# REPORT OF THE INTERIM COMMITTEE ON GREATER ST. LOUIS REGIONAL EMERGING ISSUES

Prepared by:

Missouri Senate, Division of Research

December 31, 2021

Senator Elaine Gannon (3) Chair
Senator Bob Onder (2) Vice Chair
Senator Denny Hoskins (21)
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Senator Karla May (4)
Senator Steven Roberts (5)
Senator Dave Schatz (26)
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**INTERIM COMMITTEE ON GREATER ST. LOUIS REGIONAL EMERGING ISSUES**

December 31, 2021

The Honorable Dave Schatz
State Capitol, Room 326
Jefferson City, Missouri 65101

Dear Mr. President,

The Interim Committee on Greater St. Louis Regional Emerging Issues, acting pursuant to Senate Rule 31, held four hearings during the course of the interim between the end of the 2021 first regular session and the commencement of the 2022 second regular session of the 101st General Assembly. The Committee heard testimony from interested parties including local city and county officials, law enforcement agencies, and not-for-profit corporations. While the Committee does not have any legislative recommendations at this time, the Committee does recommend continuing to collect information on the topic of emerging issues in the Greater St. Louis Region by establishing another such interim committee. This report is being submitted for your consideration.

Respectfully submitted,

Senator Elaine Gannon, Chair
District 3
Jefferson County

### *Introduction*

Created by Senate Rule 31, the Interim Committee on Greater St. Louis Regional Emerging Issues has been charged with making a continuous study and investigation into issues relating to the greater St. Louis Metro area. The Committee was tasked with issuing a report as to its findings and recommendations, as approved by a majority of the members of the committee, to the President Pro Tempore of the Missouri Senate no later than December 31, 2021, at which point the Committee shall be dissolved. However, the Committee recommends that it should continue so as to further explore these issues in the Greater St. Louis Regional area.

While the Committee may issue recommendations for legislative action, that is not required. This report does not contain any such recommendations. Rather, it is a summary of the Committee's activities since its conception.

### *September 13, 2021 Meeting*

The Committee met for an introductory meeting at Lindenwood University in St. Charles, Missouri, in which the Chair of the Committee, Senator Elaine Gannon, presided. All members, other than Senator Roberts, attended either by phone or via Zoom.

The following topics were offered as priorities of members on the committee:

- Transportation and infrastructure improvements in the region;
- Policies to combat the crime rate in the region;
- Education reforms in the region; and
- How to attract out of state businesses to the region.

The following witnesses were invited to testify before the committee:

- Mayor Tishaura Jones, St. Louis City Mayor
    - Discussed the COVID-19 pandemic response;
    - Discussed issues facing St. Louis City;
    - Discussed law enforcement reform, including public safety as the number one challenge facing the region.
- Mr. Jason Hall, Chief Executive Officer, Greater St. Louis, Inc.
    - Discussed growing industries in the region;
    - Discussed incentives to bring businesses to the region;
    - Discussed transportation and infrastructure opportunities in the region.
    - Many senators were concerned about how crime has affected the business community in the region; to which Mr. Hall stated he would look into it further.
- Mr. Steve Ehlmann, St. Charles County Executive
    - Recommended several legislative proposals, including:

        - Create a Regional Law Enforcement database (between St. Charles and St. Louis);
        - Allow MO State Highway Patrol to patrol in St. Louis; and
        - Combine St. Louis City and County prosecuting offices.

***October 25, 2021, Meeting***

The Committee met at Lindenwood University in St. Charles, Missouri, in which Senator Dave Schatz presided. All members were present either in person or via Zoom. The Committee accepted invited testimony from the following witnesses:

- Cora Faith Walker, Chief Policy Officer, St. Louis County Executive
    - Discussed the role of St. Louis County in the region;
    - Discussed the COVID-19 pandemic response;
    - Discussed issues facing St. Louis County and the region.
- Pat Kelly, Executive Director, Municipal League of St. Louis
    - Discussed population growth in the area (or lack thereof);
    - Discussed establishing more regional control of the St. Louis Lambert Airport;
    - Discussed crime in the area and some difficulties caused by court reform legislation passed in recent years (e.g. SB 5 passed in 2015).
- Tom Schneider, former mayor of Florissant, on behalf of Tim Lowry, current mayor
    - Recommends public safety be a top priority
- Chris DiGiuseppi, Lake St. Louis Police Chief, St. Louis Area Police Chiefs Association
    - Discussed how drugs and substance use are a major issues, particularly prescription drugs and fentanyl;
    - Discussed how vehicle property crimes are also a major issue;
    - Discussed how police recruitment is an issue.
- Tim Brinker, Franklin County Presiding Commissioner
    - Discussed how public safety is crucial - children 8 times more likely to be murdered in St. Louis than anywhere else in the country;
    - Discussed how the airport is an underused asset; and regionalizing it as a solution
    - Talked about the safety of the MetroLink.
- Mark Harder, St. Louis County Councilman
    - Discussed how if people don't feel safe, the region can't attract businesses;
    - Recommends establishing the region as a shipping hub;
    - Recommends legislation to modify the Second Amendment Preservation Act (SAPA) to allow federal and state partnerships.

***November 8, 2021, Meeting***

The Committee met at Lindenwood University in St. Charles, Missouri, in which the Chair of the Committee, Senator Elaine Gannon, presided. Senators Gannon, Onder, Hoskins, May, and

Schatz were present either in person or via Zoom; Senators Koenig, Roberts and Schupp were absent. The Committee accepted invited testimony from the following witnesses:

- Tim Lohmar, St. Charles County Prosecutor
  - Recommends sentencing enhancement – one dangerous prior felony should lead to higher felony as a persistent offender;
  - Recommends making violation of pre-trial release conditions a felony;
  - Recommends removing the sentencing cap from armed criminal action and make it an unclassified offense;
  - Recommends making unlawful possession of a firearm a class C felony (class B with aggravator);
  - Recommends removing physical injury requirement from the offense of robbery;
  - Recommends modifying the offense of unlawful use of a weapon to make the requirement simply that the weapon appear to be capable of use, not that it actually is capable of use;
  - Recommends modifying SAPA to allow participation in federal/state task forces.
- Trisha Stefanski, Jefferson County Prosecutor
  - Recommends making unlawful possession of a firearm a class C felony so it matches the penalty for possession of a controlled substance, also a class C felony;
  - Recommends modifying SAPA because municipalities are no longer seizing firearms as they have to run them through a federal database;
  - Discussed how Jefferson County is having trouble with drug cases because of the extremely long processing times with the state crime lab;
  - Recommends modifying the Department of Corrections' discretion to determine when someone is released.
- Matthew Becker, Franklin County Prosecutor
  - Discussed how prosecutors want to help people arrested for drug possession crimes, but it is difficult when the state crime lab takes half a year to get lab results back;
  - Discussed how the Supreme Court's rule change in 2019 on pre-trial release is allowing dangerous people to be released on bond;
  - Discussed how Franklin County needs another judge - cases have quadrupled without adding capacity to deal with them.

***November 15, 2021, Meeting***

The Committee met at Lindenwood University in St. Charles, Missouri, in which the Chair of the Committee, Senator Elaine Gannon, presided. All members were present, either in person or via Zoom. The Committee accepted invited testimony from the following witnesses:

- Kim Gardner, St. Louis City Prosecutor
  - Recommends establishing programs and services to reduce the recidivism rate for offenders;

    - Discussed how disinvestment in the St. Louis community causes disparities in education, healthcare, and job training opportunities which then contribute to crime;
    - Discussed how the circuit attorney office created a successful "Diversion Program" with 3,000 participants and a less than 5% recidivism rate;
    - Recommends legislation that would allow funding for diversion programs and automatic expungement for those that successfully complete the program.
- Wesley Bell, St. Louis County Prosecutor
    - Discussed how his office created a task force to combat carjacking;
    - Discussed that his office's diversion programs for nonviolent crimes have a 8% recidivism rate;
    - Recommends giving police more resources and require police officers to receive therapy;
    - Recommends giving more resources to the prosecutor's office - 65 prosecutors in St. Louis County office, each prosecutor has 200 cases;
    - Recommends certain bail reforms, including:
        - Violent individuals should have no bond or high bond;
        - For low level offenders, do not issue a warrant for arrest but issue summons; and
        - Statistics show that people who spend time in jail before trial have a higher recidivism rate.
- Dennis Gannon, Jefferson County Executive
    - Recommends that cities and counties need to share data;
    - Recommends regional leaders need to communicate to bring economic growth;
        - Jefferson County has slow growth rate – 3%, while St. Charles County’s growth rate is 13%;
    - Establish diversion programs – focus on mental health.

***Conclusion***

It must first be noted that the St. Louis region is incredibly diverse ideologically, politically, and culturally and nowhere is this more evident than how the region is dealing with its number one issue: crime.

After hearing from a bi-partisan selection of local leaders, multiple testimonies concluded that crime and public safety are the biggest challenges facing the region. Many of those who testified before the committee agreed that until crime and public safety are dealt with, St. Louis’ reputation will make it difficult to bring business and growth to the region and to the state. Despite this, many of the institutions and business groups are unwilling to address or acknowledge the issues contributing to the city's negative reputation regarding crime because of the ideological, political, and cultural diversity causing conflict with how these issues ought to be addressed. Even between the City and the County of St. Louis, the intense diversity prevents basic levels of cooperation -- such as on crime. While each prosecutor’s office in the region has a different perspective on public safety, each office agreed to be a resource for the committee moving forward.

Other than the issue of crime facing the region, the underutilization of the St. Louis Lambert International Airport was the second most mentioned issue discussed during testimony before the committee. The airport could benefit by regionalization efforts, but any efforts over the past several decades to innovate and grow the airport have failed to yield results. The committee is interested in further discussions concerning the coordination of state and federal resources to make it a nationally competitive airport (*see* "Regional Decision-Making at the Airport" by St. Charles County Executive Steve Ehlmann).[1]

Additionally, a special note should be made for the leadership from the collar counties in the greater St. Louis region, including Jefferson, Franklin, and St. Charles County, who asked for the formation of this committee and were a resource to the senators throughout the hearings. As the core of the region experiences depopulation, the collar counties have grown in population and are an underutilized resource for political subdivisions in the region and in decision making. Too often legislators from the region think only of the issues facing their direct constituencies and do not utilize resources from the greater St. Louis area which could serve their constituents if they would think more regionally, e.g. with issues of crime.

In conclusion, this report should be a wake-up call to the Senate that the City of St. Louis lacks either the political will or resources to control its reputation on crime and it will continue to hurt the region and the state for the foreseeable future. St. Louis may be the flagship name of the region, but it is only a regional leader from its own viewpoint. Its insistence that the region give constant attention to its own core has resulted in decades of decline, and it continues to do so (*see* "2030 Jobs Plan" by Greater STL, Inc.).[2] Critical action by the state executive and legislative branches are needed if the region hopes to survive. While collaboration from within the region would be preferred, the value of the region to the state at large is too great to be left solely in the hands of the leadership that has failed it, and the rest of the state, for decades.

[1] Appendix 1.
[2] Appendix 2.

## APPENDIX – HANDOUTS AND WRITTEN MATERIALS

## SUBMITTED TO THE COMMITTEE

1. “Regional Decision-Making at the Airport” by St. Charles County Executive Steve Ehlmann
2. "2030 Jobs Plan" by Greater STL, Inc.

**SENATE INTERIM COMMITTEE ON GREATER**
**ST. LOUIS REGIONAL EMERGING ISSUES**

Elaine Gannon

Senator Elaine Gannon, Chair

Bob Onder

Senator Bob Onder, Vice Chair

Denny Hoskins

Senator Denny Hoskins, Member

Andrew Koenig

Senator Andrew Koenig, Member

Senator Karla May, Member

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REGIONAL DECISION-MAKING ON THE AIRPORT

by Steve Ehlmann

Regional decision-making first became a problem for the St. Louis Region when, after the Civil War, business leaders of the fast-growing City of St. Louis (city), resenting paying taxes to support a St. Louis County (county) government in which the city was under-represented and which they believed was redundant and sometimes corrupt. The city and county were both political subdivision of the State of Missouri and had only those powers granted by statute. They convinced the Missouri General Assembly to put the decision in the hands of city and county voters, who went to the polls in 1876 and approved what became known as the "Great Divorce," splitting the city away from the county.[1] As the county grew, and eventually replaced the city as the economic engine of the region, efforts to reunite city and county were unsuccessful. Meanwhile, the legislature did little to recalibrate the influence of each subdivision, or to allow other fast-growing jurisdictions in the region, who now contain the majority of the region's

[1] When referring to the region" this paper includes the jurisdictions in the East-West Gateway MPO - The city, county, St. Charles, Jefferson and Franklin counties in Missouri and Madison, St. Clair and Monroe counties in Illinois.

population, more influence in the process of regional decision-making. The decision that will have the greatest impact on the future growth of the St. Louis Region today is whether to privatization of St. Louis Lambert Airport.

The state legislature passed a statute allowing the city to own and operate an airport and the city paid $136,000 to buy Maj. Albert Lambert's airport in 1928. When the city passed a $7.2 million bond issue to build the main terminal, which opened in 1956, the city was undoubtedly, the only political subdivision in the region capable of running an airport. Since that time, the airport has been supported entirely by federal grants and landing fees, Its ownership allowed the city to collect a six percent utilities tax on airport revenue to supplement the city's municipal budget.

Now the city has processed replies from it Request for Qualifications from entities interested in leasing the airport from the city and running it. Many airport patrons believe that, should privatization happen, any profits should be reinvested in the airport or go to reducing airport debt that would lead to lower landing fees for patrons. However, the city's RFQ clearly states, "Net proceeds may be allocated to essential infrastructure investments or any other purposes that the City may consider appropriate thereby enhancing the municipal government's continued ability to provide essential City services." Unless the legislature limits the power of the city, its Board of Aldermen, representing 2 percent of the region's population, will make the decision that impacts everyone in the region that uses the airport. This situation calls for an evaluation of how the region has made decisions on the airport in the past and discussion of regional decision-making involving the airport.

Mayor Raymond Tucker and County Supervisor James McNary set up a commission in 1961 to study an additional airport to relieve Lambert Airport but the idea was dropped in 1965 by Mayor Alfonso Cervantes. A few years later Illinois Republican Governor Richard B. Ogilvie hired consultants who said the flat Illinois farmland around Columbia and Waterloo would be a great site for a new airport and found an ally in Democratic Mayor Cervantes. The *Post-Dispatch* lamented the deal between Mayor Cervantes and Governor Ogilvie to support the Illinois site, excluding the rest of the region from the decision, explaining, "The end run around Gateway is a poor precedent for future metropolitan planning."[2]

The 1970 census reported the city population had shrunk to 622,236, prompting the Rand Corporation to publish a report in 1972 citing St. Louis' "unusual rate of decline." The *Post-Dispatch* suggested a future course for regional cooperation, explaining, "St. Louis must accommodate itself to a less vigorous role within the metropolitan family, at the same time persuading members

[2] *Post-Dispatch*, June 26, 1970.

of the family, as well as relatives in Jefferson City and Washington, that it can't support itself any longer."[3]

Nevertheless, for the remainder of that decade, many city leaders still believed it was the "Lion of the Valley." The city found itself at odds with the rest of its Missouri "metropolitan family" over the future of Lambert Airport. The city did not appreciate the importance of the county supervisor to decision-making in the region. In the first edition of his history of the city up until 1980, James Neal Primm mentioned Supervisor Lawrence Roos only once, in connection with the controversy over the location for a new airport to serve the region. He identifies Roos as one of what Howard F. Baer had called "Missouri xenophobes," leaders who opposed the building of a new regional airport at a site in Monroe County, Illinois and had "hinted that the long-standing jealousy of countians towards the city was a factor in their attitudes."[4]

After a study commissioned by Illinois Republican Governor Richard Ogilvie recommended Columbia-Waterloo to the Metropolitan Airport Authority as the site for a new regional airport, the Missouri General Assembly had authorized a similar study in 1971 that recommended a site in what is now southern O'Fallon in St. Charles County, as the preferred site for a new airport in Missouri, the home of 15

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[3] Ibid. October 20, 1973.
[4] James Neal Primm, *Lion of the Valley, St. Louis, Missouri, 1764-1980*, (Boulder: Pruett Publishing Company, 1981), 482-83.

million of the 17.5 million annual passengers at Lambert.[5] Mayor Cervantes, along with the board members from Illinois, with only 20 percent of the area's population but 50 percent of the votes, made the decision for the entire region. The St. Charles County Presiding Judge Douglas Boschert boycotted the organization and talked of forming a new regional planning organization, where voting power would be based on population.

Meanwhile, Missouri business and civic leaders, including Missouri's two Democratic United States Senators, endorsed a plan to expand the existing airport. To ensure the airport would remain in Missouri, St. Louis County Executive Gene McNary offered $25 million for one-half ownership in the airport based on the dollars the city had actually spent and Mayor Poelker declared he was "willing and anxious" to talk.[6] The *Post-Dispatch* complained Lambert, supported entirely by federal grants and user fees, provided six percent of its gross annual revenues for the support of the city and stated, "We believe metropolitan airport revenues, most of which are generated by St. Louis county airport users, should be applied wholly to support metropolitan airport service."[7] State Auditor George Lehr audited the airport in 1976 and found $1.3 million had been spent on expansion projects that

[5] *Banner-News*, May 11, 1971 and May 14, 1971. Only 25 miles from downtown St. Louis, the site was served by Highway 40 and I-70. Ibid.
[6] Ibid. December 16, 1971, January 4, 1972 and September 22, 1972. August A. Busch Jr. chaired the Citizen Committee to Save Lambert, and Henry Elmendorf chaired the Missouri Airport Authority.
[7] *Post-Dispatch*, June 26, 1970.

were abandoned; revenue from concessions could not be verified and irregularities in awarding parking garage contracts. The *Post-Dispatch* found his statement that "This is not the way to do business in the public interest," to be "the understatement of the year."[8]

The federal Department of Transportation in the Gerald Ford administration ruled in favor of the Columbia-Waterloo site in September 1976. However, in March 1977 the new administration of President Jimmy Carter reversed the decision and halted funding for the Illinois airport. The following month Jim Conway was elected mayor and discussion of joint ownership with the county stalled when he announced the actual value of the airport was more like $250 million. While the voters of the country had, in effect, made the regional decision the previous November and Lambert Airport was expanded, the city would not "accommodate itself to a less vigorous role within the metropolitan family."

Nevertheless, "relatives in Washington" had made sure a federal law passed in 1982 prohibiting the diversion of airport revenue to municipal coffers, contained a grandfather clause exempting the city's gross-receipts tax. At the end of that decade Senator John Danforth introduced legislation proposing that the airport be allowed to charge a $3 to $5 passenger fee to finance the $800 million needed for another expansion. The *Post-Dispatch* concluded, "It makes some sense to ask

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[8] Ibid. April 1, 1976. .

those who will benefit most directly from improved airport facilities to contribute." It did not go so far as to suggest those who would pay should also have a voice on how and where the airport should expand. "Relatives in Washington," including Representatives Bill Clay, Jerry Costello and Dick Gephardt and Senators Kit Bond and John Ashcroft worked to make the expansion project eligible for additional funds from the federal Aviation Trust Fund. An increase in the locally imposed PFC charge to $4.50 from $3 generated hundreds of millions from people who use the airport.[9]

County Executive Candidate Buzz Westfall made it clear in 1992 he would push for regional ownership and management, including St. Charles and Jefferson Counties, of all airports in the region. By that time, the city was diverting $3.5 million annually from Lambert Airport revenues and Mayor Vince Schoemehl floated a plan for more regional control of the airport. While County Executive Westfall said he wanted to encourage "anything that promotes regionalism," Comptroller Virvus Jones opposed it unless the county paid the city one-half of the billion dollars he said the airport was worth. The *Post-Dispatch* editorialized, "Mr. Jones neglects the fact that much of Lambert's supposed $1 billion value arises from federal, not local, investment," and concluded, "The plan is not only sound

[9] Ibid. April 9, 2000.

and fair, but needed now. Only the politics of resentment can defeat it."[10] Recognizing the need for the city to assume a "less vigorous role" at the airport, William F. Woo, editor of the *Post-Dispatch* predicted, "Sooner or later, the absurdity of St. Louis trying alone to operate an international airport used by an area population of 2.5 million will become apparent."[11]

Former Senator Danforth, chairman of St. Louis 2004, suggested in 1996 that, in order to pull the often -divided region together by 2004, Lambert Field must be expanded. Danforth announced the only way to do it was the proposed W-1-W, which called for a new runway through Bridgeton and a lower flight path over St. Charles, in Republican Congressman Jim Talent's district, rather than into Kinloch in Democratic Congressman Clay's district, giving the dispute a partisan dimension. When Civic Progress, described by E. Terrence Jones as "the single most significant source of leadership in the St. Louis Region," added their support, St. Charles County Executive Joe Ortwerth described it as a "demoralizing aerial mugging" by "cavalier and deceitful business leaders."[12]

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[10] Ibid. December 3, 1992. Money had been channeled to the city treasury while federal auditors said it should go to the airport accounts. Ibid. August 1, 1992. The Bush administration was anxious to see all airport revenue dedicated to airport development and challenged the right of cities to take money from those operations. Ibid. January 28, 1988.
[11] *Post-Dispatch*, December 6, 1992.
[12] E. Terrence Jones, "Community Leadership," *St. Louis Currents*, (St. Louis: The Leadership Center of Greater St. Louis), 47.

State Senator Steve Ehlmann, whose district was in St. Charles County, complained, “I’m tired of all the talk about regionalism,” adding, “We were not in the room when the decision was made to go with W-1-W.”[13] Senator Ehlmann and Representative Chuck Gross filed legislation to establish regional airport governance. Even though all the chief executives who would make the appointments, except for the St. Charles County executive, had expressed their support for W-1W, the city argued that a newly constituted authority might want to re-visit the W-1-W decision.

After Ehlmann, with the support of all the senators from St. Louis, St. Charles, Jefferson and Franklin counties, passed an amendment establishing a Missouri Regional Airport Commission. With Democratic majorities in each house and a Democratic governor, the city was able to prevail on its “relatives in Jefferson City” to kill the legislation. In an attempt to blunt the issue, the city created an Airport Governance Study Commission with representatives from St. Charles County as well as the city and county. It rarely met and achieved little.[14] Shortly after its completion, the downturn in the aviation industry after the September eleventh terrorist bombings, and American Airlines discontinuation of its hub at

[13] *Post-Dispatch*, September 2, 1998.
[14] *St. Charles County Post*, September 2, 2002.

Lambert, greatly reducing traffic at the airport, making it very difficult to pay for the W-1-W runway, that was now seldom used.

After Republicans took control in 2001, a Senate Interim Committee on regional control of Lambert Airport, chaired by Senator Chuck Gross of St. Charles, was appointed. An important result of that committee was the appointment of an Airport Commission that, while the majority of members are appointed by the city, had representatives from St. Louis. St. Charles and St. Clair counties.

All the members of the "metropolitan family" realized the importance of the airport for future growth. In January 2009 the city, county and St. Charles County joined five civic organizations to form and fund the Midwest China Hub Commission to work with Chinese officials to make Lambert Airport a destination for aerial freight destination. Their efforts resulted in two flights from Shanghai in the fall of 2011. However, the failure of "relatives in Jefferson City" to pass a package of incentives for shippers doomed the effort.

Through the Airport Commission, airport patrons from outside the city have had at least some input and have kept abreast of the significant progress the airport has made under the leadership of Director Rhonda Hamm-Niebrugge over the last decade. Those accomplishment are set out in detail in the city's RFQ to those wanting to bid on privatization of the airport. Unfortunately, Airport Commission members apparently will not be part of the decision-making process on privatization. The decision will be made by the city Board of Aldermen, elected by a small percentage of the people who pay for it.

Unless the legislature intervenes to create regional governance, airport patrons who do not live in the city will have no representation. If the city is left to adopt privatization, the legislature should make sure funds from privatization go to improving the airport or reducing the airport debt to allow lower landing fees. If the legislature fails to adjust the city's "role within the metropolitan family," other family members will turn a deaf ear to future complaints from the city that "it can't support itself any longer."

# STL2030 JOBS PLAN

DRIVING A DECADE OF INCLUSIVE GROWTH


NEW
LOCALISM
ASSOCIATES

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# GREATER ST. LOUIS INC.

## FOREWORD TO THE *STL 2030 JOBS PLAN*

*"Achieving a more equitable and inclusive economy is one of the most important priorities of our time. Before the COVID-19 pandemic, and despite the longest economic expansion in US history through much of the 2010s, the United States has been experiencing record levels of economic inequality. As our country continues to deal with a pandemic that has disproportionately affected the lives and livelihoods of women, people of color, low-income workers, and other vulnerable groups, the need for a more inclusive growing economy could not be more pressing. Contrary to fears that economic inclusion must come at the expense of economic growth, our research supports the idea that economic growth is at its best when it is most inclusive."*

* **McKinsey & Compan**y (in collaboration with the Institute for Black Economic Mobility).
*The Case for Inclusive Growth* (April 2021).
Excerpt from Bob Sternfels, Senior Partner

The St. Louis metro must win this decade.

The 2.8 million residents of our bi-state metro area stand at a crossroads. The choices we make now as a community will have a lasting impact on whether our collective future will be even more prosperous, vibrant, and inclusive than the past. Individuals, institutions, stakeholder communities, and grassroots movements are all creating a renewed civic energy with the power to transform the St. Louis metro in meaningful ways. Our metro's economic transformation will hinge on how we respond to three vital and interrelated issues at the start of the 2020s: economic growth, racial equity, and the unprecedented pace of global innovation.

An internationally recognized expert on metropolitan growth, Bruce Katz of New Localism Associates, has studied our region's economy. His conclusion is that St. Louis is awash in assets, but we underperform our full potential. For decades, our metro economy has been slowed during a period of structural economic change, and our population gains have been unacceptably low. We must capitalize on our strengths and recommit to being a growth metro. As Mr. Katz notes, the St. Louis metro began showing economic momentum in 2016 with upward increases in real GDP. It has been widely reported that going into the pandemic, more than $8 billion of redevelopment investment was unfolding in the central city of the region. The momentum metrowide and in the urban core presents a unique window of opportunity to lean in and achieve a higher level of economic performance. The time is now.

We envision a St. Louis economy that unlocks its full potential, generates high-quality jobs, attracts and creates the most competitive companies, and innovates at the cutting edge of new technologies – all fueled by a diverse, adaptive, and highly skilled workforce. In other words, we envision a St. Louis that is even greater than the sum of our current parts. When we look across the region, we see a sense of optimism and confidence that St. Louis has what it takes to grow, tackling our challenges and capitalizing on our opportunities.

Economic growth is one important part of the solution to achieving greater racial equity in our community. High-growth regions create more jobs and more opportunities. However, history would suggest that St. Louis can't leave the benefits of growth to chance. In growing our economy, we must act with intention to address the multigenerational barriers some residents face to participate in, shape, and enjoy the opportunities we can create this decade. No matter how successful we are by 2030, we know the work to achieve greater social and racial justice must be ongoing.

We can ensure that economic growth helps address racial disparities by converging the principles of diversity, equity, and inclusion with traditional economic development best practices to produce new models of inclusive growth that create economic opportunities for all.

This convergence comes at a time when a grassroots movement for racial and social justice is sweeping across our metro and our nation.

At the same time, our approach must account for the unprecedented pace of global innovation. Metatrends underpinning that innovation are reshaping metro economies, ours included. These trends underscore why our metro needs to act boldly around a focused and agile strategy for job growth this decade.

Some historical context is important. The loss of traditional manufacturing jobs in the Midwest and in the St. Louis metro has been documented in many prior analyses. From 2001 to 2020, St. Louis lost 51,000 manufacturing jobs, or 31% of the manufacturing jobs that existed in the metro in 2001. The Peirce Report, published in the *St. Louis Post-Dispatch* 24 years ago, galvanized community leaders at the time to make major civic investments to shape the innovation economy we are today. While our traditional manufacturing base has taken a blow, St. Louis remains a center of advanced, technology-driven production from biotechnology to the most advanced aircraft and automobiles.

At the same time, recent decades have seen skyrocketing numbers of high-quality, high-paying jobs in globally traded technology sectors. However, these tech jobs are highly concentrated along the coasts. The Brookings Institution has estimated that 90% of the nation's growth in technology and innovation jobs during the last 15 years has been concentrated in just five major coastal markets.

While this extreme concentration favored certain metros outside of the Midwest, it also came with its own set of challenges, including housing affordability, transportation access, and displacement. Even prior to the COVID-19 pandemic, skyrocketing costs and the changing demands of a younger workforce were opening up new opportunities for Midwest metros.

Certainly, we know that the COVID-19 pandemic has only accelerated and normalized a range of digital technologies, including e-commerce and synchronous video, that facilitate dispersed and remote work. Millennial and Generation Z populations, largely digital natives, are accelerating new business models that can quickly compete with incumbent firms. A new generation of companies is being formed around remote talent, while legacy companies are embracing distributed operations for greater resilience and access to broader talent pools.

Whatever the "new normal" is on the other side of the pandemic, this level of unprecedented global economic change presents nothing but opportunity for St. Louis. Our cultural, recreational, sports, music, arts, educational, and other amenities are highly desirable for existing and new residents alike. From a national perspective, our cost of living and housing is very affordable, particularly for younger workers. Thanks to the work that began with civic leaders at the turn of the millennium, St. Louis has already capitalized on its assets to become a significant hub for research, innovation and entrepreneurship. Now, our economy is ripe to shift into a higher-growth mode.

Taken together, St. Louis can emerge in this decade as a national standard-bearer for inclusive economic growth. To do so, we must face simultaneous truths: We must increase access for current residents who have been left behind, and we also must aggressively compete on the global stage for highly educated young talent. Both can fuel the innovation economy of the future. Improving both the quantity of, and access to, quality jobs in the metro solves many other challenges and is one of the best systemic changes we can make.

If we remain on the growth trajectory of the past decade, we will exacerbate our current inequities, and our inequities will further limit our economic potential. This is a cycle we must avoid because it leads to an outcome no one in the metro wants.

**Feedback on the Draft *STL 2030 Jobs Plan***

The renewed civic energy in St. Louis was apparent in response to a draft of the *STL 2030 Jobs Plan*, authored by Mr. Katz, made publicly available for review and feedback on December 3, 2020. This plan is the first metrowide plan for job growth in more than a decade.

This release of the draft plan followed an extensive effort undertaken by Mr. Katz's team that included stakeholder interviews, qualitative research, a quantitative diagnostic of the metro's economy, and engagement of community leaders, including a diverse team of volunteers who shepherded the work. We thank Mark Wrighton, the Chancellor Emeritus of Washington University in St. Louis, who chaired this planning effort, and the entire St. Louis volunteer team for their dedication.

Beginning in December, thousands of residents participated in the feedback process through public meetings and dozens of sessions with organizations and stakeholder interests across the region. People also provided written comments online, by email, and on social media. We extend our thanks to every individual and organization that provided feedback to strengthen the plan.

Yet, even after all of this time and energy, much work remains to listen, understand, and build trusted relationships throughout the community. Any plan, of course, must remain highly adaptive to circumstances and the insights that come from the much harder work of co-creating and implementing new initiatives. In the *STL 2030 Jobs Plan*, Mr. Katz lays out his independent recommendations informed by those in the metro. As a community, we must turn these recommendations into action.

What we heard in the feedback was overwhelmingly constructive, as people expressed their genuine excitement and enthusiasm about forging a new and different path, one that promotes inclusive growth and creates new opportunities for everyone in our region, particularly our region's Black residents.

St. Louis, like many metros, has a history of discrimination against its Black residents, tracing its origins to slavery, segregation, and redlining, among other forms of oppression. Black residents have not shared equitably in the benefits of past growth. In some instances, prior economic development efforts have resulted in direct harm to Black residents. Because of this troubling and specific history, our discussions of racial equity are primarily centered on our Black residents. It is important, however, to recognize that efforts toward greater equity must also include everyone who has not benefited from previous economic development efforts, including women, other racial and ethnic populations, the LGBTQ community, immigrants, veterans, and people with disabilities.

With so much work to do, the feedback we received made clear that process matters. Our initial feedback process was an important first step – and, as the leaders of Forward Through Ferguson noted in their comments, "We cannot think of another business/civic produced report that has named (systemic racism) so explicitly." However, we need to acknowledge that several organizations that have been on the frontlines of the racial equity movement should have been engaged earlier in the process, and we extend deep gratitude to Forward Through Ferguson for their open and candid feedback. Similarly, we recognize that the disability community should have been engaged earlier.

As we begin building Greater St. Louis, Inc. this year and carry forward this body of work alongside our other initiatives, we will sustain dialogue with civic leaders representing all sectors in the metro to help co-create and implement the plan.

The feedback also helped us realize that, when it comes to economic development, the business community needs to be more intentional about thinking beyond our own lines of effort and be more explicit about the broader set of factors that align with the well-being of the region's economy. Such factors include education, transportation, crime, health care, culture, public safety, arts, and many others. It is true that all of these factors matter to our region's growth, and we must work to understand adjacencies and intersections with economic development. We recognize that no single plan, organization, or initiative will represent the singular answer as to how St. Louis will realize its potential. This will take the entire region working together. Finding common ground and common focus that respects the unique perspectives across different stakeholder interests is critical to moving St. Louis forward.

By publishing the *STL 2030 Jobs Plan*, the business sector joins other organizations and institutions that have engaged broader stakeholder interests and committed ideas to writing with the goal of moving our community forward. Examples of recent civic efforts to co-create a broader action agenda include the grassroots-led initiative titled *The People's Plan*; the *Ferguson Commission Report*; the City of St. Louis' *2020 Vision: An Equitable Economic Development Framework for St. Louis*; the *GeoFutures Strategic Roadmap*; and others. All of these efforts offer important perspectives about how to shape the future of St. Louis and strengthen a commitment to public engagement on community priorities and interests. Where appropriate or helpful, the regional business community will actively take part in conversations and efforts around these broader initiatives.

**Creating Greater St. Louis, Inc.**

During the course of the development of the *STL 2030 Jobs Plan*, five private-sector business leadership and economic development organizations combined to form Greater St. Louis, Inc. Similar to the merging groups, Greater St. Louis, Inc. is a membership-led organization for businesses of all sizes from throughout the metro that are working collaboratively to provide leadership on economic growth. We commonly refer to members as investors.

