



WEST VIRGINIA FORWARD

2018 PROGRESS UPDATE

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DRIVEN BY A SHARED PURPOSE



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A LETTER FROM THE WV FORWARD STEERING COMMITTEE

WV Forward, a collaboration among principal partners, West Virginia University, Marshall University and the West Virginia Department of Commerce, is an unprecedented initiative that was launched in 2018. Never before have two major universities paired with state government to work with leaders across the state and beyond on a shared vision for greater prosperity. This effort grew from the understanding that we can do more together. We aimed to build on our assets, diversify and look around corners at new opportunities.

Last year, the principal partners of WV Forward took stock of our state's most pressing challenges and most encouraging economic opportunities with experts from McKinsey & Company. Those data-driven findings serve as our shared blueprint for prosperity. In 2018, it was time to turn thought to deed. The WV Forward partners began to team up with collaborators and take action to build our most promising future.

WV Forward values urgency and persistence to act and find quick wins, but we understand that successful foundations cannot be built on sand. We build upon an empirically-driven approach grounded in shared wisdom and critical analysis. In this inaugural year, we prioritized first-phase initiatives. We began with an analysis of gaps and opportunities by identifying work and stakeholders already engaged in targeted efforts, outstanding talent in key areas and priority issues that are not yet being addressed.

This journey toward lasting job creation and economic growth requires focus and determination. Large-scale results will not happen overnight. But smart strategies will guide us along the way, benchmarking success and forging the path forward.

THANK YOU – PHASE-ONE COLLABORATORS MOVING WV FORWARD



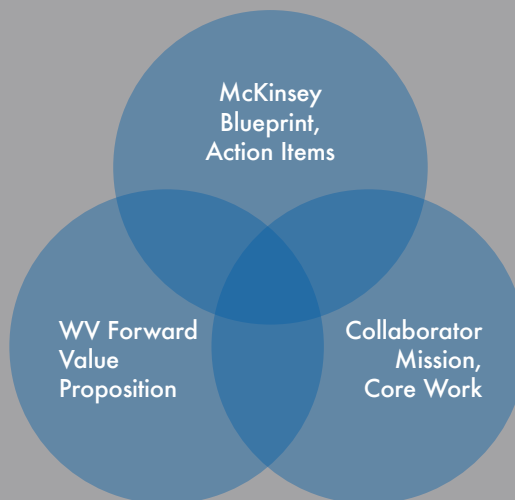
ADOPTING THE BLUEPRINT

- Identify a clear need to act grounded in fact-based evidence.
- Chart a reasonable path forward to address the action item.
- Partner with a coalition of the willing.
- Be data-driven, nonpartisan, inclusive and strategic.
- Determine a real and feasible change for progress.

WV FORWARD'S VALUE: PARTNERSHIPS, PROCESS AND PRODUCTS

WV Forward teams academics and government with top experts to implement the economic blueprint. WV Forward's principal partners are doing great work to advance the blueprint priorities within their respective organizations, and are now stacking hands on joint endeavors as well. Collaborations require trust-building and investment of time and resources, but they often yield the best, most enduring work. By relying on data for solutions and reinforcing structural and cultural connectivity, we can see true progress and weather change and obstacles. When education, government, business, nonprofits and communities are connected, we benefit from continuity of operations and layered successes.

These aligning partnerships are trained top-priority work. Our best course to a prosperous future is to advance identified sectors ripe for growth, like tourism, advanced manufacturing, cybersecurity and IT, while also tackling heavy lifts like improving human capital, innovation and investment. As our journey evolves, a growing number of collaborators have joined along the way. A series of experts have volunteered to help advance phases of our work together, and new teams emerge as issues advance. Below are some of the first-phase collaborators and work.





