



Appalachian Partnership
for Economic Growth

APEG, P-20 Education and the Appalachian Ohio Economy

A Presentation to the
Appalachian Ohio P-20 Council
September 18, 2015



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APEG Mission

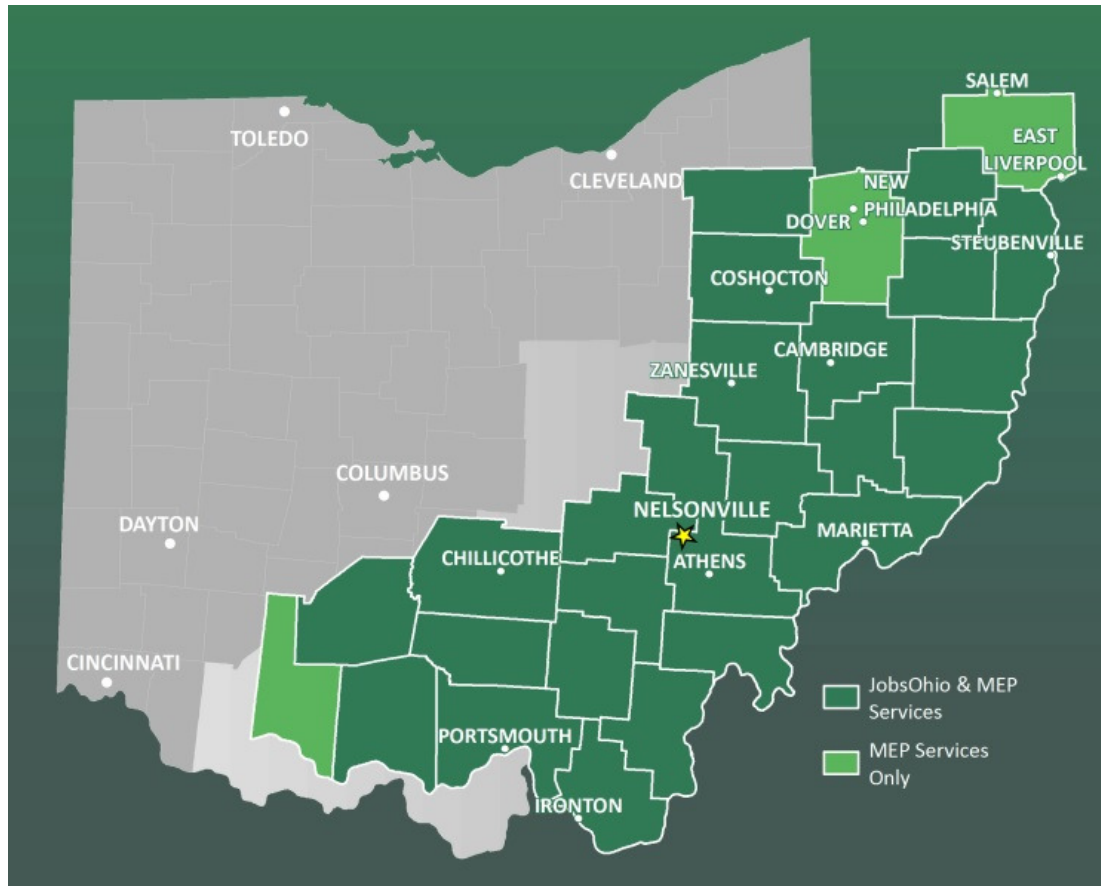


***To foster enduring,
widely-shared prosperity
across Appalachian Ohio***

APEG Region



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- Over 14,000 square miles
~ 1/3 of Ohio
- 1.2 million people
~ 10% of Ohio
- Largest city
25,000
- Six hours travel
corner to corner



