Highlights of Recent IEA Activities

Community and Economic Development

IEA assisted the city of Marked Tree with securing an Economic Development Assistance Capital Improvement Grant that will leverage well over a million dollars for much needed rail service to existing and future businesses at the city’s industrial site.

IEA received a contract to monitor the curriculum and instructional delivery for the new Weatherization Assistance Program training package developed by Pulaski Tech and the Department of Health and Human Services.

In August IEA hosted the Arkansas meeting of Operation Jumpstart, a microenterprise development program, which oversaw the creation of ACCION Delta, a collaboration that includes the Delta Regional Authority. For more information, check out www.dra.gov and www.operationjumpstart.biz.

The 2011 UALR Economic Forecast Conference, held November 2 at the Doubletree Hotel in Downtown Little Rock, featured presentations on the Arkansas and national economy and economic forecasts for the coming year. More information from the conference can be found at www.arkansaseconomist.com/?page_id=235.

Center for Economic Development Education (CEDE)

An Economic Development Summer Forum, held in June in collaboration with local commercial realtors and the Arkansas Heritage Commission, focused on reuse of existing structures and marketing for economic development at the community level.

Strategic Planning for Economic Development and Entrepreneurship and Small Business Development were offered by IEA, in partnership with the University of Oklahoma’s Economic Development Institute, during July and September as part of its ongoing series of on-line courses accredited by the International Economic Development Council.

Introduction to Economic Development, a workshop developed by the CEDE, the Arkansas Economic Development Commission and the Arkansas Association of Development Organizations, was offered to local elected officials in each of Arkansas’ eight economic development districts in the spring and summer 2011, and will be offered again in 2012.

The Arkansas Economic Developers (AED) Annual Conference, held in August, utilized CEDE staff to help conduct a pre-conference workshop on retail analysis and development and techniques for assessing and growing a community’s retail base.

The Economic Development Fall Forum, Assessing Arkansas’ Economy, held in October, featured insights on Arkansas’ economy by State Forecaster and IEA’s chief economist, Dr. Michael Pakko.

Systems Development and User Support

IEA is designing a web based data management system for the Central Little Rock Promise Neighborhood (CLRPN) project, a long term collaborative effort to revitalize and sustain community life in central Little Rock.

IEA provides online surveys for facilities and agencies permitted by the Arkansas Health Services Permit Agency. This year’s greatly expanded survey offers respondents the same ability to maintain their reported data, securely access record management features and monitor survey progress.

Data and Research

Recent Publications...

2011 Arkansas State and County Economic Data provides population, employment, payrolls, personal income, sales, bank deposits, value added by manufacture, market value of agricultural products sold, and total real and personal property assessments.

2011 Getting Ready for School provides an annual assessment of Arkansas’ School Readiness Indicators to help Arkansas communities develop reliable measures and strategies for school readiness.


Training...

The UALR Geographic Information System (GIS) Laboratory conducted two hands-on workshops, Redistricting and Extracting Census Data for GIS, August 29-30, 2011, during the Arkansas GIS Users Forum’s Biennial Symposium in Bentonville, Arkansas.
Remember Barbara Mandrell’s big hit from the eighties “I Was Country When Country Wasn’t Cool?” Well, I was regional when regional wasn’t cool.

Regional economic development establishes a unified approach to economic planning and projects for larger geographic areas that may embrace a variety of communities including urban centers, suburbs and smaller towns. Better utilization of resources like transportation systems, water and utilities, and post-secondary educational institutions are just a few examples of how regional development can enhance an area’s economic viability and attractiveness. It is not surprising that Metropolitan areas with well thought out regional approaches have greater economic growth. All the facets that contribute to economic advancement like strategic planning, resource assessments, collaborative partnerships and responsive governance are more effective when undertaken at a regional level.

When I was chosen as Executive Director of the Institute for Economic Advancement nearly four years ago, I was encouraged to use my thirty-four years of experience in public service and the resources and expertise of IEA to build regional public and private collaborative initiatives aimed at enhancing economic development throughout the state. This issue of Advancing Arkansas charts the success of IEA and its partners in promoting a regional approach to address the challenges of creating and sustaining economic growth in Arkansas.

