Stronger Economies Together

Strategies for Building New Economic Opportunities

Module Two: Exploring Your Region's Economic & Demographic Foundation

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Module Two: Exploring Your Region's Economic & Demographic Foundation

This module will help the SET regional team examine the economic, workforce and demographic features of its region in preparation for developing the High Quality Regional Plan.

Group Exercises

Slide 7:	Group Activity (Handout One)
Slide 12:	Your Turn - Dig In! (Handout Two and Demographic Profiles of the State, the Region and Its Counties)
Slide 14:	Identifying Skills in the Region (Creative, Working and Service Classes Data Sheet)
Slide 15:	Evidence Based: What Matters Most for the Regional Plan
Slide 18:	Final Thoughts

References

Barta, S., Frye, J., Nelson, J., Paterson, S., Ralstin, S., Wittman, P., & Woods, M. (2010). C.A.R.E. Model. *Southern Rural Development Center.* Retrieved from http://srdc.msstate.edu/care/

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Florida, R. (2002). *Rise of the creative class: And how it is transforming work, leisure, community, and everyday life.* New York, NY: Basic Books. ISBN 0-465-02476-9

Robison, M. H. (n. d.). Defining a functional economic region. *EMSI Resource Library.* Retrieved from http://www.economicmodeling.com/wp-content/uploads/2007/10/wp_defining_functional_economic_region.pdf

Web link
U.S. Census
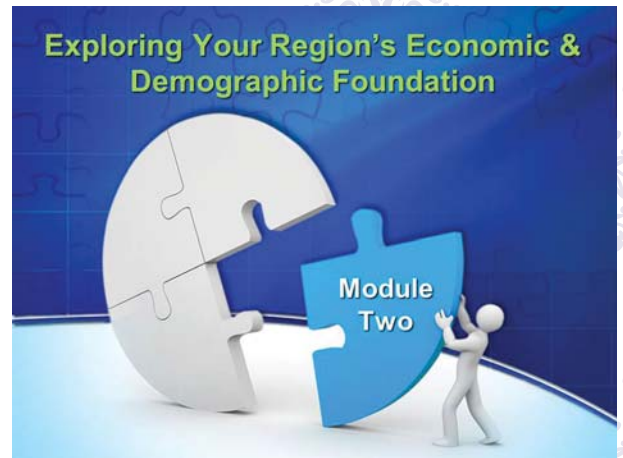http://quickfacts.census.gov/qfd/index.html

Instructions:

Have this slide showing as people enter the room. If some time has elapsed since Module One, ask if anyone has questions about SET. If new people have joined the group, ask the group to briefly introduce themselves – name, organization, why they are here, and what they hope that this project will achieve. NOTE: Be sure to allow time at the beginning for any reporting from previous session.

Exploring Your Region's Economic & Demographic Foundation

Module Two

Slide: 1

Time: 1 Minute

Additional Comments:
Be sure to spend as much time as needed to answer questions. It is important that everyone is on the same page before proceeding. Make sure everyone understands that each session will continue to build on previous sessions. Therefore, everyone's participation at each session is vital. Consider putting the planning schedule on a poster in the meeting room.

Script:

"Welcome to the SET initiative. Today, you will have the opportunity to develop a better idea of what is happening in your region, from the standpoint of its economic, workforce and demographic (i.e., population) features. Today's key topics include an examination of the region's economic development activities, the major economic drivers in the counties that make up your region, as well as the area's workforce and population features."

Use the bulleted items on the slide to provide an overview of Module Two.

Session Overview
- Examine the current economic development strategies being pursued within the region's communities or counties
- Explore the region's demographic and workforce features
- Deliverable: Assessment of the region's strengths and concerns
- HQP: Prepare a summary of key findings

Slide: 2

Time: 1 Minute

"During today's session, we will consider a definition of economic development and share a framework to help assess the nature of the economic development activities being pursued at the present time by counties (and/or communities) in your region. We will then explore the important demographic and workforce features of the region. The purpose of this session is to establish some baseline understanding of your region – information will be essential in your efforts to incorporate evidence-based information in your High Quality Plan. What we mean by evidence-based is that your plan relies on sound, factual information and research. The information being analyzed in this session will help you gain a better feel for the economic, workforce, and population assets and concerns that exist in your region."

