields

→ There will also be jobs for low and semi-skilled workers: in construction and manufacturing
National Trends for Jobs & Economic Development

Financial Services

Accountant jobs: 22% growth predicted in the next decade

Public transportation

States have invested more than $22.6 billion of stimulus funds towards transportation – job growth however will be contingent on how cities, counties and states deploy the money and that will vary by locality
Notably, competitive communities are focusing on:

- Strategic Partnerships
- Business Retention
- Entrepreneurship
- Marketing
- Renewable/Clean Energy & Energy Efficiency
- Regional Cooperation
Some regions are also focusing on incorporating Renewable Energy & Entrepreneurship strategies into regional economic plans as they adapt to the current economic challenges and prepare for recovery and restructuring.
Competitive regions and communities also share some similar characteristics:

- A Common Vision
- Strong Leadership
- Regional Collaboration
- Homegrown–localized support
- Building on Existing Assets
- The Ability to Attract Capital
Creating Opportunities in Appalachia, Ohio
Creating Opportunities in Appalachia, Ohio

Challenges in Appalachia, Ohio include:

- High Unemployment
- Limited Broadband in some areas
- Lack of Water–Sewage Access in some industrial districts
- Limited of Access to Capital
- Competition with stronger regions in the state for industry and talent
Creating Opportunities in Appalachia, Ohio

**Snapshot of Unemployment & Poverty in Appalachia**

*According to the USDA:* 

- unemployment rate for rural Ohio in 2011 was 11.4%
- Ohio it was 8.8%
- nationally it was 9.2%

*Using 2010 census data for the entire Appalachian Region:* 

- 96 counties in Appalachia will qualify for distressed status*
- Per capita income trailed the rest of the nation by almost 20%
Creating Opportunities in Appalachia, Ohio

Snapshot of Unemployment & Poverty in Appalachia

- 1 Pike County 15.4
- 2 Meigs County 14.2
- 3 Clinton County 14.1
- 4 Highland County 13.4
- 5 Adams County 13.0
- 6 Morgan County 12.7
- 7 Noble County 12.7
- 8 Crawford County 12.6
- 9 Scioto County 12.5
- 10 Muskingum County 12.2
Creating Opportunities in Appalachia, Ohio

With assets already in place to build on, engaging in strategic partnerships will help to accelerate economic development efforts in the region thus:

- Countering the negative impacts of the economic downturn

and

- Fostering BRE, recruitment, and entrepreneurial strategies
Main focus of the Appalachia, Ohio going forward:

- Enhance cooperation with the private sector and local CEOs

- Partner at the local and regional level to increase investment and boost marketing efforts

* Emphasis on fostering partnerships with the private sector & enhanced collaboration with anchor institutions at the local level *
Best Practice Examples
Best Practice Examples of How Communities can Transform in the New Economy

- Greensburg, Kansas
- Newton, Iowa
- Tupelo/Lee County, Mississippi
Greensburg, Kansas

Greensburg’s story provides a model that demonstrates how smart, strategic decisions can result in new sustainable investment opportunities.

- Greensburg is a city in the county seat of Kiowa County, Kansas.
- In May 2007, Greensburg was devastated by an EF5 tornado destroying 95% of the city.

Before the tornado: the city was founded along the railroad in 1866 – many of the buildings on Main Street were of historic 19th century design although others were infill buildings established throughout the 20th century.
Greensburg, Kansas

The decision to become a Model Green Town:

→ Days after the storm, the community came together and decided to rebuild sustainably
→ A landmark commitment was then made to create the Greensburg GreenTown
Greensburg, Kansas

- The Greensburg GreenTown is a grassroots community-based non-profit organization that has worked side-by-side with city and county officials, business owners, and local residents to incorporate sustainable principles into their rebuilding process.

After the tornado, the city council passed a resolution stating that all city buildings would be built to LEED-platinum standards, making it the first city in the nation to do so.
Greensburg, Kansas

The tornado gave the city an opportunity to be a living laboratory

- They have developed a local eco-tourism industry, whereby visitors can directly learn about the Green Initiative through observing Greensburg's sustainable building techniques, materials and practices in action.

- Greensburg serves as a model showing how American towns can successfully implement green technology.

In advancing the use of renewable resources, Greensburg's energy plan also includes projects for wind, solar, methane or natural gas, as well as the production of biofuels and LED street lighting.

