

**REGIONAL ECONOMIC DEVELOPMENT
SEPARATING MYTH FROM REALITY**

CONFERENCE PROCEEDINGS

Presented by:

National Association for Business Economics (NABE)
Cleveland Business Economists Club
Economic Club of Pittsburgh

Hosted by:

Federal Reserve Bank of Cleveland

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PREFACE

On May 7, 1999, the National Association of Business Economists (NABE), two of NABE's local chapters, the Cleveland Business Economist Club and the Economics Club of Pittsburgh sponsored a conference entitled *Regional Economic Development: Separating Myth from Reality*.

The event was held to bring together key economic development decision-makers from all sectors to better understand the effectiveness of economic growth strategies and outcomes of regions and cities. It is the hope of organizers that the conference has created an ongoing mechanism for dialog and collaboration among the regions of the Great Lakes.

The conference consisted of four primary components:

- *View from the Region*: top government policy makers from Cleveland, Indianapolis, and Pittsburgh presenting their views on the relationship between public policy and economic growth.
- *View from Business*: high-ranking executives from regional firms discussing what makes a location attractive, why companies move to a region, and what communities must do to retain existing firms.
- *View from the Professionals*: regional development professionals and consultants describing the best mix of public and private resources needed to attract investment and offering suggestions on how a region can prioritize its economic development efforts.
- *Economic Development Policy Solutions*: generated from lunch-hour discussion groups.

This document presents an overview of the need for comprehensive, regional economic development programs and policies, and summarizes the key points made within each of the four major components.

For additional copies of this document, or more information regarding the proceedings of the conference, please contact:

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WELCOMING ADDRESS

Jerry L. Jordan
President and Chief Executive Officer
Federal Reserve Bank of Cleveland

According to the National Bureau of Economic Research, the United States is now in the beginning of its ninth year of economic expansion. Why are more countries not enjoying the same kind of prosperity that we are? What are the keys to making it happen? There is no shortage of people spending time thinking about, talking about, writing about, and visiting these places, trying to dispense some ideas about economic growth and economic development.

The keys to economic development and providing sustainable prosperity are not very different whether you are talking about another country or the neighborhoods within the cities where we live. The elements are always the same. Successful economic development requires an infrastructure that will support a normally functioning market economy. We take this for granted in much of American economic life, where we have the luxury of creating opportunities in an environment where the basic infrastructure--legal institutions, accounting rules, auditing procedures, financial institutions is all there.

Wherever policy makers get together, the topic always turns to the issue of jobs. Political leaders often talk about how their number-one objective is to create employment opportunities for their constituents. Where should they begin? What sort of growth policies do economists prescribe?

Given the importance that policymakers assign to this task, it's disappointing that economists know very little about the nature of job creation. A conclusion that could be drawn from the examination of job creation efforts in recent decades — not only in the United States, but also virtually anywhere — is that it has been impossible to find any factors that will systematically predict where job growth is going to occur.

A good example of this futility can be seen in our own backyard. Cleveland is now heralded as a model for economic development. The turnaround could not have been imagined some years ago. When Greater Cleveland's jobless rates were approaching double digits, it would have been hard to imagine that we could have reinvigorated our regional economy in the ways that we actually did, and be so successful that we would drive our unemployment rate down below the national average. We also would not have been able to predict which industries or individual firms were destined to be the creators of job opportunities.

The lesson to be learned is that we have to approach the task of regional economic development with a huge dose of humility about our ability to either guide it or control it. We hear a lot these days about needing a global financial architect or architecture. I think that's totally wrong. The economy is not a machine. The economy is not like a building or any other physical structure or entity. The economy is like a garden.

Policymakers should be more like gardeners than architects or engineers. Our task is to make sure that we have a fertile environment in which growth can take place. We have to make sure that there is an adequate economic infrastructure. For a healthy garden, there has to be the moisture, the nutrients. Certain basic things just have to be in place. We do not “grow the plants” (to use the language of politics in Washington this year). The plant — the economy — grows itself, if the proper environment is there.