Producing a high quality regional plan (HQP) is one of the important products the regional team is expected to prepare and implement as part of the SET program. The accompanying chart outlines the five core components of a HQP. Most of the information presented in this module will be of value to the team as it seeks to address the "Evidence-Based" aspect of the plan. It is important for the team to pay close attention to the economic, workforce and demographic data on the region – information that can be tapped for building the "evidenced based" portion of the plan. In addition, acknowledging the economic development efforts already underway in the region will help the team determine the mix of strategies in place that can support and add value to the region's major economic development assets.

Producing a High Quality Plan:
The Essential Components

Evidence-Based

Practical

Aligned with Vision & Goals

Team's Regional Plan

Broadly Supported

Focused on Regional Economic Development

Slide: 3

Time: 2 Minutes

Script:

"The ultimate purpose of SET is to build and implement a high quality regional economic development plan. Today, we will share data and other information that will be of value to you as you begin to develop the "evidence based" portion of your region's High Quality Plan. One important part of that evidence is captured from data – information that helps paint a picture of the economic, workforce, and demographic characteristics of the region. At the same time, it is useful to take stock of the current economic development activities and strategies that counties and/or communities that make up your region are pursuing. It is a good way to examine the complementary as well as the unique aspects of the economic development efforts of these counties/communities."

SET teams are being asked to create a sound economic development plan for the region. Therefore, developing a shared understanding of what economic development is all about may be helpful to the team. Take time now to provide a definition economic development, and seek input/reactions from team members.

Script:

Slide: 4

Time: 1 Minute

"As we move into the content of SET, having a shared understanding of what economic development is all about is important. Let's consider the following definition to get us started." [Go to the next slide.]

The elements highlighted in this slide are drawn from a Southern Rural Development Center publication by a team of Extension educators at Oklahoma State University. Review these terms with the participants.

Elements of Economic Development

Source: Barta, et al., 2010

Slide: 5

Time: 3 Minutes

Source: Barta, S., Frye, J., Nelson, J., Paterson, S., Ralstin, S., Wittman, P., & Woods, M. (2010). C.A.R.E. Model. *Southern Rural Development Center.* Retrieved from http://srdc.msstate.edu/care/

"This slide suggests that there are three key terms that can help you develop a common understanding of what we mean by economic development. Drawing from a publication produced by a team of Extension economists at Oklahoma State University, the three elements are:

Economy: A system for meeting the needs and wants of people in a particular geographic area, such as a community, region, state, nation, or world.

Development: Improvements in the well-being of residents in a particular geographic area. This includes such measures as expanding the economic base, improving services, or providing equality of opportunities to all residents.

Economic Development: Refers to an expansion of the economic base through the efficient allocation and use of available resources. A working definition of economic development could be any activity which provides additional jobs and income.

However, in its broadest sense, economic development focuses on the maintenance or improvement of the quality of life of people in a specific geographic area. In other words, it is more than creating jobs and increasing income. It's about pursuing economic activities consistent with the region's vision and goals and embracing strategies that seek to benefit all residents of the region, not only a chosen few.

Let's get your reactions to the definition of economic development. Is there anything missing?"

In nearly all cases, the economic development activities being pursued by most communities or regions can be captured by the C.A.R.E. model. Introduce the four elements associated with C.A.R.E.

The C.A.R.E. Model

Creation
• Encourage the formation of new businesses in the region

Attraction
• Recruit industries or businesses to the region

C.A.R.E.

Retention
• Maintain or strengthen existing firms in the region

Expansion
• Encourage the growth of existing firms in the region

Script:

Slide: 6

Time: 2 Minutes

"Your communities/counties may be currently pursuing several economic development strategies. With few exceptions, these activities can be classified into one of the four quadrants on this slide – something we call the C.A.R.E. model. It refers to Creation, Attraction, Retention and Expansion.

