

## **Application Score Sheet**

Proposed Project: Florida's Great Northwest, Education Return on Investment (ROI) Research and Marketing (#213)

Proposed Project/Program County: ALL

Board of County Commission Support:

Total Projected Project Cost: \$910,000

Match Provided: \$470,000

Triumph Funds Requested: \$440,000 (48%)

Triumph Funds Recommended by Staff: \$440,000

Score: A

ROI: \$24.7 dollars in net new personal income for every dollar of Triumph spent

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### **Economic Impact Analysis and Score**

Florida's Great Northwest is requesting \$440,000 to implement a research and marketing agenda targeted at diversification, enhancement, and recovery of the Triumph disproportionately affected counties. This requested amount represents 48.4 percent of total project costs of \$910,000.

FGNW and its research partners propose to provide a two-phase research effort to be followed by marketing that uses the outputs of this research. It is important to recognize that FGNW does not have this research capability in-house and will need to contract with a vendor suitable to Triumph to provide that research. The initial phase of research will use publicly available data sources, including Florida Department of Economic Opportunity occupational forecasts, along with data on program completers available from the Integrated Postsecondary Education Data System (IPEDS) of the National Center for Education Statistics (NCES) to arrive at estimates of regional demand for particular occupations, regional supply of appropriately credentialed credential completers for those occupations, and prevailing wage rates. This work can be accomplished using publicly available data.

A second phase of research that would be of great interest to Triumph would utilize the above information resources, but also data (appropriately de-identified) from the Florida Education Data Warehouse that is maintained by the State of Florida. It is arguably the most comprehensive database that exists in terms of availability of curriculum details for all students enrolled in Florida public education at all levels, along with wage data going back to 1986 of people working in Florida and in states that are members of the Wage Record Interchange System (WRIS) and the State Wage Interchange (SWIS) systems. These data would allow statistical estimation of the incremental value to earnings of a particular type of educational credential. This would allow Triumph to know approximately how much more (or less) one certificate is worth than another when assessing career and technical education training opportunities. However, these data are available only by special request, and typically not to the general public.

If these data cannot be obtained, it is expected that FG NW would not charge for this part of the envisioned work.

The marketing materials that could be constructed using these data would be valuable to families making curriculum choices, and to employers considering a potential relocation to our area.

The marketing program proposed by this project is intended to support Triumph efforts to help the region in its attempts to attract job-creating economic development projects that are competitive across a number of markets. Many of these projects that Triumph has funded have come with specific job creation guarantees that allow calculation of specific ROI numbers. However, the research and marketing to be funded here provides more general support across the region for these efforts. There is not yet a performance history that allows calculation of ROI for such a Triumph effort.

Instead, we rely on the ROI calculated by the Florida Legislative Office of Economic and Demographic Research, which has conducted studies of the effectiveness of various state economic development incentives. These have included marketing efforts by Visit Florida to attract tourism spending, as well as efforts by Enterprise Florida to attract competitive economic development projects. Triumph staff feel it is appropriate to use the ROI on Quick Action Closing Fund (QACF) expenditures to proxy for the ROI on this proposed project, as the programs have similar structure.

However, the EDR metric is somewhat different from the standard Triumph metric, as EDR measures the return as net new tax revenue relative to the state's spending of dollars of marketing by Visit Florida. Triumph measures returns as net new gross personal income relative to the cost in terms of dollars of Triumph award. Here we make a conversion based on personal income per dollar of state budget. Based on 2018 state revenue and personal income data, and assuming that marginal impacts are similar to average impacts, it takes \$41.22 on average in new Florida personal income to generate each new dollar of sales and use tax revenue. Applying the most recent EDR ROI on QACF dollars then yields the calculated return per Triumph dollar allocated to this project. This ROI is calculated to be \$24.7 dollars in net new personal income for every dollar of Triumph spending on this project. This rate compares favorably with other awards by Triumph.

There is not a specific job creation commitment associated with the activities to be funded via this project. Because of the critical need of our region for these data-driven materials, and the need of the Triumph Board for a detailed understanding of the issues to be examined, and their value to our community more broadly, staff score this proposal as an "A."

### **Project Summary (based on information provided by the applicant)**

Florida's Great Northwest (FGNW) the regional economic development organization for the Florida Panhandle is requesting a \$440,000 grant to partner with Triumph Gulf Coast, Inc. (Triumph) to fund a joint education research and marketing project. The partnership would focus on three areas:

- Return on investment (ROI) analysis for career and technical education (CTE) programs,
- Supply and demand analysis for industry certifications,
- And marketing and promotion of regional workforce training programs.

