



Purchase Future: Regional Economic Development Strategy

TIP Strategies, Inc.
Tom Stellman, President & CEO
Kathleen Baireuther, Consultant



June 1, 2010

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Agenda

- Introductions
- Trends
- Project Understanding & Scope
- Initial Thoughts
- Next Steps

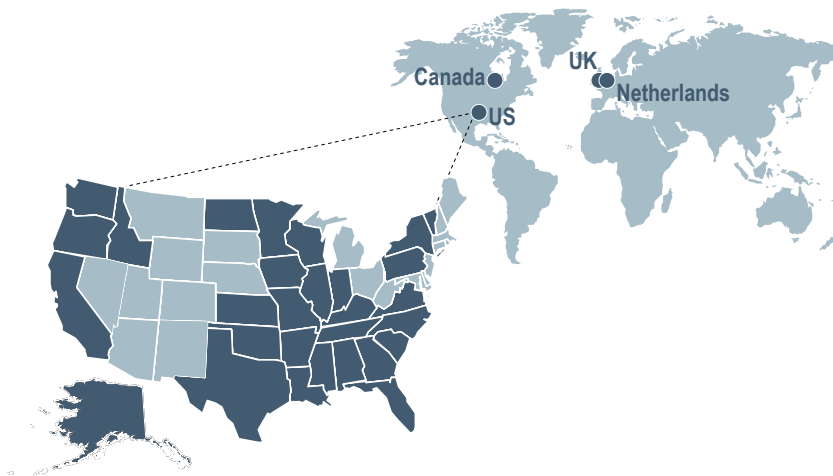
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TIP Strategies

Strategic Planning
Workforce Development
Entrepreneurship
Site Selection & Analysis
Defense Communities
Industry Cluster Analysis



TIP Project Locations



Our Team



Tom Stellman

President & CEO
Since 1995

- 20 years experience
- Former director international business & marketing for the State of Texas
- Extensive experience in workforce and regional planning projects
- Lead consultant for Wired65 project (26-counties, Louisville area)
- Founder Invest in Texas Alliance, marketing & lead generation consortium
- Lead author, *Texas Automotive Profile*

Our Team



Karen Beard

Director Support
Services/ Senior
Consultant



Mitsu Yamazaki

Director of Corporate
Services



Alex Cooke

Chief Operating Officer/
Senior Consultant

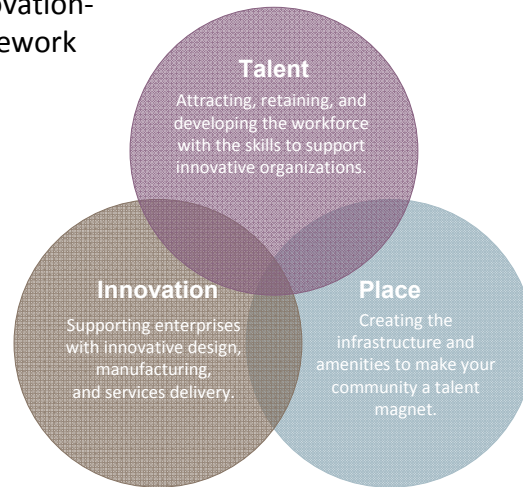


Kathleen Baireuther

Consultant

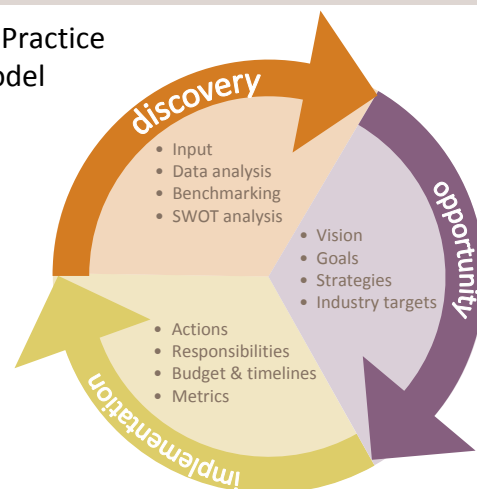
Our Approach

Talent-Innovation-Place Framework



Our Approach

Theory Into Practice planning model



Wired65 Region (Kentucky/Indiana)



- 26-county, bi-state region anchored by Interstate 65
- Funded through US DOL WIRED initiative
- Partnered with Rebecca Ryan, Next Generation Consulting
- Focus on leveraging major assets for regional development (higher education; transportation network; change in mission at Fort Knox)

