

Strengthening

STARK

A CALL FOR ECONOMIC TRANSFORMATION

2017 REPORT
COMMISSIONED BY



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Thank you for taking the time to read what we believe is an important document about the future of our home, Stark County. The organizations, institutions and communities we represent are diverse. **What unites us is our commitment to Stark County.**

When a handful of us started meeting in 2015, we weren't certain what we might do together, but we were eager to learn from each other and support each other's efforts to strengthen Stark County. Our group has evolved over the last two years, and we've learned a lot. Today, after spending months analyzing the data that provides the foundation for this report, our purpose is clear: we are calling for the **development and implementation of a bold, aggressive plan to accelerate economic growth and increase access to opportunity** in Stark County.

Since our group is informal (we have no chair, budget or charter), we asked Stark Community Foundation to issue this report on our behalf. While our group has no formal standing, we each feel a sense of responsibility for helping shape the future of our county.

One of our colleagues likes to say, "Facts are our friends." This report provides important and challenging facts about the future of Stark County. These facts inspired us to think differently about what needs to happen to strengthen Stark. We hope this report inspires you to engage with us to explore how best to implement its recommendations, and to identify other opportunities to catalyze the positive transformation of our county.

We, the people of Stark County, will need to make some tough decisions about our future in the months and years ahead. We want this report to inform the conversations that lead up to

ABOUT THE STARK CIVIC GROUP

Formed in 2015 at the suggestion of the leadership of the Canton Repository, Canton Regional Chamber of Commerce and Stark Community Foundation, the Stark Civic Group provides a forum for civic organizations and others to share our respective strategic plans and identify ways we can help each other achieve our respective goals.

Our membership has evolved, and will continue to do so. We have no bylaws, chair or formal authority.

We meet about once a month. And, most importantly, we have a shared commitment to the future of Stark County.

those decisions. We each commit to being active participants in those conversations, and to working with you to ensure a vibrant, healthy future for all of Stark County.

Sincerely,

Rick McQueen
Akron-Canton Airport

Denny Saunier,
Mike Gill, David Kaminski
and Eric Smer
**Canton Regional
Chamber of Commerce**

Jim Porter
Canton Repository

Joe Mazzola
City of Alliance

Mayor Thomas Bernabei
and Fonda Williams
City of Canton

Bob DeHoff
DeHoff Development

Todd Hawke
Jackson Township

Kirk Schuring
**Ohio House of
Representatives**

David Baker and Pete Fierle
Pro Football Hall of Fame

Tim Seifert
Seifert Companies

Mark Samolczyk
and Bridgette Neisel
**Stark Community
Foundation**

Janet Weir Creighton
**Stark County
Commissioner**

Ray Hexamer
**Stark Economic
Development Board**

Maria Heege
**United Way of
Greater Stark County**

PURPOSE OF THIS REPORT

- **Articulate the case for a positive economic transformation**
- **Provide a framework for achieving that transformation**
- **Identify actions that are being taken or need to be taken to catalyze the transformation**

STRENGTHENING STARK SUMMARY

OPPORTUNITY

Stark County can leverage its economic strengths and new investments in our county to **accelerate economic growth** and **increase access to opportunity for all residents**. Such an economic transformation is possible through cross-sector collaboration that engages all our communities and key stakeholders, and by investing more resources to strengthen economic development in Stark County.

RISK

Failing to act aggressively will result in a different kind of transformation for Stark County, as **our population will continue to get smaller, older and poorer**. Staying on the present path means a continued decline in our fiscal and economic health, and increased pressure on our social service sector. **The status quo is not acceptable.**

RECOMMENDATIONS

1. Stark Economic Development Board should coordinate with its partners on the development and implementation of a shared economic plan for Stark County.
2. The shared economic plan for Stark County should focus on job creation, job preparation and job access.
3. Job creation strategies should focus on helping existing companies within targeted industries achieve their growth potential.
4. Support for the Stark Entrepreneurship Alliance should expand and be sustained to increase the number of young, growing companies in Stark.
5. Job preparation and economic development initiatives should be integrated.
6. Infrastructure improvements and other investments should be targeted to enhance existing job hubs in Stark County (locations where high concentrations of employment exist) and make the jobs more accessible to all residents.
7. Stark County should invest more resources into economic development activities.
8. All organizations and institutions that care about the future of Stark County need to identify how they will help sustain the long-term implementation of the shared economic plan for our community.

INTRODUCTION: A CALL FOR ACTION

Stark County is on the verge of a transformation. Together we can build a strong, vibrant county powered by growing businesses and increased opportunity for all. Or, we could choose to stay on our present trajectory and watch our community transform into a smaller, older and poorer place unable to support a high quality of life.

Transformation is not new to Stark County. Early in the 19th century, our founders leveraged abundant water and rich soil to become an agricultural hub including being a leader in the manufacturing of farm implements. But as is the case today, the economy shifted. The nation's agricultural strength spread west, and implement manufacturers followed. Stark County could have gone into decline more than 100 years ago. Instead, leaders used the community's assets, including abundant land, clean water and proximity to railroads and canals, to attract new manufacturers – such as The Timken Company, which moved here from St. Louis, MO, in 1901 – to take advantage of emerging new industries. Bearings, steel and engines replaced the manufacturing of agricultural products. Of course, the economy never stops shifting and much has changed since the manufacturing boom of the early 20th century. **Communities that excel at adapting to economic change thrive; those that don't decline.** This report is a clear-eyed assessment of how our community has adapted to today's disruptive global economy, and it is a call for everyone to harness our collective resources and leverage our assets to catalyze a transformation that results in a new era of both increased economic growth and more access to economic opportunity for all of Stark County.

