

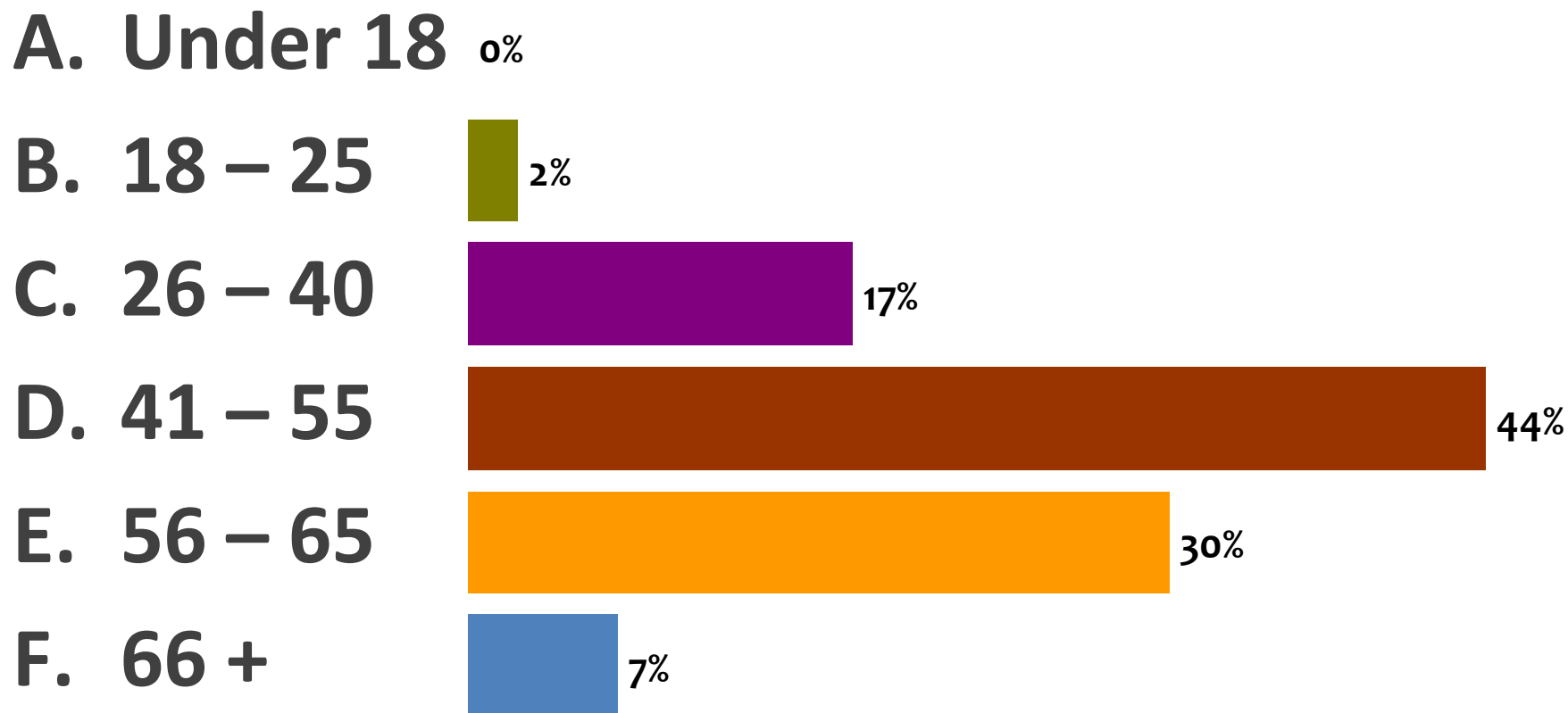
nexteconomy

CAPITAL REGION PROSPERITY PLAN

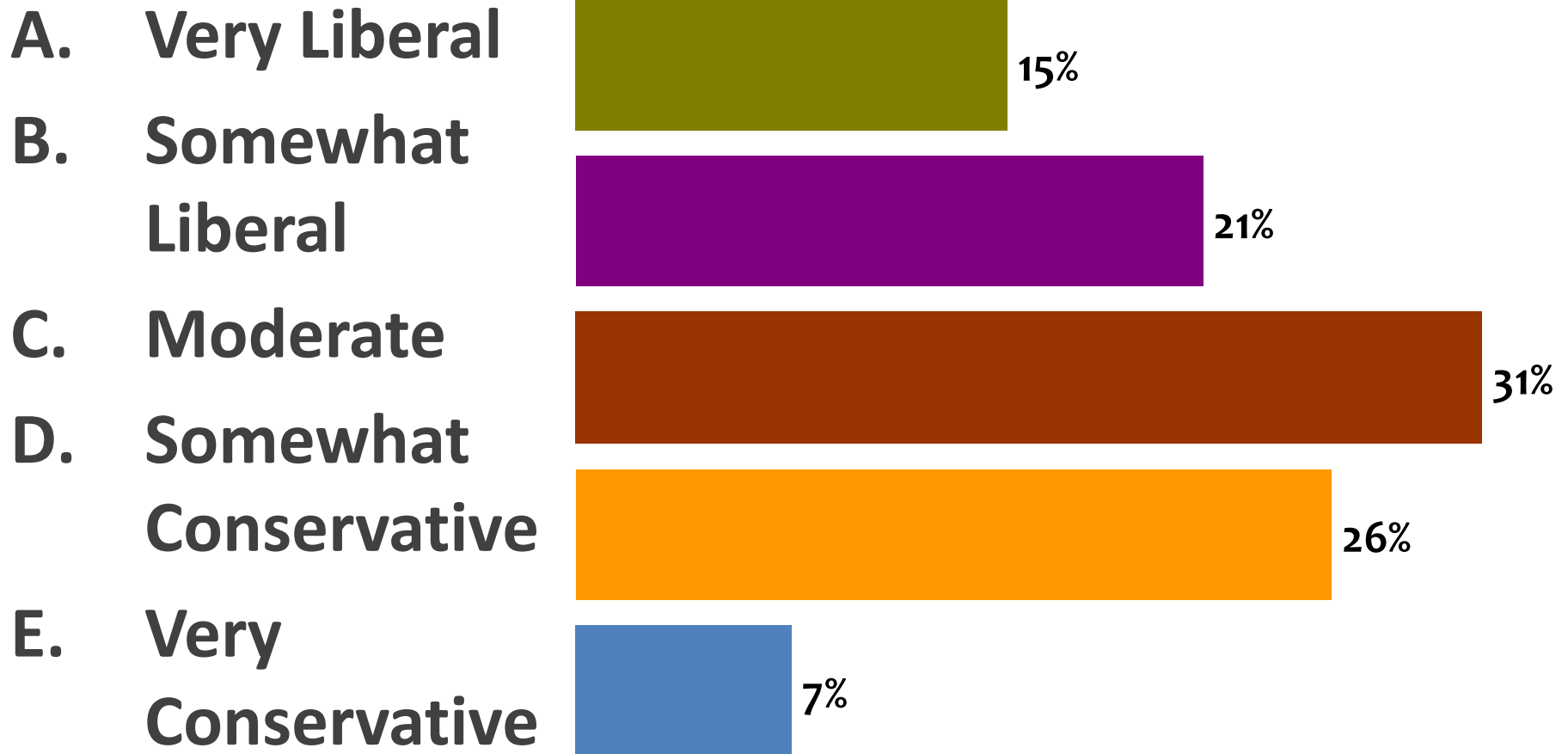
PLEASE INDICATE YOUR GENDER



PLEASE INDICATE YOUR AGE RANGE



PLEASE INDICATE YOUR POLITICAL IDEOLOGY/VIEWS



PLEASE INDICATE YOUR WORK SECTOR

A. Public Sector



33%

B. Private Sector



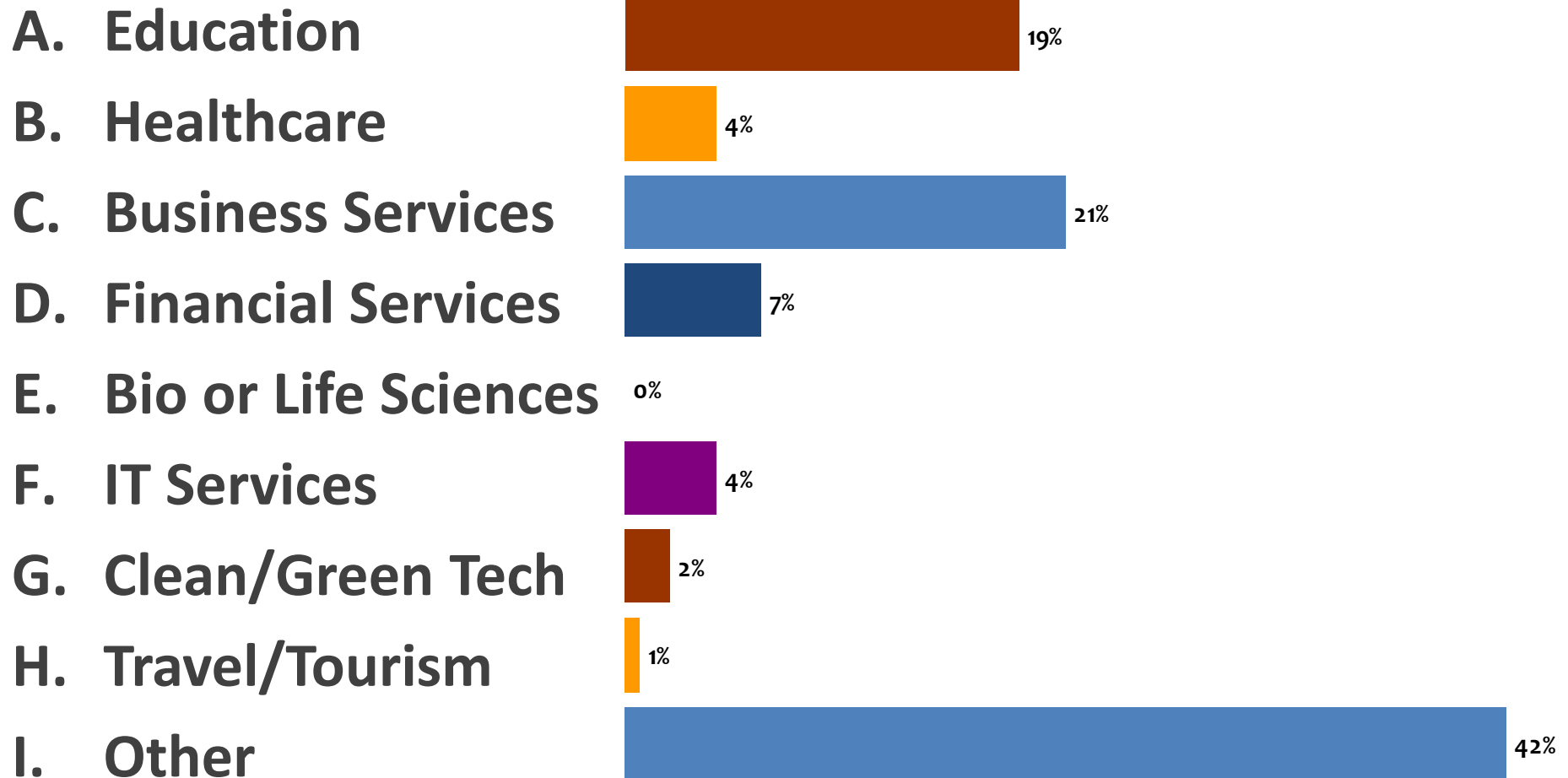
46%

**C. Nonprofit
Sector**

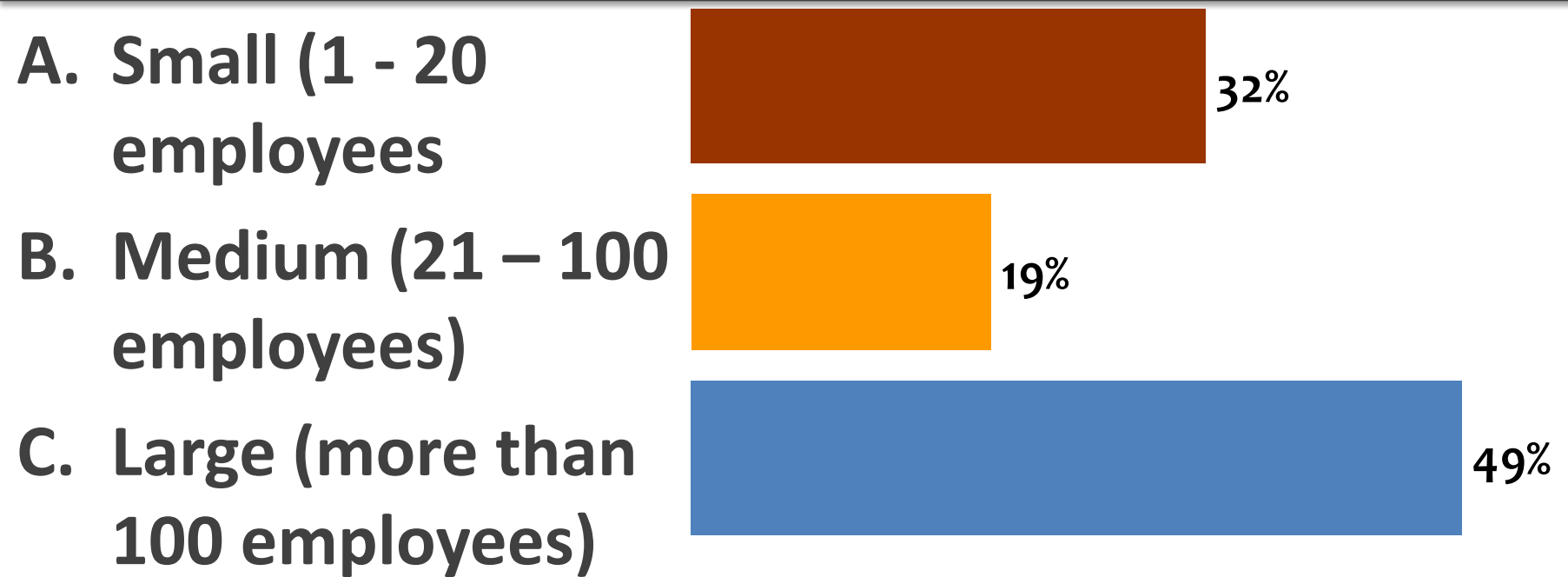


21%

PLEASE INDICATE YOUR INDUSTRY SECTOR



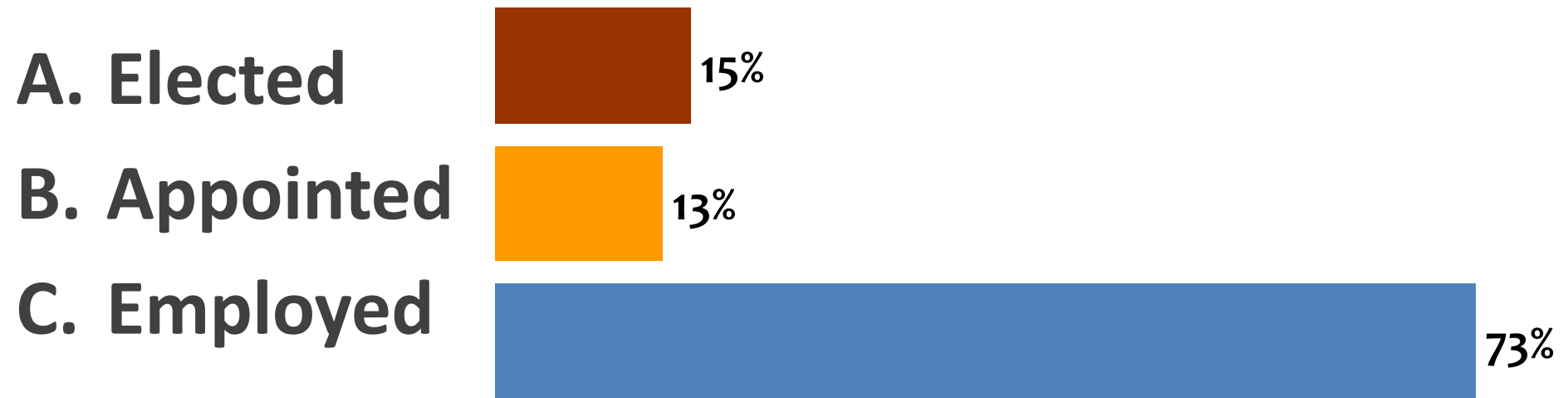
IF YOU REPRESENT PRIVATE INDUSTRY, SELECT THE BEST DESCRIPTION OF YOUR BUSINESS



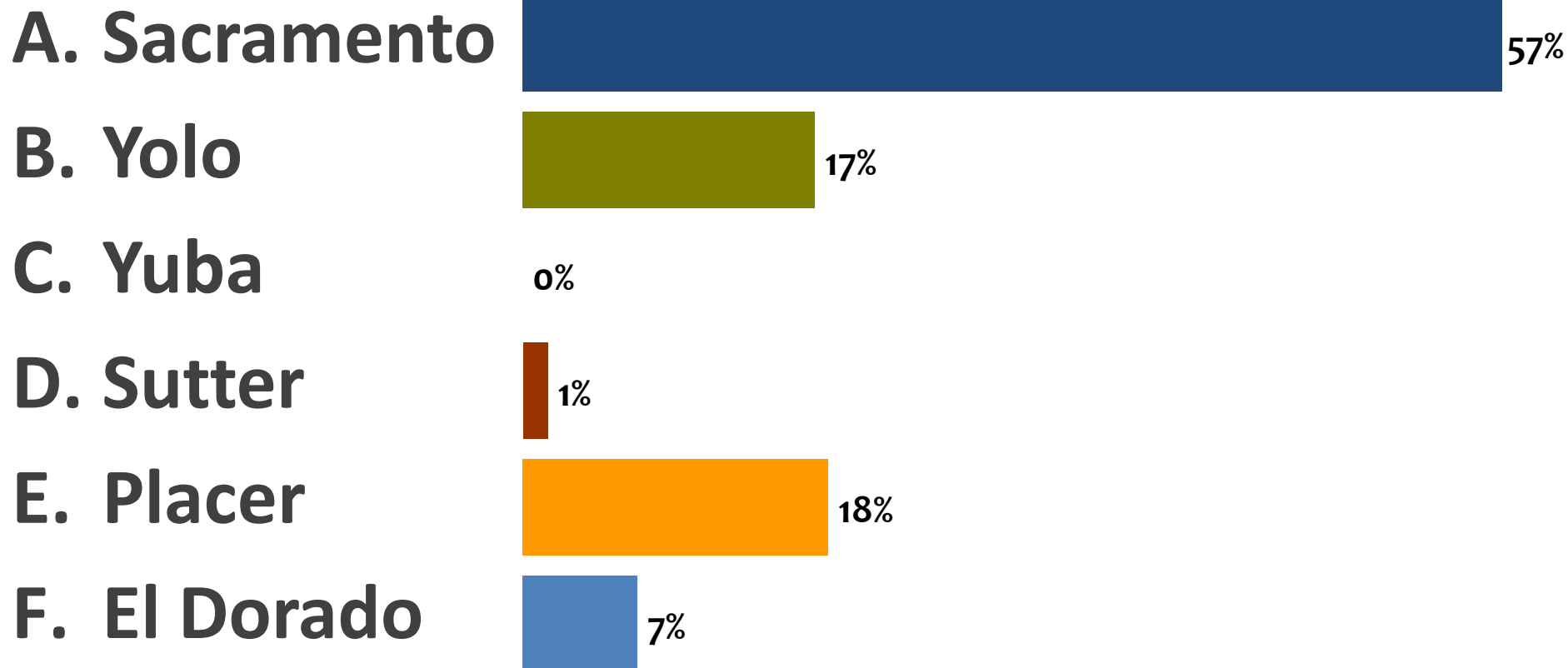
IF YOU REPRESENT A PUBLIC SECTOR AGENCY OR JURISDICTION, SELECT WHICH BEST DESCRIBES YOU



IF YOU SERVE IN THE PUBLIC SECTOR, SELECT WHICH BEST DESCRIBES YOU



PLEASE SELECT THE COUNTY IN WHICH YOU LIVE



Economic and Political Drivers:

- **145,000 jobs lost** since the peak in 2007
- **12.8%** unemployment rate currently
- Sacramento has the **6th highest level of foreclosures**
- September our region suffered **4,000 net job loss**
- Sacramento MSA rates **32 out of 366** metropolitan regions in Gross Metropolitan product at **\$92.87B**.
In terms of growth, Sacramento ranks number **345**

Economic Forecast:

- **Economic forecasts** indicate a regional recovery is years away