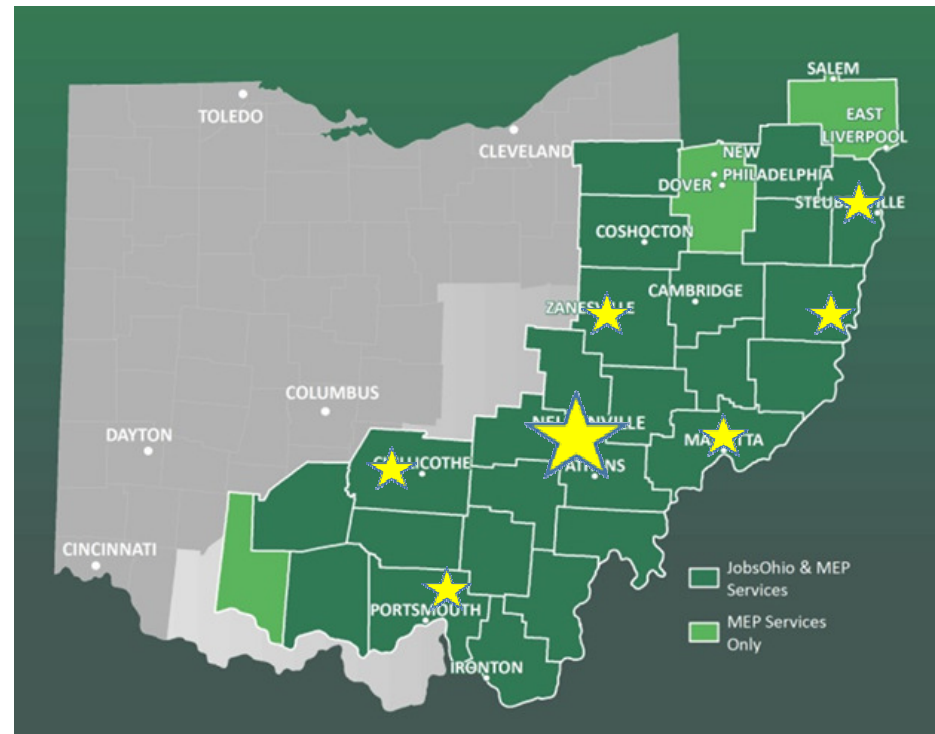
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Unique Distributed Staffing Model



- 5 of 17 positions in Nelsonville
- Remaining positions distributed across region
- Two cross-functional teams – Eastern and Southern Ohio



Two Major Current Program Areas



- Business Development
 - JobsOhio (JO)
 - Site work under Make It In America (MIIA)
- Business Assistance
 - Manufacturing Extension Partnership (MEP)
 - UpSkill Program under MIIA
 - Forest to Furniture under MIIA

Primary JobsOhio and Business Development Work



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- Project management
- Business attraction, retention and expansion
- Site inventory, development and promotion
 - Also supported by Make It In America grant
- Ohio River strategy
- Shale energy strategy
- Local economic development capacity building



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JobsOhio WINS



2012 - 2014

- 81 wins
- 6,000+ jobs created
- 12,000+ jobs retained
- \$7.1 billion in new capital investment

Ohio River Strategy



- Leading strategy partnership with JobsOhio & REDI
- Industry advisory group and dedicated APEG staff
- Inventory of high-value sites
 - 2014: detailed engineering studies on 21 sites
 - Online searchable database coming in 2015
 - Database will include GIS mapping
- Serves heavy industry
- Serves Shale



Shale Initiative



- 2013- began Shale-focused promotion efforts
- Staffing constraints limited time available to focus on additional opportunities
- With JO support, added Manager - Shale Energy position February 2015
- Attract and grow midstream and downstream industries



Other Business Development Accomplishments



- 400+ Business retention/expansion calls completed
 - Every major value generator in JO sectors
- More than doubled site inventory in Ohio InSite
 - Fewer than 400 in 2012, half of those incomplete
 - 1100 complete entries on today
- Hosted year-long “Community Economic Development Academy” to build local economic development staff capacity

Business Assistance: Manufacturing Extension



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- Nationwide program not previously available here
- Affordable, expert assistance with manufacturing processes, productivity and technology
- Improves productivity, quality, and competitiveness
- 289 projects through 12/31
- Strong synergies with business development services
 - Tangible benefit to offer on BRE calls
 - Cements relationship with important companies
 - Identifies economic development projects
 - Drives in additional JO “wins”

Ohio

**Manufacturing
Extension Partnership**



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Business Assistance: Make It In America



- \$2.1 million over three years
- Two Business Assistance Thrusts:
 - Build supply chain in hardwoods industry
 - Incumbent workforce training in 3 key industries
- Identified 800 wood supply chain partners to date and working to build capacities and relationships
- Will “UpSkill” ~1500 manufacturing workers



Why is APEG so focused on Manufacturing?