BUSINESS CLIMATE



READYING SITES FOR BUSINESS

NEED TO ACT

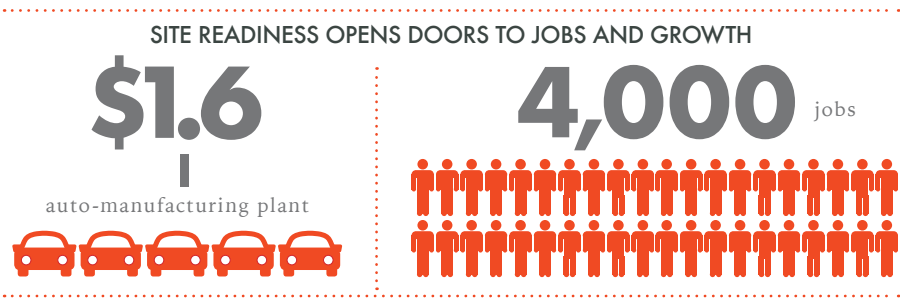
Economic development professionals have long agreed a top business demand is a vetted inventory of ready sites for building and expansion. When **Toyota and Mazda sought to locate a \$1.6 billion auto-manufacturing plant and 4,000 jobs, West Virginia did not have a site ready for development. Alabama won that bid. Ohio’s SiteOhio program and Tennessee’s 150 pre-certified sites allow them to compete and win bids.** West Virginia must move at the speed of business to compete, and that means having a ready inventory of evaluated sites for future business prospects.

GOALS

Develop a statewide plan to identify and evaluate properties using standard methodologies to create a detailed, comprehensive inventory of industrial sites ready for development.

FIRST-PHASE WORK

WV Forward has done an analysis of leading states across the country, partnered with experts, researched national best practices and examined successful site programs to craft a proposal tailored to West Virginia’s needs and assets. The proposal includes site evaluation criteria, a property evaluation application process, funding possibilities and reviewed lessons-learned from past efforts to create site inventories.





INVESTING IN INNOVATION AND BUSINESS GROWTH

NEED TO ACT

West Virginia has an opportunity to grow its innovation ecosystem. Too few businesses are born and too many die or leave. By empowering new investments, start-ups and commercialized technologies, we can boost economic activity in our local communities, diversify business sectors and create more high-paying jobs.

GOALS

(1) Foster collaboration among stakeholders like finance experts, community development professionals, higher education researchers, regional thought leaders and start-up support groups. (2) Consider new strategies and resources to attract investment and business growth. (3) Use expert advice and qualitative and quantitative data to inform effective ways to allow businesses, start-ups, innovation and investment to thrive.

FIRST-PHASE WORK

A framework of initiatives has been designed. Informational workshops have been held on incentives like Opportunity Zones and Small Business Innovation Research. In addition, funding opportunities to support a thriving innovation ecosystem are being analyzed and sought. Per stakeholder requests, a guide on the spectrum of grant, debt and equity sources for West Virginia businesses is in production. In 2019, a toolkit will be released that covers comprehensive entrepreneurship assistance across West Virginia. Also, a strategic review of cited needs and recommendations from stakeholders, investors and experts, including those at the Federal Reserve, is advancing.



WEST VIRGINIA VALUE PROPOSITION – HISTORICALLY LOW ELECTRICITY RATES

NEED TO ACT

Low industrial electricity rates have been one, important competitive advantage for West Virginia. Recent increases in cost trends require a better understanding of overall changes and accurate predictive analysis to maintain competitive advantage.

GOALS

Engage stakeholders and experts on electricity costs and policies, and to facilitate informative, data-driven analysis of measures the state should review to be competitive into the future.

FIRST-PHASE WORK

What actions are available to help the state maintain the low cost of doing business to keep our communities and families strong? Electricity pricing and delivery is a labyrinth of complex issues like cost levers, variable demand, stratified regulations, changing circumstances across the nation and various perspectives and interests by consumers. There are no easy, quick solutions. Smart questions must be asked and answered, curated and regional comparative data must be obtained, research into potential options must be tested against likely outcomes and a true understanding of the impacts and what is at stake must guide the overall examination. Are we competitive, and what do future trends suggest? What can we do to be competitive into the future? Experts are peeling back the layers to these multifaceted and tough questions.



EXPLORING TANGIBLE PERSONAL PROPERTY TAX – OUTLIER STATUS AND OPTIONS

NEED TO ACT

West Virginia's outlier status in taxing property, inventory and machinery as part of tangible personal property reportedly has a chilling effect on business attraction and investment in growth. The blueprint pinpoints this tax as one to consider addressing to better compete with neighboring states for business opportunities. For years, state officials have noted the need to examine this tax as well. However, the mosaic of issues associated with the constitutional tax have proven difficult to address.

