






Prosperity

Resilient economy and pre-eminent knowledge hub

Goals

-  A diversified, stable, and competitive economy, with a wide range of employment opportunities and a focus on sustainable economic development
-  Minimize economic disparities and enhance the prosperity of each jurisdiction and the region as a whole through balanced growth and access to high-quality jobs for everyone
-  Fully recognize and enhance the benefits that accrue to the region as the seat of the National government and as a world capital
-  Provide greater access to the best education at all levels, from pre-kindergarten to graduate school
-  Make our region a pre-eminent knowledge hub, through educational venues, workforce development, and institutional collaboration



Konterra Town Center, Prince George's County, Maryland (Konterra Realty)

A More Prosperous Region

By mid-century the region will be a global knowledge hub for technology and innovation. Economic and social inequities will be reduced through balanced economic growth and development in Regional Activity Centers. Working in cooperation with a dynamic private sector and improving access to top quality schools and research institutions across all jurisdictions will greatly enhance the region's prosperity. The economy will grow and diversify, making the region more globally competitive through new technology industries. As in the past, the federal government will continue to serve an important role in this dynamic regional economy through federal employment, procurement, or evolving federal policies that shape its impact on our region. The concentration of think tanks, universities, and research institutions will continue to grow, creating new jobs and a more dynamic recovery. Prosperity will also support strong centers of arts and culture and attract more immigrants creating a diverse and international region.

Our region's prosperity depends on our ability to adapt to changes in the economy and to attract and retain businesses and talented workers with specialized skills and degrees. Residents and businesses will pursue a new path of growth, one that is more equitable and environmentally sustainable. The inequities between the rich and the poor will be reduced as the standard of living for all residents improves. More individuals and families will stay in our region attracted by livable communities where people can walk, bike and use transit to get around. As the region concentrates development and enhances communities around Regional Activity Centers, residents will have better access to job opportunities where new clusters of innovation can grow.

Target: Annual rate of growth in median wages will exceed the rate of inflation



To advance regional prosperity, the annual rate of wage growth should exceed the rate of inflation. Increasing costs of food, housing, healthcare, and energy are the primary reasons for inflation in the region. With the exception of healthcare costs, most of the causes of inflation can be mitigated by our patterns of growth. If our region continues to build more auto-dependent communities without alternative transportation choices, households will be subjected to fluctuations in higher energy costs which reduce wages.

Rising food prices are also related to increasing energy costs because much of our food source is not local. Strategies that create more localized food production and consumption will not only have better environmental impacts for our region, but will also make our region resilient from higher energy and food costs. Housing costs can also contribute to inflation and make wage growth stagnant. If the region can't meet future housing demand, the cost of housing will increase and higher growth pressures will be placed on less-developed outer suburbs—adding to sprawl—rather than compact development. When inflation exceeds our rate of growth in wages, it directly impacts lifestyle choices and influences whether businesses and skilled labor remain or relocate from our region.

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Target: Sustain an annual 1 to 3% increase in the number of new jobs



Increasing the region's number of jobs while diversifying the economy will be a key element toward improving our regional prosperity. By benchmarking job growth, the region will better understand efforts to retain and attract skilled people. Today, innovation and new businesses follow talent and skilled workers. Achieving an increase in the number of jobs throughout the region will be dependent on other strategies that supplement a healthy supply of educated and skilled people. Retaining and attracting professionals will require investments that serve to create more housing and transportation choices that allow people to live, work and play in a variety of settings throughout the region. These workers demand high-quality natural, recreational, and cultural amenities that allow people to live diverse lifestyles and serve as incubators for creativity.

Target: Sustain an annual 2 to 4% growth rate in Gross Regional Product for the National Capital Region



Gross Regional Product (GRP) is the output of goods and services produced by labor and property, and it is often correlated with an area's standard of living. Currently, the majority of economic output in the U.S. is dominated by metropolitan regions. The National Capital Region is no exception. In 2006, the five largest metropolitan areas accounted for 23 percent of U.S. Gross Domestic Product. This region was ranked 4th among metropolitan areas with a GRP of \$366 billion. Since 2001, the GRP for the National Capital Region has increased by \$102.2 billion or 39 percent. The average per year growth of GRP since 2001 is 6.7 percent. Setting a target to maintain a 2 to 4 percent annual growth rate in GRP in conjunction with other livability and prosperity targets demonstrates our region's commitment to improve our economic productivity and quality of life.

