

**BLUE RIBBONS** Strength and growth · Welcoming startup environment · Strong education system

**RED FLAGS** Skilled worker shortage · Continued need to address wages · Lack of sustained population growth

## Economic strides need workforce support

Since 2021, the economic landscape has transformed. Recovery from the pandemic, injections of capital, and workforce trends have shifted what “economic vibrancy” looks like in successful communities. The Springfield region has maintained positive momentum in several areas, while struggling with ongoing barriers to growth.

### BLUE RIBBONS

Several factors contribute to our region’s **economic strength and consistent growth**:

- Continued low unemployment, with an average 2.2% unemployment rate for the Springfield MSA in 2022, below state and national averages. In August 2023, it was 2.4%, equal to the percentage in August 2022.
- Investment into public infrastructure, sports and tourism facilities, and transportation projects, such as improvements to LeCompte Road. The federal American Rescue Plan Act funding brought \$57 million to Greene County and \$40 million to the City of Springfield.
- Rebounding sales tax revenues, with a 23.6% increase in Springfield and 25% increase in Greene County from 2020 to 2022.
- Flourishing travel and tourism activity, with a 14.6% increase in passengers flying through Springfield-Branson National Airport from 2021 to 2022 and Springfield hotel occupancy rates and daily revenue outpacing state and national averages.
- Completion of a major fiber network expansion from City Utilities’ SpringNet, expanding high-speed broadband access to residents and businesses.
- A growing sense of connectedness and desire to foster a regional perspective in placemaking and economic development.

Challenges over the last two years include community tensions regarding development projects, slowing growth and highlighting the difficulty of aligning city zoning codes with Forward SGF, the city’s long-range plan, as well as uncertainty with regulatory and tax structure changes.

The Springfield region remains a **welcoming environment for entrepreneurs, startup businesses and young professionals**. In 2022, the efactory at Missouri State University and



### RECENT SUCCESS STORY

Ozarks Technical Community College opened its new \$40 million Robert W. Plaster Center for Advanced Manufacturing in August 2022.

The largest building in OTC’s history, the 120,000-square-foot center aims to train the Ozarks’ workforce and serves as the home of seven technical training programs. During its first academic year, the center served 757 students, 240 of whom were enrolled in courses primarily focused on industry certifications and ongoing education. Its programs have nearly 100% job placement rates, with starting

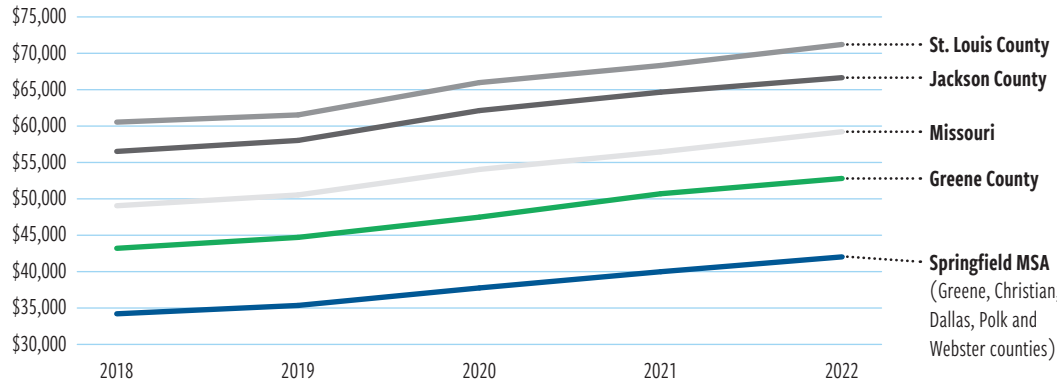
average salaries as high as \$55,266.

Since opening, the center has worked with 11 companies, including local employers Holloway America, Kraft Heinz Co., Paul Mueller Co., Positronic, and SRC Holdings Corp., to train 243 employees in areas such as hydraulics, robotics and project management. DT Engineering currently occupies space within the center to manufacture custom-engineered automation equipment. OTC estimates that through its construction and first year of operation, the center has had an economic impact of more than \$30 million for the Springfield region.

