

METRO HARTFORD FUTURE EXECUTIVE SUMMARY

ACCELERATING SHARED AND SUSTAINED ECONOMIC GROWTH

A Comprehensive Economic Development Strategy for the Capitol Region

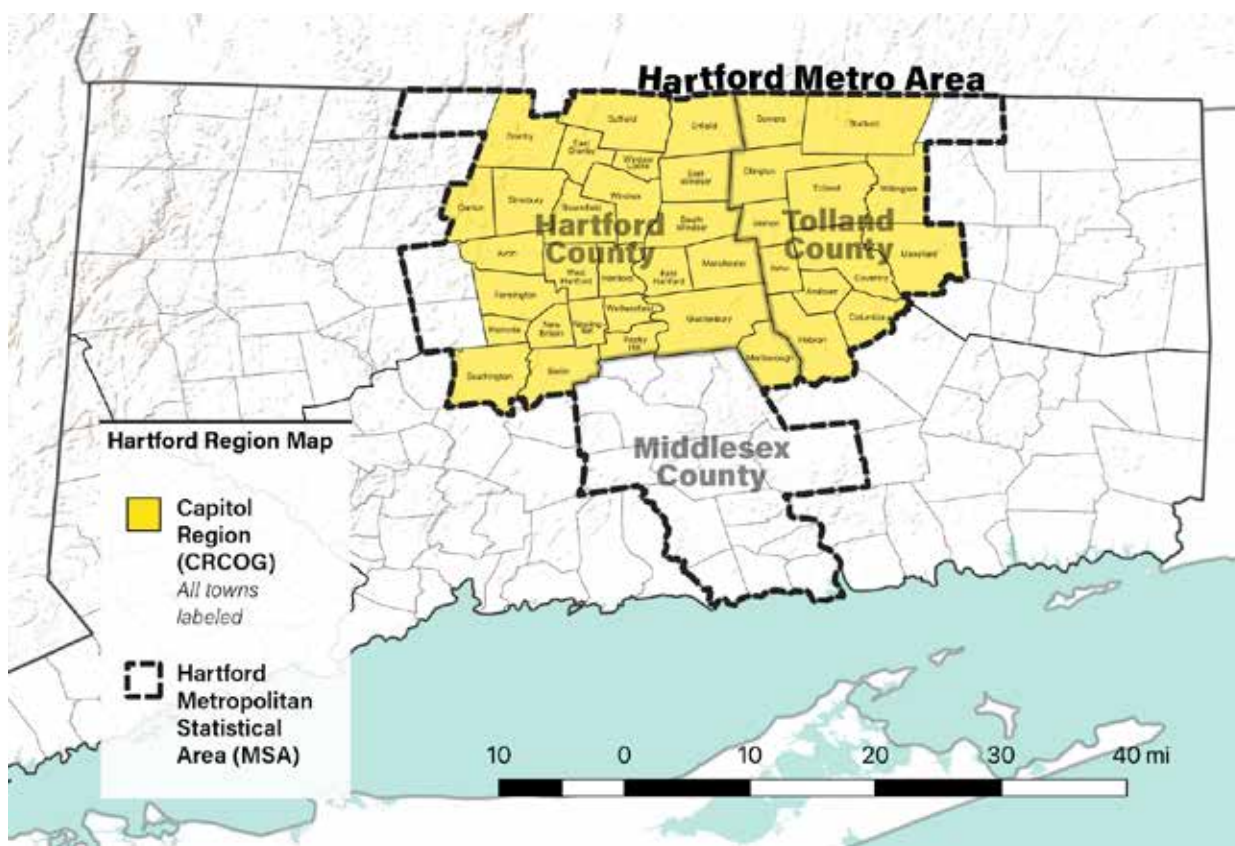




A Comprehensive Economic Development Strategy (CEDS) is required by the U.S. Economic Development Administration and is the result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of a region. This strategy represents the collective efforts of the Capitol Region Council of Governments (CRCOG), the Metro Hartford Alliance (MHA), and the Hartford Foundation for Public Giving to rally the region around a focused and actionable set of goals and strategies for economic development.

DEFINING THE REGION

Metro Hartford Future covers approximately one million people in the 38 municipalities of CRCOG's Capital Region.



DEFINING THE GOAL

To achieve the vision of Inclusive Growth in the Hartford region, we identified three goals:

- **Talent:** Educate, train and retain talent - with a focus on underserved and underrepresented populations - to better meet the needs of the region's employers and to create jobs paying a family living wage
- **Invest:** Enhance the quality of place amenities throughout our region to retain and attract talent
- **Brand:** Strengthen collaboration to support and promote the region

METRO HARTFORD AT A GLANCE

EXPLORE INDUSTRY DATA & STATISTICS

DEMO-
GRAPHIC

TALENT

ECONOMIC

QUALITY
OF LIFE

DEMOGRAPHIC	Population	Median Age	5-yr Population Growth, Age 25-34	Income Per Capita	% of Population Born Outside US
	1.2m+ 1,209,759	40.7 years	5.8 thousand	\$38.6 thousand	13 percent
	Top 50 Mid-size US metro	66th percentile Average for New England	Top 20% of cities Strong growth in young labor	Top 25 National leader in productivity	Top 10% of cities Proud of our diversity

US Census Bureau, 2017

TALENT	% of Population w/ Bachelor's Degree or Higher	% of Population w/ Advanced Degree or Higher	Annual Number of Graduates	Concentration of Avionics Technicians	Concentration of Insurance Underwriters
	38.1 percent	16.5 percent	23.5 thousand	5.4x average	5.2x average
	Top 10% More than 1.5x national average	Top 5% More than 2x national average	101K+ post-secondary New England's Knowledge Corridor	#1 for airplane engines Top 5 for aerospace sector	#1 major metro The Insurance Capital

US Census Bureau, 2017

US Census Bureau, 2017

US Census Bureau, 2017

Bureau of Labor Statistics, 2017

Bureau of Labor Statistics, 2017

ECONOMIC	Unemployment Rate	Prime-Age (25-54) Labor Force Participation Rate	Gross Regional Product	Export Value	New Patents Per Year
	3.7 percent	86 percent	\$90 billion	\$13 billion	845 patents
	Tracks national rate Hovering near historic lows	Top 15% cities Highly engaged workforce	Top 20 Huge output for smaller size	Top 5% Top manufacturing exporter	Top 30 Manufacturer-led innovation hub

Bureau of Labor Statistics, 2019

US Census Bureau, 2017

Bureau of Economic Analysis, 2017

International Trade Administration, 2018

US PTO, 2017

QUALITY OF LIFE	Prosperity	Violent Crime	Median Commute Time	Cost of Living Index	Median Home Price
	#2 US state	2.47 per 1,000	23.9 minutes	119% of national	\$228 thousand
	#1 for inclusiveness Proudly investing in prosperity	43% "safer" than national A safe community to live	Quicker than national 20 min per day less than DC/NYC	34% less than NYC Affordable for New England	Less than national avg. Half price of NYC or Boston

Legatum Institute

FBI, 2017

US Census Bureau, 2017

C2ER, 2018

Zillow, 2019

FROM THE METROHARTFORD ALLIANCE DATA DASHBOARD



MEASURING PROGRESS

Goals

Game-Changer Strategies

Talent:

Develop talent—with a focus on underserved and underrepresented populations— to meet the needs of the region's employers.