We are not exaggerating when we say **everyone has a role to play in advancing economic growth and increasing access to opportunity.** It will take a shared commitment by public officials,

private business owners, students, residents, nonprofits and foundations to allocate the resources, develop the strategies, take actions and hold each other accountable for the results. And certainly, everyone will suffer if our community's transformation is one of accelerated decline.

At the request of the Stark Civic Group, an informal group of organizational leaders from our county, Stark Community Foundation issues this report as part of our mission to improve the quality of life for the residents of our community.

This report is broken into three sections. Because we are confident in the future of Stark County, we devote the first section, **Catalyzing a Transformation to Growth & Opportunity**, to how we can achieve a positive economic transformation. This section outlines a county-wide, collaborative approach to accelerating job creation, improving job preparation efforts and increasing job access throughout Stark. This section acts as a call for a strategic plan, and we are excited that the Stark Economic Development Board, Canton Regional Chamber of Commerce and several other partners are already working to develop such a plan. **To be successful, such a plan will need broad, sustained support from the public, private, philanthropic and nonprofit leaders of our community.** This report makes the case for such support.



The second section, **Without Action, Stark Days Ahead**, assesses the current economic and social health of our county and projects a disturbingly different kind of transformation if present trends persist.

The third section, **Resources and Action Required**, describes specific, initial actions that have been taken or need to be taken to advance our county's transformation.

The transformation before us will not be swift or easy. It will require persistence and innovation. Our founders forged our community with their persistence. Amazing innovators propelled past generations forward. **Persistence and innovation is what made Stark County**. We are inspired by our past. And, we are confident persistence and innovation will continue to be the hallmarks of our community as we transform again.

SECTION 1: CATALYZING A TRANSFORMATION TO GROWTH & OPPORTUNITY

Stark Community Foundation believes there are three essential ingredients to a healthy and vibrant community: economic development, education and strong neighborhoods. **Economic development serves as the catalyst for addressing the root cause of social problems within communities**. Effective economic development efforts result in a growing economy and increased access to opportunity for all residents; what our partners at the Fund for Our Economic Future call **Growth & Opportunity**. The Foundation is committed to using the lessons we've learned with our Fund partners over the last 13-plus years to guide our economic development efforts in Stark and we encourage others to embrace this *Growth & Opportunity*



ABOUT THE FUND FOR OUR ECONOMIC FUTURE



Formed in 2004 by Stark Community Foundation and dozens of other foundations that serve Northeast Ohio, the Fund for Our Economic Future supports regional economic strategies that advance job creation, job preparation and job access. The Fund has deployed more than \$125 million to support strategies that have helped generate nearly 25,000 jobs, \$1.1 billion in payroll and more than \$6 billion in capital in Northeast Ohio.

The Fund also helps its members develop local economic strategies that leverage the Fund's regional efforts. In Stark County, the Fund has facilitated the Stark Civic Group meetings since 2015, helped prepare this report and is helping shape Stark's economic development strategy that is being developed in conjunction with this report.

framework, as well. Together, we can grow the economy in ways that create more access to opportunity and alleviate the root causes of many of our communities' social problems.

COLLABORATION REQUIRED

One of the many lessons learned by the Foundation and the Fund is that effective economic development efforts require public, private, nonprofit and philanthropic stakeholders to work together. **No single entity, or even small group of players, controls the complex factors that shape our economy.** In Stark County there are at least a dozen nonprofit or public organizations and entities that focus a significant amount of effort on helping companies grow, and there are a similar number of regional or statewide entities that provide economic development services and resources within our county. These entities vary widely in their functions, capacity and effectiveness. Some of the entities provide access to financial and tax incentives, some help companies develop new products or access new markets, some help companies train talent, and some advocate on behalf of businesses with governmental entities. Together these entities make up what we'll refer to in this report as the "economic development system" of Stark County. The number of entities that make up this system reflects the diverse, complex needs of business. They also reflect that Stark County is home to multiple communities that are dependent on business growth to sustain their respective tax base, and that Stark County is part of a larger, regional economy. Just as no entity can shape economic outcomes, nor can any single community (or even our entire county) separate itself from the influence of the global and regional economy.

The overall performance of the economic development system in Stark County reflects the collective performance of more than a dozen different entities, as well as those that fund and support those entities. As is emphasized in the next section, the collective performance of the system is insufficient to



“While collaboration is difficult, our community has a long history of effective collaborations.”

transform Stark into a community rich in *Growth & Opportunity*. Improving that performance is essential to achieving the positive transformation we seek for our community. Improvements will require organizational changes, increased capacity and greater collaboration. **While collaboration is difficult, our community has a long history of effective collaborations.** For example, diverse players have collaborated for decades now to dramatically improve high school graduation rates and college-going rates in Stark County.