In this issue, we take a look at Arkansas’ fourteen true economic regions and profile the collaborative effort by IEA and its partner organizations to build a better regional community initiative for the public and private sector leaders in the Little Rock-North Little Rock-Conway Metropolitan Statistical Area (MSA).
Understanding the importance of a regional approach to enhancing community economic development and quality of place for individual communities is one of the greatest challenges facing metropolitan regions today.

The Collaboration

Designed to encourage the use of regional approaches to enhance public services and initiatives in the Metropolitan Statistical Area (MSA) of Little Rock-North Little Rock-Conway, Understanding the Regional Community Initiative is a collaborative effort between the University of Arkansas at Little Rock and its Institute for Economic Advancement (IEA), the Little Rock Regional Chamber of Commerce, Metroplan and the Central Arkansas Planning and Development District (CAPDD).

Although it is the state seat of government and one of Arkansas’ two most important centers of commerce, the Little Rock-North Little Rock-Conway MSA faces a number of stumbling blocks, including term limits for state legislators and rapid turnover of local officials, insufficient corporate leadership with attachments to the community, and a relatively low number of regional institutions. Understanding the Regional Community Initiative seeks creative ways to address these concerns and transform the largest MSA in Arkansas into a more dynamic regional community.

Identifying Best Practices

To provide the MSA’s leadership with examples of successful regional community development projects and programs, the Metro Little Rock Alliance, part of the Little Rock Regional Chamber of Commerce, identified eight comparable/competitor metropolitan regions. (Figure 2) The regional councils or chambers of commerce in each of those regions were asked to survey 20-25 public and private entities in their regions to identify multijurisdictional programs or projects that addressed the thirteen activity categories listed in Figure 3.

IEA then conducted a focus group session in each of the metropolitan
regions to obtain more in-depth information on the efforts identified through the survey and others that were missed in the initial survey responses.

The information gleaned from the survey and focus group efforts, along with a data overview of each of the regions, were compiled and bound into a complete report distributed to each region. Divided by metropolitan region and activity category, the report enables communities to compare successful initiatives, projects, and programs. In the words of one focus group member, “It allows us to steal great ideas from others.”

Sharing at the Summit

The best regional development practices, drawn from the most successful programs in each of the thirteen activity categories, were shared with the MSA’s leaders at the Understanding the Regional Community Summit. Held December 6, 2010 at the Wyndham Hotel in North Little Rock, the summit also featured a facilitated discussion on how to build a strong regional community. Ron Littlefield, Mayor of Chattanooga, a national leader in the effort to build regional communities and one of the key players in the renaissance of Chattanooga, served as the keynote speaker. Governor Mike Beebe, long time advocate for regional cooperation and collaboration, was the Summit’s luncheon speaker.

Summit participants from both the public and private sector want an ongoing dialogue among the nine regions and in November the leadership of the Little Rock-North Little Rock-Conway MSA will take a two day field trip to the Kansas City region to learn more about the success of that regional community. IEA believes that this project holds great promise for other metropolitan regions in Arkansas considering a regional approach to economic development. For information about the Understanding the Regional Community Summit or other development initiatives contact Jim Youngquist at IEA.

FIGURE 2: Eight Comparable Metropolitan Regions

FIGURE 3: Regional Activities Categories

- Economic Development
- Education and Workforce
- Emergency Services
- Environmental Services
- Law Enforcement
- Leadership Development
- Public Participation
- Recreation, Culture, and Entertainment
- Regional Advocacy
- Regional Planning
- Social Services
- Taxes
- Transportation
FEDERAL PARTNERSHIPS

Leveraging Resources for Arkansas

By James L. Youngquist

IEA’s partnerships with the Southwest Region of the U.S. Department of Commerce’s Economic Development Administration (EDA) and the Delta Regional Authority provide the Institute the opportunity to leverage important resources to address economic challenges and opportunities at the community, state, regional and national level.

