

Community Vision Statement

- Elkhart County will be a globally recognized center for creativity. This reputation will be built by residents who have the courage to take risks and help each other succeed in an environment of tolerance and respect that provides opportunities for all. Outstanding businesses and talented professionals will locate in our county because of the excellent schools, rich cultural life, clean and healthy environment, safe attractive neighborhoods and vibrant downtowns. The entrepreneurial culture of the county will be supported by a highly skilled workforce, a diverse economy, opportunities for life-long learning and effective governmental collaboration and community planning.

Why Plan?

- Our Vision Statement is intended to answer the question, what do we really want, what kind of life, what kind of a society do we want to bequeath to our coming generations?
- To intelligently address these concerns we must harness the intelligence of all of our community. We must take personal responsibility for change, and must accept that for every fact there is a reason, and we can do something about the reasons.

Why Plan?

- During the last several months while working on this Horizon Project, many people have stopped me and asked why do we need planning, why do we need change, we are doing fine, things are going great in Elkhart County, we don't want change.

Why Plan?

- One of my goals today is to reiterate the reasons why. We will then present the plan, and discuss what the people in our community think we can do about the situations confronting Elkhart County and the state of Indiana.

Where Are We Now?

- Indiana is at a crucial point in its history, after years of decline the state now suffers from an economy that is among the worst in the nation.
- The root of Indiana's decline lies in an outdated economic model grounded in traditional manufacturing.

Where Are We Now?

- Indiana's value system is often talked about with great respect and admiration. But it is Indiana's complacency, based on our past prosperity, which is our biggest weakness today.

Where Are We Now?

- There is no question that World War II unleashed a surge in industrial strength in Indiana that lasted for three decades.

- Those good times allowed the Indiana worker to live the American dream.
- But, in the mid-sixties capital investment in Indiana factories fell below the national average.
- Profit margins, particularly for those dealing in the automotive sector, were shrinking.

Where Are We Now?

- More importantly, per capita income started its decline from 100% of the national average in 1965, to 91% in 2002, and is continuing to fall.
- From 1965 to 2000 Indiana was 40th in the nation in new job creation.
- Indiana, more than almost any state in the nation, feels the social/economic revolution that is going on in the U.S.

Where Are We Now?

- This social/economic revolution is bringing profound changes in technology, economics, and society.
- Some states have responded to those changes, Indiana hasn't.
- Some states saw the need to attract new technology and high capital investment, but Indiana's leaders attempted to hold on to what we had in the past.

Where Are We Now?

- Indiana's heavy dependence on traditional manufacturing, our strength in the past, is our greatest weakness today. It is evidenced by our leadership in job loss, home foreclosures, personal bankruptcy, and the growing gap in personal income.
- Our inability to support proposals to rejuvenate economic growth shows that not only are we slow to react, we are stuck in the past.

Where Are We Now?

- It is a description of our economy.
- It is a description of our government.
- Our goal is to "bring jobs" and not lose jobs.
- Unfortunately, we are last and first in the wrong order.

Where Are We Now?

- Indiana's leaders have repeatedly failed to lead the state in ways to adapt to the changing economy.
- Solutions will require:
 - Major investments in research
 - New commitment to education
 - Clear visions for growth

Where Are We Now?

- Will we require our leaders to confront the hard questions?:

- Are we ready to accept reasonable risk and necessary change?
- Do we believe that Indiana and Elkhart County can be among the best instead of the worst in regard to the economy and education?
- Are we willing to sacrifice today to build a better tomorrow?

Where Are We Now?

- As I stated in the past, Indiana was a national leader, its farms and factories fed and equipped the world. Its people, even in small towns and rural areas, enjoyed a good standard of living.
- Today however, Indiana has lost much of its economic stature. Its high paying manufacturing base has been severely eroded.

Where Are We Now?

- Its agricultural sector has undergone radical consolidation with far fewer workers needed to bring crops or livestock to market.

Where Are We Now?

- High tech, with its promise of high wages and clean industries, has bypassed the state.
- Our once profitable automotive supply sector is rapidly vanishing.

Where Are We Now?

- Battered by the recession of 2001, Indiana in the last two years has led the nation in the rate of lost jobs, home foreclosures, and personal bankruptcies. A \$2,000,000,000 budget surplus has morphed into a nearly \$1,000,000,000 deficient

Where Are We Now?

