

## WHAT IS ECONOMIC COMPETITIVENESS AND WHY IS IT IMPORTANT?

Regional economic competitiveness refers to the ability of a region to compete effectively and prosper in the global economy. Decision makers who guide local comprehensive plans will strengthen the competitiveness of our region by sharing and growing knowledge and information about the regional economy, the major industries and employers in their community and region, and the needs and challenges of their employers and workforce. The region's competitiveness will be enhanced by individual communities that leverage regional information to plan for and provide competitive sites for economic growth, infrastructure, and the amenities needed to attract, retain, and grow businesses and a talented workforce.

Relative to the nation's other major metro areas, the Twin Cities rate of regional employment growth underperformed during 2000-2010, and continues to be outpaced as our nation emerges from the recession (figure 1). In addition, the region ranks in the bottom half of the nation's top 25 largest metro areas in Gross Metropolitan Product (GMP, ranked 13th) as measured in 2013, growth in per capita personal income (ranked 13th) as measured from 2010 to 2013, and average wage per job (ranked 14th) as measured in 2013<sup>1</sup>. In light of these trends, a consensus has emerged among regional leadership that a strong collaborative effort to advance our economy in the future is a necessity. Individual communities will suffer if the overall region becomes less competitive over the long term, and will share in the prosperity of an increasingly prosperous and competitive regional economy.

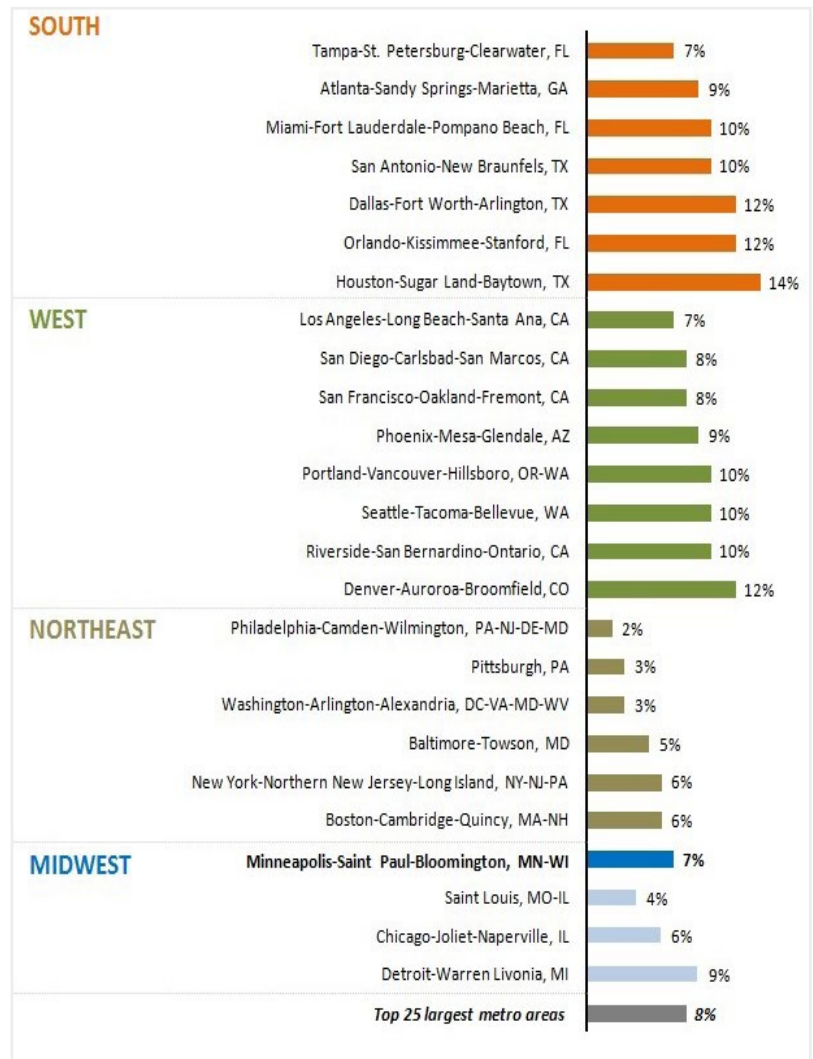


Figure 1– Employment growth between 2010 and 2014 for the 25 largest metropolitan areas in the U.S. (by region). Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2010 and 2014.

## FOCUSED INFORMATION AND RESEARCH

A region that is economically competitive is one whose economy performs at least as well as other economies. This performance can be measured any number of ways, including comparing employment rates and employment growth, income levels and income growth, patents, exports, and gross domestic product. This information reveals a region's economic strengths and can help to focus a region's strategy for advancing economic prosperity. In addition to tracking the region's performance relative to other regions, individual communities and the region as a whole can benefit from a shared understanding of primary factors that influence economic performance. Building upon the economic research and development strategy prepared by GREATER MSP in 2013, the Metropolitan Council provides the Twin Cities region with additional information and research capacity, specifically focused on six topics which are mentioned on the next page:

1. **Key industry clusters.** Localized traded industry sector information developed by GREATER MSP and the Humphrey School, and partnership with communities to analyze the strength and geography of traded industry sectors in the seven-county region.
2. **Real estate requirements of key industry clusters.** Documentation of real estate requirements and preferences of industry sectors that drive the regional economy.

3. **Sites for economic growth.** Partnership with communities/counties to devise an approach for local governments to identify the property inventory and long term absorption trends for property types important to the region's key industry clusters and start-up enterprises with potential to export a product or service from the region. Communities choosing to use such an approach could identify the availability of development and redevelopment sites that:
  - Meet the site location criteria of the region's key industry clusters, including land use, workforce, transportation, infrastructure; and
  - Offer accessible employment opportunities to the region's population.



4. **Freight and logistics.** Identification of freight transportation and logistics facilities and corridors, and other infrastructure facilities that provide critical links between the region's key industry clusters and the global economy; identify problem areas and opportunities to strengthen system efficiency and regional economic competitiveness.
5. **Occupations.** Analysis of the occupations associated with traded industry sectors and the geography of these occupations in the seven-county metro area by worksite and resident location.
6. **Access to jobs.** Identification of industries and respective occupations that provide living-wage employment and wage improvement opportunities for populations with limited educational attainment. Identify and map the locations of these industries relative to Areas of Concentrated Poverty (ACPs) and Areas of Concentrated Poverty where more than 50 percent of the residents are people of color (ACP50s). Analysis of the balance of workforce supply and demand in proximity to ACPs and ACP50s. Documentation of the location of training programs and workforce services that can prepare workers for entry into key industry sectors.

1. Data compiled from U.S. Department of Commerce, Bureau of Economic Analysis – GDP & Personal Income Regional dataset. (Published November 2014)