Jackson County, Illinois



- Economic opportunities analysis
- Southern Illinois University-Carbondale (SIUC) identified as significant asset with a number of related opportunities:
 1. Commercialization of research, esp. advanced materials & energy
 2. Aviation & automotive related programs at Southern Illinois Airport
 3. Extensive alumni network
- Other recommendations included airport-related development, image and marketing, and talent attraction

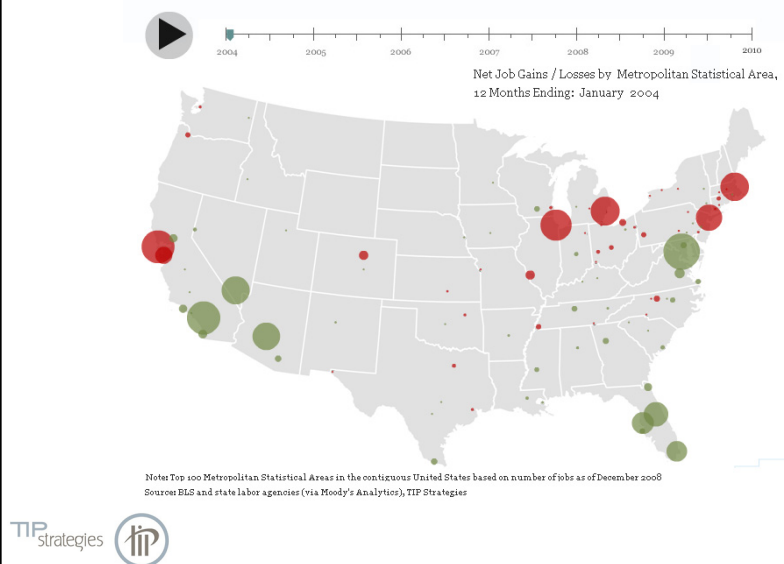
Clarksville-Montgomery Co., TN



- Labor market assessment of four-county bi-state region to:
 - Document demographics and availability of regional labor force
 - Understand influence of Fort Campbell
 - Compare labor force with hiring needs of current and prospective employers
- Established mechanism for collecting data on soldiers separating from service and their spouses

Trends

The Geography of Jobs



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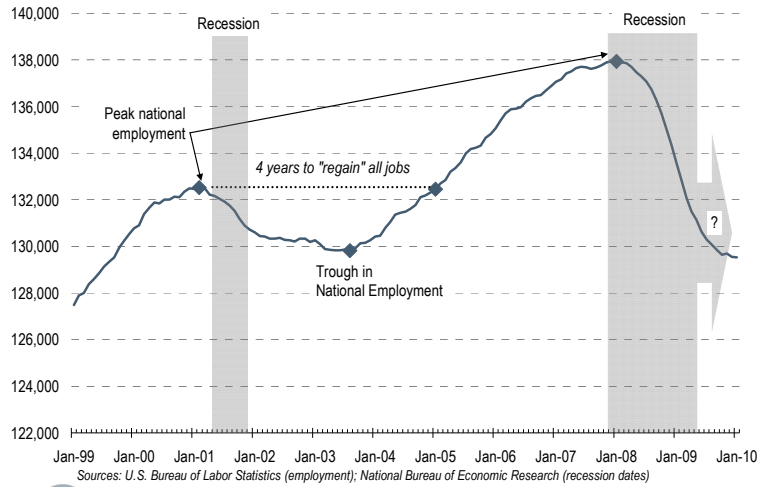
Symbols of Recovery?



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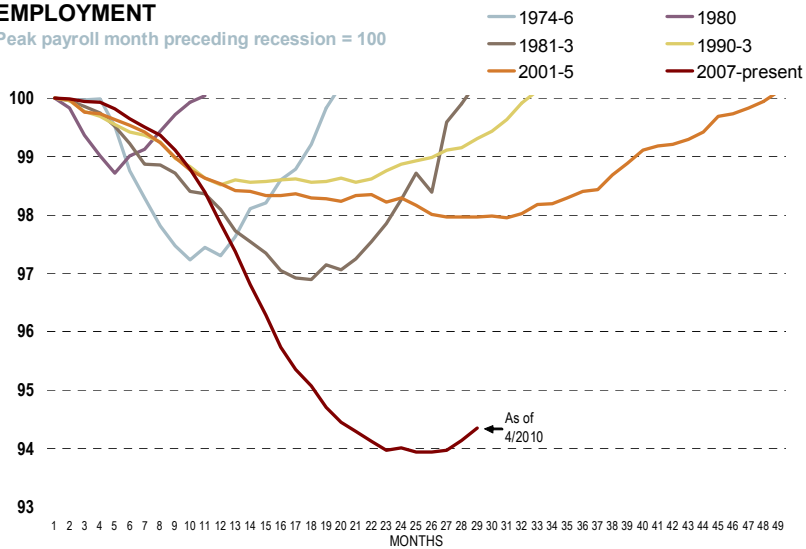
Fewer jobs than a decade ago

