

nashvillenext

ECONOMIC & WORKFORCE DEVELOPMENT

APRIL REVIEW DRAFT

This is the review draft of the Economic & Workforce Development element of NashvilleNext. It is part of Volume II (Elements) of the draft General Plan.

We appreciate that you are giving time to reviewing this work. This chapter is the result of three years of effort on NashvilleNext, combining public visioning and community engagement with topical experts to create a plan for Nashville and Davidson County over the next 25 years.

Comments

The public review period is during March, 2015. We are eager to hear your thoughts on the plan. Here's how to provide input:

- » Online: www.NashvilleNext.net
- » Email: info@nashvillenext.net
- » At public meetings
 - » April 18: Tennessee State University (Downtown Campus), 10am - 1:30 pm
 - » April 20: 5 - 7pm at both the North Nashville Police Precinct and the Edmondson Pike Branch Library
 - » April 27: 5 - 7pm at both the Madison Police Precinct and the Bellevue Branch Library
- » Phone: 615-862-NEXT (615-862-6398)
- » Mail: Metro Nashville Planning Department, P.O. Box 196300, Nashville TN 37219-6300

We ask that you include contact information with your comments. We also request that you be as specific as possible in your requests. Referring to a specific page or section is greatly appreciated.

Next steps

The most up to date information is always available at www.NashvilleNext.net. Here is our tentative adoption schedule:

- » Mid-May: Post static draft of plan in advance of public hearing
- » June 10: First public hearing at Planning Commission (tentative; special date)
- » June 15: Second public hearing at Planning Commission (tentative; special date)

ECONOMIC & WORKFORCE DEVELOPMENT

A city's economy includes all of the activities for pay that pass money from customers to businesses and from employers to employees, recognizing that everyone plays every role at some point. In 2014, the economy of Nashville and Middle Tennessee reached the \$100 billion mark, making it the 34th largest metro economy in the country. Cities, states, and other organizations conduct economic development to expand the size, scope, and quality of the economy. Generally, economic development has three goals:

- » **To create and retain quality jobs:** meaningful, well-paid jobs allow workers and their families to thrive.
- » **To enhance tax base:** businesses support Nashville property and sales tax base directly and through the salaries and wages they pay employees.
- » **To enhance the quality of place:** more businesses and workers are looking for high quality places to locate in.

Economic development considers four main parts to understand how to intentionally grow Nashville's economy: the region's economic base, our secondary sector and local businesses, talent and workforce development, and innovation.: Business pays a double dividend for Nashville – supporting our tax base directly and employing our residents and workers.

About economic development

Economic base

A city's economic base is what it does to bring in money from outside of the community. For example, country music sells to national and international audiences. Some of that money is diverted to retail, distribution, or online outlets, but some comes back to Nashville to pay musicians, writers, producers, support staff, the people who clean and maintain studio spaces, owners of studio spaces, and so on. Similarly, headquarters and back offices for national firms bring some of the money these companies earn across the country back into Davidson County through rent, property taxes, and salaries and wages.

Outside money is important because it passes through to Nashvillians to pay for all of the things people in Nashville buy. Known as the non-basic economic sectors, these things include all of our daily needs, dining out, entertainment, consumer goods, legal services, business support, government – everything that's bought locally or imported.

A Diverse Economy

One of the strengths of Middle Tennessee's economy is its diversity. Initially rooted in trade (as a major port along the Cumberland River) and state government, the region's economy now boasts substantial jobs across all major sectors. This diversity allows it to perform well and continue to offer opportunities for growth during economic downturns.

Four sectors make up more than half of the Nashville region's economy:

- » Health care: \$30B
- » Music/entertainment: \$13B
- » Advanced manufacturing: \$10B
- » Tourism/hospitality: \$6B

Nashville As The Product Is More Important Than Ever

The businesses that Nashville attracts are looking for five major things:

- » A talented workforce
- » Room to locate and expand
- » Transit
- » High-performing K-12 school system
- » Quality of place

While earlier approaches to economic development focused only on business attraction, assuming that the workforce would follow, attracting the workforce directly is now a key strategy as well.

Nashville is the center of a broader regional economy, connecting as many as 15 different counties. Though we have a smaller share of the region's economy than in the past, Nashville still has the largest share of the region's jobs (generally higher-skill and higher-paying jobs) and plays several unique roles in the economy. We are home to the state government, multiple dense employment locations (including downtown, Midtown, and Music Row), the most extensive transit system, and the largest collection

One source of future talent is the students that are drawn to Middle Tennessee's colleges and universities. Currently, the region retains 60 percent of its college graduates.

Higher Education Institutions in Middle Tennessee

Other sources of outside money

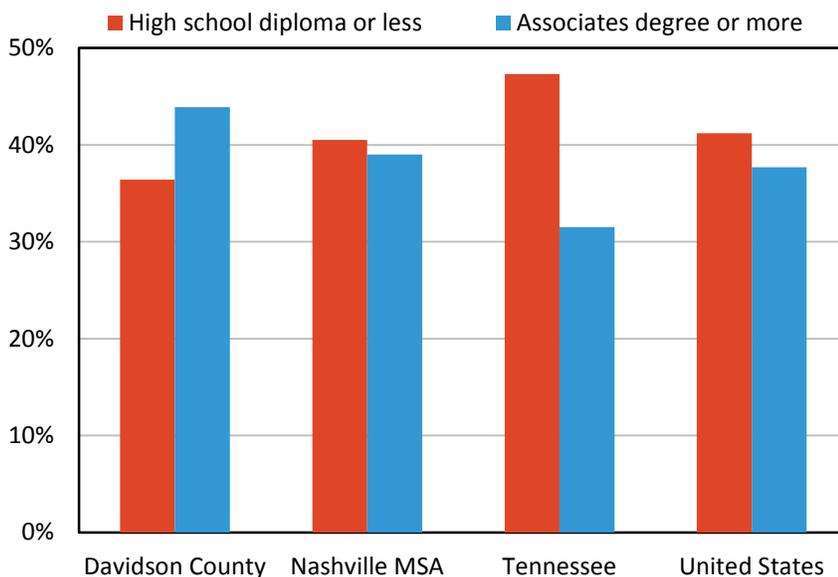
State government, retirement, income support (particularly in light of the recent recession), local education spending (state & federal support), health insurance, and college/universities (tuition).

Who's involved in economic development in Middle Tennessee?

- » Greater Nashville Area Chamber of Commerce/Partnership 2020
- » Metro Nashville-Davidson County
- » State of Tennessee
- » Tennessee Valley Authority
- » Nashville Electric Service
- » Workforce development non-profits
- » Other chambers

Educational attainment in Nashville

Davidson County has a lower percentage of people with only a high school diploma, equivalent, or less, and a higher percentage of people with an associate's, bachelor's, graduate, or professional degrees. *Not shown: people with some college.*



Source: American Community Survey (2013, 1-year estimate)

Foreign investment

Five percent of Nashvillians work for foreign-owned companies. Though a small share of workers, foreign investment represents a larger share of compensation, productivity growth, and corporate research and development.

Foreign investment also links Nashville with the global spread of new knowledge, technology, and ideas, all critical to Nashville's growth as a creative, entrepreneurial economy.

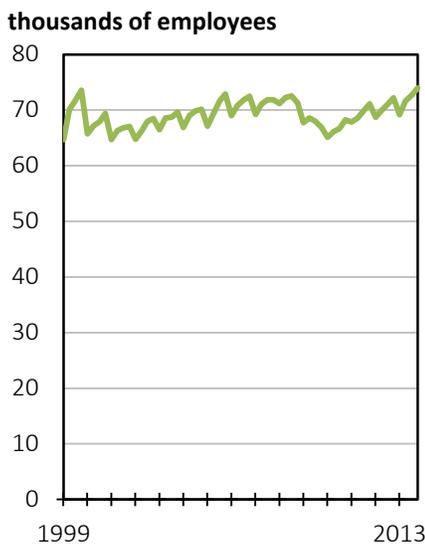
Source: Brookings Institute, FDI in U.S. Metro Areas, online report.

of colleges and universities. Public policy decisions and public and private investment should recognize Nashville's unique position and enhance Nashville's role as the vibrant, urban center of commerce, government, entertainment, and culture for the region.

