

SUMMARY OF THE FINDINGS FROM THE SEPTEMBER 2, 2009 CENTRAL ARKANSAS FOCUS GROUP SESSION

Assessment of the 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
		2	4	1	1							
		25%	50%	12.5%	12.5%							

- The average rating for the area's economic condition was 2.06.
- It would be interesting to see the regional retail statistics, rather than just for the one locality. Other communities now have retail establishments that only Little Rock used to have, e.g., Best Buy. It would be great to see the overall trends and what shifts have occurred.
- Sales tax revenues are generally running below expectations.

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

- If the state government were to move its operations out of Little Rock, our economy would be hurting. The state employs many people, these are stable jobs, and the state occupies office space.
- For the last few years crop prices have been pretty good. Agriculture is still a key sector in the Arkansas economy and it benefits this area.
- Healthcare and medical facilities are a key driver in this area's economy. We are a nationwide and even worldwide destination for certain types of healthcare. However, this area's growth in healthcare is counter-balanced by a decline in rural health delivery systems.

Capital Investments and Losses

- Ten capital investments were cited and only four losses were named.
- The investments included private sector developments, construction of new educational facilities at universities and at public and private schools, and residential and loft development in the downtown.
- Most of the "losses" were more along the line of adjustments, e.g., a formerly local corporation being acquired by an outside firm, previous retail development that remains vacant, and the lack of new commercial development entering the pipeline.
- Residential real estate sales are down about 23% and the overall value of the housing stock has lost about 10 to 20%, with a negative multiplier effect on construction and other areas.

Situation with Labor and the Workforce

- Our labor market (that is, the demand) is softer than it was. In comparison to the rest of the state and nation, our labor market is strong. Back in 2007 we experienced a strong labor crunch in all sectors. In some ways, this recession has given us an opportunity to catch up. We are receiving many resumes and some amazingly talented people whenever we advertise for openings.
- Central Arkansas has generally seen a growth in customer service jobs. Our workers look appealing to these employers.

- This area has pockets of good jobs available that go unfilled or that are very hard to fill. We have people who live 1.5 to 2 hours away who have the skills and are qualified for these jobs and who will not relocate to Little Rock for these jobs... who are fearful of Little Rock.
- In the coming years we will see a big shift to where the high paying jobs are, with the shift away from financial services and to engineering and from brick-and-mortar employers to virtual/technology employers. Arkansas will be challenged to train students to fill these jobs.

Future Directions for Development in the Area

- We will see expansion in sectors where we already have strength, including health care, manufacturing, government, education, and financial services.
- It is not clear that we will see much expansion in green jobs. It may be that there is more hype than substance in this area.

Area Assets that Could Help with Future Development

- We have strong public and private sector leaders, who choose to live and work here, when they could live and work anywhere. They love Arkansas and the Little Rock area.
- The next generation of leaders is starting to emerge.
- A functioning infrastructure is mostly in place and is in good shape. We have enough capacity and room to grow for virtually every segment of the area's economy.
- We have an ample labor shed, although outside site consultants may not perceive it. People here are willing and able to drive longer distances so that they can live where they want and still have a good job.

Factors in the Area that Could Impede Development

- Businesses are hungry for capital due to tax policies, limits on interest rates, and bonding restrictions.
- There are many communities with little or no funding to support economic development.
- Our public schools generally fail to perform. This is the 800 pound gorilla that we only whisper about. This is the number one factor that limits our future development.
- This area also suffers from a high crime rate and concerns about public safety.
- Racial strife is another factor that limits our area's ability to grow and improve. Some progress is starting to occur in regard thanks to the Better Together program.
- Poor education, racial strife, and crime all interact and appear to be intractable problems. First, we must admit that we have these problems. Only then can we talk about them and figure out what to do.
- The lack of sufficient public transportation limits workers' ability to get to jobs.
- The cutting edge infrastructure is not in place.
- We are in need of improvements to our highway system. We have this in common with Northwest Arkansas.
- From 1990 to 2005 the Little Rock area's population grew about 21% and Pulaski County's population only grew about 4.8%. Now we have a larger regional population that is using and stretching the central city's infrastructure. Our challenge is to find regional approaches that have everyone support what the region needs.