



nashvillenext

# Economic & Workforce Development

## driving forces report

This report addresses key forces and decisions shaping the future of Nashville's economy and workers. It addresses activities to expand business activity in Nashville and increase employment among Nashville workers. This includes preparing our workforce for increasingly high-skill jobs, expanding and attracting businesses, and supporting small businesses and entrepreneurs. The contents of this report were developed by NashvilleNext planning staff working with the Economic & Workforce Development Resource Team (members at right) during 2013.

### About Driving Forces

Each NashvilleNext Resource Team began its work by identifying a set of Driving Forces — key decisions or outside factors shaping Nashville's future. Each Team considered trends currently affecting Nashville, as well as how different trends and forces interact to affect the future.

This exercise served three primary purposes:

- » Identify key trends & understand how different trends interact
- » Bring different perspectives into the process and understand how they interact
- » Introduce team members to one another prior to beginning the process of making recommendations.

This report contains no direct policy guidance or recommendations. However, its contents did shape the Goals & Policies developed by this Resource Team in early 2014 (available for review by the public in mid-2014).

It is presented here as a record of the process.

### See more

See the Driving Forces identified by other Resources Team

» <http://www.nashville.gov/Government/NashvilleNext/NashvilleNext-Resource-Teams.aspx>

Once available for review, the draft Goals & Policies for all of the Resource Teams will also be available on that page.

### RESOURCE TEAM MEMBERS

- » Gopal Basent
- » Vicki Estrin
- » Terry Clements
- » Erik Cole
- » Jeremy Davis
- » Dewayne Scott
- » Nancy Eisenbrandt
- » Don Enfinger
- » Phillipe Fauchet
- » Garrett Harper
- » Beth Hopkins
- » Ashford Hughes
- » Betty Johnson
- » Steve Kulinski
- » Sam Lingo
- » Janet Miller
- » Loraine Segovia Paz
- » Denine Torr
- » Matt Wiltshire
- » LaDonna Yarborough

### STAFF SUPPORT

- » Greg Claxton
- » Joni Priest
- » Jennifer Carlat



## Parts of the Driving Forces Loops

Each Resource Team's work is presented in three parts that together make up the Driving Forces for their element:

- » **Loops:** A high-level summary of the topics and trends discussed by the Resource Team. The loops are the most straightforward way to understand what's involved in each element.
- » **Forces:** A more detailed listing of the forces considered by each Resource Team. Each forces lists whether it is included in the People influence diagram or the Places influence diagram.
- » **Influence Diagrams:** These complex pictures represent how the Forces interact. Forces are linked to one another when changes in one Forces are directly or inversely related to one another. One diagram focused on People; the other focuses on Places.

### EDUCATION & SKILLS

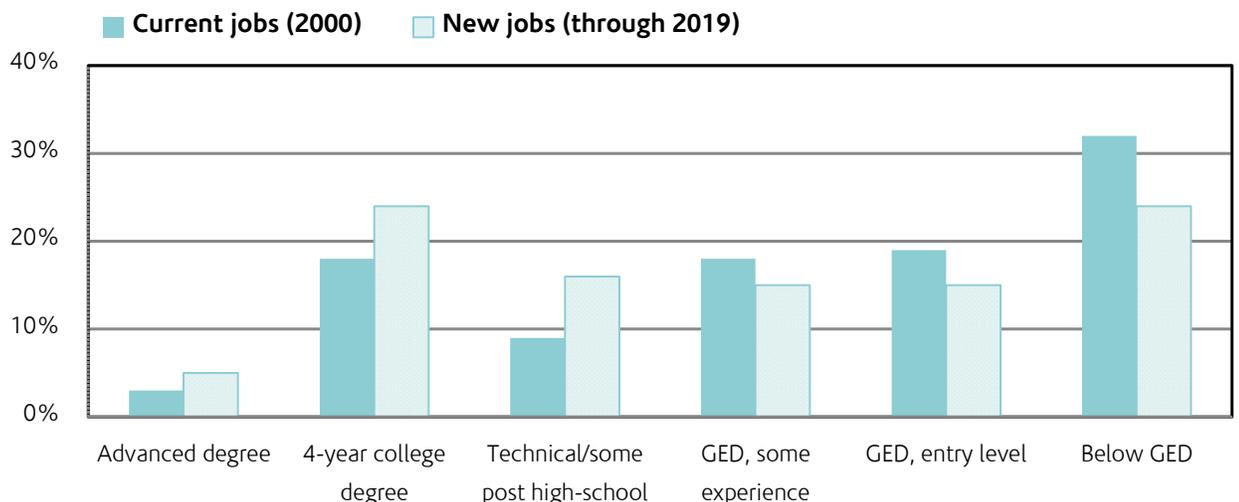
Nashville is experiencing a skills gap, where our current workforce is underqualified for the jobs being created and likely to be created in the future. Our K-12 education system is involved, but the problem includes access to higher education and to certificate programs for medium-skill workers. While our colleges and universities attract talent from across the country, retaining those workers can be a problem. Moreover, firms interested in relocating to Davidson County sometimes locate elsewhere in Middle Tennessee to secure access for their workers to better K-12 school districts.

