

Navigating Change & Charting a Course to a More Competitive Northern Kentucky



A Five-Year Regional Strategic Action Agenda



2024



Executive Summary

A region that now hosts more than 400,000 residents, Northern Kentucky occupies a strong position in economic competitiveness. In recent years Northern Kentucky has experienced robust job growth, business establishment growth, and wage increases. It is blessed with a strategic geographic location, reasonable cost of doing business and cost of living, and good infrastructure. The region's targeted industry sectors – advanced manufacturing, life sciences, supply chain management, information technology – all show favorable prospects for future expansion.



However, in a highly competitive economic environment Northern Kentucky absolutely cannot afford to become complacent. Several daunting challenges face the country, the Commonwealth of Kentucky, the Cincinnati metropolitan area and the NKY region. One of the most pressing issues is simple demographics. The United States must confront the reality of an aging population with insufficient numbers of young people to replace retiring workers. Another challenge is the constant evolution of technological advancements and the need for businesses of every size and type to invest and modernize. A third issue of great significance is the degree of uncertainty caused by geopolitical unrest and global competition.

A review of the data points to some competitive weaknesses for Northern Kentucky and the Cincinnati MSA. A stakeholder survey and one-on-one interviews with business leaders across BE NKY's footprint revealed a similar list of key concerns. Aggressively and successfully addressing these will be critical for raising the region's economic competitiveness. Among these most important concerns are:

- The availability of workers and their skill sets;
- Projected population growth that trails peer metro areas;
- The availability and affordability of housing choices and childcare services;
- The urgency of infrastructure and transportation system improvements to meet the demands of a growing region;
- The need to differentiate Northern Kentucky from competitors by developing a clear regional identity and brand.

While the needs are many, the realities of limited resources require a focus on the most critical challenges and those that can be affected by the BE NKY Growth Partnership and its partners. This five-year regional strategic action agenda recommends 16 actions to help achieve 6 strategic goals.

1. Increasing growth in the NKY labor force through initiatives such as retaining young people within the region, welcoming domestic migration and foreign immigrants, reducing out commuting, and boosting community quality of life.
2. Better preparing citizens for good careers with in-demand, work-ready skills.
3. Diversifying the economy via targeted industry recruitment and a heightened focus on support for entrepreneurs, to build regional wealth.
4. Strengthening the coordination of infrastructure planning and implementation (including for housing) to accommodate growth.
5. Creating and promoting – inside and outside of NKY – a recognized regional brand.
6. Improving the region’s collaborative capacity to achieve results together.

Successfully executing an economic development strategy requires opportunity, vision, and leadership. Northern Kentucky clearly possesses the economic opportunity already. This plan helps to provide a vision for a more competitive future. Leadership and communication make up the last critical piece. Successful implementation will depend on coordination between city, county, regional and state players.

Finally, long-term change also depends on adopting a set of useful metrics to measure progress toward goals. This progress should be continuously communicated to all stakeholders, and strategies adjusted as needed to drive a brighter economic future for Northern Kentucky.

Recommendations

To Increase the Available Labor Force:

- Increase the attachment of young people to Northern Kentucky local careers through greater awareness of local career opportunities and more plentiful work experiences.
- Welcome immigrants to Northern Kentucky and establish programs to help them assimilate.
- Improve regional housing options.
- Improve the perception of the quality of life in Northern Kentucky emphasizing attractiveness and affordability as a place to work, live, and raise a family. Build a multi-organization brand and narrative.

To Improve the Quantity and Skills of the Available Workforce

- Quantify and promote the work readiness of the Northern Kentucky workforce through participation in ACT's Work Ready Communities.
- Increase labor force participation among those in the group with the greatest potential to add significant numbers to the workforce: older workers.

To Diversify the Economy

- Support Growth in the Tech Sector
- Target resources toward manufacturing growth in information technology and life sciences.

To Address Infrastructure Needs

- BE NKY Growth partnership will work with county and city public officials to aggregate and publish a combined capital improvement plan detailing the upcoming infrastructure improvements for the region.
- Fund a comprehensive assessment of future unmet infrastructure needs to accommodate expected growth.

To Build Greater Local Wealth

- Commit to an improved entrepreneurial ecosystem, developed with a coalition of partner organizations led by Blue North and the Kentucky Innovation Hub.
- Expand entrepreneurial training content in public school CTE classes.

To Improve the Regional Collaborative Capacity

- Adopt the Collective Impact Model for plan implementation and improved future collaboration
- Establish a dashboard or scorecard to monitor and report progress.
- Establish an Annual State of the Region event.
- Hold an annual meeting or retreat of engaged leaders to review, update, and adjust this plan.

Imagine the Future in Northern Kentucky

The Northern Kentucky economy is good, but these are challenging times with accelerating change. Nothing remains the same. Complacency is dangerous. With foresight and strategic actions, local leaders can ensure that the region's economy and competitiveness will improve!

For the most successful American regions, their story begins with some combination of strong leadership, a clear vision and opportunity.

Dedicated, bold stewards in those regions imagined a better future and did the work to make it a reality. Today, all over our country – and in Northern Kentucky – anticipating the future in the face of rapid change is crucial and, at the same time, challenging. National and global megatrends have created unprecedented uncertainty and competitive headwinds, but are also creating new opportunities for certain regions to flourish.



Demographic shifts are the easiest to predict.

Nationally, our population will get older and become more diverse, and family size will continue to decline. The birth rate has been cut in half over the past two generations, and domestic labor force growth is certain to fall. For Northern Kentucky, talent retention and attraction will be one of the top priorities, acting to retain young people and attract immigrants from other states and other countries. The competition will intensify and there will be winners and losers. Without successful policies and actions, the labor force will be the primary throttle on future growth.

Technological changes are transforming every industry. The steady permeation of the Internet of Things (IoT) and energy transformation are joined by emerging areas like artificial intelligence (AI) and spatial computing, to simultaneously displace but also create millions of jobs. In the Logistics sector that is important to the Northern Kentucky economy, big data, product sensors, autonomous vehicles, drones and process automation will all be part of the industry's future. Successful regions encourage and support automation, and the skill growth of existing employees, while identifying new sector targets that can strengthen and diversify their economies.

Geopolitics and geo-economics are now certain to play an increasingly impactful role in American business. The emphasis on free-trade globalization that has been the norm for the

past 35 years has begun to unravel. Most experts believe that the underlying superpower tensions between the United States and China will force multinational companies to alter their labor sources, production capacity, supply chains and logistics options. Reshoring, nearshoring and new trading alliances will disrupt existing plans and create opportunities. If Northern Kentucky can maintain a competitive business climate, sufficient labor and infrastructure, and have ready-to-go buildings and sites, it can improve job opportunities and increase the quality of life and standard of living for its citizens.

The issues critical to business growth and profitability have expanded. To remain competitive, regions like Northern Kentucky must address issues that require greater cooperation between groups engaged in economic, community and workforce development.

Workers commute to their jobs, often creating labor sheds that cross many counties, and for Northern Kentucky multiple states. Housing and childcare are regional issues. Crime does not recognize lines on a map. Everyone's quality of life is influenced by amenities and opportunities beyond their home city or county. The brand



or image of the region is an amalgamation of images, stories and experiences. Solutions require sustained collaboration between the public, private, philanthropic and non-profit sectors. These issues cross political boundaries, and solutions also require coordination between city, county, regional, and state players. Successful collaboration requires engaged leaders with organizational collaborative capacity to sustain the effort.

No region can expect that their economy will maintain the status quo; the big question is what can be done to make sure that the coming years are better years for Northern Kentucky. Economic Leadership has worked with many groups to create strategic action plans. In our experience, successful efforts share seven common traits.

- Successful plans have a limited number of specific and realistic actions.
- Successful plans have clear implementation responsibility.
- Successful plans balance expectations with resources.
- Successful plans continuously measure results and adjust when needed.
- Successful plans align stakeholder expectations.
- Successful plans have sustained, engaged leadership.
- Successful plans anticipate change and are bold and future focused.

Converting Vision into Strategy

All strategy development begins with an understanding of the current economic reality and the trends that will impact businesses and people in the future. Next, determine what local stakeholders want for the region's future, and what is possible. The third and decisive step is to identify, and then implement, specific actions to move Northern Kentucky from where it is to where it wants to be. Successful strategic actions are typically specific, realistic, actionable, appropriately resourced, and measurable.



First, to determine Northern Kentucky's **current competitive conditions**, Economic Leadership started by answering the following questions:

- What are the region's economic trends over time and what are areas of inertia?
- How competitive is Northern Kentucky today, compared to its peers?
- What industries drive Northern Kentucky's economy today, how are those industries changing, and what new industries are emerging?

Next, to determine the **desired future**, an extensive engagement process of surveys, interviews and focus groups helped answer these questions.

- What does the business community need to succeed in Northern Kentucky?
- What do stakeholders want for Northern Kentucky in the future?
- What is realistic and achievable?

Finally, to recommend what **actions** are needed to drive increased competitiveness for Northern Kentucky that can lead to the desired outcomes, we considered and researched the following:

- What are potential specific actions that are proven, impactful, realistic, fundable, and timely?
- How do we measure success?
- How do we maintain momentum?



What is Northern Kentucky's Current Competitive Position?