That spirit of collaboration needs to spread to the fields of job creation, job preparation and job access. Collaboration in these fields can be more challenging, in part because of competition among communities for the tax base that accompanies economic development. But, competing over a relatively flat, or even shrinking, tax base will not result in healthy, vibrant communities. Importantly, **our communities already demonstrate the ability to work together on economic issues.** For example, the City of Canton works closely with Jackson Township on economic projects through their Joint Economic Development District, dozens of economic development entities work through the Business Resource Network to help companies meet their talent needs, and six partners, including Stark Community Foundation, recently pooled their resources to purchase the 327-acre Stark County Farm to convert it into an industrial park.

Achieving *Growth & Opportunity* will require an even higher level of collaboration among the dozens of entities that have influence over job creation, job preparation and job access outcomes in Stark County. We know from experience that collaboration requires capacity and committed leadership. The Foundation and the endorsers of this report are prepared to provide the capacity and leadership to support such a collaboration.



RECOMMENDATION #1

Stark Economic Development Board should coordinate with its partners on the development and implementation of a shared economic plan for Stark County.

As a public-private partnership with responsibility for serving the entire county, Stark Economic Development Board is well-positioned to foster and sustain a collaboration involving state, regional, county and local players within the economic development system. Many of the local players within the economic development system support the creation of a shared economic plan and agree that Stark Economic Development Board is best positioned to coordinate such a plan.

Coordinating an economic development plan that is shared by multiple entities operating within Stark will be a new role for Stark Economic Development Board. It will require new capacity within the organization, and sustained support from partners in the plan.

The economic development plan being developed by Stark Economic Development Board and its partners will offer more specific details on the actions to be taken to achieve our desired transformation. One of the objectives of this report is to provide a framework for that more detailed plan.



RECOMMENDATION #2

The shared economic plan for Stark County should focus on job creation, job preparation and job access.

We need to catalyze more job growth in our county, prepare our residents for those jobs and make sure all residents have access to those jobs. If we can address these three, overlapping priorities we are confident we can transform Stark County into a **thriving, vibrant community.**

JOB CREATION

Most job growth comes from companies already here. We can significantly increase the pace of job creation in Stark County by targeting companies with growth potential within important industries, including manufacturing, food processing, oil and gas, and tourism, entertainment and hospitality. **We do not lack high-growth potential companies here in Stark.** Analysis done by Cleveland State University as part of a larger study of high-growth companies in Northeast Ohio, identified more than 100, and perhaps as many as 600, companies that are experiencing rapid growth in Stark County.



RECOMMENDATION #3

Job creation strategies should focus on helping existing companies within targeted industries achieve their growth potential.

MANUFACTURING

Since the earliest days of Stark County, manufacturing has been an economic driver and although it has evolved dramatically over the last few decades, it continues to dominate economic activity within the county. More than 26,000 people work in manufacturing and there are about 560 manufacturing companies within Stark County. Of the six major business expansion deals in Stark that the State of Ohio helped support in 2016, five were in the manufacturing sector.

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We can help accelerate the growth of these companies by providing them with access to services and resources that will help them identify and take advantage of new market opportunities. For example, manufacturing companies can benefit from the product and process innovation services offered by MAGNET, a federally-supported manufacturing extension program.

While new job growth within manufacturing is likely to be modest as automation and productivity gains continue to lower demand for workers, many companies in Stark are or soon will be searching for the next generation of workers to replace those who are getting ready to retire.

FOOD PROCESSING

A segment of the manufacturing sector, food processing has long been a large employer in Stark County. More than one fourth of all the major economic development projects announced in Stark County between 2013 and 2016 were in the food processing sector. Across Northeast Ohio, there are about 370 food processing companies and 18,000 workers in the sector.

“Stark County has arguably the best oil and gas technical education program in the Utica.”

OIL AND GAS

The oil and gas industry continues to evolve in Ohio and Stark County. Continued development of the Utica Shale oil and gas reserves will generate economic opportunities ranging from exploration to downstream development of chemicals and coatings. **Stark County is well-positioned to take advantage of growth that will emerge within this sector.** Over the last four years, four major oil and gas-related economic development expansions have been announced in Stark County.

Stark County is a significant refiner of energy because of Marathon Petroleum’s Canton Refinery. Marathon has invested hundreds of millions of dollars in a pipeline to bring shale energy products from the Harrison County area to its Canton refinery. Stark County also is on the route of at least three interstate pipelines: Rover (developed by Energy Transfer), NEXUS (Enbridge and DTE) and Utopia (Kinder Morgan).

Thanks to Stark State College, **Stark County has arguably the best oil and gas technical education program in the Utica.** It has the potential for supplying some of the workforce needed to sustain Utica development.

The growth of the oil and gas industry has attracted many high-salary professionals to Stark County, including engineers and

architects, environmental consultants, oil and gas attorneys and specialists in commercial real estate. Stark has become a preferred community for oil and gas managers and executives who have moved into the northern Utica with their families. Chesapeake Energy's choice of Stark County as its Ohio base of operations caused out-of-state energy professionals to find Stark.

Stark County has been the choice of at least two oilfield services companies that built facilities, G.E. Oil and Gas and Baker Hughes. Four-lane highways are proximate to both sites. A regional railroad headquartered in Stark County, Wheeling & Lake Erie Railway, has seen its business grow because of shale oil and gas exploration. Several companies operating here prior to the start of the shale boom have adapted their products and services to shale and have grown as a result.

