AN OUTSIDERS VIEW OF ARCO’S ECONOMIC OPPORTUNITIES

Dr. Wayne Miller
Tyler Knapp
Community and Economic Development
University of Arkansas System

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Future Directions?

- More of the Same
- Improve Standard of Living & Quality of Life
ARCO Region Employment by Sector

Source: Employment by Sector, 2019 Arkansas State Profile, Woods & Poole.

Employment by Sector 2017 (ARCO – State – US)

Source: Employment by Sector, 2019 Arkansas State Profile, Woods & Poole.
ARCO Region Total & Manufacturing Employment, 1969 to 2017

Source: Total Full-Time and Part-time Employment by Industry, Bureau of Economic Analysis.

Manufacturing Employment Index (1969=100)

Source: Employment by Sector, 2019 Arkansas State Profile, Woods & Poole.
Population Change, 2010 to 2018


Travel & Tourism Visitors
Index (1990=100)

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Source: Annual Reports, 1990-2017, Arkansas Department of Parks & Tourism.
Travel & Tourism Spending Index (1990=100)

Source: Annual Reports, 1990-2017, Arkansas Department of Parks & Tourism.

Spending Per Visitor in ARCO Region

Source: Annual Reports, 1990-2017, Arkansas Department of Parks & Tourism.
Population 65 Years and Older

Change in Population of People 65 Years of Age and Older, 2010 to 2018

Source: Computed from Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties and Puerto Rico Commonwealth and Municipalities: April 1, 2010 to July 1, 2018, U.S. Census Bureau, Population Division Release Date: June 2019
Net Migration of People Ages 60+, ARCO Region

Source: Computed from Annual Estimates of the Resident Population for Selected Age Groups for Counties, U.S. Census Bureau and Death Rates by Single Year Age, Center for Disease Control.

ARCO Economic Development Strategies
Build On Strengths

- Natural resources
- Economic diversity within region
- Rich Mountain Community College
- Airport
- Volunteer Spirit
- Growing regional identity & commitment to collaborate across region

Industry Clusters Across A Regional Economy

- Economic development efforts generate greater results when community and business leaders build on existing strengths and focus on growing industry clusters across a regional economy
Industry Clusters with Growth Potential

- Agriculture (Production & Manufacturing)
- Forestry (Wood Products)
- Fabricated & Primary Metal, Equipment & Transportation
- Tourism / Retirees

Size, Wages & Projected Growth of ARCO Region Manufacturing Clusters

Average Annual Wages in 2016

Source: Arkansas Department of Workforce Services Employment Projections; Annual Wages, Bureau of Labor Statistics
Agriculture Development Strategies

- Increase productivity
  - Encourage farmers to increase productivity of land by pasture improvement, optimizing inputs for land existing land use, improved genetics of livestock, etc.
  - Increase production of high value and organic crops for direct marketing to schools, hospitals and restaurants.
  - Produce specialty meat products for direct marketing to high-end restaurants

Forestry Development Strategies

- Promote use of best forest management practices and stewardship
- Develop unique value added wood products for niche markets
- Market the region’s value-added products through joint ventures, collaboration, branding, etc.
Tourism Strategies

- Develop an inventory of tourism attractions in the region.
- Develop additional tourism opportunities, biking, hiking, water sports, etc. to make the region a tourist destination.
- Brand the region’s tourism industry
- Create a tourism website of organic products and artisans with maps, hours and weekend trip itineraries aimed at nearby metropolitan areas
- Expand commercial & retail businesses to capture more local dollars from tourists

Tourism Value Chain

[Diagram showing the Tourism Value Chain with the following sections: Supply, Demand, Lodging, Marketing, Outdoor Recreation, River activities (kayaking, canoeing, camping), Lake activities (boating, fishing, skiing), Mountains activities (hunting, hiking, mountain biking, ATV), Food, Arts, Crafts, Festivals, Outdoor Supplies, Rentals, Camps, Reunions, Tour Organizers, Operators]
Strengthen Industry Clusters

- Encourage/support expansion of industry clusters vertically and horizontally
- Help integrate value chains focusing on existing clusters
- Provide industry-specific workforce development
- Attract high-tech investment related to industry clusters
- Support entrepreneurs and joint ventures to create new economy spin-offs (back office operations, call centers, etc.) to support industry clusters

Entrepreneurial Support

- Create a supportive entrepreneurial environment
  - Incorporate ways to practice entrepreneurial skills in schools
  - Recognize entrepreneurial activity (no matter how small)
  - Create collaborative local teams to provide industry-specific assistance to promising entrepreneurs in existing industry clusters
  - Create a community-wide commitment to entrepreneurial growth
  - Recruit entrepreneurs (e.g., young “retirees” who have valuable skills and are tired of corporate life who want a new challenge)
Development Capacity

- CFED *development capacity* model assesses:
  - Human resources
  - Financial resources
  - Infrastructure resources
  - Amenity resources
  - Innovation assets

Strengthen Capacity

- Invest in people
  - Improve formal education at all levels
  - Develop effective school-business relationships
  - Create a local culture of learning
    - Regular recognition of academic achievement
    - Total involvement of community in education
    - Access to opportunities for life-long learning
    - Community-wide expectation of excellence in teaching and learning
Support Innovation

- Telecommunications
  - Improve access/quality
  - Ensure citizens of all ages and incomes know how to use tools effectively
- Develop effective education-industry relationships

Amenities

- Access/quality health care
- Affordable housing
- Recreational & cultural opportunities

Traditional Infrastructure

- Roads - airport
- Rural transportation
- Broadband Internet access

Finance

- Equity investors for all stages of entrepreneurial development
- Access to loans for small business development
Increase Labor Productivity

- Encourage improved value chain management
  - Reduce the costs of inputs by developing local suppliers
  - Increase collaboration/joint ventures
  - Share real-time information with suppliers
- Support investment in labor-saving technology to manage information and production processes
- Support industry-specific worker training to improve skills/efficiency
- Increase the local supply of well-prepared workers through improved education at all levels
- Encourage high-achieving students to obtain degrees needed by local businesses (e.g., scholarships)
- Provide incentives for local high-achieving college students to return home (e.g., internships/externships/co-ops)

Education of Population 25 & Older - 2016

Source: Educational Attainment, 2012-2016 American Community Survey 5-Year Estimates (S1501), U.S. Census Bureau.
Projected Fast Growth Industries

- Health services
  - Home health care
  - Assisted living facilities
  - Physicians & hospitals
- Professional & business services
  - Mgmt, scientific & technical consulting
- Restaurants

Summary
Basic Building Blocks

- Strategic, inclusive & ongoing planning
- Tending to the basics
- Infrastructure
- Developing human capital & workforce development

Possibilities

- Build Capacity
  - Increase labor & resource productivity
  - Invest in people
- Build on existing industry clusters
  - Produce inputs locally
  - Integrate value chains
- Create environment for entrepreneurship
- Add value - Grow your own entrepreneurs & industries
Improve Standard of Living

- Produce Products instead of Commodities
- Add Value to Products
- Increase Productivity

“Strength does not come from physical capacity. It comes from an indomitable will.”

Mahatma Gandhi