Being the center of the region also poses challenges. Nashville's central location and premiere locations (Downtown, as well as other anchors, such as colleges, universities, and large hospitals) make it attractive for certain kinds of work. However, these drive land prices higher, making Davidson County less attractive for other kinds of businesses, especially industrial and new manufacturing, which often need low land prices.

Small businesses

Employees at small firms (less than 50 employees) and all firms in Davidson County.



Source: U.S. Census, Quarterly Workforce Indicators

Secondary sector & local businesses

Money from Nashville's economic base circulates through our non-basic sector (such as services and local businesses) before leaving to pay for things we import from other regions and countries. Within the non-basic sector, local businesses keep money in Nashville for a longer time. This is because local businesses rely more on other local business for their support services, such as accounting, banking, and other back office work. National firms typically centralize these functions outside of Nashville at their own company headquarters.

However, local businesses do more than just increase economic activity. Local business owners often have a stronger commitment to Nashville's success, supporting local charities, neighborhood events, and community efforts. They also provide distinctiveness to Nashville's neighborhoods and activity centers. (At the same time, distinctiveness is not always the most important thing for Nashville's residents – price and convenience are major factors as well.)

Local and small businesses face a number of challenges, however. Increasing land prices make it difficult for businesses with less access to capital to find affordable workspace. In addition to their trade, small businesses must also develop their business skills. Relatedly, small businesses must navigate a variety of complex regulations and licensing requirements. Finally, small business owners must stay aware of how the marketplace is changing. In each of these cases, large companies are able to centralize these activities, hiring specialists who can focus on regulatory compliance, up-to-date research, and accounting.

Talent & workforce development

Demographic and other trends indicate that the country, and Nashville and the surrounding region, will face workforce shortages in the future, driven by adding new jobs, declining workforce due to retirements occurring as Baby Boomers become seniors, and tightening unemployment. Relatedly, well-paying jobs increasingly require advanced skills. This includes formal, credentialed education, such as a bachelor's degree or certificates in trades or information technology, as well as experience and on the job training. Aging baby boomers are also at the peak of their skills and careers; leaving the workforce will result in a shortage of talent.

2009 to 2019 workforce shortage

Growth in jobs is likely to outpace available workers in Nashville, leading to a shortage of workers.

From 2009 to 2019, the Nashville region will require **117,548** workers.



From 2009 to 2019, the Nashville region labor force will grow by **48,137** workers (people age 16 and over).

Moving from 2009 levels of unemployment to full employment (4% unemployment) would add another **34,508** workers.

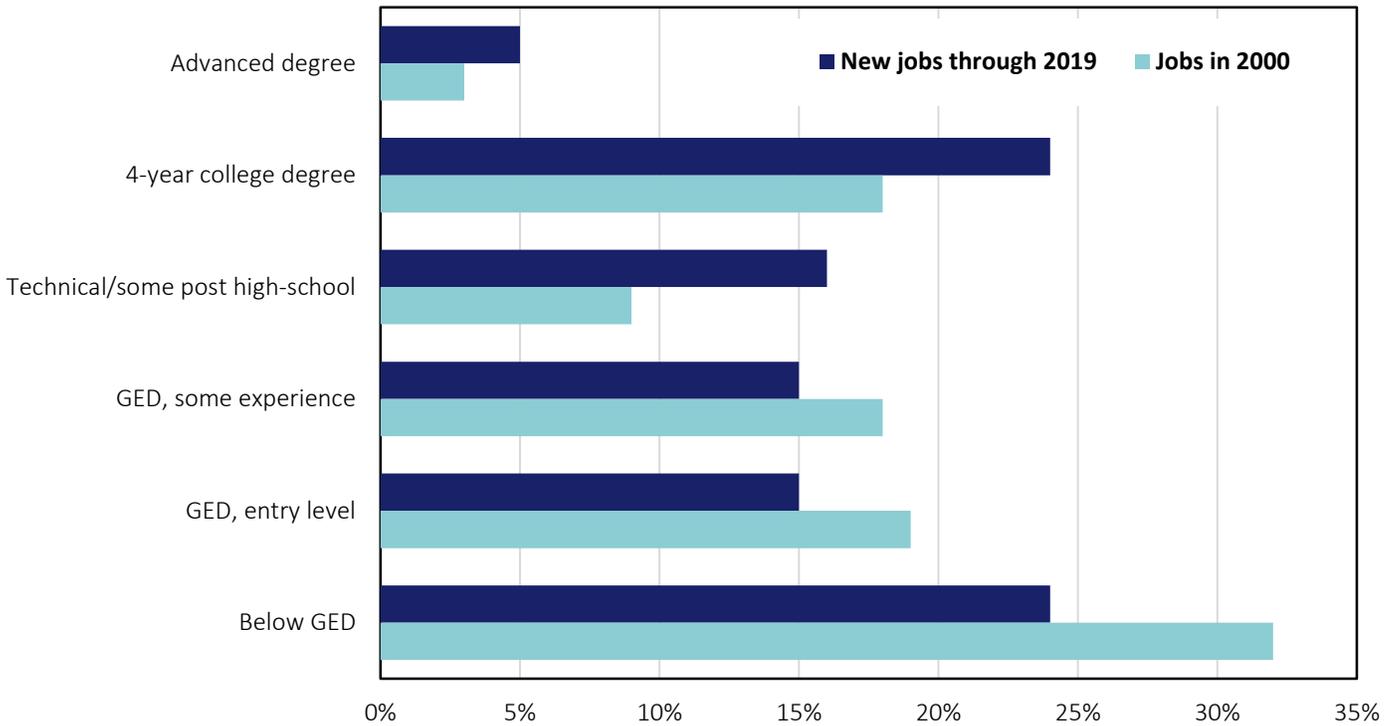


Adding workers and reducing unemployment will still leave a gap of **23,688** workers needed in 2019.

“The region’s economic development program goals include efforts to modestly increase the local labor force participation rate by 2015. This effort recognizes the need for businesses to explore ways to retain older workers and employ those with disabilities, low-income women with children, former military and immigrants. This initiative could be vital for the Nashville area to sustain its growth as it encounters likely future worker shortages.” Leveraging the Labor Force for Economic Growth Assessing the Nashville Economic Market Area’s Readiness for Work after the Recession (2010), Center for Regional Economic Competitiveness.

Changing job requirements

Skill/education requirements for jobs in 2000 compared with new jobs added through 2019. There will still be a large number of jobs needing less experience or education, but they will continue to decline as a portion of the workforce.



Source: *Leveraging the Labor Force for Economic Growth Assessing the Nashville Economic Market Area's Readiness for Work after the Recession (2010)*, Center for Regional Economic Competitiveness.

Key talent and skills generators

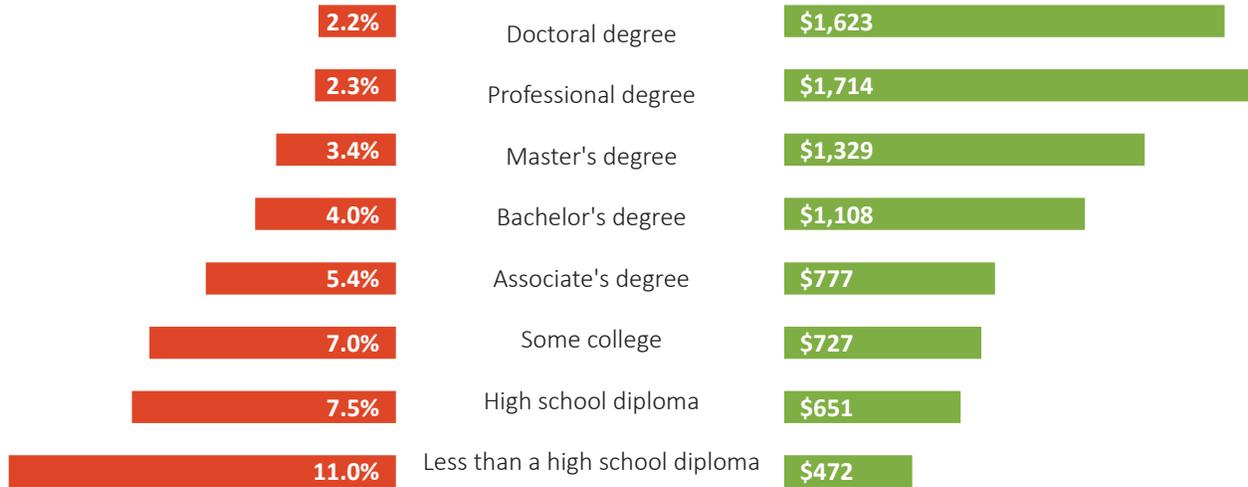
- » 42 High school career academies aligned with wide range of area industries and occupations
- » 18 Colleges & Universities in the Nashville Region
- » 118,379 College Students with 17,000 Graduates Annually
- » 10,000 College Graduates Remain in the Nashville Region (60%)
- » 70,000+ with Graduate or Professional Degree

Workforce development special populations

- » Individuals with substantial language or cultural barriers.
- » Offenders.
- » Homeless individuals
- » Deficient in basic literacy skills.
- » A school dropout.
- » Homeless, a runaway, or a foster child.
- » Pregnant or a parenting teen.
- » Individuals with disabilities, including learning disabilities.
- » Veterans
- » Low income individuals, including individuals currently receiving cash public assistance (Families First, Food Stamps, etc.)