The Northwest Florida FORWARD Regional Strategy for Economic Transformation, in 2017, identified that the region has economic challenges that are not experienced in other areas of Florida, including:

- Direct competition from bordering states for companies expanding and creating jobs
- Job growth is significantly slower in the region (6.6%) compared to the state (14.1%)
- Average earnings of those in the region (\$47,943) are much lower than the state average (\$53,483)

As a result, Northwest Florida must become more competitive to retain existing companies planning to expand and attract new companies to the area. One of the most important issues to business executives as they consider locations to expand operations is current workforce availability and the future talent pipeline. Having competitive labor market supply data is key when educating companies on the region's workforce pipeline.

Florida's Great Northwest and its local economic development partners have identified gaps in available workforce data sets including outcomes of the region's workforce training programs. For example, in aerospace and defense, a primary targeted industry for our region, many companies want to know the number of FAA Airframe and Powerplant (A&P) certified mechanics. Communicating the region's ability to meet the talent needs of companies considering Northwest Florida as a possible business location is often challenging. Information is not always available through normal channels and sources for labor analysis.

To this point, economic development professionals rely on incomplete data sets or utilize limited human resources to cobble information together on a case-by-case basis to respond to potential employers. Having the proposed labor supply data will help regional and local economic developers create and deliver a more compelling workforce message and value proposition for Northwest Florida and give companies a comfort level that the region can meet their workforce needs.

Marketing this type of data will also help improve the region's competitive business opportunities by encouraging companies in targeted industries to locate or expand in Northwest Florida. The region's key targeted industry clusters include Aerospace & Defense, Manufacturing, Cybersecurity/IT, Financial/Shared Services, and Water Transportation, as well as the sub-cluster of Advanced Industries, which require technology, Research & Development (R&D), and STEM workers within the targeted industry clusters.

Target industries help diversify the region's economic base and lessens the dependency on tourism and defense industries. Additionally, all of these industries pay higher than average wages. This increase in household income will result in more consumer spending which flows into other sectors of the regional economy. All of this helps enhance and bolster Northwest Florida's economy.

The labor market demand research analysis proposed for this grant will allow the region to better understand educational and training programs that are critical to the region's economic growth and are imperative for the continued success of the existing companies in the region. The labor market supply research analysis will help to better articulate the skills of the region's workforce now and the projected talent pipeline allowing for more accurate response and detailed proposals to companies considering Northwest Florida as a potential business location. Research will analyze the impact of certificate completions on wages and will help showcase the ROI of educational and training programs, as well as the educational and training projects Triumph has funded.

Among the programs supported by Triumph are CTE proposals to help students obtain externally validated, industry-recognized certifications that will provide higher incomes to certificate completers. Triumph has provided start-up funding to a number of these programs and additional CTE grant proposals continue to be submitted.

When evaluating the value of such program proposals, it is important to understand the need for the proposed project in the community in terms of labor market demand from businesses and labor market supply from training providers. It is also important to examine the likely wage impact of certificate completers and assessing what share of observed income increases are in fact attributable to obtaining the certificate. Once information about return on investment (ROI) to Triumph, to the community, and to individual certificate completers is available and publicized to decision makers, better choices can be made by Triumph, by school districts and other education providers, and by students.

An initial data analysis will be conducted to gauge Northwest Florida's (NWFL) current regional workforce system. This will require both public and private data sources. The Bureau of Labor Statistics (BLS) provides occupation and industry level data on a quarterly and annual basis. Naturally, the fifteen community Workforce Board region will form the core of the analysis. However, it is important to note that the State, Southeastern U.S., and national-level data will play a comparative role as well. Socio-economic and demographic data will be considered across all regions. Labor force participation, unemployment, educational attainment, income, and population demographics will all be considered. Historical, current, and projected data will be analyzed from a variety of data sources, including the federal and state data provided from Census, Bureau of Labor Statistics (BLS), Florida's Labor Market Information (LMI), and Bureau of Economic Activity (BEA). In addition, third-party proprietary data providers including Economic Modeling Specialists International (EMSI), Moody's Analytics, and DemographicsNow will be utilized.

An analysis of the workforce commute shed will also be conducted. This labor shed analysis will identify the geographic scope of the local and NWFL labor market. The labor shed will identify where the individuals who are employed in each community live. The commute shed provides the opposite information - it identifies the area where the individuals who reside in each community and NWFL work. These analyses are important for two reasons. First, they identify the potential geographical scope of the interaction between the eight-county economy and the broader region; and, second, these data identify the broader scope of the regional labor market.

Given the identified geographic region, the research will focus on the seven key industries for the Northwest Florida region:

- Aerospace and Defense
- Cybersecurity & IT
- Distribution & Logistics
- Financial/Shared Services
- Manufacturing
- Heavy Industry
- Transportation Manufacturing

Utilizing these seven targeted industries, research will focus on the occupations and skill sets that support and are in-demand within these sectors.