### ACCESS TO JOB OPENINGS

Once workers have skills to qualify for job openings, other barriers exist. For some, limited online access or community resources reduce their ability to find out about and then apply for jobs for which they are qualified. In some sectors, lack of clear career progression limits their ability to increase their incomes. Finally, Nashvillians with criminal backgrounds have more limited job opportunities, increasing their difficulty in re-entering society.

### Changing Skills Needs for Workforce

Nashville Region, 2000-2019



Source: Claritas; presented in the Economic Development Background Report, available at [www.NashvilleNext.net](http://www.NashvilleNext.net)



## EMPLOYMENT

Since the end of the recession, Nashville's employment recovery has been among the highest in the nation, with unemployment dipping to 5.8% in November 2013. Having a job is key to both individual quality of life and Davidson County's tax base. However, employment is not shared equally across the county. While people with a college degree experienced 3.7% unemployment in 2011, people with a high school diploma, equivalent, or less experienced 19.5% unemployment that year. Additionally, African Americans and Hispanics experience greater unemployment than whites and Asians.

## INVESTMENT READY PLACES

Areas that are ready for large-scale private investment, with appropriate zoning, clear ownership, political support, and adequate infrastructure, including transit and other transportation access. Investment Ready Places should align with a countywide approach to managing growth. Identifying these places makes it easier for new companies to locate in Nashville or existing companies to expand.

## ACCESSIBILITY

The ability of Nashvillians to get to work, school, and other daily and occasional needs. Accessibility is primarily the transportation system, but also includes the ability to access resources and communicate online (such as looking for job listings, submitting job applications, or taking online courses). The transportation system includes cars, carpooling, car- and bike-sharing, transit, and walking. In line with public input, the Resource Team identified transit as a key obstacle, both for business attraction and expansion and for workers' ability to access jobs.

## COMPETITIVENESS

Nashville's national and international competitiveness rely on a mix of factors, including the low cost of doing business and low cost of living, robust mix of industries, diversity and talents of our workforce, educational institutions, quality of life, and reputation.

## QUALITY PLACES

The extent to which Nashville's residential, commercial, and mixed use places are safe, affordable, and accessible, with access to good schools and retail. Physically, quality places will look different depending on context (downtown/core, urban, suburban, and rural; for more information, see the Health, Livability, & Built Environment Resource Team). Quality places provide quality of life for residents while attracting new workers to Nashville. This, in turn, can increase the cost of land and housing in especially desirable places.

## COST OF LIVING/ DISCRETIONARY INCOME

Includes housing and transportation affordability, as well as the cost of services, both public (such as energy, water, solid waste, and taxes) and private (such as retail, childcare, and medical expenses). Nashville residents enjoy an unusually high relative level of average disposable income. With tax burdens on households below that of many other U.S. cities, cost-of-living levels lower than the U.S. city average, and increasing average earnings compared to the rest of the nation, Nashville households experience continuing increases in spending power.