TOTAL NONFARM EMPLOYMENT (thousands)



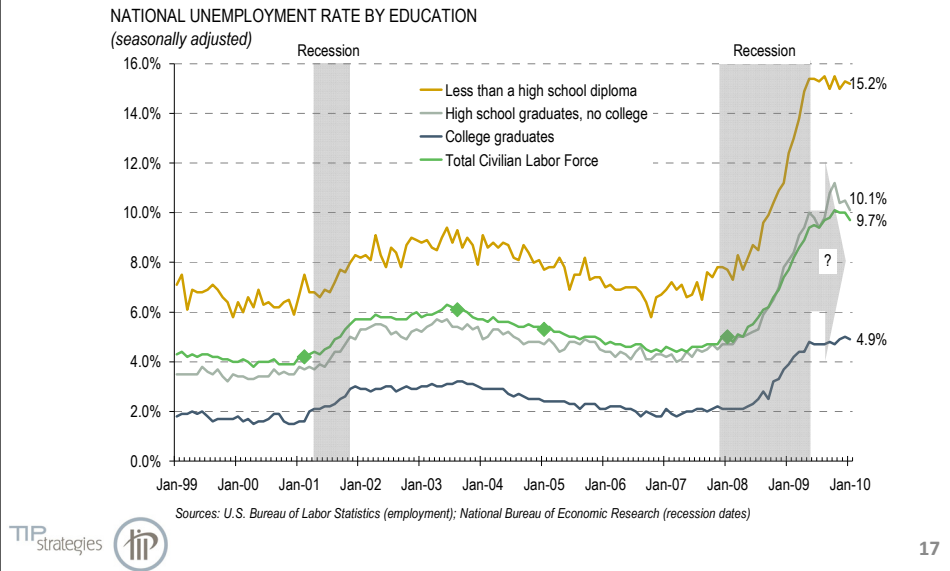
EMPLOYMENT

Peak payroll month preceding recession = 100

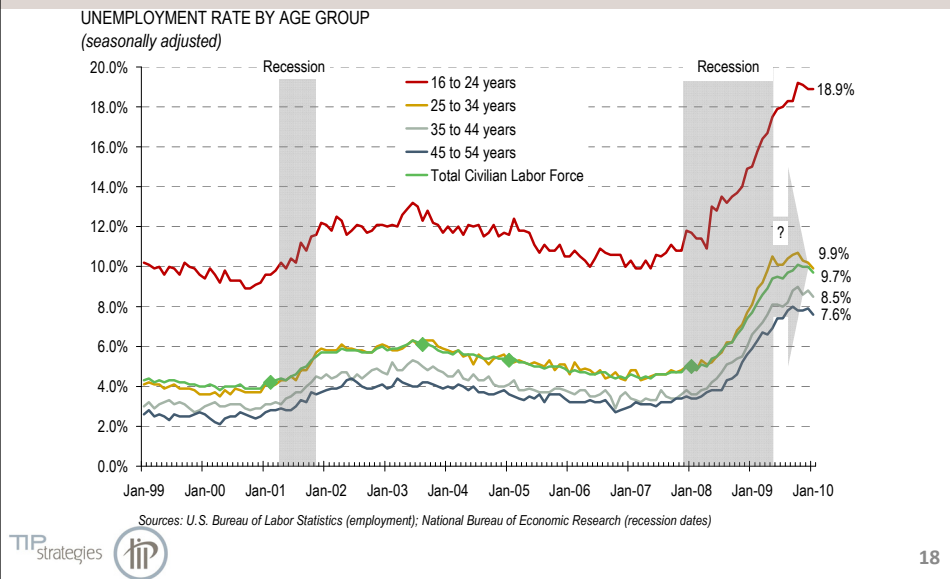


SOURCE: U.S. Bureau of Labor Statistics, Current Employment Statistics (seasonally adjusted)

