

# 'MEASURE WHAT YOU TREASURE'

## Plan Helps Keep Focus on Top Priorities

By Tom Schuman

The updated economic development plan the Indiana Chamber introduced for the state of Indiana in 2012 is more than one-third of the way toward its end date. Following an extensive review and revisions early this year, the role of *Indiana Vision 2025* in guiding our state's future is more important than ever, says a panel of board and executive leaders.

Discussing *Indiana Vision 2025* and its status are:

- Allison Barber, WGU Indiana (abarber@wgu.edu)
- Mike Bosway, City Securities (mbosway@citysecurities.com)
- Kevin Brinegar, Indiana Chamber (kbrinegar@indianachamber.com)
- Jean Wojtowicz, Cambridge Capital Management Corp (jwojtowicz@cambridgecapitalmgmt.com)

### For the 'long haul'

Wojtowicz has been engaged in the creation of both *Indiana Vision 2025* and its predecessor – *Economic Vision 2010*. One thing never changes in such initiatives.

"You get what you measure – and for that reason it's extremely important," she shares.

Barber was part of the task force that executed the 2016 review. A previous role in her career found her at the Pentagon working for Defense Secretary Donald Rumsfeld, who would frequently say, "Measure what you treasure."

She appreciates the comprehensive approach, saying, "It's not any one driver; it's how do all of these drivers build on each other. You don't move any needle if you don't have the vision to move it. I think (the fact) that the report card was created gave us a really great launch pad to say, 'Now, how do we improve?'"

Bosway came on board with the initial development of the current plan but observes, "This is a never-ending project; it's a journey. The most important thing, and I think this is the Chamber's job, is to make sure that whatever is put in place legislatively, that we see it through."

Several significant assumptions have been substantiated.

Elected officials obviously play a critical role, but they do come and go, Brinegar notes, "And when you talk about Indiana's economic future, it's the Indiana Chamber that's here for the long haul."

The two come together in at least one way, according to Bosway. "Politicians by definition are tactical and nonstrategic, and with a plan

like this we can help them think more strategically."

Barber's background also includes service as a first-grade teacher. A report card, whether in school or as part of an economic evaluation, is part of an ongoing process. "A report card just says, 'This is what has been accomplished thus far. What's the next big thing?' You don't say to a first grader: 'You've got a great report card. You're done learning.'"

And while students are focused on their own performance, *Indiana Vision 2025* also pits our state against 49 others. Evaluations take place in several ways.

"Just because our own information is improving in certain categories doesn't mean the rest of the world is standing still," Wojtowicz reminds, "so there are a number of categories where we've actually improved in the raw data and our ranking has fallen."

### Valuing education

It's been said early and often that the four *Indiana Vision 2025* drivers – Outstanding Talent, Attractive Business Climate, Superior Infrastructure, and Dynamic and Creative Culture – have no official ranking, but there is also no denying the importance of education and workforce accomplishment. While many issues are in play, one of the overarching questions is the value that Hoosiers place on the importance of education.

Wojtowicz cites likely geographical differences. "Whether it's Indianapolis or South Bend or some of the more major metropolitan areas throughout the state, there's probably a higher value conversation around education. I'm not so sure that's the same in some of the rural communities."

The evolution to advanced manufacturing means "you need more than a high school education. I think understanding that would go a long way to convince high school graduates to engage in a certification process," Bosway contends. "There are huge voids in the trades right now."

Brinegar is optimistic based on some of the increased focus on career and technical education, as well as internships and other work-based learning experiences. But he turns back to the geography and a challenge that can be addressed.

"We have far too many of what I call too-small school districts. Over 50% of the 292 school districts in this state have fewer than 2,000 students and roughly 20% to 25% of those have fewer than a thousand students.

"They don't have the critical mass and the dollars coming in behind their students to do a lot of the things that the larger districts

are doing (in both career-based learning and higher-level math and science classes),” he continues.

“The population estimates are that this is only going to continue. If we want to provide good equal opportunity education throughout the state, we’re going to have to tackle this problem, this trend and this challenge head on.”