Strategy:

Create **dual-track training** system

Strategy:

Connect low-income/ first-gen **college students** with employers

Invest:

Invest in quality of place amenities throughout our region in order to retain and attract talent.



Strategy:

Create **Regional Investment Fund**

Brand:

Brand and promote our industry strengths to increase investment.



Strategy:

Business Retention, Expansion, Attraction (**BREA**)

Strategy:

Entrepreneurship

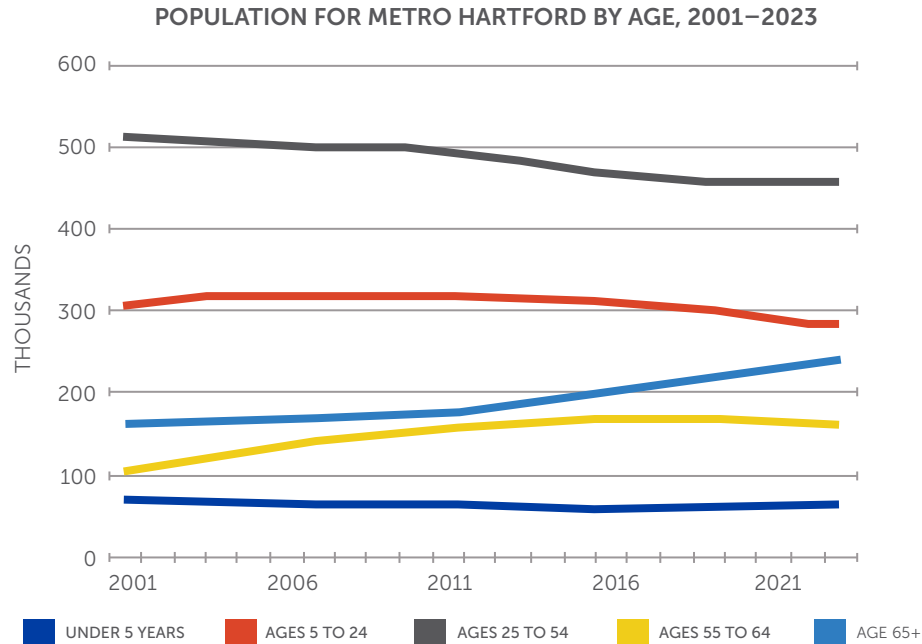


MEASURING PROGRESS

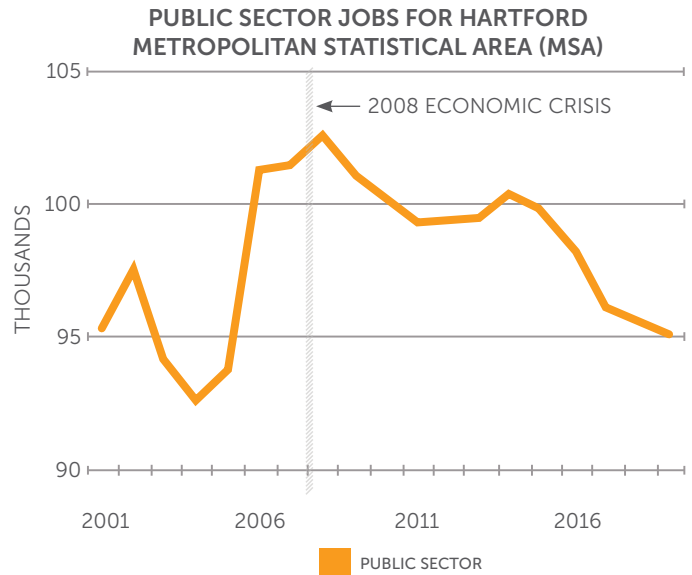
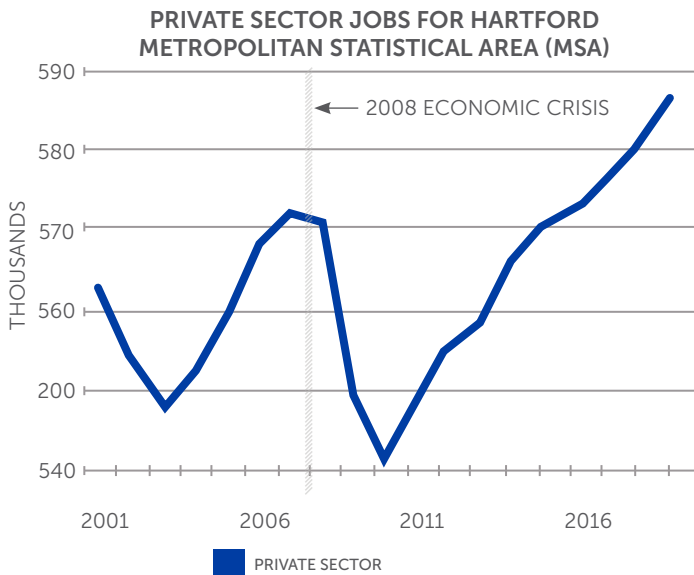
Outcomes



DEMOGRAPHICS AND EMPLOYMENT



Regional population has been stagnant and is expected to decline slightly in coming years. The prime-age working population (ages 25-54) has decreased over the last ten years and slight losses may continue through 2023, at the same time as the older population ages out of employment. This is the crux of the demographic challenge facing the regional economy.



SOURCE: US CENSUS BUREAU, 2013-2017 AMERICAN COMMUNITY SURVEY

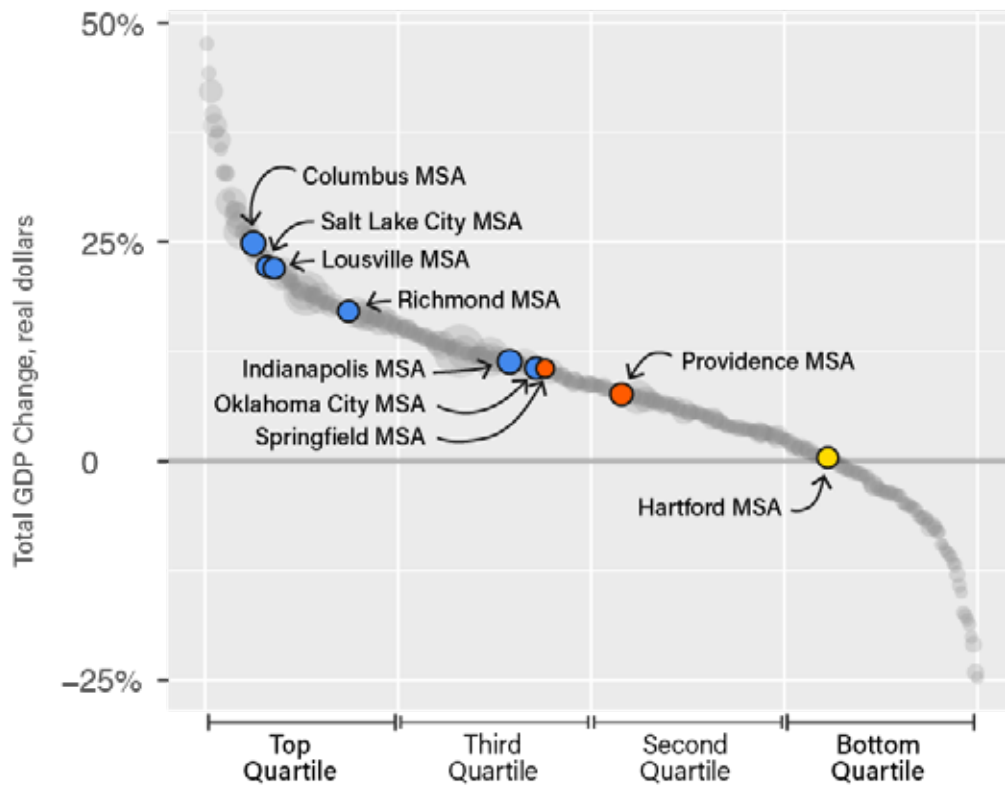
The region has yet to recover from job losses in the early 1990s. While private sector employment in 2019 exceeds the 2008 pre-recession peak, it is still around 20,000 jobs under the 1990 peak.