As an intermediary of the civic-minded business community, Greater St. Louis, Inc. must lead from a different vantage point than any one single member business. As is common in high-performing metros throughout the United States, civic-minded businesses typically combine resources to build core capabilities to convene on economic growth planning, attract new businesses to the region, advocate for policy reform, improve workforce development, develop diverse and multicultural talent, promote the metro, support entrepreneurs, and contribute leadership to help organize community initiatives that improve our region's competitiveness. Greater St. Louis, Inc. is already leading critical work in each of these areas. We are also standing up new efforts, such as industry-focused councils and task forces on specific issues.

Over the past decade, St. Louis' private-sector economic growth efforts splintered, and initiatives were often suboptimal for the challenges and opportunities our community faces. By making collaboration within the business community permanent through a singular civic institution focused on economic growth, we believe we can improve outcomes, heighten accountability, reduce barriers, collaborate, and better engage in dialogue with other stakeholder interests to take action. As a regional business community, we pledge to listen and understand. We will actively partner to address shared priorities. Collaboration and co-creation will be an integral part of our ongoing model of civic engagement.

An organized and engaged business sector is an asset to a community, particularly in the area of economic growth. Greater St. Louis, Inc. wants to reactivate the business sector to play a more engaged civic role in St. Louis. But our voice, even on issues related to economic growth, is admittedly the voice of one set of stakeholders in the broader chorus of voices and ideas that must be heard to shape the future of St. Louis.

We are early in this process. Greater St. Louis, Inc. began operations on January 1, 2021. At the time of the publication of this Foreword, we are four months into our journey as a new organization. Many peer organizations in other regions that we consider best-in-class are decades old. We will continue to learn, evolve, and grow. There is no shortcut to long-term success. There is also no excuse not to act with urgency.

**Acknowledging History**

While the formation of Greater St. Louis, Inc. broadly received positive feedback, we have also received constructive and helpful counsel in our early months. During the *STL 2030 Jobs Plan* feedback process, we listened broadly, and we clearly heard the need to acknowledge the role some of the combining organizations played in creating the need to develop a plan for inclusive economic growth in the first place.

As an example, Civic Progress, an organization that advocated for a bond issue passed in 1955 that led to the demolition of the predominantly Black community of Mill Creek Valley in the central corridor of the City of St. Louis, initiated and funded the current jobs planning process. Over the course of its history, Civic Progress also invested in many important efforts, including the development of the St. Louis Business Diversity Initiative, which has been led for the past 18 years by Valerie Patton and has a distinguished history of developing diverse business leaders throughout the metro and growing and advancing diverse-owned businesses. But acknowledging both positive contributions and harmful actions is necessary and important. On a broader scale, for too long, the concept of economic growth has been centered mostly on large institutions instead of the broader community, its direction impacted disproportionally by those already in seats of power.

Greater St. Louis, Inc. has a unique responsibility to lead the business and civic communities in having difficult and uncomfortable conversations. Last fall, the Business & Community DEI Task Force, organized under one of the merging organizations, began to lean into some of these conversations, and we will adapt this forum into Greater St. Louis, Inc. to broaden and sustain critical dialogue and action. We are also continuing to lead a Diverse Business Accelerator formed under another of the merging organizations to center the needs of ethnically, racially and gender-diverse business owners. In other instances, we are partnering with groups like the Anchor Network to stand up the Supply STL Initiative to drive behavioral change across the regional business community. We pledge to continue to listen, to learn, and to understand how we can better work with the community to build a more prosperous and equitable metro.

**Regional Perspective**

As an economic development organization for the St. Louis region, it is also critical for us to ensure we are working to promote growth across all 15 counties in Illinois and Missouri that we serve. As part of the planning process, we received feedback from leaders across the region who want to make sure the voices of their counties are included in this effort. St. Charles County Executive Steve Ehlmann noted that, "Our region has adopted very diverse approaches to economic development and each jurisdiction has shown strengths and weaknesses in their individual efforts. …" County Executive Ehlmann encouraged Mr. Katz and Greater St. Louis, Inc. to seek greater input and insight from leaders outside the City of St. Louis and St. Louis County and across the bistate metro. We thank County Executive Ehlmann for his thoughtful feedback because it both improved the draft *STL 2030 Jobs Plan* and catalyzed broader regional dialogue that will benefit the implementation in the decade ahead.

Initiatives recommended in the *STL 2030 Jobs Plan* such as Main Street STL will help connect and strengthen the vibrant downtowns and commercial corridors in communities all across our region. The *STL 2030 Jobs Plan* also identifies high-growth, global industry sectors in which St. Louis has distinctive strengths. If leveraged effectively, growth in these sectors will accelerate the performance of the entire bistate economy, including downtowns, commercial corridors, small businesses, and residential neighborhoods.

It is important to stress, however, our strong belief that our region's long-term economic performance will continue to be closely linked to the performance of the central, and flagship, city of our metro, the City of St. Louis, and its regionally significant employment center that serves all corners of our bistate metro. As high-growth peer metros recognize, the central city has an outsized impact on overall metro reputation, the innovation economy, and talent attraction and retention efforts. One of the central aims of Greater St. Louis, Inc. is elevating the urban core of St. Louis as a regional priority. The success of our urban core, in turn, will strengthen our entire metropolitan region for decades to come and put more jobs within reach, particularly for transit-dependent residents. This is essential to addressing inequities.

We must also take a metrowide view to tacking the major issues and opportunities before us. While metro residents are justifiably proud of their local municipalities and neighborhoods, we must recognize that we are part of a larger metro region, the St. Louis region. If any of us are left behind, the potential success for all of us is reduced.

**Moving the St. Louis Metro Forward**

As a civic-minded business community, we now have the responsibility to collaborate and co-create with local government leaders, nonprofits, and other organizations and stakeholders to steward the implementation of the *STL 2030 Jobs Plan*. We certainly cannot and should not do this on our own. In other high-performing metros, the regional business community's intermediary has the accountability to steward a long-term jobs plan, catalyze action, and report on its progress. Here in St. Louis, Greater St. Louis, Inc. will assume this responsibility for the *STL 2030 Jobs Plan*, but the plan's full potential will only be achieved if everyone in the metro embraces it with creativity and energy. Our metro's collective economic future depends on the actions we all take together during this decade.

The *STL 2030 Jobs Plan* creates a focus—an economic "north star"—that has been missing in our metro for a decade. In the early 2000s, civic leaders laid out a vision to create a vibrant biotech sector and entrepreneurial support system in St. Louis. That vision was tremendously successful. In the 2020s, this updated jobs plan gives us a new vision to expand the map of opportunities that will allow our metro to thrive.

To advance some recommendations from the *STL 2030 Jobs Plan*, such as attracting new businesses in high-growth sectors, Greater St. Louis, Inc. has the purpose-built capability and accountability to lead. In other cases, the plan shows how efforts led by other organizations tie to the regional objective of economic growth and job creation. As an example, the plan identifies the Brickline Greenway, an ongoing initiative led by Great Rivers Greenway, with many partners and community engagement, as a critical priority under the Restore the Core strategy. The business community can provide meaningful support to the Brickline effort by organizing capital and providing other expertise. In fact, several of the organizations that merged to form Greater St. Louis, Inc. have collaborated with other stakeholders on the Great Rivers Greenway platform since the onset of the Brickline initiative.

Yet in other instances, the *STL 2030 Jobs Plan* provides an umbrella and potential areas of focus for teams of "civic entrepreneurs" who want to contribute in specific ways that advance job creation and inclusive growth. In one such case, a team has already begun an effort called Access Point to pilot an industry-workforce collaborative, accelerating inclusive growth by reducing barriers to technology jobs. We look forward to convening stakeholders around additional collaborations so that the learnings of entrepreneurial projects like Access Point can be transferred and adapted more quickly by others to their industries. In this case, Greater St. Louis, Inc. provides a stable platform of networked business leadership to turn good ideas into concrete actions.

The energy and enthusiasm we have seen in response to the *STL 2030 Jobs Plan* highlights how committed the people of our region are to making a plan for inclusive growth successful. It gives us great hope that by promoting a positive, inclusive vision and developing a plan to execute on it, we can transform the St. Louis region's economy over the next decade into one that works for and with all of our residents. As we develop and implement the *STL 2030 Jobs Plan*—as well as other initiatives of Greater St. Louis, Inc.—we will continue this conversation about how we can move our regional economy forward by creating high-quality jobs and economic opportunity for all. Perhaps just as important to the St. Louis metro's long-term prospects, the continued dialogue and implementation is also an opportunity to build much-needed civic trust across stakeholder interests.

Thank you for investing your time in reading the *STL 2030 Jobs Plan*. We look forward to working together to achieve a new decade of prosperity for all St. Louisans.

*Jason Hall*
*Chief Executive Officer*

*Valerie Patton*
*Chief Diversity, Equity & Inclusion Officer &*
*President, Greater St. Louis Foundation*

*Steve Johnson*
*Chief Business Attraction Officer &*
*President, AllianceSTL*

# THE NEXT DECADE PRESENTS AN EXCEPTIONAL OPPORTUNITY FOR THE ST. LOUIS METRO

After decades of economic underperformance, population stagnation and racial division, the 15 counties that comprise the bi-state St. Louis metropolitan area (also known as the St. Louis metro or Metro St. Louis) stand poised to chart a different course, one that combines an increase in quality jobs and heightened global relevance with a steadfast commitment to inclusive growth and racial equity.

In the next ten years, Metro St. Louis can transform itself into a truly 21st-century metro that is powered by strong industry clusters, skilled workers, inclusive workplaces and a healthy urban core. The bi-state metro has the prerequisites for inclusive growth—now is the time to act.

The STL 2030 Jobs Plan sets out a 10-year action plan to lead the nation in inclusive growth by expanding the number of quality jobs available to St. Louisans, regardless of where in the region they live. Rooted in a thorough quantitative and qualitative assessment of the metro economy, this plan maps out actions that will be needed to eliminate racial disparities in household income, health outcomes and wealth creation by building a stronger and more collaborative metro economy.

Domestically and globally, successful metros stand out for their distinctive approaches to economic development. In Copenhagen and Helsinki, it's the green economy. In Cleveland and Pittsburgh, it's next-generation tech sectors.

The vision for the St. Louis metro is no less ambitious—to be nationally recognized by 2030 as a leader on inclusive growth. Regularly tracking progress on the following five core priorities will inform implementation and keep the metro focused on this objective:

**GROW THE NUMBER OF QUALITY JOBS IN THE METRO**

**STRENGTHEN EMPLOYER COMMITMENT TO BUY, HIRE & INVEST LOCALLY**


**BOOST EMPLOYMENT DENSITY IN AND REJUVENATION OF THE URBAN CORE**

**INCREASE THE NUMBER OF BLACK WORKERS WITH QUALITY JOBS**

**EXPAND BLACK & BROWN ENTREPRENEURSHIP**

Achieving this vision will require a new model of radical collaboration. Cooperation within and across the public, private, civic and philanthropic sectors must become the norm. Historically excluded voices must be welcomed and empowered to contribute to the conversation. Specific, sustained investments in talent, entrepreneurship, innovation and infrastructure will be essential, as will institutions and intermediaries with capacity, capital and community standing to get things done.

The St. Louis metro now has an opportunity to leapfrog past other U.S. metros. With inclusive growth as its north star and the STL 2030 Jobs Plan as its guide, the metro can live up to its potential and improve the lives of all St. Louisans.

## WHAT COUNTS AS A QUALITY JOB?

Quality jobs—those jobs that provide a livable wage with benefits—offer the most direct path to economic mobility and broadly shared prosperity. The specifics of this definition vary—the Pew Research Center uses two-thirds of the national median wage as the lower bound, while researchers at the Brookings Institution have focused on jobs that pay at least the metropolitan area's median wage and provide employer-sponsored health insurance (a proxy for other employer-provided benefits such as paid leave and retirement).

The STL 2030 Jobs Plan definition of a quality job—those that pay 80% or more of the national median wage (i.e., $40,000 or more in 2020)—builds on existing definitions while also accounting for data availability. Given that timely data on employer-sponsored health insurance are not readily available, the definition sets 80% of the national median wage as a floor (both because higher-wage work is more likely to have employer-sponsored health insurance and other benefits and because those earning at least 80% of the median are in a better position to purchase health insurance if not provided by their employer.)

# A METRO PLAN TO DRIVE JOB CREATION AND INCLUSIVE GROWTH

Formed at the confluence of two great rivers, the St. Louis metropolitan area has a proud history of innovation, company formation and wealth creation in talent-fueled sectors. But in recent decades, the metro has experienced economic stagnation, population flatlining and political fragmentation.

Other places might see these challenges as insurmountable barriers to progress. Not so in Metro St. Louis. A wide range of leaders, stakeholders and residents are committed to the bi-state metro and optimistic about the future. They agree that it's time to make the St. Louis metro a recognized national leader on inclusive growth.

**What is inclusive growth?**

Two imperatives confront the St. Louis metro as it begins the 2020s. Given the lagging economic performance of the past decade, boosting economic growth and increasing the number of quality jobs must be central priorities. But that growth must yield broadly shared prosperity that substantially reduces the racial disparities in household income, health outcomes and wealth building that have held the region back for decades.

Guided by a diverse group of metro stakeholders, we developed a sharp definition of inclusive growth that reflects the unique circumstances of the St. Louis metro:

## INCLUSIVE GROWTH DEFINED

Broad-based economic growth that enables all stakeholders in the St. Louis metropolitan area (including residents, workers, entrepreneurs, companies, organizations and communities) to realize their full potential. Such growth enables the widest range of people and places to both contribute to and benefit from economic success.

Inclusive growth aims to produce more prosperity alongside greater equity in opportunities and outcomes by substantially increasing the number of quality jobs and radically reducing racial and spatial disparities in income, health and wealth that have undermined metropolitan performance for decades.

Our definition of inclusive growth is grounded in the fact that Black St. Louis metro residents and other people of color have been disproportionately harmed by the region's long history of systemic racism, racial segregation and systematic disinvestment. As such, this plan pairs broadly inclusive actions with specific remedies focused on increasing opportunity and prosperity in the metro's Black communities. Our plan also calls for greater attention to those from other underrepresented communities, including

Brown people, white women, individuals with disabilities, LGBTQ, veterans and immigrants.

Defining inclusive growth is one thing; achieving it is another. Unlocking the metro's enviable assets and advantages will require a fierce determination to confront the painful legacy and present-day realities of systemic racism and racial segregation as well as a fundamental commitment to overcoming fragmentation, embracing collaboration and devoting time, talent and resources to transformative change.

Deep community engagement and a community-centered approach to solutions design will give voice and a shared sense of ownership to communities long excluded from economic development.

As implementation gets underway, regular assessment of progress will be a must. In addition to the five focus areas set out above, attention to the metro employment rate, median household income, proportion of residents holding low-wage vs. quality jobs, educational attainment, small business and entrepreneurship will provide insight into what's working and what's not. Whenever possible, these data should be disaggregated by race and gender and cross-tabulated in order to ensure that the specific experiences of different groups can be seen in the resulting analysis.

## TWIN IMPERATIVES FOR INCLUSIVE GROWTH

In the St. Louis metro, inclusive growth involves two core priorities:

**Substantially increasing the number of quality jobs**

The STL 2030 Jobs Plan recognizes that there are many ways to boost creation of quality jobs—through advanced industries, anchor institutions, small businesses and startups, communities and residents. All have a role to play. The plan explains how the metro can leverage its existing strengths across this spectrum in order to spark quality job growth for workers of all skill levels throughout the St. Louis metro.

Advanced industries—those high-value, innovation-intensive sectors known for their productivity and wage premiums—tend to get most of the attention in economic action plans. And with good reason. Healthy metro economies run on strong advanced industries. As the Metro St. Louis bioscience sector has shown time and again, these industries boost economic growth and create jobs that pay well regardless of workers' level of educational attainment. What's more, they produce significant multiplier effects that lead to job creation in other sectors. This action plan explains how to strengthen these high-reward clusters while ensuring that historically underrepresented and economically disinvested communities have access to the opportunities that result.

Small businesses also play a vital role in the St. Louis metro economy. They represent the vast majority of firms in the metro and employ almost half of the area workforce. Small businesses form the backbone of civic and community life and represent a tested path to economic mobility and wealth building, particularly for Black and Brown communities. Strategic support for entrepreneurs and small-business owners—particularly Black and Brown residents and those from other underrepresented groups—will lead to company growth, more quality jobs and greater prosperity that extends into the metro's most disadvantaged communities.

**Radically reducing racial and spatial disparities in income, health and wealth**

Quality jobs alone will not be enough. The St. Louis metro must also take deliberate action to combat the racial and spatial disparities in household income, health outcomes and wealth building that have held the metro economy back for decades.

A key part of this work will involve making opportunities accessible to area residents. Job creation must be accompanied by clear career pathways, inclusive workplaces, improved public transit and ongoing support for student and worker success. Childcare needs, financial insecurity, disability, justice involvement and other challenges should not preclude any metro resident from finding quality work.

By making quality jobs more accessible, by supporting student and worker success, by taking deliberate action to make workplaces both diverse and inclusive, the metro can fight long-standing disparities and ensure that the metro economy works for everyone.

**Why focus on the metropolitan area?**

Metropolitan areas are the true organizing unit of the global economy. Composed of cities and surrounding suburban and rural areas, metros bring together a wide variety of distinctive assets and possibilities that are fit to purpose for a range of industries. Some sectors want to locate in dense urban innovation districts with easy access to research assets, public transit and other amenities. Others prefer large greenfields and business parks set away from the urban core. Metros offer both…and more.

Jurisdictions in successful metros understand that competing against one another is a zero-sum game that will never produce sustainable economic growth. They recognize that a win for one part of the metro is a win for the entire metro economy. They know that they are stronger together and collaborate to compete *as a metro against other metros.*

Healthy metro economies don't just happen. They require deliberate and coordinated action across urban, suburban and rural areas. They rely on collaborative solutions that build ecosystems of institutions, activities and investments to leverage inherent economic strengths. They center disadvantaged communities in order to devise equitable approaches to economic development. They recognize the intrinsic value of the workforce and invest in expanding access to opportunity and support for success. Over time, these actions create the fiscal space needed to confront major challenges ranging from under-resourced schools to climate change.

## THE ST. LOUIS METRO

The St. Louis metropolitan statistical area (MSA) represents the true geography of the regional economy. Its contours are mapped by commuting patterns that connect the City of St. Louis to surrounding suburbs and rural areas. The city sits at the heart of the metro where the Missouri and Mississippi Rivers converge.

Reflecting its origins as a commercial hub, the St. Louis metro spans the Mississippi, encompassing Franklin, Jefferson, Lincoln, St. Charles, St. Louis and Warren Counties on the Missouri side and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair Counties in Illinois.


St. Louis is the 20th largest U.S. metro by population, with more than 2.8 million residents. Its size, economic assets and central location make the metro significant in the global marketplace. Its competitors are not within the metro but beyond its borders, in places like Nanjing, Hamburg, Toronto and Tel Aviv. St. Louis is a globally competitive metro with tremendous potential—if it decides to take action.

Building a strong metro economy will require targeted investment in the heart of St. Louis proper, because metros are only as strong as their urban cores. But it will also demand specific efforts to deepen regional industry strengths and revitalize locally owned small businesses throughout the metro. The STL 2030 Jobs Plan attends to both priorities. It invites investment in neighborhoods and Main Streets as well as next-generation industries and innovation-intensive centers of excellence. It pushes for a strong education and training ecosystem to put more St. Louisans on pathways into quality jobs. Each proposed strategy complements and enhances the others, to the benefit of all parts of the metro.

# ORIGIN AND APPROACH

Commissioned by Civic Progress in early 2020, the STL 2030 Jobs Plan lays out a 10-year road map to create quality jobs and advance inclusive growth throughout the St. Louis metro. With the winding-down of Civic Progress, Greater St. Louis, Inc. inherited this planning effort and will play a pivotal role in stewarding its implementation.

Chaired by Dr. Mark Wrighton, chancellor emeritus of Washington University in St. Louis, the STL 2030 Jobs Plan has been an intentionally focused effort from the start. We began with a long-overdue evaluation of the metro's leading advanced industries, which have an outsized impact on regional growth. Data from the St. Louis Federal Reserve, the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and private firm IMPLAN allowed us to assess the metro's macroeconomic performance, distinctive industry cluster strengths and competitive position relative to peer metros.

A close reading of excellent research on the region produced by local efforts as well as reputable research institutions, think tanks and market and social analysts complemented this quantitative analysis.

From there we explored potential drivers of industry growth across multiple dimensions, including talent preparation, retention and recruitment, company expansion, spatial concentration and co-location, availability of quality capital and capacity of key intermediary organizations. Although primarily focused on private-sector and civic institutions, we sought out and welcomed engagement with various public-sector and nonprofit leaders, agencies and entities as well.

A combination of quantitative and qualitative evidence allowed us to go beyond the numbers in order to better understand the situation on the ground. An all-volunteer St. Louis Team guided the project and convened diverse working groups formed around critical economic topics to ensure that recommended strategies were co-created with dozens of local practitioners. One-on-one interviews with over one hundred public-, private- and civic-sector stakeholders informed the first draft by providing insight into key challenges and important possibilities in the region. More than four months of community outreach invited input on the draft plan from more St. Louisans. This feedback gave us additional insight into the concerns and priorities of area residents and strongly informed the final plan.

The individuals we interviewed respected the bounded nature of the STL 2030 Jobs Plan, given its focus on catalyzing concrete action to spark inclusive economic growth. At the same time, they were insistent that the metro should not ignore the mostly self-inflicted challenges that continue to undermine its economic performance and shape perceptions of the region.

The magnitude of the challenges facing the metro can only be resolved through deep collaboration, coordinated action and an appreciation for holistic approaches.

# **BUILDING** ON STRONG FOUNDATIONS

Metro St. Louis is a well-studied place. Over the past few years, an impressive collection of studies and plans have tackled such disparate issues as racial disparities, health inequities, workforce development, innovation and infrastructure. We reviewed those listed below, many of which involved deep community engagement in order to better understand the priorities and concerns of St. Louisans throughout the metro.

## *Racial Equity*

***#STL2039 Action Plan: Achieving an Equitable St. Louis,*** Forward Through Ferguson, 2018

***The State of the Report: Tracking the Ferguson Commission's Calls to Action***, Forward Through Ferguson, August 2018

***The Only Way Forward is Through: The Ferguson Commission Playbook,*** Forward Through Ferguson, 2016

***The Ferguson Commission Report,*** Forward Through Ferguson, 2015

***For the Sake of All: A Report on the Health and Well-Being of African Americans in St. Louis and Why It Matters for Everyone,*** Washington University in St. Louis and Saint Louis University, 2014

## *Metro Economy*

***2020 Vision: An Equitable Economic Development Framework***,
St. Louis Development Corporation, October 2020

***Design Downtown STL,*** Design Downtown STL Advisory Committee, 2020

***GeoFutures: A Strategic Roadmap for Advancing the Geospatial and Location Technology Cluster in the St. Louis Region,*** GeoFutures Advisory Committee, 2020

***2021 Priority List of Freight Projects,*** St. Louis Regional Freightway, 2020

***Chouteau Greenway [Brickline Greenway] Framework Plan,*** Great Rivers Greenway, 2019

***Connected 2045: Long-Range Transportation Plan for the St. Louis Region***, East-West Gateway Council of Governments, 2019

***Greater St. Louis Metropolitan WIOA Regional Plan: Program Years 2020-2024,*** St. Louis Regional WDB Directors Consortium, 2019.

***State of the St. Louis Workforce***, St. Louis Community College, 2019

***The Missing Million: Missouri's Economic Performance Since the Moon Landing,*** Show Me Institute, 2019

***Where We Stand—8th Edition,*** East-West Gateway Council of Governments, 2018

***Advanced Manufacturing Innovation Center,*** St. Louis Economic Development Partnership, 2017

As we read these reports, we found that they shared several key concerns that in turn informed the STL 2030 Jobs Plan:

**St. Louis needs a new mindset.** A scarcity mindset has shaped political and economic decision-making in the St. Louis metro for decades. Too many metro residents see a win in one place as a loss for the rest. This zero-sum perspective rewards controversy rather than collaboration, undermines regional economic growth and limits access to opportunity for countless metro residents.

In order to compete effectively in the 21st-century economy and secure broadly shared prosperity, the metro will need to adopt a new mindset rooted in cooperation, coordination and common goals. Identifying shared priorities, learning to collaborate, finding ways to equitably distribute risk and reward—all must become the norm rather than the exception. This shift in perspective and behavior will change the culture of the metro economy and its approaches to economic development for the better.

**Economic growth must be inclusive.**
Racial disparities in income, health and wealth have long held back the St. Louis metro. A deliberate focus on approaches to inclusive growth that center the experiences of historically excluded communities will allow the metro to close these gaps and ensure that prosperity is shared by all St. Louisans.

**The weak urban core hurts the entire metro.**
Metros are only as strong as their cores. In healthy metro economies, the urban core provides a center of gravity for economic activity. This concentration of jobs, workers, companies, research institutions, services and amenities fuels the high-value knowledge-based industry sectors that in turn power the metro economy. In the St. Louis metro, however, decades of racist real estate practices, white flight, disinvestment and other factors hollowed out the urban core, eroding the metro economy from the inside out. As a result, the entire metro is missing out on the many economic benefits that come from a strong urban core.

**The metro does not want for assets.**
St. Louisans can be hard on their hometown, but the metro has a solid foundation on which to build. Innovation-intensive industry sectors, a growing startup ecosystem, an affordable cost of living, a national reputation for collective action and more give the metro important competitive advantages that can be leveraged to boost inclusive economic growth.

**Intermediary organizations need more capacity.**
The number of intermediary organizations in the metro offers ample evidence of a clear desire for change across a whole host of different areas. A sizable proportion of these organizations have developed deep standing within the communities they serve, whether by improving quality of life for disadvantaged metro residents or connecting would-be entrepreneurs to expertise and capital. But action tends to be diffuse and uncoordinated. Too many organizations are under-resourced and under-staffed, struggling to balance service delivery with the constant need to fundraise.

The success of the STL 2030 Jobs Plan will hinge on metro intermediaries' ability to expand their capacity to meet the moment. Ongoing investment in the capacity of existing organizations will be critical in order to implement the strategies below in an inclusive and equitable fashion.

# ENGAGING THE ST. LOUIS METRO

Once we assembled a first draft of the STL 2030 Jobs Plan, our top priority was sharing it with as many St. Louis metro residents as possible to get their feedback. In addition to radio and print media outreach, we held three public meetings attended by hundreds, took part in dozens of sessions with organizations in the region, had numerous one-on-one conversations and fielded countless emails. We also invited public comment on the draft plan and made it available through the Greater St. Louis, Inc. website. We deliberately sought out a wide range of voices from communities throughout the metro. Over the course of nearly five months, thousands of St. Louisans took part and shared their reactions to the draft plan.

The overwhelming message we heard was one of hope, unwavering commitment and genuine excitement about the possibilities for and potential of Metro St. Louis. St. Louisans expressed a determination to pursue a radically different path and an eagerness to act. Their enthusiasm gives us confidence that the entire metro can work together to take the lead on inclusive economic growth.

Through these conversations, we discovered which ideas resonated most strongly and which would benefit from additional explanation. We learned about the priorities of specific communities and promising efforts underway. Perhaps most importantly, we learned which questions were of greatest concern for metro residents:

**Why doesn't the plan offer strategies for P-12 education, public safety and other important issues?** The STL 2030 Jobs Plan is by definition an economic action plan focused on what the private and civic sectors can do to foster inclusive economic growth. It makes no claim to be comprehensive in scope and does not specifically address a number of other critical concerns. These challenges merit their own dedicated efforts (some of which are already underway). We expect that implementation of the STL 2030 Jobs Plan will coordinate with initiatives addressing these vital concerns in order to secure the greatest benefit for the region.

**If this is a metro plan, why is there so much attention to the urban core?**
For too long, investment in the metro has been lopsided, with time and resources going disproportionately to places outside St. Louis city limits. This disinvestment contributed to a vicious cycle of economic decline and depopulation, leaving disadvantaged communities in its wake.

The STL 2030 Jobs Plan aims to correct this imbalance by restoring the urban core so that every part of the metro is able to fulfill its potential. A vibrant and growing urban core is a prerequisite for a strong metro economy. For better or worse, center cities dictate the reputation of the metro on the national and international stage.

At the same time, deliberate action is needed to build on existing metro industry strengths and to help local small businesses across the metro as they fight to emerge from the pandemic-induced economic downturn. To that end, the STL 2030 Jobs Plan calls for Main Street revitalization, support for small businesses, a stronger education and workforce training ecosystem and investment in infrastructure and public transit—all of which have the potential to boost sustainable economic growth throughout the metro. Metrowide collaboration on these efforts will provide opportunities for shared learning, create economies of scale and maximize return on time and resources invested.

**What about fragmentation?**
This action plan argues that public-sector fragmentation is a challenge, but not an excuse for inaction. Successful metros see the fracturing of governments and institutions as a call to build new relationships and expand organizational capacity for action. Many of these fractures stem from serious trust deficits that will need to be addressed before collaboration is a realistic possibility. But when the private and civic sectors—the focus of the STL 2030 Jobs Plan—begin to work differently, they can model new behavior for other actors to emulate. Ultimately collaborative action will prove its worth by demonstrating that the metro can accomplish more together than it ever could as fragments.

**Is this plan truly inclusive?** This question understandably came up several times during our outreach. Some concerns stemmed from the fact that Civic Progress initiated the planning process. It is true that the metro business community bears some responsibility for the radical decentralization of the metro economy, which left many disadvantaged neighborhoods behind. In commissioning this plan as its final act, Civic Progress aimed to provide a starting point for building a more inclusive and equitable future for all metro residents. While this lofty goal can never make up for past traumas experienced by disadvantaged communities, the STL 2030 Jobs Plan represents a real commitment to learning from the past, reducing racial disparities in metro residents' life outcomes.

Others wondered if the plan development process included voices beyond the "usual suspects." Indeed, many of the usual suspects were involved in the planning process, but so too was a diverse mix of stakeholders from throughout the metro. Likewise, research interviews sought out a wide range of perspectives from those working on the ground. This plan marks a first attempt at doing economic development differently in Metro St. Louis. The metro will continue to increase its capacity for truly inclusive economy-shaping action as implementation gets underway.

Still others questioned whether the proposed actions would be implemented with attention to the needs and priorities of those from disadvantaged communities. Too many plans have failed to center the experiences of historically underrepresented groups, resulting in little benefit and even active harm done to those who lacked a voice in the planning and implementation process. We worked to avoid these past pitfalls by engaging local practitioners and organizations with community standing that could provide insight into the on-the-ground realities of metro residents. With the cooperation of area residents, community intermediaries and other stakeholders, implementation will show that deliberate collaboration leads to more inclusive outcomes.

**Why should we believe that this isn't just business as usual?** In our community meetings, enthusiasm for the plan was often tinged with skepticism. Memories of past efforts that failed to produce meaningful change have made St. Louisans rightfully suspicious. We designed the STL 2030 Jobs Plan as an action plan for this very reason. It includes detailed strategies written with an eye toward implementation.

It also highlights the critical need for a culture change in the metro's approach to economic development. The STL 2030 Jobs Plan can only succeed if leaders and organizations choose to work differently than they have in the past. Learning together, modeling new behavior, collaborating to achieve common goals, coordinating activities and embracing what Forward Through Ferguson has described as "a culture of trying" will all be essential if this plan is to succeed.

The strongest evidence that this time is different? Stakeholders in the metro are already organizing in new, more collaborative ways to implement a number of the plan's recommended actions.

**How might future federal investment support the plan's aims?** The St. Louis metro is well positioned to make the most of federal efforts to get the U.S. economy back on its feet. The $1.9 trillion American Rescue Plan represents the single largest investment in the nation's metro economies. A companion effort, the American Jobs Plan, proposes an additional $2 trillion for infrastructure investments and related workforce development.

The STL 2030 Jobs Plan not only proposes specific large-scale investments in small business, innovation, human capital and infrastructure that would benefit from federal support. It also provides an organizing framework to help ensure that these investments reinforce one another to the benefit of the entire metro economy. And because few (if any) U.S. metros used the crisis year of 2020 to assemble an economic development plan—let alone one focused on boosting inclusive growth by creating quality jobs—this plan will give the metro an edge on the competition.

**Selected feedback sessions**

AllianceSTL Advisory Council and Economic Development Network

ChamberSTL Policy Council and Illinois and Missouri Public Affairs Networks

Disability Works representatives

East-West Gateway Council of Governments and Municipal League of St. Louis

East-West Gateway Council of Governments board of directors

FOCUS St. Louis and the Missouri Historical Society public forum

Greater St. Louis, Inc. Integration Advisory Team

KMOX on-air presentation

Leaders from Arch City Defenders, Dream Builders 4 Equity, Forward Through Ferguson, Invest STL, WEPOWER and other organizations focused on racial equity and underserved populations

Leadership Council Southwestern Illinois executive committee and board

Metro St. Louis elected officials

Regional Business Council Board and Young Professionals Network

Regional workforce development directors

Social Policy Institute at Washington University in St. Louis

St. Charles County stakeholders

St. Louis American and KSDK public forum

St. Louis Business Diversity Initiative fellows and Diverse Business Accelerator members

St. Louis Business Journal public forum

STEMSTL

United Way of Greater St. Louis

Washington University in St. Louis stakeholders


Leland Ave

# NEAR-TERM REALITIES

With its 10-year perspective, the STL 2030 Jobs Plan offers a long-term plan for the St. Louis metro economy that goes well beyond immediate responses to the multiple shocks currently affecting the United States and the rest of the world. That said, because near-term realities will determine future opportunities, the plan also takes full account of the broad implications and imperatives of the current situation:

**Small businesses.**
The COVID-19 crisis has wreaked havoc on Main Streets across the United States. In cities, suburbs and rural areas throughout the nation, millions of small businesses have been shuttered. The hardest hit are Main Street businesses—restaurants, bars, coffee shops, barbershops, hair salons, auto repair shops, dry cleaners and others that provide face-to-face services. Many of these entities, usually sole proprietorships or businesses with only a few employees, are running out of cash or have already gone under. Black- and Brown-owned small businesses have been hit disproportionately hard given that they tend to be under-capitalized, under-banked and over-represented in sectors shut down by quarantine. Given the scale of these impacts, the STL 2030 Jobs Plan places a special focus on small businesses and the Main Streets and business districts where they tend to locate.