Unemployment rate and earnings by educational attainment in the U.S.

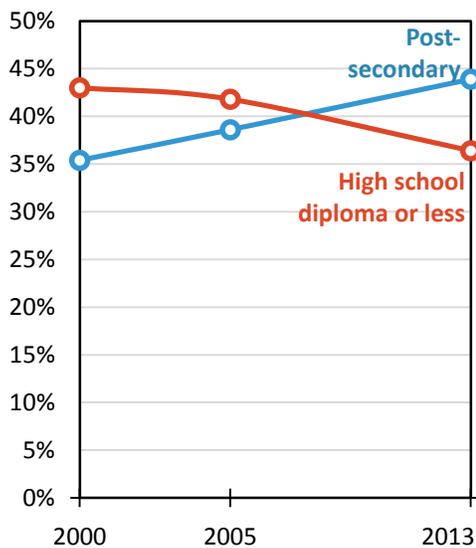
Greater educational attainment corresponds to higher earnings and lower unemployment.



Source: Nashville Davidson County Community Needs Assessment (2014); Bureau of Labor Statistics (2013)

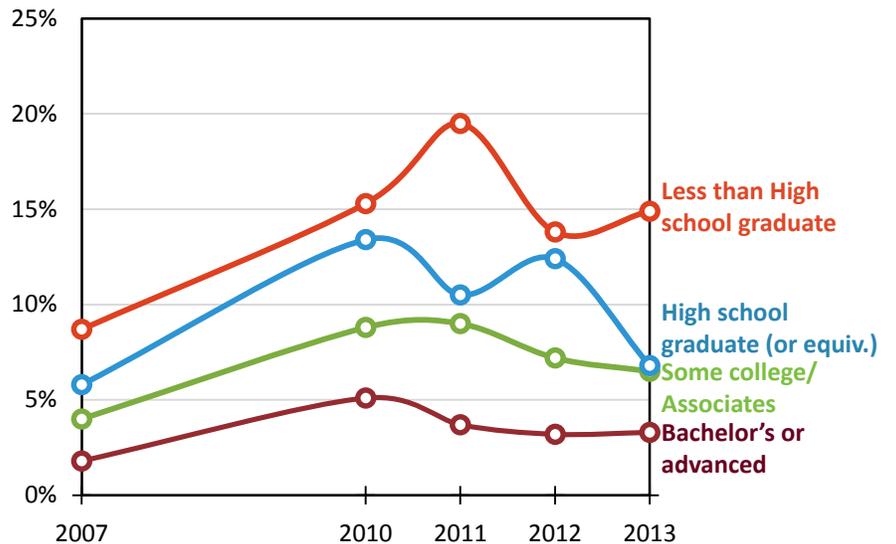
Post-secondary education since 2000

More people in Nashville have a some college, an associates degree, bachelor's degree, or other advanced degree since 2000.



Source: U.S. Census (2000); American Community Survey (2005, 2013, 1-year estimates)

Unemployment rate since 2007 by educational attainment



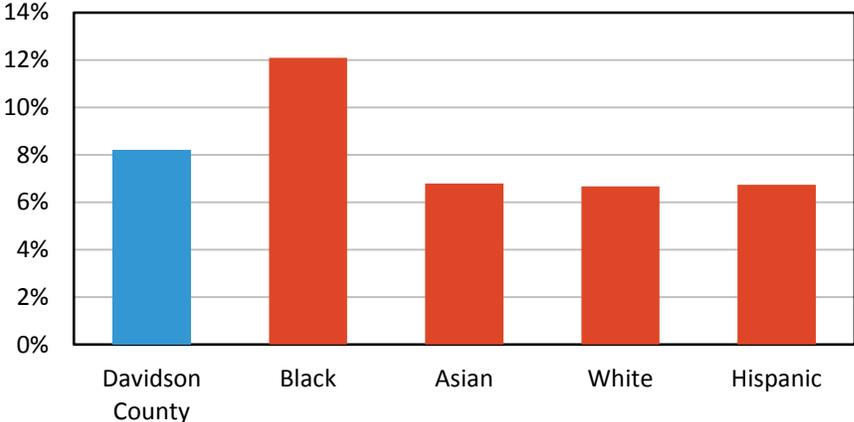
Source: American Community Survey (2007, 2010, 2011, 2012, 2013, 1-year estimates)

Nashville is well-positioned to address these shortages, by capitalizing on its numerous colleges and universities, openness to new residents from across the country and around the world, and a city-wide commitment to improving Nashville public schools. In this, Nashville is not working alone: access to post-secondary education is a major focus of Federal and State policymakers. In particular, Governor Haslam’s Drive to 55 effort and Tennessee Promise scholarship should help with Nashville’s workforce development.

In the long-term, the skills gap can be closed by improving the skills of Nashville’s current workers. Improving the skills of current workers can help to reduce poverty and include workers historically left out of economic opportunities. This gap can also be closed by attracting new high skill workers (including retaining graduates from Nashville’s universities and colleges). New workers primarily move to places with a vibrant economy and job opportunities. However, quality of life also plays a role, particularly once workers have decided on a place. Some, particularly college educated workers, often choose a place to live first, and then look for work. By improving places for current residents, we can also attract newcomers.

International immigrants are another crucial source of talent. Many immigrants attained a high level of education before moving to the U.S. In some cases, they are able to transition into their field successfully. Others, however, face language and other barriers that force them into lower skill jobs. International immigrants are also a key source of entrepreneurialism. While 9% of Nashvillians were born in a foreign country, immigrants represent 29% of Main Street business owners (defined as retail, food services and accommodation, and neighborhood services such as nail salons, beauty shops, and gas stations).

Unemployment by race and ethnicity (2011 - 2013)



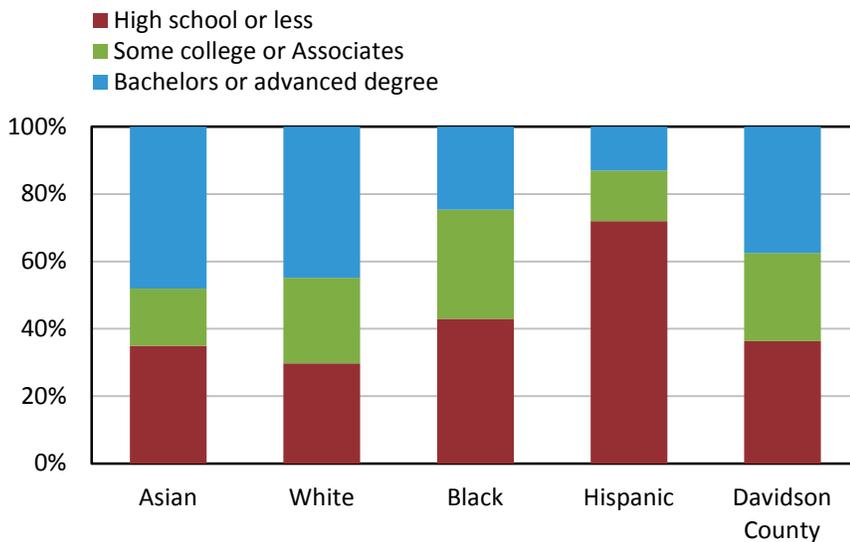
Source: American Community Survey (2011 - 2013, 3-year estimate)

Individuals with more education, skills, and experience have more opportunities for better-paying jobs. Connecting our residents to educational and employment opportunities improves their quality of life. It also bolsters Nashville's economy. Sometimes, lack of job openings, college offerings, or skills limits what a worker can achieve. Other barriers, such as lack of physical access and transportation, language, citizenship, disability, affordable childcare, or soft skills can also limit a worker's access to jobs or education.