## KEY INDUSTRY SECTORS

Below are some of Nashville's key industry sectors for expansion and recruitment, with concerns relating to these loops highlighted.

Primary Sectors	Investment ready places	Skills gap	Accessibility	Access to job openings	Cost of living
Manufacturing	X	X			
Logistics	X		X		
Healthcare operations		X			
Creative music & arts				X	X
Visitors / Conventions	X	X	X		
Finance & Insurance		?			
Information / Publishing		X			
Headquarters / Operations	X		X		

Non-Primary Sectors					
Green Jobs					
Real Estate & Development	X				

## Forces

### Access to affordable services

*People*

Can people physically access housing, places that offer services, employment locations, childcare, etc.

### Access to job openings

*People | Places*

Access to job openings relates to workers' ability to find out about job opportunities, as well as their eligibility for them, either because they have or lack appropriate skills, they have a criminal record, or because their industry lacks a career path.

### Adequate infrastructure

*Places*

Roads, sewers, the electrical grid, rights-of-way, sidewalks, bike facilities, public buildings, and other publicly provided and maintained infrastructure.

See the *Infrastructure background report*: <http://www.nashville.gov/Portals/0/SiteContent/Planning/docs/NashvilleNext/next-report-Infrastructure.pdf>

### Aging workforce

*People*

Baby Boomers, the most experienced workers, remove their skill level from the workforce when they retire, increasing the skills gap.

See the *Demographics background report*: <http://www.nashville.gov/Portals/0/SiteContent/Planning/docs/NashvilleNext/DemographicTrends.pdf>



## **Career progression opportunities**

*People*

Opportunities to advance along a career track, earning higher incomes as a result of more experience and skills.

## **Competitiveness**

*People | Places*

A set of factors in the People diagram that shape Nashville's ability to attract or expand businesses: cost of living, reputation, diversity of workforce, workforce skills, supply of quality places, and cost of land

## **Cost of living**

*People | Places*

Includes housing and transportation affordability, as well as the cost of services, both public (such as energy, water, solid waste, and taxes) and private (such as retail, childcare, and medical expenses).

## **Discretionary income**

*Places*

The difference between median income and cost of living contributes to quality of life. A large gap between these two leaves households with more disposable income each month. Purchasing power contributes to current residents' quality of life; it also attracts new residents and businesses.

## **Diversity of Nashville managers**

*People*

Managers strategize, direct, guide, administer, and supervise the workforces of the more than 18,000 workplaces that drive the Nashville economy. Compared to their percentages of employed Nashvillians in all occupations, women and ethnic/racial minorities are statistically underrepresented among Nashville managers (2009 – 2011).

*For more background, see the Equity and Inclusion Background Report: <http://www.nashville.gov/Portals/0/SiteContent/Planning/docs/NashvilleNext/next-report-Equity-and-Inclusion.pdf>*

## **Education**

*People | Places*

The quality of public and private schools (K-12) affects the skills that young adults have when they enter the workforce or prepare for higher education. It also affects families' interest in living in Nashville. The quality and availability of higher education (community colleges, colleges, and universities) provide additional job skills to existing residents, as well as drawing in new college students from outside the city or state. Education also includes training programs, certificates, and adult education.

## **Employment rate of existing residents**

*People | Places*

The percentage of Nashville residents working for pay. More working residents increases the tax base.

## **Entrepreneurs**

*People | Places*

Entrepreneurs begin or expand small, local businesses, contributing to the number of jobs in Nashville.

## **Financial stability**

*People*

The ability to manage abrupt changes in income or surprise expenses, primarily through savings or awareness of financial opportunities (such as low-interest loan programs). Includes access to savings accounts and traditional banks, rather than reliance on alternative financial services, such as check-cashing services, pay day loans, and pawn shops. In 2013, 11% of households were "unbanked;" another 23% were "under-banked."

*For more, see the Poverty Background Report: <http://www.nashville.gov/Portals/0/SiteContent/Planning/docs/NashvilleNext/next-report-Poverty.pdf>*



### **Firms locate/expand**

*People | Places*

Large or established firms expand their operations in Nashville or move to Nashville, increasing the number of jobs in the county.

