

GREATER ST. LOUIS INC.

FOREWORD TO THE STL 2030 JOBS PLAN

“Achieving a more equitable and inclusive economy is one of the most important priorities of our time. Before the COVID-19 pandemic, and despite the longest economic expansion in US history through much of the 2010s, the United States has been experiencing record levels of economic inequality. As our country continues to deal with a pandemic that has disproportionately affected the lives and livelihoods of women, people of color, low-income workers, and other vulnerable groups, the need for a more inclusive growing economy could not be more pressing. Contrary to fears that economic inclusion must come at the expense of economic growth, our research supports the idea that economic growth is at its best when it is most inclusive.”

* **McKinsey & Company** (in collaboration with the Institute for Black Economic Mobility).
The Case for Inclusive Growth (April 2021).
Excerpt from Bob Sternfels, Senior Partner

The St. Louis metro must win this decade.

The 2.8 million residents of our bi-state metro area stand at a crossroads. The choices we make now as a community will have a lasting impact on whether our collective future will be even more prosperous, vibrant, and inclusive than the past. Individuals, institutions, stakeholder communities, and grassroots movements are all creating a renewed civic energy with the power to transform the St. Louis metro in meaningful ways. Our metro's economic transformation will hinge on how we respond to three vital and interrelated issues at the start of the 2020s: economic growth, racial equity, and the unprecedented pace of global innovation.

An internationally recognized expert on metropolitan growth, Bruce Katz of New Localism Associates, has studied our region's economy. His conclusion is that St. Louis is awash in assets, but we underperform our full potential. For decades, our metro economy has been slowed during a period of structural economic change, and our population gains have been unacceptably low. We must capitalize on our strengths and recommit to being a growth metro. As Mr. Katz notes, the St. Louis metro began showing economic momentum in 2016 with upward increases in real GDP. It has been widely reported that going into the pandemic, more than \$8 billion of redevelopment investment was unfolding in the central city of the region. The momentum metrowide and in the urban core presents a unique window of opportunity to

lean in and achieve a higher level of economic performance. The time is now.

We envision a St. Louis economy that unlocks its full potential, generates high-quality jobs, attracts and creates the most competitive companies, and innovates at the cutting edge of new technologies – all fueled by a diverse, adaptive, and highly skilled workforce. In other words, we envision a St. Louis that is even greater than the sum of our current parts. When we look across the region, we see a sense of optimism and confidence that St. Louis has what it takes to grow, tackling our challenges and capitalizing on our opportunities.

Economic growth is one important part of the solution to achieving greater racial equity in our community. High-growth regions create more jobs and more opportunities. However, history would suggest that St. Louis can't leave the benefits of growth to chance. In growing our economy, we must act with intention to address the multigenerational barriers some residents face to participate in, shape, and enjoy the opportunities we can create this decade. No matter how successful we are by 2030, we know the work to achieve greater social and racial justice must be ongoing.

We can ensure that economic growth helps address racial disparities by converging the principles of diversity, equity, and inclusion with traditional economic development best practices to produce new models of inclusive growth that create economic opportunities for all.

This convergence comes at a time when a grassroots movement for racial and social justice is sweeping across our metro and our nation.

At the same time, our approach must account for the unprecedented pace of global innovation. Metatrends underpinning that innovation are reshaping metro economies, ours included. These trends underscore why our metro needs to act boldly around a focused and agile strategy for job growth this decade.

Some historical context is important. The loss of traditional manufacturing jobs in the Midwest and in the St. Louis metro has been documented in many prior analyses. From 2001 to 2020, St. Louis lost 51,000 manufacturing jobs, or 31% of the manufacturing jobs that existed in the metro in 2001. The Peirce Report, published in the *St. Louis Post-Dispatch* 24 years ago, galvanized community leaders at the time to make major civic investments to shape the innovation economy we are today. While our traditional manufacturing base has taken a blow, St. Louis remains a center of advanced, technology-driven production from biotechnology to the most advanced aircraft and automobiles.