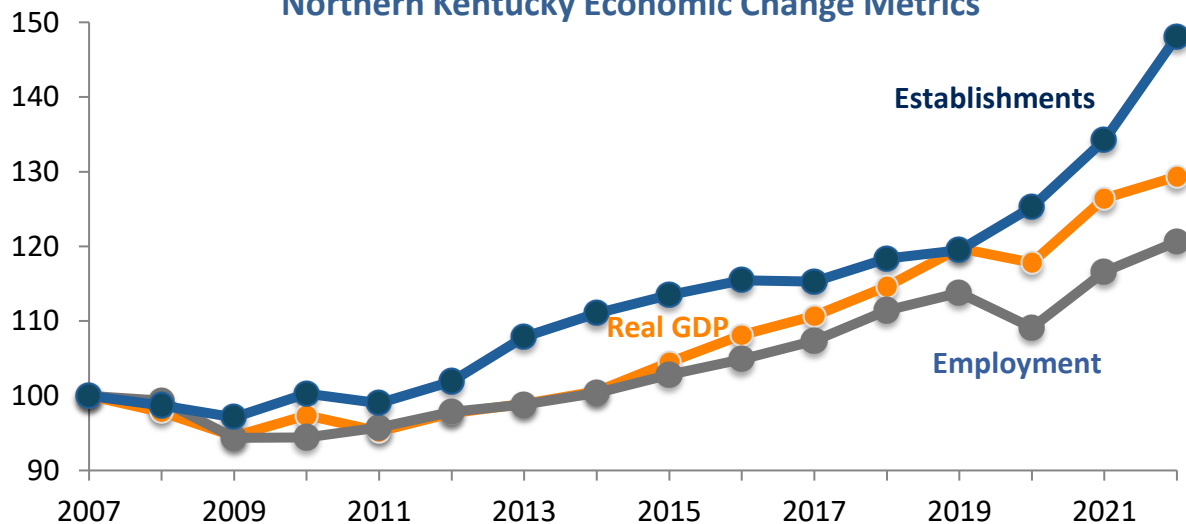
Over the past 10 years Northern Kentucky – a region that includes Boone, Campbell and Kenton counties – has enjoyed considerable economic success. The population has grown steadily and now exceeds 400,000 people.

Nationally, jobs grew by just under 13 percent between 2013 and 2023. In Kentucky, job growth over the same period has been slightly over nine percent, while Northern Kentucky has experienced much stronger growth, almost 25 percent. Average earnings in the region, wages and benefits, have grown from around \$50,000 to over \$72,000.



Growth in gross domestic product per capita and growth in business establishments have also outpaced the national average. In many metrics Northern Kentucky has been the most successful region in the state, and recent data suggests that momentum is continuing to build.

Northern Kentucky Economic Change Metrics



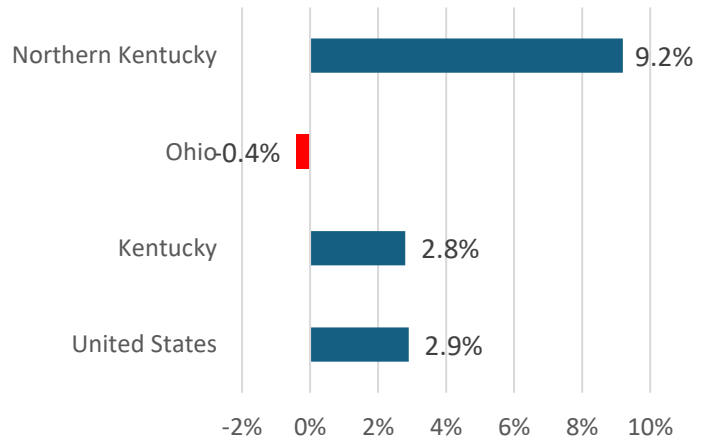
Source: EL calculations based on Lightcast 2023.4

When indexed to 2007, after experiencing the impacts of the Great Recession of 2007-2008, there has been very strong growth in business establishments, employment and the region's economic output (GDP).

Northern Kentucky's job growth accelerated through the pandemic and post-pandemic years, far outpacing the national growth.

Recent trends would suggest that Northern Kentucky is very competitive. Looking ahead, the future economic development success of Northern Kentucky is heavily influenced by the strengths and weaknesses of both the Commonwealth of Kentucky and the tri-state Cincinnati Metropolitan Statistical Area (MSA).

Percent Job Change 2019-2023



Site selection is the process of identifying the best location for a new business or expansion. It typically involves an upfront data analytics process to determine, and then compare, those factors most important to the specific project. An initial culling to a few potential locations is followed by an in-depth analysis of those factors.

One of the most common state factors is business climate: the combination of taxes, cost of doing business, legal climate, and regulatory climate.

According to the latest Tax Foundation rankings, the business tax climate in Kentucky has improved from 35th ten years ago to 18th in 2024. The Tax Foundation also ranked Kentucky among the



best dozen states for overall state and local taxes collected, and among the best states for overall cost of doing business.

Recent job growth exceeds the national average and Kentucky is among the states that have benefitted the most from reshoring. The state has enjoyed especially robust growth in manufacturing. In Economic Leadership's most recent ranking of state manufacturing competitiveness, released in November 2023, Kentucky ranked in the top 10 most competitive states for manufacturing.



There are areas for improvement. Other third-party rankings highlight Kentucky's competitive weaknesses in innovation, legal climate, fiscal stability, and citizen health. Despite areas that need addressing, Kentucky's overall competitiveness position has improved in recent years, and we expect the Northern Kentucky region to benefit from this steady improvement.

The Cincinnati MSA has now recovered all the jobs lost during the pandemic, but growth over the past five years has been slower than the national average. Labor force participation rates have fallen in recent years, despite unemployment that has hovered at about three percent. The region's labor force average age is near the national average, but the MSA's diversity is well below the national average.

Economic Leadership also produces an annual analysis comparing the competitiveness of the country's 100 most populous metros. In the most recent report, which uses six individual indexes (explained in the box) with close to one hundred different factors, Cincinnati ranked among the top third most competitive major metros, with a rank of 28. The MSA's highest rankings were in

Economic Leadership MSA Competitiveness Indexes

Talent - Measures of labor growth, labor force participation, educational attainment, cost of living, investments in education.

Cost & Climate - Measures of business costs, taxation, regulation, legal environment, building energy and occupancy costs and crime.

Quality of Place - Measures factors that make the region a good place to live – traffic, housing cost, childcare, recreation.

Momentum Index - What is the metro's economic inertia, measuring gains in population, jobs, wages, GDP, productivity, advanced industry jobs and recent investments in talent.

Future Index - What can you expect in the next decade. What are the economic projections, dependency ratios, how is the infrastructure, what does the talent pipeline look like and is there job growth in growing industries?

Global Index - Measures of FDI, exports, foreign owned businesses, and immigration

Quality of Place, Costs and Climate, and Global Indexes. The lowest rankings were for Economic Momentum and Talent.

We re-ran the analysis for just the twenty-three peer metros listed on the BE NKY Growth Partnership web site. The Cincinnati MSA ranked sixth overall, ahead of several MSAs designated as aspirational. Among the peer metros, the Cincinnati MSA ranked as having the third best Quality of Life, behind only Raleigh and Tampa. The MSA was strong in other areas, 6th among the 23 for business costs and climate and 8th in the Global Index. The momentum index and the future index scored in the middle at 12th and 13th respectively. The lowest (least competitive) index ranking was for Talent, 16th overall out of the 23 metros.

Recent improvements in the competitiveness rankings, and the post-pandemic economic performance of Kentucky and the Cincinnati MSA, are tailwinds that should help the counties in the Northern Kentucky

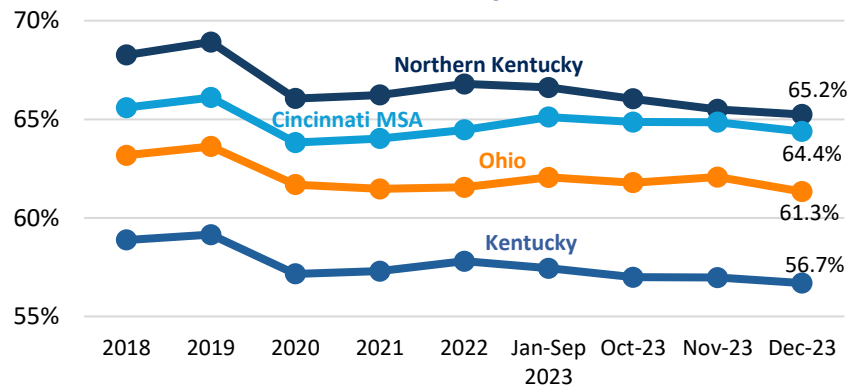
region in future site selection competitions.

Several regional strengths have also recently become more important including affordability, logistics infrastructure, and weather risks.

The biggest competitive concern is the availability of labor. In most surveys to determine a company’s highest priorities when they consider new investments, the availability of labor is at or near the top. For Northern Kentucky, the labor force has been growing and labor force participation is much higher than the state’s rate, but unemployment levels remain near historic lows and businesses routinely express concerns.

The Center for Economic Analysis and Development at Haile College of Business, Northern Kentucky University, recently completed an in-depth study entitled

Labor Force Participation Rate



Source: Lightcast 2024.1

“Northern Kentucky is not an island unto itself. While Northern Kentucky’s population growth is expected to outpace that of the Cincinnati MSA, the region is tied to the economic and demographic prospects of the larger metro area.

Further, given its unique geographic positioning, Northern Kentucky’s growth trajectory will be influenced by policy makers in both Frankfort and Columbus.”

The Center for Economic Analysis and Development,
Northern Kentucky University

Population and Labor Force Trends and Future Projections: A Comparative Analysis for Northern Kentucky and Selected Metropolitan Statistical Areas.

The center created a baseline projection of population growth “based on traditional cohort component methodology” and suggested that these projections were the “most likely scenario unless there are either policy interventions or unforeseen economic impacts that change the trajectory of net migration.” Their work also provided estimates for other competitor and aspirational metros.

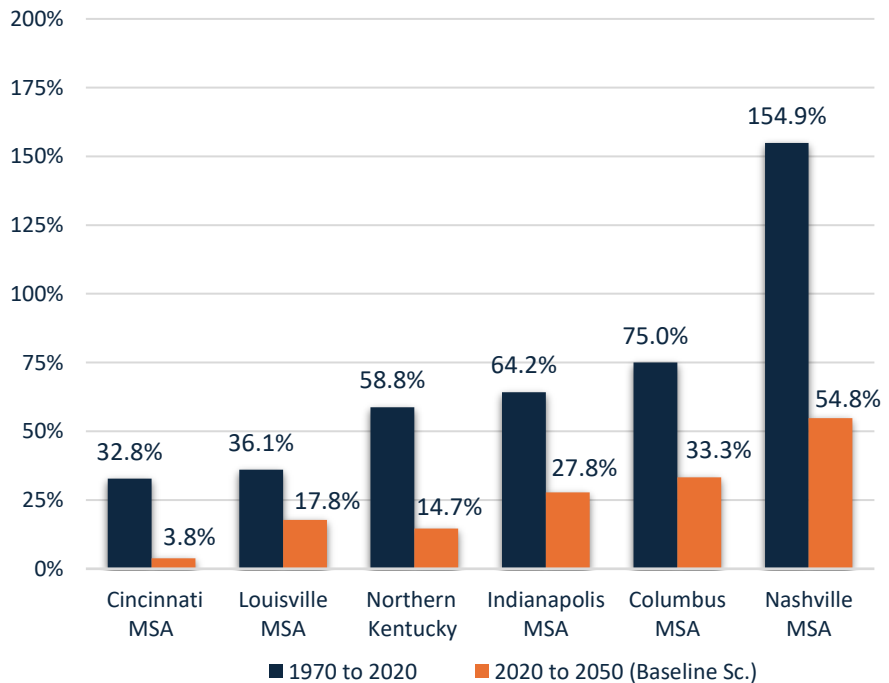
The report shows that the region has lagged closest peer metros in growth in recent years.

