

Governor's Office of Economic Development

I. Internal Scan

The Governor's Office of Economic Development (GOED) charter is based on Governor Jon Huntsman's commitment to economic development statewide. The mandate for this office is to provide rich business resources for the creation, growth and recruitment of companies to Utah and to increase tourism and film production in the state. GOED accomplishes this mission through the administration of programs based around industries or "economic clusters" that demonstrate the best potential for development. GOED utilizes state resources and private sector contracts to fulfill its mission.

The Governor's Office of Economic Development is divided into two principal functions: business and tourism development. There are certain demographic trends in an aging population which are relevant to our agency's work. The Governor's Office of Planning and Budget (GOPB) reports that Utah is the fourth fastest growing state in US total population and the sixth fastest growing state in the U. S. whose population is 65 plus. While the statewide average of citizens over 65 is approximately 8.5%, southern Utah counties such as Washington and Kane currently average over 17% of their population over 65, and that is increasing as Utah is becoming more popular with retirees.

As Utah becomes a more popular "lifestyle" destination state we see an increasing effect upon companies and their employees. More and more companies are choosing to expand or move to Utah both for the quality of its workforce and the lifestyle those employees may enjoy.

During the past 2 to 3 years, Utah has experienced an unprecedented economic growth which has created thousand of jobs (33.000 in 2007), increased wages and Utah's standard of living has positioned the State to be able to compete nationally and globally for years to come. Utah has recently received many accolades including the number one "Most Dynamic Economy" by the Kauffman Foundation, and one of the best states for business by CNBC and Forbes Magazine. More recently Utah was ranked as the most competitive state in the nation. The Beacon Hill Institute's State Competitiveness Report for 2007 and the ALEC-Laffer State Economic Competitiveness Index listed Utah in the top position for doing business in the coming year.

As a state having one of the lowest unemployment rates in the nation couples with the highest job growth rate, Utah found itself in a unique position of having many open high paying jobs that are not being filled. Assuring that these jobs are filled is essential to the long term health and growth of Utah's economy.

Recently, the Utah Recruitment Initiative (URI) was created out of the Governor's Office of Economic Development. The Utah Recruitment Initiative is a taskforce initiative directed by Governor Jon Huntsman to work with Utah companies to assure they have the needed talent and workforce development resources to continue to grow Utah's economy, and to promote Utah as a prime location to live and work. By teaming

up with key representatives of government, the private sector and education, and through various media and marketing campaigns, the Utah Recruitment Initiative Taskforce is assuring that the State of Utah is positioned to be able to compete nationally and internationally for years to come.

By promoting Utah as a great place to live and work, and by using Utah's Life Elevated Brand, the Utah Recruitment Initiative Taskforce has run a series of campaigns on behalf of Utah companies to find needed employees. These campaigns have included two "Here for the Holidays" campaigns, a national media campaign in approximately 12 cities, and monthly viral and web marketing.

The Utah Recruitment Initiative Taskforce has also teamed up with various private organizations to reach ex-Utah patriots and invite them home and provide Utah companies with robust interactive tools and resources. As the initiative expands, the URI Taskforce hopes to be able to encourage seasoned executives, business leaders, and other skilled and talented retirees to continue giving time to the business community. Utah's workforce is young and energetic compared to the rest of the nation, but as a result also needs extra mentoring and oversight to assure competitiveness.

Because GOED's mission is narrowly focused on business development and tourism, it is unlikely that there will be a major change in the way it serves its constituencies. Over time it is presumed, however, that the agency's programs and services will likely expand to be more cognizant of senior needs in areas such as health care, workforce access, recreation and tourism.

One of Governor Jon Huntsman's and the Utah State Legislature's priorities during the last legislative session has been health care reform. As the population ages, health care costs are likely to increase from their already unaffordable rates. Working now with insurance companies and the business communities will enable Utah to develop a comprehensive plan that suits the needs of our state before a national plan is mandated that does not directly benefit or solve problems unique to our state.

