



Valdosta-Lowndes 2011 Economic Survey

prepared by Illuminomics for Valdosta-Lowndes Chamber of Commerce

Regional Wage and Employment Trends A Comparative Analysis 2001-2010

The following analysis was performed by Illuminomics with the support of the Valdosta-Lowndes Chamber of Commerce.

All data contained in this analysis is taken directly from the most authoritative local, state and nationally recognized sources, using the most currently available data sets. To ensure data accuracy and integrity, no multipliers were used in any calculations and all non-confidential data can be independently verified from public sources.

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The Valdosta Story

Targeting Knowledge-based Jobs for Growth

The city of Valdosta is located in south-central Georgia and because of regional and historical factors, has seen historically very low average wages and slow economic growth. As with many rural areas and major parts of the U.S., they have seen a strong manufacturing base steadily erode over time, dramatically altering the regional economy and particularly the effect on average wages.

While the overall job losses were offset somewhat by the rapid growth of the retail sector as Valdosta became a major shopping stop for traffic on the I-85 corridor to Florida as well as the region, because of the historically low wages paid by the retail sector, it did little to staunch the steady decline of overall average wages within the community.

In 2004 Valdosta-Lowndes Chamber of Commerce, headed by Myrna Ballard, asked illuminomics to help craft an innovative, strategic framework to grow average wages in the region by specifically targeting high-wage, knowledge-based and creative jobs in narrow sectors for growth and creation within the Valdosta MSA region.

Now after 5 years of steady progress in creating and enhancing the economic, social and urban environmental factors that can accelerate the growth and creation of smart jobs, Valdosta has arrived at point where the direct impact of these programs can be easily seen and measured by very solid, authoritative quantifiable data. This data, from the U.S. Bureau of Labor Statistics and the U.S. Department of Labor, shows that not only have these efforts slowed down the decades long decline of the regional average wage, it has literally turned it around.



The Object of the Exercise

Why does this matter?

As you will see in the next few slides, during the period that the Chamber has run its TBEC program (Targeted Business Expansion Council) Valdosta has gone from a declining economic position, relative to the U.S., Georgia and its peer group of similar cities, to a complete reversal with Valdosta now outperforming the U.S., the state of Georgia, and 5 of its 6 peer group cities in %TBEC-sector+job growth and average wage growth.

The purpose of this brief summary and the attached graphs is to show that by enhancing the economic, social, urban and environmental factors attractive to high-wage job workers, that with a clear focus, innovative programs, a high degree of collaboration and a steady effort, that a community can take control of its own economic fate and turn-around even the toughest case of historical declines into becoming an %intelligent city+capable of competing in the modern global economy.

This is a %proof-of-the- pudding+success story. It isn't quick, it isn't easy, but in a day and age of very tough economic head-winds and significant national job losses, it should be encouraging to know that the path to becoming an intelligent city works; and in doing so, it is possible to turn around the economy of a city and improve quality of life for its residents.

(This report is a brief summary of the much more detailed 25 page annual analysis showing long and short terms trend comparisons. For more info and detail, email cmiller@illumonomics.com)



Targeted Business Expansion Sectors

NAICS

TBEC Sector Description

Information Technology

511--	Publishing industries (including software)
512--	Motion picture and sound recording industries
515--	Broadcasting, except Internet
516--	Internet publishing and broadcasting
517--	Telecommunications
518--	Data processing, hosting and related services
519--	Other information services

Environmental Technology

541--	Professional, technical & design services
551--	Management of companies and enterprises