At the same time, recent decades have seen skyrocketing numbers of high-quality, high-paying jobs in globally traded technology sectors. However, these tech jobs are highly concentrated along the coasts. The Brookings Institution has estimated that 90% of the nation's growth in technology and innovation jobs during the last 15 years has been concentrated in just five major coastal markets.

While this extreme concentration favored certain metros outside of the Midwest, it also came with its own set of challenges, including housing affordability, transportation access, and displacement. Even prior to the COVID-19 pandemic, skyrocketing costs and the changing demands of a younger workforce were opening up new opportunities for Midwest metros.

Certainly, we know that the COVID-19 pandemic has only accelerated and normalized a range of digital technologies, including e-commerce and synchronous video, that facilitate dispersed and remote work. Millennial and Generation Z populations, largely digital natives, are accelerating new business models that can quickly compete with incumbent firms. A new generation of companies is being formed around remote talent, while legacy companies are embracing distributed operations for greater resilience and access to broader talent pools.

Whatever the “new normal” is on the other side of the pandemic, this level of unprecedented global economic change presents nothing but opportunity for St. Louis. Our cultural, recreational, sports, music, arts, educational, and other amenities are highly desirable for existing and new residents alike. From a national perspective, our cost of living and housing is very affordable, particularly for younger workers. Thanks to the work that began with civic leaders at the turn of the millennium, St. Louis has already capitalized on its assets to become a significant hub for research, innovation and entrepreneurship. Now, our economy is ripe to shift into a higher-growth mode.

Taken together, St. Louis can emerge in this decade as a national standard-bearer for inclusive economic growth. To do so, we must face simultaneous truths: We must increase access for current residents who have been left behind, and we also must aggressively compete on the global stage for highly educated young talent. Both can fuel the innovation economy of the future. Improving both the quantity of, and access to, quality jobs in the metro solves many other challenges and is one of the best systemic changes we can make.

If we remain on the growth trajectory of the past decade, we will exacerbate our current inequities, and our inequities will further limit our economic potential. This is a cycle we must avoid because it leads to an outcome no one in the metro wants.

Feedback on the Draft *STL 2030 Jobs Plan*

The renewed civic energy in St. Louis was apparent in response to a draft of the *STL 2030 Jobs Plan*, authored by Mr. Katz, made publicly available for review and feedback on December 3, 2020. This plan is the first metrowide plan for job growth in more than a decade.

This release of the draft plan followed an extensive effort undertaken by Mr. Katz's team that included stakeholder interviews, qualitative research, a quantitative diagnostic of the metro's economy, and engagement of community leaders, including a diverse team of volunteers who shepherded the work. We thank Mark Wrighton, the Chancellor Emeritus of Washington University in St. Louis, who chaired this planning effort, and the entire St. Louis volunteer team for their dedication.

Beginning in December, thousands of residents participated in the feedback process through public meetings and dozens of sessions with organizations and stakeholder interests across the region. People also provided written comments online, by email, and on social media. We extend our thanks to every individual and organization that provided feedback to strengthen the plan.

Yet, even after all of this time and energy, much work remains to listen, understand, and build trusted relationships throughout the community. Any plan, of course, must remain highly adaptive to circumstances and the insights that come from the much harder work of co-creating and implementing new initiatives. In the *STL 2030 Jobs Plan*, Mr. Katz lays out his independent recommendations informed by those in the metro. As a community, we must turn these recommendations into action.

What we heard in the feedback was overwhelmingly constructive, as people expressed their genuine excitement and enthusiasm about forging a new and different path, one that promotes inclusive growth and creates new opportunities for everyone in our region, particularly our region's Black residents.

