Best in Midwest
Are we there yet?

MISSOURI
Department of Economic Development
Missouri deserves to have the best economic development department in the Midwest.
But our neighbors and peers are out-performing us.
We rank 12th for GDP growth over the last five years, according to the US BEA.
We rank 11th in U.S. News and World Report’s Growth Rankings.
We rank 9th among our peers in CNBC’s top states for business.
We rank 13th for the quality and availability of our workforce by CNBC.
We rank 12th for the productivity of our workforce, according to the US BEA.
Agency reported results tell the same story.

Note: Calculated by using agency-reported 3-year averages for FY15 – FY17.
Agency reported results tell the same story.

Based on an average of PY13-15 figures reported to U.S. Department of Labor for adults registered in workforce program.
It’s not due to a lack of resources.

$290.5 Million Total Expenditures

- $127.8 Million, 44%
- $94.4 Million, 32%
- $23.0 Million, 8%
- $10.6 Million, 4%
- $16.8 Million, 6%
- $9.0 Million, 3%
- $4.5 Million, 2%
- $1.2 Million, 0%

865 Total Headcount

- 423, 49%
- 423, 49%
- 32, 4%
- 102, 12%
- 37, 4%
- 15, 2%
- 16, 2%
- 202, 23%
- 39, 4%

Note: Data based on FY18 Appropriations
Whether we’re spending a little,

% of DED Budget

- 0.5%
- 0.8%
- 98.7%

Note: Data based on FY18 Appropriations
Or spending a lot,

Total Expenditures (millions)

Headcount

- Everything Else
- Workforce Development

Note: Data based on FY18 Appropriations
We’re still not getting results.

Best In Midwest is not just our aspiration, it’s our plan.
How we’ll get there:

<table>
<thead>
<tr>
<th>Best In Midwest</th>
<th>• Redefine our economic development strategy &amp; transform DED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent For Tomorrow</td>
<td>• Lead the nation in innovative approaches to talent &amp; workforce</td>
</tr>
<tr>
<td>Branding</td>
<td>• Develop a narrative to tell our story to the world</td>
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</table>

We’ll have a new strategy for economic development, a laser focused agency to deliver it, a national model for talent & workforce, and a vehicle to deliver this message.
Megatrends

Ready or not, they’re here.
Ready or not, Missouri’s future will be shaped by global trends

- Urbanization
- Technology
- Global Power Shifts
- Demographics
- Resource Scarcity
Ready or not, Missouri’s future will be shaped by global trends

**Urbanization**

**Global Reality:** Today, 50% of the world’s population lives in cities. The world’s urban population is expected to increase to 72% by 2050.

**Missouri Reality:** Missouri’s urbanization rate is 70.4%, slower than the national rate of 80.7% but still significant.
Ready or not, Missouri’s future will be shaped by global trends

Urbanization

The Questions:

• How do rural economies adapt?
• What are the implications for cities?
• How can we link urban and rural economic benefits?
• How will urbanization around the world affect us here?
Ready or not, Missouri’s future will be shaped by global trends

Global Reality: Some sectors are better at implementing technology; lagging sectors are getting left behind.

Missouri Reality: Our labor productivity is 84% of the national average, costing our economy about $13,000 per job in GDP.
Ready or not, Missouri’s future will be shaped by global trends

The Questions:

- Can our economy shift towards greater use of technology to gain competitive advantage?
- Will employers seek more productive labor?
- How do we prepare our workforce to both take advantage of and prepare for technological disruptions?
Ready or not, Missouri’s future will be shaped by global trends

Global Reality: Emerging economies are shifting capital flows and trade, shifting to consumption rather than production-oriented.

Missouri Reality: We face stiff competition from our peers in exports and presence in global markets. 5.3% of our GDP is export; 12% nationally.
Ready or not, Missouri’s future will be shaped by global trends

Global Power Shifts

The Questions:

• How do we increase our access to global markets?
• How do we gain ground when our peers are so far ahead?
• How do the changes in international power structures/economies affect us?
• What about trade policy?
Ready or not, Missouri’s future will be shaped by global trends

Global Realities: Societies are facing dynamic shifts – growth or decline. Changing consumer spending behaviors & life preferences.

Missouri Realities: We have an aging and numerically declining labor force. Last 90 days, we had 86,000 new job postings. Last year, we gained 16,000 new Missourians.
Ready or not, Missouri’s future will be shaped by global trends.

Demographics

The Questions:

- What about consumer spending changes?
- How vulnerable are we to interest rate changes?
- How do we generate revenue to meet commitments?
- How can we attract and retain labor?
- How is this felt differently across state?
- What about infrastructure?
Ready or not, Missouri’s future will be shaped by global trends

**Resource Scarcity**

**Global Realities:** Weather changes and resource scarcity are on the rise. By 2030, we will need 50% more energy, 40% more water, and 35% more food.

**Missouri Realities:** Our agricultural base positions us uniquely to take on resource scarcity challenges, but will also have challenges.
Ready or not, Missouri’s future will be shaped by global trends

Resource Scarcity

The Questions:

• How do we position agricultural and manufacturing to take advantage of rising demand?

• Should we explore climate-friendly technologies – both for use and for export?

• What implications are there for us, especially in agriculture & ag tech?
# How we’ll answer these questions

## Best in Midwest
- Economic analysis
- Competitor research
- Organizational transformation & economic development strategy
- Performance management & sustainability

## Talent For Tomorrow
- Economic projections based on labor
- Deep labor analysis
- Asset inventory
- Create data capabilities
- Pilot project
- Broader recommendations
Join the fun

Best in Midwest Summit
June 27 · St. Louis

Talent For Tomorrow Regional Meetings
June & July · Statewide

Governor’s Conference
September 5 – 7 · Kansas City

www.BestInMidwest.com