

SUMMARY OF THE FINDINGS FROM THE AUGUST 27, 2009 FORT SMITH AREA FOCUS GROUP SESSION

Area's Economic Conditions

To begin, how is this area's economic condition compared to the nation's economy?

Much Better			Better			About the same			Worse			Much Worse
1	1.1 - 1.49	1.5 - 1.99	2	2.1 - 2.49	2.5 - 2.99	3	3.1 - 3.49	3.5 - 3.99	4	4.1 - 4.49	4.5 - 4.99	5
			6		4	2						
			50%		33%	17%						

- The average (i.e., mean) rating for the area's economic condition was 2.33.

Some of the Area's Particular Factors Affecting the Economic Conditions

- We are fortunate to have several national and international operations.
- We have strong local philanthropy. This is a generous area and people will give when we raise money to meet some need. Support is widespread and the donors are a diverse group.
- The 1% sales tax that voters approved several times has helped to improve roads and infrastructure.
- This is a diverse community. We have a mix of Caucasians, Vietnamese, Laotians, Hispanics, and African-Americans. Some of that is a heritage from Fort Chaffee. People have been welcomed into this community and have assimilated well.

Capital Investments and Losses

- A total of 15 capital investments were cited and only 5 capital losses were named.
- The investments included regional and local governmental infrastructure, education and higher education, highway and road improvements, cultural facilities, and private sector development.
- Most of the losses focused on manufacturing. Additionally, it was noted that used to be a regional medical center and now we are missing some specialties entirely.

Situation with Labor and the Workforce

- With the downsizing that some businesses have done, there is amazing talent out there for other employers to hire.
- We have not come to grips with the issue of attracting and retaining talented younger workers. Churches, clubs, and civic organizations are also struggling to attract younger people as members.... It may be that as workers grow older they come to appreciate this area, what it has to offer, and want to raise their own families here.
- We have added jobs in the area even during the recession, but these have mostly been in the lower-paying service sector.

Future Directions for Development in the Area

- Tourism—The natural beauty and Marshall's Museum mean that we will have what some tourists want.
- Healthcare—An expansion of healthcare ties into UAFS's nursing program and the graduates of that program.

- Transportation and logistics will play a part in the future given the access to the river and to the interstates, both I-40 and I-49.
- The universities, both UA Fort Smith and the proximity to UA Fayetteville, will continue to be employers and economic engines.
- We have to be fostering entrepreneurship and growing our own businesses. The redevelopment authority for Ft. Chaffee and UAFS are instituting an incubator that can help.

Area Assets that Could Help with Future Development

- We have a strong existing business base, so we do not have to start from ground zero.
- Our municipalities are in good financial shape.
- We have a good infrastructure of roads, educational institutions, water, etc.
- The natural resources in the area.
- Our local leadership has helped to keep us stable.
- The University is a real asset.
- There is a strong community support and willingness to work together and to collaborate.
- Increasingly there is a sensed need to step outside of our comfort zone and complacency. There is a new attitude that is developing. A change of leadership and new leaders with a willingness to try new things and different ways of doing things will help.

Factors in the Area that Could Impede Development

- There is a need for more regional collaboration and cooperation. We talk about the need for this but we do not do enough to make it happen. We are not seen by others as really being an “area.”
 - We have achieved some success with the regional intermodal project.
 - To get substantial sums of federal money we will need to be part of a regional effort.
 - We had to go over some people to make headway on the intermodal project and we will have to do this on other regional efforts.
- Is this region the Ft. Smith MSA or is it the larger Ft. Smith and northwest Arkansas region? It seems as if the answer to the question will depend on the issue that we are facing.
- Some of our leaders, i.e., the ones that we had to go over to make headway on the intermodal project, have not been adventurous and could get in the way. But some of the leaders are changing, e.g., a new director of the Chamber of Commerce and a new city administrator. We could also see some newly elected officials.
- We have a fairly high tax burden, as measured by per capita taxes as a percentage of income, which puts us at a disadvantage with other states.
- As a border town we have to compete with Oklahoma’s tax incentives for business relocations. We also face competition with them for retail sales and for discretionary spending.
- The national tax burden, which will grow larger to compensate for the sizable deficits that we have run up and will run up, will put us at a disadvantage globally.