- **Waiting** for political leaders in Washington, D.C., or the State Capitol **to take effective action** is expected to be **a long wait**
- **Discord** at the Capitol on who will spearhead efforts to drive job creation and business growth is forcing statewide groups and **regional leaders** to lead **from the bottom's-up**

Who is at the table:

- **Leaders** from **Valley Vision**, the **Metro Chamber**, **SACTO**, and **SARTA** sparked **Next Economy**

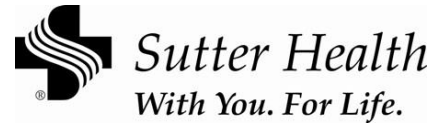
SACTO Marketing and business recruitment

Metro Chamber Business retention & expansion

SARTA High tech business support

Valley Vision Economic strategy, project manager

- **Key Partners:** **Higher Education***; utilities; WIBs; business and their leaders; local governments, labor, and many others



The structure:

Working Groups



The deliverables:

1. Increased **jobs** and **new investment** in our region
2. Completion of a set of **regionally-activated** job growth and investment strategies
3. Creation of **new partnerships** or **joint ventures** that will execute our Next Economy strategies and actions
4. **Next Economy strategies and actions will be deeply integrated** within partnering agencies and organizations work plans and **championed** by their leadership
5. The completion of the Capital Region's first-ever region-wide "CEDS," or **Comprehensive Economic Development Strategy**