However, the lack of a clear linkage between the specific growth policies and the ultimate influence on prosperity has led us to think more broadly about the role of government and prosperity. The policies that we adopt may be individually unrevealing, but in their totality they reflect an economic infrastructure that governments at all levels can help to build. How can government promote capital fertility? Are the incentives in place that will promote the propagation and attraction of new capital? These are the important questions to answer. I am gratified that these questions form the focal points of this conference.

WELCOMING ADDRESS

Carole F. Hoover
President and Chief Executive Officer
Greater Cleveland Growth Association

The cities of Cleveland, Pittsburgh, and Indianapolis, which for many years endured economic decline and no small amount of ridicule, have each enjoyed more than ten years of growth resulting in overall improvements in economic climate, increased ability to attract and retain jobs, and improved perceptions among national and international audiences.

Despite genuine progress, however, a hard look at the facts indicates that many issues affecting all three cities are yet to be addressed. The quality of the workforce was and is a major issue for employers. The quality of public education, while taking steps in the right direction, remains a challenge. Air and surface transportation needs and costs must be addressed. Taxes and other incentives must be made more attractive to encourage business attraction and expansion. And small businesses must continue to receive the support and services that will ensure their growth.

Cleveland, Pittsburgh, and Indianapolis are not alone in these challenges. Cities across the nation are asking the same questions: *How do we achieve full economic potential? How can businesses, universities, public officials, and community leaders coalesce to effect change? To what extent, if any, can growth be accelerated by careful planning, regional cooperation, and sound public policy?*

The answers to these questions remain elusive. Yet the economic vitality of virtually every city in America depends upon their resolution. Clearly, the first steps must involve open dialogue and collaborative efforts. We are pleased that leaders from Cleveland, Pittsburgh, and Indianapolis – which in many respects are competitors – began the process by participating in this conference. It is our hope that the dialogue which began here will foster prosperity, growth, and development for us all.

VIEW FROM THE REGION

What public strategies work best in attracting new firms? What strategies work for retaining existing firms? Do public works projects really result in economic growth? Following are key points made on these issues by top public officials from Indianapolis, Cleveland, and Pittsburgh.

STEPHEN GOLDSMITH *Mayor of Indianapolis*

“The role of government is to act as a broker, knitting together resources in a community.”

- Public officials historically have provided city services that people didn't want. Worse, they have done them badly and collected funds to pay for them after the fact.
- At the very least the basics must be done well. It is the responsibility of government to ensure that the roads are well paved, that tax rates are reasonable and that the city is safe. If these basic services are provided, the private sector does its part by creating wealth.
- A strong center city is the key to regional prosperity. It is the psychological and symbolic center of the region's economy and has the largest concentration of jobs.
- Indianapolis has enjoyed prosperity in recent years, witnessed by the creation of 100,000 new jobs in the city. Despite this apparent success, the city is questioning its ability to perform well in the emerging high-tech economy: 40-50,000 residents remain unemployed and removed from the mainstream of the economy; family income continues to rise more quickly in the suburbs than in the city; those with wealth are doing better, while those without are trapped in a failing school system with long odds of success.
- Indianapolis has a traditionally strong manufacturing cluster, and is working to diversify by attracting high tech jobs. The city has been performing an inventory of its industry clusters.
- Research revealed that Purdue graduates are leaving the city because of a perceived lack of employers in central Indiana. At the same time, employers in software, high-tech, and R&D report that there are not enough employees to meet their needs. Emphasis is being placed on fostering partnerships between universities and their applied research departments with high tech employers.
- Indianapolis must recognize the needs of the biotech, medical, and software industries and provide needed support. For instance, the state's tax system rewards manufacturing companies and penalizes high tech employers. As a result, many high-tech employers are moving to Ohio. The government must address these issues if long-term growth is to be sustained.

TOM MURPHY
Mayor of Pittsburgh

“As public officials, it is our responsibility to recognize competitive opportunities and to create strong partnerships capable of bringing about change.”

