

From the Mayor...

September 6, 2019

Just last week I attended a panel discussion with a large group of local elected officials at our annual AIM (Accelerating Indiana Municipalities) conference. Leading the discussion was a distinguished economist from Ball State University, a national site selector, and a mayor from a rapidly growing Indianapolis suburb. It was a very thought provoking discussion about the viability of Hoosier cities and towns as we look to the future.

A recent Washington Post article that suggested 70% of the US population will be in 15 states by the year 2040. Indiana is not one of those states.

The discussion hi-lighted Indianas largest population regions and how they compare with similar regions across the nation.

To begin with, site selectors evaluate regions, not cities. Regions are determined by the workforce commuting patterns around a core city. They are also referred to as metropolitan statistical areas (MSA). Smaller cities (less than 50,000 population) like Warsaw, can be considered micropolitan statistical areas.

It is the boundaries and characteristics of a region (e.g. Indianapolis MSA, Fort Wayne MSA) that site selectors evaluate when deciding where to locate.

The Warsaw micropolitan statistical area includes Winona Lake and all of Kosciusko County. Our micropolitan statistical area is one of the few in Indiana that shows a consistent positive population growth. The latest US Census estimates as of July 2018 show that the city has grown 10.1% since the last census to 14,941 and the county has grown 2.6% to 77,354. On a broader, more regional basis, 38% of our orthopedic jobs are commuting into our community everyday from twenty surrounding counties.

Even though the Warsaw micropolitan area has the significant advantage of high tech manufacturing, we are still challenged by many of the same things that hamper growth in other Hoosier regions when compared to our peers across the country.

The available workforce talent in a region is the primary characteristic that site selectors evaluate when determining the best region for a companies to locate. The available human capital in an area is influenced by the level of educational attainment necessary to meet the professional, managerial, and manufacturing needs of the company. The availability of educated, technically qualified talent is critical.

Other important regional characteristics include the local economy, business vitality, quality of education, connectivity and infrastructure, the quality of life (livability), and the environment.

Studies are now suggesting a shift away from the more traditional economic development model of trying to lure capital investment with economic incentives to create jobs.

Conventional wisdom is that the newly created jobs would attract people. The shift to a service oriented economy, the broad availability of WiFi, and high tech automation is changing the workforce needs of our economy.

Studies also show convincingly that today's workforce will migrate to more vibrant regions in search of safe, attractive communities with quality education and a favorable quality of life that includes desirable housing. Livable regions are attracting people.

After being unsuccessful in the recent Amazon expansion competition and desiring to learn from that experience, leaders in the Indianapolis MSA compared the characteristics of their region to those they competed against. What they found was that Indy and the other regions in Indiana significantly lagged behind in population growth rates, had lower levels of educational attainment, lower salaries, and significantly less investment in their communities than their peers.

What does this all mean to our community? While growth in the Warsaw micro area continues to be steady, we are part of a larger regional economy (the eleven county Northeast Indiana Region) that supports our local workforce. The lessons learned demonstrate that as a region, we must strive to retain our best and brightest, attract talent, and invest in our communities and education to meet the demands of a changing, service oriented labor market.