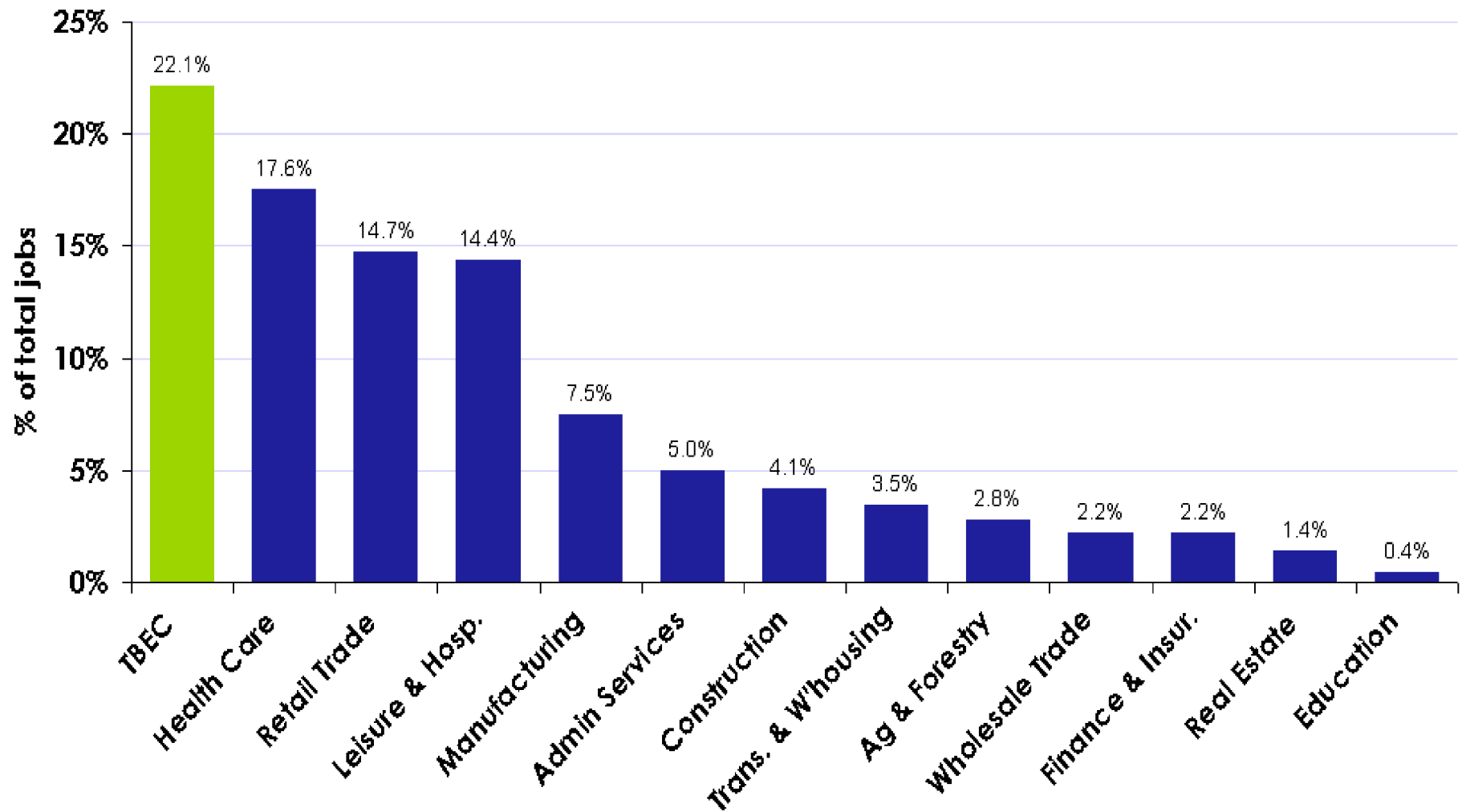
Medical Services & Support (listed separately as %Health Care+)

621--	Ambulatory health care services (physicians, dentists, labs, etc)
622--	Hospitals

** North American Industrial Classification System (NAICS) codes provide a 1 to 5 digit classification number to describe various types of economic activity. TBEC are composites of the above 3 digit NAICS codes.