Less educated fairing worst in recession

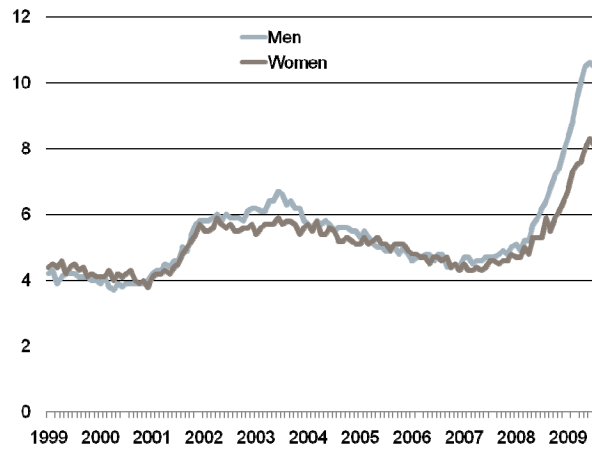


Young workers have record unemployment rate



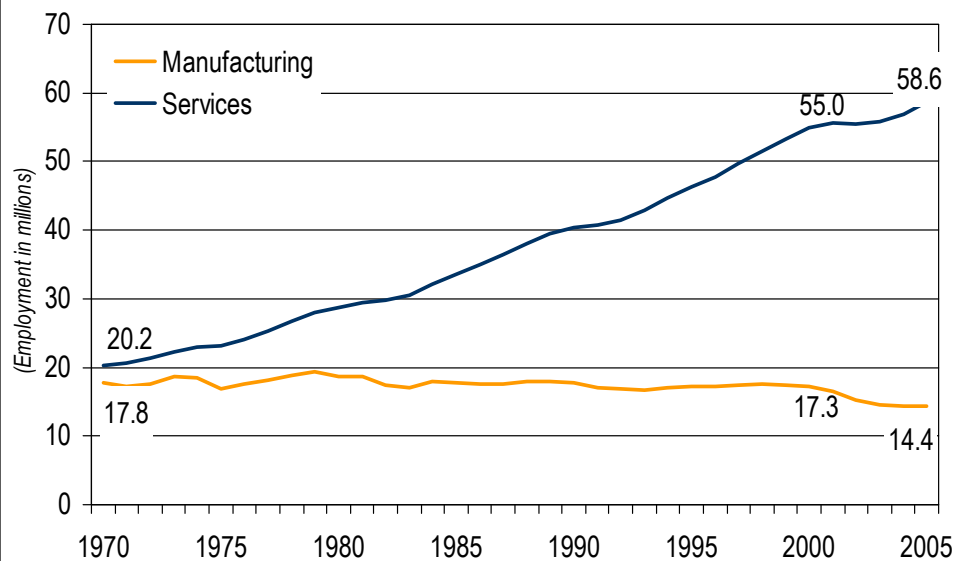
Gender Gap U.S. Jobless Rate (%)

Since U.S. employment peaked in November 2007, men have lost more than 5 million jobs, women fewer than 2 million.