GOALS

Help inform efforts for a balanced solution to improving the business climate and perception of the state's business opportunities to investors while valuing the importance of revenue to counties and schools that could be affected by changes to the TPP tax.

FIRST-PHASE WORK

As a constitutional tax, authority to advance legislative action or change this policy tax ultimately rests with lawmakers and voters. However, solutions and adjustments to complicated tax laws are easiest to consider when decisionmakers have access to impacts, facts and stakeholder perspectives, since tax changes do not operate as simple toggle switch choices. Through an analysis of research, assessment of tax policy best-practices, a series of fact-finding efforts and input from stakeholders, WV Forward is producing a written overview of this tax policy.



SECTOR OPPORTUNITIES



TOURISM: IMPROVE PROSPERITY, SHOWCASE THE BEST OF WEST VIRGINIA

NEED TO ACT

West Virginia can increase tourism spending and showcase the best of West Virginia by leveraging the state's valuable assets.

GOALS

(1) Help diversify and expand the state's travel and tourism industry. (2) Target ways to increase the number of new visitors while extending the average length of stay and average spend per visitor. (3) Showcase West Virginia's people and assets. (4) Boost community development opportunities through strategic planning and multidisciplinary collaboration.

FIRST-PHASE WORK

The West Virginia Tourism Office worked with McKinsey & Company on data and opportunities that were combined with other research to design the "Almost Heaven" tourism campaign. To advance our tourism industry and state, multidisciplinary tourism teams have been formed. WVU and Marshall are working on top needs identified by the Tourism Office. WVU students have developed online reservations and seasonal pricing regimes for state park facilities. And, dozens of community leaders joined forces to generate priorities for realizing our state's tourism promise. WV Forward has also produced the first comprehensive database of West Virginia-made products, which will be used by the Tourism Office to brand and promote our state.



SUPPORTING GROWTH IN CYBERSECURITY

NEED TO ACT

A “burning platform opportunity” is what the blueprint calls the cyber sector. The cyber, coding and IT services sectors are the fastest growing job market, and West Virginia has existing assets and structural advantages that make it an attractive destination.

West Virginia is home to a number of federal agencies and high-tech federal operations, houses two of the three federal biometric centers in the country, has facilities that are equipped with the required scale, infrastructure and security needs, and offers preferential tax policies relevant to IT sectors. West Virginia also graduates nearly 2,000 IT students each year, but currently, only offers some 360 job openings in the state. There is an opportunity to broaden the job market to garner a bigger IT workforce.

GOALS

Work toward a comprehensive, multi-year strategy to maximize the economic development potential in West Virginia’s cybersecurity, coding and IT services sectors.

FIRST-PHASE WORK

As we aim for cyber sector growth best-practices, WV Forward started to create a blueprint for sector needs in the state, and then surveyed and interviewed job creators in this sector. As a result, we began to dial in on industry needs and barriers to growth. Employers communicated that they have more work than cleared talent, noting a huge backlog in security clearances. Further strategy sessions, a whitepaper and informational guide for potential employees and employers are in the works. In addition, national industry and policy experts have volunteered to serve in an advisory capacity to help shape our work. We are also working together with others to create a map of all educational cyber offerings in the state. The goal is to improve flexible, stackable offerings while addressing gaps in training opportunities.



ADDING VALUE TO RAW MATERIALS AND RESOURCES

NEED TO ACT

While West Virginia is centered in what our blueprint forecasts as the nation's second-largest petrochemical hub, investments and economic activity across the region provide an opportunity for strategic development of job-intensive downstream opportunities in advanced manufacturing. Looking at West Virginia's assets, ability to meet business needs and market attractiveness of each option prioritizes opportunities like carbon fiber reinforced plastics (CFRP) and fine chemicals.