St. Louis, like many metros, has a history of discrimination against its Black residents, tracing its origins to slavery, segregation, and redlining,

among other forms of oppression. Black residents have not shared equitably in the benefits of past growth. In some instances, prior economic development efforts have resulted in direct harm to Black residents. Because of this troubling and specific history, our discussions of racial equity are primarily centered on our Black residents. It is important, however, to recognize that efforts toward greater equity must also include everyone who has not benefited from previous economic development efforts, including women, other racial and ethnic populations, the LGBTQ community, immigrants, veterans, and people with disabilities.

With so much work to do, the feedback we received made clear that process matters. Our initial feedback process was an important first step – and, as the leaders of Forward Through Ferguson noted in their comments, “We cannot think of another business/civic produced report that has named (systemic racism) so explicitly.” However, we need to acknowledge that several organizations that have been on the frontlines of the racial equity movement should have been engaged earlier in the process, and we extend deep gratitude to Forward Through Ferguson for their open and candid feedback. Similarly, we recognize that the disability community should have been engaged earlier.

As we begin building Greater St. Louis, Inc. this year and carry forward this body of work alongside our other initiatives, we will sustain dialogue with civic leaders representing all sectors in the metro to help co-create and implement the plan.

The feedback also helped us realize that, when it comes to economic development, the business community needs to be more intentional about thinking beyond our own lines of effort and be more explicit about the broader set of factors that align with the well-being of the region's economy. Such factors include education, transportation, crime, health care, culture, public safety, arts, and many others. It is true that all of these factors matter to our region's growth, and we must work to understand adjacencies and intersections with economic development. We recognize that no single plan, organization, or initiative will represent the singular answer as to how St. Louis will realize its potential. This will take the entire

region working together. Finding common ground and common focus that respects the unique perspectives across different stakeholder interests is critical to moving St. Louis forward.

By publishing the *STL 2030 Jobs Plan*, the business sector joins other organizations and institutions that have engaged broader stakeholder interests and committed ideas to writing with the goal of moving our community forward. Examples of recent civic efforts to co-create a broader action agenda include the grassroots-led initiative titled *The People's Plan*; the *Ferguson Commission Report*; the City of St. Louis' *2020 Vision: An Equitable Economic Development Framework for St. Louis*; the *GeoFutures Strategic Roadmap*; and others. All of these efforts offer important perspectives about how to shape the future of St. Louis and strengthen a commitment to public engagement on community priorities and interests. Where appropriate or helpful, the regional business community will actively take part in conversations and efforts around these broader initiatives.

Creating Greater St. Louis, Inc.

During the course of the development of the *STL 2030 Jobs Plan*, five private-sector business leadership and economic development organizations combined to form Greater St. Louis, Inc. Similar to the merging groups, Greater St. Louis, Inc. is a membership-led organization for businesses of all sizes from throughout the metro that are working collaboratively to provide leadership on economic growth. We commonly refer to members as investors.

As an intermediary of the civic-minded business community, Greater St. Louis, Inc. must lead from a different vantage point than any one single member business. As is common in high-performing metros throughout the United States, civic-minded businesses typically combine resources to build core capabilities to convene on economic growth planning, attract new businesses to the region, advocate for policy reform, improve workforce development, develop diverse and multicultural talent, promote the metro, support entrepreneurs, and contribute leadership to help organize community initiatives that improve our region's competitiveness. Greater

St. Louis, Inc. is already leading critical work in each of these areas. We are also standing up new efforts, such as industry-focused councils and task forces on specific issues.

Over the past decade, St. Louis' private-sector economic growth efforts splintered, and initiatives were often suboptimal for the challenges and opportunities our community faces. By making collaboration within the business community permanent through a singular civic institution focused on economic growth, we believe we can improve outcomes, heighten accountability, reduce barriers, collaborate, and better engage in dialogue with other stakeholder interests to take action. As a regional business community, we pledge to listen and understand. We will actively partner to address shared priorities. Collaboration and co-creation will be an integral part of our ongoing model of civic engagement.