Cumulative Population Change by Component 2010-2022

	Natural	International Net Migration	Domestic	Overall
NKY	21,764	5,061	5,623	32,448
Louisville MSA	32,471	26,826	9,716	69,013
Cincinnati MSA	81,250	45,264	-23,438	103,076
Indianapolis MSA	112,286	57,495	61,199	230,980
Columbus MSA	127,182	79,102	51,353	257,637
Nashville MSA	105,596	45,868	213,658	365,122

The report’s baseline projections show modest population growth in Northern Kentucky and in the broader Cincinnati MSA between 2020 and 2050. Its projections also forecast modest growth in Northern Kentucky’s labor force and a contraction in the Cincinnati MSA labor force over the same period.

Historical and Projected Population Change
Baseline Scenario



The report states clearly that “Without a significant change in migration rates, it is unlikely that a region will move from its baseline forecast.”

The challenge for local leaders is to change the current projections through specific actions that would alter future trends. In their report, The Center for Economic Analysis and Development concluded that “Northern Kentucky would need to attract 2,402 people annually to reach the optimistic forecast from the baseline while holding natural change constant. In other words, the region would need to increase net migration from its historical average of 433 per year to 2,402 per year, an increase of 1,969, an annual increase of more than 400 percent.”

“Northern Kentucky faces a challenge in its relative lack of racial and ethnic diversity.”

The Center for Economic Analysis and Development, Northern Kentucky University

To impact the growth in the labor force there are a limited number of policy and program options. Some examples include:

- Raising the labor force participation rate of existing Northern Kentucky residents. This can be achieved by encouraging more women into the workforce by improving childcare options, engaging those transitioning from incarceration, early workforce experience for young adults, and programs to expand work opportunities for the elderly or disabled.

Access to childcare is a significant barrier to greater labor force participation, particularly for women. U.S. Census Bureau data from late 2022 shows that 15 percent of American adults who didn’t work stayed home to take care of their children. Among adults with children ages four and under, that number rose to 35 percent. Eighty-seven percent of those who didn’t work due to childcare challenges were women. In Kentucky, a report from the state chamber released in 2023 found that an average of 71,000 Kentuckians per month did not work in order to care for their children in the prior year.

- Retain more young people as they become adults and decide where to live and work. These are known as “stickiness” or “rooting” strategies and include expanding work experience opportunities and focusing on quality-of-life improvements.
- Attract new residents to the region by developing talent attraction programs and immigrant attraction and welcoming programs.

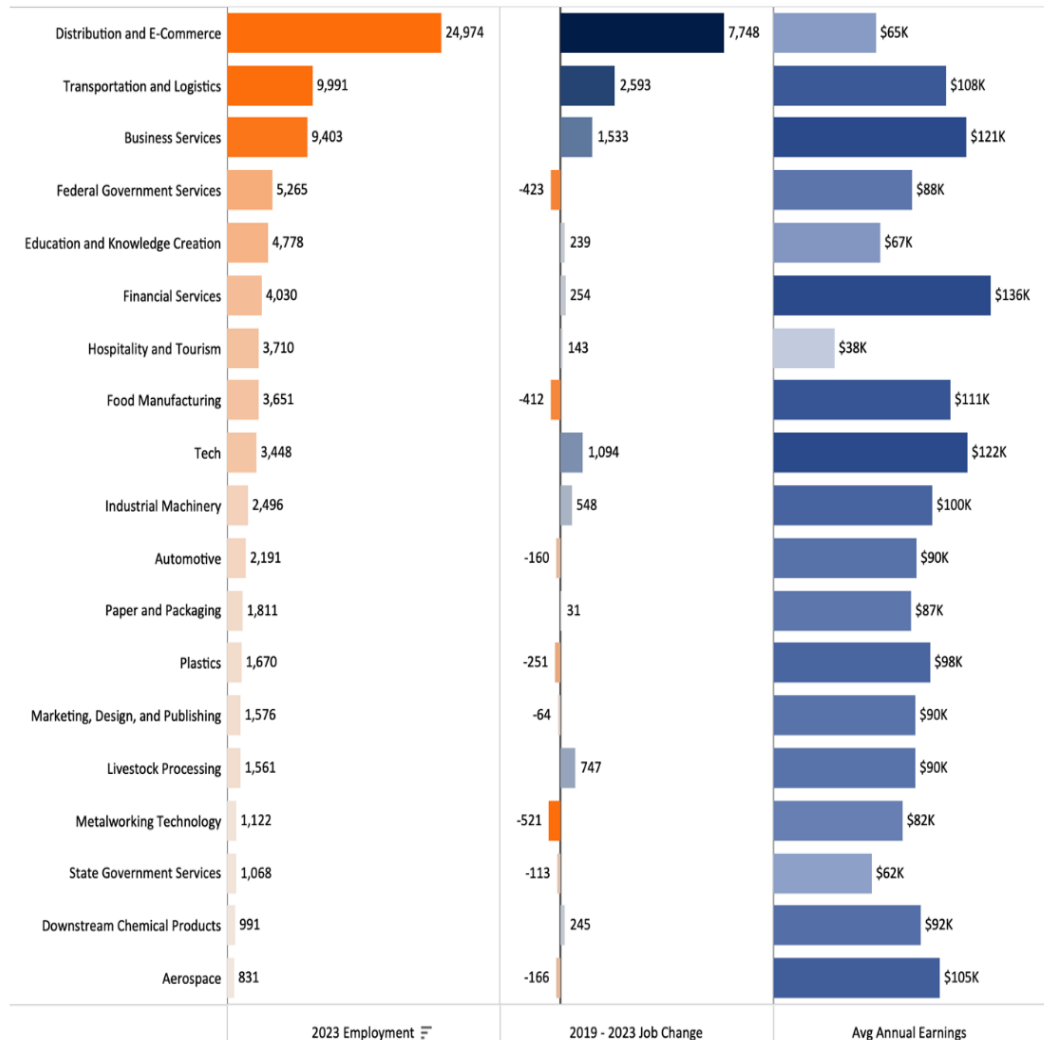
These strategies are detailed further in the Recommendations and Best Practices section.

What Drives the Northern Kentucky Economy?

Regional economies are driven by traded clusters of business. Traded clusters are groupings of industries that serve markets outside of a specific geography (domestic and/or international), and typically account for about a third of the jobs in a region. The other two-thirds are from local clusters that serve the local population and are enabled by the traded clusters. Traded clusters are typically regional in nature and contain a supply chain that supports specific industries with parts suppliers, infrastructure, and machinery. Emphasizing regional traded clusters in an economic development strategy focuses resources on those industries which are most likely to thrive in the region.



Northern Kentucky Top Clusters by Employment



Source: EL estimates based on Lightcast 2023.4

The biggest current drivers of the Northern Kentucky economy are Distribution and E-commerce, and Transportation and Logistics. The two clusters combine for about 35,000 jobs, approximately 10,000 of which have been added in the past five years. Manufacturing, across several subsectors, also has strong employment numbers and contributes the greatest amount to the area’s total gross regional product.

Other clusters with a strong presence such as Financial Services, Federal Government Services and Education and Knowledge Creation still offer a significant number of regional jobs, but have not experienced strong net growth recently. Emerging areas of job growth and future opportunity include Business Services, Technology, and some advanced manufacturing subsectors.



In their 2022 report, *Northern Kentucky Labor Shed Identification & Target Industry Analysis*, Ernst & Young LLP provided recommendations for four targeted clusters for Northern

Kentucky’s future economic development efforts: Advanced Manufacturing, Life Sciences, Information Technology, and Supply Chain Management and Supporting Services.

The Jobs EQ projections show steady growth in each targeted cluster over the next five years. Successful growth in these clusters will contribute to a more diversified economy.

Target Cluster Grouping	Employment (2023)	Employment Change (2019–2023)	Projected Employment Change 2023–2028
Advanced Manufacturing	10,333	-2.1%	2.8%
Life Sciences	1,850	82.2%	3.0%
Supply Chain Support Services	2,678	2.7%	3.5%
Information Technology	3,671	44.3%	8.5%

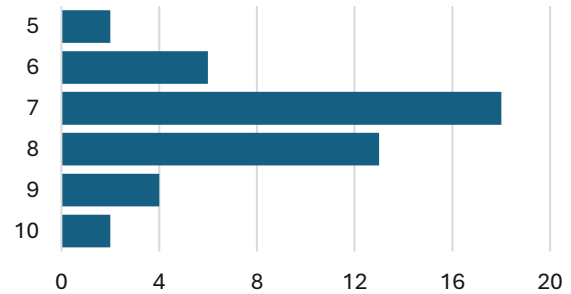
Source: Data provided by BE NKY Research Director using Jobs EQ

What Do Regional Stakeholders Think and Want?

To better understand what factors are important to Northern Kentucky's businesses, dozens of company interviews were conducted and a survey of attendees at the BE NKY Growth Partnership's recent forum was completed.



When event attendees were asked "On a scale of 0 to 10, where 0 indicates not competitive at all and 10 indicates highly competitive, how would you rate Northern Kentucky's economic competitiveness today?" most gave the region a 7 or 8, positive but with room for improvement.



Respondents identified the following as the region's greatest competitive advantages:

- Cost of labor, cost of living
- Geographic proximity
- Cincinnati/Northern Kentucky International Airport (CVG)
- Low cost of housing and low taxes
- NKY is a Supply Chain & Logistics centered economy
- Great logistics
- High quality of life: vibrant and diverse arts & recreation, friendly, hard-working people, beautiful scenery
- Collaboration among community and education partners
- Access to postsecondary education and training

When asked what they felt are "the top three most pressing priorities to address in order to improve the region's competitiveness," talent, branding, housing and collaboration received the most votes.