6. The creation of **better linkages** between our region and the State of California

Leadership Group:

Mark Otero – *President and CEO of KlickNation*

Craig McNamara – *President and owner of Sierra Orchards*

Susan Peters – *Sacramento County Board of Supervisors, District 3*

Martha Lofgren – *Partner, Brewer Lofgren LLP*

Jim Williams – *President of Williams + Paddon Architects + Engineers*

Brice Harris – *Chancellor, Los Rios Community College District*



CENTER *for* STRATEGIC
ECONOMIC RESEARCH

Regional Economic Conditions and Cluster Concepts

Next Economy Regional Forum
November 15, 2011

Ryan Sharp, CSER Director





CENTER *for* STRATEGIC ECONOMIC RESEARCH

INFORMATION

**ECONOMIC &
DEMOGRAPHIC
PROFILES**

**SITE
SELECTION
RESEARCH &
INFORMATION**

**RESEARCH
VALIDATION &
PEER REVIEW**

EVALUATION

**ECONOMIC &
TAX IMPACT
STUDIES**

**INDUSTRY
STUDIES**

**WORKFORCE
STUDIES**

CONSULTATION

**ECONOMIC
DEVELOPMENT
STRATEGIES**

**MARKET &
FEASIBILITY
ANALYSES**

**POLICY
ANALYSIS &
PROGRAM
EVALUATION
SUPPORT**

CORE SKILLS:

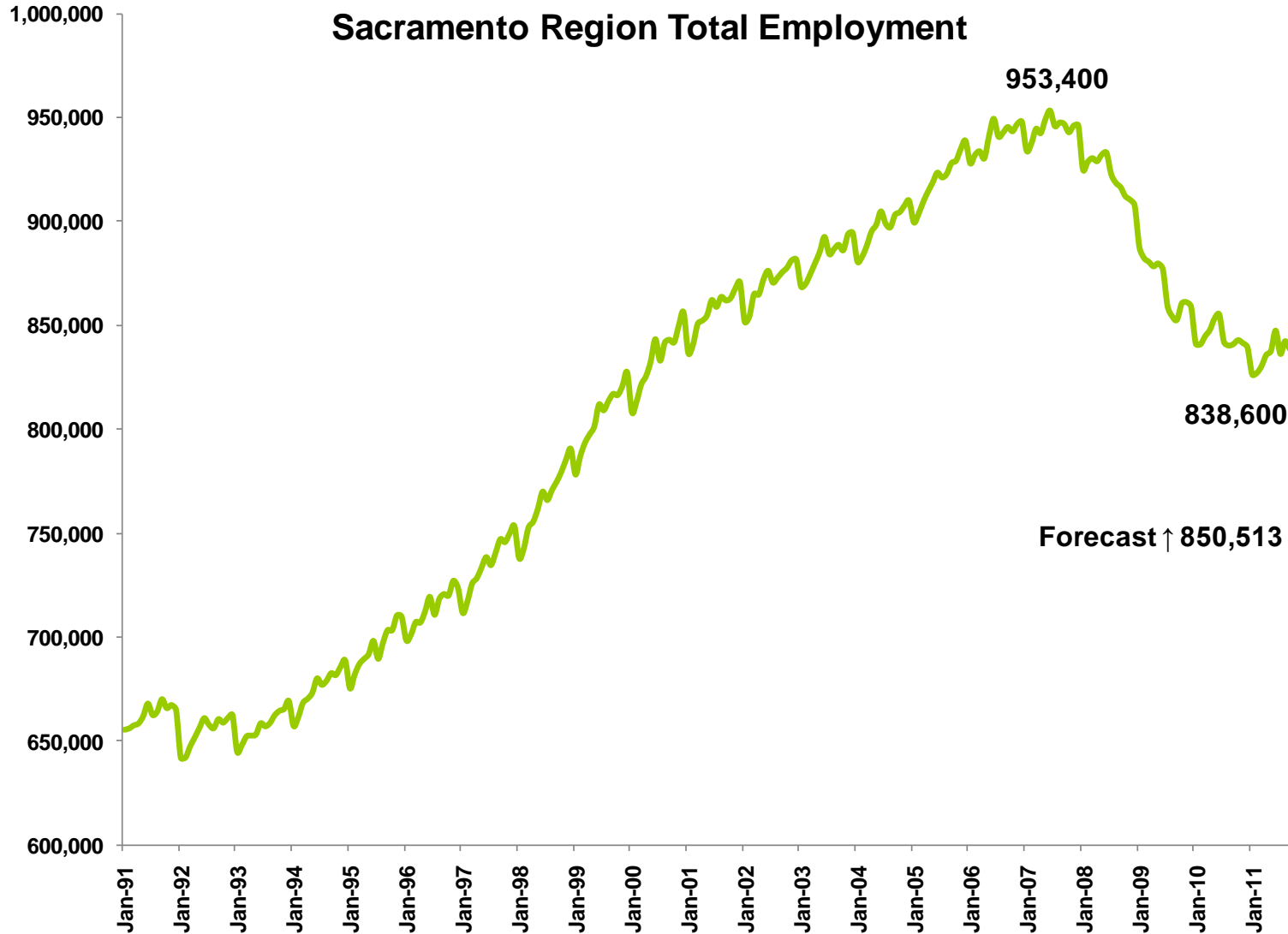
- Economic & demographic analysis & forecasting
- Regional economics & economic development practices
 - Market & feasibility analysis
 - Econometric & input-output modeling
- Social science research & survey design
- Strategic planning & collaborative processes
 - Performance measurement
 - Geographic Information Systems