**The transition to a 21st-century economy.**
The COVID-19 pandemic is also scrambling the rules governing the performance of metropolitan economies in the United States and elsewhere. The accelerated push towards remote work has enhanced the competitive advantages of metropolitan areas that offer technological sophistication, high quality of life and lower cost of living. The rise of remote schooling and telemedicine has made internet connectivity and computer access an essential part of daily life, as critical as clean water and reliable power. The public health crisis has also placed welcome attention on the importance of efficient and reliable supply chains and a need to reshore manufacturing in critical sectors. The STL 2030 Jobs Plan takes into account how these dynamics will likely affect talent recruitment, infrastructure priorities and manufacturing possibilities in the region.

**Systemic racism and racial disparities.**
The pandemic has had a pronounced negative impact on Black and Brown communities, which have higher incidences of medical pre-conditions due to unequal access to healthcare and face greater risk of repeated viral exposure as a disproportionately high percentage of frontline workers. For lower-income households, staying home was a luxury that they could not afford.

At the same time, the pandemic and months of demonstrations for racial and social justice throughout the U.S, following the murder of George Floyd in May 2020 have inspired a renewed sense of determination to address the racial disparities that have plagued our country for generations. To be successful, efforts will need to acknowledge the long history of these traumas and prioritize the needs and goals of disadvantaged communities.

# SOME TRUTH-TELLING

The STL 2030 Jobs Plan presents an action plan that is customized to the on-the-ground realities of the St. Louis metro. In doing so, it does not shy away from the facts. Rather, it is cognizant and clear-eyed about the real systemic challenges facing this grand metropolis.

**The St. Louis metro has struggled economically**

Corporate acquisitions and deindustrialization have transformed the region's economic landscape in recent decades. In 1970, St. Louis was the 10th largest metropolis in the nation; today it is the 20th largest. The metro was slow to emerge from the Great Recession, with gross domestic product (GDP) growing by only 5.2 percent between 2008-2018—far slower than the U.S. economy as a whole, which saw nearly 20 percent growth during the same period. Metro St. Louis lagged older industrial economies like Baltimore, Cincinnati and Pittsburgh as well as Heartland growth centers like Denver, Minneapolis and Nashville. Its sluggish economic performance helps explain why regional population growth hovered near zero (0.5 percent) between 2010 and 2018, well below the 5.5 percent nationwide. The region's economic struggles have made it harder for companies to attract talent, for entrepreneurs to start businesses and for households to build wealth.

**Decades of systemic racism and racial disparities have exacted an enormous cost**

Deliberate policy choices and practices constructed the apparatus of institutional racism that persists to this day. Entrenched patterns of residential segregation and intentional disinvestment—the product of these behaviors—continue to limit the life opportunities of Black St. Louisans in multiple self-reinforcing and debilitating ways. Factors such as poverty, trauma, toxic stress, crime and difficulty meeting basic needs such as adequate housing, nutritious food and healthcare impose a compounding physical and psychological toll that drives health disparities and poor life outcomes along racial lines.

Black residents of high-poverty communities find their economic mobility stifled by a lack of educational and employment opportunities. Limited job growth in the heart of the metropolis and a lack of transit-accessible jobs reinforce the isolation of disinvested communities. Meanwhile, predatory financial entities and limited access to conventional loans reduce Black residents' ability to build intergenerational wealth through homeownership.

The public and private policies of displacement and disinvestment that have impeded intergenerational wealth building in the metro's Black communities also work to stifle entrepreneurship. Implicit and explicit bias underpinned by institutionalized racism continue to limit access to capital, technical assistance, mentors and the broader entrepreneurial ecosystem for would-be Black founders. By our calculations, if Black St. Louisans started and owned businesses at the same rate as white residents, the metro would have more than 8,000 additional employer businesses and approximately 66,000 additional jobs.

Systemic racism has seriously compromised the entire metro economy, limiting its growth in almost every way. Economists estimate that metro GDP in 2012 would have been 10 percent higher—$151.3 billion instead of $137.6 billion—if not for racial disparities in household income.

The racial disparities present in virtually every aspect of the metro economy—including education, workforce training, access to quality jobs and career advancement, pay, leadership opportunities, startup activity and access to capital—harm regional economic growth and, more crucially, limit Black St. Louisans' economic mobility and access to prosperity.

### Racial segregation drives decentralization and fragmentation

The interplay of race and space—reinforced by systemic racism and residential segregation—has had a devastating effect on the region. The mental map that residents and leaders use to describe the St. Louis metro is crosshatched with rigid state, county and city borders and artificially drawn racial boundaries that divide rather than unify the region. The center of the metro is characterized by extraordinarily large areas of low-density, low-income Black communities that have been disinvested and underserved for far too long. These concentrations of poverty in North St. Louis, North St. Louis County, East St. Louis, Cahokia Heights and elsewhere hamper the cycle of development, business growth, job creation and asset building that have increased economic mobility elsewhere in the metro.

The combination of this splintered landscape and the metro's dismal economic performance have created a culture of scarcity where growth is perceived as a zero-sum game that rewards only a few places at the expense of others.

A plethora of organizations, programs and initiatives have sprung up to address key challenges such as educational attainment, entrenched poverty and entrepreneurial success, each with its own mission and activities. Though many deliver effective individual solutions, they don't add up to a cohesive whole. The constant struggle for funding pits organizations against each other and limits capacity by eating up time and resources that could be used to serve a broader constituency.

Of course, fragmentation is quite common in U.S. metros. But older industrial cities like Pittsburgh and emerging tech hubs like Austin have created generative economies and cultures of collaboration where 2 + 2 = 5 and then some. For too long, the St. Louis metro has been less than the sum of its parts, a place where 2 + 2 = 3.

### The weakness of the urban core inhibits economic growth across the entire metro

Nowhere are the region's struggles more apparent than in the heart of the metropolis. The metro's urban core bears little resemblance to other U.S. metros, many of which have seen substantial growth in core central business districts over the past 25 years. A desire for high-density residential options and easy access to urban amenities sparked a renewed interest in city life throughout the country that increased both population growth and commercial activity in urban areas.

Metros with sufficient employment density in the urban core enjoy the quality of life and economic benefits that come with it. New businesses crop up to provide services for workers, creating jobs that are easier for area residents to reach. Foot traffic and commercial activity rise. Crime falls. Positive perceptions of the city—and by extension, the metro—take hold at the regional, national and international levels.

The St. Louis metro, by contrast, continues to resemble a 1970s-style exit-ramp economy, with many major companies located on isolated suburban or even exurban campuses set away from a declining and increasingly depopulated urban core.

The heart of the metro is trapped in a vicious cycle created by decades of white flight, urban depopulation and "benign neglect" of the communities most in need of investment. Fewer city residents means a shrinking tax base and less funding for public transit, infrastructure, schools and other public services. Under-resourced schools, in turn, lack the capacity to prepare students for quality jobs or to support profoundly disadvantaged students who need extra help. Increased crime is part of this cycle as well, offering evidence of some residents' despair that other routes to economic stability are possible. And the entire metro economy suffers as a result.

### Patient and philanthropic capital need to be unlocked

Accelerating inclusive growth requires capital to fund new small businesses, build capacity within support organizations and implement other needed interventions. Unfortunately, traditional sources of capital often view these investments as too risky, too slow or too small to be worth their time.

In peer metros, a dominant corporation, sizable philanthropy or supportive state government would step in to provide the patient and/or philanthropic capital needed to propel inclusive growth. Absent such an entity, the region must rely on networked governance and collaboration, which are emerging but still nascent. Economic development is largely fractured along jurisdictional, sectoral and stakeholder lines. Organizations fight for seemingly scarce resources and those with sufficient capacity pursue initiatives and transactions on their own, with the results often adding up to less than the sum of the parts.

Of particular note is the region's underdeveloped philanthropic sector. The St. Louis metro is widely seen as wealthy and generous; in 2017, St. Louis was named the third most charitable city in the U.S., after earning first place in 2016. In 2019, the United Way of Greater St. Louis raised over $76.3 million in its annual fall fundraising campaign, with more than 100,000 individuals and 1,200 companies contributing to this success. And major partnerships of public and private funders have supported special projects like the $380 million Gateway Arch National Park renovation. These proven mechanisms for investing in social services and special projects simply do not exist for the kind of metro-wide economy-shaping strategies envisioned by the STL 2030 Jobs Plan.

Like many of its peers, Metro St. Louis does not have an institutional philanthropy, which limits its ability to pursue transformative civic initiatives. The Cortex Innovation Community, the Arch to Park Equity Fund and Invest STL represent strong examples of organizing philanthropic and concessionary capital to shape economic outcomes. The metro would benefit from an institutional philanthropy that encourages long-term thinking, risk-taking and some degree of predictability in philanthropic and patient capital.

No such consistent or reliable source of institutional capital exists in the St. Louis metro. For all its wealth, Metro St. Louis simply does not have the same depth of assets that are available to comparably sized metros.

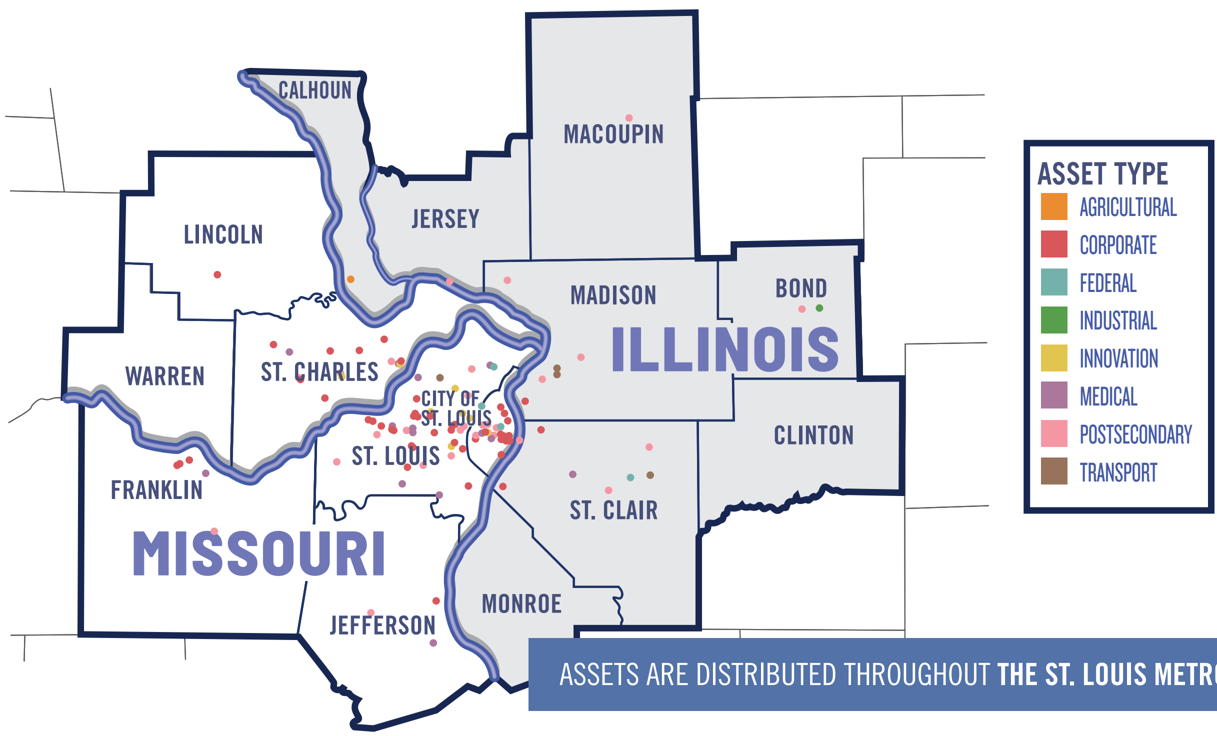

CITY FOUNDRY STL
PUBLIC MARKET

# DISTINCTIVE STRENGTHS
## POWER THE ST. LOUIS METRO ECONOMY

Alongside these challenges, the metro possesses tremendous assets—its industry strengths, its emboldened leadership, its economy-shaping intermediaries, its research capacity, its neighborhood communities, its central location and low cost of living and most of all, its people.

**The St. Louis metro economy is rich in assets**
The metro has a proud history of innovation, company formation and wealth creation in technology- and talent-fueled clusters and sectors. Its significant position in major industries such as advanced professional services, bioscience, advanced manufacturing and transportation and logistics are long-standing and deeply rooted. As domestic and global market dynamics revalue and restructure these areas of the economy, the metro's industry strengths offer great promise of growth and increased economic mobility for workers who receive continuous upgrading of skills.

As the map below shows, these assets are located throughout the metro, with concentrations in a few areas. From Scott Air Force Base and freight logistics hubs in Metro East to prosperous farmlands in Illinois's Calhoun and Clinton counties to the distribution and advanced manufacturing facilities in Missouri's Franklin, Jefferson and St. Charles Counties, these assets affirm the need for coordination and collaboration across the entire metro.




ASSETS ARE DISTRIBUTED THROUGHOUT **THE ST. LOUIS METRO**

The St. Louis metro has also become a powerful convergence economy. The metropolis now finds itself at the nexus of several emerging multi-industry clusters—geospatial, fintech, agtech—which are propelled by the invention, deployment and application of next-generation technologies. These cross-cutting technologies (and the talented workers behind them) are blurring traditional sector boundaries, inspiring entrepreneurs and driving innovation across a wide range of industries.

This convergence economy is taking root in a sizable metropolis where costs of living are reasonable, universities are strong and the Midwestern ethic of hard work persists. The St. Louis metro has become a multi-faceted technology hub that generates constant demand for workers with up-to-date skills. Startup growth is spurred on by an entrepreneurial ecosystem that is growing in maturity and impact and provides enormous potential for the attraction and expansion of companies across a broad range of cutting-edge sectors.

**The evolution of the bioscience sector is a strong reason to believe in the St. Louis metro**

The metro has "muscle memory" of transformative change. Over fifteen years ago, civic leaders William Danforth, John McDonnell and others, in collaboration with a number of anchor institutions, created BioSTL and the 21st-century innovation hubs the Cortex Innovation Community and 39 North to make the most of the metro's then-nascent strengths in bioscience. Danforth and McDonnell understood that the bioscience sector constitutes a purpose-driven economy, uniquely positioned to resolve some of the central challenges of our time by feeding and healing a growing global population during a time of rapid climate change. They also understood that global leadership in this sector would require deep competencies in and relationships across universities, companies, support organizations, talent providers and investors. They showed how to build an advanced economy with intentionality, patience and active collaboration.

The metro has done it before—now is the time to do it again, but on a much larger scale and with far greater attention to who will benefit. By making the most of lessons learned and centering the experiences of those long excluded, the metro can establish a new standard for inclusive economic growth powered by robust industry cluster ecosystems.

**Advancing racial equity and social justice is a key concern in the metro**

At a time when cities and metros throughout the country are confronting a racial reckoning, the St. Louis metro is poised to lead the nation by pressing for meaningful change that is rooted in civic dialogue and community organizing.

Since the fatal shooting of Michael Brown by a Ferguson police officer in August 2014, Metro St. Louis has experienced an exceptional rise in civic engagement and collective action to address persistent racial disparities in policing, education, health, wealth and a whole host of other areas. The metro is home to numerous artists, organizers, strategists and politicians who have become nationally known for their local work to transform policy, systems, processes and institutions. This burst of energy and activity represents a generational shift in approach and a fervent desire to move from the status quo to a more equitable future. Seasoned organizations like the Organization for Black Struggle as well as newer entities like Action St. Louis, Arch City

Defenders, the Education Equity Center, Expect Us, Forward Through Ferguson and WEPOWER are at the forefront of this work.

### Arts, culture and entertainment thrive in Metro St. Louis

The St. Louis metro has a wide range of cultural amenities that bolster the area economy while enhancing quality of life for residents and visitors alike. As is true in other parts of the U.S., these assets tend to concentrate in and around the urban core. In the Grand Center Arts District in the center of St. Louis, theaters, museums and galleries abound. Nearby Forest Park is larger than New York City's Central Park and features a world-renowned zoo, museums, the St. Louis Science Center, musical theater venue The Muny and more, all situated amidst more than 1,300 acres of greenspace and hiking trails. Cultural institutions like the Vaughn Cultural Center, the St. Louis Black Rep, the Griot Museum of Black History, the Scott Joplin House State Historic Site and the National Blues Museum celebrate the rich cultural contributions of Black artists past and present.

The city is also home to three Major League sports teams—the Cardinals (baseball), the Blues (hockey), and St. Louis CITY SC, a Major League Soccer team set to debut in 2023. Arts, culture and recreation extend beyond the urban core and include Cahokia Mounds, Grove Memorial Park and Pere Marquette State Park in Metro East as well as the 128-mile Great Rivers Greenway and Babler, Castlewood and Katy Trail State Parks on the Missouri side of the metro.

### Recent successes affirm the metro's potential

In the past few years, the metro scored some impressive victories in attracting major facilities such as the National Geospatial-Intelligence Agency's Next NGA West facility, Bunge's global headquarters and Accenture Federal Services' Advanced Technology Center as well as powering fast-growing firms like plant science innovator Benson Hill and AI-powered software firms Balto and Capacity.

These successes are not accidental. Metro St. Louis has highly capable and distinctive organizations that routinely drive economy shaping, talent preparation and placemaking. Some of these organizations, including Ranken Technical College, BioSTL, the Urban League of Metropolitan St. Louis and Beyond Housing, are long established, with deep relationships with specific industries, companies and communities. Others, such as Arch Grants, LaunchCode, Invest STL and the St. Louis Equity in Entrepreneurship Collective, are of more recent vintage. If properly resourced to increase their capacity for action, all have the potential to drive inclusive growth at a much greater scale—particularly if they are more tightly coordinated within and across industry sectors.

Image courtesy of National Geospatial-Intelligence Agency.

# ECONOMIC ASSESSMENT

Objective research into the shape and structure of the St. Louis metro economy underpins the STL 2030 Jobs Plan. Our findings show a region rich in assets, with a strong and growing collection of committed institutions, capable practitioners and proven solutions. At the same time, longstanding racial divisions have created deep disparities in income, health and wealth; unique spatial challenges; and a lack of the connection, coordination and collaboration needed to address common challenges and work toward shared goals.

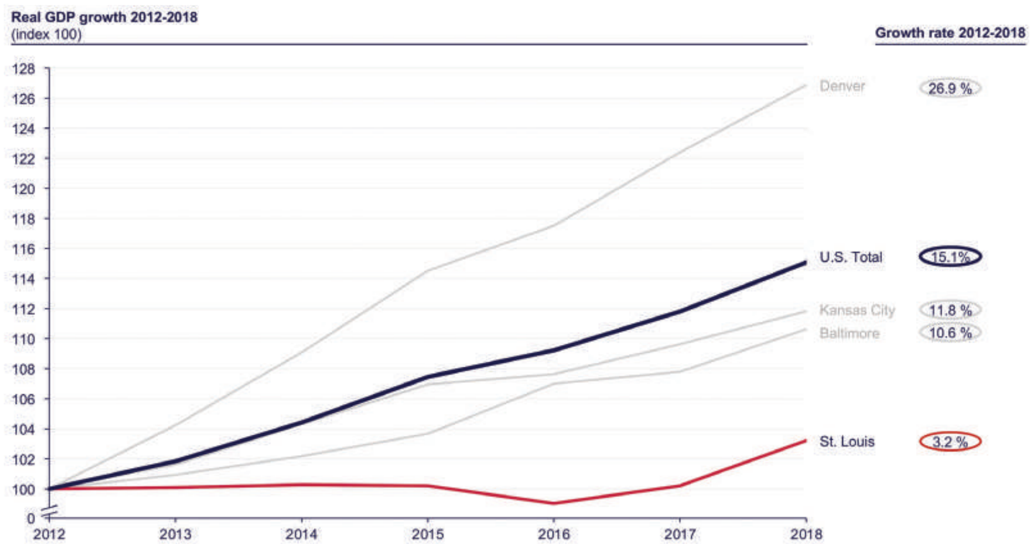
Our central conclusion: The St. Louis metropolis is poised to unlock the full value of its assets and become a national model for inclusive growth—provided that it addresses its sizable racial, spatial and institutional challenges.

## Finding: After years of stagnation, the St. Louis economy was showing signs of improvement and significant potential in recent years

The Great Recession affected communities all across the United States. Between late December 2007 and June 2009, the country's real GDP (the total value of everything produced in an economy) dropped by $650 billion (4.3 percent) and 8.7 million jobs were lost. By 2010, the average annual unemployment rate was 9.6 percent—for Black Americans it was 16 percent.

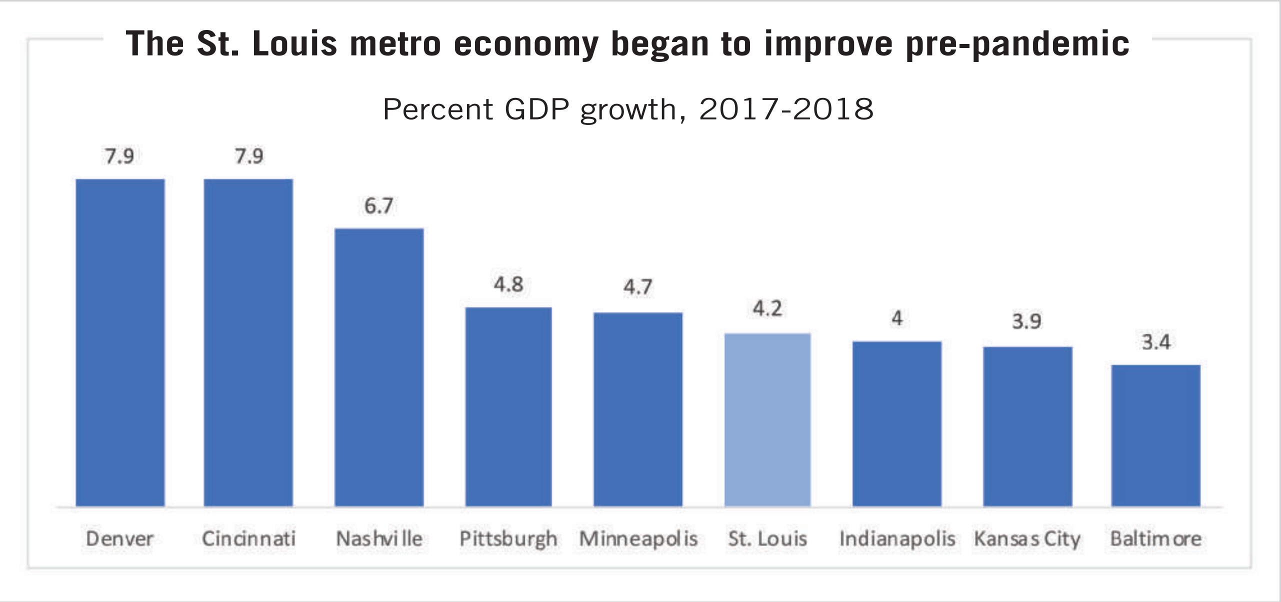
After the Great Recession, the performance of the St. Louis metro economy lagged behind the nation and other metros. The region recovered at a slower pace than every peer metro we analyzed: Baltimore, Cincinnati, Denver, Indianapolis, Kansas City, Minneapolis, Nashville and Pittsburgh. Macroeconomic performance stagnated between 2012-2016, with Metro St. Louis experiencing a 1 percent decrease in total GDP—a sharp contrast to the U.S. average of 11 percent growth. During this same period, worker productivity (GDP per worker) rose nearly 3 percent nationally but fell 5.5 percent in the St. Louis metro. This indicator tells us that on average, the jobs added back to the St. Louis metro economy in the aftermath of the Great Recession had lower levels of productivity, which tend to be associated with lower pay.

**The St. Louis metro lagged both peer metros and the U.S. in recovering from the Great Recession**



By multiple standards, the St. Louis metro was slow to come out of the Great Recession. But recent progress suggests not only that the metro's economy was getting back on track before the onset of the COVID-19 pandemic but also that the region possesses real potential for growth, given the emergence of highly competitive advanced industry clusters.

In the years preceding the pandemic, Metro St. Louis showed evidence of an economic turnaround. In 2017-2018 (the latest years for which data are available) the metro made progress on several measures of prosperity, with GDP growing 4.2 percent. Though still lagging behind the national average of 5.8 percent growth, this uptick represented important progress from just a few years earlier and brought the metro more in line with its peers.




During the same period, the average GDP per worker in the metro rose 3.7 percent, powered by increased employment in high-productivity advanced industries, which grew substantially faster (4.0 percent) than in non-advanced industries (0.7 percent). The region also experienced a 3.2 percent increase in the average wage between 2016-2018. The Brookings Institution found that during the two-year period 2017-2018 the St. Louis metro area ranked 6th in the nation on key prosperity metrics, which take into account an area's standard of living, productivity and average annual wage. This ranking affirmed the marked improvement seen in 2017-2018, particularly given that the region ranked 44th from 2008-2018.

Taken together, these trends paint a clear picture: Compared to its peers, the St. Louis metro has not been living up to its potential.

## Finding: The strength of the St. Louis metro economy is disproportionately driven by its distinctive advanced industries

Regional economies involve a wide range of industries, activities and occupations. While lower-skilled service industries provide substantial employment and represent a sizable segment of the area economy (particularly among locally owned small businesses), advanced industry clusters anchor the U.S. economy and are essential for inclusive economic growth.

Advanced industries play such a vital role because they boost exports and generate knowledge synergies that drive productivity growth across the entire economy. This higher export intensity means that the metro benefits from global demand by selling goods and services to customers throughout the world. These sectors are also more likely to provide quality jobs. To take just one example, a strong wage premium exists in high-tech industries nationwide, with workers earning more than they would in a different industry, regardless of the skill level required for their role.

Like all U.S. metros, St Louis has a distinctive industry profile that grew out of competitive advantages forged in the 19th and 20th centuries. Our analysis revealed four advanced industries with strong growth potential—Advanced Business Services, Biomedical and Health Services, Advanced Manufacturing and Production and Aerospace, Automotive and Defense—as well as one critical support sector—Transportation and Logistics. Taken together, these five priority clusters account for 40 percent of the region's employment.

Metro St. Louis' priority industry clusters all experienced employment growth between 2012 and 2018. Aerospace, Automotive and Defense grew the most at 21 percent, while Biomedical and Health Services trailed the group at 4 percent. Employment growth across all five clusters was 7 percent.

THE ST. LOUIS METRO IS HOME TO

# FIVE STRONG CLUSTERS

THAT HAVE POTENTIAL TO DRIVE GROWTH IN THE FUTURE

### ADVANCED BUSINESS SERVICES

A large finance and insurance sector with both retail-banking and investment services

This cluster benefits from close connections to the IT and software industry that advance the growing fintech ecosystem in the metro.

### BIOMEDICAL AND HEALTH SERVICES

An advanced biomedical and pharmaceutical cluster that benefits from proximity to medical institutions and bioscience / agtech startups that use technology to create new products and services.

### ADVANCED MANUFACTURING & PRODUCTION

A broad cluster of small-scale production and manufacturing.

This cluster includes advanced software engineering, manufacturing, consumer products and food production.

### AEROSPACE AUTOMOTIVE & DEFENSE

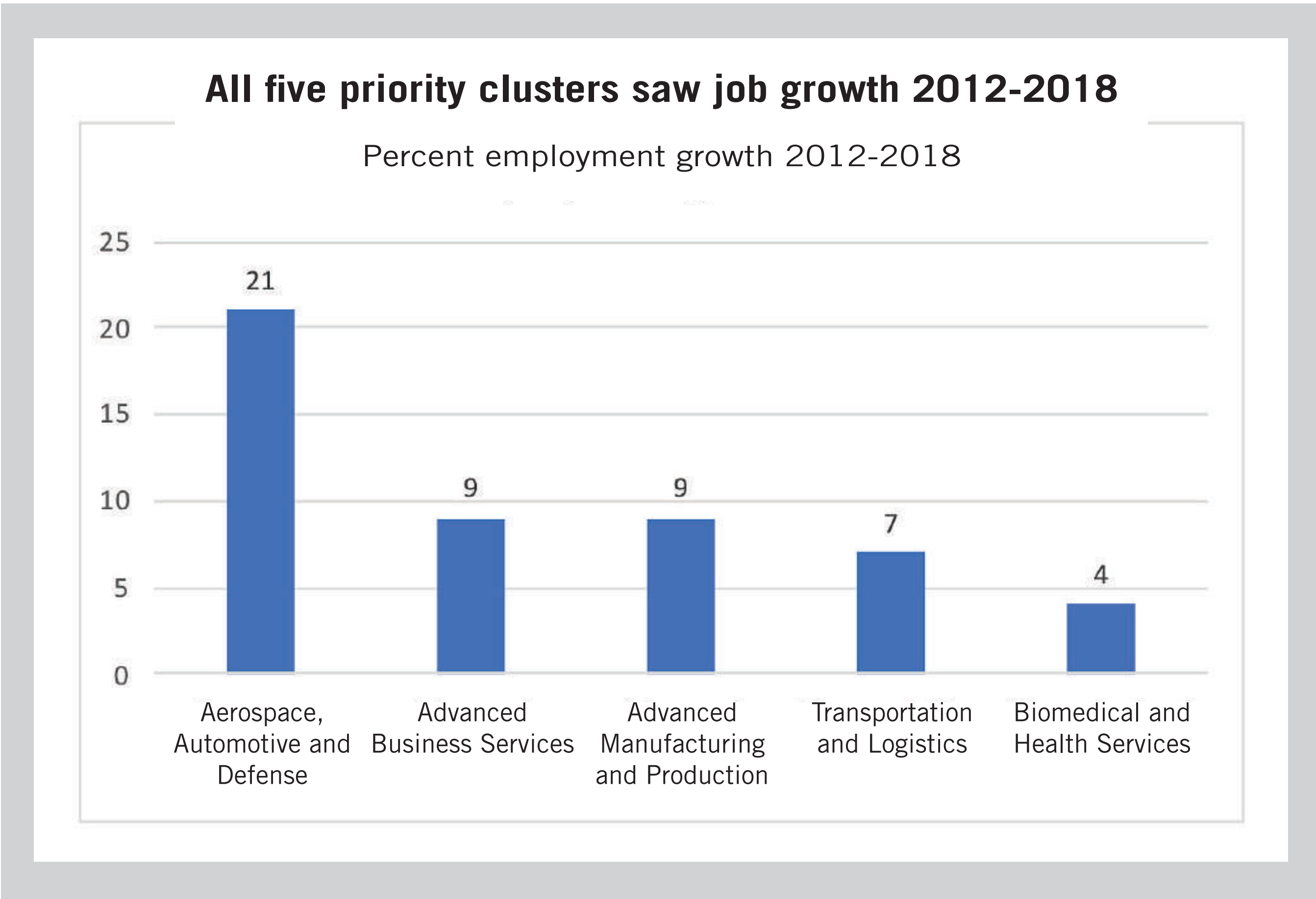
Anchored by Boeing and GM advanced manufacturing plants, this cluster gives the metro an edge in large-scale manufacturing, servicing and advanced production of defense technology.

### TRANSPORTATION AND LOGISTICS

This cluster serves the metro's industries as well as global multimodal freight movement.

It is growing and creating jobs that pay well.

The St. Louis metro can boost its ability to grow inclusively by targeting these high-potential priority clusters with initiatives that combat spatial and racial divides, increase the number of skilled workers, expand access to opportunity for those from historically underrepresented groups and remove other barriers to growth.



ADVANCED BUSINESS SERVICES

*A large sector of finance, insurance and health management services that depend on close proximity to software and information technology (IT) sectors*

Subsectors: Consulting, computer programming and systems design, data services, insurance, portfolio management, securities and commodity contracts

This sector consists of companies providing a broad array of finance, insurance and healthcare management services. These companies, while disparate, depend upon and benefit from close connections to the IT and software industry.

The cluster employs over 244,700 people regionally and accounts for 15 percent of non-governmental employment. Between 2012 and 2018, the cluster experienced 9 percent employment growth and 11 percent productivity growth. Insurance agencies, brokerages and related activities have seen a particularly large jump in productivity, increasing by 43 percent from 2012-2018.

The advanced business services sector is defined by its application of relevant technologies and insights as well as its cooperation among actors. With few patentable discoveries, value in advanced business services tends to come from networks, expert knowledge and professional applications of innovations.

The metro's position in the advanced business sector is outsized in certain sub-sectors. According to the Missouri Department of Economic Development, Metro St. Louis has the third highest concentration of Securities and Commodity Contracts, Intermediation and Brokerage firms in the nation (behind only New York City and Boston). Wells Fargo Advisors, a St. Louis-based subsidiary of Wells Fargo (California), was the 9th largest brokerage firm in the country in 2017. Homegrown Edward Jones employed some 6,500 workers in the metro as of 2020 and Stifel Financial Corp., another securities and brokerage company headquartered in the metro, employed 5,266 local workers as of 2018.

BIOMEDICAL AND HEALTH SERVICES

*Healthcare services and advanced biomedical and pharmaceutical companies that benefit from close proximity to hospitals and research centers as well as biotech and agtech.*

Subsectors: Local health services, biopharmaceuticals, medical devices

This sector consists of healthcare services as well as advanced biomedical and pharmaceutical firms that benefit from connections with hospitals, universities and clinics. It has close relations with analytical industries, nanoscience and certain areas of IT such as imaging. Convergences exist with insurance, law and finance as well.

Biomedical and health services occupations vary widely. Some roles demand doctoral-level study while others require just a two-year training program. Positions range from Ph.D.-holding scientists and physicians to nurses and social workers to lab techs and community health workers. The cluster relies on close collaboration between basic research, translational and clinical research, industry development, IP attorneys, regulators and mass distribution networks. Its reach extends "from bench to bedside."

The sector employs over 198,500 people regionally and represents over 10 percent of non-governmental employment. The sector experienced 4 percent employment growth from 2012-2018 and a 23 percent increase in productivity growth (higher than half of peer metros). There are rapidly growing industries emerging within the ecosystem, most notably within biopharmaceuticals.

The metro's biomedical and health services sector capitalizes on the strong interplay between anchor institutions like Harris-Stowe State University (HSSU), Saint Louis University (SLU) and Washington University in St. Louis (WUSTL); BJC HealthCare, Mercy, SSM Health and other hospital systems; major corporations like Pfizer and GlaxoSmithKline; focused investors like RiverVest and Cultivation Capital; and intermediaries like BioSTL and the Cortex Innovation Community.

