

# Economic Development Element

## Issues & Trends

### ISSUES

- Lingering impacts of the recession on income and job growth, business development and expansion, lending restrictions, and housing markets. Given the long-term economic conditions of the area prior to the “real estate bubble” and financial market collapse, a “recovery-plus” model to improve the local jobs and housing market is needed.
- Continued focus on revitalization of the Downtown District is essential to address issues identified in the 2011 Action Agenda, in addition to the recent city streetscape improvements.
- “Redirected retail” or internal retail leakage within the local market, when shoppers turn from local mainstream retailers to big box liquidators and discount stores.
- Workforce education levels, lack of advanced skillsets, and out-migration of young adults.
- “Chicken and egg” dilemma of creating Quality of Place (housing, amenities, diversity, economic diversity) which attracts talent, and which attracts employers.

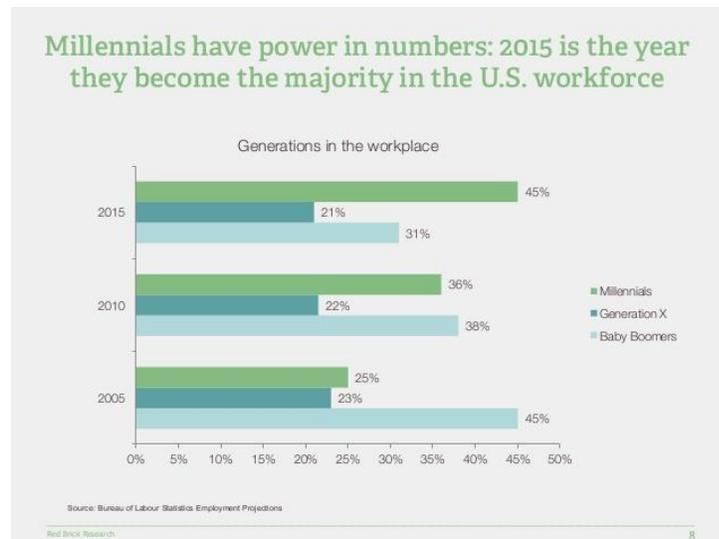
### TRENDS

- There is strong demand for a better-educated workforce with advanced technical skills and the ability to innovate.
- To create jobs and build strong economies, states should focus on producing more home-grown entrepreneurs and on helping startups and young, fast-growing firms already located in the state to survive and to grow — not on cutting taxes and trying to lure businesses from other states. That’s the conclusion from a new analysis of data about which businesses create jobs and where they create them. The data show:
  - **The vast majority of jobs are created by businesses that start up or are already present in a state — not by the relocation or branching into a state by out-of-state firms.** Jobs that move into one state from another typically represent only 1 to 4 percent of total job creation each year, depending on the state. “Home-grown” jobs contribute more than 80 percent of total job creation in every state.
  - **During periods of healthy economic growth, startups and young, fast-growing companies are responsible for most new jobs.** During the Internet-driven boom of the late 1990s and early 2000s, for example, startup firms (less than one-year-old) and high-growth firms — which are likely to be young — accounted for about 70 percent of all new jobs in the U.S. economy. Startups and young, fast-growing firms are the fundamental drivers of job creation when the U.S. economy is performing well.
  - State economic development policies that ignore these fundamental realities about job creation are bound to fail. A good example is the deep income tax cuts many states have enacted or are proposing. Such tax cuts are largely irrelevant to owners of young, fast-growing firms because

they generally have little taxable income. And, tax cuts take money away from schools, universities, and other public investments essential to producing the talented workforce that entrepreneurs require. Many policymakers also continue to focus their efforts heavily on tax breaks aimed at luring companies from other states — even though startups and young, fast-growing firms *already in the state* are much more important sources of job creation.

Source: <http://www.cbpp.org/vast-majority-of-new-jobs-come-from-businesses-already-in-a-state>

- Integration of “smart growth” principles with economic development initiatives:
  - Compact development patterns
  - Walkable neighborhoods with choices in transportation & housing types
  - Economic diversification
    - Land use is integrated with economic strengths
  - Investing in “Quality of Place”
    - Grow value in existing neighborhoods and districts; create “complete communities” with housing, transportation, parks and public amenities
    - Maximize revenue/minimize costs – evaluate cost/benefits on a per acre basis (not simply on expected tax rates)
- Emphasis on healthy, active lifestyles for all ages attracts a good talent pool. Neighborhoods within walking distance of shopping and other activities; ability to raise or purchase locally grown, healthy foods; active transportation with trails, bicycling, and connectivity to transit and activity centers
- Millennials are now the largest share of the workforce. They have specific preferences, including:



- Renting now and delaying a home purchase (very mobile group; not house rich/cash poor)
- Nice rentals in walkable neighborhoods near activity centers and neighborhood amenities
- Delayed automobile purchases; options for transportation, including transit and active transportation (walking, cycling)

- When choosing a new home, respondents want transportation choices. 85% said that sidewalks were important, followed by easy access to the highway

(82%) and being within an easy walk of places (79%).