The company interviews provided similar responses. While 80 percent agreed that the regional economy enables their company to effectively compete, and that Northern Kentucky provided a desirable quality of life for their employees, less than one half felt that the region's "labor force has the necessary educational attainment, skills, and diversity required for your operation."

All company interviewees were asked that if the region could only address one issue, what should the priority be? The top three issues were:

- Talent attraction and retention
- Infrastructure improvements
- Housing affordability, supply and access.

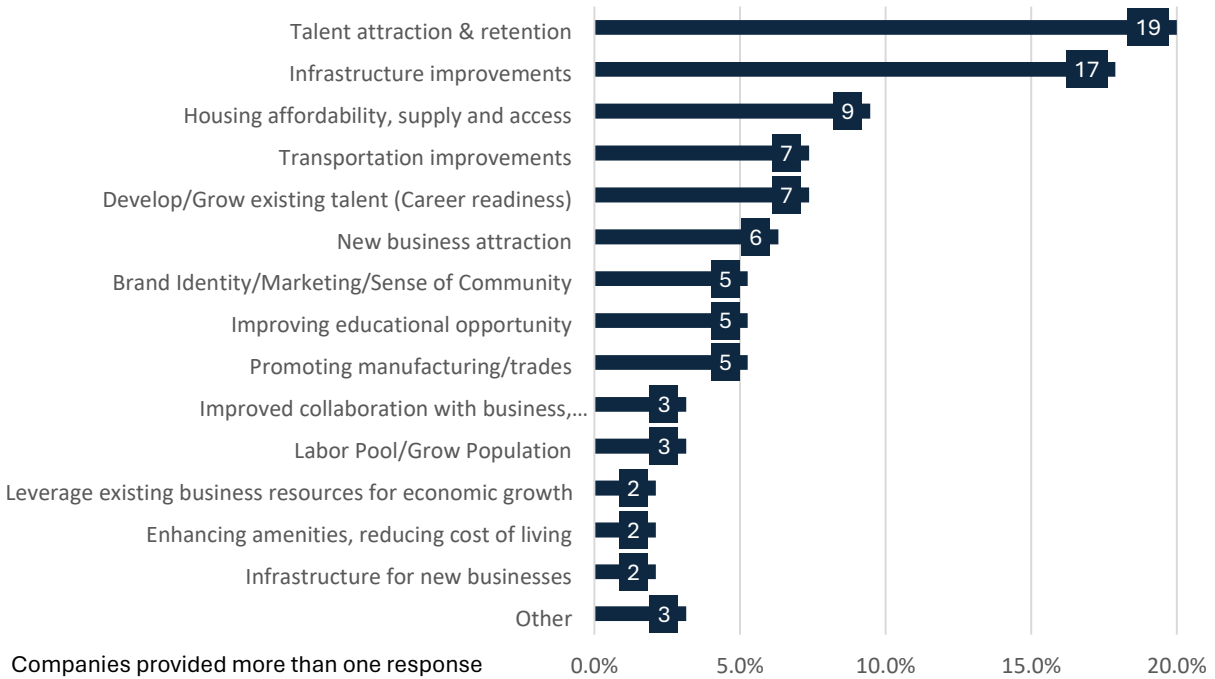
To build a coalition of private business partners, BE NKY initiated a strategic company outreach program in Fall 2023 that identified 70 companies that are key to the economic base of the region, representing 25 percent of all private sector jobs in Northern Kentucky. These companies reflect a cross-section of Northern Kentucky's primary industries, including the key target industries of advanced manufacturing, life sciences, information technology, and supply chain management and support services.

At the time of this publishing, BE NKY's leadership team has met with more than 43 of these companies, including over 100 senior business leaders in the community. Among the factors most frequently cited as regional advantages by these leaders is the central location and accessibility afforded by NKY, the relative affordability and cost of doing business, cooperation and partnership from state and local government and the overall size of the labor force from which to draw talent. Notably, almost every company mentioned the benefit of the region's strategic location and how it affords access to their supply chain and customers. Conversely, factors that detract from the region's competitiveness include the increasing cost of labor, existing skills and career readiness of the labor force, the lack of a regional identity and transportation and infrastructure concerns. The latter includes a desire to see traffic congestion mitigated, increase in the number of direct flights and freight capacity and a reduction of perceived service redundancies in government.

These conversations provide valuable insights that will help BE NKY develop data-driven plans and strategies and ensure these strategies are well informed by business and community partners. Ongoing engagement with the business community will also be critical to maintaining a coalition that will work to address these challenges.

Lee Crume, President and CEO, BE NKY

Company-Provided Top Priorities NKY Resources Would Be Best Allocated Towards:



“We must tell our story so that individuals know what we have to offer and want to come here.”

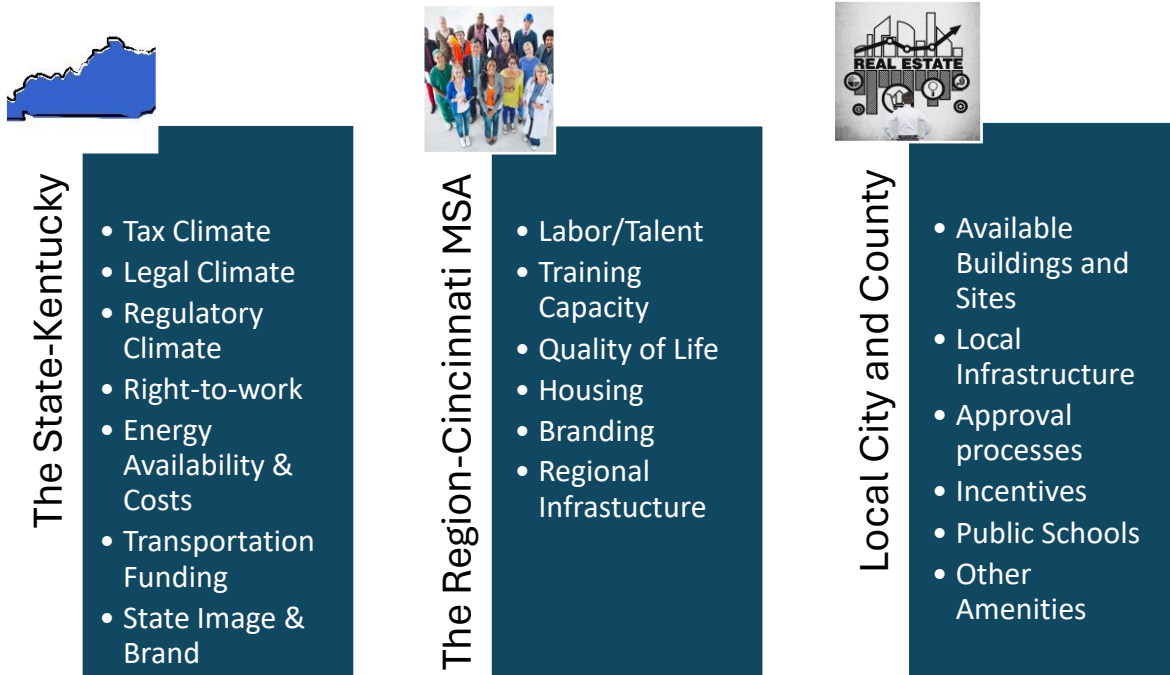
Comment from Company Interview

“We need to do a better job of promoting all trades in grade school and early high school; by the time they graduate it’s too late.”

Comment from Company Interview

Aligning with Key Partners to Create Synergies and Efficiencies

Economic development is often called the ultimate team sport. We know that many partners are needed to achieve improved regional competitiveness and growth. The primary responsibility for specific competitive factors falls to different partners.



Kentucky has recently completed a new economic development collaborative blueprint and REDI Cincinnati, the MSA’s economic development group, operates under a five-year strategic plan. Northern Kentucky’s strategic actions can be amplified by maintaining close alignment with these efforts.

The new Kentucky plan is based on input from the state’s economic developers. It outlines five priority sectors for the state, and five enablers, which would strengthen the state’s competitiveness.

The five sectors recommended for the state to prioritize are presented as goals.

1. Win the automotive future.
2. Be a leader in the U.S. manufacturing renaissance.



3. Capitalize on what makes Kentucky unique, including supporting distribution and logistics and hospitality and tourism.
4. Capture Kentucky's fair share of tomorrow's jobs across the commonwealth.
5. Make intelligent moves to cultivate industry clusters, including aerospace, agritech, and life sciences.

To be successful the report highlights five priority enablers.

1. Competitive products
2. Workforce
3. Entrepreneurship and Innovation
4. Infrastructure
5. Placemaking

The REDI Cincinnati regional plan also prioritizes promoting the broader region's brand, promoting investment in sites and buildings, and improving the quantity and skills of regional talent. Close collaboration with TEAM Kentucky and REDI Cincinnati is important to extend the resources available to Northern Kentucky, and alignment will help everyone achieve their goals.



Future Trends Impacting Key Opportunity Industries

To successfully grow and diversify the Northern Kentucky economy, growing certain targeted clusters or industries will be critical. Each of those industries, like almost every sector, is currently experiencing change. Taking advantage of these opportunities will be easier if the region can anticipate and understand those changes.



Tech Sector

The technology sector is a nearly \$2 trillion industry in America, employing 9.4 million people. The sector has been on a roller coaster the past four years, as COVID initially resulted in a surge in hiring and tech spending growth, a trend that moderated through much of 2022 and 2023. Most experts are expecting the tech sector to continue in 2024 the rightsizing that began in late 2022. Still, few think the dynamic sector will experience more than a brief pause. Analysts project increases in global spending as firms continue to invest in digital transformation. Others note that the national and global economies are at a tipping point for broad adoption of technologies like **artificial intelligence (AI), cloud and edge computing, 5G and 6G cellular, manufacturing 5.0 and low Earth orbit satellites**. AI applications are rapidly being deployed in an incredibly broad range of uses, from healthcare to education and finance.