Stark County is well-positioned to accommodate additional downstream industrial energy users and energy product manufacturers.

According to the American Petroleum Institute, direct shale activity between third quarter 2015 and second quarter 2016 created jobs paying an average of \$75,719 per year; shale-related jobs in the same period averaged \$64,479 per year. These salary levels compare to average salaries of \$47,250 in all other Ohio industries during the same period.

The American Chemistry Council (ACC) predicts shale-related investments in the petrochemicals and plastics industries will boom in Ohio and three other states that are well-positioned to take advantage of the shale gas in the Appalachian region. The ACC forecasts 101,000 jobs created and supported in the region by 2025 and \$28 billion in economic expansion.

Each community will have its own value proposition to elements of the oil and gas industry. Collectively, we can identify policies

and actions at the county, regional and state level that will help grow this sector, as well as downstream industries, including chemicals and coatings, that use the oil and gas extracted from the Utica. The shared economic plan needs to include a clear strategy to continue to grow this sector.

TOURISM, ENTERTAINMENT AND HOSPITALITY

The \$700 million Johnson Controls Pro Football Hall of Fame Village will transform the tourism, entertainment and hospitality industry in Stark County, and for all of Northeast Ohio. A preliminary economic development assessment of the project done in 2015 estimated there will be about 13,000 full- and part-time jobs associated with Johnson Controls Hall of Fame Village. That assessment didn't break down how many of those jobs would be in this industry, but with projections of 3 million visitors a year within a decade, it is fair to assume a large portion of those jobs will be in this sector. A revised economic assessment is being conducted by the developers of Johnson Controls Hall of Fame Village. While jobs in this sector, on average, pay considerably less than jobs in other targeted industries, **an expanding tourism sector will create gateway jobs for residents looking to enter the workforce.**



“Stark County can attract outside investment.”

Employment in this sector has grown about 28% since 2000 to nearly 18,500 jobs in 2017. The vast majority of jobs, about 15,500, are in the restaurant business. **Development of Johnson Controls Hall of Fame Village and associated tourism will undoubtedly accelerate growth.**

Importantly, the Johnson Controls Hall of Fame Village is a clear demonstration that Stark County can attract outside investment and has the assets necessary to catalyze economic growth. If visitor and job projections are fulfilled, **the economic impact of more than \$25 billion over 25 years will be felt throughout Stark.**

ENTREPRENEURSHIP

Vibrant communities are home to young, growing companies that spur innovation and meet shifting market needs. The Stark Entrepreneurship Alliance is a collaborative effort among a dozen of partners to better support startups and early-stage companies.



RECOMMENDATION #4

Support for the Stark Entrepreneurship Alliance should expand and be sustained to increase the number of young, growing companies in Stark.

**FACT:
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State data shows the need for the Alliance. In 2012, the state reported 703 businesses started in Stark County. In 2015, only 488 started. And, employment in companies that are younger than five years old fell 28.5% between 2010 and 2015, according to data provided by the Brookings Institution. In contrast, jobs at young companies in that period grew by 1% in Cleveland.

The community will need to support expanded, effective programs that will encourage more individuals to start their own businesses in Stark County.

JOB PREPARATION

Preparing job seekers to fill open positions today, as well as making sure our education and training efforts are preparing residents for the jobs of the future, is essential to achieving the economic transformation we seek. A job creation plan cannot be successful unless companies have ready access to the talent needed to fill those jobs. Therefore, **the shared economic plan to be coordinated by Stark Economic Development Board needs to have job preparation embedded in that plan.**



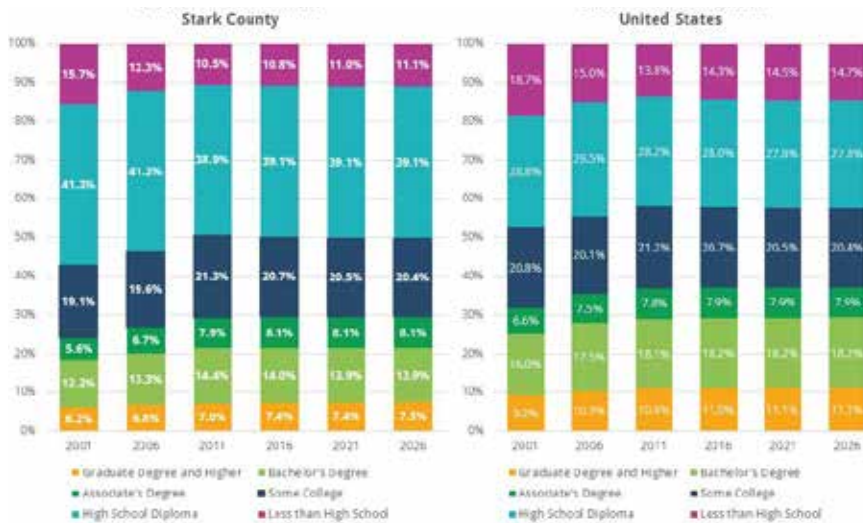
RECOMMENDATION #5

Job preparation and economic development initiatives should be integrated.

