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NORTHWEST ARKANSAS ECONOMIC RECOVERY STRATEGY

HEARTLANDFORWARD.ORG

WALTON FAMILY
FOUNDATION
IN PARTNERSHIP WITH



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EXECUTIVE SUMMARY

COVID-19 presents great challenges to Northwest Arkansas (NWA) as it does to every other community, but the region is in strong standing to weather this global pandemic.

Ensuring it does so requires leveraging — and enhancing — the region's economic, social and demographic strengths while addressing its weaknesses.

To generate such an economic recovery strategy, Heartland Forward (HF) has undertaken an extensive and detailed analysis of the NWA region's strengths, challenges and opportunities. Our team has arrayed and assessed comprehensive data on its economy and industries, its small businesses and startup ecosystem, talent base, changing demographic composition and quality of place that stems from its arts, culture and recreation efforts and initiatives to develop a robust strategy for post-COVID-19 recovery.

We supplemented these details with interviews and focus groups with real people living in NWA and representing each of these core sectors and communities to provide in-depth background into what is happening on the ground in NWA.

Before the crisis hit, our assessment indicates that the region was performing well . . . excelling in population growth, job and wage growth and other vital metrics.

NWA ranked:

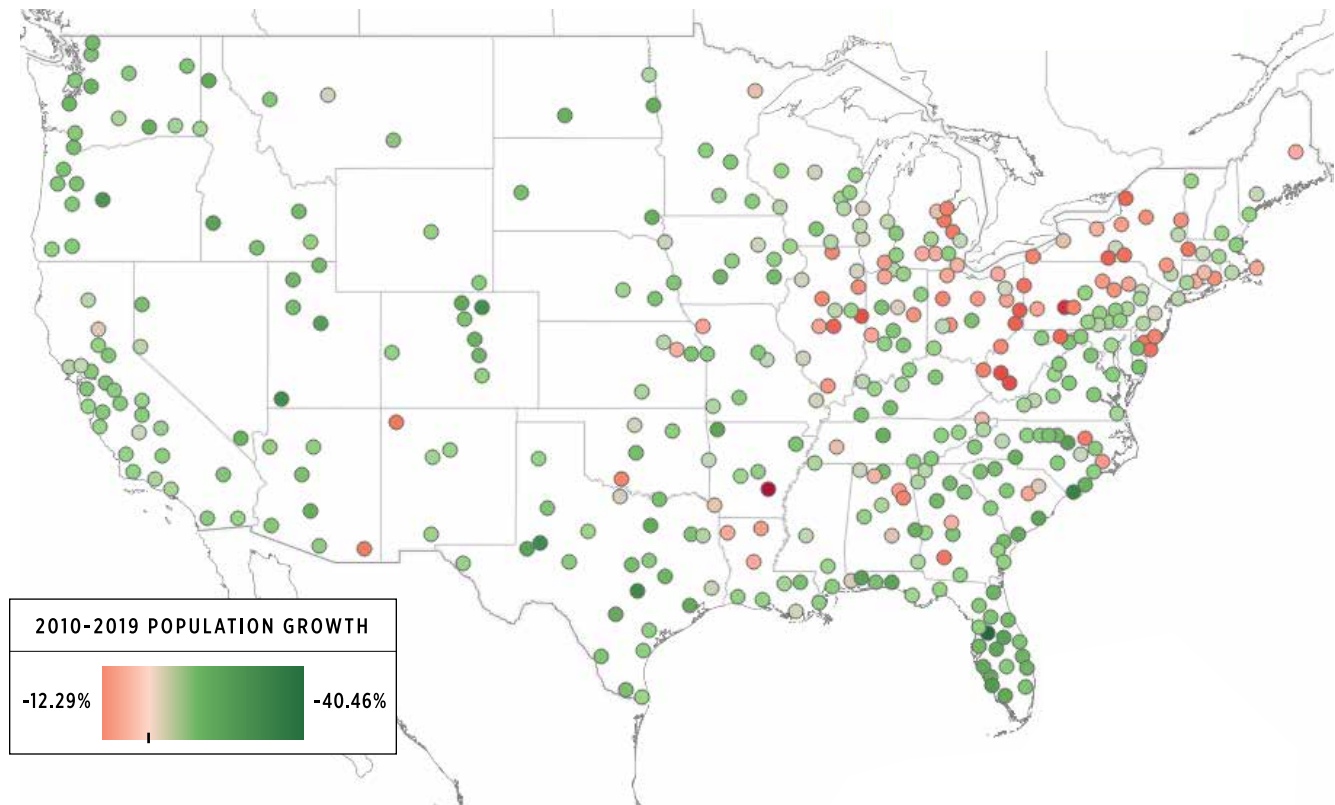
- fourth in population growth of the more than 100 U.S. metro areas with more than 500,000 people since 1990,
- third in job growth, and
- second in annual average pay gains among medium-size metropolitan areas (i.e., populations of 500,000 to 999,999) between 2013 and 2018.