Despite the large number of announced layoffs over the last year, CompTIA still projected three percent net job growth in the industry in 2023. CompTIA's report lists these as the fastest-growing occupations within tech:

- Data Scientists and Data Analysts
- Cybersecurity Analysts and Engineers
- Web Designers
- Software Developers and Engineers

Business and Financial Services

The professional and business services industry in the U.S. employs about 10 million people. The greatest number of these are in the computer systems design subsector. According to the Bureau of Labor Statistics, average earnings for all employees in the sector are just over \$41 per hour. This sector represents a \$64 billion market in America. The U.S. also enjoys a trade surplus of over \$100 billion from exporting these services including legal, accounting, management consulting, R&D, engineering and architectural services.

- **Digitalization of data** is creating huge needs for extensive data analysis to better serve clients. As one observer puts it, “Data is the new gold.”
- Increased **outsourcing** of business management tasks is creating more opportunities for firms in business and financial services.
- There appears to be no easing of the **talent wars** to obtain and keep productive employees. Business and professional service firms are making work arrangements more flexible (including “gig” contract work and hybrid arrangements) to attract top talent.
- The impact of the COVID pandemic increased demand for facilities management services. Facility managers must devise solutions that improve worker health, safety, and wellbeing, also balancing the need to create more flexible spaces that encourage employee interaction and incorporate hybrid work schedules.
- All of these business opportunities put pressure on labor supply and, with wages rising, on labor costs. Industry observers think that **labor costs and worker productivity** will likely continue to be the number one sector issue. Companies with a big field service component – like facilities management, commercial cleaning, security, or waste management – will need to embrace technology to keep labor costs down.
- In this labor-intensive field, **automation** will increasingly be adopted to improve productivity and reduce hiring pressures. AI and machine learning will facilitate data analysis tasks. AI resources like chatbots and natural language processing (NLP) will play growing roles in areas such as advertising and customer service.

Top U.S. metro areas with heavy concentrations of consulting firms include New York, San Francisco, Boston, Los Angeles, Chicago, Houston, Denver, Atlanta, and Seattle. Washington DC ranks high for legal services, while San Jose is a leading location for engineering services. Several of these metros have experienced recent outmigration due, at least in part, to high costs. More affordable locations are expected to see significant growth over the next decade.

Consultants from JLL discussed existing and emerging **fintech hubs** in a 2023 report. They wrote that the U.S. dominates fintech investment funding, landing 40 percent of all deals globally. With 78 percent of U.S. consumers preferring to manage their finances online, fintech growth is expected to continue. JLL reports that the sector is currently concentrated around specific large metro hubs, but that the **sector is decentralizing**. Of course, **talent recruiting opportunities** are among the key location considerations.



Logistics

Some in the logistics industry may be hoping for a lull in the high levels of volatility seen since the start of the pandemic, but are far from sure this will happen. The key trends in logistics anticipated over the coming year include:

- The **geopolitical uncertainty** currently focused on unrest in the Red Sea, Israel, and Ukraine.
- **U.S. port issues**, with daily ship limitations through the Panama Canal due to drought conditions, along with the Red Sea crisis, that may drive traffic back to West Coast ports. Meanwhile, East Coast and Gulf Coast ports are dealing with labor negotiations.
- The constant drive for **digital transformation** and end-to-end automation in the logistics sector. Industry 4.0 tools applied to logistics include the use of Big Data to mitigate supply chain risk, AI, IoT, and blockchain technology.
- The impact of e-commerce on **air cargo demand**. E-commerce gains by firms like Temu, SHEIN and Tik-Tok could spur additional demand. Meanwhile, air cargo labor and management clashes might cause customers to shift carriers.
- Continued momentum in **nearshoring** trends, with Mexico now being the United States' largest trading partner. Nearshoring growth could cause border congestion issues for logistics firms.
- Customer interest in **real-time data and visibility**.
- **Trucking** may suffer from continued **overcapacity**. However, U.S. trucking could see increases in LTL (less than truckload) activity to meet the demands of e-commerce.

Food and Beverage Processing

Robust growth is projected to continue in the U.S. food and beverage processing cluster. Some of the many consumer trends gaining steam are a) healthy beverages; b) plant-based diets including plant-based seafood; c) increased use of honey and other natural sweeteners; and d) mushroom-derived products. For food and beverage processing companies, these will be important trends in 2024 and beyond:

- **Sustainability** – the use of less packaging and lighter, naturally-derived packaging materials; reusable lids; upcycling of would-be processing waste
- **Cost Controls** – a focus on costs to address consumers' inflation concerns; tighter supply chains that are efficient, effective, and timely
- **Automation** – to improve quality control, traceability, and food safety
- **Use of Renewable Energy** in the manufacturing process
- **Reduced Food Waste**

Food security concerns and shifting global alliances are also creating new U.S. markets.

Biotechnology

In its market report at the end of 2023, real estate firm JLL wrote that overall U.S. demand for lab space has slowed, but is likely to rebound sometime in 2024 as life sciences-focused venture capital firms are sitting on **record amounts of cash** to deploy. JLL believes that the construction pipeline for lab space has peaked, and completions in 2024 will outpace new project starts. There will be downward pressure on lease rates for life sciences space until the end of the year.

Here are other important trends that most observers think will be in play for the life sciences and biotech.

- Following an uptick in biotech mergers and acquisitions in 2023, analysts expect the dollar value of **M&A activity to increase**.
- After a wave of workforce layoffs last year, a **moderate hiring rebound** is expected.
- **AI investments** and their impacts will be felt in every aspect of the sector, from drug development to customer interactions.
- There will be continued advances and market impacts in the areas of RNA, CRISPR, stem cell research and tissue engineering.
- Companies will increase their focus on treatments for obesity and Alzheimer's.
- In addition to M&A activity there will likely be greater **collaboration agreements** between large pharmaceutical firms and small biotechs.

JLL's sector report listed these as the **top 10 life sciences clusters** in the nation.

1. Greater Boston
2. San Francisco Bay Area
3. San Diego
4. Greater DC and Baltimore
5. Raleigh-Durham
6. New Jersey
7. New York City
8. Boulder
9. Philadelphia
10. Seattle

In the **biomanufacturing** subsector, it noted Raleigh-Durham and New Jersey as two of the top five thriving hubs along with powerhouses Boston, Philadelphia, and the San Francisco Bay Area. For the growing **medtech** subsector it highlighted Orange County, CA, Minneapolis-St. Paul, and Salt Lake City alongside Boston and San Francisco.



Building Local Wealth Through Entrepreneurial Support

Very few economic development efforts have more impact than building and retaining local wealth. Some of the greatest regional economies are built on the foundation of local companies that started small, and today provide leadership and philanthropy as well as jobs and investment.

Entrepreneurship support is often designed and executed at the community level. As part of local and regional economic development strategic plans, they typically concentrate on industry sectors that the local community can support – those with talent, resources, and champions.

There are key roles for regional-level partners to support these ecosystems.

Leadership:

- Champion entrepreneurship as a key economic development driver for the region's economy.

Research:

- Provide critical business and industry data and analysis that helps inform and direct local ecosystem development. This includes current and projected workforce/talent supply and demand; venture capital/investor availability; regulatory impediments and opportunities.

Education and Training:

- Provide regional education and training to help determine opportunities for entrepreneurial ecosystem development and/or expansion.
- Training should include an overview of the ecosystem development process and desired ecosystem outcomes.
- The training audience should include chambers of commerce, economic development corporations, local elected officials and existing entrepreneurial organizations.



Advocacy:

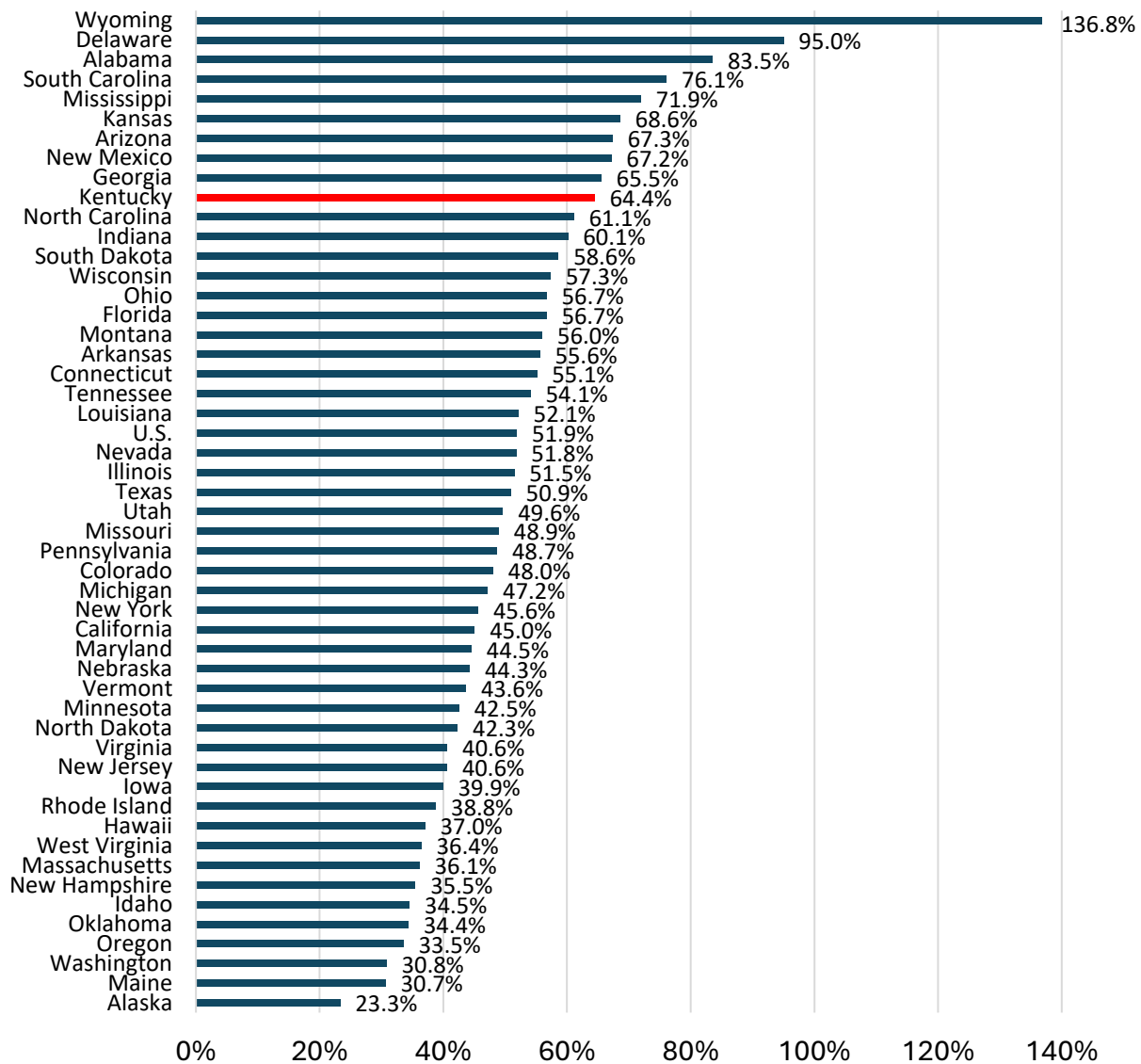
- Develop a comprehensive regional legislative advocacy strategy to support entrepreneurial ecosystem development through:
 - Greater opportunities for investor support
 - Creation of new funding for entrepreneurial program support.