- **Creation** involves encouraging the formation of new firms from within the region.
- **Attraction** includes efforts to recruit business and industry to the region.
- **Retention** strategies maintain or strengthen the region's existing firms.
- **Expansion** encourages the growth of existing firms in the region."
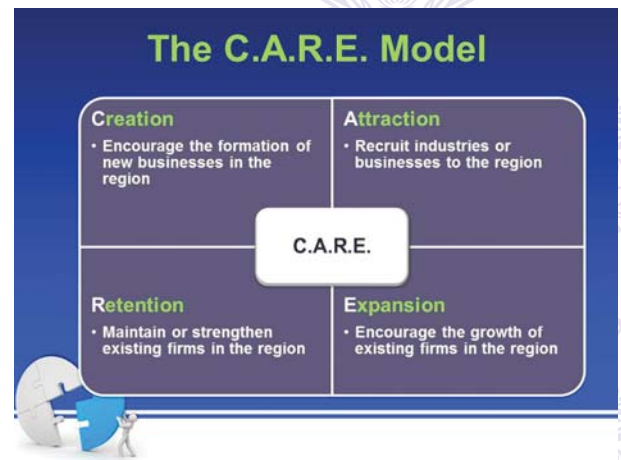
Having an understanding of the economic development activities being pursued by counties involved in the SET regional effort is important. Are the efforts similar, conflicting, or complementary? Do they reflect the multi-pronged approach represented by the C.A.R.E. model? This activity offers a useful way to examine these questions.

Group Activity

- Categorize activities using the C.A.R.E. model
- Identify common activities, major differences
- Examine the balance between activities in each component of the C.A.R.E. model

As homework, participants were asked to record on the C.A.R.E. handout activities in place in their region. Ask the team to use this information to carry out this exercise. Two different approaches are suggested depending on the size of the regional team.

Slide: 7

Time: 20 Minutes

Handout One: Current C.A.R.E. Activities

Large groups (several representatives in each county): Give each county one flip chart page divided into four parts as shown on slide 6. Ask them to collectively categorize their county and/or community economic development activities into the appropriate quadrant. Next, ask each county team to share its results with the entire group.

Small groups (only one or two in each county): Give each county a different color of marker or sticky notes. Using four flip chart pages labeled for each C.A.R.E. component, ask each county team to write on the sticky note, or directly on chart paper, the types of economic development activities their counties are pursuing. Please make sure the activities are placed in the correct category. For example, if a county is trying to recruit a new industry to come to their area, then the sticky note should be placed in the paper labeled "Attraction." When the placement of all notes are completed, have participants comment on the distribution of activities across the four categories. Are the various counties pursuing similar or different approaches to strengthen their economies?

Lead the group discussion with the questions listed below.

Script:

"It is important to examine the mix of economic development activities that counties in your region are currently pursuing. In particular, we want to honor the valuable economic development strategy work that has been completed in many of your counties. We are going to devote a good portion of time today to reviewing

the economic development plans/priorities of the counties that make up your SET region.

[Large groups:] Each county has a flip chart page labeled with the C.A.R.E. components. We will take about 10 minutes for you to categorize the current economic development activities of your county. Please list the activities within the appropriate categories. We will then share with the other groups.

[Small groups:] Each county has a different colored marker/sticky note pad. Think about the current economic development activities of your county. Add these to the C.A.R.E. component charts around the room. Once everyone has finished, we will examine the results together.

[When the classification of the activities are completed, ask the entire group to discuss the following:]
• What common strategies exist across the counties (and/or communities) that make up your SET region?
• What are some key differences? Why do you think these differences exist?
• Which of the four components of the C.A.R.E. model tends to most common in these plans? Which components are less often included in these plans?
• Do the economic development efforts of the counties seem balanced or unbalanced to you – do the plans give sufficient attention to each of the four C.A.R.E. components? What strategies are missing?