Public sector jobs have steadily declined over the past decade due to intentional reductions in the size of government.

Overall, The Metro Hartford region is projected to add around 3,200 jobs per year, which is a relatively slow job growth rate of around 0.5%.

GROWTH AND PRODUCTIVITY

Post-Recession Real GDP Change 2010-2016 Total Change
All Metropolitan Statistical Areas (MSAs) Shown



SOURCE: US BUREAU OF ECONOMIC ANALYSIS

Metro Hartford is a high-income, slow-growth region. Among peers, the region had the largest growth in per capita income from 1969 to 1989 (a 53 percent increase). Since that time, the region has lost ground, with the slowest growth in income from 1989 to the present (27 percent).

Change In Real Per Capita Income

REGIONS	1969 – 1989	1989 – 2017
UNITED STATES	41%	40%
Cincinnati, OH	40%	42%
Columbus, OH	42%	37%
Des Moines, IA	42%	35%
Hartford, CT	53%	27%
Indianapolis, IN	38%	39%
Louisville, KY	41%	35%
Providence, RI	36%	37%
Springfield, MA	47%	31%

The region's high rate of productivity (GDP per capita) remains an asset, but to maintain a competitive economy and avoid decline, the region must look to grow the population and economic output.

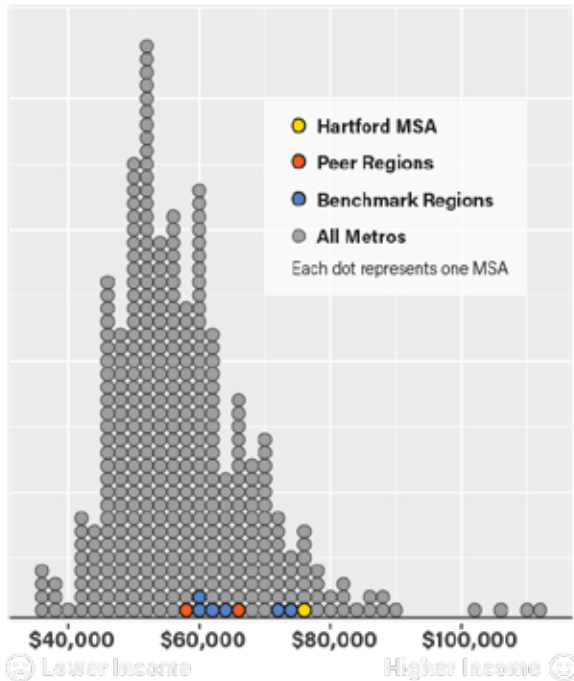
INCLUSION

While Metro Hartford does decisively better than most other US metro areas on some key metrics for inclusion, that should not be a reason for complacency.

Achieving our vision will require people, prosperity and inclusion. The challenge to Hartford is to be inclusive, while also achieving growth.

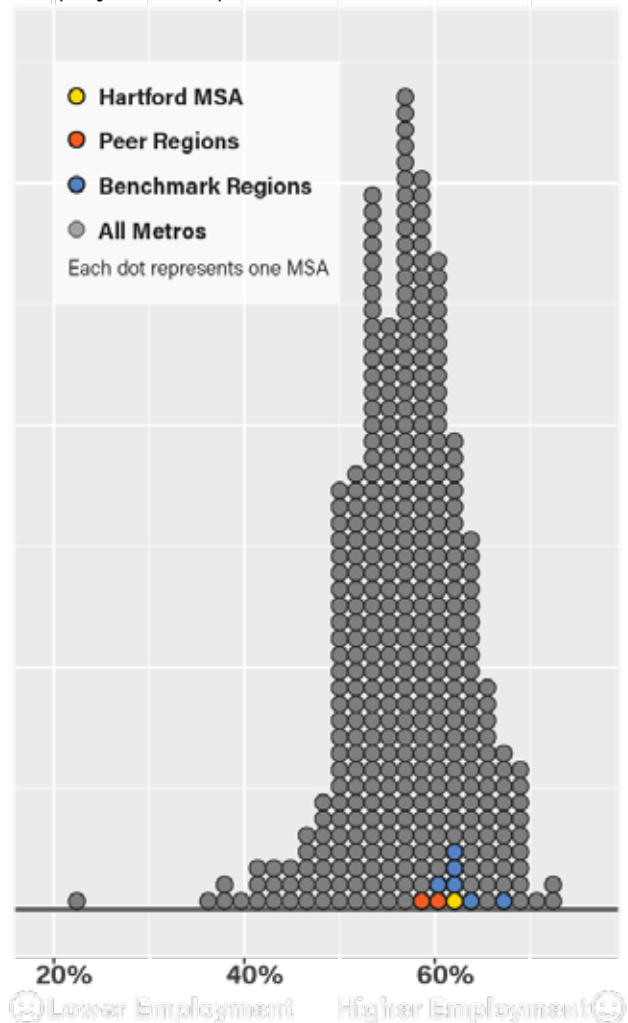
Hartford MSA's Relatively High Income

Median Household Income, (2016)



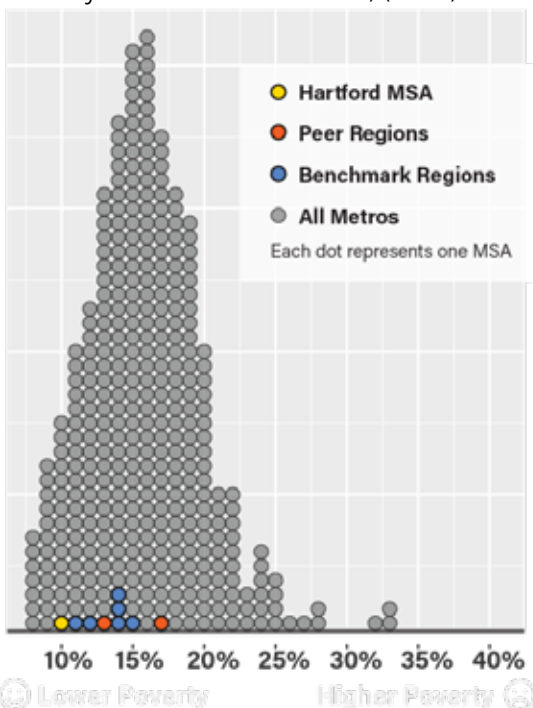
Hartford MSA's Average Employment Participation Among Cohort