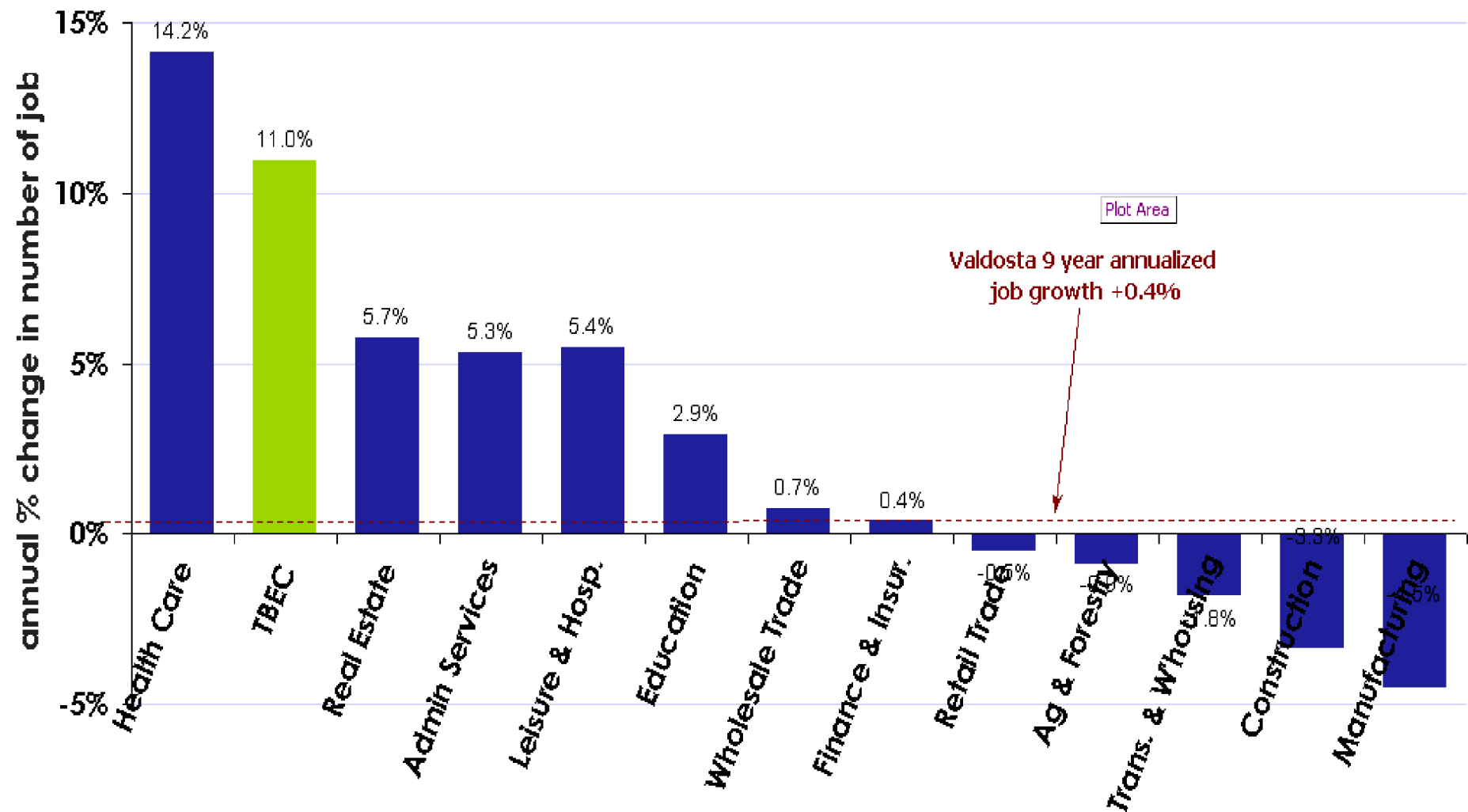
Economic Sector Size

Sector Size by Percent of Total Jobs

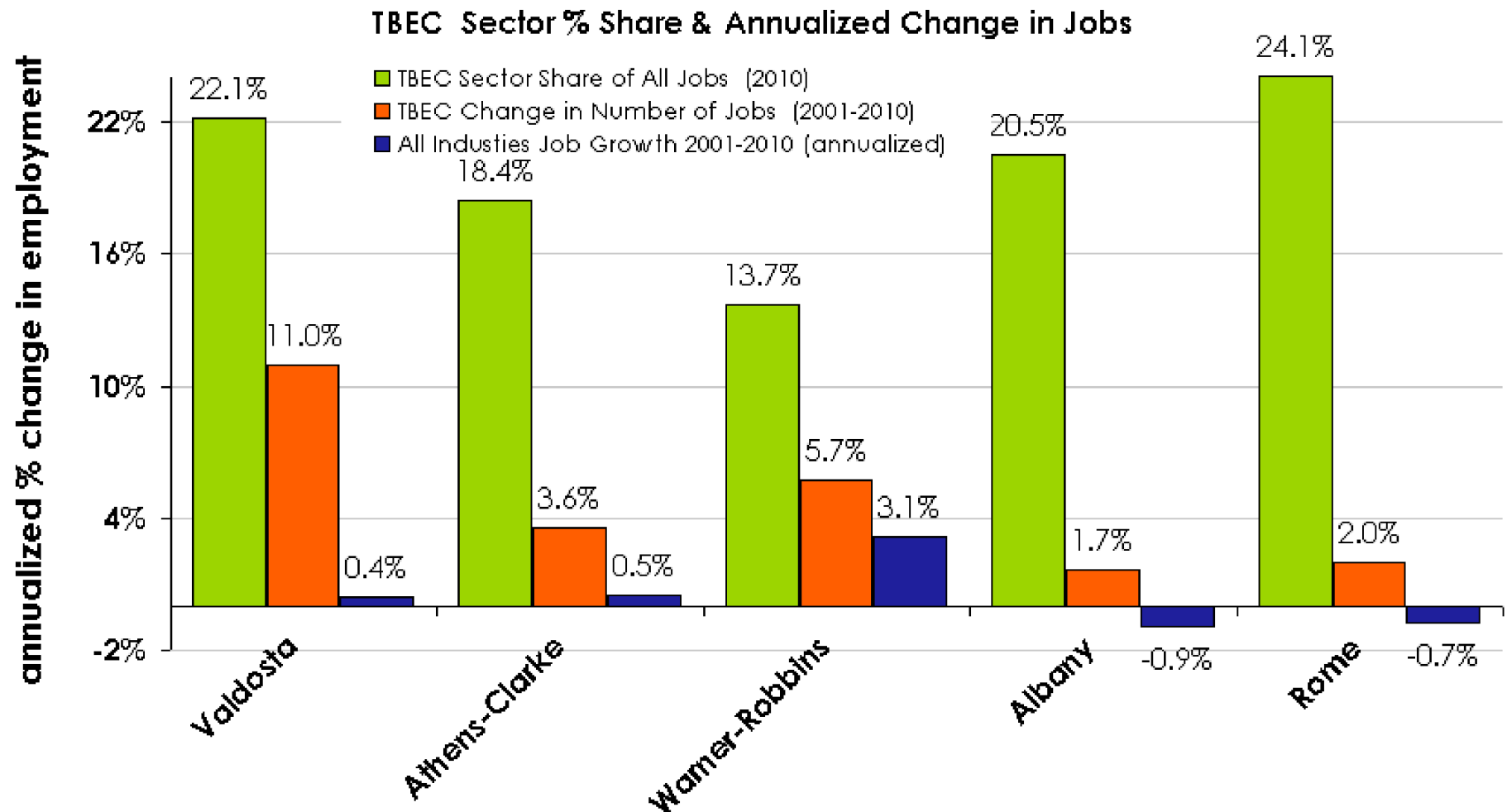


Economic Sector Growth