The labor market supply data will be extremely helpful to regional economic development marketing and business development efforts. As noted earlier, one of the most important issues to business executives as they consider locations to expand operations is the current talent available and future pipeline that will ensure their continued success. Florida's Great Northwest and its local economic development partners can provide top level data on the current labor force. However, having this additional detailed data on offerings by training providers and their projected regional supply will help tell the Northwest Florida talent story better and improve the region's competitiveness.

During 2019, FGNW saw success with its marketing and business development efforts promoting the region even in the post Hurricane Michael climate. The organization has generated 12 projects with the potential of over 900 jobs in manufacturing. FGNW has also helped local economic development partners get in front of more than 130 business executives and site location consultants to tell the NWFL story through business development missions, industry trade shows, and site location consultant events. The FGNW websites have been viewed more than 20,000 times and social channels are followed by more than 2,500 people. Having more compelling data on the current and future workforce pipeline will allow FGNW and its economic development partners to better market and articulate the region's value proposition, increasing competitiveness for job creation projects.

Marketing efforts will include the creation of a website focused on promoting the region's current and future talent pipeline to targeted industry executives outside of the region, which will include the deep dive labor supply data by industry cluster. It will also include photo and video shoots on location with educational institutions that have been awarded Triumph funds as well as with companies that will potentially hire the newly trained workforce. Marketing collateral featuring these success stories will be created and include design, copywriting and printing costs. These products will be promoted online to targeted industry clusters, such as through a LinkedIn campaign. Additionally, the information will enhance FGNW and the region's business development efforts by providing more detailed data points which will be shared with business executives and site location consultants during business development missions and meetings at industry trade shows.

FGNW proposes to measurement the project by looking at leads generated; facilitated interactions with business prospects, site location consultants and Enterprise Florida; increases in FGNW total website visits; and increases in social friends/followers. It's expected that additional marketing exposure will generate more opportunities to compete for job creation projects in targeted industries. This will also help to grow existing industry clusters and diversify the regional economy yielding better paying jobs for NWFL residents and increased household incomes. The ROI wage analysis will showcase how alignment and support of key workforce education/training programs will increase wages.

FGNW's key mission is to promote the region for economic growth and diversification. The organization will continue to market and promote the region in partnership with its local economic development partners with the new workforce supply data and materials created and maintain the website after awarded Triumph funds have been expended. While FGNW may not be able to continue all marketing efforts on a ramped-up scale after the conclusion of the award timeline, FGNW will continue to utilize and promote the deliverables of this program for the remainder of its shelf life.

This proposal outlines a strategy for a potential partnership between FGNW and Triumph Gulf Coast to address current education research and marketing needs within the region through ROI data on CTE programs for Triumph's use in evaluating proposals, supply and demand data related to industry certifications that is invaluable to the region's economic development efforts and the marketing and promotion of the area's CTE programs and existing skillsets of the region's workforce to better articulate the region's value proposition.

Labor data analysis will provide the information needed in order for the region to better align resources and support targeted industries clusters with the workforce needed to remain competitive. Marketing and business development efforts will help entice targeted companies that pay better wages to locate and expand in the region.

The data can also be used by educator, parents and students to make informed decisions about career opportunities.

### **Funding and Budget (as provided by the applicant)**

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

#### **EDUCATION ROI RESEARCH**

Labor Supply & Demand Analysis	\$50,000
ROI Impact Analysis	\$150,000
Research Management	\$20,000
<b>TOTAL</b>	<b>\$220,000</b>

**REGIONAL MARKETING & BUSINESS DEVELOPMENT**

Website Development & Maintenance	\$35,000
Photos/Videos/Collateral Materials	\$65,000
Advertising – such as Targeted Industry Newsletters	\$90,000
Online/LinkedIn Campaign	\$50,000
PR in Targeted Industry Publications	\$30,000
Business Development Events	\$90,000
Proactive Outreach	\$30,000
Project Management/Execution	\$300,000
<b>TOTAL</b>	<b>\$690,000</b>

**Total Project Costs: \$910,000**

**B. Other Project Funding Sources:**

Private Sources (FGNW)	\$470,000
Other (Govt data access)	N/A

**Total Other Funding \$470,000**

**Total Amount Requested: \$440,000**

The program will receive matching fund support covering 52% of the project, which includes leveraging investment from Florida’s Great Northwest investors, which include private sector businesses and economic development organizations throughout the region.

The research and analysis, and vendor management will cost \$220,000 and make up the research portion of the Triumph request.

The marketing and business development portion of the project will total \$690,000. The Triumph request is \$220,000 of this total amount, which will include the creation of a talent website, collateral development, advertising/media buys, and online/LinkedIn marketing outreach.

In total, the project will cost \$910,000 and Triumph’s support accounts for 48% of the total project costs. FGNW has all funds available as a match for the project.