Barber identifies higher education leadership – commissioner Teresa Lubbers, new Ivy Tech President Sue Ellspermann and others – better alignment with workforce development and the increased focus on pre-kindergarten as factors in, “I think for the first time, we have a disruptive culture of saying the status quo is not going to work anymore.”

“You can’t expect students, however, to really understand the value of graduating from high school and going on for a certificate or for a degree when they can’t read. The only thing that we know from research is that the sooner you can get to a student and help them develop those skills, as in pre-K, the higher propensity of them to be a successful student all through school.”

The “education value” conversation takes on a financial tone when considering postsecondary opportunities.

“Families are becoming more and more concerned about the cost of postsecondary education and are starting to scrutinize more the value proposition of different programs



“When ExactTarget sold, people were concerned about that. Now, Salesforce is renaming the Chase Tower and adding 800 jobs. You just have to be patient to see the impact of what these deals or what change will do in good ways.”

– Allison Barber

and degrees,” Brinegar contends. With the near guarantee of a good job after graduation having faded away at least in part, “Parents are starting to think about, ‘Where are you going, how much is it going to cost, and what are you going to be able to do and earn once you finish?’”

Barber brings the conversation back full circle. When a lack of direction or support at home or in school exists, there is another entity that can have a major impact.

“We’re starting this conversation of saying, ‘What role do employers have with people to consider that next level of education.’” Barber lists companies offering scholarships to their teenage employees to make it possible for them to think about “their next step.”

“Everybody has a voice into the future of our citizenry here. If kids aren’t going to hear it from their school environment or they’re not going to hear it in their home environment, what’s the employer’s role and how can they help that?”

### Unhealthy mix

Indiana’s strong business climate is a result, at least partially, of goals accomplished through both *Economic Vision 2010* and *Indiana Vision 2025*. A glaring weakness is in the health of our population, with high smoking and obesity levels leading to chronic diseases.

While Brinegar notes the Indiana Chamber and allies will seek legislative changes in 2017 to discourage smoking, Bosway makes the general assertion that “you cannot legislate personal behavior.”

Still, the policy recommendations are intended to make it more challenging for young smokers to begin the habit. And the numbers show if people don’t smoke by the time they reach age 21, they are far less likely to start.

On the obesity side of the equation, Wojtowicz says she would feel a little better about the metrics ... “if we’re making progress on the younger generation.” Recent numbers, however, show Indiana’s largest obesity gap compared to other states is in the 18 to 25 age group.

Barber does possess some hope for legislative progress. She cites the seat belt law that changed behaviors for drivers and passengers.

More difficult, however is adapting a culture. “I think about my 76-year-old parents who are text messaging,” Barber continues. “If you would have told my



“We’ve developed enough of a reputation that that’s (raising capital elsewhere and being located here) a very real possibility. I’m seeing more high-tech companies look at Indiana and locate here. The cost of living for employees is quite a bit lower.”

– Mike Bosway

parents 15 years ago they would be texting ... they didn’t even value it. But at 76, they value it because it’s how they stay in touch with their grandsons.

“How do you create a culture of helping people value a change of behavior? And that’s hard.”

### Building a bridge to the future

Asked to name concerns across any of the drivers, Bosway was quick to respond, “The challenge of infrastructure and how to fund it. The revenue is not just what it once was. The other area that is starting to come to the surface, no pun intended, is water ... convincing (elected officials) to do something that would assure we are in good shape for water down the road.”

Wojtowicz says it’s not only the road funding. “We certainly don’t want a bridge collapse to occur and deaths to occur before anybody starts talking about the state of our bridges in this state, which are dismal.”

There are no certainties, of course, but Brinegar does give the General Assembly credit for starting the work with additional local funding in the 2016 session and continuing it this summer with a prescriptive task force. The commitments to do more, on a longer-term basis, are in place from both the legislative leaders and gubernatorial candidates.

“The recognition has risen that this is something that needs to be addressed right away,” Brinegar acknowledges. “Hoosiers are actually paying less to use the roads than they did 10 or 20 years ago.”

