

Findings from the October 22, 2008

COWETA COUNTY ECONOMIC SUMMIT

Lessons for Growth and Prosperity

Research and Presentation by William H. Fruth

Wage growth is critical to our economic prosperity.

While Coweta's population has grown rapidly in the last few years, its average wages have not; in fact, they've declined sharply. This presents a significant challenge in ensuring the county's long term prosperity.

A community's economic strength can be measured by its consistent growth in wages, as compared to the National average. In 1989, wages paid in Coweta County were 81% of the National average. Today, wages have fallen to just 63% of the National average.

Of 363 metropolitan areas across the United States, Coweta County ranks 359th for wages paid. However, Coweta also ranks seventh for population growth.

Coweta currently ranks 23rd nation-wide in job growth, however the preponderance of new jobs over the past 15 years have been the direct result of dramatic population increases, rather than primary industry growth. Unfortunately, this mostly creates low wage jobs.

How do we close the gap between population growth and wage growth?

Slowing growth doesn't solve the problem.

Population growth and economic growth are not related. Studies have shown communities that try to stop population growth by slowing economic development only harm their local economy and quality of life, while their population continues to grow at the same pace. It doesn't take much to deter high-wage industries from coming in, but that is the recipe for a very poor economy – average wages will decline, and taxes will increase as there is no solid industrial base to draw from.

In order to raise the average wage paid in Coweta County, the community must identify, target, and recruit industries that pay a wage higher than the current average.

Only 48% of Coweta residents work within Coweta County. 13% commute to Fayette County, and 20% commute to Fulton County. This is significant because people spend a large amount of their expendable income within 30 minutes of where they work.

With more than half of Coweta's residents working outside the county, perspective industries could simply intercept much of Coweta's existing, trained workforce. Most workers don't want to commute for hours each day.

Coweta County is rich in opportunity with its proximity to Atlanta and Hartsfield-Jackson Airport, and access to rail lines and Interstate 85. Our challenge is attracting industry employers to provide higher-paying jobs to our growing population.

Every community across the nation with strong economic stability has an active, well-funded and supported development authority.

- William H. Fruth

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Lessons for Growth and Prosperity Continued

***Coweta County must understand what new industries want — and how we will deliver it.
(Suggestions from the Economic Summit)***

- When it comes to attracting new industry, Coweta must have viable site locations. This means that land must be available, zoning issues resolved, and necessary infrastructure already in place.
- Educational institutions that train workers are key components of most successful economic development plans.
- Some companies are looking to relocate in a matter of months. Communities that can respond the fastest have a competitive advantage. That means not only having improved and approved industrial sites, but also being able to answer questions quickly and reliably without excess red tape.
- Competition between communities for top-tier, high-paying industries is fierce. Once locations are improved and approved, leaders must determine who would want to buy the product. Are they going to be primary employers? Do they pay a wage that will improve the quality of the economy? Can they cope with the County's liabilities?
- When community leaders are looking at new industries to target, they might consider the manufacturer of new energy. Most communities are ten years behind the time when targeting emerging markets. We all know we're going to need increased energy sources.
- Local leaders should develop a plan to target new industry, while serving the needs of existing industry. In fact, serving the needs of existing industry should be the number one priority.
- The number one reason an industry leaves a community is due to community attitude and how they were treated. A community should identify its existing industries, create a problem solving team, and cultivate quality communications. Small problems must be quickly addressed before they become big problems.
- Local government is seen as a reflection of community attitude for both potential and existing industries.
- Cost, time and community attitude are three major components a high-quality industry addresses when considering a new location. Cost – Is the community willing to lower the industry's cost of relocation with incentives? Time – Is the site ready to go with little or no red tape? Community Attitude – Is local government welcoming and cooperative with the new industry?