Economic Conditions

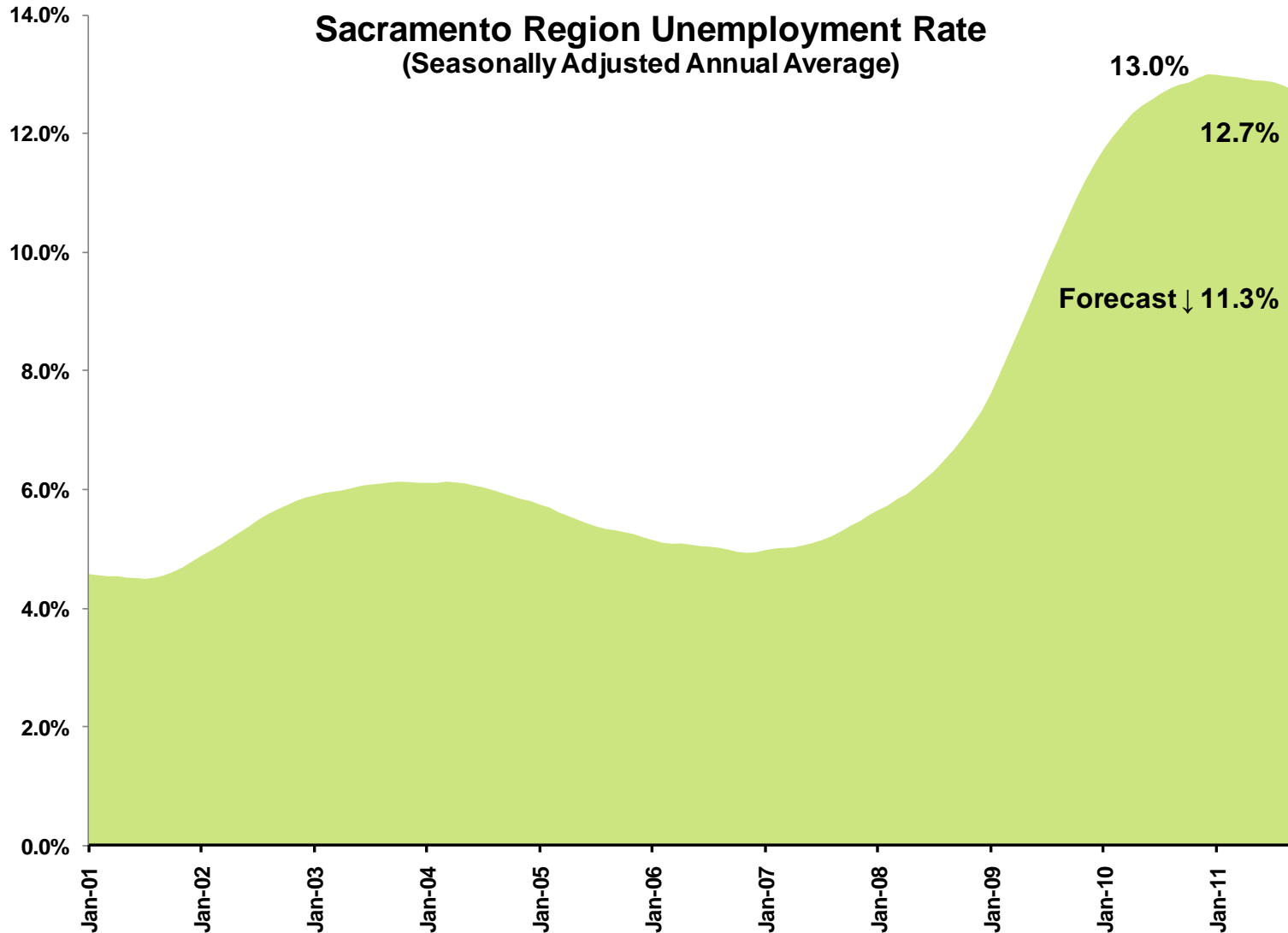
Job growth still in negative territory



Total employment at 2001 levels



Unemployment rate moving down



Cluster Concept

Industries versus clusters

- **Industries**

- Grouping of establishments
- Similar processes used to produce goods and services
- Hierarchy of activities based on NAICS

- **Clusters**

- Competing, complementary, and independent establishments across various industry sectors
- Represents the entire value chain and more
- Concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions

