

BUSINESS AND ECONOMIC CONDITIONS

“We collaborate. It sounds so simple, but it’s a key ingredient in our community’s success. I firmly believe we would not be where we are today without our collective approach to facing challenges and solving problems.”

Jim Anderson, President,
Springfield Area Chamber of Commerce

As Missouri’s third largest metropolitan economy, Springfield and the surrounding five-county region make significant contributions to the state’s economy. A diverse industry base has provided a history of growth and prosperity in the region.

The region continues to foster a strong economy with solid growth. However, the community continues to be faced with the challenge of below average income levels.

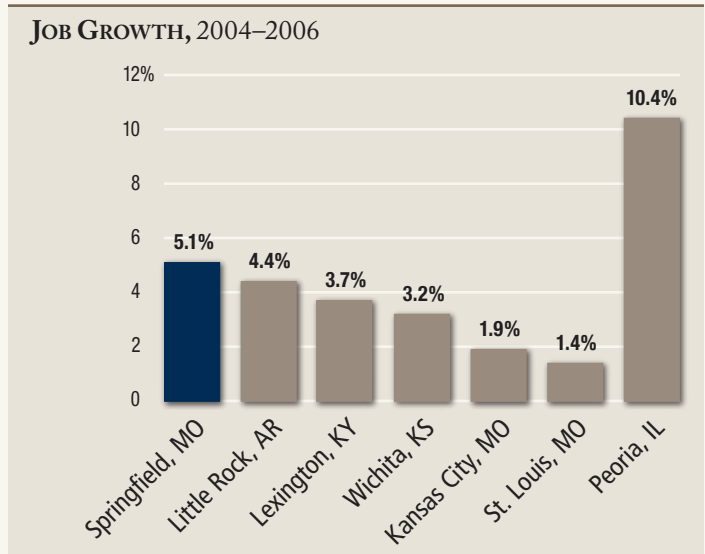
ECONOMIC DIVERSITY. Springfield’s continued economic growth has been fueled by a mixture of businesses. Recent analyses by the Springfield Area Chamber of Commerce describe the annual economic impact of major industries:

- Manufacturing—\$18.6 billion
- Logistics—\$14.3 billion
- Healthcare—\$4.5 billion
- Higher education—\$900 million

Additionally, the business climate is ripe for small businesses and entrepreneurs. Well-known companies such as O’Reilly Auto Parts and Bass Pro Shops started in Springfield and, while they continue to expand nationwide, they maintain corporate headquarters here.

JOB GROWTH AND LOW UNEMPLOYMENT.

The region continues to have a low unemployment rate at 3.8%, far lower than other regions in Missouri. Additionally, steady job growth continues to bolster the local economy. The region saw 5% growth in new jobs between 2004 and 2006. This combination of low unemployment and consistent job growth contributes to the region’s strong economy.



COST OF LIVING. In Springfield, the cost of living index is currently 92.1% of the national average and continues to fall far below all other comparison cities. This lower cost of living is predominantly due to competitive housing costs and some of the lowest utility costs in the nation.

DOWNTOWN REVITALIZATION. Private and public developments continue to bolster the revitalization that has evolved over the last decade in Springfield’s center city. Since 2005, an additional \$69 million in redevelopment has been focused on downtown, bringing the total over the last decade to nearly \$375 million. As more and more citizens have opted for urban living over the last four years, the number of loft apartments downtown has increased by 314%.

Key projects completed during the past two years include:

- Renovation of Wilhoit Plaza which now houses restaurants, shops, loft apartments and a company headquarters
- A \$9 million renovation of the 1,131-seat historic Gillioz Theatre on Park Central East
- Completion of a \$4 million renovation and expansion at the Discovery Center, a children’s hands-on museum in the heart of downtown and the community’s first LEED-certified building (with a Gold designation). This designation, the Leadership in Energy and Environmental Design, was granted based on stringent benchmarks for an environmentally-friendly “green” building and a focus on sustainability.

This urban renewal will continue in 2008 with construction well underway for JQH Arena, an 11,000-seat facility on Missouri State University’s campus, and College Station’s 14-

screen theatre and retail development, as well as the planned renovation of the Heer's development on Park Central Square.