An organized and engaged business sector is an asset to a community, particularly in the area of economic growth. Greater St. Louis, Inc. wants to reactivate the business sector to play a more engaged civic role in St. Louis. But our voice, even on issues related to economic growth, is admittedly the voice of one set of stakeholders in the broader chorus of voices and ideas that must be heard to shape the future of St. Louis.

We are early in this process. Greater St. Louis, Inc. began operations on January 1, 2021. At the time of the publication of this Foreword, we are four months into our journey as a new organization. Many peer organizations in other regions that we consider best-in-class are decades old. We will continue to learn, evolve, and grow. There is no shortcut to long-term success. There is also no excuse not to act with urgency.

Acknowledging History

While the formation of Greater St. Louis, Inc. broadly received positive feedback, we have also received constructive and helpful counsel in our early months. During the *STL 2030 Jobs Plan* feedback process, we listened broadly, and we clearly heard the need to acknowledge the role some of the combining organizations played in creating the need to develop a plan for inclusive economic growth in the first place.

As an example, Civic Progress, an organization that advocated for a bond issue passed in 1955 that led to the demolition of the predominantly Black community of Mill Creek Valley in the central corridor of the City of St. Louis, initiated and funded the current jobs planning process. Over the course of its history, Civic Progress also invested in many important efforts, including the development of the St. Louis Business Diversity Initiative, which has been led for the past 18 years by Valerie Patton and has a distinguished history of developing diverse business leaders throughout the metro and growing and advancing diverse-owned businesses. But acknowledging both positive contributions and harmful actions is necessary and important. On a broader scale, for too long, the concept of economic growth has been centered mostly on large institutions instead of the broader community, its direction impacted disproportionately by those already in seats of power.

Greater St. Louis, Inc. has a unique responsibility to lead the business and civic communities in having difficult and uncomfortable conversations. Last fall, the Business & Community DEI Task Force, organized under one of the merging organizations, began to lean into some of these conversations, and we will adapt this forum into Greater St. Louis, Inc. to broaden and sustain critical dialogue and action. We are also continuing to lead a Diverse Business Accelerator formed under another of the merging organizations to center the needs of ethnically, racially and gender-diverse business owners. In other instances, we are partnering with groups like the Anchor Network to stand up the Supply STL Initiative to drive behavioral change across the regional business community. We pledge to continue to listen, to learn, and to understand how we can better work with the community to build a more prosperous and equitable metro.

Regional Perspective

As an economic development organization for the St. Louis region, it is also critical for us to ensure we are working to promote growth across all 15 counties in Illinois and Missouri that we serve. As part of the planning process, we received feedback from leaders across the region who want to make sure the voices of their

counties are included in this effort. St. Charles County Executive Steve Ehlmann noted that, “Our region has adopted very diverse approaches to economic development and each jurisdiction has shown strengths and weaknesses in their individual efforts. ...” County Executive Ehlmann encouraged Mr. Katz and Greater St. Louis, Inc. to seek greater input and insight from leaders outside the City of St. Louis and St. Louis County and across the bistate metro. We thank County Executive Ehlmann for his thoughtful feedback because it both improved the draft *STL 2030 Jobs Plan* and catalyzed broader regional dialogue that will benefit the implementation in the decade ahead.

Initiatives recommended in the *STL 2030 Jobs Plan* such as Main Street STL will help connect and strengthen the vibrant downtowns and commercial corridors in communities all across our region. The *STL 2030 Jobs Plan* also identifies high-growth, global industry sectors in which St. Louis has distinctive strengths. If leveraged effectively, growth in these sectors will accelerate the performance of the entire bistate economy, including downtowns, commercial corridors, small businesses, and residential neighborhoods.