Industry and cluster example

INDUSTRY

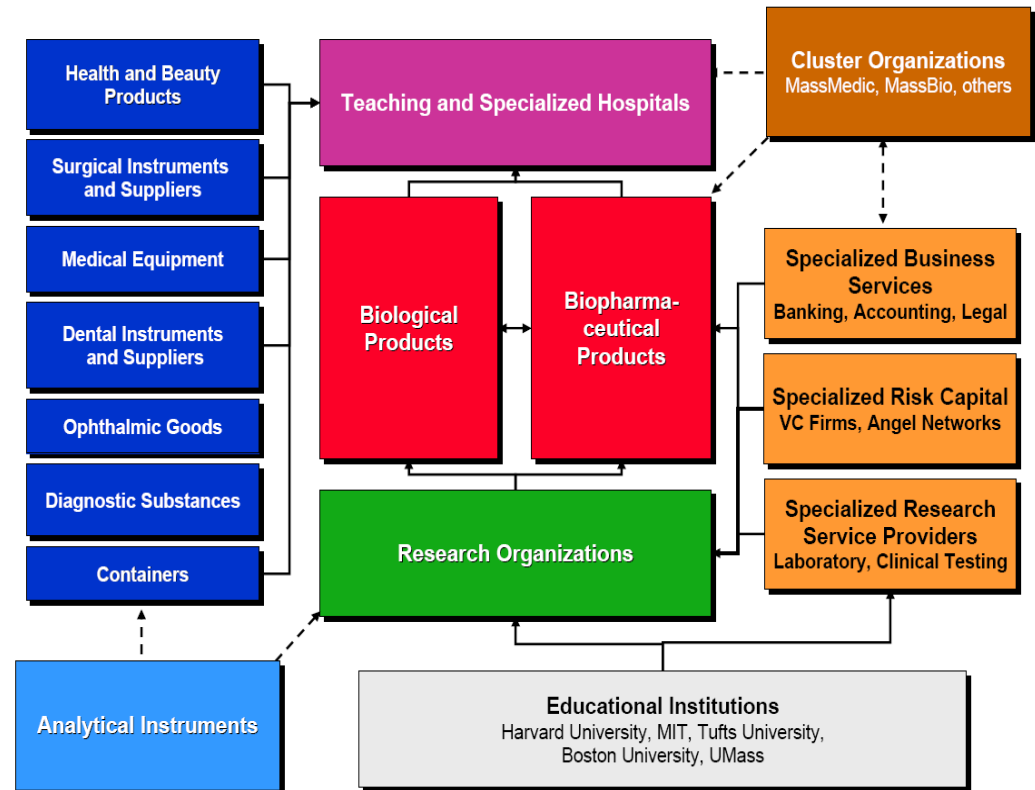
Manufacturing



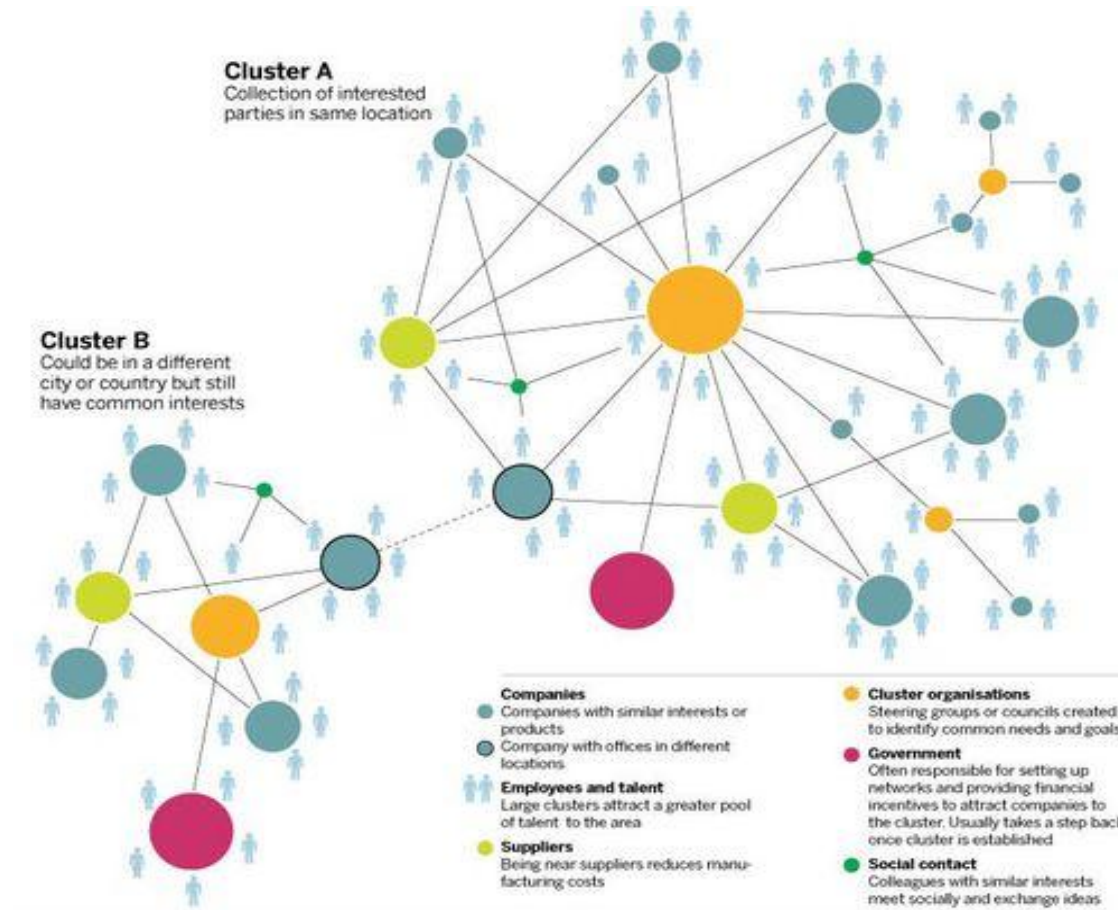
Medical Equipment and Supplies Manufacturing

CLUSTER

The Boston Life Sciences Cluster



Clusters connections can develop internally and externally



Desirable cluster attributes

- **Economic**
 - Strong presence of economic base activities
 - Alignment with workforce structure
 - Linkages to other clusters
 - Import substitution capacity
 - Robust multiplier effects
 - Broad future growth potential
- **Locational**
 - Prominent company visibility
 - Regional competitive advantage
 - Presence of supporting attributes
 - Innovation activity

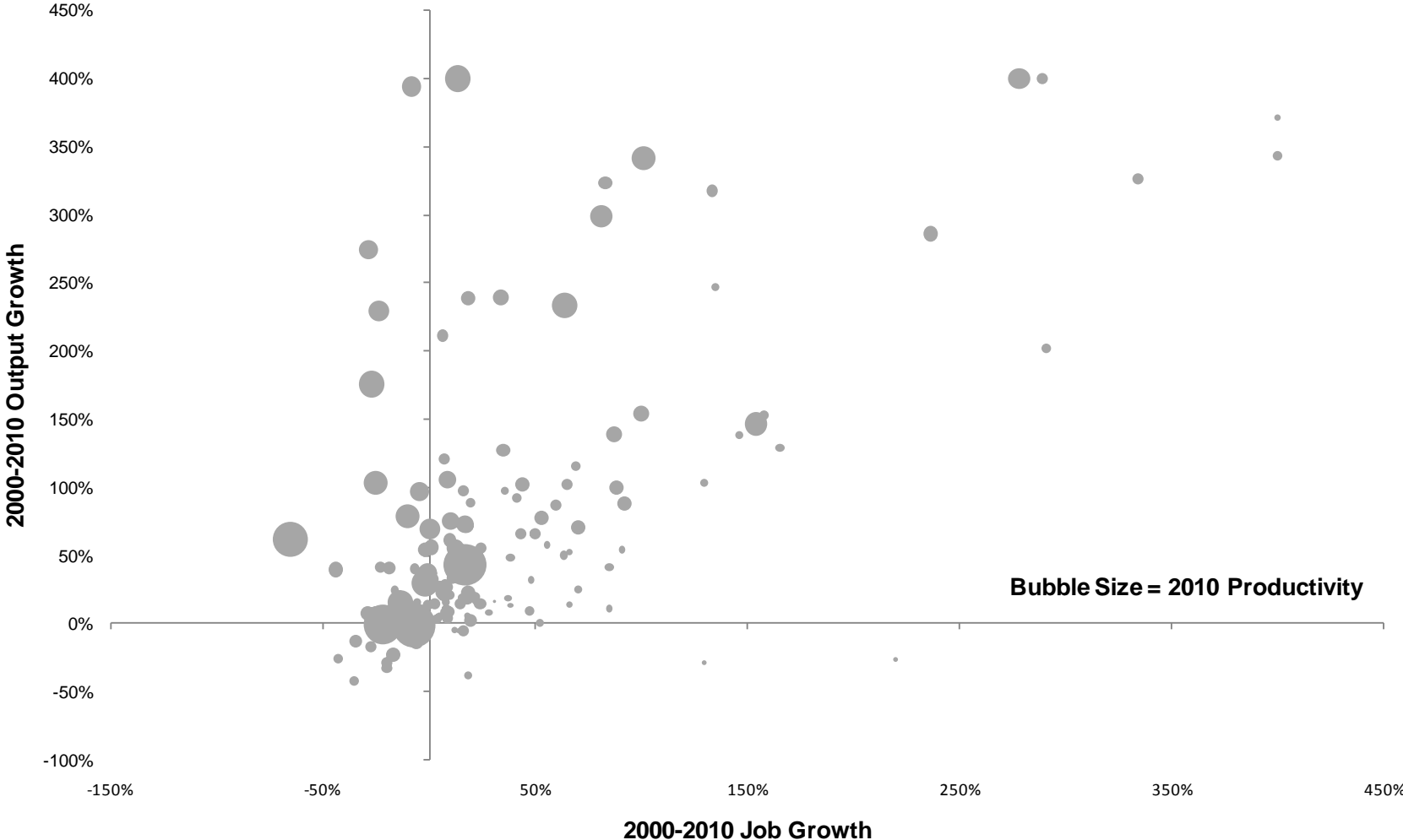
Cluster Analysis Findings

How do we identify viable clusters?