Employment/Population Rate for 16+, (2016)



Hartford MSA's Relatively Low Poverty Rate

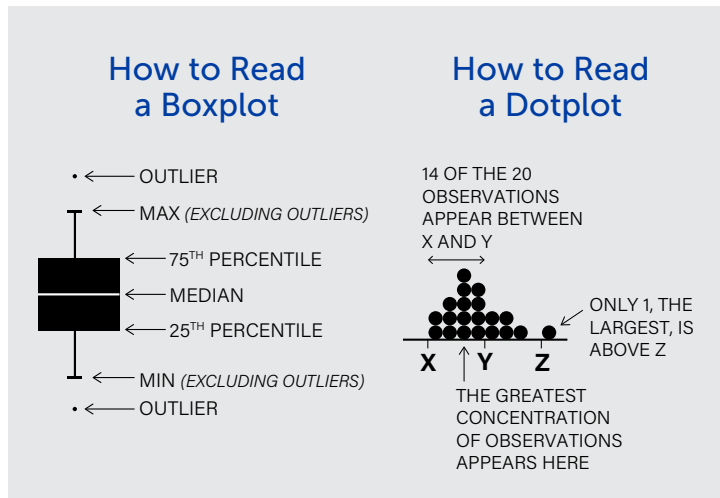
Poverty Rate for all Individuals, (2016)



SOURCE: US BUREAU OF ECONOMIC ANALYSIS

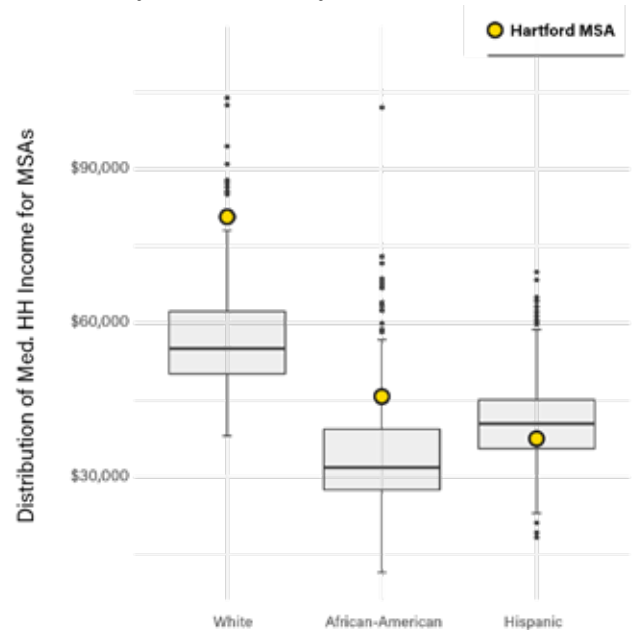
INCLUSION

These graphs use boxplots to demonstrate Hartford's performance (the yellow dot) compared to other cities.



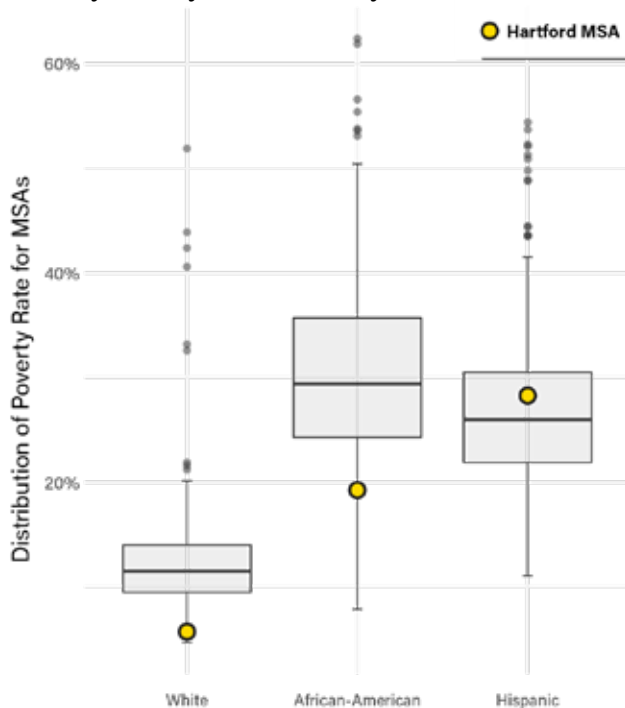
Above-average income for Whites and Blacks.
Below average for Latinos.

Income by Race/Ethnicity, (2016)



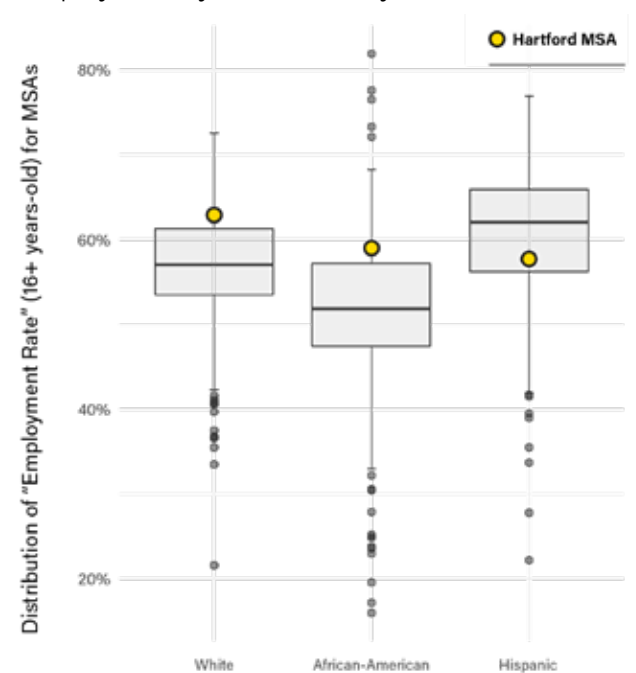
Low Poverty Rate for Whites. Relatively Low Rate for Blacks. Above Average Rate for Latinos.

Poverty Rate by Race/Ethnicity, (2016)



Above Average Employment for Whites and Blacks. Below Average for Latinos.