By 2020, nearly two-thirds of all jobs are projected to require a post-secondary credential or higher in the U.S., but presently less than 30% of Stark County residents have at least an associate's degree. The county's collaborative commitment to improving

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EDUCATIONAL ATTAINMENT: STARK COUNTY VS. U.S.



Source: Team NEO

Educational attainment in Stark County has risen since 2001, but will need to rise even faster to match the national average in the decades ahead.

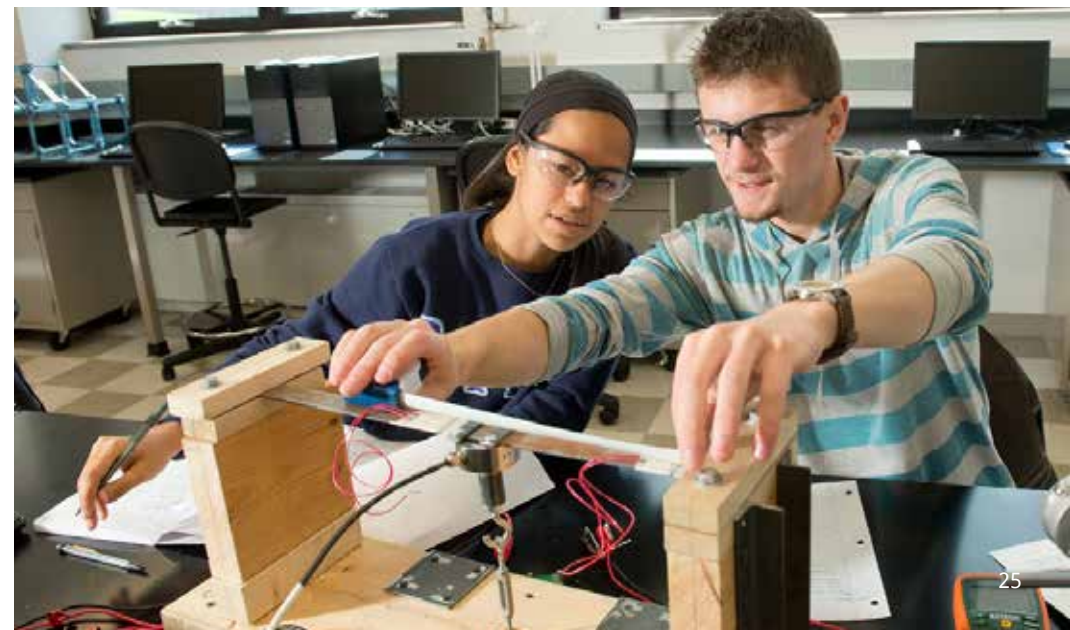
educational outcomes has paid off with significant progress, but we must continue to elevate our level of educational attainment.

Stark County has a number of entities performing outstanding job preparation work, and many of those efforts involve cross-sector collaborations. Ohio Means Jobs – Stark and Tuscarawas (OMJ) hosts the “Business Resource Network,” which brings together dozens of partners to create coordinated responses to meet specific company needs. The Canton Regional Chamber of Commerce hosts an Education Committee that brings together representatives from business, education and other sectors to address education issues across the county, and increasingly that group is focusing on issues related to job preparation. Sisters of Charity Foundation of Canton coordinates a collaboration

involving several social service and job training partners, including OMJ and Goodwill, that prepares under and unemployed adults 18-24 for employment success. And, OMJ and United Way of Greater Stark County partner on the Prosperity Center to offer financial stability coaching to job seekers that use OMJ’s services.

These and other examples reinforce our community’s ability to catalyze change through cross-sector collaboration. **We can and will build off these efforts to develop a demand-driven talent development system that meets the needs of companies and helps prepare our residents for a more prosperous future.** The economic plan should help these efforts become more coordinated, and align around key job creation strategies.

By engaging these and other potential partners, Stark Economic Development Board can help coordinate demand-driven, sector-based job preparation efforts that leverage existing collaborations and lessons learned from other job preparation efforts across the region. For example, WorkAdvance, a multi-year job training initiative sponsored by the Fund and national partners, demonstrates the value of designing job preparation programs that help participants advance in their careers, not just



land a job. Comprehensive support services provided throughout the job preparation process and after employment helped participants earn nearly \$2,000 more annually than those that didn't receive such services. **Stark's job preparation efforts should emphasize the value of career pathways that lead to prosperity, not just employment.**

An integrated job creation and job preparation effort would also help Stark Education Partnership's ongoing initiative to elevate educational attainment by making it clearer to Stark County students about the career opportunities available here. Such integration will help our community address the skills gap identified in a 2017 report issued by Team NEO, "Aligning Opportunities in Northeast Ohio," that found **the region's secondary and post-secondary institutions are graduating too few students with credentials in high-demand fields.**

An early objective should be to identify companies with large, current employment needs and coordinate a concentrated effort on meeting those needs as quickly as possible.