- Millions of Hoosiers have been hurt by vanishing jobs, faltering incomes and declining state services.
- Our problems run deeper than just the 2001 recession. Our state's share of national wealth has been shrinking for nearly two decades, as good jobs flow out of Indiana and are replaced with lower paying positions.

Where Are We Now?

- Elkhart County is a classic example of a situation where we have created jobs, but with a ever lowering per capita income. (More on this later.)

Where Are We Now?

- Indiana has clung to its old style manufacturing, unfortunately, the sector of the U.S. economy hardest hit by new “global” economy. Indiana has invested little in the research and development for new businesses.

Where Are We Now?

- Component manufacturing jobs are migrating to other nations (China, India, Mexico) where standards of living are lower and environmental regulations are less strict.
- Companies who have invested to provide the productivity gains necessary to stay competitive, have by definition, needed fewer workers to do so.

Where Are We Now?

- There was a major shift in the makeup of the economy between 1979 and 2002 in the United States:
 - In 1979, 50% of the top 25 in the Fortune 500 were manufacturing, today its 20%.
 - Today's Fortune 500 embodies the new economy including energy, financial institutions, retail, and communications.
 - The impact on Indiana is: loss of old economy jobs.

Where Are We Now?

- As a result, Indiana's share of personal income has steadily declined. As I alluded to earlier, in 1965 the state ranked 17th in the nation in per capita income, by 2000 Indiana dropped to 33rd, the largest decline of any state in our nation.

Where Are We Now?

- This is a national trend, no state can influence it. It is based on the simple fact that countries such as Mexico and China can perform the work faster and cheaper.
- Unfortunately, Indiana and Elkhart County being more dependent on manufacturing than any other state or county in the nation, will suffer the most!

Where Are We Now?

- Based on this fact, many smaller cities face the daunting task of trying to grow a service economy, or a high tech manufacturing base, which is much more difficult in smaller cities than in an urban area.

Where Are We Now?

- While there has been growth in the service economy, those jobs require more education or training than previous factory worker jobs required.

Where Are We Now?

- Those cities that have been able to maintain manufacturing job growth have done so only by attracting lower wage, lighter industrial work. While they are currently barely holding their own economically, the future does not look good if we grow with only these types of jobs.

- Jobs grow, but the per capita income declines, not a promising trend, particularly where the job growth puts ever increasing stress on the infrastructure of the local economy.

Where Are We Now?

- Loss of high paying jobs, with a concurrent replacement with low paying jobs, is the current state of Indiana, and more importantly to us, of Elkhart County.

Where Are We Now?

- As I stated, Indiana leads the nation in manufacturing jobs, (and Elkhart leads Indiana in manufacturing jobs), but the state has not kept up with the nation over the last 30 years in job growth.

Where Are We Now?

- This is not true for Elkhart County, its job growth has been impressive, but Elkhart County's per capita income and average earnings per job, has not been impressive, falling below national and state averages.

Where Are We Now?

- Indiana's per capita income over the last 30 years has grown at a rate considerably less than the average state in the U.S. Elkhart County has grown at an even smaller rate.
- The same is true for the average earnings per job. The state lags behind the nation by a significant amount, and Elkhart County lags the state by an even more significant amount.

Where Are We Now?

- The stark reality is, while Elkhart County is still an incubator for jobs, we are trading off high paying jobs for low paying jobs at an alarming rate.

Where Are We Now?

Where Are We Now?

Where Are We Now?

Where Are We Now?

- Some people think our great "Hoosier Value" will help us lick the problem, other think that until we change, at least our way of thinking, if not our values, we will continue to plunge.

Where Are We Now?

- Many people believe the Indiana economy won't improve until we confront our Hoosier cultural baggage.

Where Are We Now?

- Excessive caution, stubborn resistance to change, and contentment with the way things are, have lulled Indiana into slumber, while the global economy has evolved.

Where Are We Now?

- Elkhart County, while not lacking in innovation and entrepreneurial spirit, does show a stubborn resistance to change, and contentment with what we have. Many believe, myself included, our standard of living will continue to suffer because of it.

Where Are We Now?