Another way to overcome this shortage is by better integrating workers often left out of the current labor market. African-Americans, immigrants, low-income mothers with children, people with disabilities, and veterans are often not included in the economy at their full potential.

From 2011 to 2013, Davidson County's unemployment rate was just over 8%. For black Nashvillians, however, it was nearly 12%. Similarly, Black and Hispanic Nashvillians have lower educational attainment than white and Asian Nashvillians. Increasing their educational attainment is needed for Nashville's economy; it is also important for included them in the County's prosperity.

Educational attainment by race & ethnicity



Source: American Community Survey, 2011 - 2013 (3-year estimate)

Workers and managers

The chart below shows how minorities and women are under-represented in management positions compared with the rest of the workforce. As Nashville and the rest of the country become more diverse, and international connections matter more to our economy, having a diverse management will also be increasingly important. Initiatives like the Mayor's Diversity Advisory Committee can identify specific steps necessary to overcome these gaps.



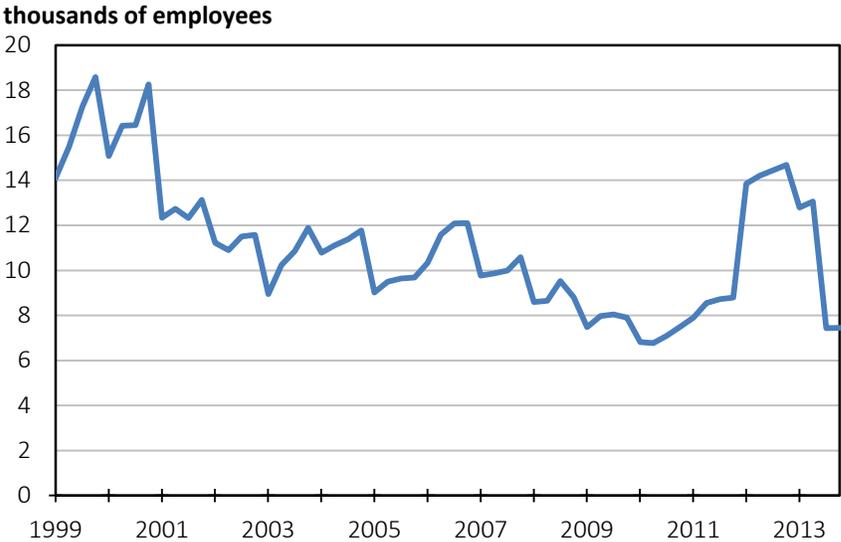
Source: U.S. Census Bureau, table, year.

Innovation

The way that business is conducted continues to change as never before. Supply chain management, business analytics, and shared management services are just a few examples of business operations that are being transformed through technology and more efficient business models. Whole industries, from music and publishing to healthcare, education and manufacturing, are undergoing reinvention and reconfiguration due to consumer behaviors, public policy, delivery of products and services and technological innovation. Nashville is at the very center of many of these changes and serves a leadership role for many national industries. In many ways, the region is a microcosm for global industry change. The future will see more, not less, of these transformations and, given Nashville’s unique leadership role in several of these industries, there will be special opportunities for economic development in Nashville.

Start-up businesses

Number of employees at start-ups (firms less than two years old)



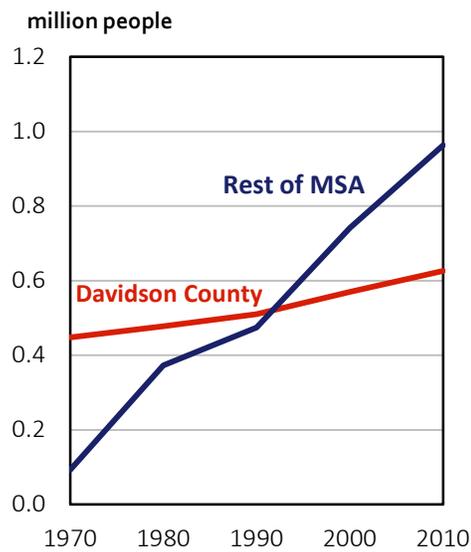
Source: U.S. Census, Quarterly Workforce Indicators

One of Nashville’s most important competitive advantages is its knowledge-based, creative economy. This strength is seen in the many sectors and businesses in Nashville that are leaders in their fields. This strength is also seen in the creative and entrepreneurial spirit of Nashville, which creates a space for ingenuity and innovation. In the last ten years, a number of outlets, incubators, and spaces have started that support the diversity of small business start-ups and innovators. The Entrepreneur Center, for

example, connects new entrepreneurs with mentors, resources, and education to help establish their businesses. Similarly, Tennessee State University's Business Incubation Center helps smaller, lower-tech businesses grow, while the Center for Non-Profit Management assists non-profits. Nashville has also seen a proliferation in co-working spaces that can be rented for short periods of time. Some of these workspaces are art or design focused, with recording space or sound-proof booths, while others provide platforms for technology development or meetings rooms for collaboration. This expanding support system allows entrepreneurs to develop their businesses while developing business skills and maintaining low overhead.

Population growth in Davidson County and the Middle Tennessee region

Davidson County is growing fast, but the region is growing faster. In particular, Rutherford and Williamson Counties are both growing fast and becoming much more urban.



Source: U.S. Census

Regionalism

The fifteen counties of Middle Tennessee have closely linked economics. This clearly stands out when looking at commuting patterns – 62% of workers in the region cross county lines to get to work. Davidson County is at the core of substantial transportation infrastructure that connects the region together, including the convergence of I-24, I-65, and I-40, multiple freight train lines, an international airport, and transit service.

Nashville benefits from the more diversified tax base that accompanies being the center of the regional economy, but suffers from increased congestion and air pollution. Other regional features include the electricity system (part of the Tennessee Valley Authority), natural features like the Cumberland and Harpeth Rivers, linked housing markets, and 18 colleges and universities.

A number of issues require regional cooperation. Key parts of Middle Tennessee’s infrastructure – including our roads and bridges, transit lines, and electrical grid, as well as the natural resources that keeps us safe during severe weather – must be regionally coordinated. Addressing these concerns means continuing to sustain and strengthen collaboration and cooperation across city and county borders.

As the region grows and housing and employment patterns change, the region must adapt. Market trends that mean one thing for Nashville (such as increasing interest in urban living, walkability, and transit) mean something very different for surrounding counties. As suburban counties grow and age, they will increasingly face development pressures similar to those Nashville is dealing with now, such as aging infrastructure, fewer green-field areas for new growth, and maintaining services across low density, dispersed development patterns that are costly to maintain. Key issues include both the spread of poverty into suburban areas, following the suburbanization of low- and mid-skill employers. Providing better transit access and more jobs close to housing throughout the region are important for all counties in Middle Tennessee.

Key ideas shaping this chapter

Investment ready places

Nashville’s current economic success owes partly to its diversity of economic base (businesses that bring money into Nashville), which makes it more robust as individual parts of the economy grow at different rates. Nashville’s current primary industry sectors include:

- » music, arts, and entertainment
- » hospitality, transportation and logistics
- » manufacturing
- » information technology
- » healthcare and healthcare operations
- » corporate/office operations.

Nashville’s “places” are critical to supporting its economy. Places situate businesses and residents in relation to transportation, customers and sellers, workplaces and employees, infrastructure, and one another. Identifying and preparing land for economic development lowers the cost for businesses that are forming, relocating, or expanding. It also ensures that all businesses — whether they are national or international firms, local entrepreneurs, artists or small businesses — have the opportunity to grow and prosper in Davidson County.

All businesses need a place to locate. However, different kinds of businesses need different kinds of places. A home-based business may need so little space that it can fit within a residential neighborhood. New retail needs low real estate prices, as well as high customer traffic. Intense industrial businesses need to be apart from residences and close to substantial infrastructure support. Art studios typically need very low rental rates, as do many artistic venues; some also have nearly industrial needs for ventilation and noise, while others can be located within neighborhoods. Offices need access to transportation for large numbers of office workers arriving and leaving over a short time. At the same time, the technology that businesses use means that location needs and opportunities change as well. Small, clean industrial (such as 3D printing) or home-scaled recording equipment means that these uses can be re-incorporated close to residential areas.