Presently, there is very limited awareness of current or future demand for specific jobs and skills in Stark. Working with its job creation and job preparation partners, **Stark Economic Development Board should develop the capacity to identify and communicate workforce supply and demand trends, particularly within targeted industries.**

JOB ACCESS

Where jobs are located matters. And, past development patterns make it harder for residents in Stark to access jobs. For example, Stark County residents spend a higher percentage of their income, 28%, on transportation, than do residents of Northeast Ohio's two other most populous counties, Cuyahoga and Summit. This is a reflection, in part, of the sprawl of jobs within the county. In addition, nearly 40% of Stark County's working residents leave the

FACT:
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county to access their job, with more than 15,000 workers driving to Summit County every day to work. In contrast, only about 8,000 Summit residents work in Stark.

And, nearly 4,000 residents do not have access to a car, and are reliant on public transit to get to work.

The sprawl of jobs across the region has made work less accessible to core city residents.

About 20,000 Stark residents live in distressed neighborhoods that are disconnected from the regional economy. In such neighborhoods less than 65% of adults are in the labor market and average income is below poverty.



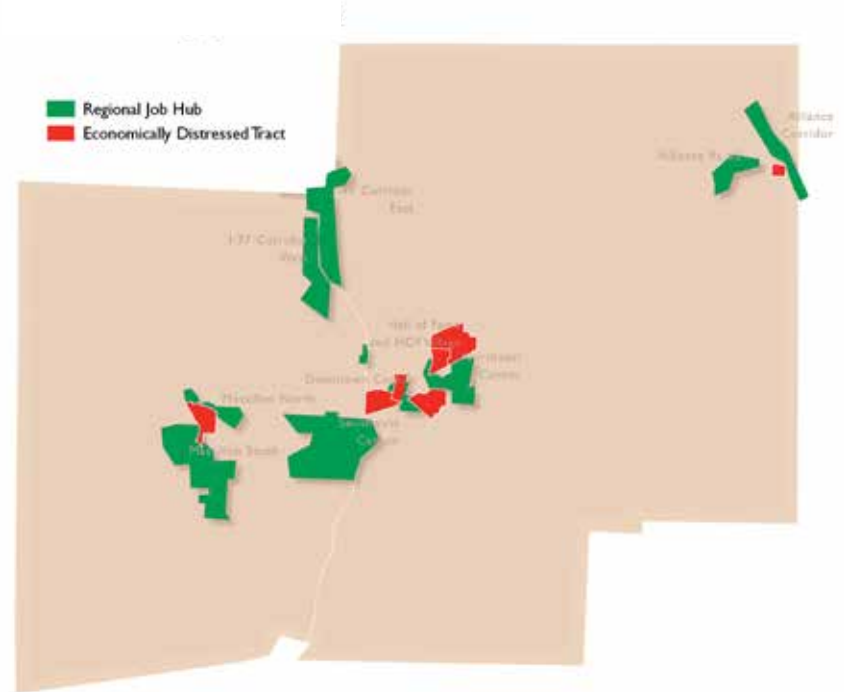
RECOMMENDATION #6

Infrastructure improvements and other investments should be targeted to enhance existing job hubs in Stark County and make the jobs more accessible to all residents.

Stark's job creation strategies should focus on adding jobs within existing job hubs, areas with a large concentration of employment and existing transportation infrastructure that makes those jobs relatively accessible. About 40% of all jobs within the county are located within 10 job hubs. While job growth will not and should not be limited to these hubs, concerted efforts should be made to concentrate as much

job growth within these hubs as possible to leverage existing infrastructure and limit the expansion of new infrastructure investments that cannot be sustained. Unfortunately, the largest job hubs in Stark County have lost 2,400 jobs since 2002. A targeted jobs hub effort can be aligned with community-specific strategies, such as City of Canton's new comprehensive plan. That plan targets six core investment areas, which are proximate to existing job hubs.

JOB HUBS AND DISTRESSED NEIGHBORHOODS



Source: Fund for Our Economic Future

About 40% of the jobs within the county are concentrated within 10 job hubs, and several of those hubs are proximate to distressed neighborhoods, providing opportunities to improve job access in our county.

SECTION 2:

WITHOUT ACTION, STARK DAYS AHEAD

By focusing our collective efforts on job creation, job preparation and job access, we are confident Stark County's best days are ahead. But, we will not see those days unless we take dramatic actions that divert us off our current path. Stark County's trajectory over the last few decades is not one that foreshadows *Growth & Opportunity*. Rather, it forecasts that **we will get smaller, older and relatively poorer.**

In 2000, Stark County's population was 378,098. However, the 21st century has not been kind to our county. Stark's population fell to an estimated 375,165 in 2015 and the State of Ohio projects that by 2040 the county's population will only be 355,500, **a decline of 6% from the turn of the century.** Stark's population loss is especially noticeable among residents within the prime working age group of between 25 and 54. Between 2010 and 2015, the number of working age adults nationwide increased slightly, but in Stark County the number fell by nearly 5%, according to U.S. Census data.