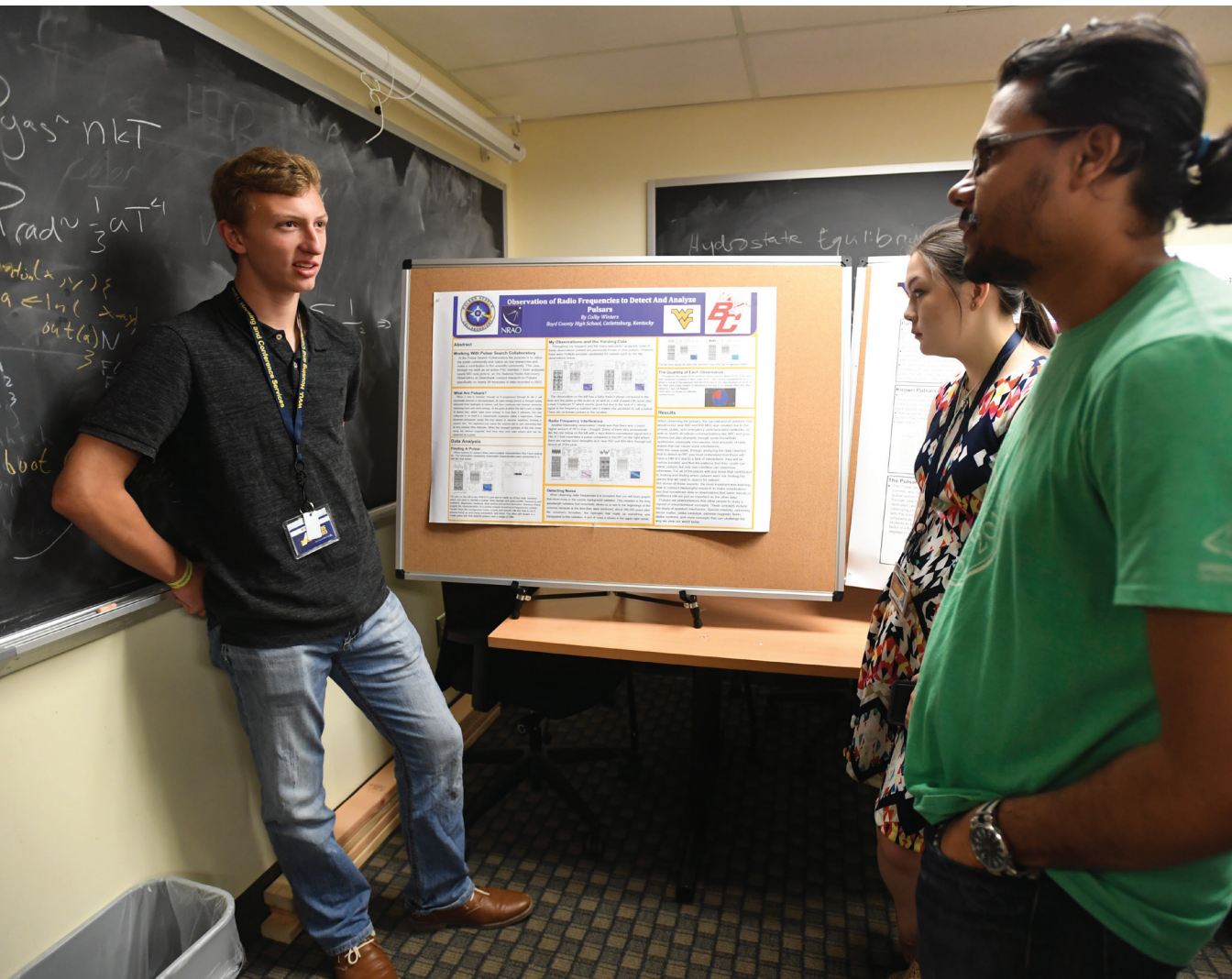
GOALS

Enhance and develop West Virginia's advanced manufacturing and value-added opportunities in the petrochemical industry.

THE WORK

WV Forward developed proprietary recruitment pitches to targeted businesses for high-priority sector development. We are connecting experts to look at regional opportunities for focused economic growth, while examining how supply chain needs can create more opportunity for local businesses. Working with regional experts, we are also creating up-next outlooks for crucial steps to grow these sectors, including strategy sessions regarding carbon fiber.





HUMAN CAPITAL



FOSTERING WORKFORCE DEVELOPMENT TO PROMOTE PRODUCTIVITY AND DIVERSITY

NEED TO ACT

Jobs do not grow or thrive without the right people, and we must do more to connect people to jobs and jobs to people. With thousands of unfilled jobs and unrealized growth, we must do more to invest in our people and attract talent.