IEA’s EDA University Center: Supporting Regionalism

As the largest and oldest of the ten University Centers in the Southwest Region, the University Center at IEA focuses on building regional, public-private collaboratives that advance community economic development in Arkansas. Since its designation as a University Center in 1996, IEA has brought neutral, non-partisan applied research and technical assistance to communities throughout the state and helped form and currently staffs the Arkansas Association of Development Organizations, the statewide association for the network of EDA development districts that cover the state.

Designated as a Center for Regional Innovation, IEA’s University Center has emerged as a leader in the five-state region. Working with the Austin office, IEA recently designed and facilitated a work session at the LBJ School of Public Policy at the University of Texas that focused on enhancing economic development opportunities by helping University Centers identify common agendas and ways to support each other, the EDA development districts, and the Southwest Regional office.

Delta Regional Authority: Multi-State Regionalism

Created in 2000 and charged with enhancing economic development in the Mississippi Delta region, the Delta Regional Authority (DRA) is a federal-state partnership that serves a total of 252 counties in the eight-state region that includes parts of Illinois, Missouri, Kentucky, Tennessee, Arkansas, Mississippi, Louisiana, and Alabama.

Led by a federal co-chair and the governors of each participating state, the DRA accomplishes its mission by...
fostering partnerships with public, private, and non-profit entities. Under federal law, at least 75 percent of DRA funds must be invested in economically distressed counties and parishes. Additionally, half of the funds are earmarked for transportation and basic infrastructure projects.

During the last two years, IEA provided facilitation and research support for the Delta Regional Authority and local development districts in the Delta region. IEA designed and facilitated a two-day orientation and planning session in Clarksdale, MS and Memphis, TN for DRA Federal Co-Chairman Chris Masingill and staff. Along with an on-going analysis of the Delta Doctors program, which places physicians in underserved areas of the region, IEA has conducted several surveys of employees in the Delta and is working to develop a “State of the Delta” analysis of the region and its relation to the national economy.

**Regional Initiatives Leveraged by EDA**

*Examples*

- **Regional Innovation Clusters** employ a state model focus on rural economies
- **Disaster Preparedness and Recovery** places a special emphasis on business and industry recovery
- **Statewide Comprehensive Economic Development Strategies** create an economic development blueprint for the state of Arkansas
- **Southeast Arkansas Economic Development District** includes workforce analysis and an economic profile
Effective regional development depends on comprehensive and relevant data that can provide community leaders an accurate economic profile of their region. A number of different data gathering techniques can help developers shed real light on the economic challenges and opportunities facing their communities.

Determining where people live, work, and spend their incomes, which industries and occupations are expanding or contracting, and how well educational institutions support the needs of business and industry are critical to the regional approach to economic development. The Institute for Economic Advancement can assist business and community leaders with data collection and analysis to help them determine the type of research approach that meets the specific needs of their municipality, county, business or industry.

Demographics and Economic Data from surveys, town hall meetings, businesses, and chambers of commerce, as well as population information from the Census Bureau, the Bureau of Labor Statistics and other sources allows communities to create a demographic and occupational profile for comparisons with other regions. Data can be used to:
- establish a baseline for measuring the impact of actions and policies
- identify their economic strengths, weaknesses and opportunities
- focus on specific industrial and occupational trends
- use economic forecasting models provided by organizations like Regional Economic Models Incorporated (REMI) to help project future occupation demands

Laborshed Analyses can reveal important information about a region’s workforce and employment infrastructure including the:
- number of communities and counties that provide workers for a particular employer
- maximum distance workers are willing to commute daily
- available occupations, labor pool traits, and current pay rates and benefits levels
- quality of transportation networks and the proximity of competing employment centers
- relation between support for local services and employment and salary levels

Skill-Gap Analyses can determine current workforce skills and compare them to skill requirements of business and industry in the region. Data from ACT WorkKeys assessments conducted by the state’s Career Readiness Certificate Program (CRC) can be used to:
- identify potential skill gaps in the regional labor pool
- indicate workforce readiness and trainability for targeted industry recruitment and expansion
- help policy makers address deficiencies in workforce training and development systems