- In order to be livable, cities must provide basic services for its residents. For instance, crime defined American cities through the 1980s and ‘90s. People are reluctant to work and live in unsafe cities; they will not visit them. (Pittsburgh has cut its crime rate by 60% in the last four years and now enjoys a 40-year low.) A stable tax base is also important – people will not locate in a city if they believe taxes will go up significantly in a short period of time.
- Once the basic services are under control a city can focus on economic growth. The issue of how cities succeed in attracting business investment centers on three things: cash, land and partners.

Cash: It is nearly impossible to attract investment without cash. Despite opposition, subsidies are a reality of economic development.

Land: Old industrial sites in the cities must be utilized. Government must take a strong role in creating partnerships with the private sector to clean and redevelop potentially valuable property and stem the flow of businesses out into the suburbs.

Partnerships: Cities and regions can benefit from cooperation and by recognizing that each has its own competitive advantages. “Home grown” businesses must be nurtured and supported – “smoke stack chasing” is a waste of time and effort.

- Quality public schools are vital. Pittsburgh enjoys a relatively stable and successful inner city public school system, which has contributed to business investment in the city.
- Government must recognize and maximize competitive opportunities to retain homegrown businesses and to attract companies in a focused way. Opposition is frequently inevitable, and strong partnerships can help bring about success.

JANE CAMPBELL
Cuyahoga County Commissioner

“Economic development is not just downtown development. It is an investment in the economic vitality of the entire region.”

- The economic crisis of the 1970s, coupled with an extremely negative image, led Cleveland to develop a strong public-private partnership that was capable of bringing about change.
- The community made three strategic investments using a combination of public and private funds:

North Coast Harbor, which was the first creative use of the Lake Erie waterfront.

Playhouse Square Center, which became a major driver for downtown redevelopment. (Cleveland is taking the first steps toward recognizing and supporting the arts as a cluster that has a tremendous impact on the local economy.)

The Gateway Project, which included Jacobs Field and Gund Arena. Sports facilities may or may not act as a catalyst for development, but those that are not located in the center city have no chance. The project was funded in part by a tax that was passed solely on the votes of residents outside of the core city – city residents were opposed. This is an important issue to remember in the context of current efforts to foster regional cooperation.

- Ten to fifteen years ago, Cleveland had two or three major employment centers. Now there are seven or eight. Public officials must connect these employment centers by making strategic investments. Transportation is one such investment.

VIEW FROM BUSINESS

What makes a location attractive? Why do companies move away from a region? How important are factors such as public incentives, workforce readiness, labor/management relations, proximity of suppliers and customers, and quality of life? Following are key points made on these issues by three CEOs.

MARTIN McGUINN
Chief Executive Officer
Melon Bank
Pittsburgh

“Without a readily available and high quality workforce I don’t think any government incentives or cultural advantages would make a difference. Our employees are the ones who serve our customers and make us successful. To get them and keep them we need to be the employer of choice.”

- Cleveland and Pittsburgh have been recognized for change and are now under consideration by many businesses as a place to locate.
- Market proximity is no longer a major location issue. The shift from manufacturing to financial and other kinds of services means that companies are looking less at natural resources and more at human resources. Good people are critical. Top notch universities (Southwestern Pennsylvania has 32 colleges and universities) to recruit from and partner with are extremely important.
- In the case of Melon Bank, sharing a location with peers is important. Synergies created by competitors and the aura created by a large concentration of inter-related businesses is important to retaining and attracting good people.
- An international airport is key because it offers the direct flights needed for employees to move out and serve customers. (Pittsburgh’s airport has been rated the second best in the U.S. and first in on-time departures. It is a hub for US Airways and is generating significant economic development opportunities for the city.)
- Because talented people are by definition complex, there are a host of related considerations that a location should provide and that a company cannot overlook. The place must offer safety, good educational opportunities, affordability, arts, and entertainment.
- Other important assets: government incentives and favorable tax laws, cooperation among the public and private sector, well run business development organizations that can apply leverage to represent the needs of the business community.