Funding:

- Create a mechanism to support public and philanthropic funding for entrepreneurial ecosystem development throughout Northern Kentucky.

In the past, Kentucky at times lagged other states in entrepreneurial measurements. New business creation exploded over the past few years, setting all-time records, and Kentucky's strong performance (10th highest nationally in business formation growth since pre-COVID) reflects a new opportunity that Northern Kentucky should take advantage of.

U.S. Business Formations
Percentage Change January 2020 to September 2023



Building a Regional Brand and Narrative

There are multiple definitions and descriptions of branding. Many people say that it is simply a promise made to a potential customer. We believe that a brand conveys your thinking - the thinking that you want others to adopt. It enlightens the audience by highlighting something that differentiates your place from all other places. Hundreds of places in our country say they are a great place to live-work-play, to raise a family or that they have the best workers. They have web sites that show kids eating ice cream, people walking along a wooded trail, young adults drinking in a beer hall, or older adults playing with grandkids. While pleasant they don't show anything special. A good brand is distinctive, authentic, and the best ones resonate with the needs or goals of the audience.



The shiny objects of branding are the tag line and color choices. While a slogan or tag line can reinforce a brand, there are very few that are memorable. “What happens in Vegas, stays in Vegas” is a great tourism tag line, but for every successful tag line there are dozens of instantly forgettable ones.

Economic Leadership believes that the most important component of branding for places is the brand narrative. A brand narrative is how you talk about your region. It tells local residents, and those people and businesses you wish were local, why they should love Northern Kentucky.

A brand narrative is built over time and is constantly evolving as new stories, business successes, local investments, and thousands of social media interactions mingle into a set of stories that become your brand. The narrative is strengthened by actions. In North Carolina’s Research Triangle, securing a major new research grant tells potential investors that the region is an important research hub. A company relocating to Austin reinforces Austin, and Texas, as a

“Branding is a vital part of economic development. It’s shorthand that communicates who you are to people both inside and outside your community. When it works, it emotionally resonates with stakeholders by inviting them to see why you are different and why people should invest, work and buy in your community.”

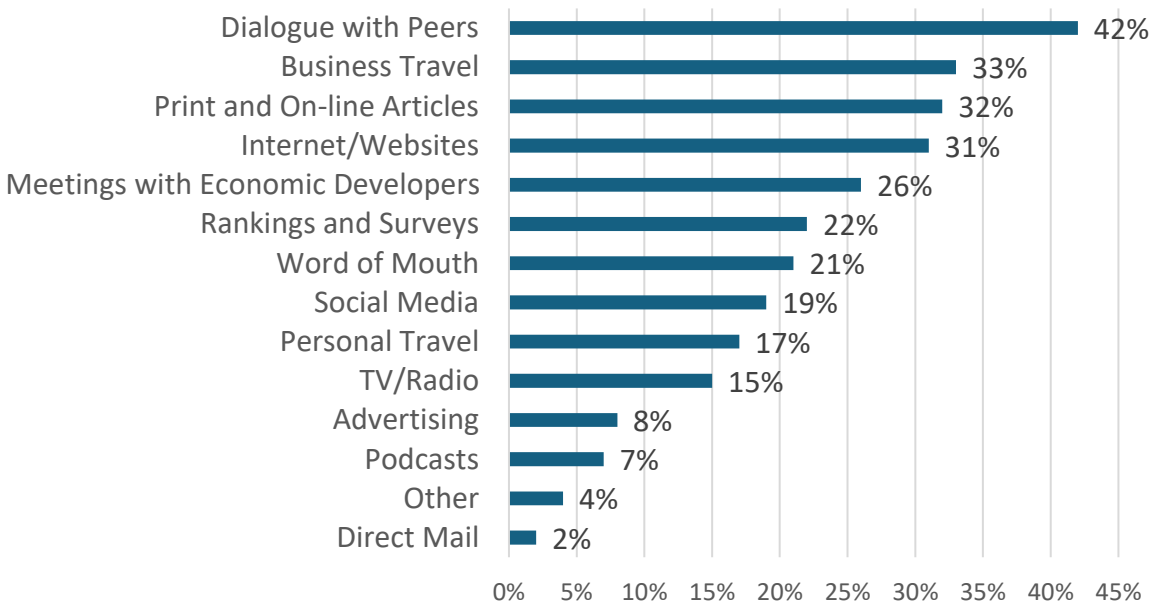
Maureen Ballatori, Design Studio
Branding & Marketing

headquarters destination. When a company announces that they have located hundreds of new jobs to a midwestern metro to save money, affordability becomes part of the metro’s narrative.

Brand narratives can be cultivated through earned or bought editorial content. In DCI’s 2023 *Winning Strategies in Economic Development Marketing* report, “Dialogue with Industry Peers” was once again the leading source of influencing executive perceptions of an area’s business climate. It has been the leading source in every report back to 1996. Business travel, articles in newspapers and magazines, and websites were the other sources receiving the most votes.

Leading Sources of Information Influencing Executive Perception of an Area's Business Climate

DCI's 2023 Winning Strategies in Economic Development Marketing



Businesses are interested in a place’s business climate including costs, the availability and skills of talent and infrastructure. Their impressions and information come from many sources.

Attracting new residents also requires a brand narrative that resonates with their priorities. DCI’s report *Talent Wars-What People Look for in Jobs and Locations* concludes that the top trigger for people to relocate is to have a better quality of life. Having a good job offer with a good salary is important. The five most important factors for a new community are listed below:

1. Cost of living
2. Housing availability
3. Housing costs
4. Safety/crime rates
5. Ability to live-work-play without a long commute

Many of those factors can be sorted using data analytics that compare regions across the country, but as Steve Duncan from C Studios says, data is great if context comes along for the ride. We think it is important for Northern Kentucky to build a brand narrative that can be supported by easily accessible data.

Building the brand narrative should involve many regional organizations and needs to align where possible with both Kentucky's and Cincinnati's narrative.

Team Kentucky's web page currently touts "unmatched logistics", interstate highway connectivity, the lowest costs of doing business, low electricity costs, and "one of the lowest cost of living rates in the U.S." as its reasons to choose Kentucky. REDI Cincinnati highlights a low cost of living, Cincinnati-Northern Kentucky International Airport (CVG) as a superior shipping hub, available sites and low taxes with available incentives.

"Data is great if context comes along for the ride."

Steve Duncan, C Studios

We believe that the challenge is not just to develop the Northern Kentucky brand narrative - which will likely include affordability, livability, logistics, and manufacturing - but to determine who the audience should be and how the message will be delivered. Whatever is decided, we recommend that there be an internal regional component targeted at existing businesses and residents, that Northern Kentucky lean into the efforts of Kentucky and Cincinnati, that CVG be a focal point for telling the story and that BE NKY Growth Partnership take the lead and bring in other partners.

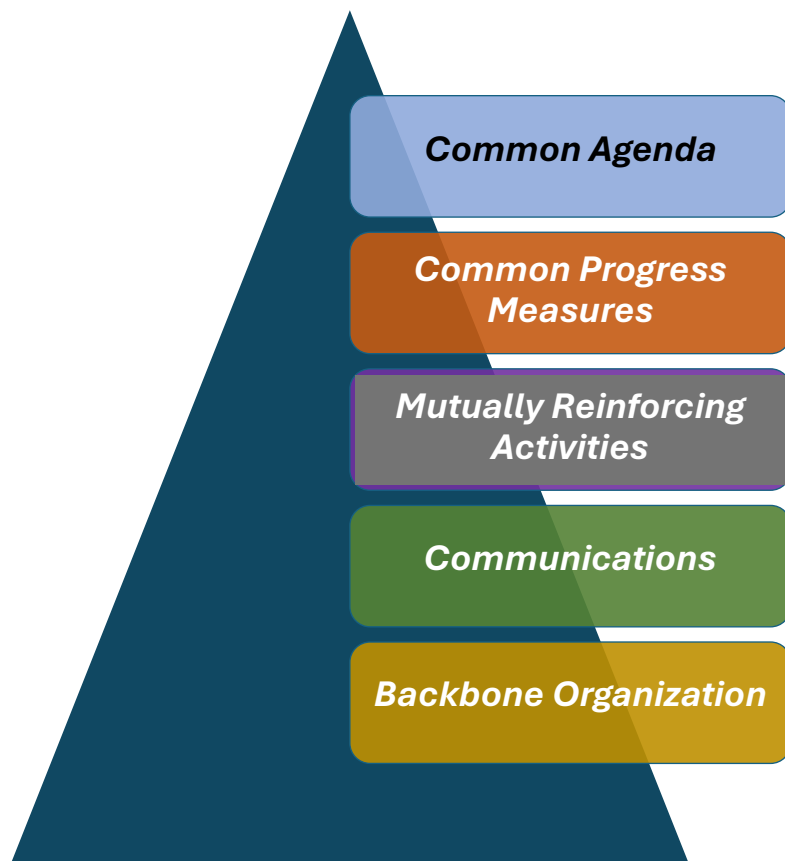


Ensuring Collaboration and Plan Implementation

Many regions become paralyzed by the complexity of the problems and the countless opportunities to make their communities more competitive. Regional leaders often struggle to stay current on the ongoing efforts and to keep score of whether the efforts are making a difference. Collaboration is challenging and it requires a structure and resources to build collaborative capacity. In our experience, a structured approach works best. The Collective Impact Model is widely used, and research has verified that it works. For a region like Northern Kentucky, it allows multiple organizations to work together more efficiently. The concept of collective impact was first articulated in the 2011 Stanford Social Innovation Review article *Collective Impact*,¹ written by John Kania, managing director at FSG, and Mark Kramer, Kennedy School at Harvard and Co-founder of FSG.