Target: Improve access to vocational training and educational options throughout the region



Vocational education has a significant role in the education of youth and adults and in the preparation of a skilled workforce. As the region's labor market becomes more specialized and diverse through new information technology, health care and green-collar jobs, the demand for higher levels of skill will be needed. In the future global economy, the fastest-growing and best-paying jobs will require at least some college or specialized training. This region is fortunate to have an established professional, business and information economy where careers requiring technical training can flourish. As the region evolves and the economy becomes more diverse, specialized and high-tech jobs will play an important role in our region.

Over the coming decades, the region will begin to tap this new demand for more specialized workforce through vocational training programs focusing on renewable energy, healthcare, food and nutrition, engineering, construction, and technology. To increase the percent of residents with technical skills, additional training capacity will be needed in the region's community colleges and technical educational programs in public schools. Nonprofit organizations can help improve access to technical training and serve to match industry demands between employers and training institutions. Many of the area's community colleges are the primary institutions providing various levels of vocational training. Jurisdictions and community colleges can partner to provide greater access to vocational training through existing schools and new locations, and they can better link residents with job training.

“Our community colleges and academic institutions will have an increasing role to play in preparing area residents for the jobs created by technological advances and the green economy,” said Tom Dernoga, Chairman, Prince George's County Council



Target: Increase the rate of students graduating from high school to 90%



High-quality local public schools will continue to be a regional priority. Currently, educational inequities exist throughout the region where some of the Nation's best and worst performing schools are located only miles apart. The lowest graduation rate in the region is less than 70%, while the highest is over 97%. These inequities should be addressed through comprehensive investments in public education and neighborhoods. A focus on schools will link education policy with neighborhood investments, such as affordable housing, walkable streets, and safe neighborhoods to better serve existing residents.

Graduation rates should not be a singular focus of public schools, but should be more of a sign that a multitude of public education improvements have been made. Improvements such as well-qualified teachers, incentives that link parents and school, healthy and modern buildings, adequate funding, leadership and far-reaching curriculums. Public schools not currently meeting this target will continually reexamine their efforts and identify new resources that address impediments to increasing student graduation rates. Gains made in area public schools will improve the quality of life for new and existing residents.

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Target: By 2020, the percent of population over 25 with a Bachelor's degree is 45% or higher, and the percent with a professional or advanced degree is 20% or higher



Currently, the region boasts one of the largest concentrations of highly educated workers in the country with 32 percent of residents over age 25 with a Bachelor's degree and 15 percent of residents with a professional or advanced degree. Several counties in the region are commonly ranked as the most educated, having consistently high percentages of college graduates. The region's human capital is nearly unmatched across the country with abundant creative and knowledge-based occupations in areas of physical, social and life sciences, legal, architecture and engineering, arts, design and entertainment.

Now and in the future, retaining and attracting human capital will be an important component to diversifying our economy and spurring new innovation. To attract and retain the best and the brightest, the region will need to continue offering knowledge-based jobs and creative occupations while improving quality life by offering natural and cultural amenities attractive to residents. Pursuing a target to retain and attract a larger share of higher educated residents will make the regional economy more resilient and competitive in the global economy.



“Quality of life issues are important to recruiting and retaining the region's businesses and employees,” said Jim Dinegar, President and CEO of the Greater Washington Board of Trade. “For example, it is inexplicable that some of the worst schools in the country are surrounded by some of the best schools in the country. That disparity often pits parts of the region against one another, hurting the region's overall competitiveness.”

Prosperity: Indicators

In addition to targets, COG will be monitoring the following indicators to ensure that the region is moving in the right direction toward achieving its goals:

*Median Household Income

*Poverty Rate

*Number of Children Receiving Free/Reduced Cost Lunch

*Regional Job Household Balance

Unemployment Rate

Federal Procurement

Employment by Industry Sector

Percent of Students Attending and Graduating College

Literacy Rate

Total Value of Goods Movement in the Region

* Indicators will measure progress on minimizing economic disparities.