Educational Service Area Assessments can be used to:
- identify educational institutions that offer programs that prepare the new and current workforce for high pay, high skill jobs
- determine industry clusters within each service area and determine the primary occupations within each cluster
- review local post-secondary learning institutions to determine if curriculums effectively address specific skills, knowledge, and abilities required by primary occupations in the service area
- facilitate ongoing relationships between area schools and colleges and the business community to improve curriculum development and provide shadowing and intern opportunities for students
Using Workforce and Customer Movement Patterns TO HELP DEFINE ECONOMIC REGIONS IN Arkansas

By Mark S. Goodman

In today’s global economy, regional cooperation and partnerships play a critical role in economic development. Every day employers and businesses rely on workers and customers traveling to their workplaces or outlets to create and buy goods and services. While multiple factors contribute to defining an economic region, examining how the movement patterns of workers and customers create economic relationships between Arkansas counties adds to the body of knowledge and helps provide another approach to delineating the state’s economic regions.

Map 1 shows the connection between counties and the flow of workers and identifies fourteen economic regions across the state (indicated by different colors on Maps 1 and 2). Arrows represent the movement of a majority of workers who commute to work in counties other than the county in which they live.

Map 2 identifies regional relationships through the theoretical movement of customers within a trade area (marked by dotted lines) to and from competing regional retail centers with the greatest volume of sales (indicated by stars).*

Similar methods can be employed on a community level to measure where both customers and workers travel each day to work and “do business.” For more information contact Mark Goodman at msgoodman@ualr.edu.

* A trade area is the geographic region served by a retail center (community). Customer movement depicted in Map 2 was determined utilizing retail gravity models to measure statistical trade areas between the largest retail centers. Methodology at www.iea.ualr.edu/pubs/2011/MethodsAppendix.pdf.
A recent report published by the Institute for Economic Advancement examines some of the patterns of economic development in the Texarkana MSA, with a particular emphasis on how differences in tax structure on the two sides of the state line might have contributed to those patterns. One pair of charts from that report is particularly striking.

Reproduced and updated here as Figures 1 and 2, each chart shows two measures of employment for Miller County, Arkansas and Bowie County, Texas. Data taken from the Local Area Unemployment Statistics (LAUS) which measures household employment based on the location of a worker’s residence, and the Quarterly Census of Employment and Wages (QCEW) which tracks jobs based on the location of the employer, present Miller and Bowie counties as almost mirror images of one another. Figure 1 shows a large and increasing gap between the size of the labor force residing in Miller County and the number of people employed there, while Figure 2 shows more people working in Bowie County than living there. This degree of cross-border mobility illustrates how integrated this bi-state region has become.

As a metropolitan area, Texarkana’s economy has proven to be quite resilient during the 2008-09 recession and subsequent recovery. Personal income growth was positive in 2009 and 2010, with Texarkana ranking as the 51st fastest-growing metro area in the country (out of 366). In the two years following the start of the recession in December 2007, Texarkana posted a net job loss of only 2.4% -- far lower than the 4.3% decline in Arkansas, the 3.0% decline in Texas, and the 6.3% decline for the U.S. Since the end of 2009, Texarkana has seen job growth of 1.8% and Miller County’s job growth rate of over 7% was the highest in Arkansas during 2010. (Map 1, page 11.)

Perhaps most remarkably, Texarkana is one of the few metro areas in the country that has experienced an ongoing appreciation of housing prices. As of the second quarter of 2011, house prices in Texarkana were up 2.1% from the previous year, and 13.8% higher than five years earlier.

In spite of a state line dividing the metro area -- or perhaps because of it -- Texarkana has managed to maintain a thriving, growing economy in the midst of nationwide economic stagnation.