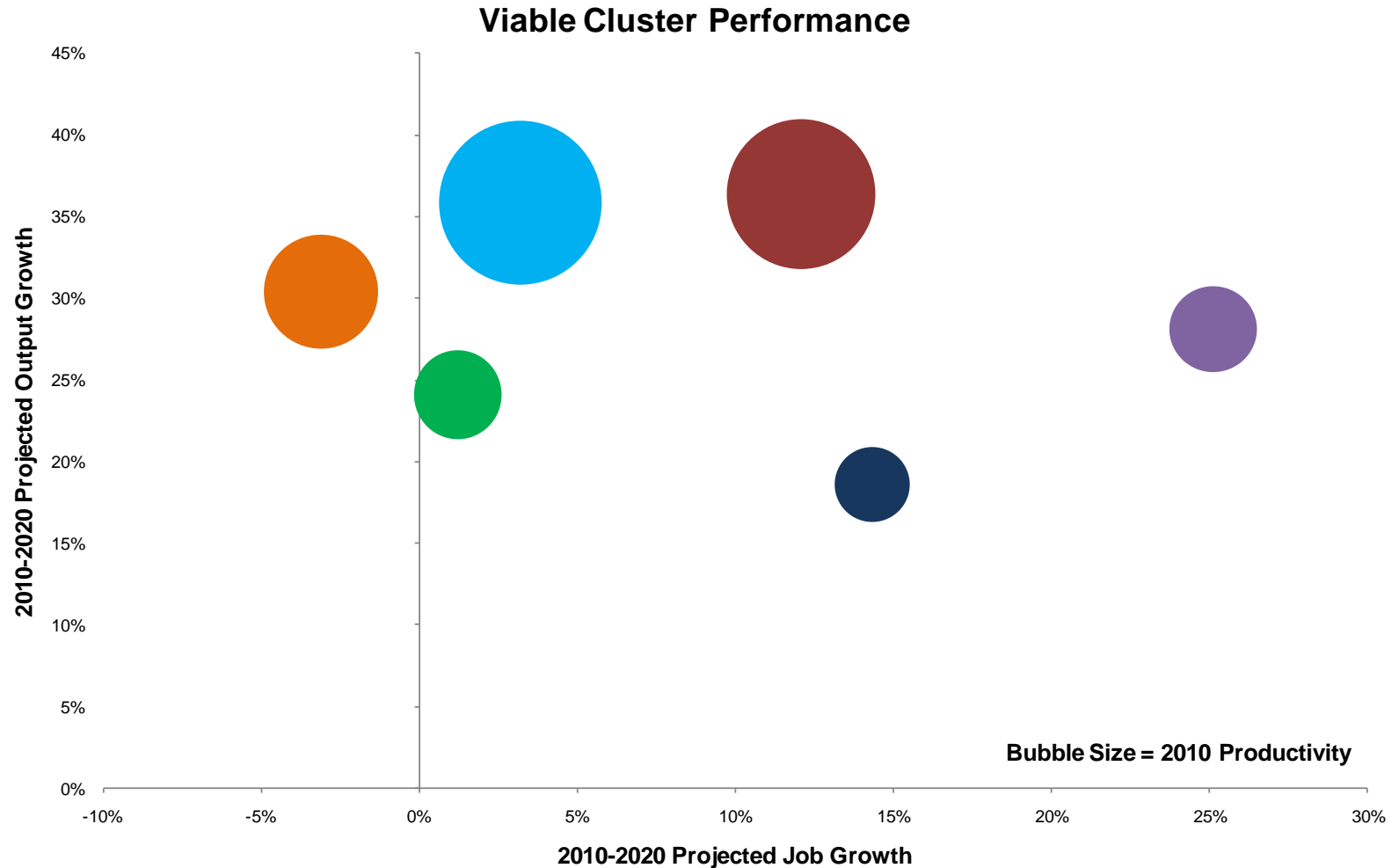
- **Primary**—Economic Performance Index (\approx 300 Activities)
 - Employment and Output Composition
 - Employment and Output Specialization
 - Employment and Output Growth
 - Productivity
- **Secondary**—Indicators of Opportunity
 - Patents Granted
 - Venture Capital Investment
 - Non-Employer Patterns
 - Emerging Technology Trends
 - Expert Interviews
 - Ongoing Initiatives

Viable clusters among top performing activities

Economic Performance Index Top Performing Activities
Economic Performance Index Top Performing Activities



Variation in performance across viable clusters



- Agribusiness & Food
- Advanced Manufacturing
- Education & Knowledge Creation
- Information & Communications Technology
- Knowledge-Intensive Business & Financial Services
- Life Sciences & Health Services

Viabile cluster characteristics

Cluster	Innovation Activity	Emerging Tech	Expert Insight	Ongoing Initiatives
Agribusiness & Food (e.g. farms, food processing, ag. machinery) 2010 Employment = 37,442 2010 Output = \$3,455 million	X		X	X
Advanced Manufacturing (e.g. aerospace, chemicals, ind. machinery) 2010 Employment = 11,409 2010 Output = \$1,740 million	X			
Education & Knowledge Creation (e.g. higher edu., publishing, educational svcs.) 2010 Employment = 16,618 2010 Output = \$1,115 million				X
Information & Communications Technology (e.g. software, system design, telecomm.) 2010 Employment = 30,906 2010 Output = \$9,693 million	X	X	X	
Knowledge-Intensive Business & Financial Services (e.g. engineering, investments, technical svcs.) 2010 Employment = 69,893 2010 Output = \$18,277 million	X		X	
Life Sciences & Health Services (e.g. medical equipment, hospitals, sci. research) 2010 Employment = 98,646 2010 Output = \$8,643 million	X	X	X	X
Clean Energy Technology* (e.g. renewable energy, energy efficiency, alt. transportation) 2010 Employment = 3,015 2010 Output = \$846 million	X	X	X	X

Next steps

- Gather stakeholder feedback on clusters
- Prioritize viable cluster options
- Further analyze cluster attributes and requirements
- Assess opportunities and barriers for cluster and regional growth and development
- Evaluate economic foundations and economic development ecosystem

Thank You!



