

SUMMARY OF THE FINDINGS FROM THE AUGUST 26, 2009 NORTHWEST 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
			9									
			100%									

- The average rating was 2.0.

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

- Wal-Mart is still the 800 pound gorilla for this area, which can be a good or bad thing
- In this area we have an ability to collaborate with one another that is greater than that in the rest of the state.
- The downturn in construction has created opportunities. Construction costs are down.
- There is a stability in the area's local governments that encourages those on the economic side to invest and to do business here.

Recent Capital Investments and Losses

- The number of investments cited was 14 and the number of losses was only 7.
- The investments included health care, private development, educational and cultural/museum facilities, recreational, and transportation and infrastructure.
- The losses focused on business closings and downsizings, bank restructuring, and contraction in construction and development.

An Aside—What Do We Mean by this Area or Region?

- Is Ft. Smith and Harrison part of Northwest Arkansas?
- The geographic features do separate them from us and there are also cultural differences.
- Sometimes Ft. Smith is part of this area and sometimes it is not. It really depends on the issue and whether what we are trying to achieve benefits the larger area or a smaller area.
- There was a time not all that long ago when it was a day-trip to go from Fayetteville to Rogers and those two communities seemed separate from one another. It is still a day-trip to Ft. Smith and to Harrison. As transportation improves to those areas, they will be seen as being more a part of this region.
- This area works collaboratively with counties in Missouri and in Oklahoma. Our region is both multicounty (with the number of counties depending on the issue) and multistate.

Situation with Labor and the Workforce

- Underemployment is up more than unemployment.
- Food banks in the area are busy helping people in need.
- People holding masters degrees are taking entry level jobs and are glad to have them.
- The numbers of applications that we are receiving for every teller position we advertise are way up. It is a great time to be hiring.

- There are a total of five state agencies that have something to do with “workforce.” Altogether they have \$500 million that could be doing some good but are held up and are not getting out due to red tape.

Future Directions for Development in the Area

- There will be expansion in the sustainable/green area.
- For the future, we need to spur the efforts of the area’s entrepreneurs and grow more of our own small businesses.
- Culture, arts, and tourism will play a role in the future development of the area.
- If we want to add to our business base, we must improve on the quality of life features, including parks, recreational facilities, and cultural amenities.
- Whatever the developmental path that unfolds, there will be an organized, structured, regional approach to economic development and for marketing the area, especially for the “big ticket items.”
- Health care will be a path in the area’s development. This region needs a new model for health care. The old illness-driven model is not serving us well.
- Aviation is the state’s biggest export. However, this state underfunds the aviation system across the state.

Area Assets that Could Help with Future Development

- The dam that was constructed on the White River has provided us with a great source of water. We must protect that watershed to safeguard that source.
- We have credible and exceptional leaders who are willing to collaborate.
- We have a high quality of education in the area.
- There is a focus on early childhood development that recognizes that early investments in our children pay off down the road.
- Air service is great with the international, commercial, and general aviation airports.

Factors in the Area that Could Impede Development

- There is a lack of state funding for airports and surface transportation infrastructure. Surface transportation still constrains development.
- This area is ethnically not very diverse, i.e., it is very white and protestant. This area does not qualify for some federal funding because of that. It also means that we are not as attractive as some other areas to some people.
- Arkansas is a “fly over” state.
- The state and area is undergoing a decline in manufacturing and a rise in service jobs.
- State funding for colleges is declining; as the student body grows in size, the spending per student declines.
- We are losing college graduates to other states and other areas.