You Belong Here at The Momentary in Bentonville, Ark

2010-2019 Population Growth in U.S. Metropolitan Areas



NWA is in a good place for the post-COVID-19 environment, but the region cannot afford to be complacent. A comprehensive and intentional post-COVID-19 recovery strategy can build off key strategies and investments put in place over the past decade to strengthen the region's economy. Specifically, the region should leverage its knowledge and university base; arts and culture offerings; outdoor recreation, biking infrastructure and quality of place; and a national airport, among other things to build an even more vibrant, inclusive, healthier and more resilient economy for the future.

Based on our research and interviews, we have identified seven key elements that underpin the region's post-COVID-19 recovery strategy, and the report contains specific actions around them.



Attracting leading
talent with a better
quality of life



1. Become the Heartland's Leading Region for Talent

The region has made great strides in attracting talent. We believe its combination of well-known, successful corporate anchors, flagship land-grant research university, affordability and livability enable it to do much more. Superstar cities and tech hubs on the coasts have been attracting people who fuel the innovation economy. But the combination of the COVID-19 crisis, which has generally impacted lower density areas less than key urban concentrations, and the long-term affordability challenges that have emerged in both the northeast and west coast, have contributed to the rising appeal of smaller regions across the Heartland. This is especially true of families who are looking for more affordable communities that offer both abundant economic opportunity and lifestyle amenities. NWA is among the leading U.S. metro areas to take advantage of these shifts.

RECOMMENDATIONS:

To build upon recent success, NWA should become the Heartland's leading small region for talent. It should offer families and remote workers the best place to live. It should also create a talent moonshot initiative, investing resources to attract the 100 best and brightest techies, scientists, entrepreneurs and creatives to the region. It should focus on recruiting and retaining thousands of retail vendors who currently make the region a part-time home. The NWA area must work harder to build a greater critical mass of young professionals, singles and those without family, and create a Campus NWA initiative to retain students who come to its universities and colleges.

2. Be the Heartland's Best Place for Arts, Culture and Recreation

NWA made defining investments in institutions like the Crystal Bridges Museum of American Art, The Momentary, Walton Arts Center, Arkansas Music Pavilion (AMP), the Scott Family Amazeum and Museum of Native American History, among others. It has a thriving restaurant and music scene and an excellent network of bike trails — 400+ miles of hard and soft surfaces, lakes and open spaces. The region's arts, cultural and recreational offerings are comparable to that of a major city or metro area. With strategic investment, NWA is primed to offer creative talent a great place to live and do work in a more affordable, healthier environment.

In the same category of arts and culture, further investment in an already-thriving culinary arts scene will be important. For example, NWA could link to the local agricultural and protein ecosystem. A number of initial investments have already been made with a new age of award-winning chefs on the scene working alongside local restaurateurs.

RECOMMENDATIONS:

NWA must double down on its already significant investments in arts and culture, which are essential for attracting and retaining talent and building the future economy. Also, the region should build platforms that support and enhance the opportunities for local and regionally sourced culture. This should be spread across the region, showcasing the diverse backgrounds of each of the communities that make up Northwest Arkansas. For instance, how do you increase the number of residents living in Springdale who enjoy the music by the House of Songs in Bentonville? Or, are Rogers residents aware of the unique cuisine in Springdale that they might have enjoyed and loved when living in a big city? Arts and culture are what make this community unique, already having top rated facilities in the city's backyard has created a buzz globally but simple communication and thinking about different ways NWA residents can access these incredible assets both in person and virtually will continue to drive retainment for residents to stay in the area, along with economic development.



Kehinde Wiley's "Portrait of a Florentine Nobleman" is a recent acquisition of the Crystal Bridges Museum of American Art.