Employment by Race/Ethnicity, (2016)



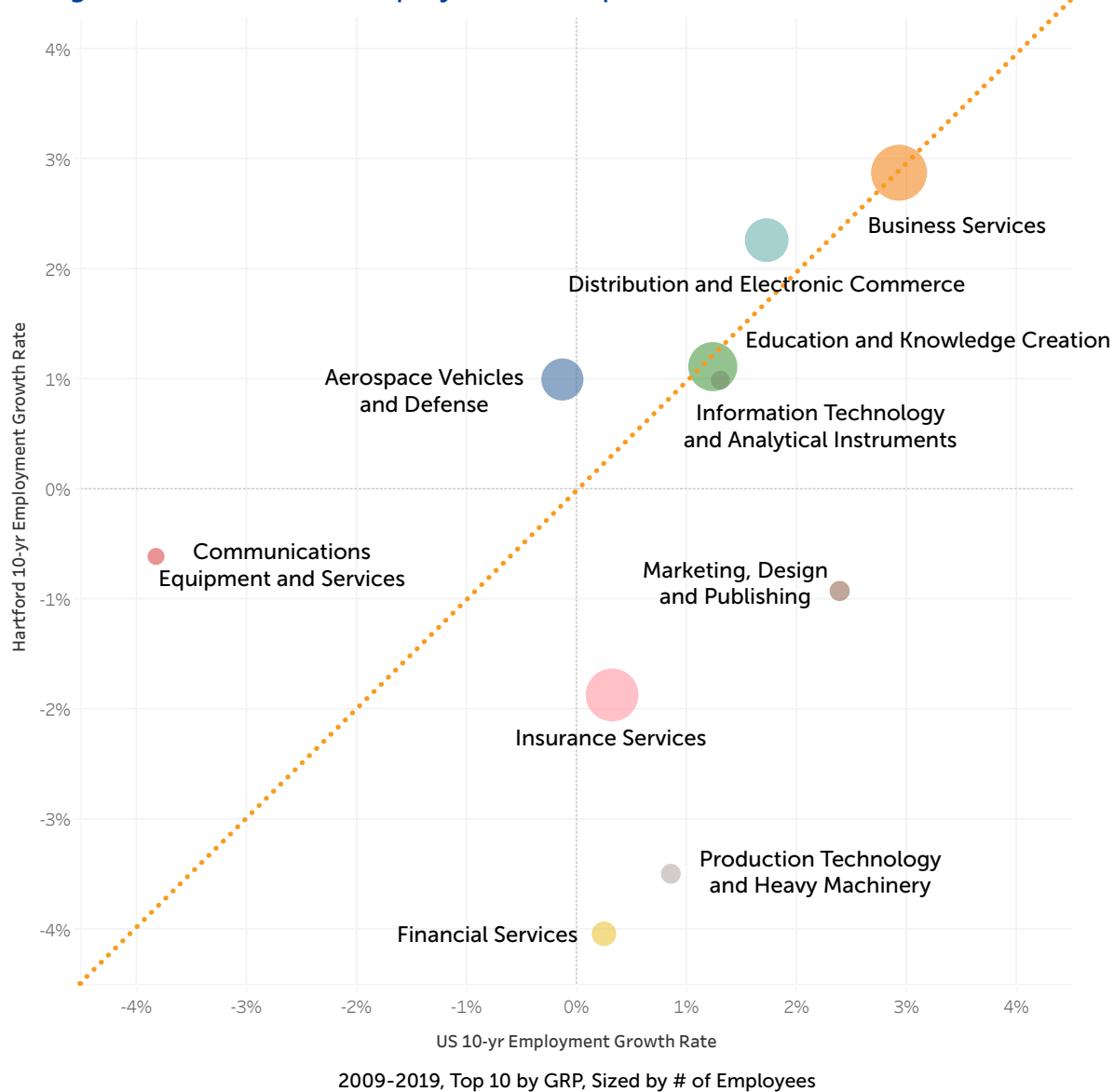
Data from the US Census Bureau. "White" refers to non-Hispanic white households. African-American refers to all races and ethnicities listing Black or African-American as race. Hispanic refers to all races listing Hispanic as ethnicity, across all races. See [census.gov](https://www.census.gov) for more information on race and ethnicity categories.

Metro Hartford's goals related to racial / ethnic disparity should be to reduce the level of disparity for both Black and Hispanic/Latino populations with respect to income, poverty and employment. Metro Hartford should also focus on reducing geographic disparities between its urban areas and smaller communities along the same three measures.

REGIONAL ECONOMIC PERFORMANCE

How Employment in Hartford has Changed Compared to National Trends

Change in Traded Cluster Employment Compared to National Trends



Traded clusters primarily generate revenue from customers outside their region and Local clusters primarily generate revenue from customers inside their region.

The dotted line shows how local trends compare to national trends. Clusters above the line have been growing faster than the rest of the country, while clusters below the line have been growing slower.

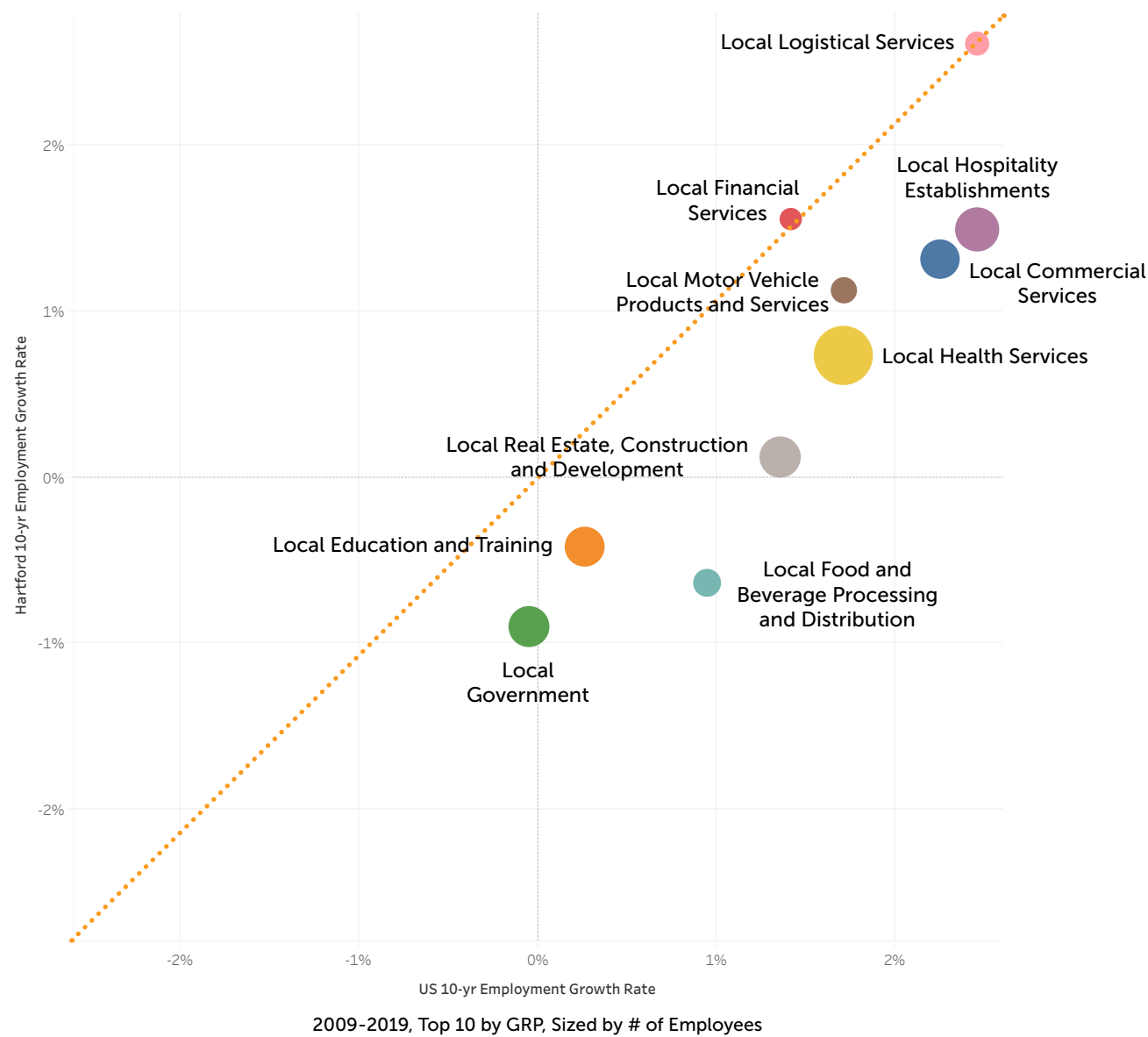
We outperform national trends in Aerospace, led by UTC/Pratt & Whitney, and Communications Services, led by ESPN. At the same time, despite positive trends nationally, Metro Hartford is losing jobs in the insurance, non-aerospace manufacturing and financial services clusters.