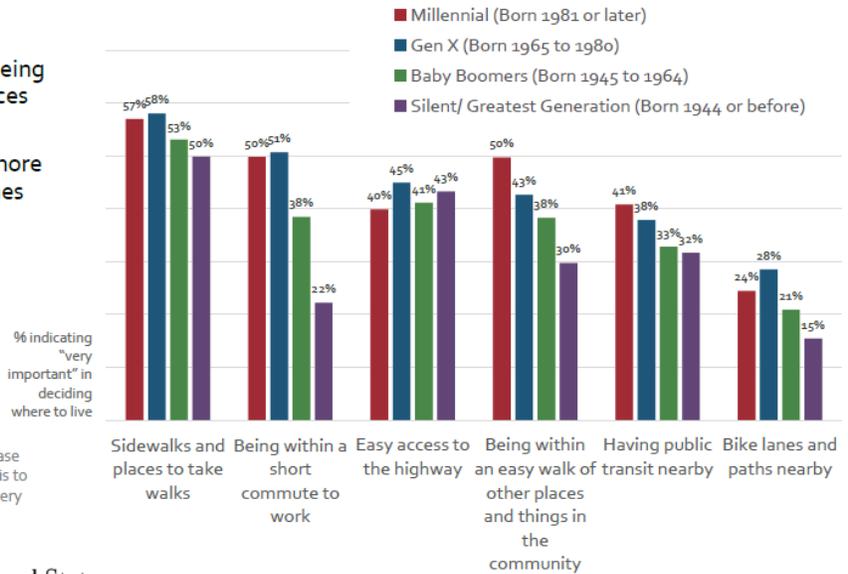
- Millennials placed more importance on being within an easy walk of places and having public transit nearby, compared to the other generations.
- When asked to choose between a more conventional suburb and a walkable community, respondents were about evenly split.

- Many people want to live in a more walkable neighborhood than they do now. Overall, 25% currently live in a detached, single-family home, but would prefer to live in an attached home in a neighborhood where they could walk to places & have a shorter commute.
- People who currently live in neighborhoods with lots of places to walk to nearby are more satisfied with the quality of life in their community.

## Some preferences vary by generation

Millennials are more interested in being within easy walking distance of places and having public transit nearby.

Both Millennials and Gen Xers are more interested in sidewalks and bike lanes and paths



Q10-16. If you were deciding today where to live, please indicate how important having each of the following is to you - is it very important, somewhat important, not very important, or not at all important.



## Millennials are seen as having skills that can help drive innovation

"Millennials can learn new things more quickly"

74% of millennials agree\*

60% of hiring managers agree\*\*

\*Millennials Survey - Q. To what extent do you agree or disagree with each of the following statements about how young professionals like you (aged 21-32) compare to the overall generation (aged 18-37): "We can learn new things more quickly." N = 1,039

\*\* Hiring Managers Survey - Q (see slide 10) - Statement: "Millennials can learn new things more quickly", n = 200

"Millennials are more likely to come up with fresh ideas"

71% of millennials agree\*

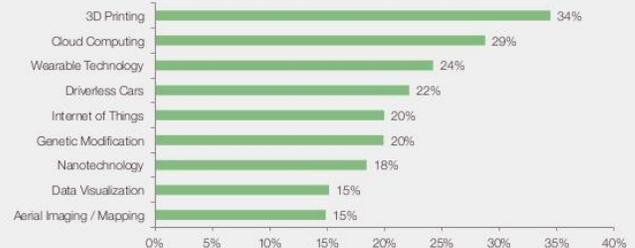
57% of hiring managers agree\*\*

\*Millennials Survey - Q (see above) - Statement: "We are more likely to come up with fresh ideas for the company", n = 1,039

\*\* Hiring Managers Survey - Q (see slide 10) - Statement: "Millennials are more likely to come up with fresh ideas for the company", n = 200

## Many millennials report hot STEM skills

Emerging skills possessed by millennials\*



\*Millennials Survey - Q. Which of any of these emerging skills are you familiar with (not a complete list). n = 1,039

54% of hiring managers report a technological skills shortage. IT is the highest-ranked skill in terms of shortages.\*\*

\*Technological Skills defined as - IT/Web Security, IT Tech Support, Digital Marketing, Software development, Web Design, Mobile Apps Development, Graphic Design/Photography/3D, Database/Server Administration, Creative Vision Skills, Media Production Skills, Data Science/Analytics

\*\* Hiring Managers Survey - Q. Which skills do you feel your company suffers from a shortage of? n = 200

Source: [www.elance-odesk.com/millennial-majority-workforce](http://www.elance-odesk.com/millennial-majority-workforce)