The St. Louis metro has a strong and expanding startup community in the biomedical and health services industry. Robust entrepreneurial supports from BioSTL help founders at every stage of growth. BioSTL also recently secured grants from the U.S. Economic Development Administration (EDA) to launch a Center for Defense Medicine ($1.5 million) and a Center for Pandemic Resiliency ($3 million)—both of which will create new opportunities for commercializing innovation.

Even prior to the outbreak of COVID-19, the St. Louis metro was home to a significant amount of research on pandemics and vaccines. These strengths proved especially valuable in the 2020 race to find a COVID-19 vaccine. Pfizer's BioTherapeutics Pharmaceutical Sciences group in Chesterfield contributed to the development of the Pfizer vaccine that is now being administered throughout the world.

The interplay of biomedical innovation and leading health companies and hospital systems headquartered in the St. Louis metro makes it a powerhouse in healthcare. The metro's unusual strengths include:

- Ascension: The country's largest nonprofit hospital system with $23 billion in revenue from 151 hospitals across 22 states

- BJC HealthCare: A top-tier integrated health delivery network with $5 billion in revenue from 15 hospitals and specialty networks

- Centene Corporation: The country's largest managed care company with $100 billion in revenue across 50 states

- Evernorth: One of the country's top pharmacy benefits management companies with $100 billion in revenue

- Mercy: One of the nation's five largest health systems, with more than $6.5 billion in revenue across four states

- SSM Health: A network of 23 hospitals across four states with some $8 billion in revenue

The cumulative impact: the St. Louis metro's biomedical and health services sector has more purchasing power than such acknowledged healthcare hubs as Boston, Chicago, Cleveland, Nashville and Philadelphia.

## ADVANCED MANUFACTURING & PRODUCTION

*A broad cluster of small-scale production and manufacturing that includes advanced software engineering, consumer products, food production and manufacturing*

Subsectors: Analytical instruments, downstream chemical products, food and livestock processing and manufacturing, information technology, lighting and electrical equipment, production technology and heavy machinery

This cluster includes small-scale production and manufacturing companies with specialization in a disparate set of industries ranging from environmental control and refrigeration to chemical production to food production and consumer products.

The cluster employs over 57,000 people regionally and is more geographically concentrated in the St. Louis region than in peer metros. From 2012-2018, the St. Louis metro's advanced manufacturing and production cluster experienced 9 percent employment growth and 21 percent growth in awarded patents (a proxy for innovation intensity). Employment in the advanced manufacturing and production cluster is more spread out across the region than other advanced clusters, with a high concentration of jobs in Franklin County.

The advanced manufacturing and production cluster appears poised for growth in a post-COVID world as the U.S. seeks to re-shore some components of manufacturing. As such, combining strength in advanced manufacturing and production with solid transportation and logistics infrastructure will be a must for the metro moving forward.

The advanced manufacturing and production sector has the potential to bolster growth in other parts of the metro economy as well. By leveraging the presence of strong agtech, aerospace and transportation and logistics industries in the metropolis, advanced manufacturers can be close to their customers, develop new products more quickly than global competitors and act faster on the concerns and needs of their customers.

## AEROSPACE
### AUTOMOTIVE & DEFENSE

*Large-scale manufacturing, servicing and advanced production of defense technology*

Subsectors: Aircraft manufacturing, light truck and utility vehicle manufacturing, nonferrous metal foundries

Metro St. Louis has played a substantial role in aircraft and auto manufacturing for the past hundred years. Today it is home to advanced manufacturing plants for two of the nation's most well-known manufacturers: Boeing and General Motors.

This cluster employs over 23,400 regionally and experienced 21 percent employment growth from 2012-2018, though the sector's comparatively smaller size makes double-digit growth easier to achieve. Aircraft manufacturing dominates the cluster, representing 80 percent of cluster employment, followed by light truck and utility vehicle manufacturing. Metro St. Louis has distinct strengths in this cluster relative to peer metros—none of the metro's peers engage in aircraft manufacturing and its only competitor in light truck and utility vehicle manufacturing is Kansas City. Geographically, employment is concentrated around major manufacturing facilities in St. Charles and St. Louis Counties.

## TRANSPORTATION AND LOGISTICS

*A multimodal cluster that serves the metro's industries as well as the global transport system*

Subsectors: Rental and leasing of automotive equipment, commercial and industrial machinery and equipment, truck transportation, warehousing and storage

Historically the St. Louis metro has been at the center of the nation's transportation economy because of its strategic location at the intersection of the Mississippi and Missouri Rivers. Its strength in this cluster has long derived from the ease in transferring cargo among multiple modes of transportation (namely rail, barge, plane and semi-truck). Today the metro is a major hub for supply-chain logistics and multimodal transport, with six Class 1 Railroads, four major U.S. interstate highways, America's Central Port in Granite City, IL and several airports. On the distribution side, the 2,300-acre Gateway Commerce Center in Edwardsville, IL houses facilities for major corporations such as Amazon and Procter & Gamble.

The transportation and logistics (T&L) sector implicates both sides of the Mississippi River, with a clear center of gravity in Illinois. This fact raises the prospect of a bi-state initiative to remake the mental map of the region by positioning the river as a central thoroughfare rather than a hard border.

The T&L sector is performing well in Metro St. Louis and employs 153,900 people regionally. It provides quality job opportunities for those without a college degree and saw 7 percent employment growth from 2012-2018. Meanwhile, the sector's productivity growth surpassed that of half of peer metros.

The promise of the T&L sector stems from the opportunity to evolve from a 20th-century switching point for the distribution of goods (e.g., warehouse centers) to a 21st-century transportation hub capable of realizing the full potential for value-added advanced manufacturing and growth in logistics-related technology.

The metro's central location, multi-modal transportation options and large swaths of vacant industrial land also make it an attractive location for manufacturing companies. Vacant industrial properties in Illinois's St. Clair and Madison Counties represent underutilized assets for the land-intensive T&L sector, which prefers 10-30 acres for new sites. The defense presence in the region (e.g., Scott Air Force Base, Boeing), growth of private companies like Enterprise Holdings and specialized manufacturing programs at area universities (e.g., SLU's Center for Supply Chain Excellence, UMSL's Supply Chain and Analytics Advisory Board and WUSTL's Boeing Center for Supply Chain Innovation) provide a strong base for transportation logistics firms and companies working to support the metro's supply chains.

## SCOTT AIR FORCE BASE: A VITAL ASSET FOR METRO ST. LOUIS

Scott Air Force Base (Scott AFB) is one of the most important assets for the St. Louis region. As national headquarters for Air Mobility Command, it plays a vital role in global military transport and logistics. Connected to downtown St. Louis by MetroLink, Scott AFB has a clear and direct impact on Metro St. Louis and its economic competitiveness.

*By the numbers:* Located in Metro East on the Illinois side of the Mississippi, Scott AFB employs nearly 8,000 active duty, National Guard and Reserve officers and an additional 5,000 civilian employees, making it one of the region's largest employers. Its impact extends across the river—a 2014 report estimated that Scott AFB indirectly contributes another 4,400 jobs on the Missouri side of Metro St. Louis. Furthermore, of the 18,000 military retirees in the region, a 2011 report estimated that more than 50 percent—nearly 10,000 retirees—live in the Missouri part of the metro. Accounting for military and civilian employment, indirect economic stimulus and the retiree population, Scott AFB has a significant impact on the metro economy.

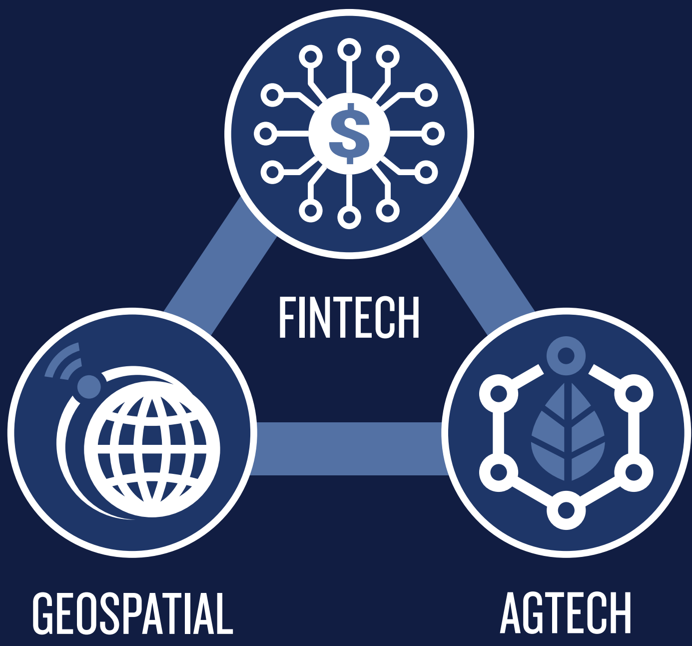
*Educational connections:* A number of institutions of higher education in the metro have strong links to Scott AFB. In St. Louis County, Maryville University actively recruits military veterans and offers an MBA onsite at Scott AFB's Education Center. Other universities in both Missouri and Illinois, such as McKendree University, Southwestern Illinois College, Southern Illinois University Edwardsville (SIUE) and Webster University, all offer undergraduate and graduate degrees at Scott AFB for civilian and military personnel. Many of these degree programs focus on management or cybersecurity, both of which offer opportunities for entrepreneurial potential as personnel enter into civilian life.

*Goods and services:* According to the 2011 report, Scott AFB spent over $200 million in the St. Louis metro in FY 2010, 47 percent of which was spent in Missouri. Of that amount, over $80 million was spent on local goods and services, with construction, operations and maintenance and healthcare representing significant expenditures as well. These numbers indicate a clear opportunity for vendors in the region.

*Innovation:* In addition to new cybersecurity squadrons, Scott AFB plays a leading role around geospatial and cybersecurity intelligence. Many expect that Scott AFB will have close links to the new Next NGA West facility.

Sources: Scott Air Force Base, "Scott AFB Facts" (n.d.); Richard, Brian et al., "Illinois Military Base and Defense Industry Assets Economic Impact Study: State and Regional Analyses" (2014); Leadership Council Southwestern Illinois, "Scott AFB Community Impact Assessment" (2011); Woolpert, Inc. "Scott Air Force Base Community Impact Study FY2010" (2011); Bob Pieper, "Scott AFB Officials to Manage Next NGA West" (2018); Chuck Raasch, "Scott AFB Lands Two New Cybersecurity Squadrons" (2014).

## Three Next-Generation Sectors




### Finding: The future of the St. Louis metro economy could be dramatically shaped by growth in three next-generation sectors

Our analysis revealed three emerging sectors that are growing rapidly, powered by broader market dynamics, technological innovation and social and environmental challenges in the U.S. and abroad.

#### Geospatial

This sector collects, processes and analyzes data associated with location. Applications for geospatial intelligence reach across all types of industries (e.g., precision agriculture, e-commerce, financial services) and potentially hold solutions to challenges ranging from food insecurity and climate change to pandemic prevention and global terrorism. The 2016 NGA decision to stay in the metro and construct a new facility north of downtown St. Louis and Delmar Boulevard has the potential to bring substantial economic benefit to the region. With its $1.7 billion price tag, Next NGA West is the largest federal investment project in the history of Metro St. Louis. Recent estimates by TEConomy Partners indicate that the geospatial sector accounts for some 27,000 jobs in the metro, generating $4.9 billion in regional economic activity. NGA has also shown interest in collaborating with the private sector, as evidenced by its plan to have workspaces in the Next NGA West facility for contractors without security clearances.

#### Fintech

This sector uses technology to increase the efficiency of financial systems and services. Fintech is a sector poised for growth. Globally, startups received over $69 billion in funding in 2019, a 17 percent increase from the previous year. According to Findexable's Global FinTech Index City Rankings 2020 Report, St. Louis ranks 26th worldwide out of more than 230 cities and 65 countries. However, despite having substantial regional assets, the St. Louis metro currently neither over- nor underperforms in fintech relative to its U.S. peers. That said, the decision by Square to expand operations north of downtown St. Louis and build a fintech innovation district holds great promise.

#### Agtech

This sector applies a wide variety of technologies to agriculture science and production practices in order to improve yield, efficiency, sustainability and profitability. As in bioscience, the St. Louis metro advantage starts with research. The regional agtech community employs more than 15,000 people at over 400 research and development companies and boasts the highest concentration of plant science PhDs in the world. The Danforth Center, the nation’s largest independent plant science institute, anchors the 600-acre 39 North Innovation District and the corporate BRDG Park, giving researchers access to shared infrastructure that helps advance innovation more quickly. The path to commercialization of these innovations is enabled by the presence of strong corporations such as Bayer Crop Science, Bunge and Novus; investors such as Bayer Growth Ventures and Cultivation Capital; and supportive intermediaries like The Yield Lab. The region’s location helps explain its first-mover advantage in this growing sector: Currently 50 percent of U.S. crops and livestock are produced within 500 miles of the metro, including approximately 80 percent of corn and soybean acreage. Just as important is the distribution of these and other crops throughout the world; the T&L sector provides an important platform for meeting global demand.

## Finding: The past decade has seen the rise of a collection of capable organizations and practitioners working to build on the metro’s inherent and emerging competitive strengths

The metro’s pre-pandemic economic progress was enhanced by local organizations and practitioners focused on critical aspects of economy shaping, talent preparation, infrastructure and placemaking and cultural and civic life.

### Proven Economy-Shaping Capabilities

The metro’s growing success is due in part to a collection of innovation districts and specialized intermediaries. This is particularly true in bioscience. Over the course of several decades, the region painstakingly built a globally significant

platform for conducting and commercializing sophisticated research, growing startups, attracting domestic and foreign companies and co-locating firms, investors and researchers in geographically distinctive innovation hubs. The decades of the 2000s and 2010s were dedicated to building this platform and scoring early wins; this decade should focus on realizing the full technological, jobs, investment and company potential of these critical sectors, increasing the proportion of Black and Brown people and white women pursuing careers in the sector and cementing the metro's position on the global stage.

Unlike many other U.S. metros, St. Louis has strengths in both traditional biomedical clusters such as biopharma and medical devices as well as emerging clusters such as pandemic medicine and defense medicine. The ecosystem has a solid research base that attracts over 80 percent of the federal research dollars allocated to the state of Missouri. WUSTL consistently ranks among the top five medical schools receiving NIH funding. Other research assets include SLU and its medical school as well as affiliated medical centers at both WUSTL and SLU.

The metro has benefited from the efforts of an exceptionally effective intermediary, BioSTL, which has built a self-sustaining ecosystem that links up startups, capital, entrepreneurs and skilled workers, physical assets and placemaking investments, policy advocacy, global connectedness and corporate partnerships in a mutually reinforcing cluster. Over the course of several decades, BioSTL has launched a group of subsidiary organizations, including BioGenerator (to drive startup activity), GlobalSTL (to attract foreign companies), STEMSTL (to drive equitable access to quality education and training in science, technology, engineering and math [STEM]) and the Bioscience Inclusion Initiative and St. Louis Equity in Entrepreneurship Collective (to develop more inclusive pathways to company creation).

The ecosystem takes physical form in the Cortex Innovation Community, one of the world's top innovation districts. It is a hub of innovation in bioscience as well as technology more broadly. Cortex employs a distinctive governance model—a tax-exempt 501(c)3 formed in 2002 by WUSTL, BJC HealthCare, University of Missouri–Saint Louis (UMSL), SLU and the Missouri Botanical Garden in collaboration with the City of St. Louis. The presence of BioGenerator Labs and a new WUSTL neuroscience research facility on the Cortex campus intensifies the co-location of researchers, startups and supportive entities.

The benefits of this cluster-oriented environment are sizable. In 2012, Cortex housed approximately 1,000 employees in 50 companies. Just seven years later, the number of jobs in the district has grown to 6,000 across 425 companies—a 600 percent increase in on-site employment. By contrast, the number of jobs citywide in St. Louis increased only 4 percent over the same period.

The bioscience sector includes an exceptionally strong presence in agricultural sciences and agtech. This cluster is gaining momentum, particularly given global pressures around climate change and food insecurity. A dense network of researchers, corporations, entrepreneurial support organizations, startup incubators and investors has coalesced around the 39 North innovation district. Agricultural sciences also benefits from proximity to a strong agricultural sector in both Illinois and Missouri.

The success of bioscience shows that the St. Louis metro can build and steward a rich and textured industry ecosystem that is globally acknowledged as best in class with high potential for substantial growth. The bioscience ecosystem is noteworthy for both its component parts (i.e., organizations that perform discrete tasks with proven success) and its connective tissue (i.e., the ability of organizations to collaborate on shared goals).

Beyond bioscience, Metro St. Louis has a plethora of highly capable and distinctive organizations that routinely deliver economy-shaping services in an effective and efficient manner. Some of these organizations are long established, with deep relationships with particular industries and companies. Others started over the past decade or even more recently. Collectively these organizations can play a major role in driving inclusive growth—but only if they expand their capacity and coordinate their activities.

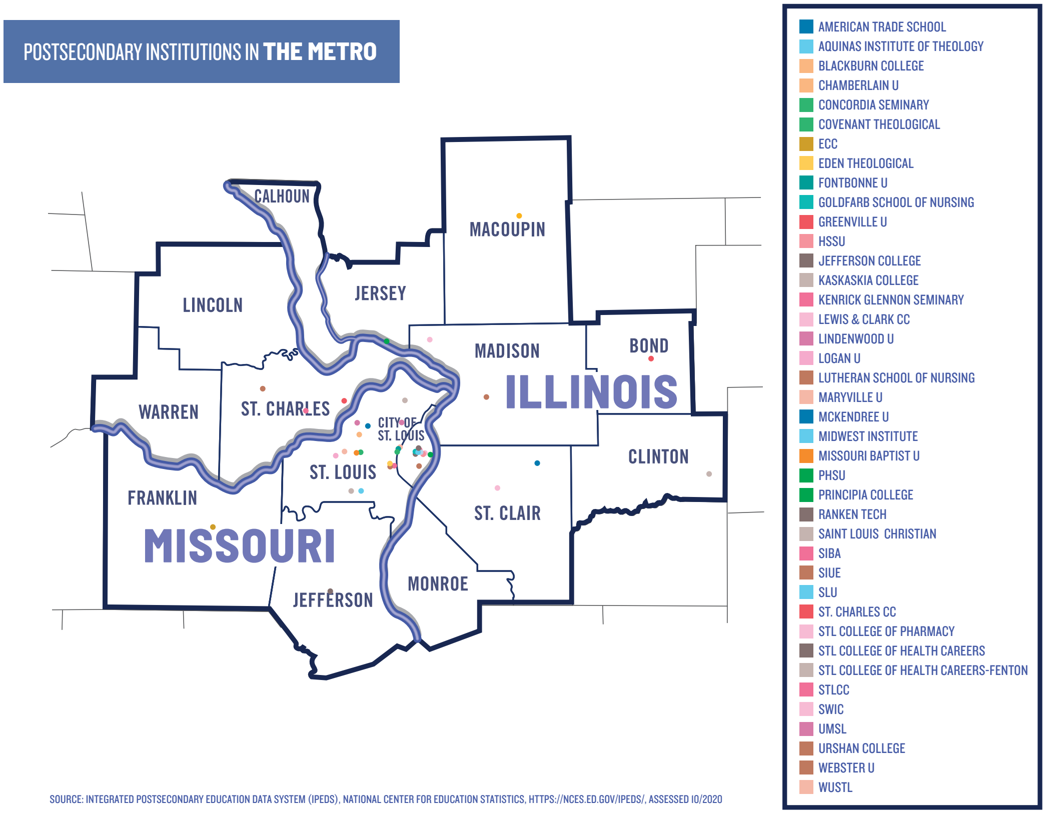
In other words, the St. Louis metro has many of the individual puzzle pieces needed to leverage the potential of its sectors, companies and residents. But these pieces have yet to come together. With focused investment, disciplined execution and a holistic perspective, the metro can complete the picture and benefit from the full impact of its efforts.

## Skilled Workers

The St. Louis metro benefits from a strong network of universities and colleges that offer 4-year and 2-year degrees in fields with rising demand from companies in advanced industries. These universities and colleges include public and private higher educational institutions located in the core city and county (e.g., HSSU, Maryville University, Ranken Technical College, SLU, UMSL, WUSTL) and elsewhere in the metro (e.g., SIUE, Jefferson College, Lindenwood University).

The St. Louis metro is also home to nationally recognized skills providers such as LaunchCode, which has a proven approach for equipping workers with specific technological expertise in a relatively short period of time. Likewise, the metro's many community colleges provide a variety of career pathways for those who decide against a four-year degree.

POSTSECONDARY INSTITUTIONS IN **THE METRO**




SOURCE: INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM (IPEDS), NATIONAL CENTER FOR EDUCATION STATISTICS, HTTPS://NCES.ED.GOV/IPEDS/, ASSESSED 10/2020

## Infrastructure, Placemaking and Placekeeping

Metro economies are characterized by modern infrastructure, quality places and institutions and intermediaries that can catalyze the design, financing and delivery of these (often) public goods. There are some exceptional (although not comprehensive) efforts underway in the St. Louis metro. The region already has a network of innovation districts, including T-REX, Cortex, 39 North and OPO, with ample potential for stronger connections between these nodes. Great Rivers Greenway has built a remarkable network of trails that link multiple jurisdictions and is currently at work on the Brickline Greenway, one of the most ambitious efforts to remake the core of an American city in decades.

The East-West Gateway Council of Governments acts as the region's metropolitan planning organization, with responsibility for strategic planning around surface transportation projects. Bi-state St. Louis Regional Freightway provides coordination for freight projects and highlights the metro's infrastructure assets when making the case for business attraction and expansion.

The bi-state metro is also known for its many iconic Main Streets. These business districts act as nodes of commerce as well as centers of civic life. Downtown Washington in Franklin County, MO and Alton Main Street in Madison County, IL are leading the way as accredited members of Main Street America, a national network of commercial districts focused on preservation-based economic development. The historic downtown of St. Charles, MO, is another standout Main Street in the metro. These and other placemaking and placekeeping efforts are investing in public spaces and streetscapes in order to improve quality of life for area residents and preserve the history and identity of area neighborhoods.

### Cultural Organizations

Metro economies are affected by the strength of their cultural organizations. St. Louis stands apart from many U.S. metros for its sustained public investments in the Metropolitan Zoological Park and Museum District. The cultural amenities in the metro are of the highest quality, with venues large and small hosting all manner of entertainment. Alongside established entities such as COCA and the Regional Arts Commission, a number of more recent initiatives are creating new energy and momentum. For example, community-centered organizations like 4theVILLE are using arts and culture to preserve and publicize the history and identity of individual neighborhoods.

## Finding: The St. Louis metro economy is increasingly characterized by a growing mix of entrepreneurs and small businesses

Entrepreneurship and small business activity are important drivers of job growth, wealth creation and economic resilience. Fully 99 percent of all U.S. businesses are categorized as small, meaning that they have fewer than 500 employees. Of all those with employees, more than half employ five or fewer workers total. Taken together, these firms employ almost half of all Americans.

Small businesses generate more new jobs than other businesses, making them vital engines for expanding employment. Between 2005 and 2019, small firms drove 64 percent of the nation's net private-sector job creation. Monthly job creation at small businesses typically exceeds job creation at large firms, with small firms generating more jobs in eight of the last twelve quarters with available data. Startups account for many of these jobs, representing roughly one-third of the total most years.

Over the past decade, the St. Louis metro has created a nationally recognized ecosystem for startups, building on the metropolitan area's distinctive industry clusters, a robust collection of entrepreneurial support organizations, institutions of higher education and a growing array of funders and funding opportunities for potential founders.

Part of the metro's success stems directly from its outsized prowess in cutting-edge research and access to support and capital that are fit to purpose. Between 2013 and 2019, Metro St. Louis-based bioscience companies raised over 70 percent of all capital invested in St. Louis startups, due in large part to BioGenerator's sophisticated approach to fundraising. BioGenerator's investment programs have some of the highest leverage of any venture development organization in the nation, with the portfolio raising roughly $40 for every dollar BioGenerator invests. Approximately $27 million in BioGenerator capital has been invested in over 80 startups, which together have raised nearly $1.1 billion from investors throughout the world.

The St. Louis metro is also developing a strong platform for supporting tech-enabled startups that span industry sectors. In 2018, online resource Fit Small Business named Metro St. Louis the second-best city for entrepreneurs thanks to its high business survivability, lower-than-average tax rate and very low cost of living. In the words of Fit Small Business, the metro's "affordability and undersaturation make it the ideal proving ground for new businesses." In 2019, Forbes named St. Louis a "top city for startups" for its extensive financing options, supportive business culture and high number of plant science PhDs.

In recent years several organizations have emerged to address key challenges facing Metro St. Louis founders and early-stage companies. A network of incubators, accelerators and organizations (e.g., BALSA Foundation, Brick City Makes, Capital Innovators, ITEN, OPO Startups, Square One, T-REX, UMSL's DEI Accelerator, WEPOWER, WUSTL's Skandalaris Center, The Yield Lab and others), innovation districts (e.g., Cortex, 39 North) and distinctive attraction/retention/growth models with proven track records (e.g., Arch Grants, BioGenerator) have helped create a richly textured innovation community with ready access to mentoring support.

These entities provide a broad continuum of capital and support to a diverse array of entrepreneurs and enterprises. Some are industry-focused; others are industry-agnostic. Some are intent on commercializing university research; others have a broader definition of innovation. Some routinely connect mature corporations and young companies; others operate outside the advanced clusters described above. This ecosystem has yielded positive results in a relatively short period of time and is uniformly characterized by positive momentum and the fierce dedication of all involved.

However, as is true throughout the country, entrepreneurial performance in the metro is replete with racial disparities. While some efforts have focused on creating, funding and scaling Black-owned startups, the overall ecosystem for Black-owned businesses is woefully thin, under-capitalized and primarily reliant on government and nonprofits rather than market investment. Black founders—and especially Black women founders—too often lack access to a consistent customer base, mentors, workspaces, quality capital and other resources needed to start and grow their businesses.

The data speak for themselves. According to a 2019 Lending Tree analysis, St. Louis ranked last out of 50 metropolitan areas on a range of critical indicators. It found that Metro St. Louis Black-owned businesses are exceptionally small, with only 18 percent exceeding $500,000 in annual revenues. Black-owned businesses also tended to be younger; only 27.6 percent had been around for at least six years. By contrast, in Cincinnati—a comparable former industrial city—43.3 percent of Black-owned businesses exceeded $500,000 in revenues and 62.3 percent had been in operation for six years or more.

The next decade provides the St. Louis metro an opportunity to scale and diversify startup activity by supporting a broader continuum of entrepreneurs—ranging from Main Street businesses to tech-enabled startups to R&D-driven companies—with an expansive array of flexible capital, customers, quality talent, distinctive innovation hubs and a fully engaged corporate community. Strengthening this platform and welcoming individuals from historically underrepresented groups will foster more startup activity, healthier small businesses and more inclusive economic growth. Such investments will be particularly critical given the dramatic implications of the COVID-19 pandemic for small businesses in general and Black- and Brown-owned businesses in particular.

## Finding: Structural racial, spatial and institutional challenges have impeded the metro's performance and must be addressed going forward

Given the region's ample assets, why has the Metro St. Louis economy stagnated for so long? A series of structural challenges, many but not all rooted in racism, have undermined the metro's ability to collaborate to compete. Recognizing and overcoming these challenges will be essential to secure long-term prosperity and truly inclusive economic growth.

**Metro St. Louis has a deep history of racial segregation and severe racial disparities across all aspects of daily life.**
St. Louis is the sixth most segregated metropolitan area in the country, with many neighborhoods dominated by a single race. The impact of this racial and spatial isolation has multiple negative effects that harm both the life opportunities of Black residents as well as the economic performance of the entire metro.

The St. Louis metro ranks 42nd out of 50 large metropolitan areas on economic mobility, defined as one's ability to improve their economic status by moving up in income. In 2019, the median income was just $37,411 for Black households, compared with $75,089 for white households. The City of St. Louis in particular is a site of extreme income inequality along racial lines, with a Black poverty rate of 26.4 percent standing in sharp contrast to a white poverty rate of 7.9 percent. Deep disparities exist as well in the proportion of workers holding quality jobs (those paying at least 80% of the national median wage). In 2019, 70.7% of white workers had a quality job—only 44.4% of Black workers could say the same.

Metro St. Louis is not alone in having such disparities—at the national level, the median Black household brings in $43,771, compared to $71,664 for white households. But the disparities in the St. Louis metro are particularly extreme. Economic and social outcomes are closely intertwined, with income, educational attainment, health outcomes, access to reliable transportation and other factors compounding the challenge.

The metro's racial inequalities extend to housing and wealth building as well. Bias in financial services, lack of generational wealth, constrained finances and exploitation by mortgage originators all have undermined Black St. Louisans' access to the most common form of wealth building: buying a home. Just 42 percent of Black residents in St. Louis County and City of St. Louis own their homes, compared to 74 percent of white residents. In addition, a de facto "segregation tax" limits value appreciation in homes owned by Black residents, making re-sales less lucrative and further inhibiting intergenerational wealth building.

The systemic institutional barriers that keep many Black residents from quality work opportunities, economic mobility and wealth building act as a brake on everyone's prosperity. Lower Black wages mean less purchasing power, reduced tax revenues and greater demand for social services. Everyone pays a price—and in Metro St. Louis that price is severe.

**Racism and racial segregation have also helped drive excessive economic decentralization in the metropolitan area.**
In 2010, just 13 percent of jobs in Metro St. Louis were located within 3 miles of the central business district, compared with 23 percent on average in the country's 100 largest metros. Meanwhile, fully 61 percent of metro jobs were more than ten miles away from the urban core,

compared to 40 percent among those same 100 metros. In a recent comparison of the proportion of jobs within 3 miles of the central business district in large and mid-sized U.S. metros, St. Louis ranked 31st out of 34. The contrast with the national average is stark: The City of St. Louis would have an additional 130,000 jobs in its greater downtown if it had same level of employment concentration as the average U.S. metro.

The weakness of the core has numerous negative repercussions for the metro economy. Decentralization continues to reinforce deep-seated historic patterns of economic and racial segregation across the metro. Over 280,000 residents and nearly 13,000 businesses are located in predominantly Black communities with poverty rates higher than 20 percent. The geography of concentrated Black poverty extends from the heart of the City of St. Louis to the northern half of the city and North St. Louis County and east of the river to Cahokia Heights and East St. Louis, with smaller pockets scattered throughout the metro (see map). The persistence of these patterns is a singular characteristic of the metro's growth and development over the past half-century.

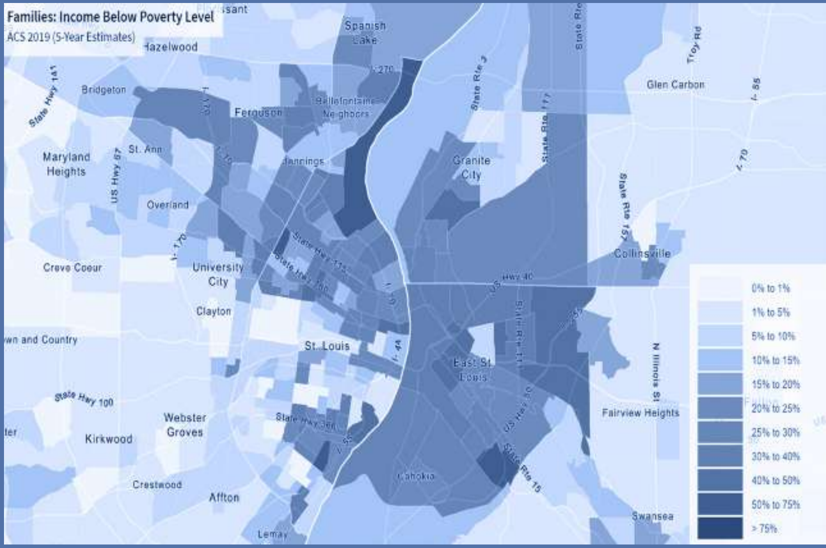
Major employers and innovation nodes in the metro are highly decentralized and disconnected as well. Of the metropolitan area's eight Fortune 500 companies, only one (Ameren) is based in the City of St. Louis. Emerson Electric is headquartered in North St. Louis County; Edward Jones, Post Holdings and RGA are in West St. Louis County; and Centene, Olin and Graybar Electric are in Clayton.

Other industry clusters are even less concentrated. Employers in aerospace, automotive and defense are spread across Lincoln, St. Louis and St. Charles Counties. The advanced manufacturing and production cluster is similarly dispersed. Likewise, important actors in advanced business services are scattered across the City of St. Louis and St. Louis and St. Charles Counties.

This low job density reflects the economic and demographic collapse of the city center. Racism has played a substantial role in distending and distorting the metropolitan geography, undermining tax revenue generation and property values within the central city (due to an overly diminished employment base), talent recruitment and innovation in companies (due

**THE ST. LOUIS METRO**

IS CHARACTERIZED BY EXTRAORDINARILY LARGE AREAS OF LOW-DENSITY, HIGH- POVERTY BLACK COMMUNITIES



to excessive corporate dispersion) and basic access to jobs, especially for low-wage and entry-level workers (given the spatial mismatch between where people live and where jobs are located as well as the lack of public transit options). The resulting situation causes the entire metro to suffer, with the worst harms faced by disinvested communities in the urban core.

**Significant talent deficiencies undermine industry growth and performance.**

Finding workers with the right skills is hit-or-miss in the St. Louis metro. The P-12 system performs very well in some parts of the metro but under-resourced and underperforming schools in other parts of the metro are ill-equipped to support student success, particularly when those students live in historically disadvantaged communities. Persistent weaknesses in P-12 education and unaddressed challenges such as poverty, lack of access to healthcare and nutritious food and the stresses of family care responsibilities effectively lock many students out of pathways into quality jobs.

Relentless competition for skilled workers has prompted many one-off relationships between industries, companies, postsecondary institutions and training providers in the region. These bilateral relationships contain a proven recipe for success: industry insight and close collaboration. Companies co-design courses and curriculum with educators and training providers so that workers acquire skills for jobs that are actually available. Work-based learning grounds training in real-world practice, with companies providing expertise and access to facilities and in certain circumstances even committing to hiring program graduates.

Despite these often effective workforce development partnerships, the metro lacks a structured ecosystem that brings together industry, high schools, training and support service providers, community colleges and universities. As a result, the metro has no systematic way to assess deficits in the workforce, ensure that sectoral concentrations and employer needs inform workforce development offerings or connect individual workers to in-demand occupations. The result: A fundamental mismatch between business demand and labor supply.