It builds on five principles.

- 1) A Common Agenda** - Keeps all organizations moving toward common goals. This strategic action agenda can be the basis for a set of shared goals for businesses, public sector leaders, educational institutions and other organizations that want to work together to improve the region's competitiveness.
- 2) Common Progress Measurements** - These are measures that impact the common outcomes. Some examples are included in the metrics section of this report.
- 3) Mutually Reinforcing Activities** – Successful efforts typically involve many different organizations doing specific tasks. Each organization's expertise is leveraged to achieve the common goals. A university might train more nurses, while an economic development group interfaces with businesses to facilitate internships. Successful branding would engage many public and private groups.



- 4) **Communication** builds transparency, trust, and collaboration, but it also keeps community leaders and citizens informed and engaged.
- 5) **Backbone Organization** – **While groups are doing different things**, it takes a collaborative capacity to maintain the workforce ecosystem. The backbone group is the designated process “glue and grease” and periodically herds all the other organizations to maintain the focus. The BE NKY Growth Partnership would serve as the back-bone organization.

One role of the BE NKY Growth Partnership leadership could be to enhance leadership through an evolution of various existing leaders to regional stewards.

"Regional Stewards" is a concept initially researched and promoted by The Alliance for Regional Stewardship over 20 years ago. According to their work, Regional Stewards are leaders who are committed to the well-being of specific places, in this case, the Northern Kentucky region. These leaders are integrators who cross boundaries of jurisdiction, sector, and discipline to address complex regional issues. They see the connection between economic, workforce, educational, community and social concerns like housing and childcare, and they know how to connect the dots to create opportunities for their region. Regional Stewards are leaders who combine 360-degree vision with the ability to mobilize diverse coalitions for actions. An original monograph that established the idea can be found at <http://www.coecon.com/assets/monograph1.pdf>

Over time, the BE NKY Growth partnership will probably not have day-to-day responsibility for all specific tasks, but will provide leadership, resources, a forum for discussions and decisions, and champion the efforts to new stakeholders. One clear role for the partnership is to provide thought leadership on emerging issues.

What is Regional Stewardship? Regional stewards are leaders who are committed to the long-term well-being of places. They are integrators who cross boundaries of jurisdiction, sector, and discipline to address complex regional issues such as sprawl, equity, education, and economic development. They see the connection between economic, environmental, and social concerns and they know how to “connect the dots” to create opportunities for their regions. Regional stewards are leaders who combine 360 degree vision with the ability to mobilize diverse coalitions for action.

Alliance for Regional Stewardship

Monograph Series 2000



What Does a More Successful, More Competitive Northern Kentucky Economy Look Like?

We believe that Northern Kentucky can become more competitive, more resilient and reach its economic goals by focusing resources on common sense actions to address the issues that stakeholders have identified as needing improvement. Implementation capacity will be a key to success.

Northern Kentucky's 6 Most Important Strategic Goals

- 1) **Increased labor force growth driven by efforts to retain young adults, welcome domestic and foreign immigrants, reduce out commuting and promote livability.**
- 2) **Citizens that are better prepared with in-demand, work-ready skills.**
- 3) **A more diversified economy achieved through targeted recruitment and a focus on entrepreneurial support to build greater regional wealth.**
- 4) **Coordinated planning and actions for better infrastructure to accommodate growth, including housing.**
- 5) **Creation and promotion – internally and externally – of a recognized regional brand.**
- 6) **Improved collaborative capacity to achieve results.**



Recommendations 2024-2029 and Best Practices

To address the 6 critical needs, the following 16 strategic action items are recommended. In addition, accompanying each recommendation category are examples of best practices. These illustrate innovative initiatives to address pressing economic development challenges in communities, regions and states across America. They have the potential to be scaled up and out, to be adapted by other places facing similar issues.

To Increase the Available Labor Force:

Recommended Action: Increase the attachment of young people to Northern Kentucky local careers through greater awareness of local career opportunities and more plentiful work experiences.

- Develop a regional internship and apprenticeship electronic matching database and promote through K-12 and higher education partners.
- Increase funding for K-12 school CTE programming and strive to expand the percentage of high school students taking any CTE courses as well as those who concentrate in a CTE career pathway.
- Consider the creation of a regional Workforce Coordinator position to assist the business community with facilitating workplace exposure and work experiences for area K-12 school students and community college students. Relevant activities could include business speakers in the schools, site visits to area employers, business mentors, job shadowing, internships, part-time and summer jobs, and apprenticeships.
- Increase the attachment of young residents through the expansion of young professionals programming with an annual YP regional issues summit, and the creation of an emerging leader's tier in leadership development that pairs each participant with an experienced business or community mentor.

Recommended Action: Welcome immigrants to Northern Kentucky and establish programs to help them assimilate.

- Expand on the Welcoming America collaborative of governments, non-profit organizations and businesses to welcome skilled migrants and refugees to the region. Connect them with work opportunities in their field of expertise, and provide important support services (such as housing assistance) for newcomers.

Recommended Action: Improve regional housing options.

- Advocate for an evaluation of zoning regulations in every jurisdiction within Northern Kentucky and updating of zoning codes to proactively encourage more housing development with a wider variety of housing products. This should specifically include housing types of interest to younger people, including single-family homes on small lots, apartments, townhomes, condominiums, duplexes, and accessory dwelling units (ADUs).

Recommended Action: Improve the perception of the quality of life in Northern Kentucky emphasizing attractiveness and affordability as a place to work, live, and raise a family. Build a multi-organization brand and narrative.

- Use a collaborative process to build a livability brand that would be promoted by many organizations.
- Create a social media campaign touting the quality of life in Northern Kentucky, targeted at adults ages 18 to 45 years old living in other counties in and adjacent to the Cincinnati MSA.

Best Practices to Increase the Available Labor Force

Talent Attraction and Retention Initiatives

Many cities and metro regions have talent attraction and retention efforts that highlight their area's breweries, entertainment and outdoor recreation offerings. Those are all valuable, but research from DCI's annual **Talent Wars** reports underscore the fact that when talent makes a location decision it places the highest importance on basic factors. In the 2023 Talent Wars surveys, the top career-related factors for relocation were **1) the job opportunity itself, 2) work/life balance, 3) salary and benefits, 4) future job advancement opportunities for the individual in that location, and 5) job opportunities for a spouse or partner**. Among other factors outside of career considerations, the top five were **1) cost of living, 2) housing availability, 3) housing cost, 4) safety and crime, and 5) ability to live, work and play without a long commute**.

Communities should remember these essential factors when developing attraction and retention campaigns. In Pennsylvania, the **Talent Supply Initiative** of the **Lehigh Valley Economic Development Corporation** focuses on job data, career guidance, and internships. Programming and website content includes a Hot Careers Guide, annual internship summit, and an employability skills initiative. The Talent Supply Initiative also undertakes college alumni surveys among graduates from schools in the Allentown-Bethlehem-Easton MSA (two-state

MSA population of 872,000). This work has helped the region to outpace Pennsylvania's recent population growth rate, and the initiative has won multiple awards from the International Economic Development Council (IEDC).

Other attraction and retention-oriented websites do a good job of focusing on cost of living and housing. [Oklahoma City's ABetterLifeOKC](#) site and [Northwest Arkansas' FindingNWA](#) both feature online cost of living calculators to show prospective residents how far their incomes would go in those two metros, which have populations of 1,460,000 and 576,000, respectively. Housing incentives include [Topeka, KS](#) and partnering employers offering relocating workers \$15,000 towards the purchase of a home, and the [Colorado Springs, CO Chamber & EDC](#) providing downtown housing for young professionals participating in its [Hello Colorado Springs](#) immersion program.

Talent Attraction and Retention Through Quality of Life Improvements

The growing [Oklahoma City](#) metro region has long focused on making the kind of quality of life improvements that attract young professionals. Since 1993 voters have approved four rounds of penny sales taxes dedicated to Metropolitan Area Projects, also known as MAPS. The four MAPS programs – with two rounds of projects still ongoing – are expected to raise a total of nearly \$2.8 billion for a tremendous range of projects. Improvements include a new baseball stadium and NBA arena, canal, downtown library, trolley, streetcar and other transit enhancements, and numerous parks and trails. Funds have also been used for youth centers and to combat homelessness. The second round was dedicated as MAPS for Kids, including improvements to every public school in the city.

Labor Force Participation Among Disengaged Youth

Outreach is needed to connect resources with young people who are not in school and not working. These are often termed disengaged youth or opportunity youth, usually referring to those between the ages of 16 and 24. Capital Workforce Partners in the [Hartford, CT](#) area is trying to increase outreach through a new [Training and Employment Navigational Tool](#). This online tool surveys opportunity youth about their needs and interests, and then prepares a customized list of resources provided by the 30 community partners in the Hartford Opportunity Youth Collaborative. Every partner has a contact person assigned to quickly reach out to youth when a referral is made through the tool.

Labor Force Participation Among Recent Immigrants

The State of Michigan's [Office of Global Michigan](#) welcomes skilled migrants and refugees to the state, connects them with work opportunities and provides important support services for newcomers. The Office of Global Michigan operates Michigan International Talent Solutions (MITS) to help immigrant professionals with STEM backgrounds to more quickly find work

within their profession. Global Michigan also has a refugee services program, and a newcomer rental subsidy initiative helps new, foreign born residents to obtain affordable housing.

Another effort to help recent immigrants successfully enter the workforce is the **Welcoming Workplaces** initiative in the **Brattleboro** area of southern Vermont. Welcoming Workplaces focuses on a) developing greater workplace inclusivity, b) employer-driven workforce development targeted for English language learners, and c) partnerships with immigrant support groups. Since 2022 the effort has worked with 120 refugees and asylum seekers from across the globe, and 80 percent have found full-time jobs in high-demand occupations. Manufacturers have been able to fully staff production lines and workforce training programs now have enough trainees to support more classes. Welcoming Workplaces won an Excellence in Economic Development Award from the IEDC in 2023.