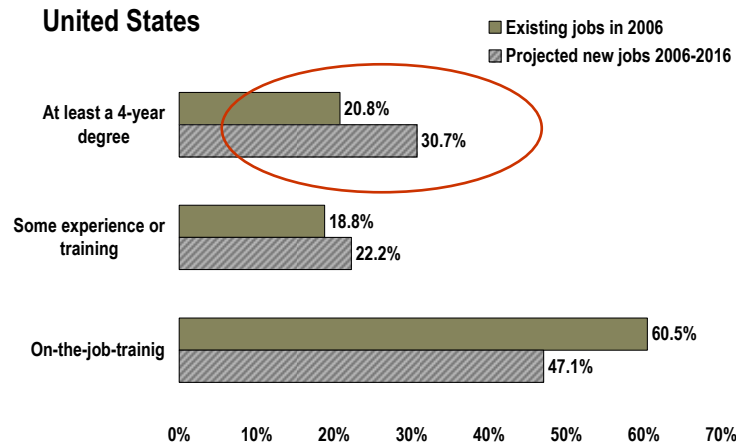
SOURCE: U.S. Bureau of Labor Statistics

Manufacturing vs. Services Employment



Source: US Bureau Labor Statistics; Economy.com

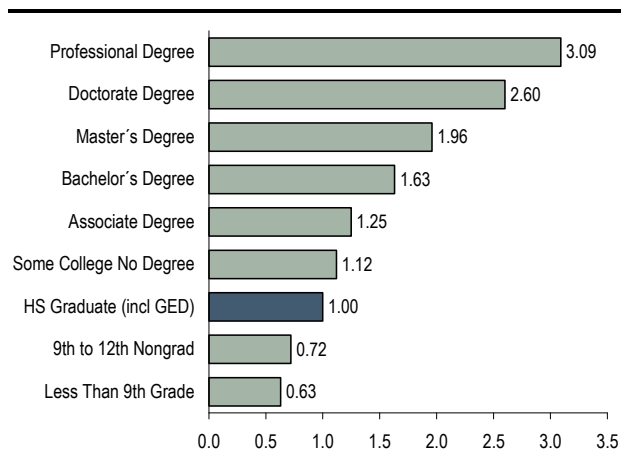
New Jobs Require Higher Skills



SOURCE: EMSI; TIP Strategies, Inc. Excludes military employment

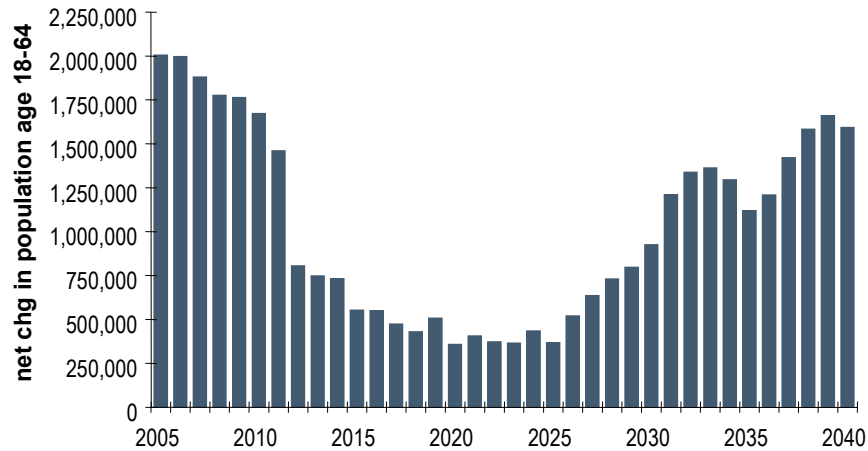
The link between learning and earning

Expected lifetime earnings relative to high school graduates, by education level



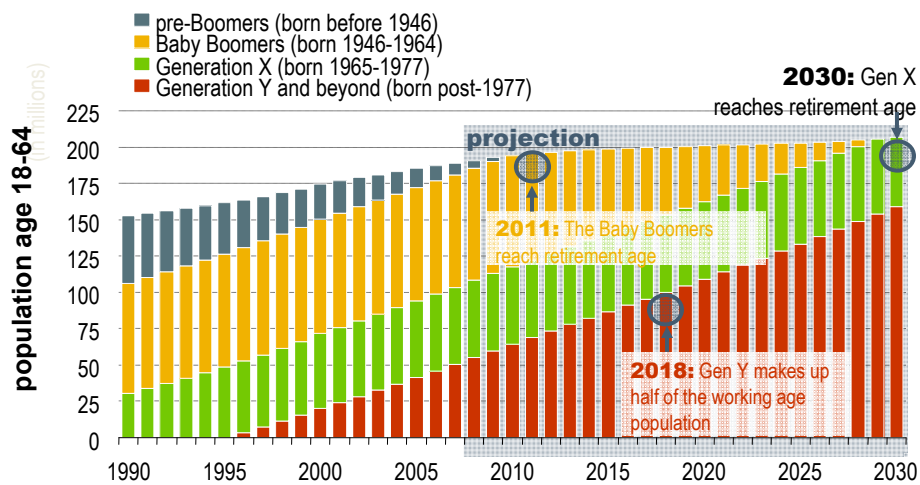
SOURCE: U.S. Census Bureau, CPS 2008 Annual Social and Economic Supplement, PINC-03. Modeled after similar chart in *Fast Facts from Education Pays 2007: The Benefits of Higher Education for Individuals and Society*, prepared by The College Board.

Projected Net Annual Change in the Working Age Population (18-64) in the U.S.

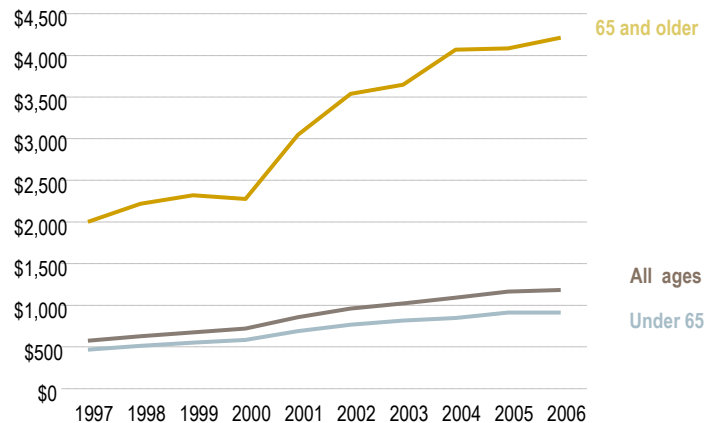


SOURCES: TIP Strategies; U.S. Census Bureau; U.S. Bureau of Economic Analysis

US working age population by generation



Median per Person Health Expenses, U.S. (for persons with expenses, not adjusted for inflation)



What Should We Pay Attention to?