**MSA Highlights**

- **Map 1** Covered Employment Growth, 2009:Q4 to 2010:Q4

- **Map 2** Average Weekly Wages: Percent Change from 2009:Q4 to 2010:Q4

- **Figure 1** House Prices - 2011, Second Quarter

- **Figure 2** Estimated Per Capita Personal Income, 2010

Source: Bureau of Labor Statistics, Quarterly Census of Wages and Employment

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**Figure 1 House Prices - 2011, Second Quarter**

<table>
<thead>
<tr>
<th>County</th>
<th>1 Quarter</th>
<th>1 Year</th>
<th>2 Years</th>
<th>5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayetteville-Springdale-Rogers</td>
<td>-1.3</td>
<td>-5.0</td>
<td>-12.1</td>
<td>-16.7</td>
</tr>
<tr>
<td>Fort Smith</td>
<td>-0.2</td>
<td>0.4</td>
<td>-3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Hot Springs</td>
<td>6.5</td>
<td>4.3</td>
<td>-3.7</td>
<td>7.6</td>
</tr>
<tr>
<td>Jonesboro</td>
<td>-2.9</td>
<td>-2.2</td>
<td>-2.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Little Rock-N. Little Rock-Conway</td>
<td>-0.2</td>
<td>-2.7</td>
<td>-2.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Memphis</td>
<td>-1.9</td>
<td>-6.1</td>
<td>-10.5</td>
<td>-10.0</td>
</tr>
<tr>
<td>Pine Bluff</td>
<td>5.9</td>
<td>-1.0</td>
<td>-2.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Texarkana</td>
<td>2.1</td>
<td>4.3</td>
<td>3.2</td>
<td>13.8</td>
</tr>
</tbody>
</table>

*Percent Changes to 2011:Q2
Source: Federal Housing Finance Agency, all-transactions house price indexes (includes sales and refinancing)

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**Figure 2 Estimated Per Capita Personal Income, 2010**

<table>
<thead>
<tr>
<th>Personal Income ($Millions)</th>
<th>Total Population**</th>
<th>Per Capita Income ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayetteville-Springdale-Rogers, AR-MO</td>
<td>15,356</td>
<td>463,204</td>
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<tr>
<td>Fort Smith, AR-OK</td>
<td>9,395</td>
<td>298,592</td>
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<td>Hot Springs, AR</td>
<td>3,413</td>
<td>96,024</td>
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<tr>
<td>Jonesboro, AR</td>
<td>3,813</td>
<td>121,026</td>
</tr>
<tr>
<td>Little Rock-North Little Rock-Conway, AR</td>
<td>27,403</td>
<td>699,757</td>
</tr>
<tr>
<td>Memphis, TN-MS-AR</td>
<td>50,613</td>
<td>1,316,100</td>
</tr>
<tr>
<td>Pine Bluff, AR</td>
<td>3,069</td>
<td>100,258</td>
</tr>
<tr>
<td>Texarkana, TX-Texarkana, AR</td>
<td>4,720</td>
<td>136,027</td>
</tr>
</tbody>
</table>

**Population totals are for April 2010. Official per capita income figures will be based on July 2010 data when it becomes available.
Source: U.S. Bureau of Economic Analysis; U.S. Census Bureau, 2010 Census National Summary File of Redistricting Data**
Upcoming Events

CEDE Economic Development Forum Series

- **Packaging the Deal** focuses on the process of deal structuring in local business development efforts and includes presenters from IEA, AEP SWEPCO, the Arkansas Economic Development Commission, and other organizations. December 8, 2011.

  *For more information on the Forum series, contact Tonya Hass at 501-569-8519 / tghass@ualr.edu.*

Accredited CEDE Courses...

- **Economic Impact Analysis** provides an overview of the basic practices of economic impact analysis, including data requirements, applications, and benefits. Accredited by the Mid-South Economic Development Professional Certification program. November 9-10, 2011.

- **Economic Development Marketing On-line Course** provides in-depth instruction in business development and community marketing practices. Eight week course. Beginning November 2011.

- **Mid-South Basic Economic Development Course** provides an overview of the basic practices economic developers and other community leaders use to conduct effective economic development programs in their communities. Accredited by the International Economic Development Council. March 26-29, 2012.

  *For more information on accredited CEDE courses, contact Dr. Ron Swager at 501-569-8519 / rjswager@ualr.edu.*

*All CEDE events will be held at the Donald W. Reynolds Center for Business and Economic Development on the UALR campus unless otherwise indicated.*

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