Another infrastructure challenge is rising electricity prices. Despite diversification, Indiana remains primarily a state of coal-fired generation. The costs or intermittent nature of alternatives make them difficult to become predominant sources.

“Quite honestly, this is one where I think maybe being satisfied with being in the middle (costs compared to other states) might not be a bad place to be,” Wojtowicz concedes, “because to significantly retool our existing plants would be very expensive.”

### Place to call home

Spreading economic opportunity and prosperity throughout the state is a major goal of *Indiana Vision 2025*. The Regional Cities Initiative, the panel agrees, is a good starting point.

“That has helped communities put together a plan that allows them to improve their existing quality of place,” offers Wojtowicz, who thinks concerns of too much focus being placed on Central Indiana is becoming a thing of the past. “I feel that’s changed with the Regional Cities Initiative and the efforts to be collaborative within their regions to create something that is theirs, and I think that’s working.”



“We’ve had the good fortune to have like-minded (government) leadership and that’s allowed us to spend most of our time in policy discussions on offense. But we have to be ever vigilant and work hard to make sure we don’t give up any ground that we’ve already captured.”

— Kevin Brinegar

In terms of state efforts to attract new companies compared to retaining existing ones, basic economics come into play.

“We’re good supporters of a competitive marketplace in Indiana. If the Hoosier business is the competitive business, the market will help it grow,” Barber affirms. “I think we’ve changed our focus to say, ‘How do we invest in local business so they have an equal footing and then let the market decide what companies succeed.’”

In the *Indiana Vision 2025* Report Card and other measures, Indiana is still working its way up the funding rankings. But money from business development and expansion comes in various forms. Where is the biggest challenge?

“I would still say on the really early stage, the seed stage,” Wojtowicz observes. “Getting people to make that kind of investment with a low chance of success ... it’s hard to get a return on that early seed-stage money.”

Bosway doesn’t believe it’s necessary to “have the kind of gun-slinging attitude that maybe the coasts do. That’s not necessarily a bad thing. How much should we be on par with Silicon Valley, with what goes on up on the East Coast? I don’t know that that’s the case. If there’s a business idea that’s worth funding, it will get funded.”

That philosophy might allow Indiana to take advantage of some existing strengths, according to Wojtowicz, who makes a statement below in the form of a question.

“Do we position ourselves to allow other people to take that seed risk and because we have the right quality of life, because we have the right cost of living, because we have the capital that can grow those companies – are we better off trying to attract them when they start to get some traction?”

Indiana does not need to worry about competing with the coasts in Barber’s view. She says we can be better.

“There’s something special about the culture that we have in this state that allows for collaboration, that all ships rise when we work together. If we are steadfast and patient, we will see that we will create a culture of innovation in Indiana that is much better than the coasts.

“It’s because of the people here,” she continues, “the work the Chamber’s doing to



“There are a lot of people that aren’t working, aren’t looking and therefore aren’t counted. We have to reach down and find people that are either chronically unemployed or disenfranchised and find a way to move them into the labor force.”

— Jean Wojtowicz

create the culture, the cost of living and the things that we all value.”

### Sunny outlook

The group acknowledges that challenges remain, yet optimism reigns.

“I feel like we’ve got momentum,” Wojtowicz remarks. “On job creation, culture, education – what we’re measuring here as a result of this plan – we’ve got momentum on many of the things that are really important.”

Brinegar: “I’m optimistic that Indiana will continue to shine. I’m optimistic that we’ll put some additional important big score on the board in the 2017 legislative session, particularly with respect to transportation infrastructure. I believe we’ll continue to make further progress as well on other things that we have on our agenda.”

Barber is not afraid to “embrace the negative – you never find a group or a company that when all things are positive and good, that they keep growing. It takes both. Tension is a good thing, but I’m very positive and very bullish on the success of our state.”

The “tension” analogy appeals to Bosway, who reminds that “this is a journey because there will never be a time where we don’t have tension and don’t have a concern about what’s going on around us. The fun of it is to meet the challenge and go beyond the challenge.

“It’s how we deal with those obstacles that will determine our fate, and I think this state’s done a pretty darn good job of meeting the challenges.”