



2014 ECONOMIC BLUEPRINT UPDATE • *Setting Priorities to Advance Prosperity in Southern Arizona*



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Just over six years ago, TREO gathered this region's leadership to develop a comprehensive process and plan to transform the regional economy. The end result was an Economic Blueprint, designed to guide our community's economic development efforts and influence all the factors that drive our competitiveness for years to come.

Now the Blueprint is used regionally as a guide for corporate giving and has been widely recognized nationally as a best practice for community / economic development visioning and planning.

Why? Beyond determining our aspirations and vision for our future economy, the Blueprint used quantitative research to determine our base industry strengths, examined the region's leading economic trends and opportunities, and included a detailed analysis of the region's economic performance and what it takes to be competitive.

A Steering Committee comprised of 46 leaders from a wide variety of segments of the region guided the 2007 effort. Nearly 6,000 Tucsonans were engaged in the process. Communities who do not go through this rigorous process simply do not know themselves well enough to know how to compete.

Nine months ago, in the midst of an economic recovery with its own unique challenges, TREO embarked on a process to update the Economic Blueprint. Many of the original Blueprint's goals and strategies were met and successful. The areas still needing attention are the focus of this Blueprint Update.

Most importantly, moving forward – are the original Blueprint strategies and focus areas still relevant in the new global economy? What must we still do to ensure we capture our fair share of prosperity in the new economic landscape? The original Blueprint helped TREO to identify the area's driving industries, strengths and growth opportunities, while this critically needed update focuses on how to best take advantage of emerging opportunities in a new economic landscape.

Our economic prosperity and ability to compete depends solely on our bold direction and sheer will to create our own destiny. The updated strategies outlined here will set us on a stronger path for years to come.

Regards,



Guy Gunther
Chairman of the Board of Directors
VP and General Manager – Greater Arizona, Century Link



Joe Snell
President & CEO
TREO



Guy Gunther



Joe Snell

TALENT

Tucson's Talent Gap: *Meeting the Demand*



The need for a talented workforce is critical for both business and regional competitiveness in domestic and global markets. Klaus Schwab, Founder and Chairman of the World Economic Forum said, "The success of any national or business model for competitiveness in the future will be placed less on capital and much more on talent. We could say that the world is moving from capitalism to "talentism." We must ensure that talent becomes a competitive advantage for the Tucson region.

TREO has long viewed talent as an important component of economic development. In 2009, TREO conducted an industry-wide survey to assess the number of vacant positions in the region and found 2,200 open positions. These openings were at a time when the economy was reeling and companies were forced to scale back due to decreased revenues. Today, that number hasn't changed much and has, in fact, increased. The Blueprint Update survey recently conducted puts the number closer to **2,500**. This is most disturbing when the economy has shown signs of improvement.

Why are we stuck? The Tucson region still struggles with providing a qualified talent pool to meet the demand of the current and future economy. It's clear that understanding the "demand-side" of the equation and addressing regional talent issues are now more critical than ever. An improved talent system will drive our success.



"In the Tucson region, a recent employer survey revealed approximately 2,500 positions open right now. The challenge in front of us is getting the right people with the right talent to fill these positions and positioning our community to meet future demands of our employers."

Daisy Jenkins,
Chair, Talent Committee
President, Daisy Jenkins
and Associates

NEW Talent Development Strategies

1 Align to Demand

The industry sectors and education and training institutions (K-12, Career-Technical education and higher education) must engage with each other on a more productive and frequent basis to better understand industry needs. Enhanced industry/education structures must focus on developing skills the industry sectors need to become more competitive. The University of Arizona STEM Center is creating strategies to build programs that will encourage students, starting in elementary school, to follow science and engineering career paths. School districts and education and training institutions should coordinate their curriculum to build the skills necessary to fill high-wage positions.

2 Grow 21st Century Skills

The nature of work is evolving so rapidly that we can no longer sufficiently equip future workers with today's skills. TREO should lead a discussion to determine the specific skills industry needs in order for K-12 districts to build specified curriculum to better instruct those skills. Industry needs to define the 21st Century skill terms so school districts can match the curriculum.

3 Support Key Talent Development Constituents

The business community should strengthen and operationalize its relationship with the Workforce Investment Board (WIB) to implement a shared vision of sustained workforce development. TREO should partner with Tucson Young Professionals (TYP) and veterans to develop strategies

that solve the problems they have in finding job opportunities. Industry leaders must work with education to expand internship opportunities that will also act as a vehicle for companies to form better and longer lasting partnerships with the University and other key institutions. Companies are looking for opportunities to provide hands on experiences in order for the student to gain real world instruction. The looming talent shortage grows in direct proportion to the increasing number of retirees. The region must capitalize on this talented resource and lead the effort to redefine retirement as RENEWMENT – a time of continued growth, contribution and involvement.

4 Support Tucson's Urban Renaissance

The region should align its talent development strategies with downtown revitalization efforts to expand opportunities for live, work and play options, which is critical to the attraction of talent and fostering spaces where innovation thrives. These phenomena, coupled with the explosion of establishments catering to the 'creative class' are leading the way to a rebranding of Tucson that must be supported, accelerated and communicated. We must actively engage and support the rebranding of Tucson from the "Dusty Outpost" to "Entrepreneurial Hub."

