

Evidence-based:

- Assets & Challenges
- Comparative Advantage

Focused on Regional Economic Development:

- Economic Focus
- Regional Focus

Module 6

Introduction

In Module 5, your region worked on analyzing and selecting regional industry clusters for further exploration. During Module 6, your team will explore the top regional industries in much greater detail. This process will lead to identifying both challenges and assets to the cluster's success. One specific challenge entitled leakages will be explored in detail. The module presentation depicts a regional cluster as a leaking bucket in that if too many of your inputs are coming from outside the region, then the economic strength of the cluster in the region will be lessened. Module 6 begins an exploration of viable strategies to combat leakages through the C.A.R.E. framework.

To provide a sample of how these elements may be woven together, this document will focus specifically on the leakages, assets and challenges that Southern Tier identified while exploring the health cluster. Moving into Module 8, these discoveries will clearly frame one of the five themes within their final plan.

Regional Assets and Challenges

"Health care and social assistance" was one of the industrial clusters identified within the region as being especially strong. In fact, it was measured to be the largest industry sector by employment in the region as well as the largest new job generator, adding almost 3000 jobs from 2005 to 2010. (Page 67) However, this promising trend is mitigated by worrisome demographic trends. The Southern Tier anticipates that the 65+ age group will grow 35% over the next 20 years while the 25-44 age group will decline. Also of concern, the regional rate of

overweight and obesity exceeds 60% and, with rapid aging, is driving increasing rates of chronic disease.

Adding to the demographic challenges facing the health care industry, Southern Tier notes that the current health systems in the region use internal rather than regionally integrated electronic medical record applications, which limit their ability to develop and implement regional best practices that produce better outcomes at lower costs. Another strain to the system is that the region is already experiencing shortages in primary care medicine, health care faculty and clinical and support staff. There is a shortage of workforce training programs and faculty to prepare aspiring health care professionals for future careers. And finally, the region notes a lack of capacity in the existing long term care delivery system to manage the expanding needs as the population ages. (Page 14) Taken together, these challenges translate into economic leakages as the population seeks health care services, particularly related to aging and chronic disease, outside the region.

While the challenges are great, the region also notes important assets that are in place. For instance, the region's two universities have excellent information technology departments with the capacity and interest to assist in helping the region's five major health care systems design an integrated electronic medical records system. These systems have also voiced a desire to work together on an integrated system. This is believed to have promise in improving cost efficiency and quality enhancements within the existing systems. This aligns with Retention and Expansion efforts within the C.A.R.E. structure.

Another asset identified within this discussion is the availability of a number of underused or unused properties within the region that could be repurposed as long term care facilities to support the health care industry's attempt to respond to the needs of the aging population.

Comparative Advantage: Identifying & Addressing Leakages

As noted above, the overall aging of the region's population has resulted in an increased need for healthcare services that are not at a level within the Southern Tier region so as to manage the growing need. This becomes a leakage because the residents are forced to go to outside of the region for services that are not provided within the region or for which the region is over capacity. One particular leakage noted is the lack of long term care facilities that would allow the aging population to remain in the region and would also provide expanded job opportunities as the demand for services increased. The region made an important connection between this challenge and an identified asset: the underused properties in the region. The final plan includes the development of a model community within the region that repurposes these unused properties to house innovative, new senior care communities that would provide a continuum of care to accommodate the needs of those reaching retirement age. This approach aligns with a Creation and possibly an Expansion effort within the C.A.R.E. structure.

Economic Focus and Regional Focus

Focusing on a single industry within the Southern Tier plan, clear connections to both the economic perspective and regional perspective are evident. In support of the healthcare industry, connecting all of the regional health care systems into a medical records system that will help reduce costs is both a clear economic focus as well as regional focus. Likewise, while the plan to create a model retirement community in one part of the region appears to be more community focused, the region writes that the plan does not stop with the development of the model. Instead, the model becomes the blueprint for establishing a network of retirement havens within the region, ensuring that the associated economic leakage is well sealed, keeping both the valued senior adults and the related health care jobs close to home.

Your Plan: What to Do in Module Six:

As you deepen the exploration of industrial clusters within your region, look for the leakages that the region has potential capacity to address. What assets and challenges will impact these industries in the near future? (This will be explored further in Module Seven.) Consider also the demographic features of the region examined in Module Two to see how these elements interplay with both the demand for goods and services within the region as well as the associated workforce needs to support cluster development. Connecting these vital keys make for a stronger plan with greater likelihood of success.

Continue drafting the Regional Economic Data section of the template.

Continue building these sections as you explore Modules 7 and 8.