**Community Focus**

**Business and Economic Conditions**

Since 2008, the nation’s economy has been in turmoil due to the worst recession in decades. As the nation slowly moves beyond the recession, what will the emerging economy look like? Our region must be prepared to take advantage of new economic conditions. Many of our region's employers are realigning their operations and the workforce must have the skills necessary to perform the jobs of the future. While the region has lost long-time employers and the significant number of traditional manufacturing jobs they provided, such as Solo Cup, the region's manufacturing industry has remained innovative and competitive by doing more with fewer employees. Additionally, these jobs are being replaced by employers new to the market, such as Expedia, with service-oriented positions requiring different skill sets and training. In conjunction with this realignment, attracting and retaining young talent through professional opportunities and quality-of-life amenities will be more important than ever.

**Blue Ribbons**

- **Higher Education Creates Framework for Economic Growth**

  The area’s higher-education institutions have a notable impact on our future economic growth. Collectively, they are making continual on-campus investments to meet the growing needs required by record enrollments. Simultaneously, these educational institutions also play an important role in revitalizing and stabilizing the community that extends beyond the campus. Examples of this include the ongoing development of Mizzou State’s IDEA Commons, the continued expansion of Ozarks Technical Community College, and Drury University’s commitment to both the university campus and Commercial Street.

  The ability to leverage higher-education programs and partnerships that focus on entrepreneurship and innovation is a key component for the region's continued prosperity. In addition to IDEA Commons, numerous programs and partnerships also exist where there is a fusion between business and education, including the Edward Jones Center for Entrepreneurship and Innovation, Plaster Center for Free Enterprise and Business Development, the Springfield Angel Network, and the Entrepreneur Exchange. Not only does the investment in these types of programs set the stage for high-tech, high-wage job growth, but it also provides urban-like opportunities for talented young professionals who might otherwise seek to live elsewhere. However, it is important to note that while this has been identified as a blue ribbon, continued growth and progress in this area is in jeopardy due to significant funding limitations at the state and federal levels.

- **Downtown Redevelopment**

  Even during an economic downturn, Springfield’s urban core has experienced significant redevelopment, continuing to bring excitement, new amenities, increased activity and investment to downtown Springfield. Major projects include Bistro Market, renovation of Park Central Square, a variety of new restaurants, and sidewalk improvements to increase the walkability of downtown. The Bistro Market, in particular, adds a major component of urban living to Springfield's center city, a grocery store, making daily life more convenient and encouraging residential growth. Recent cultural, shopping, dining, and quality-of-life improvements continue to characterize downtown redevelopment. These efforts will continue to bring vibrancy downtown to encourage downtown living and help address an emerging doughnut effect.

- **Low Cost of Living**

  At a 12 percent below the national average, Springfield's low cost of living means that a person's income goes further here than in other cities to purchase food, housing, utilities, transportation, healthcare, and other elements of life’s necessities. In all of these areas, Springfield outperforms the nation and most other metropolitan areas as being an affordable community in which to live and do business. Especially in housing and utilities, at 23.4 percent and 16.7 percent, respectively, below the national average, Springfield's low cost of living encourages continued economic growth. In particular, some of the lowest utility rates in the nation make Springfield's business climate more competitive, bringing new jobs and investment to the community.

- **Community Engagement on Tough Issues**

  Even strong and growing communities have problems, but Springfield does not shy away from addressing them. Over the last several years, the community identified key areas for improvement to ensure Springfield's long-term economic health, which include a need for more civility in public discourse, a lack of cultural and ethnic diversity*, systemic poverty, and a call for increased civic engagement on community issues. While there may not be short-term answers to these problems, community leaders have brought them to the forefront, and they are now part of the conversation and strategy for improving the community's economic health and quality of life. These issues directly affect Springfield's competitiveness in the 21st century global economy. Elevating these topics has been an important first step in addressing these challenges.