The absence of an integrated education and workforce ecosystem has serious implications for the metro economy. For example, the current shortage in IT workers endangers growth in advanced industries. The geospatial sector alone expects a 26 percent increase in demand for workers with skills in information systems. Three other sectors in the metro have well-above average need for software skills. Automotive rental and leasing (likely because of Enterprise Holdings headquarters activities) employs software tech workers at 43 times the national industry average; agricultural chemicals employ 37 times more; and aircraft and parts almost five times more. Demand is also high at hospitals, which account for 1,800 software tech positions in the metro.

This lack of coordination and inconsistent investment across the metro's education and training ecosystem have profoundly negative effects on those from disadvantaged communities who lack access to the supports they need to find and pursue a career path.

# FIVE ACTIONABLE STRATEGIES

These five strategies explain how the St. Louis metro can take the lead in inclusive economic growth by 2030. By working together and taking coordinated action on the suite of activities detailed below, the metro can fulfill its potential and secure the benefits of inclusive growth for all.

Achieving inclusive growth will require a collaborative ethos and a bias for action. Only cross-sector collaboration and deliberately inclusive approaches will suffice. The metro will need to adopt new ways of working that reject silos and fragmentation in favor of holistic perspectives and ecosystem-building.

Healthy stakeholder ecosystems value cooperation and learning together. These living networks appreciate complexity and understand that the challenges we face are interconnected. As a result, they favor approaches that leverage the power of deep collaboration.

They also recognize that a healthy economy must be environmentally sustainable. As such, many of the strategies below have implications for combatting the climate crisis. Greater density in the core will lead to shorter commutes and more public transit use, which in turn will lower carbon emissions. Investments in land reclamation will create greenspace and eliminate the environmental risks posed by vacant properties. Innovations in bioscience, geospatial and other sectors will inspire new products, companies and industries that can produce more environmentally sustainable outcomes.

These ecosystems also appreciate that inclusion and equity are impossible without intentional, ongoing work on the part of all involved. Truly inclusive growth requires deliberate attention to diversity, equity and inclusion across every facet of the economy. It must be grounded in an understanding of root causes, an openness to new approaches and a willingness to center the experiences of communities that have long been excluded from economy shaping in the metro.

The STL 2030 Jobs Plan does not include a strategy focused exclusively on diversity, equity and inclusion because these critical concerns should not be siloed from the rest of the work ahead. To secure inclusive growth, every strategy must prioritize diversity, equity and inclusion.

Throughout the solution design process, we employed a holistic perspective that paid careful attention to the interconnected nature of the St. Louis metro economy. The five strategies and the individual actions within each should not be viewed as a collection of standalone efforts—rather, they are a comprehensive suite of activities that mutually reinforce one another in order to maximize inclusive economic growth in the region.


## 1. Steward an Inclusive Economy

### Actions

- Organize for inclusive growth with leadership and stewardship from Greater St. Louis, Inc.
- Organize and leverage regional anchors and other employers through the STL Pledge
- Organize a Capacity to Act Initiative (CAI) to support implementation of the STL 2030 Jobs Plan

Metro St. Louis needs to organize for success and make inclusive economic growth a routine part of private-sector and civic leadership. Realizing the full potential of the STL 2030 Jobs Plan will require a collaborative ethos, flexible resources and a recognition that inclusion and equity are impossible without deliberate and continuous work on the part of all stakeholders. This is a new kind of 21st-century governance that harnesses the full energies of the public, private and civic sectors in order to drive growth, improve access to opportunity, support success and boost economic mobility.

Over the past several decades, many U.S. metros have adopted networked governance models to steer and steward their economies. The most successful communities have built multisectoral networks of public, private and civic institutions that together navigate complex challenges and work to advance inclusive, sustainable and innovative economic growth.

Indianapolis's progress over the past twenty years was made possible by the ability of the Central Indiana Corporate Partnership to drive a cluster strategy that included a sustained focus on bioscience with steadfast resolve. Likewise, the Pittsburgh comeback was orchestrated by the nonprofit Allegheny Conference on Community Development and a remarkable network of public authorities, philanthropies, universities and healthcare institutions. Similar strong networked governance success stories can be found in Cincinnati, Cleveland, Columbus, Denver, Minneapolis, Nashville and San Diego.

Each of these locales created ecosystems and networks that help the metro collaborate to compete. They recognized and leveraged their distinctive economic advantages—bioscience in Indianapolis, robotics in Pittsburgh—and figured out how to make the most of these assets. They used local civic and corporate wealth to help partner organizations develop the capacity, capital and community standing to deliver transformative change. They invested in research and development, workforce development, infrastructure, entrepreneurial support and other building blocks of successful economies. In short, they banded together to guide their economies with purpose and intent, using measures and metrics to set targets, gauge progress and nimbly adjust as market disruptions and new opportunities arise.

At the end of the day, implementation is everything. Done well, it builds trust and centers the experiences of the historically excluded in order to design and deliver initiatives that benefit disadvantaged communities. Done poorly, it can deepen longstanding divisions and leave disparities untouched.

Successful metros attend to the *what* of policy and practice (e.g., setting an agenda for action based on strong economic fundamentals), but they spend equal time and substantial resources figuring out *how* to deliver solutions in an effective manner. They acknowledge that traditional approaches to economic development have not produced inclusive outcomes. They learn from past mistakes and try again.

With the STL 2030 Jobs Plan as a starting point, the St. Louis metro now turns its focus to implementation. This process will bring its own set of challenges. Not everything will go to plan. Difficult conversations will be needed. Trust will be earned as missteps are made, acknowledged and corrected. But with diligent work, the prevailing culture of scarcity and fragmentation can be replaced by one of deep collaboration and deliberate inclusion.

Meeting this challenge will require thoughtful leadership, a commitment to inclusion and a new way of working. The three actions outlined below will provide a strong foundation on which to build.

**ACTION**

***Organize for inclusive growth with leadership and stewardship from Greater St. Louis, Inc.***

In October 2020, five private-sector, business-led organizations announced that they would come together to form a single flagship economic development entity—Greater St. Louis, Inc. The merger of AllianceSTL, Arch to Park, Civic Progress, Downtown STL, Inc. and the St. Louis Regional Chamber combines the strengths of all five to pursue a bold agenda focused on creating jobs, expanding equity and improving the metro's global competitiveness.

As a business-led intermediary, Greater St. Louis, Inc. will organize industry councils and work closely with other key stakeholders in the broader business community to catalyze inclusive growth and create opportunities for co-creation, trust-building, and shared implementation beyond the private sector. It will provide leadership and stewardship to keep stakeholders focused on the STL 2030 Jobs Plan's larger vision and goals. In a metro defined by its fragmentation, this organization will provide a new center of gravity for collaborative business and civic efforts to advance to inclusive economic development.

The organization will have principal responsibility for shepherding implementation of the STL 2030 Jobs Plan. It will:

- Steward the STL Pledge, organize the Capacity to Act Initiative and incubate other critical initiatives like Supply STL, spinning them out as they are mature

- Champion and coordinate with intermediary organizations, connecting them to the technical assistance, investments and opportunities they need to bring their services and programming to scale

- Engage organizations with community standing in order to understand the needs and priorities of communities served

- Educate corporate, civic and philanthropic leaders on the outsized value of preventive investment, patient capital, flexible funding, local knowledge, community standing and a holistic, systems-oriented perspective

- Build and maintain open lines of communication with the elected and public officials in each of the metro's 15 counties, working together regularly on economic development projects, public policy and other matters

- Have a bias toward action and regular evaluation to assess, refine, course-correct or discontinue initiatives as needed in order to improve outcomes and reduce disparities

## CENTRAL INDIANA CORPORATE PARTNERSHIP: ECONOMY-SHAPING POWERED BY NETWORKED GOVERNANCE

Indianapolis is largely recognized as the leading U.S. example of networked governance. The Central Indiana Corporate Partnership (CICP) was formed in 1999 to bring together the chief executives of Central Indiana's prominent corporations, foundations and universities (along with their entrepreneurial capacity and capital) in a strategic and collaborative effort dedicated to the region's continued prosperity and growth.

After intensive study, CICP decided to focus on Indianapolis's central strengths in life sciences rather than trying to "become the next Silicon Valley." They created BioCrossroads to steer hundreds of millions of private and civic resources towards recruiting talented researchers, building world-class centers of excellence, investing in STEM education in elementary and secondary schools, giving startup and scale-up companies access to risk capital and developing quality places. Over time, they expanded their focus to other competitive advantages including agriculture innovation, advanced manufacturing and logistics, energy technology and information technology.

CICP has brought structure to the practice of collaboration. It has 59 members: 50 corporate CEOs, three heads of philanthropies and the leaders of six universities. Members don't just meet to discuss—they convene to decide and deploy resources. Multi-sectoral collaboration is treated as a serious business that advances the broader prosperity of the city and metro. Meanwhile the mission and modus operandi of the organization ensures that members focus on long-term impact rather than the short-term imperatives of election cycles.

The cumulative effect of these efforts has been enormous. As of 2016, the state of Indiana's life sciences sector was a $63.3 billion industry, second only to California for life science exports in the United States. The industry is diverse, covering not only pharmaceutical and medical device companies but also agriculture, biotech research and testing services and biologistics.

Source: Bruce Katz and Jeremy Nowak, *The New Localism: How Cities Can Thrive in the Age of Populism* (2018).

**ACTION**

***Organize and leverage regional anchors and other employers through the STL Pledge***

Employers in the St. Louis metro have the power to drive inclusive economic activity in their communities by changing how they hire, buy, invest and locate their operations.

The STL Pledge, a signature effort of the STL 2030 Jobs Plan, will unlock this latent potential. Through this initiative, Greater St. Louis, Inc. will organize employers in the metro to buy local, hire local, invest local and/or locate a portion of new jobs created near key nodes and districts in the city's core.

By taking action to maximize their impact on the metro economy, anchors and other organizations will create a stronger, healthier, more vibrant place in which to grow their operations. Investing in the surrounding communities also will send a strong signal that these employers value the role that area residents and local small businesses play in the metro economy.

In time, these efforts will yield a reliable and diverse base of local vendors, a more inclusive and better skilled workforce, better places for people to work and greater employment density in the core.

The STL Pledge provides a clear foundation for implementation of the STL 2030 Jobs Plan. The various strategies outlined below hinge on employers signing on to the pledge and making deliberate decisions to prioritize large-scale inclusive economic impact.

- The Restore the Core strategy anticipates that STL Pledge members will locate a portion of new jobs created in the core of the city, where workers can take advantage of the synergistic effects of increased employment density.

- The Entrepreneurial Surge strategy provides a platform for small business and entrepreneurial success by connecting small business owners and would-be founders with reliable customers, active investors, creative co-innovators and capable mentors and advisors. Within this strategy, the Supply STL initiative puts the STL Pledge to work, using targeted procurement and vendor support activities to help local small businesses, and especially Black-, Brown- and/or woman-owned firms, secure anchor purchasing contracts and grow.

- The strategy to Become a Talent Engine and Magnet depends upon local employers establishing partnerships with education and workforce training, public-sector agencies, support services and community organizations to create training programs that put more people—particularly those from historically disadvantaged and underrepresented communities—on pathways into quality jobs in supportive, inclusive workplaces.

Some anchor institutions in the region have begun to take action along these lines. Individual corporations such as Ameren and Boeing and postsecondary institutions such as UMSL and WUSTL have developed strategies that use anchor purchasing power to support and grow the number of Black-, Brown- and/or woman-owned businesses in the region. Likewise, there are numerous examples of companies that have worked with specialized providers and higher educational institutions to build a diverse, highly skilled workforce, including the relationship between Ranken Technical College and companies such as Emerson and Enterprise Holdings, Boeing's successful efforts with St. Louis Community College and Square's ongoing support for LaunchCode. Major employers have also begun to invest in bringing greater diversity to the local entrepreneurial ecosystem through efforts like Greater St. Louis, Inc.'s Diverse Business Accelerator and UMSL's Diversity, Equity and Inclusion Accelerator supported by Ameren, Edward Jones and Evernorth.

At present, however, these efforts tend to be one-off commitments for discrete activities.

The STL Pledge adds all this up into a unified initiative. Ideally, employers that sign onto the STL Pledge will make specific commitments on purchasing, hiring, investment and location decisions. United under the STL Pledge umbrella, these commitments will bring the power of employers to bear on inclusive growth in the metro economy.

A key function of the STL Pledge is to encourage anchors and other employers to prioritize large-scale inclusive economic impact when making business decisions. The economy-shaping commitments that pledge members make—to buy local, hire local, invest local and/or locate a portion of new jobs near key nodes and districts in the heart of the City of St. Louis—will change behavior by affirming the value of investing in the people of Metro St. Louis. By taking deliberate steps to maximize their local impact, the metro's employers will help build a stronger, healthier, and more purpose-driven metro economy.

As STL Pledge members work together to determine the specific contours of their commitments, they should consider incorporating efforts to:

- Assess current procurement spend and employee demographics and set specific targets for hiring, purchasing, investment and location decisions
- Track metrics on hiring, purchasing, investment and location choices (disaggregated by race and gender and cross-tabulated to ensure that specific experiences of different groups can be seen in the resulting analytics). This info will be aggregated across all signatory institutions and reported annually to gauge progress and inform future action and investment.
- Take deliberate action to build and sustain corporate cultures that support worker success and are truly inclusive of those from historically underrepresented groups at every level of the organization
- Form employer consortia to understand common barriers to worker success (particularly for those from historically underrepresented groups) and devise solutions to overcome these challenges
- Work together to increase hiring, purchasing, investment and location decisions that benefit the metro's urban core
- Form an STL Pledge working group that engages senior leaders from member organizations and collaborates with other community stakeholders to strengthen the initiative

Greater St. Louis, Inc. will oversee the organization and performance of the STL Pledge.

Alongside these commitments, the STL Pledge will help member employers begin to act as a collective. The STL Pledge will create a community of practice for members to learn from each other, to lift up and expand regional efforts to increase opportunities for low-income residents and Black and Brown communities in St. Louis City and County.

This community of practice will play a vital role as employers begin the difficult but essential work of creating more diverse and inclusive workplaces. It will encourage collaborative problem-solving and peer learning rooted in a willingness to share missteps as well as successes. It will give employers a forum for learning about the root causes and widespread impact of racial disparities and working with organizations and individuals from historically underrepresented communities to chart a different path forward. The STL Pledge further aims to improve economic outcomes for households living in majority-Black neighborhoods with poverty rates above 20 percent in St. Louis City and County and East St. Louis.

Although primarily focused on anchors (given their outsized impact on the metro economy), the STL Pledge need not be confined to large employers. Small and medium-sized businesses can sign onto the pledge and make commitments with regard to buying local, hiring local, investing local and locating any future expansions in the core of the city.

The STL Pledge will set Metro St. Louis apart from all other U.S. cities and metropolitan areas. While other places have collective efforts focused on certain aspects of anchor activity (e.g., Chicago Anchors for a Strong Economy), to date no community has combined corporate, university and hospital commitments across multiple dimensions into a single framework to support an overarching inclusive growth plan.

**ACTION**
***Organize a Capacity to Act Initiative (CAI) to support critical elements of the STL 2030 Jobs Plan***

Although St. Louis is a wealthy, charitable metro, the region has been unable to harness this wealth for sustained, collective investment in critically needed economy-shaping activities. The Capacity to Act Initiative (CAI) will help remedy this deficiency by acting as a catalytic "development officer" for the plan. It will help organize, educate and connect private, public and philanthropic funders in support of the distinct but mutually reinforcing elements of the STL 2030 Jobs Plan.

CAI will build a stronger ecosystem for economy-shaping investments in the metro. It will act as the connector, not the aggregator, of capital by:

- Developing relationships with foundations, family offices, major corporations, public sector and other potential funders and raising awareness of the need for more inclusive financing options
- Seeking out investments with the greatest potential benefit for area residents
- Matching funding needs to available resources

In some cases, this funding will be market-oriented, investing in entrepreneurial activities that hold the promise of real market returns. The entrepreneurial and small business support strategies in particular will require traditional financial institutions and new investors to think differently about the terms, conditions and desired outcomes of the resources they provide. These growing local companies keep money in the community and create opportunities for wealth building in historically disadvantaged neighborhoods. Greater patience for return on investment will increase entrepreneurs' likelihood of success by giving new businesses time to find their footing.

In other cases, the funding will be philanthropic in nature, allocated through grants to increase the capacity of intermediaries tasked with delivering key strategies. The need for capacity-building investments is often overlooked, despite the fact that such investments typically produce the highest returns on investment for the entire community. As Greater St. Louis, Inc. builds its own capacity to drive long-term growth like other best-in-class, business-led intermediaries around the country, it will connect metro investors with intermediaries focused on economy-shaping activities.

In addition to helping intermediaries find funds, CAI can connect them to affordable back-office services, federal contract compliance expertise, mentorship and other supports needed for sustainable growth. The resulting CAI collaborative of local intermediaries will learn from and with each other, problem-solve together and coordinate activities.

Fortunately, Metro St. Louis already has a solid model for collective investing. The United Way of Greater St. Louis is widely regarded as one of the most effective and impactful in the nation. Its community investment model assesses the most pressing needs of the community and aligns funding decisions to help meet them. CAI can act in similar fashion, identifying available capital and using an evidence-driven process to connect funders with opportunities to invest in economy-shaping activities.

CAI will require close collaboration with other public, private and civic institutions, individual stakeholders and organizations with the potential capacity to expand the metro's ability to act. Given its longstanding expertise regarding investments in disadvantaged and disinvested communities, the United Way of Greater St. Louis should be a close partner on this effort in order to help benchmark and accelerate regional best practices.

## NEW ECONOMY INITIATIVE: EXPANDING INTERMEDIARY CAPACITY AND ENTREPRENEURSHIP

Launched in 2007, the New Economy Initiative (NEI) is a collaboration of major funders (including the Ford, Kresge, Hudson Webber and Skillman Foundations) in Southeast Michigan. A special initiative of the Community Foundation for Southeast Michigan, NEI works to develop an inclusive entrepreneurial ecosystem for funders, entrepreneurs and community advocates. In its study of the Southeast Michigan entrepreneurial ecosystem, NEI identified 232 unique entrepreneurial efforts operating throughout the region. Since 2007 NEI has awarded nearly 500 organizational grants, assisted over 12,000 companies and launched almost 3,000 companies. These companies employ more than 30,000 workers and leveraged more than $1.34 billion in capital.

In 2018 alone, over 200 new companies were launched and more than 2,500 enterprises received assistance. Sixty-eight percent of these companies were minority-led, 49 percent were woman-led and 17 percent were immigrant-led. Collectively, these companies employed over 5,600 people and have leveraged $141.1 million in capital.

Source: Community Foundation for Southeast Michigan, "The New Economy Initiative" (2020)

### *2. Restore the Core as the Vibrant Jobs and Cultural Center of the Metropolis*

## *Actions*

- **Finish the Brickline Greenway**
- **Launch a Neighborhood Transformation Initiative to regenerate historically disinvested Black neighborhoods in the City of St. Louis**
- **Invest in existing and emergent Innovation Districts to drive inclusive growth**

The weakness of the core of St. Louis is one of the central barriers to economic growth in the bi-state metro. Decades of depopulation and deliberate disinvestment reinforced racial segregation and concentrated poverty in predominantly Black communities in the city. Too many once-vibrant neighborhoods are now hollowed-out urban spaces where vacant buildings, overgrown lots, unreliable public services and high poverty rates are the norm.

The great tragedies of concentrated poverty are felt first and most deeply by those living in disinvested neighborhoods in the urban core. But concentrated poverty also depresses the economic performance and fiscal health of the city and undermines the ability of small businesses to grow and residents to find quality jobs and build wealth. Furthermore, it fundamentally limits the metro's ability to grow inclusively, with historically disinvested communities paying the highest price.

If the metro is to prosper, the core of the St. Louis metro must become a magnet for innovation, employment density and population growth.

The restructuring of the American economy over the past several decades has given center cities a renewed economic function and purpose. The rise of a knowledge-based economy has bestowed new importance on universities, medical research centers and other institutions of knowledge—many of which are located in the heart of urban communities.

The shift to an economy based on innovation increased the value and function of employment density, which makes it easier to share insights, stumble on new ideas and build connections with those nearby. The technologically sophisticated firms that drive domestic and global economic growth crave proximity—to dense pools of skilled workers, to specialized legal and financial services that often require face-to-face interaction, to institutions of higher learning, to modern infrastructure, to other companies and to quality urban places with the amenities that talented workers demand.

Urban centers are uniquely suited to these needs. These places have the physical "bones"—walkable streets and sidewalks, historic buildings, transit systems and other established infrastructure—that can accommodate a broad range of residential, commercial, retail, governmental and cultural activities.

A higher concentration of jobs in the core means more transit-accessible work opportunities for city residents, more commercial activity and more money circulating in the local economy.

Employment density within the core is also a key determinant of the fiscal health and stability of the city, which handles the provision of P-12 education and other public services.

The regeneration of the urban core is a prerequisite for inclusive growth, particularly in a place as racially segregated and economically decentralized as Metro St. Louis. Far from an unnatural solution, the Restore the Core strategy provides a way to begin to rectify an unnatural situation.

The Restore the Core strategy is literally meant to shock the market back to life by boosting employment density in the urban core. A good portion of jobs created inside city limits must be accessible to those living in historically disadvantaged neighborhoods in North St. Louis, north St. Louis County and East St. Louis. The actions proposed in the Talent strategy provide mechanisms for putting area residents on pathways into these jobs.

Restore the Core must be an all-encompassing strategy. There is no one philanthropic investment or corporate decision or public commitment that will bring back the core of St. Louis. Everyone must engage and everything must be on the table. It will require:

- Anchor institutions to expand their presence and maximize their commercial impact in the service of inclusive economic growth
- Major employers outside the core to consider locating a portion of new jobs in the city
- A scaling-up of small businesses, particularly those owned by Black and Brown residents of the core, bringing new energy to the streets and confidence to residents, consumers, lenders and investors

- Smart execution of transformative placemaking and placekeeping initiatives like the Brickline Greenway described below

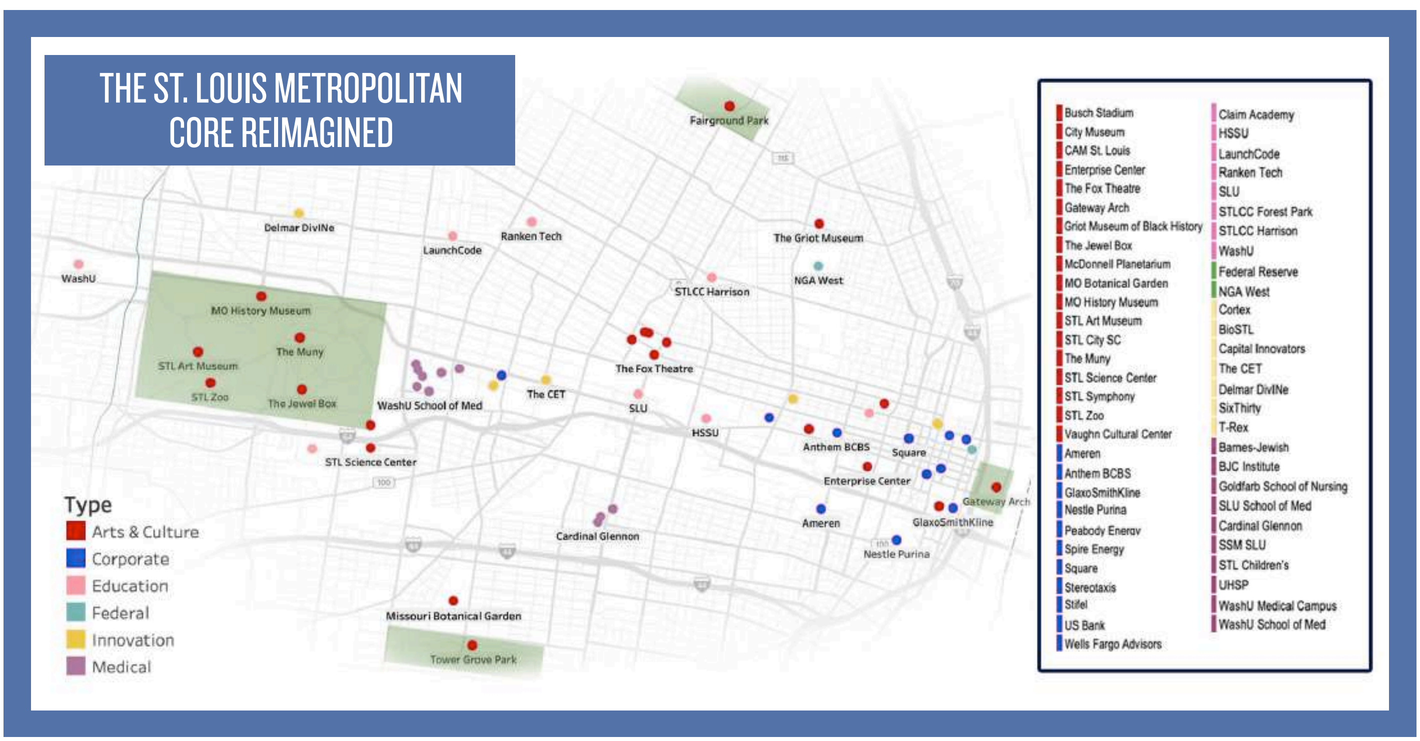
Any effort to Restore the Core must build on the recently released Design Downtown STL plan, which affirms the outsized role that central business districts can play in the regional economy. The plan envisions downtown St. Louis as a vibrant and diverse walkable community and offers concrete plans for achieving that vision. It calls for an expansion of entrepreneurship, construction of affordable housing and investment in public transit infrastructure, greenspace and cultural amenities.

The Restore the Core strategy also calls for a reevaluation and a reimagining of the heart of St. Louis. The central business district or even Greater Downtown seems too limiting. The Cortex Innovation Community clearly must be included. As a proven model for regeneration and equitable job creation, Cortex has produced some of the greatest in-migration of business activities and attraction of net new jobs from outside the region—all with a strong entrepreneurial ecosystem that is generating new homegrown companies.

As the map below demonstrates, the urban core is the site of many historic and new assets. The reimagined core extends from Downtown St. Louis, westward to Forest Park and from the Saint Louis University School of Medicine northward to Delmar Divine, Ranken Technical College, Next NGA West and Fairground Park. This diversity and density of economic assets—along with the inherent value and potential of long-time residents of this geography—argue for an expansion of everyone's mental map of the urban core.

This new core geography encompasses an impressive collection of anchor universities and colleges (e.g., HSSU, Ranken Technical College, SLU, St. Louis Community College [STLCC], WUSTL), museums and cultural destinations (e.g., Fairground Park, Gateway Arch National Park, Grand Center Arts District, Missouri

THE ST. LOUIS METROPOLITAN CORE REIMAGINED



Botanical Garden, St. Louis Symphony, Union Station) and sports venues (e.g., Busch Stadium, Enterprise Center). Forest Park alone is replete with world-class institutions and venues.

Arts and culture have been vital assets throughout the city's history. They are foundational to the city's identity and key components of its reputation nationally and internationally. This reimagining of the core geography recognizes the value that arts and culture bring to the community and, by extension, the metro economy.

Restore the Core also leverages signature planning and development efforts already underway. In addition to Design Downtown STL, these include a fintech innovation district in and around the old St. Louis Post-Dispatch Building and the construction of the Next NGA West facility north of downtown, a new Major League Soccer stadium near Union Station and the City Foundry STL complex in Midtown. It also includes important neighborhood-level projects, including the Delmar Divine, 4theVILLE, McCormack Baron's Preservation Square and the Urban League's Community Resource Center in the Martin Luther King Shopping Plaza.

This strategy was designed with an eye toward enhancing the impact of the other strategies in the STL 2030 Jobs Plan. Many of the specific actions described below will take physical form in the core of the city. Whether by providing a reliable and steady customer base for the growth of local enterprises (Supply STL) or by constructing new centers of excellence around which jobs will grow (Advanced Manufacturing Innovation Center), the reimagined core represents an important geography for economy-shaping activity.

The STL Pledge has direct implications for the Restore the Core strategy. As employers commit to locating new jobs in the core, the resulting increase in the number of workers in the heart of the city will help fill a vacuum created by decades of economic decentralization and job sprawl. These relocation decisions will not be acts of philanthropy but rather a recognition of the value proposition that urban employment density holds for the ability of companies to recruit talent, innovate more rapidly and stay competitive.

Yet all these efforts, as dramatic and imaginative as they are, will not be sufficient to realize the audacious goal that the STL 2030 Jobs Plan sets. Generations of radical depopulation and deindustrialization have opened up large portions of the city for reimagination and reuse. Today, the city needs a new physical platform for large-scale regeneration.

Land and real estate must become a positive rather than a negative. The St. Louis Vacancy Collaborative offers one model for action on this front. This group brings together stakeholders from the community as well as the private, public and nonprofit sectors to collaborate on efforts to reduce vacant property inside city limits. The Collaborative prioritizes equitable decision-making, holistic approaches and community-centered solutions.

In addition, the city will need substantial investments of patient capital to build stronger, more capable intermediaries with community standing as well as a mix of philanthropic, public and market capital to propel the transformational redevelopment of large areas. Although the $190 million Equity Fund launched by Arch to Park provides a good start, additional investment will be needed.

One challenge to address early involves the provision of gap funding. In areas with severely deteriorated property values, it can be difficult to get a loan large enough to cover the cost of repairs and rehabbing. Gap funding bridges the distance between what a bank might be willing to lend and the full amount required. A sizable pool of gap funding from the philanthropic community will be needed to help distressed neighborhoods in the core recover from a lengthy history of disinvestment.

An integrated set of quality-of-place strategies grounded in community needs can become a substantial driver of inclusive growth. To that end, we recommend three signature and synergistic strategies.

**ACTION**
***Finish the Brickline Greenway***

Accelerating the build-out of the Brickline Greenway will bring one of the most ambitious and inclusive placemaking efforts in the country to fruition. Inclusion of this initiative in the STL 2030 Jobs Plan underscores its relevance to the plan's broader aims of neighborhood revitalization, placekeeping, job creation and small business growth. It will be vitally important to raise capital for this exceptional project (at least in part through federal infrastructure investments) and seek out opportunities for enhancing the public benefits of the project through local hiring, value capture and other innovative mechanisms that keep value created in the surrounding communities.

Over the past 20 years, a growing number of cities have transformed underutilized infrastructure into new urban landscapes. From New York City's High Line and Atlanta's Belt Line to the Seattle Waterfront and the Dequindre Cut in Detroit, these projects have redefined what a 21st-century park can be. These hybrid spaces are public squares, open-air museums, botanical gardens, walkways, transit corridors and more.

The best of these efforts engage in placekeeping as well as placemaking in order to highlight the cultural identity of surrounding neighborhoods. Placekeeping is especially important in parts of the city damaged by urban renewal interventions decades ago because it provides a way to preserve the history of these spaces and recognize the communities that helped build the metro.

The $245 million Brickline Greenway project proposes up to 20 miles of greenway connections through 17 neighborhoods in the core of the city, many of which are historically disinvested and disadvantaged. The completed project will connect the city's four major parks, creating easily accessible greenspace corridors that run from Forest Park east to Gateway Arch Park and from Tower Grove Park north to Fairground Park.

Situating Fairground Park as the northernmost point of the Brickline Greenway represents an important first step toward acknowledging and addressing a particularly traumatic moment in the city's history. Fairground Park was established in the early 1900s and was the site of the city's first public swimming pool. Long a whites-only space, the city parks department integrated the pool in June 1949 in response to the persistent petitions of Black city residents. Fierce backlash from racist white residents ensued. Black children who played at the pool that first day found themselves forced to run a gauntlet of irate white protestors in order to get home. By evening thousands of angry white St. Louisans had descended on the neighborhoods around the park, violently attacking any Black St. Louisans they happened to encounter. Some 400 police officers spent hours containing the riot and the mayor closed the pool for the summer the following day. White residents boycotted the pool when it reopened in 1951 and five years later, the Parks Department filled the pool with concrete.

Working with residents, organizations with community standing and other partners, the Brickline Greenway will connect Fairground, Tower Grove, Gateway Arch and Forest Parks to Great Rivers Greenway, a 128-mile network of trails and outdoor space that connects neighborhoods throughout the region.


## BRICKLINE GREENWAY PROJECT

The Brickline Greenway project proposes up to 20 miles of greenway, connecting 17 neighborhoods in the core of the city.

The Brickline Greenway will strengthen St. Louis's reputation as a city of parks. These 20 miles of new urban greenway are intended to transcend racial divisions and build new connections among the city's diverse communities, resources and amenities. Once complete, the Brickline will become a part of the fabric of everyday life in the city. It will increase residents' access to greenspace and provide new ways to commute to schools, jobs and daily activities.

At its core, the Brickline Greenway is an investment in neighborhoods long neglected and the St. Louisans who call them home. It provides a way to begin address the severe imbalance in resources spent to improve quality of life for the predominantly Black communities of North St. Louis. Ultimately this innovative land reuse effort and the destination greenspace it creates will belong to residents living nearby.

The success of the Brickline Greenway will hinge on the inclusion of area residents throughout the development process. The project's track record to date has been highly encouraging. From its inception, community engagement has been at the center of the design process. Listening sessions, pop-up events, neighborhood canvassing, outreach to businesses and digital surveys let Great Rivers Greenway connect with more than 2,000 St. Louisans before any real planning for the Brickline began. A Community Advisory Committee (CAC) of neighborhood residents and community leaders provided community representation and local insight. The CAC also helped formulate community goals to inform and assess potential designs.

After an extensive design competition process that invited submissions from throughout the world, a steering committee and working groups were formed to support the selected design team and guide the planning process. These 125 volunteers hail from 17 different neighborhoods and reflect the diverse demographics of the city. They include representatives from civic and community organizations, public-sector officials, real estate developers, economic development practitioners and industry leaders. Four working groups each focus on a specific priority concern: design, development and construction; economic development; equity and governance. In addition, an Artists of Color Council organized to support the selected design team in identifying opportunities for art along the greenway that reinforce each neighborhood's unique history, culture and character while strengthening residents' sense of identity and belonging.

Community engagement will continue to be a driving force as the project progresses.

However, inclusive community participation processes do not always lead to inclusive outcomes. In too many cases, major investments in public greenspace have accelerated gentrification, alienating long-time residents and increasing turnover and displacement. Every effort must be made to avoid this eventuality and make the Brickline a best-in-class example of community wealth building.