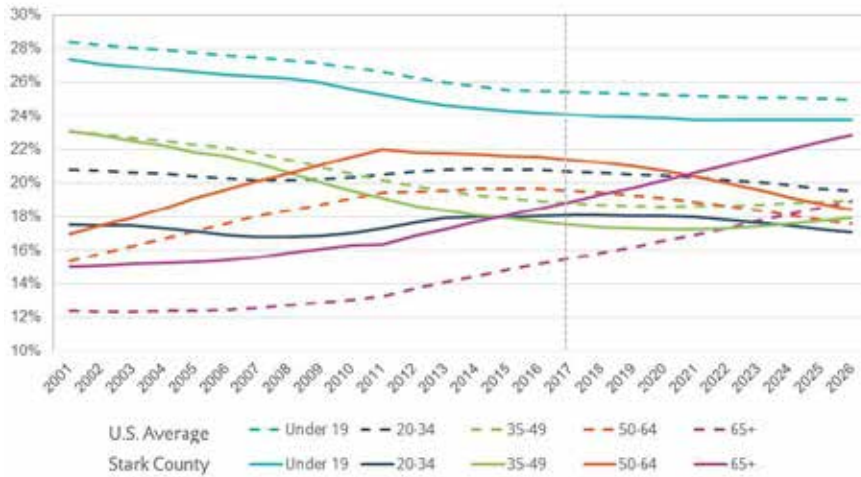
A continued decline in population will result in a reduced tax base for the county and make it more challenging for local governments to invest in infrastructure, provide services and maintain the county's quality of life.

Exacerbating the projected population decline will be the aging of Stark County. More than 45% of Stark's population today is 45 or older, and the median age in Stark County is 42.1, which is more than four years older than the national median. Without a significant influx of new, younger residents the aging of Stark County will accelerate. And, more jobs will be needed to retain the county's younger residents. Over the next decade the only age group that is expected to rise in Stark County is residents

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STARK COUNTY POPULATION IS OLDER THAN THE U.S. AVERAGE



Source: Team NEO

If expected trends continue, in less than a decade nearly one in four Stark County residents will be 65 or older and younger adults (age 20-34) will fall to 17%.

65 and over. Presently, that group makes up about 19% of the county's population; by 2026 it will make up about 23%.

Relative wealth in the county is declining along with our population. While per capita income in Stark did go up between 2000 and 2015, it did not keep pace with the rise in the nation or in Ohio. And, the percentage of county residents living in poverty rose from 9% to nearly 15% in that time period, according to U.S. Census data.

The consequence of a declining and aging population can be seen in the county's housing stock. Nearly 75% of the county's housing units were built before 1980, and nearly 22% were built before 1940. Less than 10% were built since 2000. Aging housing stock also contributes to a declining tax base. It is hard to imagine

“If the demographic and income trends continue they will put fiscal strain on every community in the county.”

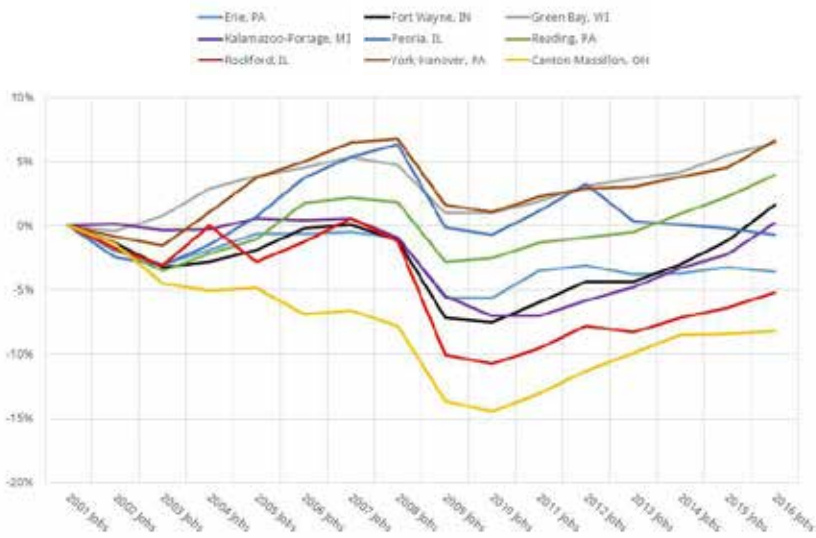
reversing the population decline without catalyzing job growth that will attract younger residents who would then spur housing development in the county.

If the demographic and income trends continue they will put fiscal strain on every community in the county. We've already seen the consequence of severe budget cuts and fiscal emergency in our county. **The best path out of tough fiscal times is a path that leads to more economic activity and a larger, not smaller, tax base.**

To achieve such growth, we will need to reverse the worrisome trend of lackluster job growth within Stark County.

Despite the determined efforts of multiple organizations to accelerate job growth, Stark County's overall job growth lags well behind nine peer communities. The peers were selected based on their similar industry mix and population. Each of the peers are older industrial communities. While none of these peers is outperforming the national economy, they all outperform Stark in terms of job growth since the turn of the century.

STARK FALLING BEHIND PEERS



Source: Team NEO

Job growth in the Canton-Massillon metro area (which includes Stark and Carroll counties) lagged well behind the performance of similar-sized, manufacturing-rich metros in the Northeast and Midwest since 2001.



Total employment fell from 168,598 to 164,733 between 2007 and 2016 in the metropolitan area that includes Stark and Carroll counties. We are encouraged, but only slightly so, by projections that estimate 2% job growth over the next decade. But, even if that occurs fewer people will be working in our metro than were working back in 2007.

In contrast, if we as a community could add 1,000 jobs a year, employment would rise nearly 6% over the decade and exceed the level in 2007 by more than 8,000 jobs.