Average Annual Percent Job Growth by Sector

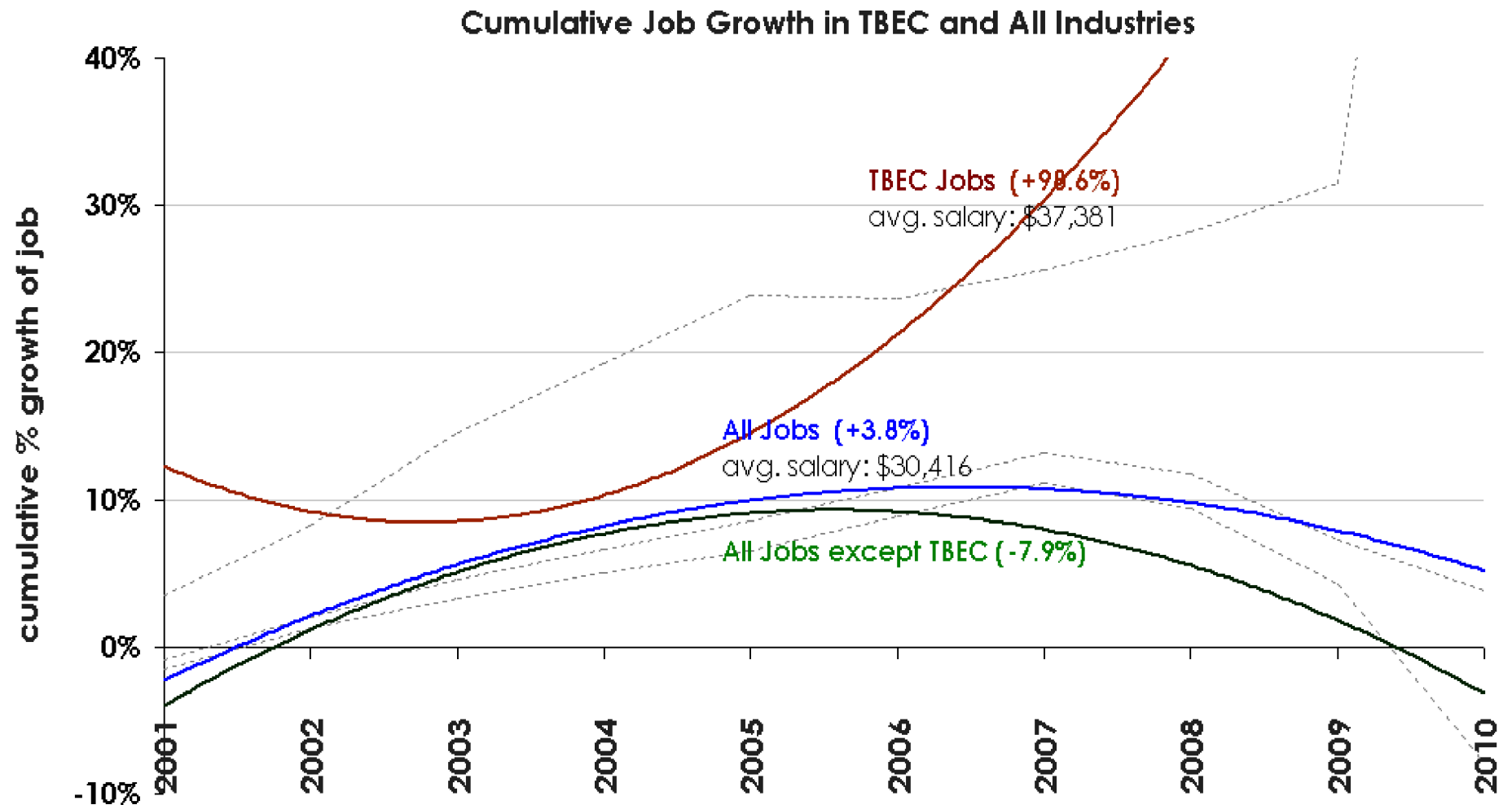


TBEC Sector Size and Growth Comparisons



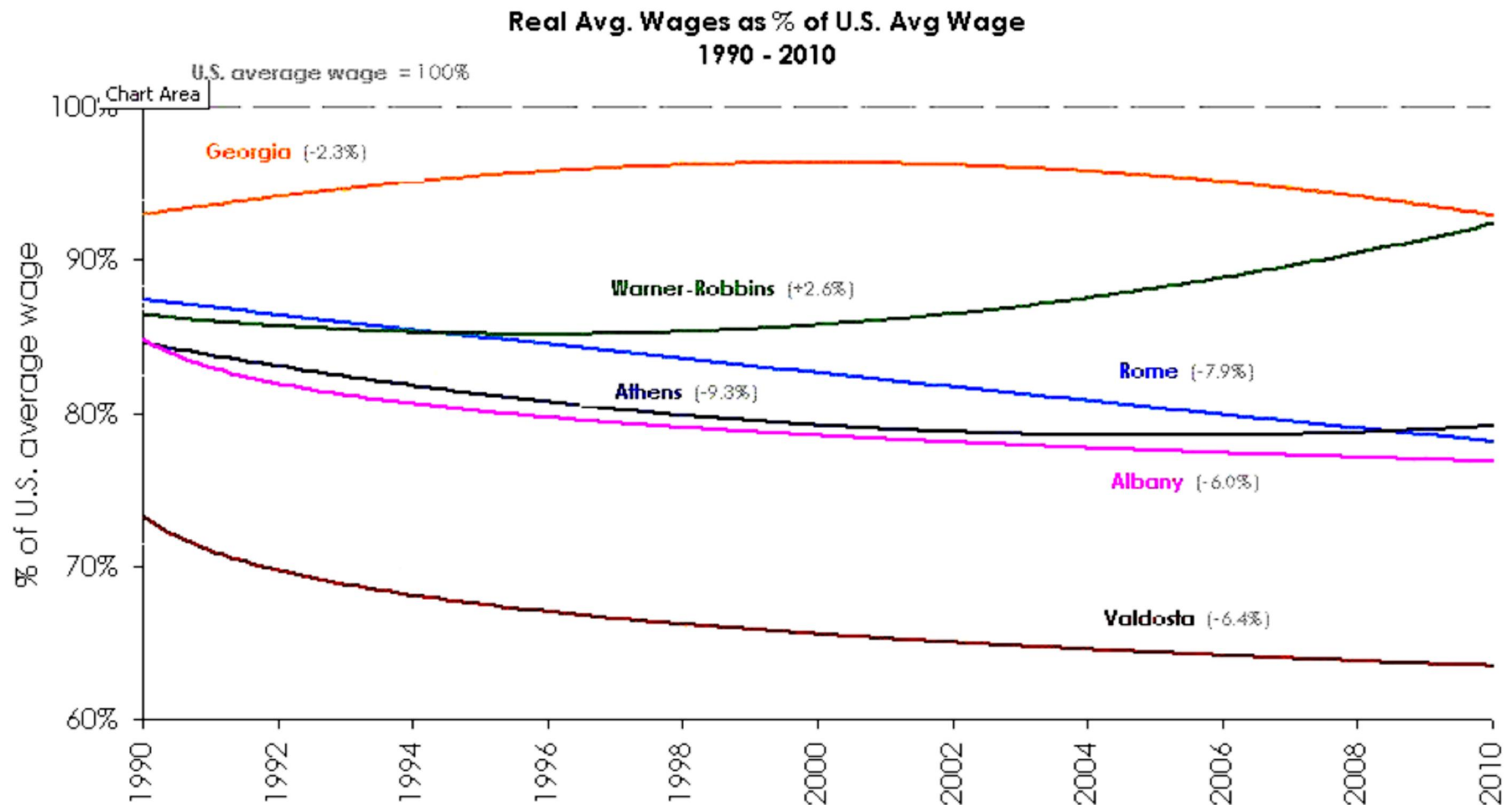
Here is a comparison of the TBEC sector share and growth in Valdosta, as compared to the same sectors in its peer group cities. Valdosta's peer group cities for the same sectors the TBEC program. This shows that Valdosta's organic TBEC growth is outperforming all its peers except Warner-Robbins (which has a massive Dept of Defense technology cluster fueled by nearby military bases).