- Slow recovery globally
- Back to basics:
 - Fundamental principles still relevant in location selection
 - Focus on a few target industries and building lasting relationships
- U.S. is still the largest consumer economy
- Heavier focus on expansion over new investment
- “Growing importance for M&A investment opportunity


Opportunity Sectors

- Healthcare
- Education
- Energy
- Clean tech
- Defense & security
- Agriculture equipment & supplies
- Consolidations (all sectors)
- Discount retail
- Collaborative Media


DOE stimulus spending

Estimated outlays of stimulus spending by fiscal year for Title IV programs involving energy and water development (in US\$ billions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Energy Efficiency & Renewable Energy	\$0.4	\$2.0	\$3.3	\$3.7	\$3.3	\$2.5	\$1.0	\$0.3	\$0.1	\$0.0	\$0.0
Innovative Technology Loan Guarantee Program	\$0.1	\$1.2	\$1.5	\$1.5	\$1.2	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Energy Programs	\$1.3	\$3.5	\$5.0	\$4.3	\$2.2	\$1.9	\$1.2	\$1.1	\$1.1	\$0.5	\$0.0
Corps of Engineers	\$1.2	\$1.7	\$1.0	\$0.4	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other, Title IV	\$0.2	\$0.5	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0



Project Understanding & Scope

TIP strategies 

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Workforce Strategies, Sectors & Action Plan

“The focus of this project is to position the regional economy in the most competitive and sustainable position over the next 5 to 10 years and beyond.”

“The major project component is: sector analysis, identifying emerging sectors of the region's economy with the most promise for economic growth, and an action plan that outlines implementation strategies and specific action activities for the region.”

TIP strategies 

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Major Tasks

- Economic assessment
- Entrepreneurship assessment
- Stakeholder engagement
- Benchmarking
- Target industry & occupational analysis
- Transferability of skills
- Workforce and business development asset mapping
- Education & training matrix
- Vision
- Opportunities analysis
- Workforce & sector strategies
- Marketing strategy
- Implementation matrix

Project Schedule

TIMELINE	APR	MAY	JUN	JUL	AUG
Workforce analysis					
Stakeholder meetings					
Target sector analysis					
Deliver recommendations					

www.purchasefuture.org

Purchase Future | Regional Economic Development Strategy

Planning Our Future

Since the start of the recession, the U.S. has seen a precipitous drop in production, a staggering loss of jobs, and an unprecedented decline in consumer spending. While signs of recovery are on the horizon, the current situation forces us to think about how the future will unfold, and what our options for dealing with it will be. The West Kentucky Workforce Investment Board (WOWIB) and the Purchase Area Development District (Purchase ADO) are asking for your help to ensure that our region is prepared for the future.

With funding support from the U.S. Department of Labor, the WOWIB and the Purchase ADO are undertaking a planning process that will help position our region to leverage our opportunities and assets. Led by Austin-based TIP Strategies, the planning process will include a review of existing information about the region, a quantitative analysis, and discussions with stakeholders throughout the region, including a series of opportunity workshops that will be held in each county. The resulting document will provide recommendations for improving the region's future economic vitality.

[Click here to share your thoughts about the future of the Purchase Region.](#)

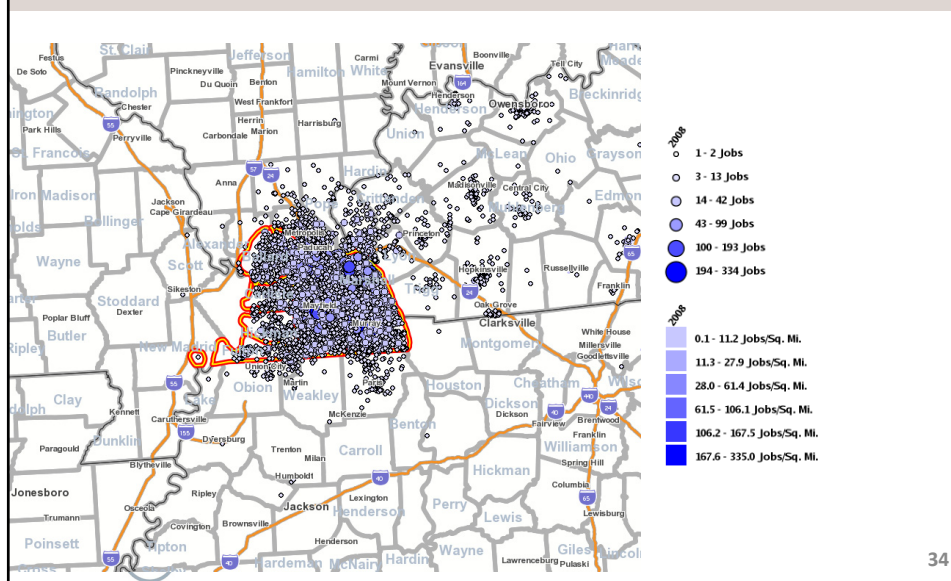
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Labor Shed Analysis 8-County Region