- **Workforce Development**

  As a regional center for higher education and workforce training, the Springfield area is supported by the strength of numerous academic institutions. Over the last several years, every college and university experienced record enrollment, with a combined student population of nearly 50,000. Likewise, Springfield R-12 is the largest accredited school district in the state of Missouri, with nearly 25,000 students. In 2009, Springfield Public School students scored an average 22.9 on the ACT, more than a point higher than Missouri’s average of 21.6 and nearly 2 points higher than the United States’ average. Additionally, stronger and more aligned education and workforce training systems are the focus of a newly established P-20 Council (see Education section for more information). This will allow the regional workforce systems to retool to create many learning pathways to meet the needs of a non-traditional workforce seeking more relevant skills to be competitive, and establishing life-long learning opportunities for all ages. Because of the educated workforce, Springfield can compete in a dynamic, global economy. The large number of students attending academic institutions today, acquiring knowledge, and improving their skills will provide Springfield with a workforce ready to meet the challenges of tomorrow.

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* Jerry Harmison, 2011 Chairman of the Board, Springfield Area Chamber of Commerce

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Springfield’s economy comprises a broad mix of businesses and industries, and no one particular sector dominates. This economic diversity has helped insulate Springfield from the harshest and most long-term effects of the recession that were felt in areas solely dependent on one or two industries. Perhaps more importantly, Springfield’s broad economic base positions the community well to adapt to a changing economy. Springfield attracts a variety of successful industries due to strategic advantages such as its central location in the United States, higher-education availability, low utility rates, and quality workforce.

The effects of what has been referred to as the Great Recession of 2008 have had a profound impact on our country and our region. Historically, the Springfield region has been fairly insulated from negative economic downturn, but the extreme nature of the 2008 recession affected our local economy as well. Unlike previous recessions, local unemployment and job loss numbers did match national trends for a period of several months. But the resiliency of the area is still strong and this can be seen in the way the regional economy has begun to bounce back while national numbers lag behind.

Red Flags

Public Sector Declining Budgets

Even as the broader economy slowly improves, the public sector faces challenges in the years ahead. In many cases, federal stimulus funding has been exhausted and tax revenues are still significantly down, potentially forcing deep budget cuts in critical areas. Particularly in K-12 and higher education, significant cuts have already been made. Further cuts have the potential to have a lasting impact on the education system, its students, and the future workforce. Beyond education, other critical areas that may be negatively affected include transportation infrastructure and public safety – all vital components for establishing a business climate conducive to job growth.

Fragile Support for Economic Development*

With the continued strain on public sector budgets, increased public concern exists regarding local government’s role as a partner in economic development. As a result, local and state government officials have a limited ability and in some cases lack the willingness to participate in economic development. The need exists to further educate elected officials and citizens alike on how support for economic development lends itself to long-term regional economic prosperity through job creation. These investments go beyond industrial parks and include everything from school sidewalks to transportation infrastructure to urban research parks. Establishing a climate supportive of economic development is imperative for continued business investment.

Income and Wages

Since identified in the 2005 Community Focus report, per capita income levels and average wage rates in the Springfield region have consistently fallen below the national average. This category has shown continued growth, yet Springfield still lags behind, even after adjusting for cost-of-living differences. However, some peer communities actually have lost ground in recent years due to the effects of the recession while others, including Springfield, have seen modest increases in per capita income.

Effect of Poverty on Economic Development

The poverty levels in Springfield continue to grow and that trend has been exacerbated by the ongoing economic downturn over the last two years. Today, one of every two single mothers in the Springfield region is living in poverty and nearly 50 percent of children in the Springfield R-12 School District qualify for a free or reduced lunch. The rising levels of families in poverty bring tremendous societal challenges including increased crime, family violence, drug and alcohol abuse, financial instability, and reduced educational attainment. A continued long-term focus and community collaboration to create systemic change is vital for addressing this issue.

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* Indicates Emerging Issue in 2009 Community Focus Report