Three (or four) sectors create all wealth:



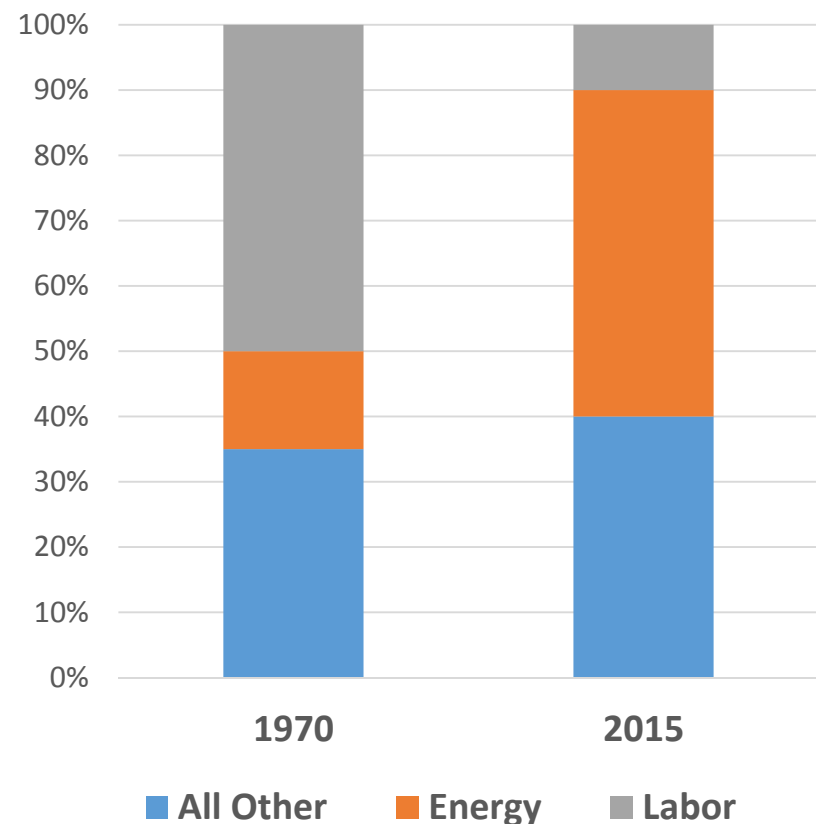
1. Agriculture (including forestry)
2. Extraction
 - If environment is appropriately protected
3. Manufacturing
4. Maybe some cutting edge IT

Manufacturing is on a rebound in America



- Companies are rethinking where to make things
- Energy, including transportation, is the biggest cost driver
- Labor is now a less than 10% of cost for Class A mfg. facilities

Typical Cost of Manufactured Goods



Industry's answer to rising energy costs:



Compact value chains

- Minimize movement from raw material to production to customer
- Site production near raw materials, markets, or both
- Bring value chain close together so little energy is wasted in moving product

Our region's advantages in this new world



- Within one day's truck travel of 60% of second biggest market in the world (US and Canada)
- Low cost options for moving bulk raw materials into the region
 - Ohio River barge and abundant rail options
- Abundant very low cost energy supplies
 - America has lowest cost outside Middle East
 - Ohio shale gas is cheapest in America
- Local sources of raw materials for some industries
 - Chemicals and polymers
 - Wood Products

Our industries with value chain advantages



- Metals
- Shale / Chemicals / Polymers*
- Transportation and automotive
- River / Logistics
- Forest / wood products*
- Food processing*

***Double wealth-creation advantage**

Our strategies for these industries



- Help the companies we already have compete
- Encourage expansion of companies present in the region
- Help companies move value chain partners to the region
- Attract firms that fill value chain gaps or strengthen/expand the industry presence



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So why is APEG interested in P-20 education?

- 1. Because workforce is the #1 issue companies consider in location decisions**
- 2. We have a looming workforce problem that could sidetrack the region's economy**



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Manufacturing workforce is currently a strong point



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Our manufacturing workforce is:

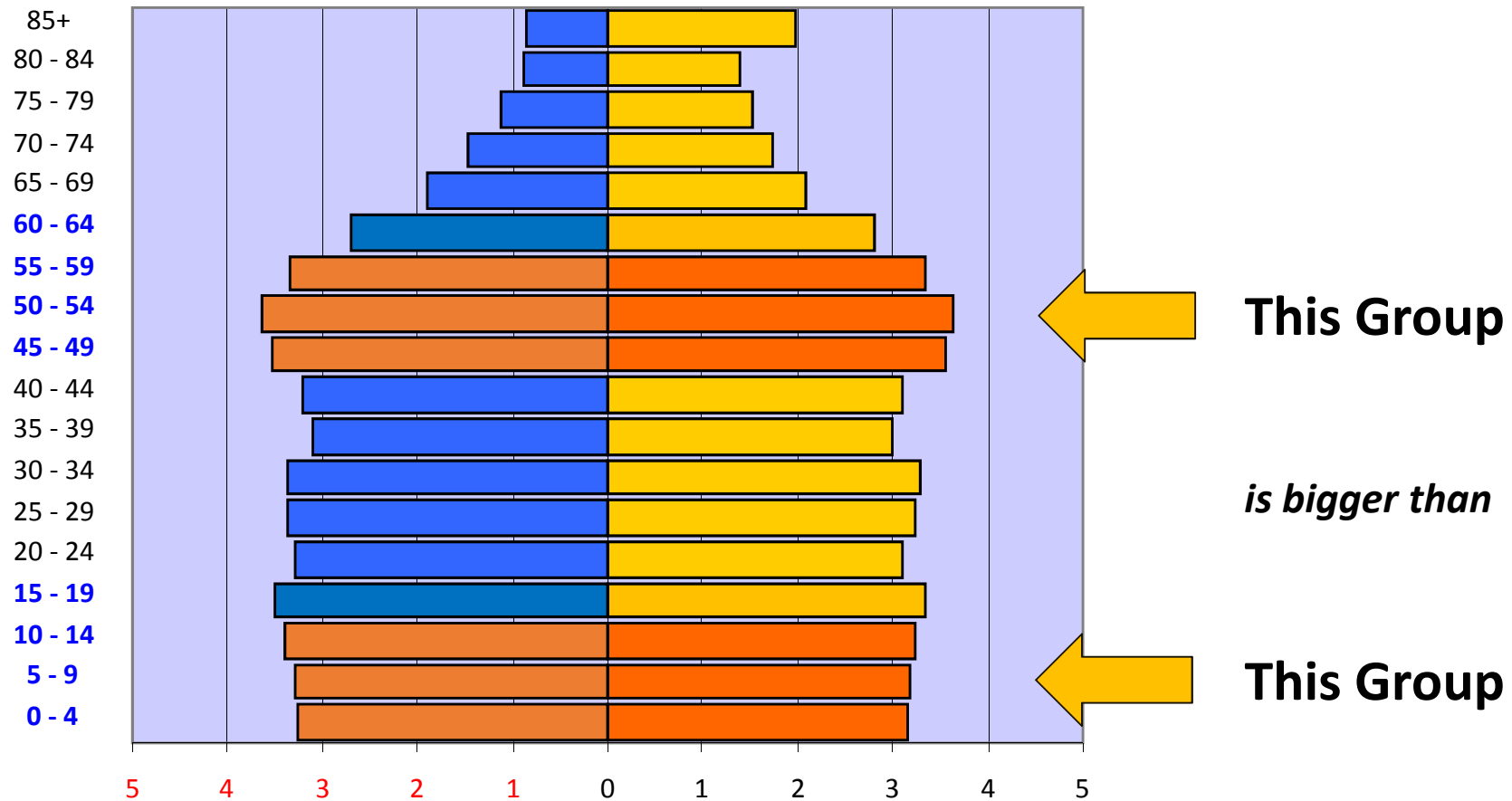
- very large
- highly skilled
- affordably priced
- dedicated and reliable



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Our Workforce Problem



The Pipeline vs. The Bucket



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*Our pipeline
of new
workers can
no longer
refill the
bucket!*



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Strategies for keeping the bucket full