Group Activity

• Categorize activities using the C.A.R.E. model
• Identify common activities, major differences
• Examine the balance between activities in each component of the C.A.R.E. model

Slide: 7 continued

Time: 20 Minutes

Handout One: Current C.A.R.E. Activities

The next section focuses on important demographic features of the region.

EXPLORING THE DEMOGRAPHIC FEATURES OF YOUR REGION

"This next section offers the opportunity to examine the demographic features of your region. There are at least two reasons why it makes sense at this point:

1. It is a good way to introduce you to data that you may not have seen before on your region.
2. It gives you a chance to see how counties that make up your SET region might share similar traits or might differ in some important ways (such as the educational attainment of adults or the age structure of the population)."

Slide: 8

Time: 1 Minute
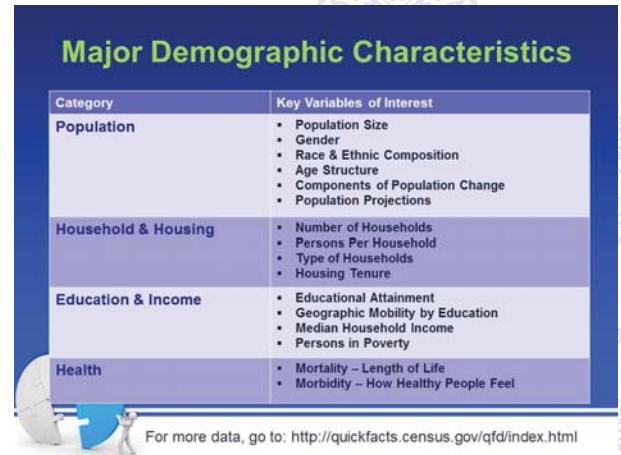
The amount of information available for the SET region can be overwhelming. We want to offer the team the opportunity to carefully study key demographic data on their region and counties – specifically information on population, household and housing, education and income, and health.

Major Demographic Characteristics

Category	Key Variables of Interest
Population	• Population Size • Gender • Race & Ethnic Composition • Age Structure • Components of Population Change • Population Projections
Household & Housing	• Number of Households • Persons Per Household • Type of Households • Housing Tenure
Education & Income	• Educational Attainment • Geographic Mobility by Education • Median Household Income • Persons in Poverty
Health	• Mortality – Length of Life • Morbidity – How Healthy People Feel

For more data, go to: http://quickfacts.census.gov/qfd/index.html

Slide: 9

Time: 2 Minutes

"You can find a wide variety of statistical information on the counties in your SET region. If you're not careful, you can become quickly overwhelmed by the volume of data that exist. The key is to focus on the items that can paint a good picture of the core population features of your counties.

To start the process, we have generated a set of regional and county reports that showcase the variables listed on this slide. These items are classified into four major categories: population, household and housing, education and income, and health. In a moment, I'll distribute a regional report that summarizes data for all the counties in your SET region, as well as individual profiles for each county.

If you want to examine data items beyond those that we have prepared for you, we recommend you visit the U.S. Census website listed at the bottom of this slide."

The team will be given the opportunity to study the data generated on their region and its counties. First, however, give them pointers on what they should look for as they delve into the information. Highlight the team's three options for examining the data provided.

Data Analysis Options

- Cross-sectional – look at data at one point in time
- Comparative – examine data in your county relative to other counties
- Longitudinal – focus on changes in the data over time
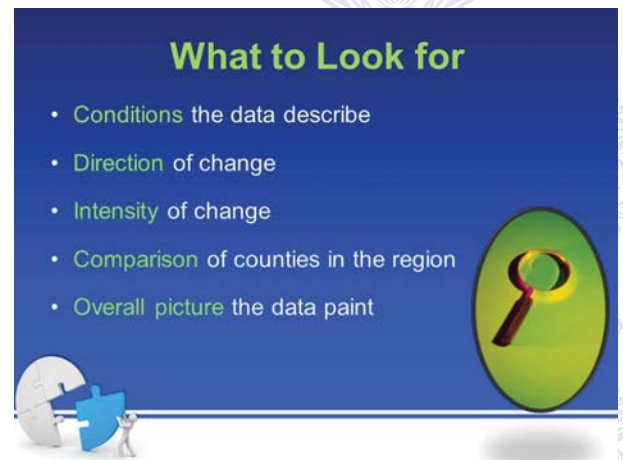
Script:

Slide: 10

Time: 2 Minutes

"As study the information generated on your SET region and its counties, consider these options that will allow you to better understand how to maximize the value of the data. When you begin analyzing the data, examine it in three different ways:

1. **Cross-sectional:** Look at the data for a specific year, such as 2000 or 2010. What are the statistics showing in terms of the size and composition of the population?
2. **Comparative:** Compare data for a given year across counties. What counties share similarities? Which ones are different from each other?
3. **Longitudinal:** How are the characteristics of the population changing over time, for example, between 2000 and 2010? Is the racial and ethnic composition changing? What's happening to the age structure?"

This slide highlights additional ideas on how to examine the data.

What to Look for

- Conditions the data describe
- Direction of change
- Intensity of change
- Comparison of counties in the region
- Overall picture the data paint

Slide: 11

Time: 2 Minutes

"Take note of these factors as you study these data as well as any other data that you'll examine as part of SET:

- Take note of the **conditions** that are described by the data, such as the level of poverty, percent of adults with low levels of education, and percent of the population composed of senior citizens (65 and older).
- What is the **direction of the change** in some of the variables? Is the situation getting better/worse or going higher or lower over time?
- Is the **nature or intensity of the change** sizable or minimal? For example, many counties may have experienced an influx of Hispanics, but the growth may have been quite large in one county versus another county.
- When doing a **comparison**, which counties are doing better than the region as a whole? Which ones are doing worse? Why?
- Finally, step back and take a look at your findings. What's the **overall picture** the data are painting for the SET region and/or its counties?"

Instructions:

Distribute the data profiles that have been prepared on the SET state, region, and counties, which are found on the SET website. Ask them to study the information using the guiding questions offered in the previous slides. Give the group 30 minutes or so to complete this activity and then an additional 15 minutes for small groups to report to the larger group.

To prevent the possibility of information overload, consider using the following strategy (or some variation of this approach):

1. Divide the SET team into groups of 3-5 people. Give each group a copy of the regional data, but only one county profile. If there are more county profiles than there are small groups, divide the remaining county profiles equally among the groups.
2. Ask each group to examine the data and to list on a poster paper some of their key observations/findings. Groups will use Handout Two: Data Analysis Guidelines to help them. Groups should post their observations on flip chart paper.
3. Call on a representative from each group to report the highlights of their findings.
4. After each group has reported, ask: "What did you find most surprising? What data were of greatest concern to you? What data did you find most encouraging? Other overall observations you want to offer?"
5. Then, ask: "Knowing what we know now about the profile of the region and its counties, are there people you feel are not represented on your SET team that should be invited to be part of your group? Specifically, are there certain demographic groups that need to be involved in SET?"

Slide: 12

Time: 45 Minutes

Handouts:

- ***Demographic Profiles of the State, the Region and its Counties*** (located on the SET website)

- ***Handout Two:*** Data Analysis Guidelines

We now turn to the third major topic in this module, the availability of a quality workforce, which is quite important to the economic development opportunities in the region. The main workforce-related issues we want to address are outlined in this slide.

Script:

"We want to now turn our attention to a third major topic, the region's workforce. Specifically, we want to explore the following questions:

Who are the region's workers?
- Are they blue collar or white collar?
- Do labor force participation rates indicate a willingness to work?
- What experience do they have in related industries?
- What are the skills or education needed for targeted occupations?

Also worth considering: How well is your workforce:
- Adapting to change?
- Keeping up with technology?
- Able to recognize and respond to the changing needs of industries and businesses in the region?