A lack of suitable land at the right price can often make it difficult for new businesses to start or locate in Nashville or for existing businesses to expand. Business locations should also, however, strengthen the city’s other

goals, such as contributing to vibrant neighborhoods and improving access for workers. Increasingly, high quality places are important for resident quality of life and for employee retention, attraction, and happiness.

A place is ready for investment when it has all of the factors needed to attract private sector investment. Barriers to investment are widespread. Formal barriers, such as zoning entitlements, set legal limitations on what can be done with a piece of property. They could also be engineering barriers, such as non-existent, inadequate, or aging infrastructure. There may be no current market potential, due to lack of customers in the market area. A small supply of commercial spaces in desirable locations can drive up the cost of land, making it too costly for businesses to start or expand. Finally, there may not be community support or political will necessary to overcome other barriers (such as zoning or extension of infrastructure). Investment-ready places can come in many scales, from small commercial corridors for retail and services to large-scale sites that are available when large employment locations are needed. Investment-ready places should be chosen and prepared in line with other plan goals.

Quality of life & attracting talent

Nashville supports a high quality of life for its residents, workers, and visitors when its places are safe, orderly, and affordable with access to work, services, education and green space. A high quality of life also helps to attract new workers and talent to Nashville and retain these workers once they are here. Having a talented workforce helps to attract and grow businesses. This is particularly so for college-educated Millennials who are important to filling Nashville's projected skills gap in key industries. According to national surveys and the experience of local job recruiters, many of these highly mobile workers look for a city to live in and then search for work, rather than finding a job and moving to the job. Investing in Nashville's quality of life benefits our current residents while also helping to attract new talent.

Just as different kinds of businesses need different kinds of places to thrive, different parts of Nashville offer different lifestyles. Downtown and other vibrant urban areas offer many amenities and services, while rural areas offer the peace of being away from the bustle. However, some parts of the county do not have the level of retail, businesses, and services that their residents need. Improving quality of life for all Nashville residents means closing those gaps. As we do this, we must also maintain affordability and accessibility in housing options for workers and residents. Land use policies and market forces impact where people live and work. Maintaining a balance between the jobs available in a community and the scale and affordability of nearby homes supports economic development in the region's core.

Cost of living

Cost of living and purchasing power are also important to maintaining quality of life for existing residents and attracting new talent and employers. With rising income levels and low cost of living, Nashville provides higher level of disposable income for workers. However, as housing and other goods become more expensive, it threatens quality of life for Nashvillians, as well as our competitive advantage.

	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods and Services
Nashville	88.9	91.9	74.1	93.6	92.1	81.5	97.7
Austin	95.4	88.5	86.5	101.8	98	100.3	101.5
Atlanta	97.6	103.6	92.5	93	100.3	96.3	99.7
Raleigh	94.6	103	80.1	103.9	101.7	104.7	95.5
LA	131.4	103.3	200.8	114.2	108	111.2	105.2
NY	220.3	145.9	443.8	140.7	127.5	110	150.2
San Francisco	163.9	126	300.1	102.3	109.5	117.2	118.2
Chicago	117.5	106.9	134.9	96.7	129.8	99.4	112.4

Source: ACCRA

Underserved areas

The level of retail and services necessary to daily life, such as groceries, banking, dining out, and entertainment (called the secondary sector above) varies throughout Nashville. Sometimes, these differences are normal and expected. For example, sparsely populated areas like Joelton will inevitably have fewer retail stores than dense, urban neighborhoods. Traveling farther to access to these kinds of services is intrinsic to rural character.

On the other hand, some communities in Nashville are underserved, with fewer nearby retail and services than expected. When the lack of services relates to healthy food and supermarkets, we call the community a food desert. However, the same principle applies to other services – banking, household goods, services like barber shops and hair salons, daycare, and the like. People in communities lacking those services go without, find alternate ways of making do, or must travel farther distances.

This is most common in neighborhoods high in poverty or home to non-white residents. In the table below, for example, Bordeaux residents have far fewer retail and

restaurant offerings compared with the rest of the county, despite higher household incomes, higher educational attainment, and a higher homeownership rate.

Lack of access to retail and services can cause a variety of problems. Longer distances to services or limited choices close to home can increase traffic and time spent traveling, reducing quality of life. Limited choices can also nudge residents to inferior options. For example, a dearth of banks and easy access to payday loans and other predatory lenders can trap workers in cycles of high interest payments and high fees, reducing money available for necessities. In 2013, more than a quarter of Nashvillians used or relied on these kinds of alternate financial services. Similarly, lack of nearby parks and healthy food options can have health consequences if more meals are eaten from fast food outlets or are readymade.

Retail density in select Nashville zipcodes

	Davidson County (28 ZCTAs)	Bordeaux (37218 ZCTA)	South Nashville (37210 ZCTA)	Madison (37115 ZCTA)
Population	660,537	14,441	14,876	36,839
Household size	2.3	2.5	2.4	2.3
Minority population	28%	79%	65%	48%
Median household income	\$43,616	\$46,829	\$25,622	\$36,826
Income per person	\$28,309	\$21,775	\$15,248	\$19,921
Homeowners	51%	74%	37%	47%
Higher education attainment	24%	30%	15%	16%
Retail establishments	2,598	28	99	195
Outlets per 1,000 residents				
All retail	3.9	1.9	6.7	5.3
Supermarkets	0.2	0.2	0.3	0.2
Restaurants	0.9	0.2	0.4	0.7

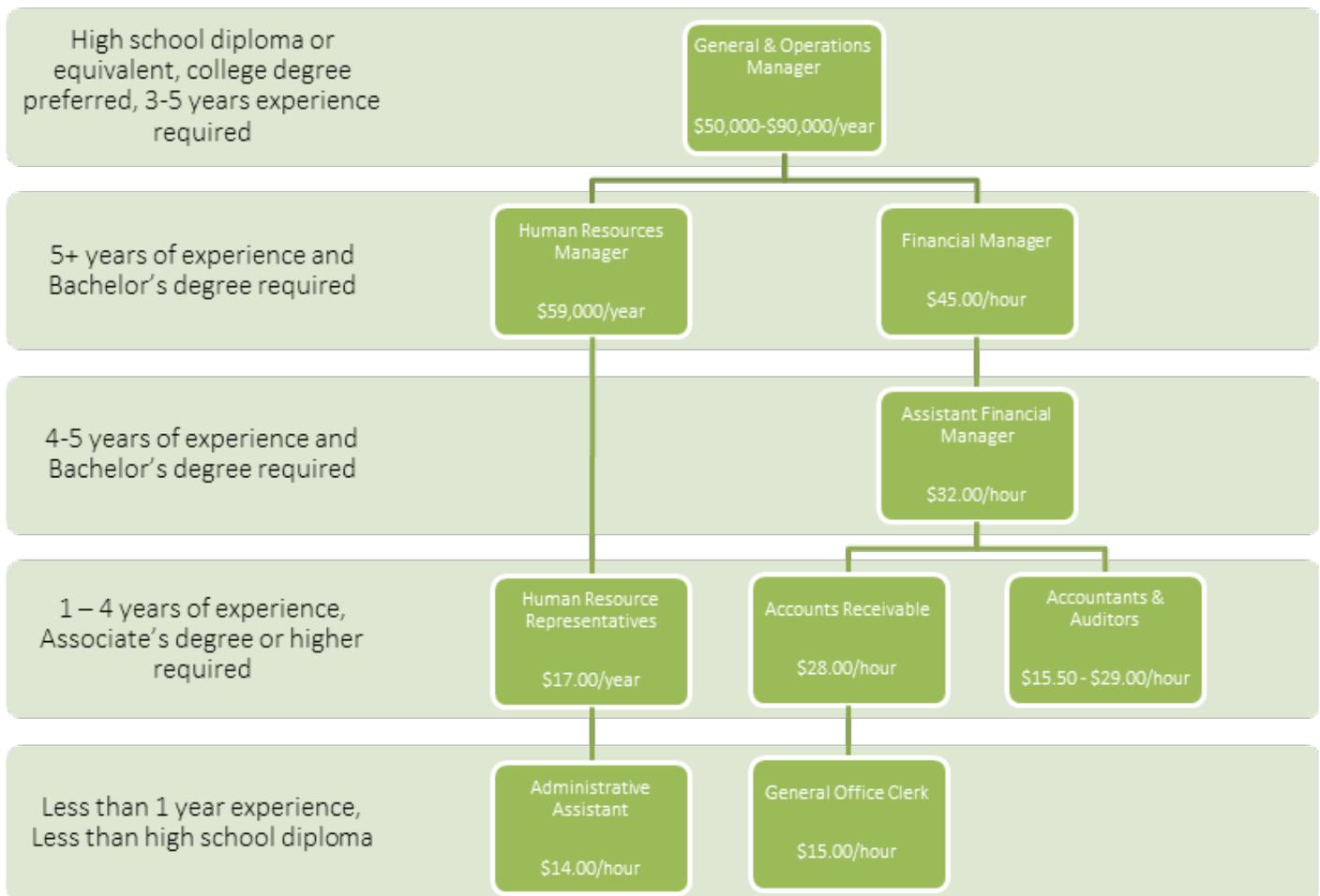
Source: [See BFG report]