- Think of it this way, if Indiana were a nation, and the United States the world, Indiana would be on its way to third world status.
- That is why we developed the plan we will share today, it is a way to create a new dynamic in our county.
- “Change is debilitating when done to us, but exhilarating when done by us. “

Rose Beth Moss Kanter: World Class

- “Today will be our first step towards positive change.”

William P. Johnson

- “Does anybody know how to play this game?”

Casey Steingel

Former Manager of the New York Yankees

- “Our plan will touch all we know about how to play this game.”

William P. Johnson

How Will We Play The Game?

- What do we know about playing in the “new economy”?
 - Five key trends in economic development
 - Organizations, relationships, roles
 - Leadership changes
 - Economic development strategy
 - Successful community characteristics
- What is next?

How Will We Play The Game?

- Five Key Trends In Economic Development
 - Globalization
 - Technology and telecommunications
 - Regionalization
 - Sustainable development
 - Workforce development

How Will We Play The Game?

- Globalization – is not a passing trend.
 - Today, it is the over-arching international system shaping domestic policies and foreign relations of virtually every country, and we need to understand that it will not change.

Five Key Trends in Economic Development

- Globalization (cont'd)
 - We have, and we will, continue to lose manufacturing jobs to China, India, Mexico, and other countries. We will continue to lose service jobs for many back-office operations, that can be done cheaper at the same quality level, to these same countries.

How Will We Play The Game?

- Globalization (cont'd)
 - The playing field is the world
 - World Trade Organization admits China
 - European Monetary Union
 - Foreign competition (NAFTA)
 - Increased exports from foreign countries
 - Foreign country competition for U.S. investment dollars

How Will We Play The Game?

- Technology and telecommunications
 - The death of distance
 - Accessibility substitutes for physical location
 - The internet and computer networks
 - Telecommunications and mobile work

How Will We Play The Game?

- Regionalization
 - Meaningless boundaries
 - Capacity building and marketing
 - Public/private partnerships
 - Cost/revenue sharing

How Will We Play The Game?

- Regionalization (cont'd)
 - Types of regionalization
 - Major metro areas
 - State sponsored regions

- County-wide partnerships
- Inter-state corridors
- County/city partnerships

How Will We Play The Game?

- Regionalization (cont'd)
 - Reasons to forge regional partnerships
 - Cost efficiency
 - Greater capacity and resources
 - Stronger unit leadership
 - More choice for customers
 - Greater strengths at the state level
 - Pathway to other problem solving

How Will We Play The Game?

- Sustainable development (growth with stability)
 - Present needs of future generations
 - Long-term view
 - Inter-dependency of economic and environment
 - Long-term growth opportunities

How Will We Play The Game?

- Sustainable development (growth with stability) (cont'd)
 - Sustainable development programs
 - Wise growth/infrastructure in place
 - Redevelopment
 - Brownfield reclamation
 - Land conservation
 - Capital investments

How Will We Play The Game?

- Workforce Development (number one economic development issue)
 - P-12, plus college, plus continuing ed
 - Today's college students leave
 - New job requirements
 - Advanced degree essential for "new economy"

How Will We Play The Game?

- Traditional Leaders Loss
 - Bank mergers
 - Utility reorganizations
 - Plant closings
 - Locally owned company buy outs
 - Retirements and deaths

How Will We Play The Game?

- Economic Development Strategies
 - Small business development
 - Expansion and retention of existing business
 - Attraction of businesses with high capital investment and white collar component
 - Tourism

- Downtown/main streets
- Minority business development

How Will We Play The Game?

- Economic Development Strategies (cont'd)
 - Create a skilled workforce
 - Invest in an infra-structure for innovation
 - Create a good quality of life
 - Foster an innovative business climate
 - Re-invent government
 - Take regional government cooperation seriously

How Will We Play The Game?

- Successful Community Characteristics
 - A commitment to unite for the common good
 - A willingness to accept responsibility for the way things are (fact), and the way things will be (reasons)
 - Sharing of a common vision for the future
 - A proactive action oriented mind set/refusal to accept the facts as they are today

How Will We Play The Game?

- Successful Community Characteristics (cont'd)
 - A diverse participatory community leadership
 - A community capacity for continuing systemic change

Summary

- Hoosiers will buy into the new economy as a viable alternative to agricultural, and older manufacturing mainstays, when political and community leaders are able to describe clearly how lucrative “knowledge” jobs boost the economy and change our “quality of life”.