PETER KELLY
Chairman and Chief Executive Officer
The LTV Corporation
Cleveland

“Like it or not, at the end of the day it’s about cash, profits, and competitiveness.”

- LTV is a good example of what a major manufacturer can mean in terms of economic impact to a region. The average employee earns \$58,000 annually, plus pension contributions, health care and other benefits. That adds up to six thousand \$82,000 to \$85,000 jobs in the region. Every year the company makes a decision to spend approximately \$250-300 million in renewal capital. By simply continuing operations the company is a major economic driver in the area.
- LTV has alternatives, and the community can take nothing for granted. The company competes in a global market and in an environment where national industrial policy is not favorable. The more LTV’s products are traded globally, the more critical is the selection of business location.
- The most important question manufacturers ask of a location is *do you really want us?* The chamber of commerce and the mayor will, but will the residents?
- In looking at locations it all comes down to competition. What that really means is productivity. Costs. Economic incentives are very important. They may not be the first issue, but once the company is down to a short list of two or three otherwise equal locations, they will go where the money is.
- Location decisions are time sensitive. A great package will mean nothing if it takes 12 months to put together. Cooperation is critical. Fights between city, county, and state government over who is going to contribute the incentives are deal killers. Good states have figured out how to make it work.
- A supportive state legislature is critical in passing legislation that impacts a company’s ability to operate competitively. (Ohio has a new phenomenon, “court made” law. Legislation is passed, but is thrown out by the Supreme Court. It is now being done with great regularity and will make the state non-competitive and unattractive.)

Competitiveness is affected by an extremely broad range of issues, including people, transportation, cost of utilities, and the presence/cost of natural resources such as water. (Despite presence of Lake Erie, Cleveland’s water rates are two to three times more than other communities.)

ROBERT F. BUTZ
President and Chief Executive Officer
Copernicus Therapeutics, Inc.
Cleveland

“Quality of life, that’s the thing. You can live anywhere you want to live. Make it some place you like.”

- Despite the location of Copernicus Therapeutics, the biotechnology industry does not have a large presence in the Midwest. It is located primarily on the two coasts, Europe, and, increasingly, the Pacific Rim.
- The biotech industry has exploded in North Carolina’s Research Triangle Park. In 1971, approximately 400,000 people lived in the area. Today there are 1.7 million and it is the highest concentration of M.D.s, Ph.D.s and engineers in the world. It was transformed because public officials were willing to take risk.
- The Midwest area was once known for being extremely high tech. That began to change in the 1920s when California began to grow, and manufacturing became dominant in this area. Today, another shift is underway as manufacturing jobs are moving to Malaysia, the Philippines, Singapore, and Taiwan.
- Singapore has been actively pursuing investment by Copernicus. Officials say that the reason is simple: for every person in Singapore employed in a high tech industry, \$100,000 is injected into the economy. For every person employed in the life science industry, \$385,000 is generated. Both Singapore and Taiwan have determined that life science technology will be the driving force for their futures.
- High tech biomedical industries are going to drive the next century.
- With high tech companies location is unimportant. Copernicus does business with companies in China, Canada, and Germany without ever having met with company representatives. Increasingly, people will do their work wherever they want to live. This makes quality of life extremely important.
- Copernicus is located in Cleveland for the quality of life – good public schools, beautiful neighborhoods, recreational amenities.
- Other factors for choosing Cleveland: presence of a biomedical incubator and low cost of office/lab space.
- If a region has a strong core of people and organizations working on behalf of business, a relatively low cost of living, and a high quality of life, high tech firms will be interested.

VIEW FROM THE PROFESSIONALS

How does a region prioritize? What is the best mix of public and private resources for attracting or retaining investment? What conditions are under a region's control (skilled labor force) and what conditions are not (environment)? Following are key points made on these issues by two economic development professionals and a reporter from *Fortune* magazine.

GENE DePREZ

Director, Corporate Real Estate Services

PriceWaterhouseCoopers

“Our firm is focusing entirely in the next year on responses to e-commerce, e-business, and the issues they raise for our clients.”