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SACRAMENTO, CA 95814-4436

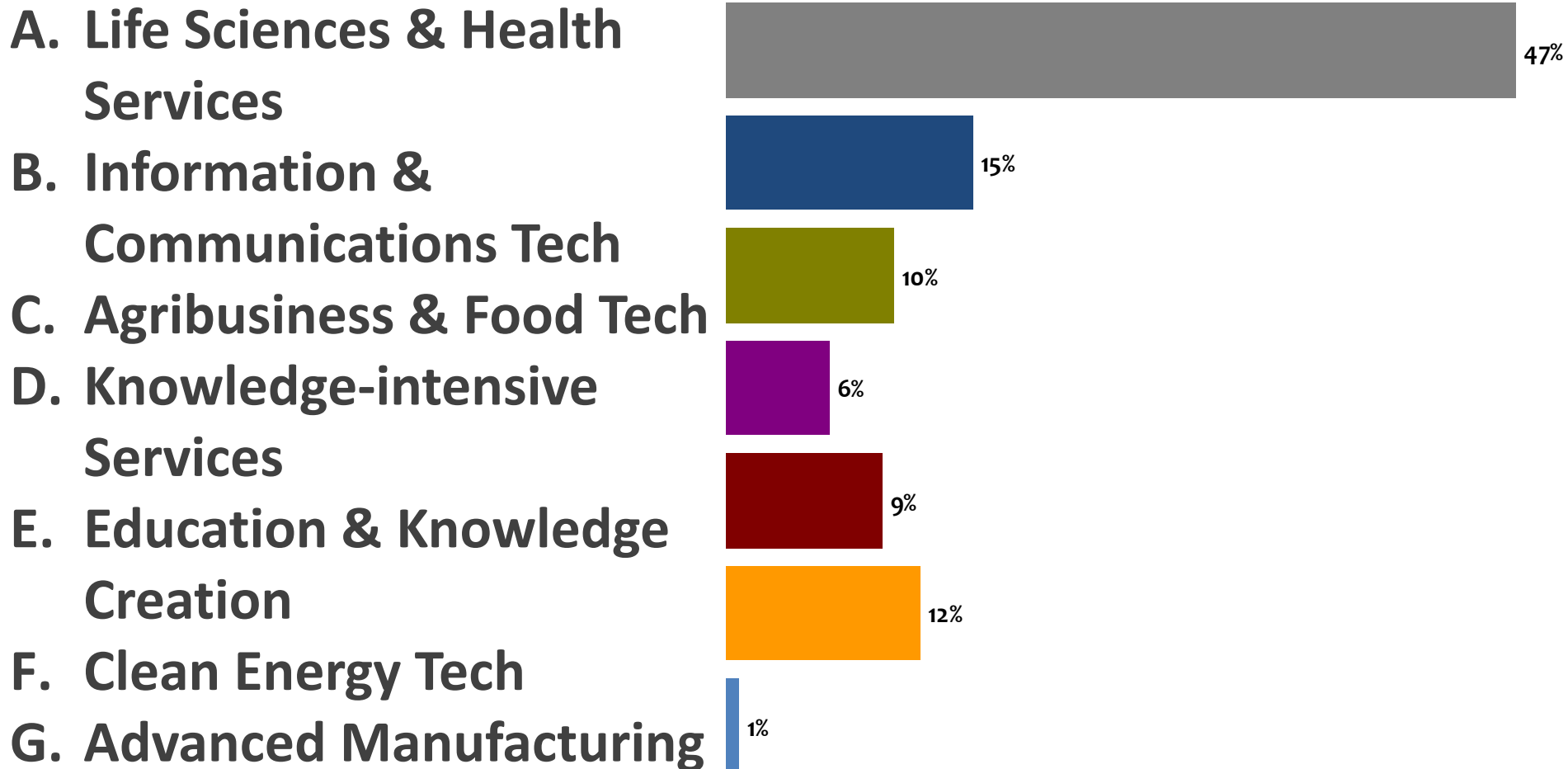
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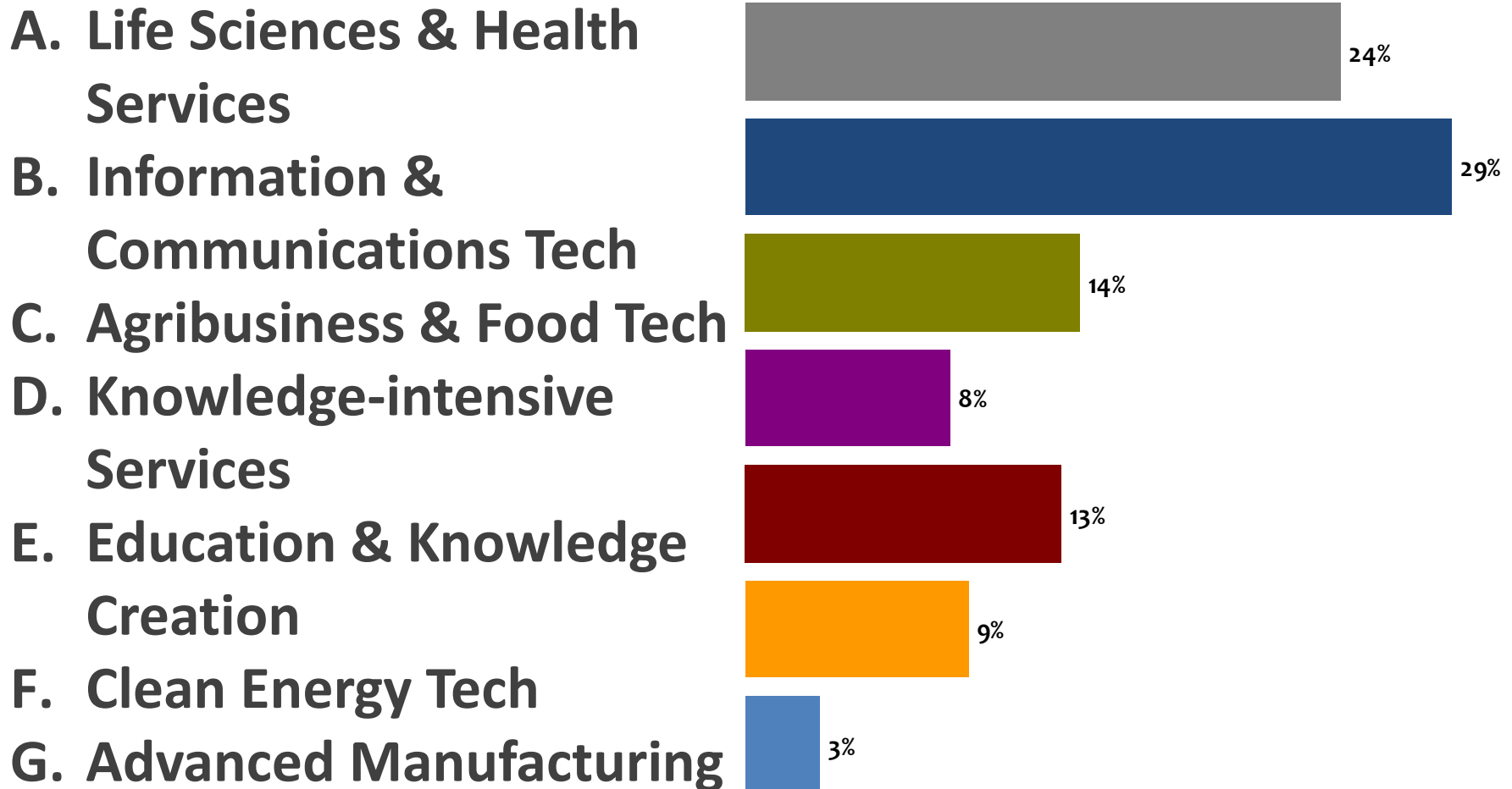
WWW.STRATEGICECONOMICRESEARCH.ORG