ATMOSPHERE OF COLLABORATION. The level of cooperation and collaboration in Springfield is unusual in cities our size. The willingness of civic and community leaders to come together to address problems and identify solutions ensures a united effort. For example, members of the banking industry joined forces to provide low-cost loans to the City to ensure a much-needed regional crime lab. The collaboration between the higher education and healthcare communities was evident in their work with the Springfield Chamber's Healthcare/Higher Ed Task Force. Other examples are found in the ways the City of Springfield and Greene County have consolidated services for more efficiency and less overlap.

DEVELOPMENT OF TOMORROW'S WORKFORCE. Ozarks Technical Community College is one of the fastest growing community colleges in the nation. Most importantly, it is fulfilling specific needs identified by the region's employer base. Significant examples are its programs in transport training (over-the-road driver preparation), welding and allied health, including medical lab technician preparation.

Other higher education institutions have deliberately created curriculum to meet the labor needs of the region's largest employers.

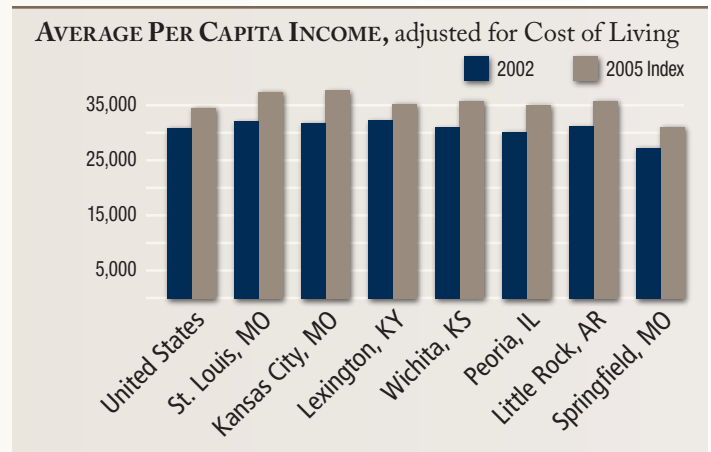
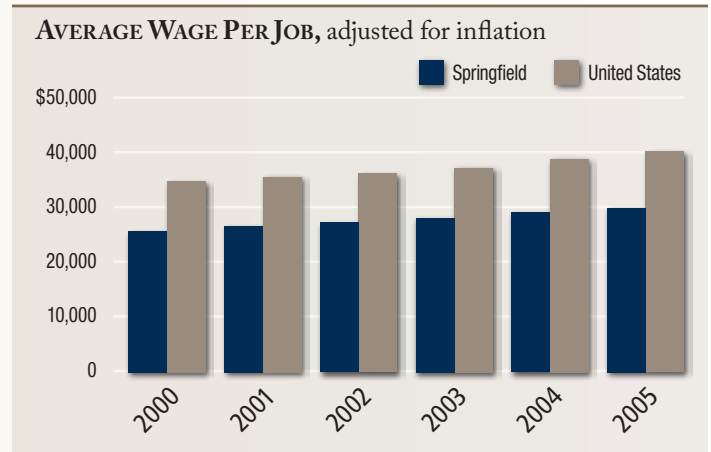
Finally, it is noteworthy that Springfield Public Schools conducted a series of focus groups with business leaders from various industries to identify future workforce needs. The findings were incorporated into the district's long-range plan.

MINIMAL ETHNIC DIVERSITY. Although Springfield's business climate is comprised of many different sectors and is not dominated by one specific industry, its ethnic diversity tells another story.

While Hispanic, Asian, and African American populations have grown in recent years, the metro area's minority population is still less than 8%. This lack of diversity can hinder the recruitment of talented professionals, ultimately limiting the region's potential. Of the more than 35,000 firms in the metropolitan area, less than 1% has a minority business owner.



INCOME AND WAGES. The region's average wage rate and per capita income level continue to fall below comparison cities. While this category showed substantial growth (9.4%), Springfield still lags behind on per capita income, even after adjusting the wage information to reflect cost-of-living differences.



FAMILIES IN POVERTY. Springfield children are more likely today to be living in poverty than two years ago. In 2007, 43.5% of students attending Springfield schools were eligible for the free and reduced lunch program, an indicator of poverty. That number was 40.7% just two years ago. The rising number of children in the free and reduced lunch program is problematic on many levels, and a symptom of the economic challenges facing many Springfield families.