- Cleveland and Pittsburgh are recognized as models of success. Both are making the transformation to diversified, service-oriented economies and both are possessed of leadership and vision from businesses, the community, and the foundations. The Allegheny Conference and the Growth Association also have been contributors.
- The global business model is changing rapidly, becoming more and more complex and volatile. There also is an unprecedented level of restructuring, resulting in combinations of businesses that were unheard of just one year ago that are creating new and dramatic business models.
- PriceWaterhouseCoopers is focusing entirely on responses to e-commerce, e-business, and the issues they raise for clients. E-commerce will have a tremendous impact on everything related to business: reaching customers, responding to customers, supply chain, etc.
- Virtually every location decision is now global in character. Companies are rethinking where to put manufacturing plants, distribution centers, headquarters, and regional offices. An entirely new set of situations is being created that involves how a business organizes its own efforts in terms of headquarters and operating centers. The concept of shared service centers – concentrations of professional, technical, legal, real estate, and marketing activities that can easily be located in mid-tier cities – is having a major impact.
- Cities which offer a productive workforce, reduced costs related to that workforce, clusters of talent that are needed for R&D, marketing, administration, communication, and the whole range of information technology functions, will have the best opportunities for growth. Cost is still an issue, but today's low unemployment rate increases the difficulty of finding good people, making it a major priority.
- Strong community colleges and universities can play a major role in providing home-grown talent to businesses.

- Business infrastructure remains important, but the vitality of a community, how it's perceived by residents, outsiders, and potential recruits, is absolutely critical.
- Access by air is becoming increasingly important despite growing use of the internet. Perhaps because of the rise of internet communications, face to face communication is more important than ever. PriceWaterhouseCooper clients will immediately reject an inaccessible location.
- Short commute times are an asset.
- Middle-tier cities such as Cleveland, Pittsburgh, and Indianapolis are well-positioned to attract a number of growing industries, including software development, technology, and shared service centers.
- To be competitive in today's total economy, it is not just metropolitan areas that need to work together. Linking nearby regions, even across state boundaries, would increase the ability to compete in the world economy. Business, government, community, education, foundation, and religious leaders – as well as concerned individuals – need to be involved in the process. It is absolutely imperative that twenty, thirty, sixty, even one hundred people step up to leadership roles.

DENNIS J. DONOVAN
Senior Managing Director
The Wadley-Donovan Group

“Regional economic development efforts most often fail because of a lack of established protocol.”

- The majority of locations and relocations occurring today are standard manufacturers (such as industrial or plastic components) or back office operations. High tech and bio-tech are generating a lot of attention, but they are a minor proportion of the total location decision activity.
- Most industrial/white collar-based companies apply a considerable amount of technology but are not defined as high-tech per se. For these kinds of businesses, which comprise 70% of the marketplace, there is one overriding location variable that is increasingly difficult to satisfy: entry-level labor, available at a reasonable cost and a reasonable quality. (Donovan calls this “labor cubed.”)
- Location decision-makers assume that most communities are going to have the infrastructure in place to present an acceptable business climate. Labor is the selling point.
- There are two key selling points for high tech and bio-tech firms (defined as R&D or any manufacturing process that has a high engineering content in its product line). The first is critical mass. A community must present a talent pool, a research base, and programs in higher education that are geared to high tech industries. The second is quality of life/transferee appeal. Cities such as Pittsburgh and Cleveland have a difficult time attracting recruits. This aversion can only be countered by presenting a distinctive and unique story and documenting local companies’ experiences in national and international recruiting.
- Seventy percent of all relocating companies (standard as well as high tech) are seeking available buildings. Since speculative building is rare, a community must have, at the very least, pre-permitted sites that are ready to go. Lengthy permit approval times make Ohio and Pennsylvania uncompetitive. Permits for routine projects such as standard office, back office, or manufacturing should be available within 30 days. Many states take 45 days. Great Lakes states take even longer.
- Pennsylvania and Ohio have not repealed meaningless public health and safety regulations that are onerous to business.
- The shortening of the location decision-making cycle has made it critical that economic development agencies are able to present relevant information at lightning speed. Although they have made improvements, Cleveland and Pittsburgh are significantly behind in this service.