Major sector shifts, new technology, growing industries like cybersecurity, the gig economy and smart manufacturing are changing our workforce landscape. We must prepare for the jobs of tomorrow, while also increasing productivity and workforce participation. Workforce participation hovers at 53 percent, 10 percent below the national average. Women, minorities and those with disabilities have among the lowest workforce participation in the U.S. Increasing these figures is a top way to raise the state's GDP.

GOALS

- (1) Identify barriers and incentives to enter and remain in the workforce.
- (2) Target effective policies for women, minorities and those with disabilities to grow and diversify the talent pipeline for a robust and resilient workforce.
- (3) Enhance talent retention and attraction.

FIRST-PHASE WORK

Employers and policymakers want to know what effective measures can be taken to bring better talent and more individuals in the labor pool and raise workforce productivity. To do this, WV Forward is partnering with student leaders, alumni networks and other organizations to explore out-migration of graduates, understand barriers for those to choose work in the state and create pathways back to jobs at home with tailored and comprehensive links to career opportunities. WV Forward is also writing an overview of incentives to attract talent from outside West Virginia. In addition, we are gathering quantitative and qualitative data, conducting surveys and interviews and partnering with business and professional organizations to examine underrepresented groups in West Virginia's workforce and young talent.

Workforce participation hovers at 53 percent, 10 percent below the national average.



INVESTING IN P-20 EDUCATION TO PREPARE TOMORROW'S WORKFORCE

NEED TO ACT

A diverse economy and a dynamic talent pipeline rely on a strong educational system and vocational training. To build our future talent pool, West Virginia must continue to improve student access to lifelong learning opportunities for the jobs of today and tomorrow. Workforce needs continue to change — often dramatically among generations — and West Virginia's workforce must grow and adapt with those changes, particularly in STEM. No longer will students graduate and head to one job that they'll hold for 50 years. Instead, they need to be prepared to transition through an average of 12 jobs during their professional life.

GOALS

(1) Improve understanding of needed education offerings for the future workforce. (2) Implement more options for lifelong learning like stackable, transferable and stand-alone offerings. (3) Do more to encourage and support greater educational attainment.



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FIRST-PHASE WORK

We must arm the current and future workforce with the skills and education of a high-tech, evolving work environment. WV Forward is co-designing and co-hosting a series of events with industry leaders and academic experts, focusing on educational needs to meet the evolving skillsets required to succeed in a transforming workforce. By uncovering state-specific data and cultural norms, WV Forward will inform efforts to improve the accessibility of advanced education and training. WV Forward is also addressing measurable ways to improve student views about the path to higher education.



ADDRESSING THE SUBSTANCE ABUSE EPIDEMIC'S IMPACT ON THE ECONOMY

NEED TO ACT

Substance abuse and the opioid crisis have affected the ability of a large portion of the population to participate in the job market.

GOALS

Provide evidence-based support to help address the impact of substance abuse on West Virginia's economy.

FIRST-PHASE WORK

No one will solve this epidemic overnight or single-handedly. Determining where to begin is a task in itself. Experts have identified a need to see gaps and ongoing efforts to address substance abuse. Through interviews, outreach and research, WV Forward has compiled an index of stakeholders and initiatives combating this epidemic. The index identifies opportunities to coordinate, expand efforts and spot unmet needs. WV Forward steering committee members and partners are conducting meetings, researching reviews and examining how to strengthen successful work while uncovering new opportunities. We also look at: (1) where evidence is established; (2) gaps in data and research; and (3) how social norms and bias interfere with best-practices. Both WVU and Marshall have tremendous ongoing efforts on this epidemic.



ENGAGING ALL WEST VIRGINIANS FOR LONG-TERM PROSPERITY

WV Forward is about embracing innovative ideas, building on success and aligning existing efforts to make things happen. WV Forward wants to share progress (and speedbumps), and hear from West Virginians here and beyond our borders. If you are moving WV Forward, help shape the journey. By learning from diverse constituencies, we build forward momentum, understand what matters most and decipher how best to accomplish shared prosperity. We have heard from hundreds of people who have expressed community development and innovation as top areas of interest, while economic development and STEM education are tied at second.

WE WANT TO HEAR YOUR THOUGHTS.



Learn more about how to engage with WV Forward on our website at wvforward.wvu.edu.