Keeping generated wealth in the community will require a variety of value capture mechanisms. Construction of the Brickline must prioritize contracting with locally owned small businesses that are owned by Black and Brown St. Louisans. These contracts may need to be subdivided to create opportunities for smaller vendors that lack the capacity to take on the entire contract. Likewise, hiring should preference area residents.

New legal structures, financial products and governance arrangements will also be needed so that long-time homeowners, renters, workers and entrepreneurs in the surrounding neighborhoods benefit from the value creation that naturally occurs when disinvested communities gain a foothold in the mainstream economy. Community land trust models can be used to ensure that value created by the Brickline Greenway project is captured and reinvested in the community in ways that reflect the needs and priorities of local residents (e.g. for construction of truly affordable housing). Likewise, well-designed community partnerships can structure projects so that community concerns and needs are met.

The Brickline Greenway offers a targeted geography for organizing follow-on investments in adjacent communities. With guidance and programming from intermediary organizations in the community, the surrounding neighborhoods can, for example, work to revitalize key business districts and street corners or invest in placekeeping projects.

Existing organizations with cultural competency and community standing will be essential to this work, some of which may need additional resources and technical assistance to meet increased demand. Investing in these intermediaries not only improves their capacity to act now and in the future but also allows for coordinated action at scale, collaborative problem-solving and community voice. Capacity for universal design—creating spaces that can be enjoyed regardless of age or physical ability—that is grounded in local history and knowledge will be critical in order to ensure that the Brickline is accessible to all.

## KENSINGTON CORRIDOR TRUST: LEVERAGING NEIGHBORHOOD TRUSTS TO BENEFIT UNDERSERVED COMMUNITIES

Shift Capital is a social impact real estate firm working to provide needed investment in under-served urban neighborhoods while producing attractive returns for investors. The firm purchased former industrial spaces in Philadelphia's North Kensington neighborhood and remade them as outposts for maker firms and creative entrepreneurs. With seed funding from the Ford Foundation, the firm is now seeking to purchase a substantial portion of the Kensington commercial corridor in order to test the proposition of a Neighborhood Trust.

Neighborhood trusts source investable projects and support entrepreneurs on a continuous basis, using cooperative financial structures so that land value appreciation benefits the many rather than the few. Through this approach, Shift Capital is working to ensure that the value created by its investments is captured and deployed by the community for the community.

Source: Bruce Katz, "Why Shift Capital May Be Just What Kensington Needs" (2019)

**ACTION**

***Launch a Neighborhood Transformation Initiative to regenerate historically disinvested Black neighborhoods in the City of St. Louis***

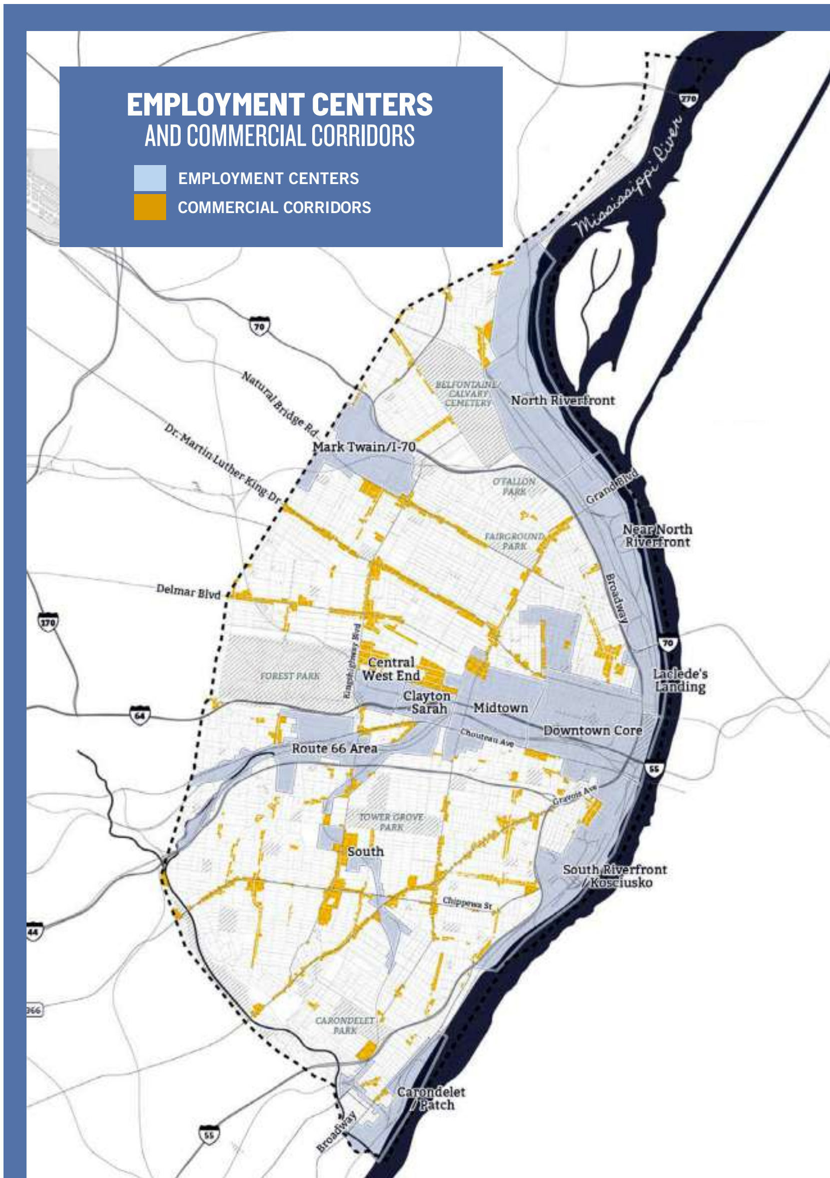
A Neighborhood Transformation Initiative in the urban core will supercharge the regeneration of historically Black neighborhoods that have been subjected to disinvestment and "benign neglect" for decades.

As urbanist Jane Jacobs observed some 60 years ago, the co-location and concentration of economic and social activities within a neighborhood creates a synergistic effect that strengthens local economies. Her Street Corner Thesis maintained that revitalized street corners and commercial corridors create entrepreneurship opportunities and quality jobs for local residents, giving rise to business growth, employment and community wealth building. Neighborhood storefronts offer more jobs per square foot than big box stores and provide a mechanism for keeping the money that residents earn and spend in their community, where it can have the greatest positive impact. Furthermore, creating a dense ecosystem of locally owned businesses helps weed out unscrupulous firms that prey on low-income communities.

Jacobs argued (and history has shown) that a dense ecosystem of businesses, properties and residences—mixed-income, mixed-purpose and mixed-use—at vital intersections and along historic business corridors can act as an engine of economic rejuvenation in disinvested communities. Strategically located and intentionally developed street corners and commercial corridors concentrate locally owned small businesses, startup companies, health clinics, community amenities and housing, boosting the quality of life for area residents in the process.

The Neighborhood Transformation Initiative will bring the Street Corner Thesis to the heart of St. Louis. This multi-faceted effort will leverage local knowledge, capital and technical assistance to improve the quality of life and economic health of historically disinvested Black neighborhoods north of the Delmar divide.

The City of St. Louis has dozens of street corners and neighborhood business districts with the potential to be reanimated and re-energized. The Neighborhood Transformation Initiative will catalyze this regeneration and further restore the core, to the benefit of the entire metro.




Source: 2020 Vision: An Equitable Economic Development Framework for St. Louis

The Detroit Strategic Neighborhood Fund (SNF) offers a strong model on which to build. SNF pools funds from public and philanthropic sources to drive regeneration in disinvested communities. A pilot focused on three neighborhood business districts in the northern part of the City of St. Louis could weave together a range of needed activities, including improving streetscapes and walkability, kickstarting local businesses, placekeeping and constructing affordable housing for long-time residents.

A collaborative design process could center the needs and priorities of those who live in the community and invite participation from a wide range of stakeholders, including neighborhood residents and small business owners, city officials, developers, community development financial institutions (CDFIs) and intermediaries. Ultimately this process will produce a well-resourced plan that brings out neighborhoods' core identities and highlights the actions needed to live up to their potential.

## DETROIT STRATEGIC NEIGHBORHOOD FUND: A FOCUSED APPROACH TO NEIGHBORHOOD TRANSFORMATION

The Detroit Strategic Neighborhood Fund (SNF) combines philanthropic contributions and public subsidies to improve historically disinvested neighborhoods in Detroit. It is managed by a CDFI, Invest Detroit, which also takes the lead on fundraising.

In 2016, the fund raised $42 million for investment in three neighborhoods. Taking an eight-to-twelve block microdistrict within each neighborhood as its focus, SNF provided gap-financing for development projects. So far, funding for the three neighborhoods has been used for tax credits toward affordable housing in the Islandview-Greater Villages area and kickstarting the Fitzgerald neighborhood project, which includes renovation of several homes owned by the Detroit Land Bank Authority and a new greenway that runs through the neighborhood.

In 2018, the Strategic Neighborhood Fund raised $130 million for investment in seven additional neighborhoods. Funders include a wide range of public and philanthropic funders (notably the CDFI Fund and JPMorgan Chase). Models like SNF also offer a solid framework for making the most of any federal investments that become available.

Source: Aaron Foley, "$130M in Investments Coming to Seven Detroit Neighborhoods" (n.d.)

Area intermediaries will play the lead role in the ecosystem of support and technical assistance needed to make community-led neighborhood transformation a reality. To be truly effective, these organizations will need to adopt new ways of working. Instead of siloed entities focused on a few federal programs and funding streams, intermediaries will need to become more collaborative and interdisciplinary. Above all, intermediaries will need the capital, capacity and community standing to bring neighborhood rejuvenation from initial concept development to fruition. Support for intermediary capacity-building—whether through CAI or via other channels—represents an investment in the city's future. Greater St. Louis, Inc. can convene, amplify and improve connections to resources for these efforts.

The revitalization of Main Street businesses in distressed neighborhoods and the production of affordable homeownership opportunities at scale will remain out of reach without capital that is fit to purpose. Deteriorated property values make conventional financing approaches impossible because the level of investment needed far exceeds the dollar amount that can be secured through a traditional bank loan.

Invest STL, the St. Louis CDFI Coalition and other financial support organizations will need to build sufficient capacity to provide gap funding and other financial products tailored to local needs. Community intermediaries will play a key role, using patient capital to drive inclusive development and the activation and management of quality places at scale.

## CINCINNATI CENTER CITY DEVELOPMENT CORPORATION (3CDC): ADVANCING REVITALIZATION WITH PATIENT CAPITAL

3CDC is a private, nonprofit real-estate development and finance organization focused on strategically developing Cincinnati's downtown urban core in partnership with the City of Cincinnati and the Cincinnati corporate community.

Over the past 15 years, 3CDC has driven a profound physical transformation of a 110-square-block area of Cincinnati's Over-the-Rhine neighborhood. With a total investment of $1.4 billion, 3CDC has restored 166 buildings and 14 acres of civic space and enabled a dramatic increase in quality affordable housing and housing for the homeless.

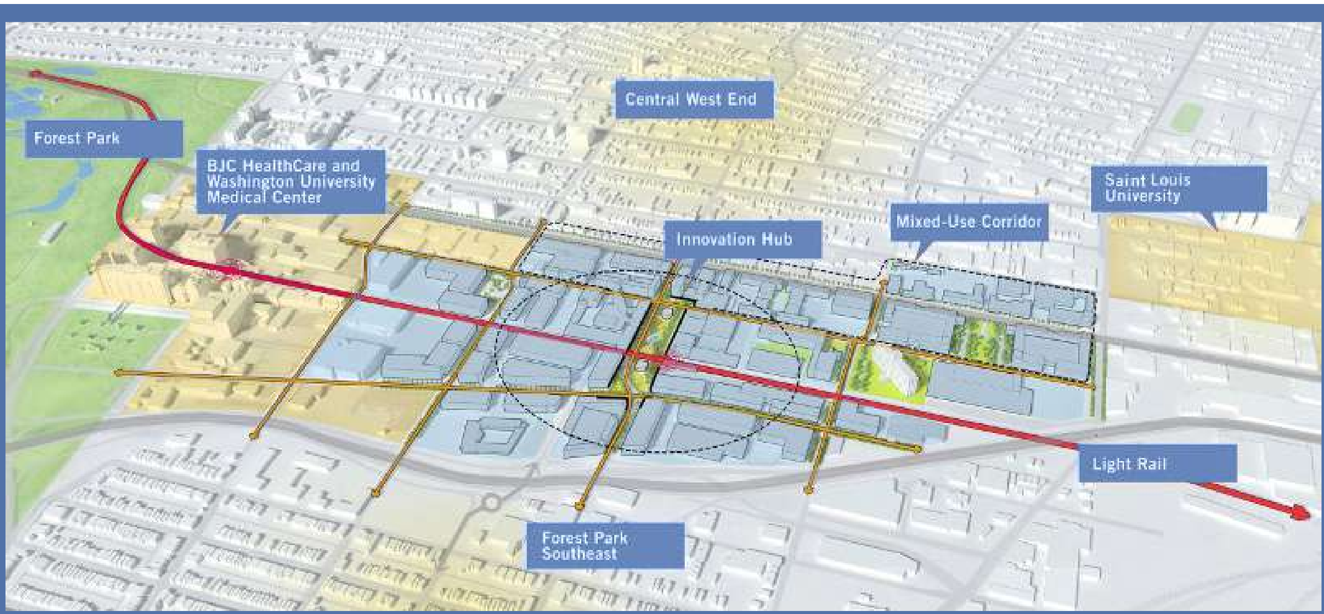
3CDC has achieved success using an innovative finance model that organizes and imaginatively deploys public, private and civic capital. The corporation has leveraged substantial patient capital contributions from Cincinnati corporate partners with conventional bank loans, public funding and additional private, market-oriented investment to complete large-scale redevelopment projects.

Source: Bruce Katz, Karen Black, and Luise Noring, "Cincinnati's Over-The-Rhine" (2019)

**ACTION**
***Invest in existing and emergent Innovation Districts to drive inclusive growth***

In the United States and beyond, innovation districts represent a vital component of the 21st-century economic geography. These relatively compact areas co-locate research institutions, mature companies, startups, workforce training and education, incubators, accelerators and amenities in a dense urban environment. They run counter to the geographic decentralization seen in Metro St. Louis and elsewhere in the U.S. Innovation districts offer possibilities for progress on a wide range of issues, including urban regeneration, company formation, research commercialization, talent development and community investment and engagement. They boost quality job creation in innovation-intensive industries and a whole host of other sectors, ranging from construction to restaurants, bars and coffee shops.

The City of St. Louis is a global leader in the creation and stewardship of innovation districts. The Cortex Innovation Community is internationally recognized for its collaborative governance model, its proven impact on startups and firm attraction and its evolving strengths in next-generation technologies such as agtech. In addition, an innovation hub for tech startups in general and geospatial firms has taken hold downtown and Square's acquisition of the old St. Louis Post-Dispatch **Building** is planting seeds for a fintech innovation district nearby.




## THE CORTEX INNOVATION COMMUNITY

A number of strategies and actions in the STL 2030 Jobs Plan support the growth of healthy innovation districts in the city as well as the broader metro.

- The industry-led workforce collaboratives proposed in the Talent strategy will build pathways into quality jobs in these districts and work with support services, community organizations and other intermediaries to put opportunities within reach for long-time residents.
- The Make the St. Louis Metro a Hub for Next-Generation Industries and Technologies strategy calls for expanded investment in the bioscience sector and support for emergent next-generation industries such as agtech and geospatial. It also includes investment in improved public transit and digital access in the city so that quality jobs in these districts are accessible to those living in other parts of the city

Efforts to attract a diverse range of skilled workers to the city also hold promise for innovation district growth. The disruptions wrought by COVID-19 have prompted a sharp increase in remote work that is pushing some to reconsider why they live where they live. An attraction strategy is one way the metro can capitalize on this shift in work patterns. Individuals who value being part of a community that is actively committed to equitable revitalization may find the City of St. Louis especially compelling. One possibility: provide cash incentives for talented workers living elsewhere to move to the city, with the requirement that they reside in an innovation district for a certain period of time after they arrive.

## TULSA REMOTE: PROVIDING INCENTIVES FOR SKILLED WORKERS TO MAKE THE MOVE

Tulsa Remote is a unique recruitment initiative aimed at attracting talented individuals to Tulsa. The highly competitive program, funded by the George Kaiser Foundation, invites remote workers and digital nomads into the community with $10,000 grants and numerous community-building opportunities to ease the adjustment process. The City of Tulsa and other community organizations lend support to ensure program participants are fully immersed and engaged in the community. 36 Degrees North, a dynamic coworking space in Downtown Tulsa, provides a centralized hub where Tulsa Remote transplants can work and collaborate with others. Community-building programming, events and meetups help the transplants engage with local civic organizations, nonprofits and other individuals working to make Tulsa the best it can be.

Source: George Kaiser Family Foundation, “Tulsa Remote” (2020)

### *3. Build a World-Class Ecosystem for Small Businesses and Entrepreneurs*

## *Actions*

- **Embark on an Entrepreneurial Surge to increase the number and strength of locally owned businesses**
- **Establish a Supply STL initiative to leverage the inclusive growth potential of anchor institutions**
- **Build a Small Business Support Collaborative to support the formation and expansion of Black-, Brown- and/or woman-owned small businesses**
- **Launch a Main Street STL effort to accelerate the revival of neighborhood business districts throughout the metro area**

Over the next decade, Metro St. Louis will build and steward the nation's strongest and most innovative ecosystem for small businesses and entrepreneurs. The metro needs to take what it has built in the bioscience and technology startup space to the next level and set audacious goals for company formation, quality job creation, revenue growth and investment secured. At the same time, the region needs to become a recognized national leader on growing successful businesses owned by Black and Brown people across a variety of sectors.

Many metropolitan economic plans focus almost exclusively on promoting growth in advanced industries. These plans rely on the wage premium often associated with these sectors to lead to more broadly shared prosperity. But small businesses represent the vast majority of Metro St. Louis firms and employ almost half of the metro workforce. They are key players in industries ranging from retail to healthcare to construction. They form the backbone of civic and community life and represent a tested path to economic mobility and wealth building, particularly for Black and Brown communities as well as people with disabilities. Meanwhile, tech startups push larger companies and clusters to innovate and recruit talent, both of which can lead to meaningful job creation and new opportunities for entrepreneurship.

Main Street businesses that serve local consumers and anchors, new startups that deploy advanced technologies, new enterprises that commercialize research emerging from universities and institutes—though these enterprises seem radically different, they are in fact *all limbs of the same tree*. Incredibly, this perspective is uncommon in the U.S., which defines innovation narrowly and tends to overvalue a small set of tech firms to the detriment of everything else.

By nurturing entrepreneurial activity across all three domains, the metro can bolster inclusive economic growth and differentiate itself with its more expansive vision of what counts as a startup.

The overarching objective of this strategy is to create a world-class ecosystem for small businesses and entrepreneurs that gives business owners ready access to information, customers, services, capital and quality locations regardless of sector. The metro will achieve this by:

- Using anchor institution purchasing power to grow the number and size of local vendors, with emphasis on Black-, Brown- and/or woman-owned businesses
- Recognizing that barriers to entrepreneurship and business ownership vary by race and gender, with a disproportionately negative impact on women of color

- Identifying, nurturing, mentoring and assisting firms at every stage of growth and improving their access to financial resources, technical assistance, expertise and other vital supports

- Unlocking quality capital (both debt and equity) that is fit to purpose and aligned with the needs of small businesses in different sectors and stages of growth

- Managing and marketing neighborhood business districts and commercial corridors where small businesses co-locate

- Building the capacity to maintain real-time information on the number, size, sector, owner demographics and median wage of small businesses in general and Black-, Brown- and/or woman-owned businesses in particular

**ACTION**
***Embark on an Entrepreneurial Surge to increase the number and strength of locally owned businesses***

The STL 2030 Jobs Plan sees entrepreneurship as a critical engine of inclusive growth rather than a separate part of the economy. An Entrepreneurial Surge invests in this notion by supporting growth across a broad continuum of Metro St. Louis enterprises and entrepreneurs in need of nurturing and support.

This initiative will build on the ample progress made in recent years in bioscience and tech. The actions detailed in Quadruple Down on Bioscience below will also help expand intermediary capacity for the Entrepreneurial Surge.

The Surge reflects a broader commitment to “increase the pie” of available capital in the metro by providing mechanisms for a wide range of residents, corporations, financial institutions, philanthropies and anchor institutions to make significant investments in local startups. This action will leverage the region’s strengths in advanced business services to pioneer new financial products and business models capable of meeting the needs of a diverse range of entrepreneurs in the metro.

Imagine if asset managers could offer clients a St. Louis Option that invested in the broad continuum of enterprises started and scaled in the St. Louis metro. Asset managers (e.g., family offices, philanthropies, corporations) could offer clients opportunities for early-stage investing in proven intermediaries like Arch Grants and BioGenerator. They could also offer opportunities for investments through niche angel investing groups and funds that are testing new financial products such as revenue-based financing and profit sharing in order to bring historically underrepresented and under-resourced founders into the startup space. Investors could also have the option of investing in capacity-building for key entrepreneurial support organizations.

The St. Louis Option builds on lessons from the Environmental, Social and Governance (ESG) movement, a global effort to boost socially responsible investing. This new approach to financing local economy-shaping action could make the St. Louis metro a front-runner in next-generation entrepreneurial investment.

But startup success requires more than just capital. Timely information, technical assistance, reliable customers, customized business advice and quality locations are essential for growing a prosperous business. Fortunately, anchor institutions can help with these needed supports. The Entrepreneurial Surge aims to leverage the full range of anchors’ economy-shaping capabilities—procurement policies, talent recruitment, internal practices, senior leadership and expertise—in the service of entrepreneurial growth.

A significant feature of the Entrepreneurial Surge will be the substantial time, attention and resources dedicated to growing the number and size of Black- and Brown-owned businesses in high-wage sectors of the economy. Targeted support for Black and Brown entrepreneurs will help reduce racial disparities in income and wealth and provide a much-needed boost to the metro economy. The potential benefits include:

- **Wealth building.** According to the Association for Enterprise Opportunity (AEO), Black business owners have 12 times more wealth than Black non-business owners. Furthermore, the wealth gap between whites and Blacks decreases from a factor of 13 to a factor of three when comparing the median wealth of white and Black business owners (versus white and Black adults in general).

- **More jobs and higher GDP.** AEO also found that if just 15 percent of Black-led businesses hired an additional employee, the result would be 380,000 new jobs and approximately $33 billion for the economy.

Regular assessment on quantitative and qualitative metrics will provide the information needed to track progress and course-correct plans as needed. A new Small Business STL Scorecard would give Metro St. Louis the timely and relevant information it needs to set reasonable targets for recovery, measure progress at regular intervals, identify challenges and develop solutions tailored to specific needs. Data must be disaggregated by race and gender and cross-tabulated to ensure that specific experiences of different groups can be seen in the resulting analytics.

Before such evaluations can take place, however, new mechanisms for local data collection and analysis will be needed. The COVID-19 pandemic has laid bare the structural deficiencies of public small business data collection. Unlike many other aspects of the economy, researchers can only assemble a limited snapshot of the successes and difficulties facing American small businesses.

Data collection on small businesses in the United States is spread across numerous federal agencies, including the Bureau of Labor Statistics, U.S. Census Bureau, Federal Reserve, Small Business Administration and U.S. Department of Agriculture, among others. Collectively, these agencies gather information on owner demographics, employment numbers, revenues, financing, firm size and payroll at varying levels of geography. But these data are siloed, making thorough quantitative research that much more difficult. Significant irregularities in small business data collected via the U.S. Census Annual Business Survey program in recent years further complicate the situation.

The full extent of the pandemic's economic damage to small businesses remains poorly understood because needed data simply do not exist. Critical information on small businesses is not available at the census-tract, zip code, city or even county level, making detailed, site-specific assessments impossible. The situation is no better at the federal level. The most recent datasets available from the Census Annual Business Survey date to 2018. While these data are useful for identifying historical trends, they are ill-suited to understanding the current moment.

Given these shortcomings, the metro should devise a bottom-up approach to data collection and analysis in close collaboration with the St. Louis Federal Reserve Bank (home of the national FRED economic database). This effort could start by assessing the number, size and sector representation of Black- and Brown-owned businesses as well as companies owned by those from other historically underrepresented groups in the metro in order to determine a baseline for goal-setting, evidence-driven strategy design and continuous improvement.

**ACTION**
***Establish a Supply STL initiative to leverage the inclusive growth potential of anchor institutions***

The Supply STL initiative will channel the local purchasing power of large companies, universities, hospitals, utilities and government agencies for the purpose of growing locally owned small businesses and advancing supplier diversity in the St. Louis metro.

Anchor corporations and institutions have long been recognized as potential catalysts for economic development (see, for example, the attention to anchors in Michael Porter's Initiative for a Competitive Inner City and Democracy Collaborative's Anchor Mission Playbook). In Metro St. Louis, Ameren and other corporations have pursued supplier diversity efforts on their own for years. In recent years, anchor institution procurement has moved beyond its traditional focus on construction to include organization-wide purchasing needs.

A number of metros have come to see value in helping anchors collaborate on economy-shaping efforts. Local initiatives have sprung up to help regional anchors cooperate, identify shared needs and devise collaborative solutions. These initiatives are exemplified by Chicago Anchors for a Strong Economy (CASE). Housed at World Business Chicago, CASE matches anchor institutions to local vendors. It solicits local small and medium-sized businesses to join the anchor procurement ecosystem, using an online matchmaking platform called SCALE to connect vendors and anchors based on contracting opportunities and vendor capacity. Other promising examples include the Baltimore Integration Partnership (BIP) and BLocal and Philadelphia Anchors for Growth and Equity (PAGE).

The Supply STL initiative will adopt a similar approach. Building on foundational work led by UMSL, a newly created Supply STL intermediary housed in Greater St. Louis, Inc. will champion this effort.

Four key activities will structure this initiative:

- Data collection and assessment
- Shared goal-setting
- Internal procurement policy and process redesign
- Collaborative efforts to increase supplier diversity

The Supply STL intermediary could support all four activities. With a staff of 3-4 FTEs, it could handle day-to-day operations and ensure communication and coordination among member anchors.

Supply STL's first task will be to conduct an initial assessment of anchor purchasing demand as well as current procurement policies and practices. This information will provide a clearer picture of the situation on the ground while surfacing pain points to address and opportunities to explore. Detailed information on current vendor demographics will provide a baseline on racial and gender disparities in firm ownership and other factors that impede inclusive growth. Meanwhile, median unemployment rates and household income in the surrounding area will provide a baseline for tracking progress on identified goals. A survey of existing supplier diversity strategies and goals will complement these assessments, affirming work underway and encouraging coordination of activities to avoid duplicative efforts.

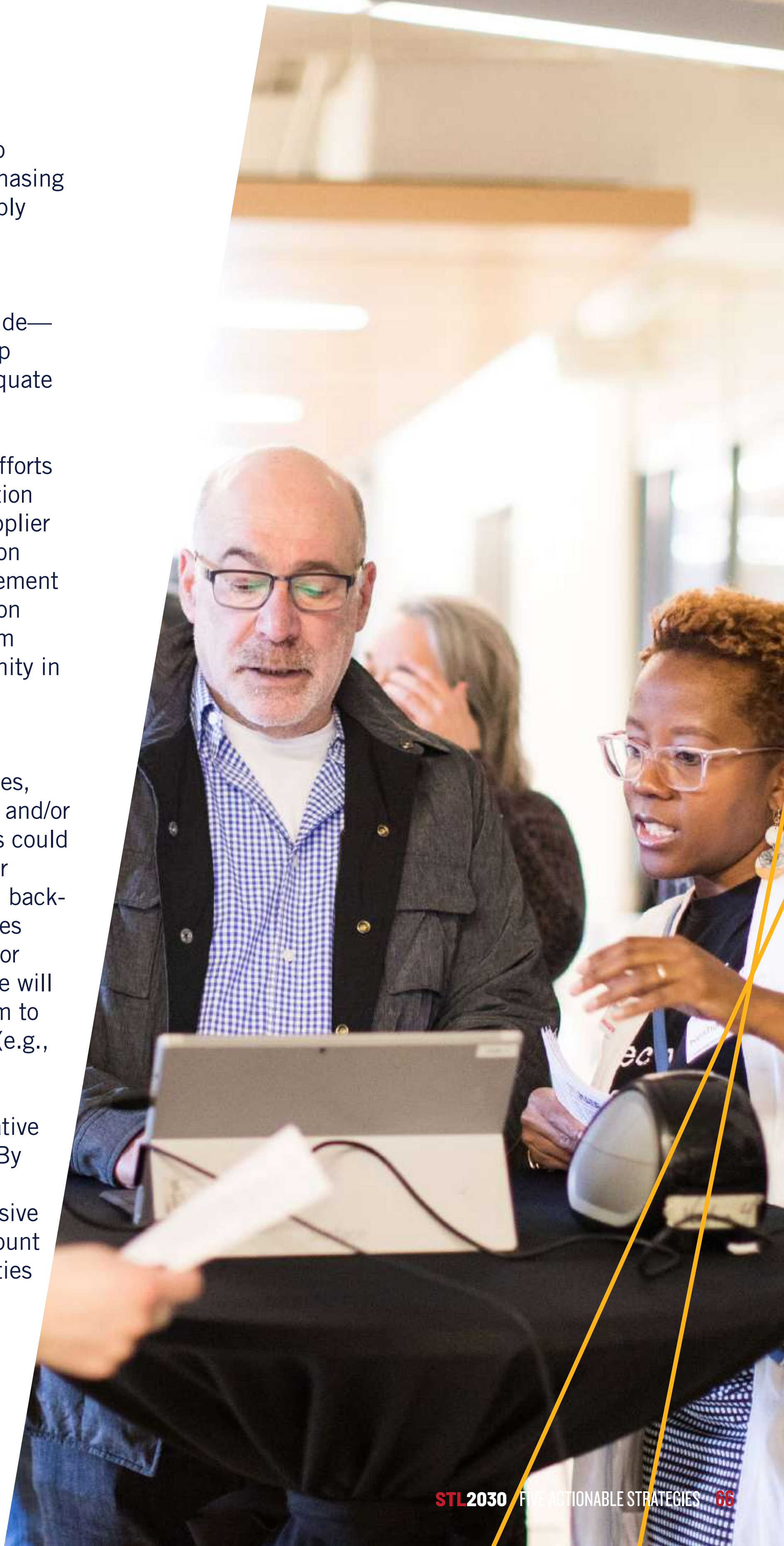
At the same time, Supply STL will endeavor to assemble an inventory of vendors in the region, with data collected on key indicators such as vendor demographics, median annual corporate revenue, number of jobs supported and median wages and existing contracts with anchors. This inventory should be organized with an eye toward matching member anchors with vendors that can meet their procurement needs. Pro bono support, capacity-building investments and technical assistance will be vital to the success of this initiative.

With a comprehensive picture of the local procurement ecosystem to guide it, Supply STL will then work with member anchors to increase the number and size of their purchasing contracts with local small businesses. Supply STL will work on both the demand side of the equation—understanding what goods and services anchor institutions (and other organizations) purchase—and the supply side—understanding which local vendors can help meet those needs (or could do so with adequate support and capital).

Lessons from other cities show that these efforts only succeed when there is a new appreciation of how anchor procurement can expand supplier diversity. Supply STL will educate anchors on the economy-shaping power of their procurement spend and help them design vendor selection processes that look at potential for long-term positive impact on the surrounding community in addition to near-term cost considerations.

As demand grows, Supply STL will work to expand the capacity of local small businesses, with particular emphasis on Black-, Brown- and/or woman-owned vendors. Such scaling efforts could include financing and capital investment for vendors, providing technical assistance and back-office support, connecting smaller companies to joint ventures and building an incubator or accelerator for local suppliers. This initiative will also work with local vendors to prepare them to compete for federal contracts in the metro (e.g., with Next NGA West or Scott AFB).

A well-resourced anchor procurement initiative will set St. Louis apart from other metros. By putting the STL Pledge into action, Supply STL will set a new standard for comprehensive supplier diversity efforts that take into account the unique circumstances of the communities they serve.



## PHILADELPHIA ANCHORS FOR GROWTH AND EQUITY (PAGE): HARNESSING THE ECONOMY-SHAPING POWER OF ANCHOR PROCUREMENT

In late 2013, a report from the City of Philadelphia's Office of the Controller revealed that only half of the $5.3 billion that area anchors spent on procurement each year remained in Philadelphia. The report called on the city's anchor institutions to consider what they might do to shift the balance toward local vendors. To advance this goal, the Office of the Controller began incubating a new initiative: Philadelphia Anchors for Growth and Equity (PAGE). Initially launched in 2014, it spun off as an independent entity in 2017.

Today PAGE brings together the City of Philadelphia, the Economy League of Greater Philadelphia and area hospitals, universities and leading corporations "to increase local purchasing by large institutional buyers to grow Philadelphia businesses, strengthen the local economy, create jobs and build wealth." Powered by the analytics capabilities of the Economy League, the collaborative uses data and stakeholder insights to understand "institutional purchasing practices, reduce barriers to participation for local businesses, engage major suppliers and catalyze the creation of a supportive ecosystem." It hosts an annual summit to connect procurement managers with area vendors and matches anchors with local companies. It also maintains a list of local vendors that it shares with anchors, knowing that a vendor that is already working with one anchor may want to contract with others as well.

Source: Economy League of Greater Philadelphia, "Economy League – Philadelphia Anchors for Growth and Equity" (n.d.).

The success of the Entrepreneurial Surge will hinge on giving traditional small business owners and startup founders alike access to the expertise and technical assistance they need to start and grow their businesses. Our diagnostic found a stark imbalance in the support provided for tech startups (strong but not yet at capacity) and that available to the metro's Main Street businesses (woefully weak and undercapitalized). Founders of color—particularly Black and Brown women—face challenges in both domains and remain underrepresented among entrepreneurs in the metro.

Part of the solution involves community investment in entrepreneurship support efforts already underway so that they can realize their full potential. For example, Arch Grants has been successful in attracting and retaining new companies that might have otherwise located outside the metro. In order to build on their successes to date, these organizations will need more resources and capacity to function at scale. New money for these and other existing organizations will send a strong signal that the metro is committed to supporting local entrepreneurs.

The entrepreneurial ecosystem also needs to build capacity to better attract and support potential founders from historically underrepresented groups. Entrepreneurs in these groups face distinctive challenges that may not be addressed by conventional startup support programs.