PHOTO COURTESY OF OZARKS TECHNICAL COMMUNITY COLLEGE

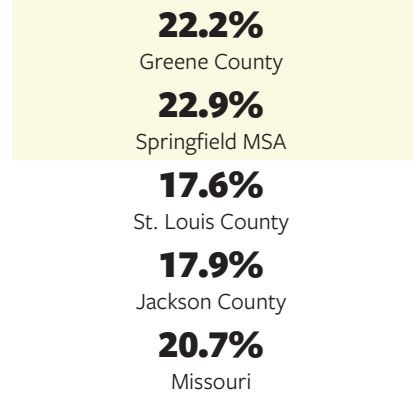
### KEY METRICS

#### Average Wage Rates



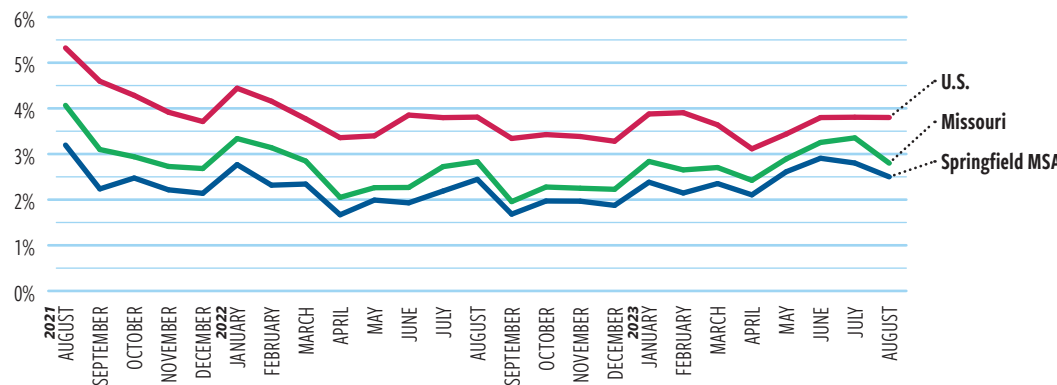
SOURCE: BUREAU OF ECONOMIC ANALYSIS

#### Average Wage Growth, 2018–22



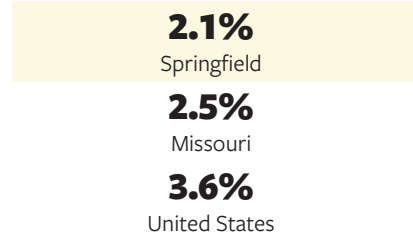
SOURCE: BUREAU OF ECONOMIC ANALYSIS

#### Monthly Unemployment Rate (seasonally adjusted), August 2021–August 2023



SOURCE: JOBSAQ

#### 2022 Annual Unemployment Rate



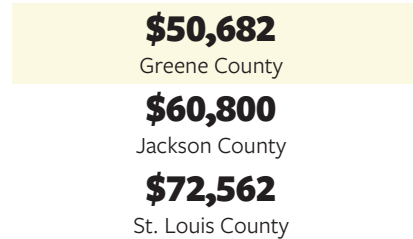
SOURCE: BUREAU OF LABOR STATISTICS

#### 2022 Annual Cost of Living Index

	AVERAGE	GROCERY	HOUSING	UTILITIES	TRANSPORT	HEALTH CARE	MISC.
JOPLIN	82	91.4	62.5	97.5	94.1	92.9	85.2
ST. LOUIS	86.3	97.4	74.1	93	90.3	88.9	88.2
SPRINGFIELD	<b>87.4</b>	95.9	74.5	86.2	89.1	99.2	92.5
MISSOURI	89.1	95.4	79.9	94.8	91.8	92.3	91.3
KANSAS CITY	94.9	92.4	102.4	101.6	86.4	88.5	91.2
COLUMBIA	95	99.9	86.1	95.6	99	91.8	99.5

SOURCE: COUNCIL FOR COMMUNITY AND ECONOMIC RESEARCH

#### 2021 Median Household Income



SOURCE: U.S. CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY

Codefi LLC announced the launch of Southern Missouri Innovation Network (Innovate SOMO), a partnership to accelerate digital workforce development and entrepreneurial support.

Springfield continues to have a **strong education system at all levels**. Springfield Public Schools' four-year graduation rates have exceeded state rates, the district adopted a new strategic plan, and its largest no-tax-increase bond issue, Proposition S, passed by more than 75% in

the April 2023 election to support school building upgrades. Springfield's colleges and universities have maintained stable enrollment and are investing in capital projects and enhanced programs thanks to statewide funding and fundraising campaigns.

#### RED FLAGS

A **shortage of skilled workers** remains a challenge. Statewide funding for workforce incentive grants and support

for employee training aims to foster skills attainment. While job seekers have more opportunity for remote work in a competitive environment, the two most critical barriers to employment in the Springfield region are childcare and transportation.

Progress has been made to **address wages** in the Springfield region. Wages are market-driven, and while low-skilled wages may remain at the state minimum wage of \$12/hour, many employers feel the effective starting wage is now \$15/

# 2023 UPDATE

## BUSINESS & ECONOMIC DEVELOPMENT

hour in Springfield. In fact, average annual wages have increased 22.2% over the last five years in Greene County, with an average annual wage of \$52,825 in 2022. The county's median household income continues to lag behind Jackson and St. Louis counties, however.

A **lack of sustained population growth** contributes to the workforce shortage. Greene County is growing at a rate of less than 1% per year, for a total population increase of 4.2% from 2018 to 2022, and overall, the population of Springfield's five-county MSA

is expanding only slightly faster. While many point to a desired growth rate closer to 2–3% per year, others feel that stable growth helps avoid community growing pains, especially while employers can draw from a larger regional labor basin.

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*The Business & Economic Development 2023 Update was produced by Jen Johnson of the Springfield Area Chamber of Commerce, with input from Evander Gonzalez, Bill Hammit, Allen Kunkel, Lauren Mustoe, Amanda Ohlensehlen, John Oke-Thomas, Robert Randolph and Mary Lilly Smith.*

### ABOUT THE 2023 UPDATE

This interim update reviews current data for the Blue Ribbons and Red Flags from the 2021 report. The 20th anniversary report, to be released in 2024, will develop an updated list of Blue Ribbons and Red Flags.