Many factors drive the relatively poor job growth. The number of businesses in Stark County declined from 6,997 in 2011 to 6,807

in 2015, according to the state. And, the decline of a handful of larger companies has hurt employment. As recently as 2010, nearly 25% of the workers in Stark worked at companies with 500 or more employees. By 2015, that percentage fell to 15%. Another factor is improvements in productivity. Output per person grew by 13% between 2005 and 2015, at a time when average annual wages increased just 3.6% and employment fell by 1.5%.

The population, demographic and job numbers all add up to the need for a focused, community-wide effort to improve job creation, job preparation and job access in Stark County.

SECTION 3: RESOURCES AND ACTION REQUIRED



RECOMMENDATION #7

Stark County should invest more resources into economic development activities.

We are confident that implementing a collaborative economic plan that leverages our county's and region's strengths can reverse the negative trends highlighted in the previous section. **Implementing an economic plan that will help Stark County become larger, younger and more prosperous requires additional resources, as well as long-term, sustained actions.**

Economic development outcomes from our present approach are insufficient to overcome macroeconomic trends that have negative consequences in Stark County. For example, between 2014 and 2016, the county's economic development activities helped generate about 1,100 jobs in the county, according to data tracked by the State of Ohio. However, in that same period, the county lost nearly 1,500 jobs. While there is great opportunity to improve our economic development outcomes by aligning and targeting our individual efforts more effectively, we also believe that **to reverse long-term trends we will need to invest more in efforts that make our county more competitive and more attractive to growing companies and talented workers.**

In total, nonprofits and local governments invest approximately \$4 million a year on economic development staff and programs.

FACT:
Between 2014 and 2016, the county's economic development activities helped generate about 1,100 jobs in the county. However, in that same period, the county lost nearly 1,500 jobs.

Stark Economic Development Board, formed 30 years ago to catalyze economic development across the entire county, has a budget of less than \$1 million. This is an inadequate investment in an activity that is essential to the long-term vibrancy of our county. Stark Community Foundation considers economic development to be the catalyst for addressing the root cause of social problems. Our community spends tens of millions of dollars every year to minimize the symptoms of those social problems. We need to continue to do so, but we should also find ways to invest much more to eliminate the root cause of those problems by advancing *Growth & Opportunity* in our county. While measuring economic development expenditures is difficult, it is common for the county-wide economic development entities in our peer communities to have budgets that are more than twice as large as Stark Economic Development Board's.

Our community has made significant investments in economic development in the past that have paid huge dividends. The Canton Board of Trade was initially organized in 1885 to persuade one company, the Dueber Hampden Watch Company, to Canton. Over time the organization made land and financial incentives available to growing companies and by 1909 it had attracted more than 20 companies to the county, including The Timken Company, Diebold Corporation, Republic Stamping and Enameling, Alliance Foundry Company and Canton Hughes Pump Company. Of course, the economy has changed a lot since 1909, and the strategies and tactics used to accelerate *Growth & Opportunity* will be different than those used more than 100 years ago. But, **we should learn from our past and be willing to dedicate significant resources to the business of economic development.**

We have more recent examples of the benefit of investing in our future. Johnson Controls Hall of Fame Village project demonstrates that others are willing to invest in our community's future, after we invest first. The purchase of the 327-acre Stark County Farm by six local foundations will catalyze economic growth by creating an

attractive development property. Harkening back to the days of the Canton Board of Trade, the six foundations dubbed their new partnership the Stark Board of Trade.

And last year, Stark Community Foundation provided a \$3 million loan as part of a \$35 million financing package to redevelop the Hercules Engine factory, another example of how we can attract new investment to our county.

To support more projects like these, and to provide targeted assistance to help Stark County companies grow, our community should dedicate sustainable funding to economic development.

We encourage public and private sector leaders to consider multiple options, including identifying significant, consistent revenue streams that can be allocated to support a collaborative, county-wide effort to address job creation, job preparation and job access priorities in our community.

We are encouraged that some of the recommendations included in this report are already being implemented.

- At the urging of both the Stark Civic Group and its economic development partners across the county, Stark Economic Development Board has begun to coordinate efforts to develop a shared economic development plan for the county.
- Economic development and workforce development agencies have begun exploring how they might integrate their respective efforts to strengthen job preparation outcomes in Stark.
- Stark Economic Development Board is considering changes to its operation and structure so it is better able to support its economic development partners and to coordinate implementation of the plan with its partners.

- A subgroup of the Stark Civic Group, led by the Canton Regional Chamber of Commerce, is exploring with county and state officials options for increasing public investment in economic development in Stark County.



RECOMMENDATION #8

All organizations and institutions that care about the future of Stark County need to identify how they will help sustain the long-term implementation of the shared economic plan for our community.

We encourage all organizations that care about the future of Stark County to host a presentation on this report and the emerging economic plan. Members of the Foundation and the Stark Civic Group are eager to engage with the community.

Stark County is on the verge of a transformation. While the path to success will be challenging, we are confident that our community will support a new, shared economic plan that will sustain the high quality of life that our community's founders first aspired to more than two centuries ago.

Visit starkcf.org/strengtheningstark to learn more and sign up to receive email updates about this community-wide effort to transform Stark.

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