Action on this front has already begun. Arch Grants views fostering diversity in entrepreneurship as part of its mission and makes deliberate efforts to reach out to Black and Brown founders. As a result, more than 40% of companies receiving grants in 2020 were led or co-led by a Black and/or Brown founder. Likewise, ITEN, Square One and T-REX have made efforts to increase the diversity of firms taking part in their programming. And the St. Louis Equity in Entrepreneurship Collective, launched in 2016, is working to increase race and gender equity in entrepreneurship. The metro now needs to build on these efforts and increase the ecosystem's capacity for deliberately inclusive action.

**ACTION**

***Build a Small Business Support Collaborative to support the formation and expansion of Black-, Brown- and/or woman-owned small businesses***

The Small Business Support Collaborative (SBSC) will establish a center of excellence, possibly at at Harris-Stowe State University, focused on increasing diversity and inclusion in entrepreneurship. This center will bring rigor, discipline and innovation to the issue of Black entrepreneurship and small business success.

The SBSC could be patterned after the Bowie Business Innovation Center (Bowie BIC), an award-winning business acceleration hub at Bowie State University, a historically Black university in Prince George's County, Maryland. Bowie BIC offers customized business support, business counseling, mentoring and competitively priced office and collaborative workspace for tech companies and government contractors in the region. The SBSC will do the same, providing space for entrepreneurial activity and support within the reimagined core.

Of particular note will be the SBSC's efforts to support Black- and Brown-owned businesses as part of the broader economic recovery. The formation and expansion of Black- and Brown-owned firms in the aftermath of COVID-19 will require:

- Access to affordable back-office support to help small businesses improve their operations and fiscal management (e.g. accounting, borrowing, leasing, legal, tax prep, HR, technology, marketing and relationships with customers and suppliers)
- Tailored assistance to help vendors win new or expanded contracts with area anchors (which may involve moving from a business-to-consumer model to a business-to-business approach)
- Training programs and accessible financial products that help Black and Brown small business owners increase their financial acumen, build credit and secure capital

## BOWIE BUSINESS INNOVATION CENTER: TARGETED RESOURCES FOR UNDERREPRESENTED ENTREPRENEURS

Would-be entrepreneurs and small business owners from historically underrepresented groups often have difficulty finding the resources and expertise they need to get their ventures off the ground. The Bowie Business Innovation Center (Bowie BIC) exists to meet those needs. Located on the campus of Bowie State University, an HBCU just west of Washington, D.C., this nonprofit intermediary offers affordable co-working and private office space as well as workshops, networking opportunities and one-on-one business counseling for startup tech firms and government contractors. In 2020, Bowie BIC was named most innovative entrepreneurship center of the year by the International Business Innovation Association (InBIA).

A key component of Bowie BIC's work is the 8(a) Accelerator. 8(a) refers to a federal program run by the Small Business Administration (SBA) to support "small businesses owned by socially and economically disadvantaged people" by reserving certain federal contracts for 8(a)-certified vendors. Bowie BIC worked with SBA to design a six-week program that prepares small businesses for participation in the 8(a) program. The Accelerator combines six half-day sessions with one-on-one support from successful 8(a) vendors, SBA Business Opportunity Specialists and other technical assistance providers. Participating companies must have at least two employees (including the owner) and annual revenues below $1 million.

Source: Bowie BIC website.

- Culturally competent business services and capital providers that understand the distinctive experiences and needs of founders of color

Providing needed support at scale will also require sizable investment in existing organizations that, if properly resourced, can serve as the backbone of a diverse and inclusive small business ecosystem.

- Invest STL is making concerted efforts to be an umbrella for multiple aspects of urban redevelopment, including support for homeownership, commercial corridor regeneration and entrepreneurial support.

- CDFIs like Justine Petersen provide credit counseling, small-dollar credit-building loans and secured credit cards to help individuals establish a solid credit record as they start or expand a business.

- WEPOWER, a community-based non-profit in North St. Louis, started its second cohort of its Elevate/Elevar Accelerator program in spring 2021 to provide St. Louis-based founders with access to grant capital, business mentoring, professional services and co-working space.

- The Heartland Black Chamber of Commerce, the St. Louis African Chamber of Commerce and the Hispanic Chamber of Commerce provide focused, culturally competent support for businesses owned by Black and Brown St. Louisans.

All of these organizations can help drive inclusive economic growth if they are supported and included in collaborative efforts. Future federal investment may create opportunities to increase their capacity.

**ACTION**

***Launch a Main Street STL effort to accelerate the revival of neighborhood business districts throughout the metro area***

The St. Louis metro is a network of Main Streets, business districts and commercial corridors that act as nodes of commerce and centers of civic life. In many respects, these Main Streets both reflect and define the communities around them. The metro is home to two accredited members of Main Street America—Washington, MO and Alton, IL—and Missouri Main Street Connection points to 32 separate commercial districts on the west side of the Mississippi alone. The 2020 Vision report also identified a number of business districts in the City of St. Louis that could benefit from a Main Street revitalization effort.

The economic impact of the COVID-19-induced collapse of small businesses has had a devastating impact on Main Streets and neighborhood business districts throughout the bi-state metro. Black and Brown storefronts have been especially hard hit, in part because many of these businesses involve face-to-face interactions. The economic impact of small business closures rippled out into the surrounding community as jobs disappeared and purchasing contracts dried up. Left unchecked, rising commercial vacancy rates and reduced consumer spending will create a domino effect that damages:

- Consumer confidence (given the central role that these districts play in the surrounding community)

- Commercial property owners (given the decline in rents)

- Tax revenues (given the role that business districts play in municipal fiscal health)

Any one of these factors on its own will slow the eventual recovery—together they will make it exceptionally painful.

The stabilization and revival of small businesses and neighborhood business districts will require collaborative action among local stakeholders as well as new models and financing mechanisms capable of addressing neighborhood-specific needs. Main Street STL can accelerate problem-solving by strengthening connections that will make change possible. It will serve as a matchmaker, linking small businesses and business districts to services, customers and capital.

Main Street STL will stand apart for its metropolitan focus, creating possibilities for collaboration that span urban, suburban and rural boundaries. Similar citywide efforts have proven effective (Boston Main Streets is one example). Main Street STL will take this work to the next level as the nation's first metrowide effort to strengthen neighborhood business districts.

Every neighborhood business district has its own history and identity, its own reason for being. Main Street STL will help neighborhoods identify and build on these strengths in ways that improve quality of life for the surrounding community.

This effort will build on a rich and textured web of institutions and intermediaries with community standing, including local chambers and support organizations, banks, CDFIs, microlenders, universities, corporations, philanthropies, public authorities, community development corporations and business district associations. Invest STL, the Missouri Main Street Connection and related efforts could also be mobilized to support Main Street STL's work. The taskforce will leverage the capabilities of each of these entities and inspire new collaborations focused on business district revitalization. It will work with district collaboratives to devise plans for placekeeping, placemaking, marketing and branding to attract more visitors to the area.

The effort will also provide direct support to small businesses located in these districts. It will work with local intermediaries to connect small business owners to affordable back office support, help with digital marketing, mentors and business expertise so that they can build strong and sustainable Main Street businesses.
It will push for informal opportunities for business owners to get to know one another so that they can benefit from peer learning and support as their businesses grow. It will also help match small businesses with commercial vacancies—whether through temporary "pop-up" ventures or permanent establishments—in order to accelerate the comeback of these local centers of commerce.

Taken together, this increased support for the metro's Main Street businesses will spark job creation, contribute to local wealth building and bolster the spaces where community life thrives in neighborhoods throughout Metro St. Louis.

## CINCINNATI REGENERATION ALLIANCE: AN EQUITABLE APPROACH TO SMALL BUSINESS RECOVERY

A group of cross-sector local leaders in Cincinnati has been working to establish the Cincinnati Regeneration Alliance (modeled on a call for Main Street Regenerators). The Alliance, once established, will serve as a coordinating council to ensure that small business recovery is geographically equitable and that Greater Cincinnati's COVID-19 Regional Response Fund dollars are spent effectively. The Alliance will have seven core functions during its 36-month lifespan: (1) leveraging anchor procurement; (2) supporting Black-owned business; (3) maximizing real estate usage; (4) increasing access to capital; (5) driving quality placemaking; (6) diminishing the impact of the parasitic economy; and (7) building wealth.

Source: Bruce Katz et al., "Needed: Main Street Regenerators" (2020)

## *4. Become a Talent Engine and Magnet*

### *Actions*

- **Build Industry-Led Workforce Collaboratives that connect education and training to employers' needs**
- **Jumpstart industry-led workforce development with a Talent Surge**
- **Strengthen the STEM education and training ecosystem throughout the St. Louis metro**

A metro economy is a collection of intricate ecosystems. Nowhere is this more apparent than in the realm of talent. When companies struggle to find workers with needed skills, positions sit unfilled and productivity declines. Over time, the lack of an appropriately skilled workforce can depress metro economic growth as companies poach highly skilled workers from each other and postpone growth plans when they can't find the right candidates.

Meanwhile, area residents who could fill these roles after some training never even learn of the possibilities. This is especially true for Black St. Louisans, who are less likely to have a quality job than other workers in the metro. Furthermore, many of these programs (like the jobs themselves) are in locations where access to a reliable car is a must. As a result, St. Louisans who depend on public transit are often cut off from critical pathways to greater economic prosperity.

Our research and interviews indicate that certain sectors in Metro St. Louis face acute skilled labor shortages in occupations such as software developers, lab technicians and nurses. In many industries, difficulty finding skilled workers is the new normal. Positions in digital fields such as software development, data management and data analytics often sit empty for want of skilled workers to fill them. Innovations in machine learning, cryptography, geospatial technology, cloud-based data storage and a whole host of other fields are intensifying demand for specialized tech skills. Likewise, in bioscience, advanced manufacturing and other key clusters, skilled workers are highly sought after but hard to find.

These shortages not only hurt firms in the metro; they can force companies to move away in search of talent. Skilled worker deficits also deter firms outside the metro from considering St. Louis as a relocation option for fear that they wouldn't be able to find enough skilled workers to grow.

While technical skills gaps tend to get the most attention, many employers report that human skills are in short supply as well. Sometimes referred to as "soft skills," in reality these skills are anything but. They include critical thinking, cooperation, growth mindset, working within a diverse team and even appropriate use of personal devices at work. Human skills also include leadership and people management, which together support career advancement and implementation of succession plans. From improved productivity and teamwork to creativity and critical insights, workers with strong human skills provide real benefits to the companies that employ them.

One human skill set of particular importance for the 21st-century workforce involves understanding how to contribute to an inclusive work environment. As companies take steps to hire a greater proportion of workers from historically underrepresented groups, cultural competency and the ability to work well with different people will be more important than ever. Potential and incumbent worker training on these skills will be needed to create a workplace culture of inclusion and mutual support that boosts worker retention and engagement, improves productivity and enhances competitiveness in the global marketplace.

Whether we're talking about human skills or technical training, the lack of a coordinated system for education and workforce development means that skilled workers remain in short supply. As a result, employers face difficulty finding the right people to hire. Turnover stays high, imposing costs on companies and workers alike. Incumbent workers aren't getting the training they need to keep their skills current and advance in their careers. Potential workers are left to wonder which career pathways offer the best shot at a career they'll enjoy that pays well. For those with child care needs, financial insecurity and other challenges, even the very idea of career training can feel out of reach. For those living in historically disadvantaged areas like East St. Louis, barriers are that much greater.

Disparities in funding and lack of coordination—across jurisdictions and public-private divides, between P-12 and postsecondary institutions, among companies and workforce training and education (WTE) providers—lead to duplicative efforts and disjointed programs that are difficult for people to navigate (if they know about them at all).

Amidst this fractured landscape, a handful of innovative efforts are underway:

- **Building Workforce 2030**, an initiative of the Leadership Council Southwestern Illinois, raises awareness about career opportunities in STEM, construction and skilled trades through school visits, tours and other activities.

- **Claim Academy and NPower** help people acquire high-demand skills and find work in fields such as software development and cybersecurity.

- **Harris-Stowe State University**, a historically Black public university in the heart of St. Louis, partners with SLU and BJC HealthCare on accelerated dual degree programs in high-demand fields such as nursing and engineering.

- **LaunchCode** provides free tech and job readiness training as well as apprenticeship placements for qualified program participants. It is several years into a partnership with the NGA to grow the agency's tech development team using curriculum tailored to the agency's skills needs.

- **Maryville University** has a wide range of degree programs and works with employers to develop tailored training programs for new and incumbent workers. In recent years, Maryville has focused on strengthening and expanding its online offerings—today its online student population represents more than half of all students enrolled.

- **The Opportunity Trust** works to improve P-12 coordination and access to resources as public education evolves to meet 21st-century needs.

- **Ranken Technical College** offers 2-year and 4-year degrees as well as certificates and custom training programs in architecture, automotive, construction, electrical, IT and manufacturing. Located in the heart of the north side, it boasts a 93 percent retention rate and a 96 percent job placement rate.

- **Rung for Women** offers a comprehensive approach to improving social mobility for women that combines a full suite of training and wraparound supports in order to improve economic outcomes.

- **Starkloff Disability Institute** provides workforce preparation programming and services for young people and adults with disabilities as well as consulting, advising and other resources for employers.

- **St. Charles County Center for Advanced Professional Studies (CAPS)** offers opportunities for high schoolers to explore potential career fields via work-based learning and immersive professional experiences.

- **St. Clair County** has developed effective workforce training and apprenticeship programs with holistic wraparound supports.
- **St. Louis Community College** has developed a number of accelerated job training programs in partnership with local firms to address pressing skills needs in areas such as aviation manufacturing, cybersecurity, life science and patient care.
- **STL.works** aims to get more St. Louisans on pathways into careers in four high-demand fields: healthcare, manufacturing, trades and technology.
- **University of Missouri—Saint Louis** offers a wide range of degree programs, with many students completing early coursework at STLCC before transferring. It serves a diverse non-traditional student population that includes adult learners, first-generation students and individuals from lower-income communities.

In some cases, employers have taken matters into their own hands by working directly with WTE providers and/or local Workforce Development Boards. These collaborative efforts benefit from strong engagement with a single employer, which simplifies communication, demand forecasting and program alignment.

Boeing's collaboration with STLCC offers a case in point. Facing a shortage of aircraft assembly mechanics, Boeing teamed up with STLCC to create an accelerated pre-employment training program to provide a pathway into a career on the production floor. Since its inception, over 85 percent of all assembly mechanics hired by Boeing graduate from the STLCC program, with more than 900 program graduates starting their careers at Boeing. Bayer, Evernorth and Mastercard have also launched successful training partnerships.

Similar efforts have emerged to better address the needs of workers with disabilities. To take just one example, Starkloff Disability Institute works with major employers such as Bayer, Boeing, Danforth Plant Science Center and Mallinckrodt Pharmaceuticals to make inclusion of disabled workers a core component of corporate DEI work.

These bespoke programs could have even greater impact if they also engaged other firms with similar skills needs. At the end of the day, the most effective corporate training partnerships find ways to overcome the fragmented nature of the education and training ecosystem.

Fortunately, the status quo is not the only option. The alternative? Using the education and workforce system as an engine for inclusive growth.

Successful metros cultivate deep, mutually beneficial relationships between education, workforce training and industry that lead to strong alignment between program offerings and projected skills needs. They ensure that every student receives quality STEM education (or STEAM education, if arts are included) and exposure to various occupations beginning in pre-K and continuing through high school. They invest in their workforce by forming industry-led workforce collaboratives, by supporting worker success, by making workplaces both diverse and inclusive and by improving the metro's ability to attract and retain skilled workers. They create clear, supported pathways into high-demand careers and take deliberate action to increase the number and proportion of those from historically underrepresented groups.

These actions bring significant benefits for the entire metro, boosting economic mobility within historically disadvantaged communities while helping companies find and retain the skilled workers they need, when they need them.

**ACTION**
***Build Industry-Led Workforce Collaboratives that connect education and training to employers' needs***

Over the next ten years, Metro St. Louis will develop a constellation of industry-led, industry-funded workforce collaboratives that convene stakeholders from the private sector, P-12 and postsecondary education, workforce training, state and local public-sector agencies, support services and community organizations to align metro workforce development with area employer demand.

Effective workforce collaboratives combine robust employer engagement, deep collaboration and data-driven strategizing. Taking well-researched forecasts of skills needs as their starting point, these groups bring together relevant stakeholders to create clear pathways into high-demand occupations in the metro labor market. These collaborative efforts can produce significant results—potential workers receive the training and support they need to find work that pays well, incumbent workers develop new skills that lead to career advancement and employers build the skilled workforce they need to innovate and grow.

## REAL JOBS RHODE ISLAND: INVESTING IN EFFECTIVE INDUSTRY-LED WORKFORCE COLLABORATIVES

Alignment between WTE and expected skills needs is critical for healthy talent ecosystems. Programs that align with employer demand and provides clear, well-supported pathways into careers in the regional economy make it easier for people to find work that pays well while also ensuring that area employers can find the workers they need. This alignment is a baseline necessity—without it, companies struggle to find skilled workers and potential workers often end up guessing which program might give them the best shot at steady work.

Workforce collaboratives are a proven model for improving this alignment and developing a most efficient and effective talent ecosystem. These industry-led cooperative efforts bring together stakeholders from across the spectrum—employers, P-12 and postsecondary, other WTE providers, support services, community organizations and public-sector education and workforce practitioners—to assess projected demand and align program content and capacity to meet those projections.

The state of Rhode Island saw the value that these cross-sector coalitions could provide. In 2015 it created a competitive grant program to encourage the emergence of strong workforce collaboratives in sectors with high potential for job creation and continued growth. This focus on specific industry clusters played to the region's economic strengths in order to maximize return on investment.

State officials designed the entire program with the success of grantees in mind. Award criteria—e.g., requirements that the proposed collaboratives be data-driven and employer-led, include at least five firms and two non-industry stakeholders and conduct regular performance assessments to drive continuous improvement—help ensure that grantees had the right stakeholders in the room and the right information in hand to craft workforce solutions that align industry, education and workforce development. Each grantee is assigned a RJRI Advisor who provides "technical and practical assistance at every step of the process." Proposals for sustainable collaborative solutions receive priority, which reflects the state's desire to cultivate more durable infrastructure for industry-oriented workforce development.

With the private sector at the helm, these groups often co-design custom curricula so that training programs can meet specific employer skills needs. Having all of the stakeholders involved allows for seamless connections across high school career and technical education (CTE) programs, 2-year colleges, intermediaries such as the Manufacturing Extension Partnership and 4-year colleges and universities.

As of January 2020, Real Jobs Rhode Island had trained over 6,000 people. More than 80 percent of trainees have job offers by graduation, a testament to the value of aligning with industry skills needs.

Source: Real Jobs Rhode Island, "Solicitation for Partnership Proposals" 2020.

Workforce collaboratives ensure better communication, coordination and transparency across the education and training ecosystem. By strengthening existing relationships and building new connections among stakeholders, these industry-led efforts will bring a degree of stability and agility to the metro labor market. These collaboratives will attend to the entire talent development spectrum, raising career awareness in P-12, connecting potential workers to supported career pathways and helping incumbent workers acquire the skills they need to advance in their careers.

Industry-led workforce collaboratives come in all shapes and sizes. Some attend to a single industry, while others zero in on particular skills that cut across sectors. Still others form an umbrella organization with subgroups focused on particular industries or occupations. Regardless of the configuration, identifying a lead organization is a must. The lead organization will be responsible for driving the collaborative forward and keeping members engaged and up-to-date. Whether an existing intermediary, a local corporation or a newly created entity, the lead organization should have a reputation among collaborative members as an honest broker and trustworthy partner. It will also need sufficient staff capacity and resources to handle the day-to-day work of collaborative organizing.

Once the lead organization has been identified, the collaborative should begin assessing skills needs and identifying pain points. Division of labor among collaborative members should make the most of the strengths and capacities that each member brings to the table.

One proven method for organizing a workforce collaborative is the U.S. Chamber of Commerce Foundation's Talent Management Pipeline (TPM) curriculum. It includes a step-by-step guide that makes the collaborative formation process more approachable and easier to get started. From initial organizing to mapping talent flows and solving for training program gaps, the TPM curriculum empowers collaboratives to build strong talent supply chains that readily adapt to employers' skills needs.

## U.S. CHAMBER FOUNDATION TALENT PIPELINE MANAGEMENT: A PROVEN APPROACH FOR ORGANIZING INDUSTRY-LED WORKFORCE COLLABORATIVES

Even when employers and WTE providers know that they need to find ways to collaborate, they may not know where to start. By and large the two worlds do not intersect as often as they should and as a result can have difficulty communicating. Each group has its own vocabulary, challenges and priorities.

To help employers get started, the U.S. Chamber of Commerce Foundation developed its Talent Pipeline Management (TPM) curriculum. This step-by-step guide offers "a systematic approach for getting employers to engage in collective action through a structured process of data collection and decision making." The curriculum looks at workforce development from a supply chain management perspective. It puts a premium on employer-led, data-driven initiatives powered by active collaboration among all stakeholders involved—employers, P-12 and postsecondary, other WTE providers, support services providers, resource coordinators and community organizations.

The Chamber Foundation continues to expand and refine the TPM curriculum. Since first publishing the curriculum in 2014, the Foundation has added guides on upskilling incumbent workers, implementing Earn and Learn opportunities and CTE programs, building a more inclusive talent pool and connecting with historically disadvantaged communities.

The TPM curriculum guides employers through building a collaborative from start to finish. It breaks the process into discrete steps, with each stage building on the previous one. The end result: a strong collaborative that is led by employers, rooted in best practice and collaboration and guided by data and employer insights.

Source: Jason A. Tyszko and Robert G. Sheets, "Talent Pipeline Management Academy Curriculum" (n.d.).

In addition to assessing future skills needs and creating clear pathways into high-demand careers, collaborative members will work together to change the culture of their organizations. Building the capacity to create inclusive workplaces will take ongoing effort and investment but without it, any attempt to increase diversity through hiring is bound to fail.

Workplace culture is a key reason why employers have difficulty retaining hires from historically underrepresented groups. Much of the problem stems from a basic lack of awareness—the homogeneity of past new hires meant that employers never had to think about whether their company culture was inclusive or not. As these same organizations now work to diversify their staff, they will need to re-evaluate established processes, procedures and behavior norms with an eye toward increasing all workers' sense of belonging in the workplace.

The collaboratives will provide a venue for exploring employers' responsibilities to their workers and to the broader community. They will examine the many benefits of inclusive workplaces and find ways to make their own organizations more inclusive. They will learn about specific barriers to success faced by workers and trainees and identify best practices for addressing them. They will develop greater cultural competency and proficiency in training, hiring and retaining workers from historically underrepresented groups.

Equitable partnerships with community organizations and consistent engagement of area residents will center residents' needs and concerns in outreach, program design and support services. All instructors should receive training on how to create inclusive learning experiences both in terms of cultural literacy and recognizing, accommodating and teaching people with disabilities. Through these and other actions, the collaboratives will together set a new standard for inclusive workforce development programming.

To ensure the greatest return on time and resources invested, collaboratives will need to find new ways to support potential and incumbent workers' success. Too often, barriers such as limited career awareness and guidance, poor study skills, unreliable transportation and lack of childcare prevent people from completing (or even enrolling in) training programs. Those from lower-income households and historically disadvantaged communities often face more pronounced challenges, particularly when they are first in their family to seek training beyond a high school diploma.

Although Metro St. Louis has a number of support service providers, trainees and workers may find it difficult to know where to start. Providing access to on-site resource coordinators is one way to help individuals identify and obtain the support services they need. Resource coordination not only improves training completion rates but also can have a positive effect on retention and worker engagement. Potential and incumbent workers alike have greater peace of mind knowing that someone is available to help them problem-solve so that they can be present while at work and appreciate employers' willingness to invest in their success.

## WORKING BRIDGES: ENCOURAGING WORKER SUCCESS THROUGH RESOURCE COORDINATION

When United Way of Northwest Vermont partnered with employers in the region to form a workforce collaborative, worker productivity and retention were top priorities. Several employers spoke of capable workers who started out strong but suddenly became unpredictable in terms of performance and attendance. The collaborative decided to dig in to understand the root causes of this pattern. In talking together, they found that the challenges of living in poverty were in large part responsible for the "low productivity, absenteeism, poor job satisfaction, missed work and loss of employment" they saw among their workers.

The stark realities of poverty have a direct impact on individuals' access to opportunity. Unreliable transportation, difficulty finding childcare and lack of a financial cushion should an emergency arise can make it hard to complete a training program or hold a steady job. What's more, poverty often produces a scarcity mindset that reduces mental bandwidth and hampers our ability to think critically and problem solve. The constant thrum of anxiety, stress and fear imposes what researchers Sendhil Mullainathan and Eldar Shafir have dubbed a "bandwidth tax" on our cognitive ability. Scarcity mindset have been shown to reduce performance on IQ tests by several points and undermines executive function, which includes ability to focus and impulse control.

The collaborative realized that if poverty was "a lack of resources, not just a lack of income," improving worker access to needed resources could reduce the "bandwidth tax" of poverty and help employees be more successful at work.

The collaborative landed on a resource coordination model to help workers to learn about and make use of existing support services in the region. Each week, a resource coordinator (RC) spends 3-4 hours at each workplace. During these office hours, workers can meet one-on-one with the RC to discuss their concern and problem solve together. RCs are certified community resource specialists with a deep knowledge of available resources and expertise in helping others navigate the often fragmented landscape of support services. United Way of Northwest Vermont administers all aspects of the program, which is funded through a combination of employer fees (40%), United Way funds (40%) and other grants (20%).

As a result of this program, employers have seen improvement in work productivity, engagement and retention, with cost savings from lower turnover and reduced workloads for managers and HR staff. This investment in employees' success encourages worker engagement and contributes to a culture of support that gives everyone an equal chance to thrive in the workplace.

Source: Inger Giuffrida, "The Workplace as a Platform for Financial Stability: A Profile of Working Bridges" (2015); Sendhil Mullainathan and Eldar Shafir, *Scarcity: Why Having Too Little Means So Much* (2013).

**ACTION**
***Jumpstart industry-led workforce development with a Talent Surge***

The St. Louis metro has several training programs that are already putting people on pathways into high-demand fields. Many of these training programs do not require a four-year degree and can be completed in two years or less. A Talent Surge will build on these proven programs and kickstart development of industry-led workforce collaboratives.

Other elements of the STL 2030 Jobs Plan will support this surge. The STL Pledge will power this initiative by committing members to hire local and set ambitious but achievable targets for hiring (both in terms of absolute numbers and demographic diversity). Meanwhile, the Capacity to Act Initiative can help source funding for a competitive grant program to support collaborative development in high-demand fields. Grants should be awarded with an eye toward expanding the capacity, reach, diversity, inclusivity and success of workforce development in the region. Priority should be given to applications that include specific plans for attracting and retaining historically underrepresented workers, building more inclusive workplaces and ensuring the collaborative's fiscal sustainability once the grant term is up. Similar efforts in other regions suggest that grants of up to $500,000 are sufficiently large to support the planning and organization stage.

Maximizing the impact of the Talent Surge and fulfilling the STL Pledge to hire local will require recruiting a greater number of area residents into high-demand skills training programs and supporting their success. The status quo approach will not be sufficient, particularly when it comes to engaging those from historically underrepresented groups. For example, outreach strategies designed for young white men are unlikely to resonate with Black women from the same age group.

To that end, industry-led collaboratives will need to adopt tailored approaches to outreach that speak to the distinct needs, concerns and priorities of each target audience. Mutually beneficial partnerships with community organizations that have earned the trust of target audiences will help employers and WTE providers connect with communities that historically have been harder to reach. Forming these partnerships will require an ongoing investment in trust building (particularly in communities that have had their trust betrayed by past economic development activities).

## DAUGHERTY BUSINESS SOLUTIONS AND CIO ALLIANCE: WORKFORCE PLANNING POWERED BY EMPLOYER INSIGHTS

The St. Louis metro has the potential to become a technology hub with particular strengths in agtech, fintech and geospatial—but only if employers can find enough workers to meet their skills needs. Amidst growing concern about the size of the metro's tech labor pool and its ability to keep up with expected growth, Daugherty Business Solutions partnered with CIO Alliance and Civic Progress to learn more about likely skills demand and explore how best to meet it.

Having CIOs and CTOs at the table meant that Daugherty got firsthand insight into needed skills, expected job growth, company workforce priorities, lessons learned and best practices. Working together, industry leaders identified general skills requirements necessary for different tech occupations. They shared expectations for future growth and likely job opportunities. Together they agreed that the key to future success hinged on their ability to cultivate "a premier technology workforce that not only supports the growth of St. Louis businesses, but also represents a national sourcing alternative for technology jobs."

Through their conversations, the group realized that reaching the scale they needed to achieve called for a new approach. Making Metro St. Louis "a uniquely strong, nationally recognized Technology Hub" would require going well beyond traditional sources of labor to attract and retain workers from currently underrepresented groups. With this in mind, the group agreed to take deliberate action to increase the number of workers from underrepresented communities and set out to learn how best to do so.

The initial recommendations produced by the group proposed a 10-year effort with specific actions for the near term, mid-range and long term. To help drive progress, the group set a goal of 4,000 new jobs added in the first three years, with individuals from underrepresented communities holding at least one-third of the jobs created. Many of these jobs will be open to graduates of accelerated training programs that prepare workers for entry-level tech positions in two years or less. When combined with revised job descriptions that eliminate unnecessary college degree requirements, this programming will make these careers more accessible to those without a four-year degree. Meanwhile, deliberate efforts to create a more inclusive work environment will improve worker engagement and, by extension, retention and productivity. A recently launched pilot program focused on accelerated IT training program for local high schoolers is underway and is slated to expand over the next year.

The vision that guides this group of CIOs and CTOs is ambitious but critically needed. Other industries facing labor shortages should look to the work of this group as a model for improving labor market projections and devising solutions to meet those needs.

Source: STL CIO Alliance and Civic Progress, "St. Louis Technology Hub Vision: Summary Input and Recommendations" (2020).

The St. Louis metro should also take advantage of any federal workforce investments that become available through the American Rescue Plan, the American Jobs Plan or other future legislation. The region's past successes with the federal Trade Adjustment Assistance Community College and Career Training (TAACCCT) competitive grant program offer strong models on which to build. This program, launched as part of the 2009 Recovery Act, invested in community colleges that worked directly with major employers to develop curricula aligned with regional skills demand.

### ACTION
***Strengthen the STEM education and training ecosystem throughout the St. Louis metro***

The notion that STEM jobs require a bachelor's degree (if not graduate school) is a common misconception. In reality, there are many STEM occupations that pay well and do not require a four-year degree. Unfortunately, most students never hear about these career options. And even if they do, too many leave high school without the basic proficiency needed to enroll in a STEM career training program.

Basic competency in STEM subjects is a must-have for our increasingly tech-powered world. Unfortunately, a sizable proportion of students in the St. Louis region—particularly students of color—are underperforming on STEM learning measures. On math proficiency, for example:

- Approximately 56 percent of sixth-graders in the region earned scores below grade level in 2016. Among Black students, that percentage rose to 78.5 percent.

- Only 17 percent of eligible high school students in the region were enrolled in advanced math courses (e.g., trigonometry, probability and statistics, precalculus) in 2019. The proportion is even smaller—just 13 percent—for Black students.

Part of the challenge facing the region derives from a lack of coordination and alignment across the St. Louis region's STEM learning and workforce ecosystem. The current landscape is very diffuse, with 29 public school districts, 12 charter management organizations, 180 private schools, 150 extracurricular STEM programs, 44 regional postsecondary institutions and over 80 workforce training providers—each with its own priorities. This fragmentation prevents the metro from developing a competitive talent pool in several ways:

1. Activities are largely uncoordinated and stakeholders do not have a shared understanding of skills demands in the region's STEM industry clusters. As a result, programming typically fails to meet the needs of area employers.

2. STEM learning opportunities range widely in terms of quality and efficacy. In addition to the region's dismal P-12 math proficiency scores, the vast majority of extracurricular STEM programs in the area—less than 5 percent—do not use industry-recognized quality standards to evaluate participant outcomes. Without quality STEM instruction in and out of school, students will continue to be shut out of STEM career opportunities.

3. Access to STEM learning varies, with marked gaps for those from historically disadvantaged communities and lower-income areas. Majority-white public school districts in the region offer an average of 3.3 algebra classes for every 1000 students—that number drops to 1.9 for every 1000 students in majority-Black districts. Outside of school, large and well-resourced extracurricular STEM programs are concentrated in St. Louis County and the central corridor of the City of St. Louis, which makes access difficult for those who live elsewhere and lack access to transportation.

Building a strong STEM education and training ecosystem is a long-term investment in regional economic growth. This strategy recognizes that today's kindergartners will one day be workers in the St. Louis metro economy. It takes seriously the importance of exposing all students to STEM career options, so that they understand the possibilities open to those with STEM skills. It also aims to ensure that all P-12 students in the region have access to high-quality STEM learning and graduate with solid proficiency in STEM subjects so that they are able to pursue postsecondary education and/or employment in STEM fields if they choose.

With so many high-demand occupations in the region requiring STEM-related skills, STEM education and clear pathways into STEM careers must be top priorities. Fortunately, local intermediary STEMSTL is already working with educators, employers and families to improve STEM education in terms of quality, access and connection to expected skills needs in the regional labor market.

Recognizing STEMSTL as lead organization in the development of a coordinated and collaborative regional STEM education and training ecosystem will help ensure that every student in the St. Louis metro has access to high-quality STEM education learning opportunities from pre-kindergarten to high school and beyond. As lead intermediary, STEMSTL will be empowered to convene key stakeholders to align the many disparate efforts in the region, with a particular focus on those schools and students with the least access to STEM learning. In addition, the organization will continue work on its five priorities:

1. Increasing the rigor and quality of STEM learning to meet national best practice standards

2. Aligning STEM learning in the region with existing and expected workforce needs

3. Identifying and filling gaps in regional STEM education and workforce training opportunities

4. Centralizing communication about STEM learning opportunities and the skills needs of area STEM employers

5. Strengthening the ecosystem by creating opportunities for stakeholders to convene and learn from one another

As STEMSTL works to develop the STEM ecosystem, two programmatic initiatives will address near-term workforce needs:

- *Expanding proven lab tech training programs.* Bringing STLCC's successful two-year lab tech training program to the Cortex campus and investing in the development of training programs for other high-demand STEM occupations will expand program capacity, improve student access and address rising regional demand for lab tech workers. Given that nearly two-thirds of program graduates to date have been people of color, this program expansion will also help to address racial disparities in the bioscience workforce as well as the metro economy.

