Considerations for Community Change, Scott County

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This Talk

• Introduction of Ball State work in this domain

• The fundamental changes in economic development

• Where Scott County falls into these changes, yesterday and today

• Talking through the future of Scott County
Welcome & Introductions

- Connects Communities to BSU expertise and resources
- Conducts statewide outreach and engagement
- Encourages comprehensive, talent-centric community economic development
- Works to build vibrant, resilient communities
ICI’s approach: Revolved around Community (People and Place), Grounded in Research, Engaged in Practice, and Focused on Policy.
Welcome & Introductions

Community Dev. Course
Economic Dev. Course
Brownfields Workshop
Mayor’s Institute
Regional Leadership

Trainings & Workshops

Cultivating Community
Tourism Development
Prioritizing Placemaking
Civic Design Institute

Special Projects

Community Readiness
Hometown Collaboration
IMPACT Main Street
Stellar Communities
Innovate WithIN

Partnerships

Building Stronger & More Vibrant Communities
Where Are We Now?
Where Are We Now?

We Need Jobs!

WHY?

WHAT’S STOPPING?
Where Are We Now?

Changing Economy

Changing Demographics

Changing Communities
Where Are We Now?

Traditional Approach to Economic Development

- Luring investments and jobs
- Locally based (us against them)
- Incentives, infrastructure
- \textit{Job growth} = \textit{population growth}

WE NEED JOBS!
Where Are We Now?

US Household Consumption Expenditures

Bureau of Economic Analysis, CBER Calculations
Where Are We Now?

Capital to Labor Ratio in US Manufacturing

[Graph showing the capital to labor ratio in US manufacturing over time, with a steady increase from the 1950s to the 2000s. The y-axis represents the capital ratio in $100,000 intervals from $0 to $250,000, and the x-axis represents the decades from 1950 to 2000.]
Where Are We Now?

“There is nothing permanent except change”
~Heraclitus
New Manufacturing Firms with 500 + Employees

Bureau of Economic Analysis, CBER Calculations
Where Are We Now?

Cumulative Job Growth in the US

Bureau of Economic Analysis, CBER Calculations
## Where Are We Now?

### Employment Change in Indiana’s Labor Markets (2001-2014)

<table>
<thead>
<tr>
<th>EGR Reg.</th>
<th>Counties</th>
<th>Footloose</th>
<th>Non-Footloose</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Indiana Total</td>
<td>-12.2%</td>
<td>9.2%</td>
<td>4%</td>
</tr>
<tr>
<td>1</td>
<td>Jasper, Lake, LaPorte, Newton, Porter, Pulaski, Starke</td>
<td>-22.7%</td>
<td>7.4%</td>
<td>1%</td>
</tr>
<tr>
<td>2</td>
<td>Elkhart, Fulton, Kosciusko, Marshall, St. Joseph</td>
<td>-2.1%</td>
<td>5.1%</td>
<td>3%</td>
</tr>
<tr>
<td>3</td>
<td>Adams, Allen, DeKalb, Grant, Huntington, LaGrange, Noble, Steuben, Wabash, Wells, Whitley</td>
<td>-16.5%</td>
<td>5.6%</td>
<td>-1%</td>
</tr>
<tr>
<td>4</td>
<td>Benton, Carroll, Cass, Fountain, Howard, Miami, Montgomery, Tippecanoe, Tipton, Warren, White</td>
<td>-22.9%</td>
<td>7.0%</td>
<td>-2%</td>
</tr>
<tr>
<td>5</td>
<td>Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Shelby</td>
<td>-13.5%</td>
<td>19.1%</td>
<td>13%</td>
</tr>
<tr>
<td>6</td>
<td>Blackford, Delaware, Fayette, Henry, Jay, Randolph, Rush, Union, Wayne</td>
<td>-33.7%</td>
<td>-6.6%</td>
<td>-13%</td>
</tr>
<tr>
<td>7</td>
<td>Clay, Parke, Putnam, Sullivan, Vermillion, Vigo</td>
<td>-6.9%</td>
<td>-1.3%</td>
<td>-2%</td>
</tr>
<tr>
<td>8</td>
<td>Brown, Daviess, Greene, Lawrence, Martin, Monroe, Orange, Owen</td>
<td>-14.5%</td>
<td>7.9%</td>
<td>4%</td>
</tr>
<tr>
<td>9</td>
<td>Bartholomew, Dearborn, Decatur, Franklin, Jackson, Jefferson, Jennings, Ohio, Ripley, Switzerland</td>
<td>-0.6%</td>
<td>4.1%</td>
<td>3%</td>
</tr>
<tr>
<td>10</td>
<td>Clark, Crawford, Floyd, Harrison, <strong>Scott</strong>, Washington</td>
<td>-11.7%</td>
<td>9.7%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Where Are We Now?

