**Texas Forest Country Partnership**



**Strengthening Economies Together (SET)**

**Session Two – Industry Cluster Analysis**

**Friday, June 14th / Women’s Civic Club-Jasper / 9am – 2pm**

**INDUSTRY CLUSTER ANALYSIS REPORT**

73 individuals, representing nine of the twelve counties in the Texas Forest Country region, participated in the second session to kick off the SET economic strategic planning process. Initially the group reviewed the report from Session I with the following recommendations made:

* Add Toledo Bend and Lake Livingston to list of natural resources
* Add Highway 96 to our list of transportation arteries
* Add private foundations to our list of well-established resources available

The following represents a synopsis of the Session II, representing input from all participants.

**HIGH QUALITY REGIONAL PLAN:**

The following were listed as CRITERIA FOR A High Quality Regional Plan:

1. Evidenced Based
2. Practical
3. Aligned with Goals
4. Broadly Supported
5. Focused on Regional Economic Development

Discussion followed about what it would take to achieve such a Quality Plan, items mentioned were:

* Strategies were needed that would advance regional economic development.
* Need better diversity of age of participants in the process – ages 25-40. Need to spend efforts in getting the younger group involved and on local volunteer boards. Work to find ways to solve them being intimidated by the process.
* Develop ways to get Business Clubs back in the school system to educate our youth at a young age of the importance of businesses and volunteerism.

All attendees were asked to develop possible younger participants. If they know of a possible candidate, contact them, tell then about the SET effort and then let Jerry Huffman at jerryhuffman44@outlook.com know so they can be added to the invitation list.

**DATA PRESENTED:**

Group was presented data showing Change of Establishments 2000-2013. Definition of Company Stages was as follows:

* Stage 0 – Self Employed
* Stage 1 – 2-9 employees
* Stage 2 – 10-99 employees
* Stage 3 – 100-499 employees
* Stage 4 – 500+ employees

**Data showed the following**:

* An increase in the total number of businesses – up 35%, with the increase in Stages 1 and 2
* A decline in jobs in Stages 3 (down -8%) and Stage 4 (down -28%) – *primarily manufacturing.*
* A decline in sales in Stage all stages – down -27% for all businesses with the largest decline in Stage 4 (down -47.1%). *Primarily due to loss of manufacturing jobs in the region.*
* Largest increase in jobs during that period was Oil and Gas – up 57%. *With the volatility in that sector we know that is significantly down in 2016.*
* Management of Companies & Enterprises was down -18% from 2009, manufacturing down -6% same period. *Again, due to loss of manufacturing jobs.*

***What we noticed:***

* *While we have more establishments, wages are lower*
* *We are seeing more small business start-ups, retail chain stores and a few small manufacturing firms.*
* *We have lost a lot of large manufacturing (GE from 1800 down to 300, Paper Mill closed loss of 600+, Loss of large foundry – loss of 400 jobs)*

**LIST OF EXISTING JOB SECTORS IN THE AREA:**

Group was asked to begin listing of what was currently available in the region. Areas mentioned included:

* Education
* Timber/Wood Products
* Grocery/Retail
* Poultry
* Senior Services
* Schools
* Corrections
* Forest Products
* Tourism
* Utilities
* Oil and Gas
* Transportation
* Construction
* Health
* Local and Regional Government
* Banking/Financial
* Food Processing

Group was then asked to develop a list of possible “clusters” which might fit our region. The potential list was as follows:

* Machinery Manufacturing
* Arts and Tourism
* Transportation
* Water Based Manufacturing
* Government
* Business & Financial Services
* Defense & security
* Biomedical
* Plastics Manufacturing
* Forest Products
* Poultry
* Energy Support

Marilyn Hartsook reviewed occupations in the region from Workforce Solutions data. Data showed STEM occupations lower than rest of state, with the need for STEM related jobs increasing – in manufacturing, biomedical, construction and transportation.

**FINAL ANALYSIS:**

After polling the group, the following excel chart outlines areas of clusters identified:



The following clusters in orange will be detailed further at the next SET Session – listed on the chart in yellow - **ARTS AND TOURISM, WATER BASED MANUFACTURING AND FOREST PRODUCTS**. Additionally, listed in orange, Machinery/Manufacturing and Food Processing/Ag could be looked at as well.

**Next SET Session will be on the Stephen F. Austin University campus, Tuesday, July 19th, building location to be decided later.**

Again: All attendees were asked to develop possible younger participants. If they know of a possible candidate, contact them, tell then about the SET effort and then let Jerry Huffman at jerryhuffman44@outlook.com know so they can be added to the invitation list.