- *Launch a STEM summer program for college students of color.* Targeted resources for students of color in postsecondary STEM programs will address earlier disparities in access to quality STEM learning opportunities and encourage them to explore careers in STEM fields. A STEM summer program for college students of color will augment classroom learning with opportunities for research, work-based learning, internships and mentorship.

## *5. Make the St. Louis Metro a Hub for Next-Generation Industries and Technologies*

### *Actions*

- **Quadruple down on bioscience in order to supercharge this established industry cluster**
- **Implement the GeoFutures Strategic Roadmap and build a National Center for Location Sciences (NCLS) near Next NGA West**
- **Construct an Advanced Manufacturing Innovation Center (AMIC) to drive innovation and support area manufacturers**
- **Invest in multimodal freight infrastructure to strengthen the metro's advantage in manufacturing and T&L**
- **Expand transit and digital access to better connect St. Louisans to opportunities no matter where they live**

Advanced industries—those sectors that prize innovation, invest in R&D and boost productivity, exports and pay—offer great benefit to metro economies. With high-value economic activity and a wage premium that extends to non-technical as well as technical roles, advanced industries offer metros the best chance for sustainable and inclusive economic growth.

Metro St. Louis sits at the intersection of several powerful advanced industry clusters. Some—such as bioscience and advanced production—have been strongholds for some time. Others—such as geospatial/location sciences—are only now emerging. These industries drive innovation within and across sectors, enabling company growth, creating quality jobs and inspiring startup activity.

As a business-led intermediary, Greater St. Louis, Inc. is actively working to bolster these crucial sectors. Its AllianceSTL initiative provides best-in-class corporate recruitment services and promotes collaboration as the metro competes for global investment opportunities. AllianceSTL will play a key role in aligning resources with advanced industry strengths and creating a healthy environment for the growth of next-generation industries and technologies.

Activity underway in the metro's emerging geospatial cluster reveals the power of collaboration to deepen next-generation industry capabilities. After attracting the planned $1.7 billion Next NGA West facility, private- and public-sector leaders worked together to create the GeoFutures Strategic Roadmap, which explains how the metro can make the most of this significant investment. The metro is already attracting new employers, forging new partnerships (e.g., between HSSU and NGA) and taking steps to boost entrepreneurship and innovation through the Arch Grants geospatial track, the Moonshot Lab at T-REX and a partnership between NGA and Missouri Technology Corporation on a new multimillion-dollar accelerator for early-stage geospatial companies.

Advanced industries' proven ability to increase the number of quality jobs means that these sectors must be part of any plan for inclusive economic growth in the St. Louis metro. Intentional action to increase diversity and inclusion in these industries must be a priority as well. If the metro commits to using its advanced industry strengths to create broadly shared prosperity, it will be better positioned in its ongoing battle to eliminate longstanding racial disparities in income, health and wealth.

Historically and today, advanced industries in the U.S. have not done well on diversity and inclusion measures. Deeply rooted cultural biases about who can excel in STEM fields deter countless Black and Brown people, white women and others from seeking careers in these industries. Those with the courage and stamina to press on often feel that they don't truly belong in their chosen profession among their predominantly white male colleagues. A sizable proportion of those from historically underrepresented groups leave these occupations mid-career, exhausted from coping with microaggressions and a workplace culture that excludes them. Over time these pernicious patterns block those from historically underrepresented groups from pursuing high-value, high-demand careers, thereby reducing their access to opportunity and economic mobility.

The lack of diversity and inclusion in advanced industries also undermines innovation and economic growth. Clusters are deprived of the creative solutions that emerge from teams with diverse life experiences and perspectives. Absent deliberate efforts to create inclusive workplaces, these industries will continue to miss out the higher productivity, increased employee engagement and improved recruitment and retention that follow when workers feel a strong sense of professional belonging.

Unlocking the region's full potential for inclusive growth will require a deliberate combination of investment in the region's competitive industries and a steadfast commitment to the inclusion and well-being of all Metro St. Louis communities. These twinned priorities underpin our recommendations for taking action to bolster next-generation industries and build the infrastructure needed to sustain inclusive growth in the years ahead.

**ACTION**
***Quadruple down on bioscience in order to supercharge this established industry cluster***

Bioscience is an established calling card for the metro. This broadly defined sector encompasses medical sciences and healthcare, agricultural sciences and agtech, geospatial and food/nutrition. It is emblematic of a new kind of a purpose-driven economy that has the potential to feed the world, heal the sick and counteract race-based health inequities. The sector has also begun work in recent years to elevate the importance of diversity and inclusion, though undoing the longstanding patterns of exclusion will require deeper, more holistic action.

Today bioscience stands at the doorstep of a new stage of growth. With a solid foundation now in place, the St. Louis metro needs to quadruple down on bioscience by investing in what works, increasing diversity and inclusion and reinforcing the metro's reputation as a global hub for bioscience innovation and a good place for bioscience companies to grow.

Over the past twenty years, the metro has built a robust bioscience ecosystem that supports innovation, fosters entrepreneurship and nurtures long-term growth. Its solid infrastructure and sophisticated capabilities and programming offer a supportive environment for conducting research, developing new products and services, launching startups and growing companies.

The success of this ecosystem stems in large part from the sector's collaborative ethos and holistic approach to innovation-oriented economy-building. Metro St. Louis bioscience stakeholders understand the strength that comes from a shared vision for the future. They have seen firsthand how transformative investments in the built environment can create new possibilities for creative collaborations and exchange of ideas. They work to create a supportive environment for companies across the entire growth continuum—from initial research and early-stage startups to mature firms and established multinational corporations. In essence, the St. Louis metro's bioscience sector has figured out how to make 2 + 2 = 5. Its successful efforts over the past twenty years offer a proven approach that other sectors can emulate.

BioSTL is a key source of the bioscience cluster's strength. Launched in 2001, this local intermediary delivers a wide range of programming and support for companies working in agriculture, healthcare and other bioscience fields. It acts as a center of gravity and outspoken advocate for bioscience activity in the metro.

One particularly successful BioSTL program is BioGenerator. What began as an effort to increase access to seed-stage capital has evolved into a multifaceted strategy to help entrepreneurs start and grow businesses. Over the past ten years, this cluster intermediary has developed a comprehensive suite of support and investment programs for entrepreneurs and early-stage firms. It has invested roughly $31 million in more than 90 startups that collectively went on to raise nearly $1.2 billion in outside investment, more than 85 percent of which came from outside the metro.

Its programs have some of the highest leverage of any venture development organization in the country, raising approximately $40 for every BioGenerator dollar invested. Strengthening and expanding BioGenerator's offerings will enhance its ability to serve early-stage firms, which in turn will increase entrepreneurial activity and help make the St. Louis metro a target destination for bioscience startups and talent. Adding capacity to this proven intermediary will expand entrepreneurs' access to the knowledge and capital they need to get their ventures off the ground while also ensuring that the metro is well positioned to take advantage of new opportunities as they arise.

BioSTL is also home to GlobalSTL, a homegrown recruitment program focused on bringing innovative bioscience companies to Metro St. Louis. This intermediary acts as a proactive business developer, attracting businesses from outside the metro by connecting them with the bioscience cluster ecosystem. These efforts attract high-growth firms that in turn bring innovation capacity, jobs, investment capital and quality of life improvements to the metro. Expanding GlobalSTL's bioscience recruitment capacity at home and abroad and launching a bioscience talent recruiting and business development platform with global reach will enhance the impact of this proven program for innovation-oriented economic development. The potential for GlobalSTL and AllianceSTL to work collaboratively gives the metro a powerful platform for strengthening its advanced industries.

Given bioscience's proven track record for commercializing innovation, the metro has a unique opportunity to develop commercialization-oriented Centers of Excellence that drive innovation and startup growth at the intersections of bioscience and other sectors. In 2020, the EDA awarded grants to BioSTL to begin work on a Center for Defense Medicine ($1.5 million) and a Center for Pandemic Resiliency ($3 million). Building two new Centers of Excellence focused on intentional collaboration between bioscience and other industries will provide much-needed programming and infrastructure to support innovation and commercialization. Initial network-building for a third Center of Excellence is also underway. This Center for Rural Health Innovation will leverage cutting-edge innovations to improve health and well-being in rural communities. It will enhance the metro's reputation in global health while bringing the latest in global health technologies and practices to stakeholders in rural Missouri and throughout the Heartland.

Together these three centers will attract investment, talent and companies from outside Metro St. Louis that want to take advantage of the region's expertise and industry opportunities. Over time, these centers will help multidisciplinary entrepreneurs turn ideas into new ventures that drive innovation, create jobs and expand regional economic growth.

The St. Louis metro is home to a number of incubators and shared lab facilities that support the early stages of commercialization and help firms get off the ground. However, as companies start to outgrow these spaces, they often have trouble finding new spaces that fit their budget. An increase in the stock of affordable lab/office space, particularly in innovation districts and near anchor institutions, will create new options for startups that outgrow early-stage locations such as incubators and co-working spaces. This space can also support regional demand for workforce training space.

Creating and commercializing innovation in the bioscience requires deep knowledge and access to expensive research facilities and equipment. Shared core facilities for bioscience research have helped drive growth in the sector by giving young companies lower-cost access to lab space, expensive research equipment and expertise. These facilities accelerate the commercialization process, help startups grow and attract companies to the region. Expanding existing core facilities to include additional capacity and capabilities will allow more companies to grow while making the metro an even more attractive location for bioscience firms.

The Become a Talent Engine and Magnet strategy above argues that access to quality STEM education will determine who is able to take advantage of the quality jobs that bioscience and other advanced industries create. Given the growing value of STEM proficiency in the labor market, every student in the metro deserves opportunities for high-quality STEM learning throughout their academic career. The development of a coordinated and collaborative STEM education and workforce training ecosystem can help make this goal a reality. Regional intermediary STEMSTL will work to align the many disparate efforts in the region, with a particular focus on schools and students with the least access to STEM learning. Additionally, expansion of STLCC's successful lab-tech training program and the launch of a new summer STEM program for college students of color will put more people on pathways to careers in bioscience.

## TAKING BIOSCIENCE TO THE NEXT LEVEL

Deliberate and sustained investment in the Metro St. Louis bioscience sector has produced a dense and highly successful cluster ecosystem. The targeted investments listed below, each designed using an intentional diversity, equity and inclusion lens, will position this strong and vibrant sector for an even greater role in the metro's purpose-driven economy.

- **BioGenerator:** What began as an effort to increase access to seed-stage capital has evolved into a multifaceted program to help entrepreneurs start and grow their businesses. Adding capacity to this proven venture development intermediary will expand entrepreneurs' access to the knowledge and capital they need to get their ventures off the ground.

- **GlobalSTL:** This homegrown recruitment program plays a vital role in bringing innovative bioscience companies to Metro St. Louis. The potential for GlobalSTL and AllianceSTL to work collaboratively gives the metro a powerful platform for strengthening its advanced industries.

- **Corporate recruitment strategy:** A coordinated and proactive bioscience recruitment strategy will increase the region's competitiveness in site selection efforts, resulting in more proposals accepted by site selectors and more companies deciding to locate in the region.

- **Centers of excellence:** St. Louis is home to a unique convergence of innovation strengths needed to address 21st-century global challenges such as feeding a growing global population with fewer resources, addressing health disparities in rural and urban areas, developing new renewable energy sources and responding to global health crises. New Centers of Excellence that build on these strengths will secure the region's global reputation and spark economic activity for years to come.

- **Early-stage space:** Access to the right space at the right time for the right price can have a major effect on a young company's ability to grow. Increasing the stock of affordable lab/office space, particularly in innovation districts and near anchor institutions, will create new options for growing startups as well as coworking efforts and regional workforce training.

- **Core facilities:** Shared core facilities for bioscience research have helped drive growth in the sector over the past decade. These facilities accelerate commercialization of innovation, help startups grow and attract companies to the metro. Expanding existing core facilities to include additional capacity and capabilities will further this progress and make the region even more attractive to bioscience firms outside the region.

- **STEM education and training:** Basic proficiency in STEM subjects is a must-have for our increasingly tech-powered world. A coordinated and collaborative STEM education and workforce training ecosystem, stewarded by BioSTL's STEMSTL, will align the many disparate efforts in the region, with a particular focus on those schools and students with minimal access to STEM education. Meanwhile, expansion of STLCC's successful lab-tech training program and a new summer STEM program for college students of color will put more people on pathways into bioscience careers.

Source: STL2030 Jobs Plan Bioscience Supplement

**ACTION**

***Implement the GeoFutures Strategic Roadmap and build a National Center for Location Sciences (NCLS) near Next NGA West***

The emerging geospatial cluster represents another opportunity for the region. Plans for a new National Geospatial-Intelligence Agency headquarters—Next NGA West—in North St. Louis are now underway. Once completed, the $1.7 billion Next NGA West will serve as a vibrant hub of geospatial research, talent development and commercialization. This state-of-the-art facility will attract a new base of federal workers, defense contractors, private-sector firms and university researchers that will fuel sector growth in the years ahead. Though much of NGA's work involves classified national security concerns, the agency plans to collaborate with academic researchers and private-sector firms on unclassified efforts and is including dedicated space for such collaborative work on the facility's 97-acre campus.

NGA's decision to remain in the City of St. Louis catalyzed interest in the metro's geospatial cluster ecosystem. A cross-sectoral effort convened by public- and private-sector leaders developed a new approach for the metro informed by insights from industry, higher education, primary education, racial equity, community development, and entrepreneurship. Implementation of the GeoFutures Strategic Roadmap will position the metro for future growth that is both innovative and equitable. The GeoFutures plan envisions a growing geospatial sector grounded in the metro's distinctive strengths in national security, transportation and logistics, agtech and health care service delivery. It imagines a new geospatial innovation district developing in the neighborhoods where Next NGA West plans to locate, bringing new state-of-the-art facilities as well as broadly shared prosperity and new work opportunities to neighborhood residents.

A new National Center for Location Sciences (NCLS) near Next NGA West would further enhance this emerging innovation district. Based on the model of the Danforth Center, this public-private partnership would bring the latest in location sciences to bear on pressing challenges in fields ranging from plant science to biomedicine to manufacturing, transportation and logistics. With core facilities that are accessible to early-stage firms, NCLS would provide a supportive environment for applied R&D and commercialization of innovation. Deliberate actions to support founders of color would ontribute to broader efforts to increase Black and Brown entrepreneurship in high-value sectors.

Building a stronger geospatial cluster is a key goal of both the GeoFutures Strategic Roadmap and NCLS. Partnerships with HSSU, SLU, UMSL, WUSTL, STEMSTL, T-REX, GeoFutures, Greater St. Louis, Inc. and others will create space for collaborative problem solving and strengthen working relationships among industry stakeholders.

As a major anchor situated north of the Delmar Divide, NCLS would bring new growth, investment and development to nearby neighborhoods. Build-out planning should include specific safeguards to prevent gentrification and displacement of long-time residents. Ongoing community involvement throughout the planning process will be crucial for prioritizing community needs and inclusive economic development in the surrounding communities.

The St. Louis Development Corporation's Project Connect initiative could be a good starting point for this work. Project Connect has coordinated activity and investments in redevelopment, transportation infrastructure, neighborhood revitalization and more in the eight neighborhoods surrounding Next NGA West (Carr Square, Columbus Square, Downtown West, Hyde Park, JeffVanderLou, North Riverfront, Old North and St. Louis Place). The GeoFutures Strategic Roadmap also calls for community-led planning so that long-time residents have a hand in shaping the impact of Next NGA West on their neighborhoods. Active, ongoing engagement with neighborhood-level organizing efforts should be a top priority throughout the planning, construction and launch of NCLS. Value-capture mechanisms that keep generated wealth in the community will be essential in order to ensure that economic benefits are shared in an intentionally inclusive manner.

## ADVANCED ROBOTICS FOR MANUFACTURING (ARM) INSTITUTE: DRIVING INNOVATION AND CATALYZING NEIGHBORHOOD REVITALIZATION

Robotics technology has forever transformed U.S. manufacturing. Production tasks that used to require the work of several people can now be completed by a machine with a single operator. The benefits are significant—higher productivity, lower costs, faster and more precise production—but they come at the cost of displacing workers from living-wage jobs.

The Advanced Robotics for Manufacturing (ARM) Institute believes that there is an alternative to widespread worker displacement. By pairing robotics R&D with workforce development, the ARM Institute is working to build a manufacturing sector "that elevates—not eliminates—the human roles in manufacturing."

What began with six universities and eleven companies, led by Carnegie Mellon University, now includes over 260 member organizations from the private, public and academic sectors. ARM Institute members commit to collaborating on applied research and workforce development efforts, united by the shared goals of advancing innovation and preparing enough skilled workers to meet expected demand.

The 90,000 square-foot Mill 19 facility in Pittsburgh's Hazelwood neighborhood houses the ARM Institute as well as Carnegie Mellon's Manufacturing Futures Initiative and the local Manufacturing Extension Partnership. This co-location of major manufacturing assets invites collaboration and knowledge spillovers among the three anchor tenants. Built on the site of an old munitions plant, Mill 19 features classrooms, conference rooms, collaboration space and a high bay for applied research.

In addition to increasing regional capacity for manufacturing innovation, Mill 19 is also providing a catalyst for neighborhood revitalization. Taking development without displacement as its goal, a community-led process produced a plan that centers the needs and dreams of current residents. The plan includes strategies for priority issues such as zoning and land use, affordable housing, commercial corridors, placekeeping and improving mobility within the neighborhood. In November 2019, the City Planning Commission approved the Greater Hazelwood neighborhood development plan. Through this plan, Greater Hazelwood has positioned itself to make the most of the arrival of Mill 19, the surrounding Hazelwood Green development and the economic growth that both will inspire.

Sources: Carnegie Mellon University, "Future of Manufacturing To Rise Within Abandoned Steel Mill" (2017); Advanced Robotics for Manufacturing Institute, "Strengthening U.S. manufacturing through innovations in robotics and workforce development" (n.d.); Hazelwood Green, "The Neighborhood" (n.d.); Greater Hazelwood Community Collaborative, "Our Hands, Our Plan: Greater Hazelwood Neighborhood Plan" (2019).

**ACTION**

***Construct an Advanced Manufacturing Innovation Center (AMIC) to drive innovation and support area manufacturers***

Advanced manufacturing and production continues to play a substantial role in the St. Louis metro economy, particularly in the realm of aerospace and automotive. This sector relies on continuous innovation in product design and production processes made possible through applied research, large-scale capital investments in facilities and equipment, automation and highly skilled workers.

High-value production means higher economic productivity and jobs that pay well, many of which do not require a four-year degree. The sector also encourages startup activity and company growth, with dense networks of small and medium-sized enterprises (SMEs) that specialize in making particular components for larger original equipment manufacturers (OEMs) such as Boeing and GM. These SMEs create jobs and, if locally owned, contribute to wealth building in the metro. Close physical proximity between SMEs and large-scale manufacturers speeds the transportation of goods and invites supply chain innovation, which in turn saves OEMs time and money.

The St. Louis metro will need to invest directly in its capacity for innovation in advanced manufacturing and production. Construction of an Advanced Manufacturing Innovation Center (AMIC) offers an opportunity to do just that.

This globally significant facility will house cutting-edge R&D as well as intentionally inclusive accelerated training programs that provide pathways into careers that pay well. Residents of the high-poverty neighborhoods in North St. Louis, North St. Louis County and East St. Louis should have priority for these programs. In addition, it will be designed with the needs of metro SMEs in mind so that every link in the supply chain can benefit from the latest research and technology.

AMIC will ensure that the metro plays a significant role in the future of advanced production. The facility will feature three main spaces: specialty labs where individual companies can do bespoke testing and research, shared-use space that provides access to advanced technology and equipment (a key asset for local SMEs) and workspace for collaborations and meetings. From production programs to sector-specific initiatives to workforce training programs, AMIC will provide a center of gravity for the region's advanced manufacturing and production sector, concentrating innovation, talent and economic activity in the metro.

## ADVANCED MANUFACTURING RESEARCH CENTRE: ANCHORING INNOVATION IN SHEFFIELD

The University of Sheffield's Advanced Manufacturing Research Centre (AMRC) shows the outsized impact that a research-intensive anchor institution can have on regional economic growth. What began as a £15 million partnership between Boeing and the University of Sheffield in 2001 has become a vibrant hub for applied R&D, startup activity and workforce training.

As a key anchor for Sheffield's Advanced Manufacturing Park, AMRC is organized into a collection of centers, each with a particular focus. From design, prototyping and structural testing to composite and metal additive manufacturing, these centers bring together the expertise and equipment that drive innovation in companies large and small.

This innovation powerhouse represents a vital resource for SMEs in the region. AMRC features a suite of facilities designed to drive SME adoption of innovations in precision engineering, machining, materials science and other production-oriented fields. Easy access to world-class production equipment and expertise help these smaller firms take advantage of the latest in production and process design. Meanwhile, seminars, forums and conferences keep SMEs informed about advances in high-value production and an onsite incubator provides additional support for young companies working to establish themselves.

AMRC also plays an important role in regional workforce development. Its robust apprenticeship program has put over 1,000 people on pathways into high-demand production roles since its launch in 2013. To ensure a steady supply of potential workers, AMRC's Training Centre conducts outreach to local secondary schools to raise awareness about career possibilities in advanced production. For employers, AMRC offers industry-oriented incumbent worker training programs to strengthen existing skills and build new competencies.

Taken together, AMRC's facilities and offerings represent a boon to Sheffield's manufacturing sector. From preparing skilled workers to conducting cutting-edge research and keeping SMEs current on the latest innovations, AMRC strengthens Sheffield's advanced production ecosystem and helps keep all manufacturers in the region—regardless of size—at the forefront of manufacturing innovation.

Source: University of Sheffield Advanced Manufacturing Research Centre, "About AMRC" (n.d.).

**ACTION**

***Invest in multimodal freight infrastructure to strengthen the metro's advantage in manufacturing and T&L***

The disruption of global freight movement brought by COVID-19 affirmed the importance of a strong domestic manufacturing sector. The St. Louis metro is uniquely positioned to make the most of this new imperative. In addition to strengths in advanced production, the metro sits in the center of the country, halfway to virtually anywhere in the continental United States. Its multimodal assets allow freight to move easily, whether by barge, railcar, airplane or semi-truck.

Metro East is the center of gravity for T&L assets in the metro. From America's Central Port in Granite City and the Gateway Commerce Center in Edwardsville to the railyards, industrial land and intermodal terminals along the Mississippi, the eastern side of the metro has infrastructure and sector strengths that let it shine in the T&L sector.

Investment in the construction and maintenance of freight infrastructure investments—including improvements to I-70 and I-64, replacement of the Merchants Memorial Mississippi Rail Bridge and additional cargo capacity at St. Louis Lambert International Airport—will allow the metro to further establish itself as a major center for T&L activity. Increased multimodal capacity and manufacturing-oriented development of industrial land will also make it easier for metro manufacturers to obtain needed materials and send finished products to domestic and global markets.

Organizations like the Bi-State Development Agency and the East-West Gateway Council of Governments as well as initiatives like the St. Louis Regional Freightway have published multi-year plans detailing needed infrastructure investments in the metro. When combined with the vision and goals set forth in the STL 2030 Jobs Plan, the metro will be able to make a compelling case for public-sector support when state and/or federal infrastructure funding become available. Should multimodal freight capacity expand, the metro already has programs in place to prepare workers for quality jobs in T&L. STLCC, Lewis & Clark Community College in Illinois and seven other community colleges used Recovery Act funds to invest in training programs for truck driving, logistics and other high-demand T&L occupations. Expanding these short-term programs (two years or less) will put quality jobs within reach for hundreds of metro residents.

**ACTION**

***Expand transit and digital access to better connect St. Louisans to opportunities no matter where they live***

The metro's insufficient public transit system isolates historically disinvested neighborhoods and complicates getting from place to place. Extensive economic decentralization and lack of employment density in the urban core make it incredibly difficult to find quality work, access health care, attend a training program or even go to the grocery store without reliable access to a car. Current bus service means that a trip that takes ten minutes by car can take over an hour without. In addition, transit schedule delays make it challenging to get anywhere on time, adding another layer of stress and inconvenience to residents' lives.

Investment in public transportation solutions like bus rapid transit (BRT) would better connect the entire metro and dramatically improve quality of life for households without access to a car. BRT has the advantage of faster implementation—because the buses rely on streets, this solution can be up and running quickly. Investments to better connect rural areas to suburban and urban commercial corridors should also be explored.

Making all transit investments universally accessible must be a top priority. Too often public transit represents a major obstacle for people with disabilities. St. Louis was the first city in the nation to have a wheelchair lift on every bus thanks to the tireless efforts of Max Starkloff, founder of the Starkloff Disability Institute (SDI). Engaging SDI, universal design experts and others with a strong understanding of the unique barriers facing the disability community will ensure that public transit is accessible, reliable and safe for all metro residents.

Lack of digital access has a similarly isolating effect that has only grown more pronounced with the COVID-19 pandemic. When classroom instruction moved online due to the public health emergency, students in households without consistent internet access found themselves at a profound disadvantage that will have lasting effects on their academic careers and future earnings potential.

Broadband is often viewed as a rural concern, and understandably so. Too many rural communities lack access to high-speed internet because the necessary infrastructure simply isn't there. Any push to expand digital access must therefore include investment to bring broadband connectivity to communities in every corner of the metro.

But extending high-speed internet to rural communities is just the first step. Closing the access gap will require pairing these infrastructure investments with support for digital skills acquisition and device access programs for lower-income households.

Urban and suburban neighborhoods struggle with digital access as well. In any given city or town, connectivity can vary significantly from one neighborhood to the next. Brookings researchers have likened this "digital poverty…to an entire neighborhood with spotty electricity or unreliable water service." These disparities put disinvested communities at an even greater disadvantage that will only intensify as more and more aspects of daily life move online.

As in rural communities, any solution must address gaps in coverage as well as adoption. An initial assessment of access and use will reveal which areas need infrastructure investment, which need digital equity programs (e.g., device subsidies, digital skills courses) and which need a combination of the two. Investment activities should be prioritized so that communities with the greatest deficits are at the top of the list.

As the metro sorts out how to proceed, it may want to look to other successful programs for ideas. The Connect Illinois broadband initiative is one approach to consider. This statewide effort combined investment in maintaining and expanding existing broadband, a grant program for new broadband infrastructure and a K-12 Broadband Network to ensure that all Illinois schools have access to high-speed internet.

# CONCLUSION

At the start of this plan, we made an ambitious claim: The next decade presents an exceptional opportunity for Metro St. Louis.

That assertion, coming in the midst of a global pandemic and in the aftermath of decades of economic underperformance and population stagnation, may seem overly optimistic to some. But the STL 2030 Jobs Plan has shown through quantitative analysis and qualitative assessment that the 15-county St. Louis metro is a globally significant metropolis rich in assets and competitive advantages.

We fundamentally believe that the bi-state St. Louis metro can set a new standard for inclusive growth rooted in shared civic purpose and radical collaboration. By taking the actions outlined here, the metro can turn the page after COVID-19 and embark on its most prosperous decade in the past century.

Disruptive periods enable communities that are organized and focused to leap frog ahead of others. This is one of those periods—and the St. Louis metro is one of those places.

The region can do grand things, together.

# ACKNOWLEDGMENTS

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Special thanks go to Civic Progress, which commissioned this action plan, and Greater St. Louis, Inc., which will play a vital role in helping guide the next chapter of this grand metropolis. Thanks also goes to all those on the St. Louis team as well as Center for Civic Research and Innovation (CCRI), which has been an important partner in this work.

New Localism Associates is a firm focused on helping cities and metropolitan areas design, finance and deliver inclusive growth. It draws on the expertise of a broad network of practitioners in the United States and beyond. The STL 2030 Jobs Plan work was guided by Bruce Katz, Jessica A. Lee, Courtney Kishbaugh and Ben Preis.

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### Bioscience Sub-Team

Due to the maturity of the region's bioscience ecosystem and the metro's globally signi!cant and distinctive position, a larger group of stakeholders was engaged to focus on the bioscience sector in the St. Louis metro.

| | |
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| Robert Cardillo | Saint Louis University/The Cardillo Group |
| Marie Carpunky | Thermo Fisher Scienti!c |
| Eduardo Conrado | Ascension |
| Joe Cornelius | Gates AgOne |
| Brandon Day | The Yield Lab Institute |
| Rajesh Devraj | Atlas Venture |
| Carter Dredge | SSM Health |
| Curtis Dudley | Mercy |
| Ryan Findlay | American Soybean Association (formerly) |

## Bioscience Sub-Team, *continued*

| | |
|---|---|
| Ron Fox | Express Scripts |
| Hillary Frey | STL Youth Jobs |
| Tori Gonzalez | National Science Foundation |
| Jeff Gordon | Washington University in St. Louis - School of Medicine |
| Mary Jo Gorman | Healthy Bytes |
| Ralph Grant | CRB |
| Steve Hanley | MediBeacon |
| Charles Heffernan | CRB |
| Michael Holmes | Urban League |
| Jesse Hunter | Centene |
| Cheryl Jones | Girls, Inc. |
| Ganesh Kishore | Spruce Capital Partners |
| Stephanie Kraus | Jobs for the Future |
| Tom Laurita | Danforth Plant Science Center (New Leaf) |
| Henning Lohse-Busch | Saint Louis University |
| Jim McCarter | Abbvie |
| Tom Melzer | RiverVest |
| Matt Milton | Mallinckrodt |
| Vance Moore | Mercy |
| Rob Naylor | AB InBev |
| Dan Northrup | Benson Hill |
| Tim Nowak | World Trade Center - St. Louis |
| Philip Payne | Washington University in St. Louis |
| Derek Rapp | RiverVest |
| Peter Raven | Missouri Botanical Garden (retired) |
| Stephanie Regagnon | Danforth Plant Science Center |
| Paul Rohde | Waterways Council |
| Bill Roschek | Nestlé |
| Rick Ryan | Apertus/Cultivation Capital |
| Bobby Sandage | Lightchain Capital/Cultivation Capital |
| Bill Schmidt | Cultivation Capital |
| Harold Schmitz | University of California, Davis |
| Glenn Schuster | VedaPointe |
| Natalie Self | STEMSTL |
| Vamadu Sheriff | Family and Workforce Centers of America/ MET Center |
| Thad Simons | The Yield Lab |
| Deb Slagle | MilliporeSigma |
| Dan Smith | Nestlé |
| David Smoller | Cultivation Capital |
| Mike Steenhoek | Soy Transportation Coalition |
| Jerry Steiner | Cover Cress |
| Taliba Strickland | BJC HealthCare |
| Matt Stroh | Eisai |
| Phil Taylor | Bayer |
| Steve Trampe | Owen Development |
| Cara Weber | AllianceSTL |
| Jerry Weinberg | Southern Illinois University – Edwardsville |
| Ed Weinstein | Canopy Biosciences |

## Restore the Core

| | |
|---|---|
| **Jason Hall, Co-lead** | Greater St. Louis, Inc. (formerly Arch to Park) |
| **Otis William, Co-lead** | St. Louis Development Corporation |
| John Berglund | The StarWood Group |
| Desiree Coleman | Wells Fargo Advisors |
| Tracy Hart | Tarlton Corporation |
| Brian Phillips | Washington University Medical Center Redevelopment Corporation |
| Neal Richardson | US Bank/Dream Builders 4 Equity |
| Steve Smith | The Lawrence Group |
| Ellen Theroff | Spire |
| Susan Trautman | Great Rivers Greenway |
| Hank Webber | Washington University in St. Louis/Cortex |
| Keith Williamson | Centene Charitable Trust |
| Roo Yawitz | The Rio Vista Foundation |

## Small Business

| | |
|---|---|
| **Emily Lohse-Busch, Co-lead** | Arch Grants |
| **Randy Schilling, Co-lead** | OPO Startups |
| Marilyn Bush | Bank of America |
| Rodney Crim | St. Louis Economic Development Partnership |
| Dara Eskridge | Invest STL |
| Pardeep Gill | Ameren |
| Charlisha “Charli” Greene | The Boeing Company |
| Alan Kuebler | Washington University in St. Louis (retired) |
| LaShana Lewis | St. Louis Equity in Entrepreneurship |
| Rich Liekweg | BJC HealthCare |
| Rodney McGee | Provider Pool |
| Timothy S. Schoenecker | Southern Illinois University - Edwardsville |
| Jason Wilson | Northwest Coffee |

## Talent and Workforce Development

| | |
|---|---|
| **Yemi Akande, Co-lead** | FOCUS St. Louis |
| **Hart Nelson, Co-lead** | St. Louis Community College |
| Ola Ayeni | Claim Academy |
| Anthony P. Bartlett | St. Louis Transplants |
| Scott Chadwick | Maryville University |
| Roslyn Y. Croft | Tarlton Corporation |
| Scott Drachnik | Economic Development Council of St. Charles County |
| John T. Frederick | The Boeing Company |
| Blake S. Hamilton | International Institute of St. Louis |
| Howard Hayes | SLATE American Job Center |
| Lauren Herring | IMPACT Group |
| Dave Hoyt | Daugherty Business Solutions |
| Jeff Mazur | LaunchCode |
| Lee Metcalf | Daugherty Business Solutions |
| Vanessa Okwuraiwe | Edward Jones |
| Jorge Riopedre | Delmar Divine |
| Greg Twardowski | Whelan Security/Regional Business Council |

## Transportation, Distribution and Logistics

| | |
|---|---|
| **Ronda Sauget, Co-lead** | Leadership Council Southwestern Illinois |
| **Steve Johnson, Co-lead** | Greater St. Louis, Inc. (formerly AllianceSTL) |
| Rick Barbee | SEACOR Holdings |
| Martin Brading | Mid America Logistics |
| Neal Breitweiser | Jefferson County Port Authority |
| Nathan Chew | Range Logistics |
| Mary Lamie | St. Louis Regional Freightway |
| David Lancaster | St. Louis Lambert International Airport |
| Cindy Mebruer | Saint Louis University - Chaifetz School of Business |
| David O'Toole | World Wide Technology |
| Asim Raza | Terminal Railroad Association of St. Louis |
| Stanislaus Solomon | Southern Illinois University - Edwardsville |
| Jim Wild | East-West Gateway Council of Governments |
| Dennis Wilmsmeyer | America's Central Port |
| Steve Zuber | Barber Murphy |

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