- Job creation should be an economic development priority in the Great Lakes region. In order of priority, efforts should focus on:
 - Retaining and expanding existing industries/companies
 - Creating new businesses
 - Selective marketing

Retention and Expansion:

- Economic development agencies need to take a “customer service” approach, providing any and all services that are required by or helpful to local businesses. This should not be a 9 to 5 operation. Most of these “customers” are small to mid-sized companies run by people who are too busy to call during bankers’ hours. A customer service center that provides immediate assistance or referrals, open evenings and Saturday mornings, would be a tremendous asset.
- Additional assets: A well-coordinated and effective workforce preparedness program and export assistance.

Creating New Businesses:

- Assets: “Tri-partnership” of university, government and business; incubators; vendor referral programs; and venture capital/match-making/seed capital funds.

Marketing:

- Fast growth fueled by a robust economy is fostering a vocal anti-growth movement within communities. This fairly recent trend makes it important for communities to implement both local and national marketing programs.
- Market the city’s strengths. Don’t waste resources marketing to industries that the area has not attracted or grown naturally.
- Great Lakes region strengths: advanced materials, biomedicine, aerospace, automotive, information technology.
- Northeast Ohio strengths: wide range of manufacturing from standard to high tech, standard and high end back offices, shared service centers.
- Regional opportunities: geographic targeting, including international. International companies are attracted by quality labor, an international business platform, good air service. They also are slightly more tolerant of unionization.
- Keys to success in regional economic development efforts:

- 50/50 public/private partnerships;
 - flexible programs that respond to changing market conditions;
 - strong, top-level, business-led commitment;
 - support of government;
 - involvement of universities;
 - bottoms up support among economic development professionals and elected/appointed public officials at the county level;
 - coordinated “sales effort” between local and regional groups;
 - a regional database with metro-wide statistics to compare counties within a region.
- Regional efforts fail most often because of a lack of established protocols that can address the following contingencies: What happens when a company wants to move from one community to another within the region? Who contacts the regional group if the state gets the lead and the company is only interested in one county? What is the process for handling prospects? What happens if a county gets a lead and starts working on a project? Does the regional group get involved? If so, how? A defined process, with well-established channels of communication is critical.

EDWARD BROWN
Writer-Reporter
Fortune Magazine

“Sun Microsystems and Microsoft may soon expand to other cities. This could represent a serious opportunity to cities that can position themselves well.”

- Cities react in very different ways to being named to *Fortune*'s best cities list. For some, it is cause for celebration; for others it is an opportunity to create their own news; still others pay no attention to it at all unless they are ranked number one. *Fortune* believes that any city that makes the list, regardless of rank, has cause to celebrate.

Choosing the cities follows an established process:

1. *Select theme of issue.* Helps to keep the same three cities (Chicago, New York, Los Angeles) from winning every year.
 2. *Begin quantitative analysis.* Data is compiled by writers and researchers, and surveys are sent to the economic development entity of 100 cities with instructions to distribute them to key area executives. (Data from executives, who have a high level of integrity, is generally sound.) It is a numbers-driven analysis, but a preponderance of factors will result in a city's ranking – no single statistic will make or break a city's chances.
 3. *Apply editorial judgment.* Helps to ensure a good geographic representation, thereby avoiding listing multiple cities located in a hot geographic region.
- Cities seeking to promote their location advantages may benefit from creating an “attraction strategy” which positions the city in relation to national trends. The process involves assessing assets and targeting companies that are a good fit. Austin and Raleigh, which have topped the *Fortune* list in recent years, have used this strategy effectively by targeting the tech industry.
 - An evaluation of Cleveland might reveal the following:
 - Solid civic leadership – advantage.
 - Greatly improved downtown – advantage.
 - Good universities and research facilities, NASA, and the Cleveland Clinic – advantage.
 - Good self-esteem, and an improved image – advantage.
 - “Cleveland” as a brand name still connotes negative image among residents and outsiders – disadvantage.
 - Less expensive than some, more expensive than many others – disadvantage.