Building a More Diverse Workforce

To develop a more diverse future workforce and to retain young talent, the **Tulsa Regional Chamber** in Oklahoma and its partners operate Tulsa's **NextGen Talent**. NextGen Talent is a three-week career exploration and experiential learning program for college-bound Black students. The effort allows young Black students to develop a professional network in the Tulsa area before starting college, hopefully anchoring them to the region.

To Improve the Quantity and Skills of the Available Workforce

Recommended Action: Quantify and promote the work readiness of the Northern Kentucky workforce through participation in ACT's Work Ready Communities.

- Kentucky communities have not been official participants in the national Work Ready Communities program. Having the Northern Kentucky counties as participants would better align the workforce with workplace skills most desired by area employers.
- With ACT's National Career Readiness Certificates used by Site Selection in its workforce rankings, broadcasting this participation will enhance Northern Kentucky's status as a leader in solving businesses' number one competitiveness challenge.

Recommended Action: Increase labor force participation among those in the group with the greatest potential to add significant numbers to the workforce: older workers.

- Northern Kentucky will benefit from joining other communities around the country in an existing older worker attraction and skill development program, such as AARP's Back to Work 50+ initiative.

Best Practices to Improve the Quantity and Skills of the Workforce

Engaging and Upskilling Older Adults

One model to increase engagement of older adults is **AARP's Back to Work 50+** initiative which has paired with a number of communities across the nation. One such partner is Jefferson State Community College (JSCC) in the **Birmingham, AL** area. JSCC trains older students for jobs in administrative medical assisting, I.T. help desks, and other computer-oriented work. JSCC's coordinator for the program notes that older students often need "a lot of triage and upskilling," and training often results in CompTIA industry certificates for digital skills. JSCC's Back to Work 50+ support services include mental health resources, help with utility bills, and a food pantry.

Engaging Young Residents in STEM Education and Career Awareness

A rural 29-county area in eastern **North Carolina** recognized that its future workforce – and the key to its economic prospects – was the region's K-12 school students. Economic development leaders and educators developed **STEM East** as a comprehensive effort for teacher development, STEM learning, industry collaboration, and career awareness. STEM East has received buy-in and financial commitment from every school district and community college in the region. It is developing an Industry in Schools component to ensure that students have exposure to the promising careers available in each sub-region. Seeing the potential for this initiative to develop the area's own talent, in 2023 the North Carolina General Assembly made a \$15 million investment in STEM East.

To Diversify the Economy

Recommended Action: Support Growth in the Tech Sector

- Create a regional technology leadership council with a limited program of work.
- Conduct a technology industry and occupation analysis.

Recommended Action: Target resources toward manufacturing growth in information technology and life sciences.

- Prepare specific fact sheets and web pages demonstrating the "to market" regional assets.
- Participate with REDI Cincinnati and Team Kentucky recruitment missions.
- Highlight specific regional assets for these targets with outreach to site selectors.

Best Practices to Diversify the Economy

Tech and Biotech/Life Sciences Sectors

Some of the nation's leading tech, biotechnology and life sciences hubs have developed best practices for differentiating their regions and marketing those strengths to keep them top-of-mind when new industry investments and locations are being considered. **Seattle** thrives by highlighting the convergence of two leading U.S. sectors – technology and life sciences – as a unique strength for the region. The area's tech giants can lend expertise in AI for quicker, deeper deployment of AI in many biopharma development applications. The greater **Boston** area trades on the city's great life sciences reputation while developing more suburban sites and buildings to offset the city's limited locations for new development. The **Research Triangle** region of North Carolina positions itself as a thought leader, working with the NC Biotechnology Center to share data, convene discussions on where the industry is headed, and host events that further innovative thought in biotechnology.

To Address Infrastructure Needs

Recommended Action: BE NKY Growth partnership will work with county and city public officials to aggregate and publish a combined capital improvement plan detailing the upcoming infrastructure improvements for the region.

Recommended Action: Fund a comprehensive assessment of future unmet infrastructure needs to accommodate expected growth.

Best Practices to Address Infrastructure Needs

Funding Infrastructure Improvements

The ability of governments to issue bonds can be a crucial way to fund needed infrastructure improvements that support a healthy logistics industry. Long ago, when FedEx moved its operations hub from Little Rock to **Memphis**, airport authority and other business leaders promoted a \$2.9 million airport expansion bond issue to make it happen. Much of the expansion of **Chicago's O'Hare** airport has been facilitated by government bonds offering attractive financing rates, issued by governments but backed by private companies. Recently, the **North Carolina Chamber of Commerce** has rallied numerous groups to push the passage of several large highway improvement bond packages.

To Build Greater Local Wealth

Recommended Action: Commit to an improved entrepreneurial ecosystem, developed with a coalition of partner organizations led by Blue North and the Kentucky Innovation Hub.

Recommended Action: Expand entrepreneurial training content in public school CTE classes.

Best Practices to Build Greater Local Wealth

Entrepreneurship and Small Business Development

One way for communities and states to improve the entrepreneurial ecosystem – without reinventing the wheel – is to take advantage of existing resources like those developed by the entrepreneurship-focused **Kauffman Foundation**. Community organizations can become an affiliate of Kauffman **FastTrac**, through which assistance can be delivered in person, online, or hybrid, in English or Spanish. FastTrac helps new enterprises with business plans, product development, branding and marketing, financial planning, funding sources, and product launch. Kauffman also organizes the **1 Million Cups** groups in over 120 U.S. communities, with entrepreneurs connecting every Wednesday morning to discuss business challenges and solutions.

A leading model for tech transfer from research universities is the **University of Utah**, recently rated by the Milken Institute as the nation’s best university for tech transfer and commercialization. Utah was also ranked second in the nation for “innovation impact productivity” in a 2020 report by the George W. Bush Institute. The school’s PIVOT Center assists with the commercialization process and evaluates projects to minimize risk. The Commercial Engine Committee – a “unique asset” according to Milken – is a group of outside experts who help make the process more efficient. In 2022 the PIVOT Center reported \$22 million in licensing income, 307 patents filed, and 122 patents issued by university-related initiatives.

The **Home-Run Accelerator** operated by **Made in Baltimore** is an intensive, five-month program for existing small businesses that make a physical product and are currently operating from their home, to prepare them to expand into a commercial production space. Each 12-person cohort (with a strong emphasis on women and people of color) receives training on issues such as hiring their first employees, signing a commercial lease, and sourcing raw materials. They are also paired with a Peer Mentor who has successfully scaled up from their home into a commercial production space. Those who complete the program each receive \$5,000 to \$10,000 to support their expansion.

To Improve the Regional Collaborative Capacity

Recommended Action: Adopt the Collective Impact Model for plan implementation and improved future collaboration

Recommended Action: Establish a dashboard or scorecard to monitor and report progress.

Recommended Action: Establish an Annual State of the Region event.

Gather business, community, and political leaders from around Northern Kentucky annually to review the region's competitiveness in critical economic and quality of life factors.

Recommended Action: Hold an annual meeting or retreat of engaged leaders to review, update, and adjust this plan as needed and to develop a strategic action agenda for participating partners. Leverage the work of the existing Economic Development and Innovation committee of the Chamber.

Best Practices to Improve Regional Collaborative Capacity

Dashboards and Scorecards

More places are using dashboards to aid in tracking key metrics and progress made in related performance. These tools also offer platforms accessible to and understandable by the general public, legislators, and the business community.

The **Florida Chamber of Commerce's Florida Scorecard** contains data points for 90 metrics across six different categories: A) Talent Supply & Education, B) Innovation & Economic Development, C) Infrastructure & Growth Leadership, D) Business Climate & Competitiveness, E) Civics & Governance, and F) Quality of Life. The online visual color-codes each data point to show whether the indicator is improving, declining, unchanged, or is a point of information.

The Florida Chamber also designed the **Florida Gap Map** to help policy makers, business leaders, and others assign resources based on the "unique barriers to opportunity" in all of the state's 983 ZIP codes. The Florida Gap Map allows anyone to view child poverty rates and third grade reading performance in every county and every ZIP Code in Florida. Users can also find the local labor force participation rate, monthly housing costs, and dozens of other data points.

The public-private **Colorado Workforce Development Council** has published an online **Colorado Talent Dashboard** since 2018. The current version contains sections on workforce demand data, workforce supply data, and network impact data. The Colorado Talent Dashboard is developed by the Workforce Development Council and the state Department of Higher Education with assistance from four additional state agencies.

Metrics for Success

“What gets measured, gets managed” is a famous quote from Peter Drucker’s 1954 book “The Practice of Management.” We are in complete agreement with Drucker and would go one step further, we believe what matters always need to be measured. To maintain the engagement of stakeholders, to be transparent and accountable to the citizens of the region, and to continuously evaluate progress Economic Leadership always recommends internal and external dashboards.

BE NKY Growth Partnership has built a robust dashboard to evaluate economic progress in the region. We also recommend an internal dashboard to measure the progress to meet the follow strategic action agenda goals for the next five years.

- Increase labor force growth to 600 net new workers annually, 3,000 additional by 2028.
- Grow the jobs in the targeted clusters by 3,000
- Create 250 new internships and apprenticeships for high school students annually.
- Increase the number of annual CTE completers by 500
- Complete zoning reviews for housing in all jurisdictions
- Complete a combined capital improvement plan
- Increase engagement of prospective entrepreneurs by 200 annually

External Dashboard to Measure the Regional Economy

Workforce

Labor force growth

Labor force diversity (race/ethnicity, gender, age group)

Labor force participation rate

Net in-migration vs. out-migration of taxpayers

Economy

GDP growth

Job growth

Economic Diversification – share of GDP by sector

Education & Training

Number of internships, apprenticeships, and other high school work experiences

CTE enrollment and number of CTE concentrators

ACT Work Ready Communities participation, NCRC attainment

Housing

Annual new housing starts

Break down housing starts by type – single-family detached, townhomes, condominiums, apartment units

Percentage of households that are housing-burdened (cost)

Entrepreneurship & Innovation

New business formation

Ratio of business openings to closings

Patents issued

Comparisons

As appropriate, compare metrics vs. Cincinnati MSA, Kentucky, Ohio, and peer communities per BE NKY



The report was written by Skylar Elliott Casey, Greg Payne and Ted Abernathy of Economic Leadership in March of 2024 for the BE NKY Growth Partnership.