II. Prioritization and Action Planning

As GOED has examined its economic development priorities it has surveyed national research and historical program data. GOED also conducts conferences attempting to obtain feedback on its priorities and has spent several months analyzing existing national surveys and databases related to its program activity. As a result of these efforts GOED will be able to more accurately target its programs to meet the business climate and workforce requirements for the agency's prime constituency, businesses.

Workforce Recruitment and Retention

It is clear that the growing business base in Utah has begun to reach a critical mass. Increasingly, businesses in the State are unable to fill important staffing requirements. This lack of properly skilled employees limits a company's ability to meet

its productivity requirements. If inadequate staffing becomes too widespread, it can limit productivity and company growth; thus, the State is continually working to enhance and expand the Utah Recruitment Initiative. The Initiative attempts to create a positive impression of the business climate and quality of life in the State. As Utah companies reach out nationally for qualified employees, the State recruitment effort should make their hiring efforts more effective. Since a steady or increasing tax base is critical for a state to meet its infrastructure and entitlement responsibilities, a sound business climate is vital. Recognizing that continued vigilance is necessary on this issue, it continues to be important to cooperate with State agencies and private sector organizations that have a vested interest or assigned responsibility in this area.

Senior Citizen Tourism

“Love them and leave them” may better be described as love them, help them spend and then send them away when the State thinks about Seniors and Tourism. Fortunately for the first time in decades, the State Legislature has provided the GOED Office of Tourism a budget that can actually begin to make a difference in tourism development for our State. Unfortunately, in today’s marketplace it takes money to be heard above all of the advertising and marketing noise. Fortunately, when our message is heard, a tourist dollar multiplies exponentially in the Utah economy. Various interested organizations have calculated that one dollar spent brings in six, seven, up to ten dollars in return. Seniors, according to tourism industry officials, spend more money than the average visitor and spend more time at their chosen destination than the average tourist. Consequently, recognizing the potential impact of the senior travel market on Utah tourism could add to the overall effectiveness of our tourism promotional effort.

III. Action Items for Priorities

Priority #1: Workforce Recruitment and Retention

Actions:

Teaming with other Agencies & Organizations

- Dept. of Workforce Services

 - Job website partner

- Higher Education

 - Brush up skills and reentry training

- Commerce

 - Professional Licensing

- Business Associations

- HR Associations

 - Seminars and training

Recruiting & Retention Campaigns

Use the hospitality industry model for staffing. For example, “Cruise Docs” campaign to change employer paradigms. Help business managements understand the value of hiring retirees to fill “temporary” or contract positions for 1-3 years while training and recruiting permanent staff. “HR 101” training to employers, for example, explain Flex Time and Flex Schedules, telecommuting etc. to entice experienced people out of retirement with offers that will allow them some of the flexibility of their retirement and still fill staff needs.

Targeted Industry Campaign

- Nursing
- Engineers
- Pharmacists
- Skilled Labor etc.

Private Sector Teaming

- National wage comparison data
- Business friendly legislation
- Incentives for Rural Utah companies

Result:

Improved capacity to fill critical staffing for growing Utah companies and adequate numbers of people who are properly trained to fill jobs for recruited companies from out of state. Baseline industry sector employment statistics and wage statistics.

Priority #2: Senior Citizen Tourism

Actions:

- National Media Campaigns
 - Tour Industry
 - Lifestyle publications
 - Demographic groups

Trade Association Meetings

- National Tour Association
- Travel Industry Association of America
- World Travel Market

Conventions and Business Meetings

- Rotary

Business to Business booth at Rotary Convention in 2007 so attendees can be exposed to job opportunities in Utah.

Winter sports

Events

World Senior Games

Marathons and Sporting Venues

Golf

Redrock Golf Trail, St. George convention and visitor office booking hotel and tee times.

Heritage and Cultural

National Heritage Highway 89

Deer Valley Music Festival

Utah Festival Opera

Sundance

Partners

Utah Sports Commission

Industry Associations

Result:

Measurable tourism numbers and dollars should increase in each targeted market segment. Reputation and recognition among demographic and geographically measured groups including seniors should increase.