Workforce development

Workforce development is a critical part of sustaining our economy into the future and ensuring that everyone in Nashville benefits from the county's prosperity. Workforce development seeks to help low-skill workers, unemployed workers, underemployed workers or workers with other barriers to work find appropriate career tracks and attain the skills needed to succeed in them. Often, these are industry-specific skills (such as food preparation), but workforce development also includes soft skills, such as timeliness and communication (particularly for youth first joining the workforce).

Example career ladder and kinds of skills required

Hospitality: Support and administration services career ladder



Source: Goodwill Industries of Middle Tennessee

Many industries have a defined career path and expect that entry-level workers will move up that career path as they gain new skills and knowledge. The major workforce development career centers help candidates learn what is expected along each industry's career path. Additionally, those career centers also provide access to the job training and education needed by the businesses with the jobs.

Matching our post-secondary education programs to Nashville's growing and emerging job sectors will also be critical. High tech jobs, artistic careers, and old and new forms of manufacturing can all be supported through Middle Tennessee's network of higher educational institutions. Nashville is already participating in regional and state Skills Panels to identify ways to close gaps.

Paths out of poverty

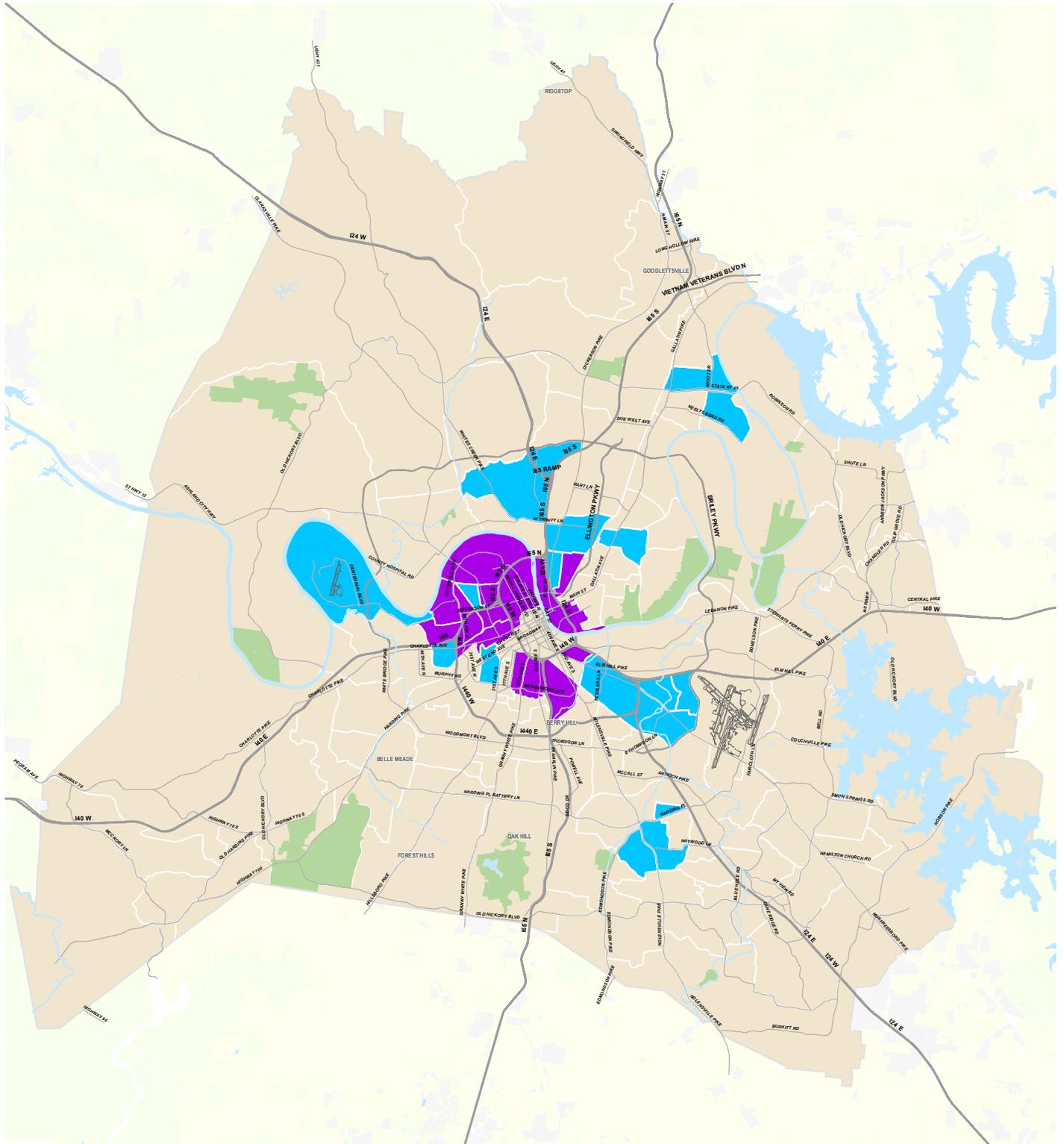
Between 2000 and 2010, poverty in Nashville increased among all people, families, and age groups. The poverty rate for the County increased from 13.0 percent in 2000 to 20.2 percent in 2010. Since the end of the recession, the rate has declined to 17.8 percent in 2013 (still more than 117,000 people living in poverty). Poverty does not strike all people equally. The poverty rate for married couples was only 9.7 percent, but the poverty rate for single mothers was 34.4 percent. Nearly one-third of children in Nashville live in poverty, as do more than 1 in 5 people with disabilities.

Poverty is not synonymous with unemployment. People living in poverty include those working at minimum wage, those holding down several low-wage or part-time jobs, seniors living on fixed incomes, wage earners suddenly out of work, and people living downtown, in suburban communities, or in rural areas.

People who are in poverty or unemployed face a number of challenges. These challenges include access to food, housing, transportation, childcare, jobs, and job training. There are a host of not-for-profit organizations that provide access to these services, but many organizations have waiting lists. Other challenges are more severe versions of challenges shared by people not in poverty. Improving factors like the availability and access to jobs or services would benefit all workers in Nashville, not just those in poverty.

High poverty Census tracts (2010)

Chronic high poverty tracts have high poverty since the 1970 Census. Newly poor tracts were high poverty in 2010, but not in 1970.



- Chronic high-poverty tracts
- Newly poor high-poverty tracts
- Not high-poverty

The problems associated with poverty, including access to jobs and services, health, and quality of life, are especially acute for Nashvillians living in areas with concentrated poverty. Unfortunately, the geography of concentrated poverty (Census tracts with more than 30% of residents living below the poverty line) is spreading. The difficulties imposed by living in poverty are magnified when many of your neighbors are also in poverty. Consider the job search: many people find jobs through casual acquaintances, online postings, through career centers, and, to a lesser extent, through formal job postings. When fewer people live near businesses with jobs, residents have fewer opportunities to learn of new openings.

For many, employment, education, and workforce development, with access to supporting services, are the pathways out of poverty.

Aligning economic & workforce development

The chart below shows key primary sectors and secondary sectors, with how they relate to current economic and workforce development programs. Generally speaking, primary sectors are industries that bring money in from outside of Nashville, while secondary sectors primarily provide local services.