- An attraction strategy should also be based on the type of people a city wants and needs to attract. Can the workforce be enhanced by young, talented, individuals who are willing to work cheap to get started? Or does the city's economy depend on more mature, experienced workers who are ready to set down roots and have a family?
- Cities seeking to gain an accurate representation of outsider perceptions may benefit from dialogue with colleagues from other regions. Weigh local perceptions against outside perceptions. Base future strategies and apply resources toward addressing issues where local assessments do not dovetail with outside perceptions.
- Cities seeking to improve outside perceptions will not be successful by simply promoting themselves as attractive. They must identify key strengths and build upon them. Harvard and MIT, for instance, are distinct advantages for Boston. Every city should ask itself "what's our Harvard?" "what's our MIT?" (Austin benefits from the presence of Dell, which was a home-grown business. Other cities benefit by attracting or creating their own special asset. The CEO of Eli Lilly, for instance, took the lead in securing the NCAA for Indianapolis. His actions were based on the belief that the company will succeed or fail based on the quality of people in the city, and it is worth the investment of his time to improve the city.)
- Sun Microsystems and Microsoft appear to have exhausted the pool of talent in their headquarters cities and may be thinking about expanding to other cities. This may be an opportunity for cities that have their act together.

ECONOMIC DEVELOPMENT POLICY SOLUTIONS

Generated by discussion groups and summarized from presentations made at the wrap-up session.

TOPIC 1: THE ROLE OF HUMAN CAPITAL

Requirements:

- Collaborative efforts between area training providers and businesses. (Need to link what is being taught to what employers need.)
- Improvement of basic skills. (Programs for secondary school students should encourage workplace employability skills, and programs for high school students should develop workplace mentors and/or experiences.)
- Businesses serving as the driver of vocational and technical programs.
- Active efforts among high school students to encourage careers in manufacturing.
- A renewed focus on teaching basics – reading, math, writing, and developing a world view of the economy – in elementary and secondary schools.
- An inventory of the current workforce and development of skills that are compatible with the companies targeted for attraction.

Programs and Strategies to Meet Requirements:

- A survey of businesses to identify needed workplace know-how and skills necessary for entry-level workers.
- A program that links high school skill achievement with job guarantees. (Such a program does exist, although participants could not remember the city. In this example, local businesses guarantee two-year contracts for students completing skill level qualifications.)
- Programs modeled after Pittsburgh’s “The Connection,” a partnership of education, community, and business that is providing service to high school students in the Pittsburgh area.

TOPIC 2: THE ROLE OF UNIVERSITIES

Requirements:

- Solid skills training from community colleges, and strong undergraduate and graduate programs from colleges and universities.
- Solid understanding of employer needs.

- Technology transfer.
- Colleges and universities willing to provide leadership and serve as unbiased intermediaries in community dialogue.

Programs and Strategies to Meet Requirements:

- “Matching” programs that connect companies willing to provide training with unemployed or underemployed high school graduates.
- University partnerships with area businesses and research facilities to build understanding of employer needs.
- Emphasis on development of curricula that address the needs of high tech industries.

TOPIC 3: REGIONAL PLANNING AND DECISION-MAKING

- Healthy cities and healthy suburbs strengthen each other and make the region more attractive. Shared interest, rather than direct competition benefits both.
- Transportation systems are vital. Systems must provide sufficient road, rail and air access to markets, as well as move workers to and from the workplace in an efficient way. Long-term operating and maintenance expenses must be addressed.
- Workforce development issues must be addressed. Regions must determine how best to invest in human capital.
- Region-wide land use strategies are imperative for planned physical growth.
- All regional efforts must demonstrate a measurable impact and not just “sound good.”