5 Adopt a Systems Approach

Elements of the solution to the region's talent dilemma are in place, but are disconnected from each other. A systemic approach is needed to connect these pockets of excellence. The region should combine a regional talent strategy with industry cluster planning and implementation. All stakeholders should adopt a common talent development acceleration process and execute it in a disciplined manner to effectively steward the precious resources needed to achieve our objectives. We must initially focus our efforts on high-wage/high-tech/export-based companies to achieve success in one sector, then replicate and expand to other sectors.



FOCUS ON EDUCATION

Building the Talent Pipeline

Many local organizations focus on education issues. The past 7 years since the original Blueprint has brought several key changes to the state's education landscape, including the loss of state funding for both K-12 and higher education, and the adoption of new academic standards. TREO encourages the educational community to continue its advocacy in the restoration of funding. Funding education is an investment in our future workforce. This applies not only to K-12 and higher education but to technical/vocational education as an increasingly important pathway to career readiness.

In Arizona there are multiple initiatives in process to raise the bar in educating the next generation of workers. Across the state, the implementation of new academic standards in English language arts and math in grades K-12 has the potential to ensure our students have the academic knowledge and skills they need to be successful in college, career, and life. Key groups also focus on early education, which research shows has a dramatic effect on long-term economic development success in an economy. These initiatives are critical, because businesses looking to expand or relocate look for a pipeline of talent that has higher-level critical-thinking, problem solving, and effective communication skills.

Success requires a highly-skilled workforce with sufficient education and training to compete successfully for demanding jobs. In 2012 the Brookings Institution ranked the Tucson region as 41st among the top 100 US Metro areas on the basis of the share of our residents with college degrees. We must double our efforts to ensure our friends and neighbors have the skills for higher-wage jobs in order for us to compete effectively in a knowledge-based, global economy.

snapshot

PEOPLE

WHY IS THIS IMPORTANT?

People are the most important resource in an economy. Talent drives all market decisions when it comes to business relocation, expansion and retention. Labor skills and availability are the number one site selection criteria, year in and year out.

A highly educated and experienced workforce results in greater productivity and business development opportunities in any region.

QUICK FACTS:

Net Migration: .8%

(Total measure of population change.
US Census, 4/10-7/12)

Labor Force Growth: -2.72%

(BLS, 2012)

High School Graduation Rate: 84%

(US Census, 2010)

Bachelor's Degrees: 24.2%

(% of population with degrees signifies labor quality and ability to work in capital-intensive occupations; US Census, 2010)

Advanced Degrees: 9.49%

(% of workforce possessing a degree higher than Bachelor's; signifies those more likely to engage in innovation activities; American Community Survey, 2008-12)



"Education is the surest means by which an individual can improve his/her future and in doing so elevate the community of which he/she is a member. In Tucson, education and economics are merely two different spellings of the same concept. As institutions of education progress, so does Tucson. TUSD is committed to doing its part in building a better future for Tucson one student at a time."

H.T. Sanchez, Superintendent, TUSD

TALENT

Daisy Jenkins

Daisy Jenkins & Associates (Chair)

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a member of the Roche Group
Adriana Kong Romero, Bank of America
Steve Eggen, Raytheon Missile Systems (ret.)
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Sharon Bronson, Pima County
Gregg Johnson, University of Phoenix
Virgil Renzulli, Arizona State University
Jan Cervelli, The University of Arizona
Steve Lace, Tucson New Car Dealers Association
Lee Lambert, Pima Community College
Steve Zylstra, Arizona Technology Council
Ellie Patterson, The Temp Connection
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Xavier Manrique, Wells Fargo Bank
Dave Smallhouse, Miramar Ventures

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Bruce Dusenberry, Suddath® Relocation Services
Chuck Huckelberry, Pima County
John Moffatt, Pima County
Ramón Valadez, Pima County

Thank You to Other Partner Input

Arizona Department of Transportation • Arizona State University
Association of Health Underwriters • Cover AZ Coalition
Metro Tucson Chamber of Commerce • One Stop Career Center
PCAP (Pima Community Access Program)
Southern Arizona Leadership Council • Startup Tucson
Tucson Unified School District • Tucson Young Professionals



"I see the role of TREO as seeking defined commonality with the ultimate goal of creating jobs and economic prosperity."

Guy Gunther, Vice President & General Manager, Greater Arizona, CenturyLink



ABOUT TREO

The goal of TREO is to facilitate primary (non-retail) higher-wage job and investment growth, in order to increase wealth and accelerate economic prosperity throughout southern Arizona.

This work demands a competitive, business-friendly environment that allows primary employers to flourish and succeed. Thus, a secondary role of TREO is to shape policy and mobilize resources to assure that the region is competitive.

As a strong private-public partnership, TREO connects the private sector, governments, nonprofits and academia to provide leadership on competitive issues and a unified voice to the national and international business community.

TREO LEADERSHIP – FISCAL YEAR 13-14

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CEO, Tucson Association of REALTORS®/MLS

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Bruce Wright
AVP, Tech Parks Arizona, The University of Arizona

Steve Zylstra
President & CEO, Arizona Technology Council

Lawrence Hecker (of Counsel to TREO)
Partner, Hecker & Muehlebach





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Tucson Regional Economic Opportunities, Inc.
120 North Stone Avenue, Suite 200 • Tucson, Arizona 85701 • 520.243.1900
www.treoz.org