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Colleges & Universities w/in 50 miles of ZIP Code 42066

Institution	Location	Distance (miles)	Type	Enrollment ⁽¹⁾
Mid-Continent University	Mayfield, KY	0.0	4-year, private not-for-profit	1,636
Murray State	Murray, KY	20.0	4-year, public	10,014
Daymar College	Paducah, KY	22.2	2-year, private for profit	394 ⁽²⁾
West Kentucky Community & Technical College	Paducah, KY	23.0	2-year, public	6,578
University of Tennessee-Martin	Martin, TN	29.9	4-year, public	7,574
Tennessee Technology Center at Paris	Paris, TN	35.2	2-year, public	297
Bethel University	McKenzie, TN	42.4	4-year, private not-for-profit	2,408
Tennessee Technology Center at McKenzie	McKenzie, TN	42.4	2-year, public	267
Shawnee Community College	Ullin, IL	47.3	2-year, public	2,388



SOURCE: National Center for Education Statistics. (1) Data are for Fall 2008 (2) Sum of enrollment shown in profiles for Daymar College –Paducah and Daymar College – Paducah Main.

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Purchase Region, Kentucky: Top 20 Occupations Ranked by Location Quotient in 2009

SOC Code	Description	Jobs			Location Quotient (LQ)		
		2009	2019	% Change	2009 LQ	2019 LQ	Direction Change
53-5011	Sailors and marine oilers	488	576	18%	23.96	26.41	↑
51-9011	Chemical equip. operators and tenders	749	521	(30%)	23.27	19.06	↓
53-5021	Captains, mates, & pilots of water vessels	381	473	24%	16.41	17.63	↑
53-5031	Ship engineers	129	158	22%	15.70	16.82	↑
51-8091	Chemical plant and system operators	241	139	(42%)	8.53	6.24	↓
39-9041	Residential advisors	256	271	6%	7.33	7.29	↓
45-2011	Agricultural inspectors	64	71	11%	6.22	6.32	↑
17-2041	Chemical engineers	88	62	(30%)	4.42	3.26	↓
53-4021	Railroad brake, signal, & switch operators	53	56	6%	4.01	4.02	—
51-3022	Meat, poultry, & fish cutters & trimmers	381	403	6%	3.80	3.88	↑
49-3041	Farm equipment mechanics	84	86	2%	3.74	3.80	↑
33-1011	First-line sup/mgr of correctional officers	105	116	10%	3.72	3.94	↑
53-4019	Locomotive engineers and operators	98	103	5%	3.44	3.44	—
11-9131	Postmasters and mail superintendents	52	42	(19%)	3.31	3.37	↑
11-9012	Farmers and ranchers	3,226	2,692	(17%)	3.27	3.09	↓
51-4023	Rolling machine setters, operators and ,,,	64	63	(2%)	3.25	3.95	↑
11-9061	Funeral directors	65	80	23%	3.18	4.00	↑
35-2012	Cooks, institution and cafeteria	800	883	10%	3.09	3.21	↑
35-2015	Cooks, short order	347	331	(5%)	3.01	2.93	↓
51-4121	Welders, cutters, solderers, and brazers	688	714	4%	2.94	3.14	↑

SOURCE: EMSI, 1st Quarter 2010. Excludes occupations with fewer than 50 jobs in 2009.