TBEC Growth Trend Comparisons



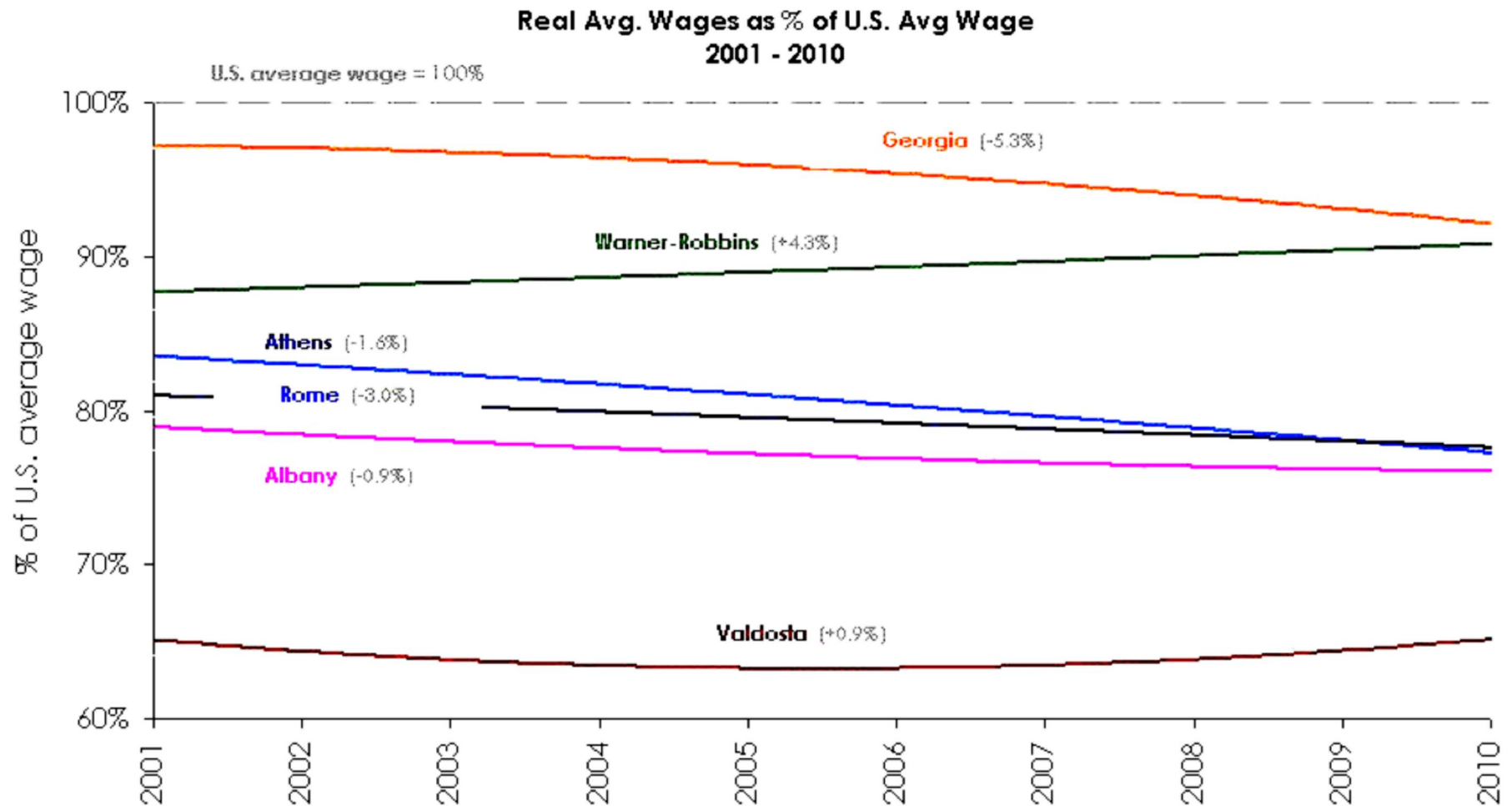
This graph shows a dramatic rise in TBEC sector jobs far above and beyond the overall regional job growth, even as the overall economic growth has been reversed from the decline of manufacturing and a weak national economy.

Long Term Avg Wage Comparisons



This graph shows the longer term, historic decline of averages wages in the Valdosta region. Note that to factor out other economic influences, these are percentages of growth/declines as compared to the U.S., the state and peer group cities. This strips out unrelated economic factors and allows a straight and simple apples-to-apples wage growth performance comparison.