Causes of US Manufacturing Job Loss (%): 2000 - 2010

- Automation (88%)
- Offshoring (12%)
Where Are We Now?

Relative Automation & Offshoring Risk to Employment: East North Central Division

<table>
<thead>
<tr>
<th>Automation</th>
<th>Offshoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.4-51.8</td>
<td>22.6-26.2</td>
</tr>
<tr>
<td>51.9-55.4</td>
<td>26.3-27.2</td>
</tr>
<tr>
<td>55.5-57.9</td>
<td>27.3-28.0</td>
</tr>
<tr>
<td>58.0-60.2</td>
<td>28.1-28.7</td>
</tr>
<tr>
<td>60.3-67.0</td>
<td>28.8-30.7</td>
</tr>
</tbody>
</table>
Where Are We Now?

Population Projections
Percent Change in Total Population, 2015 to 2050

% Change

0 to -9.9
-10 to -31.2
0.1 to 10
10 to 70.6

# of Counties

24
35
14
19

Source: Indiana Business Research Center, Ball State University, May 2019
Where Are We Now?

Population Growth and Forecast for Indiana and Central Region

Source: CBER
Where Are We Now?

Population Growth & Forecast for Outer Regions

Source: CBER
42% of population growth between 2000 and 2015 was Latino growth

- 30 Indiana counties saw overall population decline with Latino population increase

- The population increase in 10 Indiana counties was due entirely to the increase in Latino population
  - Fulton, Lake, LaPorte, Lawrence, Miami, Montgomery, Noble, St. Joseph, Shelby, Wells
Where Are We Now?

Rationale for Moving to a Specific Community, Selecting Home?

Source: American Housing Survey (1989-2013)
Where is Scott County in this?

• People
• Income
• Education
Population
Net Migration
Real Per Capita Income
Business Establishments
School Performance Summary (Math)

Scott County District #1

Scott County District #2
School Performance Summary (English Language)

Scott County District #1

Scott County District #2
2019 Readiness Report

• 49% of kids head to colleges, only 41% meet success benchmarks
• 11% of those who attend community college graduate on time
• 37% four year completion rate

• Not demographically challenged (36% FRL, 1.9% minority)
Bachelor’s Degree or Higher

- Scott County
- Indiana
Scott County Summary

- Recent stagnation of population growth, no immigration, negative net migration
- Evidence of Bi-furcation (high income vs. low income)
- Income growth stagnant, challenges in keeping educated workers
- Schools are about average (certainty not good)
- Growth is coming, but what kind of growth is a policy choice
- Significant challenge keeping educated adults, despite proximity to Louisville
Modern Approach to Economic Development

- Comprehensive, longer term
- Place-based, people-focused
- Rethinking resource allocation
- Population growth = job growth
  - Talent Retention
  - Talent Attraction/Repatriation
  - Talent Development

WE NEED PEOPLE/PEOPLE WANT QUALITY PLACES!
How can communities transition development strategies from an approach based primarily on physical capital (plant & equipment) toward an approach that prioritizes human capital (talent) and investments in place?
Where Are We Now?

People matter!

Attracting

Retaining

Cultivating
Where Are We Now?

Questions to Ponder:

- When we say “We Need Jobs” .... what do we really mean?
- What is the right fit for traditional business attraction at the local level?
- Is there a value discussion that is more important?
- What activity should be regional?
- Where does ‘local’ fit in the regional mix?
- Tax policies and local revenues have changed in the last 30 years, but local tax incentives fundamentally have not. What is the real impact?
Where are we now?

Things we **do** know about what is happening:

- Cities are absorbing a higher share of households
- Labor markets are bifurcating (higher and lower wages)
- Available ‘footloose’ jobs are in permanent decline
- Households relocate to amenities (neighborhoods, schools, etc.), not for jobs
- Policies to attract jobs often reduce available resources to attract people
- Policies that attract people also make them more productive
Where are we now?

Things we don’t know about what is happening:

• Automation and technology change will shift the skill demand for workers.
• Large urban centers will expand significantly, but where the suburbs and exurbs will locate is unclear.
• How fast this happens is unclear.
• The geography of workplaces could be radically impacted by automation and digital work.
• The geography of residential locations could be impacted by automation and digital work.
Where Are We Now?

**Shifting Paradigms:**

- Job creation growth does not lead directly to population growth.
- Capital investment in equipment does not necessarily tie to greater job growth.
- Most new jobs are **not** in footloose industries (e.g., manufacturing).
- Households have more choices about where to live.
- Jobs follow people.
- **It’s complicated, but not unknown.**