Let's take, for example, the changing workforce needs in the health care industry. Both now and in the near future, all hospitals will have to implement electronic medical records, and all nurses, doctors, and clerical staff will have to be prepared for this technological shift. For many, this will require significant retraining. The degree of difficulty adapting to this change will vary by past exposure to technological improvements and by how quickly the current workforce can learn new tools and skills."
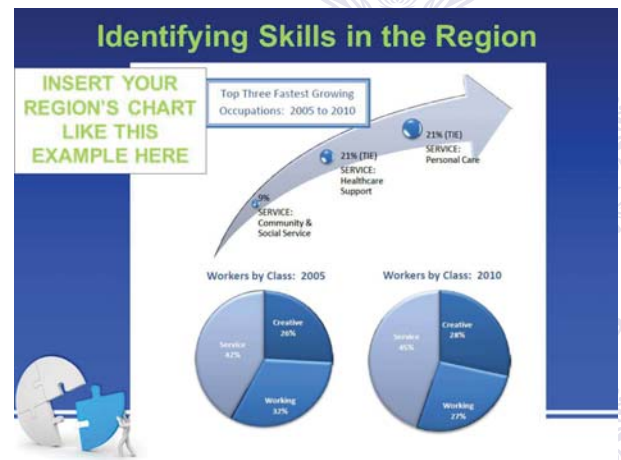
Slide: 13

Time: 3 Minutes

Resource:
The O*net Online website (http://www.onetonline.org/) provides an immense amount of information regarding workforce needs/opportunities and projected demand.

Instructions:

One of the most fruitful ways to capture the nature of a region's workforce is to classify it into major categories. While a variety of different typologies could be used to categorize a region's workforce, we are basing this data on the research of Richard Florida, a well-respected university professor and author who has written extensively on the creative class. According to Florida, the occupational make-up of a an area can be captured by three major groups: Creative, Working and Service classes. Data sheets showcasing the occupational groupings of your region have been developed and are available on the SET website. Insert the top portion of the first page into the presentation as shown on this slide.

Script:

"One of the useful ways to gain a good understanding of the occupational make-up of your region is to adopt the typology introduced by Richard Florida, a well-know author who has written extensively on the issue of the creative class. Florida states that the occupational make-up of a local area's workforce (be it community, county or region) can divided into three categories: Creative, Service and Working classes.

Let me offer a few insights on how Florida defines these three classes of workers.
*   **Creative class:** Includes scientists, engineers, artists, musicians, designers, architects and knowledge-based professionals (such as educators, business/financial occupations, lawyers, physicians/health care practitioners, and high end sales management)
*   **Working Class:** Includes people in production operations, transportation and materials moving, as well as repair, maintenance and construction work.
*   **Service class:** Includes workers in lower-wage, lower autonomy service occupations, such as food preparation, personal care, clerical and low-end office work.

Florida argues that nearly half of our nation's wage and salary income is generated by the creative class, about the same as the working and service classes combined. So, a strong creative class is likely to help a region to grow and prosper.
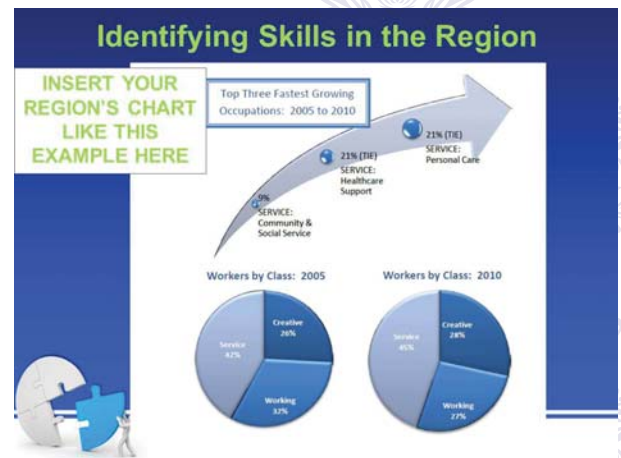
Slide: 14

Time: 15 Minutes

Handout: Creative, Working and Service Classes Data Sheet (located on the SET website)

Source: Florida, R. (2002). *Rise of the creative class: And how it is transforming work, leisure, community, and everyday life.* New York, NY: Basic Books. ISBN 0-465-02476-9

The chart on the back of the handout provides more details as to what kinds of occupations are classified within each of these three categories. You might notice that not all occupations within the creative class jobs are within the more classic definitions (artists, writers, designers, etc). However, these occupations tend to be used as measures of the capacity for the creative workforce.