### **Healthcare access**

*People*

Uninsured people often do not have a regular source of care, delay seeking medical care, are sicker, and are more likely to be diagnosed with a disease in an advanced stage.

### **High skill workers move here / College students stay**

*People | Places*

Workers and college students move to Nashville, drawn by available jobs, higher education opportunities, or quality of life.

### **Income assistance programs**

*People*

Non-Metro sources of financial assistance, primarily Federal and State (such as Social Security, Families First, and the Earned Income Tax Credit).

### **Investment ready places**

*People | Places*

Areas that are ready for large-scale private investment, with appropriate zoning, clear ownership, political support, and adequate infrastructure, including transit and other transportation access. Investment Ready Places should align with a countywide approach to managing growth. Identifying these places makes it easier for new companies to locate in Nashville or existing companies to expand.

### **Job opportunities matched to Nashvillians' skills**

*People*

Addresses the skills gap by recruiting/expanding businesses with workforce needs matched to Nashville's workforce.

### **Leadership programs & joint ventures**

*People*

Private programs to develop leadership, management, and business capacity in disenfranchised and minority communities.

### **Nashvillians in poverty**

*People | Places*

The poverty rate is the percentage of people, or families, who live below the poverty level. Between 2000 and 2010, poverty in Nashville increased for all people, all families, and for all age groups. The poverty rate for all people increased from 13.0 percent in 2000 to 20.2 percent in 2010.

### **National shift away from medium-skill jobs**

*People*

Part of the skills gap expected in Nashville is due to a national trend away from medium-skill, high-pay jobs, like those traditionally found in manufacturing.

### **Online access**

*People*

Internet access (at home, work, through public facilities, or via mobile devices) open residents' access to educational materials, job training resources, job offerings, and other community resources.



### Quality places

*People | Places*

The quality of Nashville's neighborhoods and places supports residents' and workers' quality of life.

### Professional development/start-up services

*People*

Support for entrepreneurs and small businesses in business management skills, including finance, managing, working with regulations, etc.

### Quality of life

*Places*

The attributes or amenities that combine to make an area a good place to live. The personal perception of the physical, economic, and emotional well-being that exists in the community.

### Services for immigrants

*People*

Nashville's diverse immigrant populations arrive with a mix of skills. Many need immigrant-specific services (such as English as a Second Language) and support to participate in the Nashville's community and economy.

### Skills development programs

*People*

Focused on skills, training, and education related to a particular industry, either as part of integrating educational programs with industry needs, or to assist with individual changing or advancing their careers.

### Skills gap

*People | Places*

The difference between the skills that Nashville workers have and the skills that new jobs in Nashville require.

See the 2008 Workforce Study: [http://www.nashville-chamber.com/Libraries/Economic\\_Development\\_Studies/2008\\_Workforce\\_Study\\_-\\_Full\\_Report\\_with\\_Appendices.sflb.ashx](http://www.nashville-chamber.com/Libraries/Economic_Development_Studies/2008_Workforce_Study_-_Full_Report_with_Appendices.sflb.ashx)

### Social capital

The idea that social networks have value, which can be used to produce social or economic benefits between individuals.

### Start-up culture

Peer support and interest in finding new tools, processes, and ways of doing business.

## Influence Diagram

The influence diagrams on the next two pages show how the above Forces interact. This is presented as the effects of changes each Force. As one Force changes (increases or decreases), what other Forces also change (either in the same way as the first Force (direct relationship) or opposite to the first Force (inverse relationship). Each diagram focuses on a different aspect of Economic & Workforce Development. The first, People, focuses on forces related to people and the workforce in Nashville. The second focuses on Places. Some forces appear in both diagrams (these are shown underlined).

-  **Direct relationship** (More X leads to *more* Y)
-  **Inverse relationship** (More X leads to *less* Y)
-  **Metro tax base** (takes contributions *from*)
-  **Metro tax base** (contributes *to*)