Economic development generally focuses on primary sectors, to expand the amount of money feeding into Nashville's economy. Workforce development works to match job-seekers with skills needed, regardless of whether the job is in a primary or secondary sector.

	Nashville Chamber Target Industries	Small business / entrepreneur	Workforce Development	MNPS Academies of Nashville	NSCC / TCAT
Primary sectors					
Music/Arts/Entertainment	*	EC		*	NSCC
Hospitality			Goodwill	*	
Transportation/Logistics	*		NCAC		NSCC, TCAT
Manufacturing	*		NCAC; MTWFA	*	NSCC, TCAT
Information Technology		EC	NCAC; MTWFA	*	NSCC, TCAT
Healthcare	*	EC	Goodwill; NCAC; MTWFA	*	NSCC, TCAT
Corporate/Office Operations	*		Goodwill		NSCC, TCAT
Secondary sectors					
General business skills		BAO, SCORE			NSCC, TCAT
Construction			Goodwill; NCAC		NSCC, TCAT
Education			Goodwill; NCAC		NSCC
Retail			Goodwill		
Landscaping			Goodwill		
Food service			Goodwill		NSCC

- » EC = Entrepreneur Center
- » SCORE Nashville
- » BAO = Minority and Women Business Assistance Office
- » NCAC = Nashville Career Advancement Center
- » MTWFA = Middle Tennessee Workforce Alliance
- » NSCC = Nashville State Community College
- » TCAT = Tennessee College of Applied Technology

Goals and policies

Goals set broad direction for the plan by applying the Guiding Principles to NashvilleNext's seven plan elements. They identify, for each element, what NashvilleNext is trying to achieve.

Policies extend goals by providing more detail. They give more direct guidance on community decision making, without specifying which tools to use. (Identifying and adopting which tool is a job for actions and implementation.) As implementation occurs, if one particular tool is rejected by the public, the policy guidance remains.

Actions (Volume IV and at the end of this chapter) are short-term steps to carry out these Policies and achieve these Goals. The plan is structured so that the Action plan is updated the most frequently. During the annual update process, actions can be removed if accomplished or if they were deemed infeasible. Removing an action because it's infeasible leaves the overarching Policy in place. During the update, the Planning Department would seek to identify alternate ways of accomplishing the policy.

Related plans

With a strong commitment to annual updates and review, the General Plan is able to play a key role in providing coordination between other agencies and plans. It helps other departments understand long-term goals and how their work shapes that, even if they must focus on short-term needs that are out of step with the long-term plan. For example, the long-term vision for transit is to build a high-capacity transit network operating along major corridors, with few deviations from those corridors. In the short-term, MTA needs to conduct its operations to connect to riders, who may not live along those major corridors. Eventually, MTA operations should merge with the long-range vision, but it will take time to build the infrastructure and housing to support the high-capacity network.

Thus, Element chapters highlight related plans when discussing NashvilleNext Goals & Policies.

Much of what Nashvillians want for the future goes beyond what Metro can achieve on its own. Partnerships with community groups, non-profits, and the private sector are critical.

- » Partnership 2020
- » NCAC master plan
- » Poverty Reduction Initiative Plan
- » Arts Commission Strategic Plan

EWD 1

Nashville will have a thriving economy, built on a diversity of economic sectors that are nationally and internationally competitive, mid- to large-size businesses that provide a large and diverse number of employment opportunities, and entrepreneurial and small businesses that support our quality of life.

EWD 1.1

Support entrepreneurs and small businesses by providing locations to develop and grow new businesses, business development training, support for small-business and start-up districts, and clear laws and regulations.

EWD 1.2

Create an adequate inventory of investment-ready places to match the diverse needs of different kinds of businesses. Investment-ready means places whose entitlements are in line with market demand, infrastructure, political, and community support.

EWD 1.3

Keep existing and recruit new businesses that complement Nashville workers and industries, that help to provide career opportunities across skill levels, and that attract new and retain existing workers to Nashville.

EWD 1.4

Search for opportunities for new and emerging industries and economic sectors with the potential to grow and support rising incomes to locate in Nashville.

EWD 2

Nashville will increase the quality of life and business opportunities throughout Davidson County to make life better for existing residents and attract new residents.

EWD 2.1

Expand business opportunities, retail, and services that fit within the character and context of underserved areas.

EWD 2.2

Support public and private investments in Nashville that improve the quality of life, maintain a competitive cost of living, and provide critical services and facilities to retain current residents and attract a high-skill workforce.

EWD 3

Nashville's workforce will match skills needed by today's employers as well as be prepared for the shift to increasingly higher skilled jobs that will account for most of our expected employment growth.

EWD 3.1

Ensure secondary, post-secondary, and vocational opportunities in the Nashville region are matched to current employer needs and future job trends.

EWD 3.2

Ensure that the region retains college-educated talent from our regional post-secondary institutions to meet workforce needs.

EWD 3.3

Create direct and available pathways to connect Nashville workers to long-term employment opportunities with identified potential for prosperity with particular emphasis on workers living in poverty.

EWD 3.4

Integrate immigrants, migrants, and refugees into the workforce, with resources to allow them to reach their full potential and bring skills from their home countries to good use in Nashville.

Economic Workforce Development DRAFT actions

#	EWD Goal	Policy	Action	Time frame	Responsible party
1			Nashville will have a thriving economy, built on a diversity of economic sectors that are nationally and internationally competitive, mid- to large-size businesses that provide a large and diverse number of employment opportunities, and entrepreneurial and small businesses that support our quality of life.		
		1.1	Support entrepreneurs and small businesses by providing locations to develop and grow new businesses, business development training, support for small-business and start-up districts, and clear laws and regulations.		
1		1.1.1	Create rules that allow home-based businesses in existing neighborhoods without disrupting the character and enjoyment of those neighborhoods.	Short term	MPC
2		1.1.2	Prioritize community needs for surplus and underused Metro property. In addition to space for Metro agencies, community needs include affordable housing, open space, urban agriculture, business incubation space, and community services. Ensure surplus properties from foreclosures have clear deeds.	Short term	MPC, Finance
3		1.1.3	Review best practices for encouraging small and disadvantaged businesses participation in Metro projects, such as establishing a business development academy to provide support and mentorship for new entrepreneurs. Conduct this review regularly to maintain appropriate support for small and disadvantaged businesses.	Short term	Business Assistance Office, Council
4		1.1.4	Conduct market and design feasibility studies of creating a waterfront eco-industrial district in Cockrill or Hadleys Bends. An eco-industrial district locates green manufacturing and industries, such as recycling, together in a district where they can link inputs and outputs to reduce costs and waste. Existing green and recycling businesses should be engaged to ensure site characteristics meet their needs.	Mid-term	Mayor's Office, MPC
5		1.1.5	Identify ways to streamline and simplify tools and regulations affecting small businesses. Models include the Development Services One Stop Shop or an online portal. This effort could assist with licenses, business planning, Metro incentives, and small- and minority-business opportunities to support existing small businesses and prospective future entrepreneurs. It could also provide education for business owners on topics such as major changes in law (such as the Affordable Care Act), ensuring visitability for people with disabilities, and cultural sensitivity. It should coordinate with related workforce and business development services.	Mid-term	Mayor's Office, Business Assistance Office
6		1.1.6	<i>From the Arts, Culture & Creativity Resource Team</i> Establish Small Business Development Zones and a microfunding and lending program, funded as a public/private partnership, to support creative/cultural economy density within targeted centers (similar to programs in Denver and Austin, also a combination of public and private funding).		
7		1.1.7	<i>From the Arts, Culture & Creativity Resource Team</i> Create and market a "Made in Music City" Campaign (eg. Made Austin) to promote and support businesses that make local artisan products and food. Design a "Made In" Tour, to demonstrate a selection of locally made products, and add it to ExploreNashvilleArt.com offerings	Mid-term	Nashville Conventions & Visitors Corp, Nashville Farmer's Market, Arts Commission

