

# Building on Springfield's Assets: Leveraging a Better Future

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## Executive Summary

Produced for the Greater Springfield Chamber of Commerce



Report produced by the Dayton Development Coalition



*This analysis has been funded by  
The Board of Clark County Commissioners  
Clark County Department of Jobs and Family Services  
Community Improvement Corporation of Springfield-Clark County  
The City of Springfield.*

## Executive Summary

Springfield, Ohio is a community in transition. New development projects in the downtown area have changed the look of the community and revitalized the downtown area.

Yet Springfield's economic development growth is sluggish following the downturn of the automotive manufacturing industry and the U.S. recession. Although a recovery is underway, economic growth projections remain at about 1 percent annually.

However, the Springfield community can work to improve the economy and promote growth by leveraging the resources it has to focus on three economic development strategies:

1. **Promote and strengthen Springfield's industry clusters** that drive economic growth in the region;
2. **Support Springfield's workforce** to ensure that the community's talent pool grows and stays in the region; and
3. **Build a culture of innovation and advancement** that will help drive economic growth.

Implementing these strategies will help the Springfield economy grow and remain competitive, while building a talent pool that will continue to attract and support local industries.

## Promote and Strengthen Springfield's Industry Clusters

Economic driver industries are those that:

- Employ large numbers of people;
- Have an industry concentration that is greater than the national average;
- Export goods and services outside of the region, bringing outside capital into the region;
- Pay higher wages than the average, and that have high job multipliers, meaning that each job creates additional jobs in support and supply chain industries.

If the economic driver industries are lost, then the support industries that are based on population – such as retail, healthcare, education, and many others – are also lost. Springfield can promote and strengthen these industry clusters with activities designed to leverage the community's industrial assets.

**Focus on strong industry clusters and those with growth potential.** Economic development efforts must focus on industries that “drive” the regional economy, which includes a strong industry concentration, high wages, and high job multipliers. Other targets should include industries with a strong growth potential. Support industries will follow the growth or loss of the driver industries, so they should not be the primary focus of an economic development strategy.

**Recruit, retain, and expand businesses in the targeted clusters.** Recruitment efforts do not provide the biggest return on investment for economic development activities, though efforts can be improved by targeted industries that have a local competitive niche or serve as supply chain elements for industries that are here. Retaining and expanding established businesses provides a better return on investment. By focusing on companies with the greatest economic impact and

growth potential, economic development efforts can result in additional investment and jobs in the region.

**Grow exports.** Expanding the region's exports could have one of the greatest economic impacts for local businesses. Exports provide new markets for established products, which not only expands the customer base but also helps companies weather shifts in both the national and global markets. Selling goods to international markets also brings much needed outside capital into the region.

**Market industry strengths.** Business executives talk to their industry peers and looking at industry magazines and newspapers in national media outlines to make location decisions about their companies. Marketing Springfield's industry strengths and supply chain presence will promote the region to targeted companies.

### **Support Springfield's Workforce**

The shift from the labor economy – when companies just needed people with a high school diploma – to the knowledge economy has increased the demand for high-skilled workers. Springfield lags in educational attainment levels compared to the national average, yet the region has worked diligently to address this gap. Connecting the various workforce development initiatives into a comprehensive model that serves all levels of students and workers and connects them to the economic driver industries will ensure that Springfield companies have the talent they need to grow their responses and remain competitive in global markets.

**Focus workforce development efforts on targeted industries.** Understanding the workforce demands of the targeted driver industries is critical, yet analysis must also include the supply side – the occupations that are being overproduced or under-produced. In addition, education and training providers must be informed of those gaps so that programs might be altered to accommodate the demand.

**Build a comprehensive workforce development model.** A connected workforce development model that includes the secondary education, postsecondary education and the public workforce system will ensure that all levels of workers can access the education and training that is needed to be retained and employed in Springfield.

**Implement a social media strategy.** A workforce development system must include a social media component. Students and workers, as well as regional businesses, can discover career opportunities through a social media campaign that connects industries to the talent they need.

**Promote quality of life to attract and retain workforce talent.** Springfield is a livable city with many assets and resources that make it an ideal place to live and work. Marketing the quality of life to the community itself will help promote Springfield to any potential new residents as well as retain the ones who are already there.

## **Build a Culture of Innovation and Improvement**

In a labor economy, workers held on to the same jobs for decades. In a knowledge economy, workers must be thinkers and problem-solvers – they must be able to generate and apply knowledge. Economic development efforts now depend on those abilities for the community to grow and prosper as this knowledge is turned into useful products and services. Innovation drives the knowledge economy and Springfield must be ready to support those efforts by building a culture that supports innovation and continuous improvement.

**Expand support for entrepreneurs.** The industrial shift to a knowledge economy requires more than just workforce talent. It also requires an innovative culture that allows that talent to explore new ventures, connects them to the needed resources, and allows them to improve and expand as their ideas reach the market.

**Track measures for innovation and improvement.** Innovation also requires continuous improvement. The Springfield region can build its industries, talent, and innovation by measuring various indicators and tracking their progress. This process will allow the community to invest resources in the areas where they are needed and make adjustments as the region transforms, grows, and prospers.