Purchase Region, Kentucky: Top 20 Industries Ranked by Location Quotient in 2009

NAICS	Description	Jobs 2009	Jobs 2019	% Change	2009 LQ	2019 LQ	Direction Change
4832	Inland water transportation	750	826	10%	45.46	45.99	↑
3251	Basic chemical manufacturing	1,319	836	(37%)	13.76	13.52	↓
4883	Support activities for water transportation	866	1,025	18%	13.52	15.81	↑
3336	Turbine & power transmission equip. mfg.	735	618	(16%)	11.87	10.96	↓
3312	Steel product mfg. from purchased steel	368	489	33%	11.00	15.47	↑
3365	Railroad rolling stock manufacturing	170	25	(85%)	10.72	2.74	↓
4882	Support activities for rail transportation	131	126	(4%)	8.11	6.84	↓
3252	Resin, rubber, and artificial fibers mfg.	500	126	(75%)	8.07	2.31	↓
3259	Other chemical product & preparation mfg.	464	565	22%	7.66	10.08	↑
3221	Pulp, paper, and paperboard mills	466	228	(51%)	6.22	4.89	↓
3366	Ship and boat building	471	599	27%	5.47	8.27	↑
3119	Other food manufacturing	518	400	(23%)	4.47	3.33	↓
3115	Dairy product manufacturing	373	316	(15%)	4.39	3.89	↓
5629	Remediation and other waste services	331	431	30%	3.93	4.38	↑
5622	Waste treatment and disposal	268	328	22%	3.77	3.65	↓
3311	Iron and steel mills and ferroalloy mfg.	211	128	(39%)	3.77	3.00	↓
3116	Animal slaughtering and processing	1,217	1,318	8%	3.74	3.98	↑
3255	Paint, coating, and adhesive manufacturing	126	183	45%	3.16	4.43	↑
4529	Other general merchandise stores	2,988	3,611	21%	3.07	2.79	↓
3353	Electrical equipment manufacturing	288	288	0%	3.01	3.82	↑

SOURCE: EMSI, 1st Quarter 2010. Excludes industries with fewer than 50 employees in 2009.

Kentucky

Cabinet for Economic Development - Department of Commercialization and Innovation

- Human Health and Development
 - Healthcare delivery
 - Diagnostics
 - Medical devices
 - Drug delivery
 - Regenerative medicine
- Information Technology and Communications
- Energy and Environmental Technologies
- Materials Science and Advanced Manufacturing
- Biosciences
 - Plant and Animal Biosciences
 - Agricultural biosciences (crop science, fertilizer, insect control)
 - Animal bioscience (veterinary medicine, animal feedstocks)
 - Industrial and chemical bioscience (enzymes, catalysts)
 - Biomanufacturing
 - Human Biosciences
 - Pharmaceuticals
 - Biotherapeutics
 - Diagnostics (molecular diagnostics, in vitro devices)
 - Research tools (instruments, assays, reagents)
 - Drug delivery

Meetings to-date

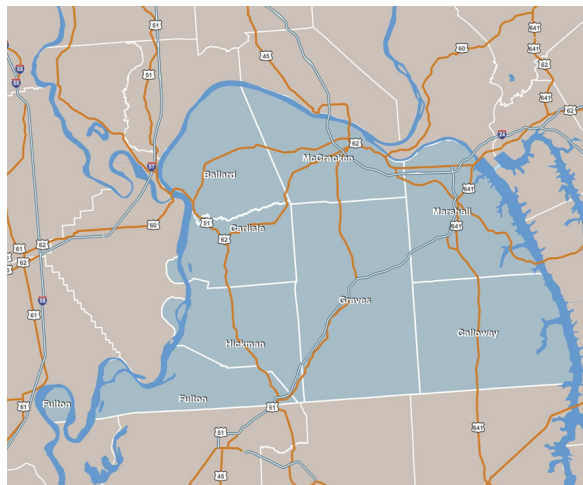
- Major employers representing >5,300 full-time employees
- Training providers
 - WKCTC
 - Murray State
 - Mid-Continent
- Local economic development organizations
- USEC / DOE (2,500+ jobs)



Alcan Composites
 Briggs & Stratton
 CSI (Computer Services, Inc.)
 Dippin' Dots, Inc.
 Henry A. Petter Supply Co.
 Ingram Barge, Co.
 MVP Group Int'l
 Murray-Calloway County Hospitals
 NewPage Corporation
 Pilgrims Pride
 Progress Rail Services
 Sekisui Specialty Chemical, Inc.
 S'portable Scoreboards, Inc.
 Wacker Polymer
 Westlake Vinyls, Inc.

Opportunity Workshops

- Tuesday, June 1
 - Graves County
- Wednesday, June 2
 - Marshall County
 - McCracken County
 - Ballard County
- Thursday, June 3
 - Carlisle County
 - Hickman County
 - Fulton County
- Friday, June 4
 - Calloway County






Next Steps



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Next Steps

- Wrap economic assessment tasks
- Entrepreneurship assessment
- Continue work on occupational analysis
- Preliminary strategies and targeting ideas



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Regional Opportunities?

Questions?



Thank You

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