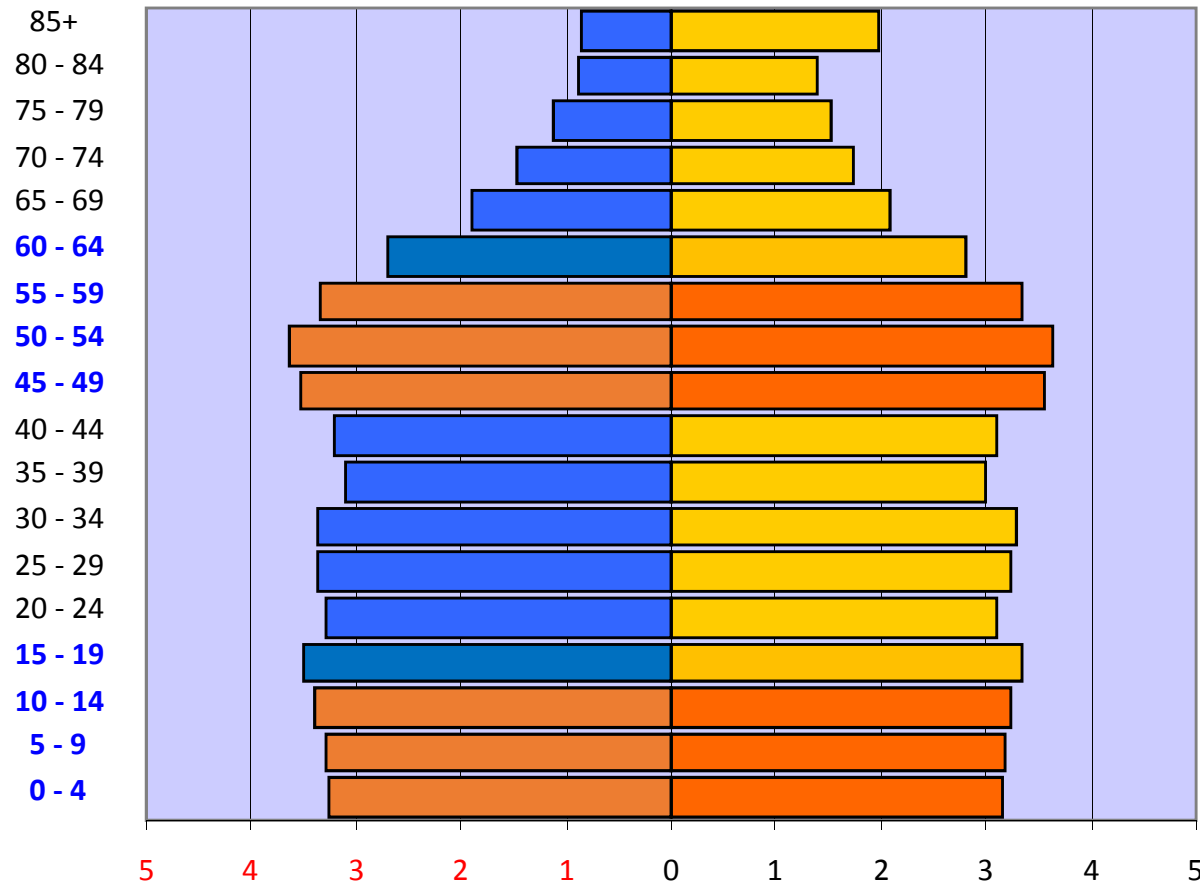
- UpSkill workers in the bucket
- ReSkill displaced workers
- RightSkill entering workers

But most of all...

- Leave no one behind!



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***With this problem
we can no longer
afford to write of
anyone...***

***...we need every
young person and
displaced worker
we have to keep
our economy going.***



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How P-20 can help



- Quality early childhood programs
- Protect early gains in reading and math
- Familiarize students to modern manufacturing
- STEM focus in middle and later grades
- Partner with manufacturers in workforce prep
- Career assessment in high school – e.g. ASVAB
- Real-world guidance
- Target postsecondary resources on high-demand careers

How P-20 can Partner with APEG



- Connections with Area Manufacturers thru MEP
- Dream It Do It
 - <http://www.dreamitdoitohio.org>
- Internship Opportunities
- Manufacturing Month Activities
- Consultations on Manufacturing Workforce Needs

Real-world guidance



- Vocational aptitude testing is a must for effective guidance
- Most guidance focuses on getting a 4 year degree
- Twice as many jobs require a 1-2 year degree or certificate
- Manufacturing jobs often pay better than jobs requiring a 4 year degree
- Manufacturing jobs are not for “dummies”
- Most manufacturing jobs are clean and safe
- More 4 year grads train for a technical skill than go on to a Masters program

Some final thoughts on the quality of our workers



- Appalachian culture is not the barrier many make it out to be
- Our manufacturers are generally delighted with the quality of their workforce
- The drug problem, while real, is grossly overstated
 - The big issue is the way we test for marijuana use
- The best social welfare program is a good job
- The best anti-drug program is a good job
- The best route to a good job is appropriate guidance, education, and training

...questions?

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