A common vision, homegrown support, and strong leadership were vital to Greenburg’s transformation.
Newton, Iowa

Newton is a story of a region’s transformation from the industrial economy to the knowledge economy

- In May 2006, the Whirlpool Corporation, owner of Maytag Corporation, announced that it would close the Maytag corporate headquarters and production facilities in Newton

- With a population of 15,500, nearly 13% or 1,900, worked at Maytag Corporation

In the 1990s, Maytag had 3,900 employees – The loss of the Maytag Corp. prompted panic over a dramatic rise in unemployment & the fear of perpetual underemployment
Best Practice Examples of How Communities can Transform in the New Economy

**Newton, Iowa**

~ Tackling short-term reemployment goals and achieving long-term economic resiliency ~

- Local leaders formed the *Newton Transformation Council (NTC)* to plan for economic recovery

  * The NTC served as the umbrella organization to align & formalize leadership in economic development
Best Practice Examples of How Communities can Transform in the New Economy

**Newton, Iowa**

* Newton’s leadership purposely made NTC an open organization, giving all interested regional, state & federal parties the opportunity be part of Newton’s transformation

- NTC worked with workforce developers & institutions of higher education to improve workforce skills in industries that would be competitive in the future.

* Whirlpool also provided capital to support a Career Transition Center
Newton, Iowa

Results:

- Before Maytag closed in 2007, Caleris, a call center company, announced its decision to locate in Newton
  * Caleris was able to draw upon Maytag’s call center staff, a transfer of skills

- Today, the region is also exploiting its wind energy potential and they have attracted 2 companies and created over 500 jobs in that sector

- Entrepreneurship is flourishing among former Maytag employees

- Due to NTC's efforts, over 1,000 jobs have been created from companies relocating or expanding in Newton since Maytag shut down

Newton’s transformation was led by leadership and regional collaboration that helped them to build on existing assets and attract capital
Best Practice Examples of How Communities can Transform in the New Economy

Tupelo/Lee County, Mississippi

Tupelo/Lee County capitalized on its greatest asset – its workforce – to diversify its economy and increase per capital income

- Tupelo/Lee County – in NE Mississippi – had a strong economic base rooted in small-scale agriculture and manufacturing
- But at the turn of the 21st century – with manufacturing facing the challenges of globalization & trends to downsize or move off-shore – the region needed to diversify its economy

Tupelo’s core asset is its workforce, so they chose to focus on increasing skill levels & educational attainment to achieve economic development goals
Tupelo/Lee County, Mississippi

- The Community Development Foundation was formed (CDF) to bring economic, community and workforce development efforts, plus the chamber of commerce, under one roof.

- The CDF devised a comprehensive plan for the community, which became known as Future Focus 2001–2005.

  - The plan featured an emphasis on workforce development, with main goals to:

    Modernize the furniture industry – Develop lean manufacturing – Support the health care industry – Promote entrepreneurship.

- CDF built allies across economic and workforce developers, educational partners, the private sector, and local, state and federal governments.
Best Practice Examples of How Communities can Transform in the New Economy

Tupelo/Lee County, Mississippi

- The region ended up offering a coordinated system of hard skill training in advanced manufacturing & health care, combined with extensive soft skill training.

- From 2001–2005 – during the first Future Focus plan – 7,000 new jobs were created in Tupelo and Lee County, and personal consumption increased by $60 million annually in Lee County.
  - Also during this period, 20 new businesses located in the county and 47 businesses expanded.

- In 2007, Toyota decided to locate a plant in the region creating 2,000 jobs to manufacture the Prius.

A homegrown common vision, collaboration & building on assets was a win–win strategy for Tulepo/Lee County.
SUMMARY
In Summary

- Challenges to economic development have increased in terms of the recession, natural disasters, and other economic shifts.

- In this new economic landscape communities have had to shift gears to remain competitive.

- In today’s knowledge-based economy, new strategies are required to support the prosperity of workers and regions.
  → Success in the global economy requires diversification, differentiation, and innovation.
National Trends & Opportunities for Appalachia, Ohio

In Summary

- Appalachia, Ohio has assets to build on to increase its competitiveness and resilience in this global economy

  → Emphasis should be on engaging partnerships with the private sector & enhancing collaboration with anchor institutions at the local level to foster BRE, recruitment, & entrepreneurship
Thank you      Good Luck

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