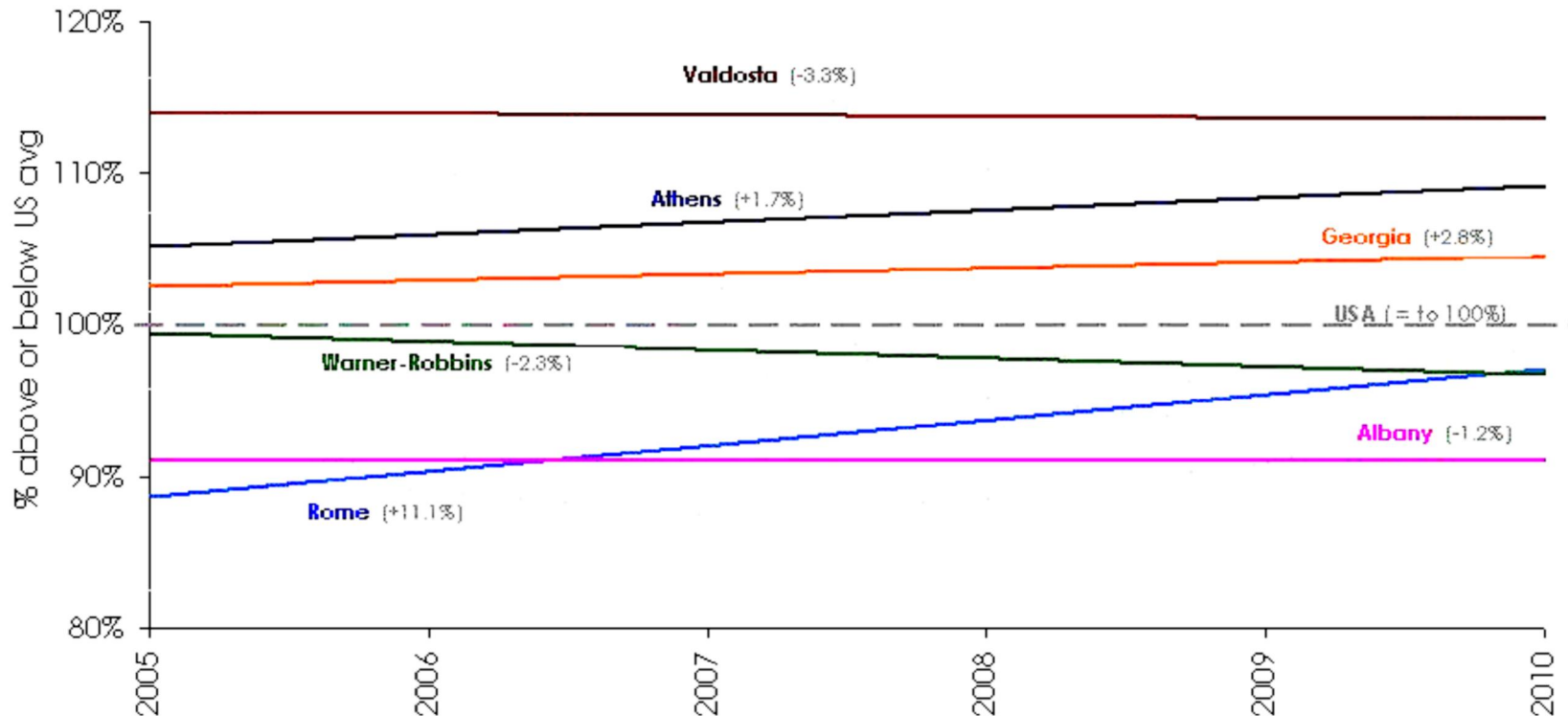
Short Term Avg Wage Comparisons



This graph shows the short-term change and turn-around of averages wages in the Valdosta region as a result of the TBEC program and Valdosta's steady focus on building these higher-wage sectors. Note that unlike the previous long-term graph where Valdosta was under-performing compared to its peers, this graph focused on the relevant years during the TBEC program shows a remarkable turn-around where Valdosta is now out-performing the all its peers (except Warner-Robbins), as well as the state and the U.S. as well

Percent of Salary Spent on Housing

Wage Cost of Homeownership as a % of U.S.
2005 - 2010



This is an interesting graph that acts as perhaps the best possible indicator of the quality of life changes occurring in an economy. It isn't enough to know if jobs and wages are changing, unless you know how costs in the region are also changing. It doesn't do much good to increase the wages people earn if rising costs outstrip those gains. To address that point, and to provide a good proxy measure of the actual quality of life shift in a region, we have set wages against housing costs to see which locales are gaining or losing ground, regardless of what wages may indicate. In this graph (downward trend is better), you will see that while the amount of a monthly paycheck that went to housing costs in Valdosta has been higher (less money in the pocket after housing expenses), during the years that the TBEC program has been running, the upward trend seen in past years, has been turned around and residents are now spending less of their wages on housing than in years past. Again, in this example, as compared to the change of this number in other regions, Valdosta is again, outperforming the U.S, the state of Georgia, and all its peers, except one.



A Final Word

About the Data In This Analysis

Illuminomics used data for its analysis from the most authoritative sources: The Georgia Department of Labor, U.S. Bureau of Labor Statistics, the U.S. Department of Labor and the U.S. Census Bureau. To obtain private disaggregate wage and employment data, Illuminomics and the Valdosta-Lowndes Chamber signed a confidentiality agreement with the Georgia Department of Labor to protect individual company data concerning employment and wages, especially in circumstances when only a few companies reside in a specific sector. Therefore, there are times when the public data and the privately aggregated data differ. In those circumstances, the privately aggregated data contained in this report is the more accurate.

Moreover, the Georgia Department of Labor constantly revises its historical data sets. Those revisions are not always released to the public. Illuminomics, however, has access to those revisions and has incorporated them into this analysis. In some cases that may cause public and privately aggregated data to differ ever so slightly, with this analysis often more accurate than what would be available to the general public.

Finally, care should be taken when comparing two data sets representing the same information. Those data sets may differ in locality (MSA vs. County), time period (month vs. quarter); interval time-length and industry control (private vs. public sector).

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