It is important to stress, however, our strong belief that our region’s long-term economic performance will continue to be closely linked to the performance of the central, and flagship, city of our metro, the City of St. Louis, and its regionally significant employment center that serves all corners of our bistate metro. As high-growth peer metros recognize, the central city has an outsized impact on overall metro reputation, the innovation economy, and talent attraction and retention efforts. One of the central aims of Greater St. Louis, Inc. is elevating the urban core of St. Louis as a regional priority. The success of our urban core, in turn, will strengthen our entire metropolitan region for decades to come and put more jobs within reach, particularly for transit-dependent residents. This is essential to addressing inequities.

We must also take a metrowide view to tackling the major issues and opportunities before us. While metro residents are justifiably proud of their local municipalities and neighborhoods, we must

recognize that we are part of a larger metro region, the St. Louis region. If any of us are left behind, the potential success for all of us is reduced.

Moving the St. Louis Metro Forward

As a civic-minded business community, we now have the responsibility to collaborate and co-create with local government leaders, nonprofits, and other organizations and stakeholders to steward the implementation of the *STL 2030 Jobs Plan*. We certainly cannot and should not do this on our own. In other high-performing metros, the regional business community's intermediary has the accountability to steward a long-term jobs plan, catalyze action, and report on its progress. Here in St. Louis, Greater St. Louis, Inc. will assume this responsibility for the *STL 2030 Jobs Plan*, but the plan's full potential will only be achieved if everyone in the metro embraces it with creativity and energy. Our metro's collective economic future depends on the actions we all take together during this decade.

The *STL 2030 Jobs Plan* creates a focus—an economic “north star”—that has been missing in our metro for a decade. In the early 2000s, civic leaders laid out a vision to create a vibrant biotech sector and entrepreneurial support system in St. Louis. That vision was tremendously successful. In the 2020s, this updated jobs plan gives us a new vision to expand the map of opportunities that will allow our metro to thrive.

To advance some recommendations from the *STL 2030 Jobs Plan*, such as attracting new businesses in high-growth sectors, Greater St. Louis, Inc. has the purpose-built capability and accountability to lead. In other cases, the plan shows how efforts led by other organizations tie to the regional objective of economic growth and job creation. As an example, the plan identifies the Brickline Greenway, an ongoing initiative led by Great Rivers Greenway, with many partners and community engagement, as a critical priority under the Restore the Core strategy. The business community can provide meaningful support to the Brickline effort by organizing capital and providing other expertise. In fact, several of the organizations that merged to form Greater St. Louis, Inc. have collaborated with other stakeholders on the Great Rivers Greenway platform since the onset of the Brickline initiative.

Yet in other instances, the *STL 2030 Jobs Plan* provides an umbrella and potential areas of focus for teams of “civic entrepreneurs” who want to contribute in specific ways that advance job creation and inclusive growth. In one such case, a team has already begun an effort called Access Point to pilot an industry-workforce collaborative, accelerating inclusive growth by reducing barriers to technology jobs. We look forward to convening stakeholders around additional collaborations so that the learnings of entrepreneurial projects like Access Point can be transferred and adapted more quickly by others to their industries. In this case, Greater St. Louis, Inc. provides a stable platform of networked business leadership to turn good ideas into concrete actions.

The energy and enthusiasm we have seen in response to the *STL 2030 Jobs Plan* highlights how committed the people of our region are to making a plan for inclusive growth successful. It gives us great hope that by promoting a positive, inclusive vision and developing a plan to execute on it, we can transform the St. Louis region's economy over the next decade into one that works for and with all of our residents. As we develop and implement the *STL 2030 Jobs Plan*—as well as other initiatives of Greater St. Louis, Inc.—we will continue this conversation about how we can move our regional economy forward by creating high-quality jobs and economic opportunity for all. Perhaps just as important to the St. Louis metro's long-term prospects, the continued dialogue and implementation is also an opportunity to build much-needed civic trust across stakeholder interests.

Thank you for investing your time in reading the *STL 2030 Jobs Plan*. We look forward to working together to achieve a new decade of prosperity for all St. Louisans.

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