REGIONAL ECONOMIC PERFORMANCE

Metro Hartford accounted for 30 to 35% of total Connecticut employment and gross state product in 2017. Total employment in 2017 was approximately 567,800 jobs in the CRCOG region.

Healthcare and hospitality are important sectors to the local economy. But flat to declining population has led to underperformance in employment for all Local clusters as they rely on a flat or shrinking customer base.

Change in Local Cluster Employment Compared to National Trends

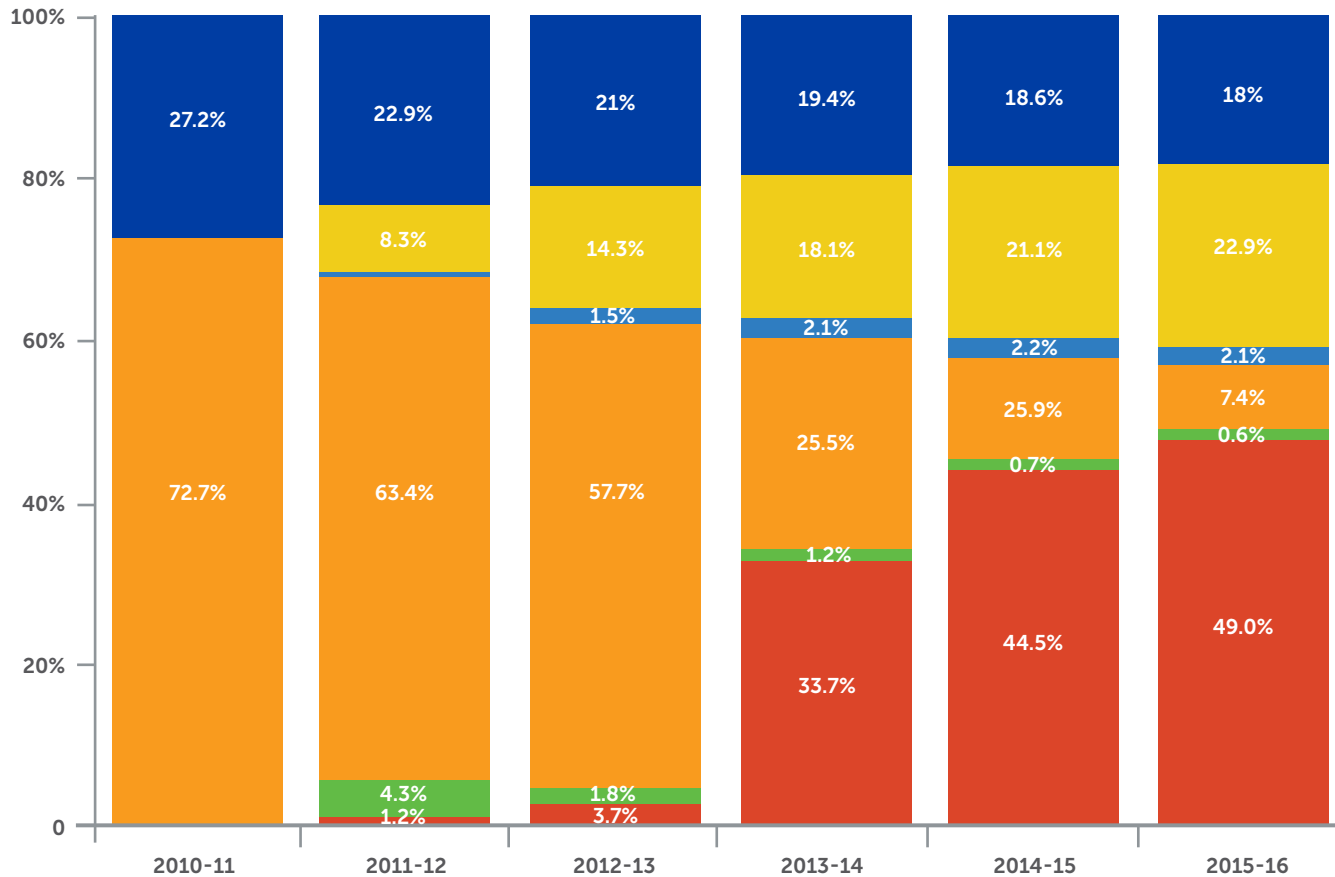


GOAL 1: TALENT

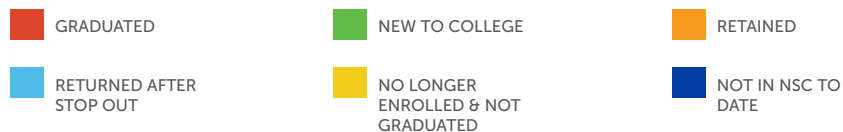
Educate, train, and retain talent—with a focus on underserved and underrepresented populations—to better meet the needs of the region’s employers.

People are the fundamental ingredient in an economy. To achieve its vision of inclusive growth, Metro Hartford will rely on its workforce to drive economic growth that benefits the entire population. The region has a variety of programs designed to educate, train and retain our existing workforce, but they lack the coordination and scale to fully meet employer demand.

Class of 2010 Postsecondary Enrollment and Progress



SOURCE: CONNECTICUT STATE DEPARTMENT OF EDUCATION



After 5 years

- 18% of the class haven't been to college
- 23% went to college but dropped out
- 10% are still in college without a degree

During this time

- About 1% try college for the first time each year
- One third graduate college in 4 years
- Almost graduated college in 6 years

Metro Hartford is home to 17 post-secondary institutions and a variety of 80,000 college students. At the same time, 51 percent of Connecticut high-school graduates have not received a college degree within six years after graduating.