[Lead a discussion based on the data sheet. Suggested questions are below, but feel free to adapt to the regional setting.]

Based on the information presented on this data sheet:
• Where do you see the largest declines and largest increases? Which of Florida's three classes are doing well (and not so well)?
• What do you see that is encouraging as you think about regional strengths? What is discouraging?
• Where do you see some potential opportunities to leverage the strengths of the workforce?
• Where may the region need to consider bolstering the workforce?"

Slide: 14 continued

Time: 15 Minutes

Handout: Creative, Working and Service Classes Data Sheet (located on the SET website)

Source: Florida, R. (2002). *Rise of the creative class: And how it is transforming work, leisure, community, and everyday life.* New York, NY: Basic Books. ISBN 0-465-02476-9

The exercises the group worked through in this module are intended to help the regional team uncover some of the important information needed to guide the regional plan – especially the portion of the plan that requires the team to present evidence of what the team is doing and why. Have the group step back from the data and ask them to think through some of the key points from this session that may shape the group's future regional economic development work. These may include concerns, assets, trends, or other key features that have been discovered as a result of the team's careful analysis of data and local economic development plans. Capture the comments of the group on the flip chart. At the close of this session, enlist a volunteer or team to prepare a draft of this section of the high quality plan.

Evidence Based:
What Matters Most for the Regional Plan

- Concerns
- Assets
- Significant trends
- Other

Slide: 15

Time: 15 Minutes

Script:

"A lot of important regional information has been shared and discussed in today's session. As we think ahead to the High Quality Regional Plan, what of today's content will matter most in shaping that plan? For instance:

- What are the biggest concerns?
- What are the region's greatest assets?
- What significant trends did you discover that might shape the region's future economic development strategies?
- What other information from today's session is worth noting?

[Note responses on a flip chart page.]

In order to make timely progress on the HQP, who would like to volunteer (or what small group of people are willing to work together) to develop a draft of the "evidence-based" portion of the plan before the team's next meeting? This group will represent our writing team."

Share with the team what the next session will cover.

"Let's take a quick look at the items you'll work on in the next session. As you can see, we will be zeroing in on the region's comparative economic advantages. We will explore region-specific data on businesses and industries in the region and see how these compare to the nation as a whole."

Slide: 16

Time: 1 Minute

Discuss the homework for the next session and respond to questions.

Preparing for Module Three

"Here are the homework assignments in preparation for the next session:

1. The writing team (those who have agreed to work on the evidence-based step of the HQP) should have a draft of this section of the plan completed and ready to discuss with the entire group.
2. Review the business and industry summary chart. Jot down what surprises you and what assets or trends your find encouraging? What challenges do you see from these data?"
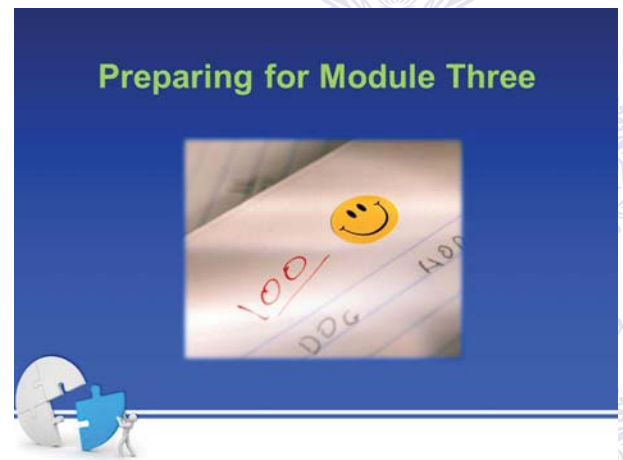
Slide: 17

Time: 2 Minutes

Handout: Business and Industry Summary Chart (posted on the SET website for each region)

Acknowledgements

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