Summary

- Indiana has competitive universities, good transportation, work ethic, and low utility costs. Indiana does not have the “knowledge” workers necessary to sustain the new economy, i.e. advanced manufacturing, life sciences, etc.

Summary

- It is not that Hoosiers don't value a college education, Indiana ranks 14th in the nation in producing college graduates. Yet, the state is mired at 44th in the percentage of adults with bachelor degrees. Indiana ranks among the worst in the nation in retaining college educated workers. In the past decade, only five other states lost a higher percentage of college graduates than Indiana.

Summary

- Students graduate from Indiana engineering schools, and then grab a bus to California. In a high tech economy where an educated workforce is

considered far more valuable than tax incentives or road construction, Indiana's steady exodus of graduates is a severe liability.

Summary

- College graduates don't leave the state for beaches or mountains; they leave because they can't find the jobs they want here.
- The state is caught between two opposing forces; high tech business can't find enough skilled workers, so they don't locate here. At the same time, students trained in emerging professions at Indiana universities are unable to find jobs, so they leave. A "Catch 22".

Summary

- Education is the key if we are to adapt, but Indiana's education system has failed to provide many Hoosiers with the tools needed to thrive in the 21st Century; Our best educated workers migrate from the state; the remaining workforce is largely unprepared for the demands of the new economy.
- This is a "fact": There are many reasons! We can, we must do something about them.

Summary

- A premise: We will keep our best and brightest only if there are jobs.
- Our challenge: How will we create jobs for the "Knowledge Society"?

Summary

- In the last 15 years, the United States has seen a transformation to the "new economy".
 - Altered industrial and occupational order.
 - A dramatic trend towards globalization.
 - First, loss of manufacturing
 - Now, loss of service
 - Revolutionary advances in technology.

Summary

- This transformation has not yet hit Elkhart County as hard as the country.
- Consider the next slide.

Summary

Summary

- Demand for skilled workers will intensify, 42% of US jobs in 2010 will require technical (two year) or academic degrees, up 29% from 2000.
- New jobs will not be traditional manufacturing

Summary

- We must recognize that education is more than a benign necessity, and is more than an obligation for young people; it is an absolute economic necessity. We must recognize what education can do for the people of

Indiana and invest in it strategically, and that doesn't necessarily mean throwing more dollars at the problem.

Summary

- There is no question that entrepreneurs deciding where to locate their businesses are drawn to those areas which have a well educated population.

Summary

- There is no question that a wise investment in education will pay off. The lesson of history has been the greater investment, the greater return, if that investment is made wisely.

Summary

- Not every student is cutout for college, we must find a way for the working class to continue in America. That way is to create in Elkhart County an educational environment where skills are learned, while providing methods for lifelong learning.
- Without that, the majority of our jobs will most certainly evolve to lower paying jobs, and lower standards of living, which will ultimately bring down the standard of living of all.

Summary

AND NOW FOR THE HOW!

ONE LAST THOUGHT

Summary

- Elkhart County will be a globally recognized center for creativity. This reputation will be built by residents who have the courage to take risks and help each other succeed in an environment of tolerance and respect that provides opportunities for all. Outstanding businesses and talented professionals will locate in our county because of the excellent schools, rich cultural life, clean and healthy environment, safe attractive neighborhoods and vibrant downtowns. The entrepreneurial culture of the county will be supported by a highly skilled workforce, a diverse economy, opportunities for life-long learning and effective governmental collaboration and community planning

Summary continued

- Our VISION describes a community where diversity of race, religion, and ideas is accepted as the norm.
- It describes a community where opportunity is inclusive of all.
- Yet our plan is silent on diversity. Which only means that taskforce leaders believe that if we are to achieve the totality of the plan you are about to hear, we must accept and provide opportunity for all.

Summary continued

- I believe it was the spirit in which all the goals, objectives, and action plans were written. In our implementation process the difficult task of engaging and proactively providing opportunity for involvement in the process for all, will be, and must be, foremost.
- Promises, based on bubbly words and soft solutions will not solve the problem. Real economic and educational opportunities will. We must all strive to make that happen.