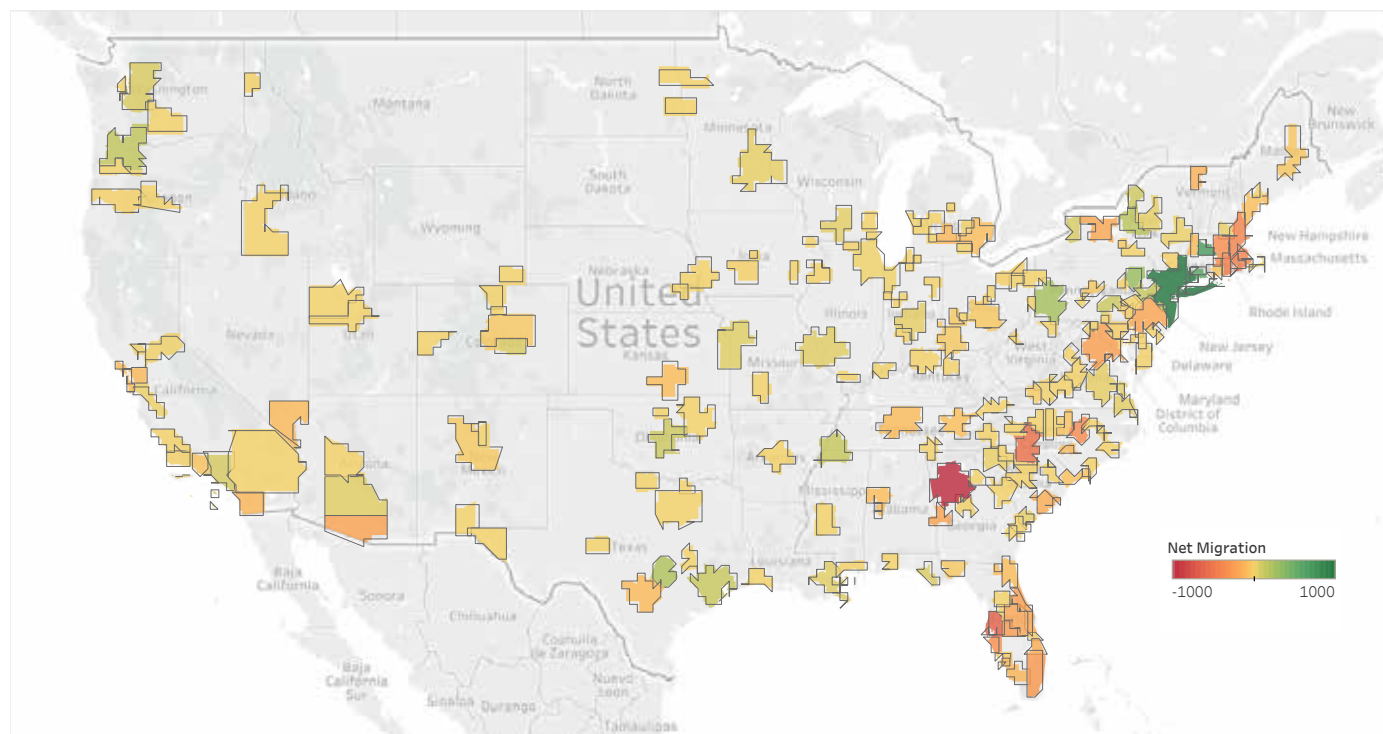
GOAL 1: TALENT

Talent strategies will require a long-term, multi-faceted approach that provides students multiple pathways, moves underserved and underrepresented students into family living-wage careers and focuses on the region's traded economy, rather than services.

These three strategies are the building blocks for talent development:

- Create a **world-class talent system**, using comprehensive labor-market analysis, a workforce skills training fund and empowered industry-sector partnerships
- Significantly increase the supply of talent for high-opportunity industries using a **dual-track training model** that provides work-based learning, aligned classroom learning, and valuable credentials/credit for students
- Retain talent by **connecting college graduates to employers**

How Many People Are Moving To/From Hartford



Green represents people moving to the Hartford region.

Orange/Red represents people moving out of the Hartford region.

GOAL 2: INVEST

Invest in quality-of-place amenities throughout our region in order to retain and attract talent.

To achieve its “Talent” goal, Metro Hartford will need to retain existing residents and attract new workers from other parts of the region and the country. Doing so will depend on Metro Hartford developing its physical and social infrastructure — improving quality of place in the region.

The competition for talent has increasingly been fought by promoting communities as desirable places to live, rather than relying on traditional economic advantages such as natural resources and industrial infrastructure.

Lower-cost housing and a competitive cost of living are advantages for the region when compared with the rest of New England. High property tax rates, a market concentrated on higher-value homes and a lack of housing in downtown areas or near transportation hubs are weaknesses in the housing market.



Cost of Living for Northeast Metro Regions

Total Cost and Major Components (100 = national average)

	COMPOSITE	GROCERY	HOUSING	UTILITIES	TRANSPORT	HEALTHCARE	MISC.
New York (Manhattan) NY	249	140	525	119	126	115	141
New York (Brooklyn) NY	182	124	325	121	110	110	128
Boston, MA	150	109	214	122	116	134	131
Providence, RI	123	109	142	121	102	111	118
New Haven, CT	122	111	130	128	114	120	120
Hartford, CT	119	109	133	98	114	118	119
Portland, ME	117	110	125	114	105	117	118
Albany, NY	110	107	119	99	101	105	109
Manchester, NH	109	104	107	115	97	117	114

Cost of living index from Council for Community and Economic Research (C2ER), 2018

GOAL 2: INVEST

As Metro Hartford seeks to grow its population and economy, it must begin with investments in place. The following strategies seek to improve quality of place in the region:

- Create a regional fund to drive investment in quality of place assets
- Increase connectivity within and outside of the region, including to Boston and NYC via rail
- Support investment in the region's downtowns
- Continue preparing sites for development, through brownfields remediation and infrastructure projects



Meriden Green, a 14-acre remediated brownfield site located in downtown Meriden



The Hartford Line currently connects Hartford to Springfield, MA and New Haven, CT, with easy access to New York City via MetroNorth. Proposed projects could increase Hartford's connection to Boston and even Burlington, Vermont and Montreal, Canada.

Source: [Campuspress.yale.edu](http://campuspress.yale.edu)

GOAL 3: BRAND

Promote the region's industry strengths to increase investment.

By working as a region under a shared Brand and towards a shared vision, the region can aim to buck its projected decline, expand its workforce (Talent) and develop its shared infrastructure (Invest).

**HARTFORD REGION
COST OF LIVING IS:**
21% LESS THAN BOSTON
34% LESS THAN NYC

Source:
C2ER, 2018

**WITHIN AN 8 HOUR DRIVE
FROM HARTFORD
YOU WILL FIND:**
20% OF US GDP
60% OF CANADIAN GDP
106 MILLION PEOPLE
42 MILLION JOBS

Source:
BEA and Statistics Canada, 2017



**INSURANCE
CAPITAL OF
THE WORLD**

#1 STATE IN
INSURANCE JOBS
PER CAPITA

Source:
BLS, 2019

**HIGHEST
SALARIES
IN SAFE
AFFORDABLE
METROS**

Source:
Realtor.com,
2018

**METRO FOR
AIRPLANE
ENGINE &
PARTS**

Source:
Bureau of Labor
Statistics,
2019

**HAPPIEST
STATE
IN THE
NORTHEAST**

Source:
Wallethub,
2018

**STATE FOR
FORTUNE
500
COMPANIES
PER CAPITA**

Source:
US News,
2019

**BEST CITY
FOR JOBS**

Source:
Glassdoor,
2018

GOAL 3: BRAND

Promote the region's industry strengths to increase investment.