Economic Workforce Development DRAFT actions

#	EWD Goal	Policy	Action	Time frame	Responsible party
8		1.1.8	<i>From the Arts, Culture, & Creativity Resource Team</i> Create an “Artisan Manufacturing” Zone provision that updates retail guidelines and limited live/work allowances for makers/artisans.	Short	MPC, Arts Commission
		1.2	Create an adequate inventory of investment-ready places to match the diverse needs of different kinds of businesses. Investment-ready means places whose entitlements are in line with market demand, infrastructure, political, and community support.		
9		1.2.1	Identify future places for business location and expansion and identify the investments and tools necessary to make them attractive. A number of investment-ready sites have been identified as ready for job growth. Metro Nashville should help prepare the next set of sites by improving infrastructure in areas that are otherwise ready for investment.	Ongoing	MPC, Mayor, MDHA, Finance
10		1.2.2	Identify and prioritize brownfield redevelopment opportunities and create or enhance the tools necessary to capitalize on those opportunities in order to create investment ready places, and improve environmental quality. Brownfields are developed sites that have high levels of pollution. Large brownfield sites include intense industrial sites, while smaller ones include gas stations and drycleaners. These sites may need environmental remediation, beyond typical redevelopment needed for "greyfield" sites, like strip commercial developments with large parking lots.	Mid-term	MPC, MPHD, MDHA
11		1.2.3	<i>From Land Use, Transportation & Infrastructure Resource Team</i> Empower a multimodal department of transportation to coordinate transportation planning, design, and capital improvements with development regulations to improve livability and safety, promote workforce access and economic development, maximize state and federal grants, and reduce transportation impacts to Middle Tennessee’s environment. This department would coordinate with Metro Public Works, Metro Parks, Metro Planning, Nashville MTA, Metro Nashville Airport Authority, Metro Traffic and Parking Commission, Metro Transportation Licensing Commission, and the Mayor’s Office. The department should coordinate with regional transportation groups, including the Tennessee Department of Transportation, the Nashville Area Metropolitan Planning Organization, and the Regional Transit Authority.	Near term	Mayor, Council
12		1.2.4	Build a high capacity transit system in Davidson County and within the region to expand access from homes to major concentrations of employment in order to create economic prosperity.	Ongoing	MTA
13		1.2.5	Identify innovative opportunities for providing lower-cost parking in and near downtown to lower the transportation costs for lower-wage workers. While transit service into and out of downtown is currently improving, and will improve substantially in the long term, many current workers on evening or night shifts face immediate pressure as the high cost of parking dramatically reduces their take-home pay. Opportunities could include the football or baseball stadia or the parking garage at Metro facilities outside of daytime business hours.	Near term	Downtown Partnership, MPC

Economic Workforce Development DRAFT actions

#	EWD Goal	Policy	Action	Time frame	Responsible party
14		1.2.6	Identify and promote existing investment-ready <u>sites</u> to private sector businesses, lenders, and developers.	Ongoing	Mayor's Office, Nashville Area Chamber of Commerce
15		1.2.7	<i>From Health, Livability, & the Built Environment Resource Team</i> Create a plan to achieve the general availability of gigabit ethernet by 2020. The plan should reflect private and public roles and opportunities and should identify multiple approaches to ensuring access for low income people.	Near term	Mayor's Office, MSS, MNPS
		1.3	Keep existing and recruit new businesses that complement Nashville workers and industries, that help to provide career opportunities across skill levels, and that attract new and retain existing workers to Nashville.		
16		1.3.1	Actively participate in and support regional economic development activities and organizations, such as the Mayor's Caucus, Nashville Area Chamber of Commerce's Partnership 2020, the Metropolitan Planning Organization, the Workforce Board	Ongoing	Mayor's Caucus, P2020 Partnership, NCAC
		1.4	Search for opportunities for new and emerging industries and economic sectors with the potential to grow and support rising incomes to locate in Nashville.		
17		1.4.1	Create a revolving loan fund to pay for long-term energy efficiency improvements and distributed renewable energy installations to create a new source green jobs.	Long-term	Nashville Electric Service, Tennessee Valley Authority, Finance
18		1.4.2	Check for alignment between clean energy research, development, and technical training among colleges and universities.	Long-term	Nashville Area Chamber of Commerce, Nashville Electric Service

Economic Workforce Development DRAFT actions

#	EWD Goal	Policy	Action	Time frame	Responsible party
2	Nashville will increase the quality of life and business opportunities throughout Davidson County to make life better for existing residents and attract new residents.				
	2.1	Expand business opportunities, retail, and services that fit within the character and context of underserved areas.			
19	2.1.1	Analyze barriers to entry for areas underserved by essential retail to identify necessary steps to improve access. A special focus should be on retail such as grocery stores that can improve quality of life for residents and catalyze additional private sector investment. Based on the studies, create an ongoing program to incentivize to these essential retail and services.	Medium	MPC, Metro Council	
20	2.1.2	Engage property owners in underserved areas to identify barriers to private investment and provide guidance on what is appropriate in current zoning and community plans.	Short	MPC	
21	2.1.3	Work with state and local partners to develop public, private, or non-profit banking services to reduce reliance on predatory lending. Banking services include access to checking and savings accounts, credit, and low-interest loans.	Short	Mayor's Office, Metro Council	
22	2.1.4	Identify ongoing funding source for Financial Empowerment Center. The Financial Empowerment Center was created in 2013 using a three-year grant from Bloomberg Philanthropies, but does not have a funding source beyond its grant period. Funding could come from a mix of Metro, State, and private sources, including banks.	Short	Metro Council, FEC, private and non-profit partners	
	2.2	Support public and private investments in Nashville that improve the quality of life, maintain a competitive cost of living,			
	2.2.1	<i>NOTE: Most actions for this policy are found in other Elements, particularly Housing, Education & Youth, and Health, Livability, & the Built Environment.</i>			
3	Nashville's workforce will match skills needed by today's employers as well as be prepared for the shift to increasingly higher skilled jobs that will account for most of our expected employment growth.				
	3.1	Ensure secondary, post-secondary, and vocational opportunities in the Nashville region are matched to current employer needs and future job trends.			
23	3.1.1	Coordinate with Nashville State Community College to co-locate appropriate workforce and social services and transit access as it adds branch campuses.	Long-term	NSCC, MSS, NCAC, MTA	
24	3.1.2	Ensure post-secondary education institutions and workforce training programs are able to respond quickly to changes in skills demanded by emerging and changing industries.	Ongoing	Nashville Area Chamber of Commerce, NCAC, Nashville Workforce Network	
25	3.1.3	Encourage local colleges, universities, and certificate programs to establish or expand programs to develop installation, design, and engineering talent in support of clean energy infrastructure.	Long-term	NCAC, Nashville Electric Service	
26	3.1.4	<i>From the Arts, Culture, & Creativity Resource Team</i> Research opportunities for new vocational programs such as like film, design and fashion production. Create certificate and two year programs in coordination with Nashville State and Nashville Career Advancement Center (NCAC).	Mid-term	NCAC, Arts Commission, NSCC	
	3.2	Ensure that the region retains college-educated talent from our regional post-secondary institutions to meet workforce needs.			

Economic Workforce Development DRAFT actions

#	EWD Goal	Policy	Action	Time frame	Responsible party
27		3.2.1	Bring together the region's colleges and universities to create a seamless collaboration between employers, college and career placement professionals and soon to graduate students to increase the number of students who become employed and stay in the region after graduation.	Long-term	Nashville Area Chamber of Commerce
28		3.2.2	Increase the number of college internships available as an effective way to retain top talent graduating from the region's colleges and universities.	Long-term	Nashville Area Chamber of Commerce
29		3.2.3	Encourage young professionals to actively lead and participate in community issues that support and improve the quality of place to engage and retain this demographic.	Long-term	Nashville Area Chamber of Commerce
	3.3		Create direct and available pathways to connect Nashville workers to long-term employment opportunities with identified potential for prosperity with particular emphasis on workers living in poverty.		
30		3.3.1	Identify a responsible party and funding source to maintain and support a customer-friendly database of employment and training opportunities	Ongoing	Nashville Workforce Network
31		3.3.2	Re-institute a summer youth employment program that provides low- and moderate-income youth with job skills, soft skills, and experience in workplaces.	Near term	NCAC
32		3.3.3	Identify appropriate job opportunities and connect to homelessness service provision to assist homeless people transitioning to stability.		
	3.4		Integrate immigrants, migrants, and refugees into the workforce, with resources to allow them to reach their full potential and bring skills from their home countries to good use in Nashville.		
33		3.4.1	Use the Financial Empowerment Center to connect New Americans to banking and training services.	Near term	FEC