

ECONOMIC DEVELOPMENT REPORT INTRODUCTION

The Better Together Economic Development Committee, led by Co-Chairs Denny Coleman, CEO of the St. Louis Economic Development Partnership, and Brian Murphy, President and Sole Owner of BAM Contracting, has endeavored to better understand the impact of local government on the larger regional economic picture. Through the recently completed Economic Development study and the subsequent report that follows, the committee, Better Together staff, and stakeholders throughout the community have brought to bear information, data, and narratives that we believe can further an informed discussion of how the St. Louis region as a whole can strengthen and grow.

An honest discussion of St. Louis' hopes for its economic future must begin with an honest assessment of the region's current condition. St. Louis has shown stagnant economic growth over the past decade. The regional unemployment rate for St. Louis is 7.7%, placing us 285th out of 372 metropolitan statistical areas for employment. Meanwhile state and the national unemployment rates are a full percentage point lower at 6.7%, according to the Bureau of Labor Statistics. In addition, the United States Census Bureau found that between 2000 and 2012 St. Louis City saw a decline in population of 29,773, while the County experienced a population loss of 15,842. These figures are not fatal, but they are important. They are particularly significant when coupled with the relative lack of immigrants in the region, a factor shown to directly correlate with economic growth in other regions.¹ Furthermore, the numbers highlight the need for the St. Louis region to assess its approach to economic development and continue its efforts to attract immigrants, shown to be 60% more likely to be entrepreneurs, as a way to grow the region and its economy².

We know what is needed for economic development: immigration, innovation, entrepreneurship, a friendly business climate, and a collaborative regional approach to economic development. These components do not comprise a secret formula for regional growth and success. Their importance is well known. Growth will result from their execution.

Better Together is seeking, through this study, to examine and better understand how businesses are impacted by their local government and the structure of our region, so that we can see what we do well and what could possibly be done better. As part of these efforts, Better Together has participated in more than 100 meetings in the course of this study; through these one-on-one, small group, neighborhood and organizational meetings, and sponsored discussions, we have solicited input from 1,500 people directly. Additionally, Better Together has conducted business-district canvasses to secure feedback from small business owners that are simply too busy to meet anywhere else. We employed the services of interpreters to gather feedback from immigrant business owners throughout St. Louis City and County, as their stories and their insights are critical to the future of our region.

¹ Jack Strauss, The Economic Impact of Immigration in St. Louis 2 (2012), available at: http://www.stlpartnership.com/cmss_files/attachmentlibrary/Economic%20impact%20study%20-%20Immigration1.pdf

² Strauss, 2 (2012)

In addition, our research efforts have led us to examine the use of economic development tools and incentives, investigate the processes and requirements for starting a business, and investigate how St. Louis can take steps towards a more inclusive workforce.

One thing is clear: we must move forward as a region. St. Louis can no longer direct its energy and effort toward intra-regional competition and expect to succeed in an increasingly international economy. We, as a region, must have an honest and informed discussion about the future of economic development and realize that our fate will be determined by our ability to do so.

It is our hope that the input provided by hundreds of citizens and business owners who participated with us will become part of the criteria when plans are developed and evaluated by our community. This data represents the voices of small and medium-sized businesses from throughout St. Louis City and County.