INFO@STRATEGICECONOMICRESEARCH.ORG

SELECT THE ONE CLUSTER YOU THINK POSSESSES THE HIGHEST JOB GROWTH OPPORTUNITY FOR THE REGION

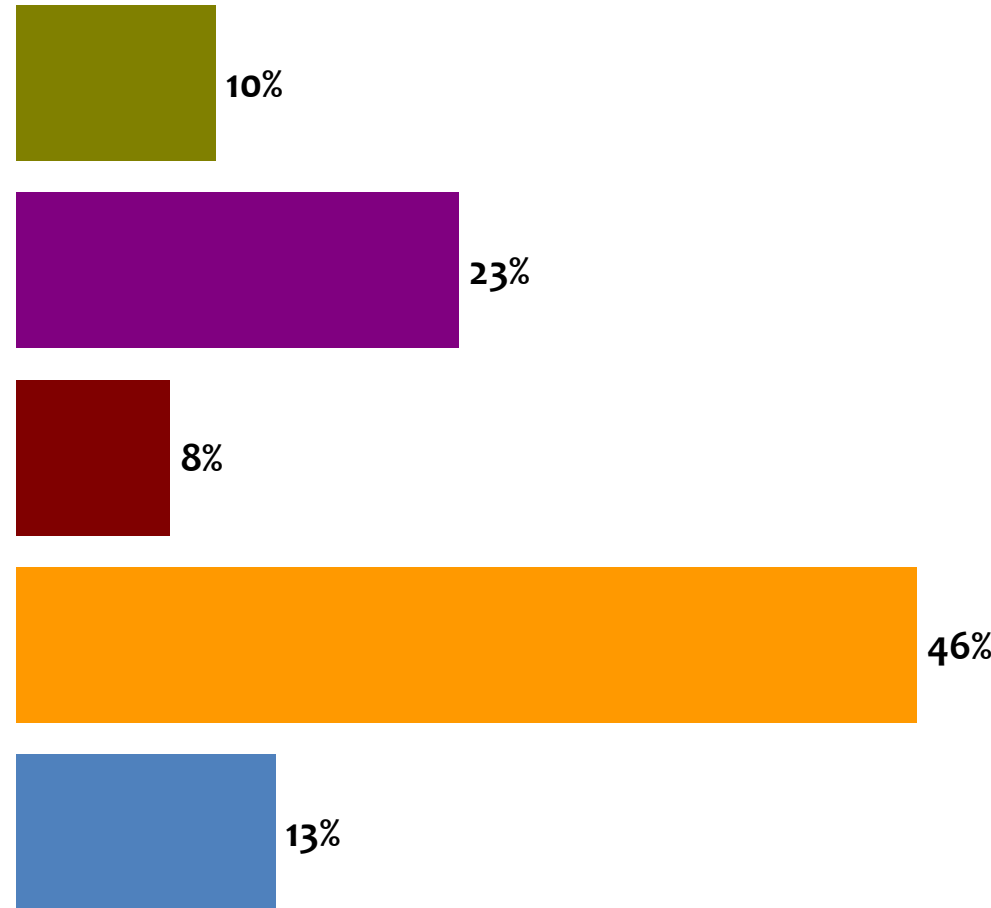


SELECT THE 2ND CLUSTER YOU THINK POSSESSES IMPORTANT JOB GROWTH OPPORTUNITY FOR THE REGION

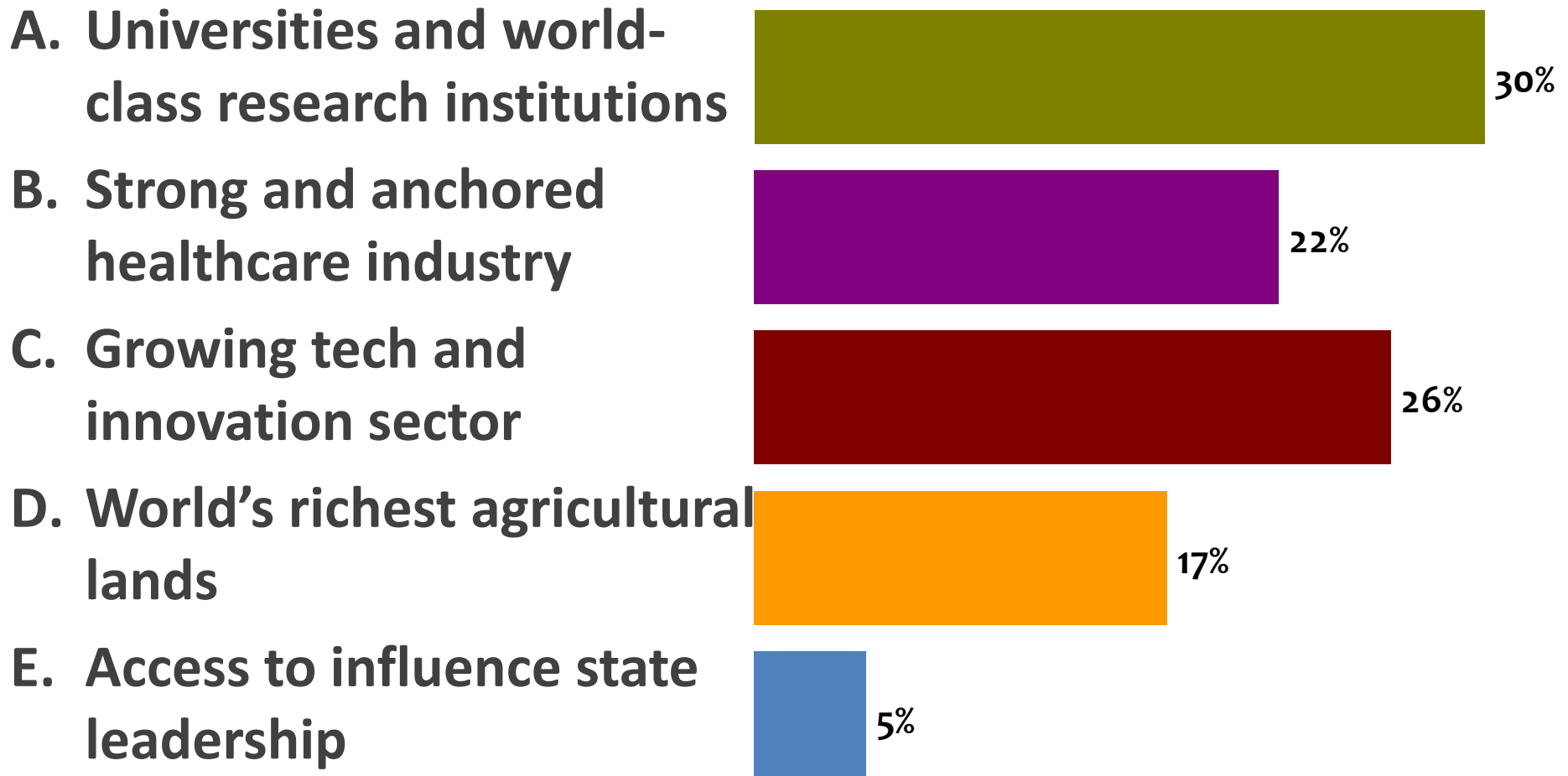


IN TERMS OF ECONOMIC ACTIVITY, WHICH IS THE MOST IMPORTANT ACTIVITY FOR NEXT ECONOMY?

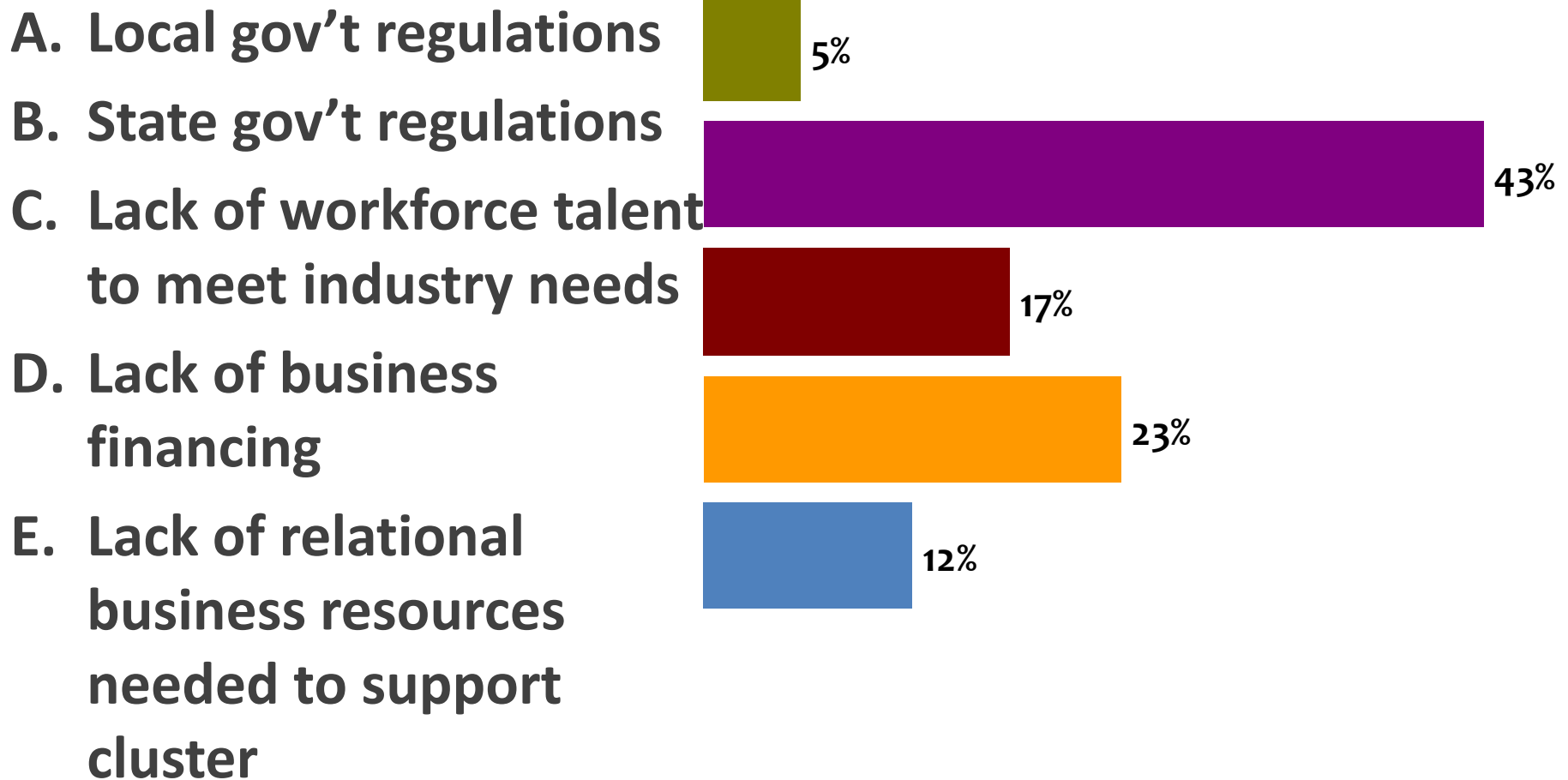
- A. Enlist regional gov't backing/support
- B. Educate & train to develop workforce
- C. Connect research from local universities with private industry
- D. Cultivate an entrepreneurial and innovative environment
- E. Bolster business financings



OF THE REGION'S STRONGEST ASSETS, WHICH DO YOU BELIEVE IS THE STRONGEST TO LEVERAGE?



SELECT THE LARGEST OBSTACLE YOU SEE TO GROWING ECONOMIC ACTIVITY IN ANY OF THESE CLUSTERS



Panel Discussion:

Meg Arnold – Moderator

Mark Otero – *President and CEO of KlickNation*

Craig McNamara – *President and owner of Sierra Orchards*

Susan Peters – *Sacramento County Board of Supervisors, District 3*

Martha Lofgren – *Partner, Brewer Lofgren LLP*

Jim Williams – *President of Williams + Paddon Architects + Engineers*

Brice Harris – *Chancellor, Los Rios Community College District*

Open Forum:

Martha Lofgren – Moderator

Questions?

Why we believe it will work:

- A **shared vision** and a **common set of measurable actions** can only result from joint decision-making involving all of our region's economic stakeholders
- Triple Helix **leaders** and the right groups at the table
- **Actions** will be based on high quality data
- Staff support committed to **deliver results**
- **Funding** coming online from partners who believe
- If not us, then who?

Next Economy Regional Forums:

1. **November 15**: Industry cluster findings released;
Obtain feedback on which clusters to focus on
2. **February 17**: Release and public discussion of base
research findings
3. **May 4**: Stakeholder groups around a common table;
Evaluate action steps and to synthesize work group
activities for implementation

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next
economy

CAPITAL REGION PROSPERITY PLAN