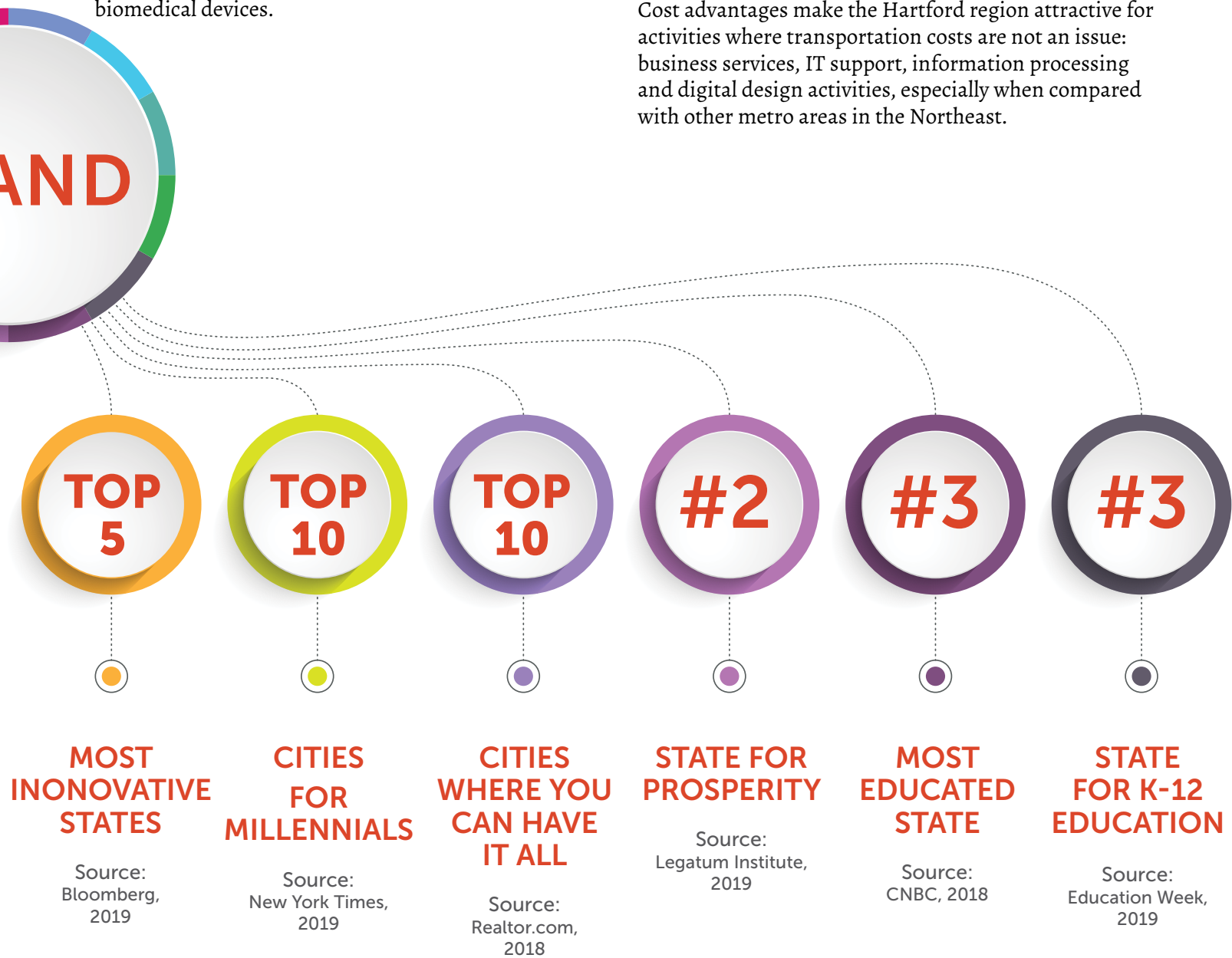
Metro Hartford has significant opportunities to capitalize on several regional strengths. To do so will require **working as a region**. Regions are the scale at which today's economies function.

Metro Hartford possesses significant concentrations of several key, high-opportunity industries, including advanced manufacturing and aerospace; business services, finance, and insurance; and biomedical devices.

Strategies:

- Create a coordinated regional approach to business retention, expansion and attraction
- Scale efforts to support high-opportunity sectors through entrepreneurship
- Support the growth and expansion of Bradley Airport

Cost advantages make the Hartford region attractive for activities where transportation costs are not an issue: business services, IT support, information processing and digital design activities, especially when compared with other metro areas in the Northeast.



IMPLEMENTATION PLAN

CATEGORY: **TALENT**

Initiative	Timeline	Deliverable	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Dual-Track Talent	Year 1	Strengthen Capitol Workforce Partners to play role of backbone entity					
		Develop role descriptions for proposed backbone entity					
		Establish Advisory Board					
		Execute Memorandum of Understanding among partners					
		Conduct workforce study?					
	Year 2	Develop/Execute funding strategy, leveraging opportunities					
		Pilot dual-track systems, focus on advanced manufacturing					
	Year 3	Develop/confirm/execute expansion strategy					
Talent Retention	Year 1	Develop baseline understanding					
		Recruit initial group of participating schools/employees					
		Establish Career Fairs					
		Finalize strategic plan and detailed budget					
	Year 2	Hire Chief Talent Officer					
		Pilot core components of the initiative					
		Institute data tracking program					
		Begin to market the initiative					
	Year 3	Scale core components of the initiative					
		Begin to add additional components					
		Increase marketing of the initiative					

CATEGORY: **INVEST**

Regional Investment Fund	Year 1	Research and development of funding mechanism options					
		Vet and refine concept with Implementation Committee					
	Year 2	Build public receptivity to regional solutions					
		Engage elected officials to vet and refine the concept					
	Year 3	Implement a public campaign, with strong private sector support, to educate and advocate for the regional investment fund					
	Year 4-5	If successful, track investments and report publicly on the impact of the funds					

IMPLEMENTATION PLAN

CATEGORY: BRAND

Initiative	Timeline	Deliverable	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Business Attraction	Year 1	Define attraction targets (industries and geographies)					
		Develop unique sales proposition					
		Engage municipalities to define Business Retention, Expansion, Attraction (BREA) process & roles					
		Formalize roles/responsibilities of MetroHartford Alliance & municipalities on BREA work					
		Develop multi-year marketing plan					
		Engage consultant to execute perception survey					
		Engage consultant to develop MetroHartford Alliance Economic Development Org. Website					
		Attend trade shows/site selector events					
		Establish metrics					
		Enhance working relationship with DECD/CERC					
	Year 2	Build implementation of multi-year marketing plan					
		Begin execution of trade missions					
	Year 3-5	Focus on maintenance and continuous improvement of strategies					
Entrepreneur Hub	Year 1	Enhance governance structure					
		Increase staff capacity to develop relationships with state, regional and national stakeholders					
		Develop regional objectives for Hartford's innovation ecosystem					
		Convene community-wide taskforce on 21st Century Talent					
		Develop marketing strategy to raise awareness about growing business here					
	Year 2	Conduct feasibility study for entrepreneurial hub					
		Formalize regional collaboration model					
		Launch MedTech programming					
		Continue to grow InsurTech and Stanley + TechStars accelerators					
		Establish strategic objectives around 21st Century talent					
	Year 3	Begin execution of marketing strategy					
		Execute on strategic plan around talent development initiatives					
		Develop strategic and fundraising plan for entrepreneurial hub					
		Continue to grow industry-related programs					
	Year 4-5	Continue to execute on marketing strategy					
		Begin development of entrepreneurial hub					
		Continue to execute on initiatives					



SUPPORTED BY