3. Grow the Economy and Jobs Around Big Company Anchors

The COVID-19 crisis has caused near-record unemployment. More and more, Americans are looking not just for great places to live, but areas that offer stable, long-term jobs. The region has incredible, large company anchors for a metro of its size, with three major Fortune 500 companies — Walmart, Tyson Foods and J.B. Hunt, which provide stable employment and shape a robust labor market. The region should build-up its already world-class clusters in corporate management and logistics, which are significant growth industries for the future. Supply chain management is also an area of research focus for the University of Arkansas. These primary industries have proven their critical worth in the pandemic and make the area a natural place for new innovations.

RECOMMENDATIONS:

NWA should create the world's leading cluster and industrial commons in supply, delivery and logistics, combining the strengths and skills of its large firms, talent base, and university research while supporting the growth of dynamic small firms and startups in this field. NWA could also create an online tool/platform that would allow current and future residents to easily access jobs and opportunities in the region and across various business sectors. Additional coordination among the large corporations (e.g., Walmart, Tyson Foods, J.B. Hunt) in the area could be beneficial for residents to effectively search for jobs, professional contacts and networking opportunities in the area. This could also be helpful for the many professionals and families that transfer to the region with a trailing spouse or partner.

Growing our
economy around
corporate anchors



4. Bolster the Region’s Small Business and Startup Ecosystems

In today’s economy, thriving entrepreneurial ecosystems are a key feature of economic success. Despite strengths elsewhere, NWA ranks in the “middle of the pack” of all metros and last out of seven peer regions on its performance on young dynamic firms, according to Heartland Forward research. Cities with a higher share of employment at young firms, and particularly where employees at those young firms have a bachelor’s degree or higher, saw notably faster employment growth over the past decade.¹

1. Crews, J., DeVol, R., Florida, R., & Shideler, D. (2020, May 6). Young Firms and Regional Economic Growth. Retrieved August 04, 2020, from <https://heartlandforward.org/young-firms-and-regional-economic-growth>

Metro	Young Firm Employment Share	Young Firm Employment Share Peer Group Rank	Young Firm Knowledge Intensity	Young Firm Knowledge Intensity Peer Group Rank
Fayetteville-Springdale- Rogers, AR	9.53	5	23.08	7
Austin-Round Rock-Georgetown, TX	15.42	2	25.03	6
Madison, WI	8.47	6	25.36	5
Des Moines-West Des Moines, IA	8.02	7	26.38	3
Provo-Orem, UT	17.69	1	26.10	4
Raleigh-Cary, NC	11.51	3	26.91	2
Durham-Chapel Hill, NC	9.79	4	28.76	1
Arkansas	10.35		19.59	
United States	11.28		24.69	

Source: U.S. Census Bureau, Longitudinal Employer-Household Dyanmic Quarterly Workforce Indicators, Quarterly Average, 2017.

The current governor of the state, Asa Hutchinson, has established an organization called the Governor’s Innovation Council since taking office. Its purpose is to help scale Arkansas ventures through three key focuses: acceleration, capital and talent. This organization has been able to gather an advisory board of CEOs of the largest private and nonprofit organizations of the state. Much like Innovate Arkansas, there are a multitude of other opportunities for entrepreneurial growth with accelerators like Grit Studios and Plug and Play NWA among others. Also, many other efforts include Startup Junkie, the Brewer Family Entrepreneurship Hub for Entrepreneurship at the University of Arkansas and UA Startup Village.

RECOMMENDATIONS:

Bolstering and developing its dynamic young firms and its startup ecosystem must be a key priority for the region. To do so, the region should develop accessible small business loans focused on underserved segments, establish and activate a formalized angel investor network, engage firms in research and technology transfer partnerships at the University of Arkansas and promote startup weekends and other programs for technology and entrepreneurial talent.



5. Make Inclusion and Diversity a Regional Priority

The COVID-19 crisis and a wave of political protests have focused America's attention on long-standing divides of race and class, with both the health and economic fallout from it hitting hardest on the Black and Hispanic communities. The region is home to a historic Black community, but also now is home to a large, rapidly growing Hispanic population and a smaller but rapidly growing Marshallese community. Surprising to many, the Marshallese population in NWA is the largest in the U.S.

RECOMMENDATIONS:

Diversity, equity and inclusion (DEI) must be at the center of the region's economic development agenda moving forward. It must be a business priority and centerpiece of the region's impressive arts, culture and recreation initiatives, which should be tailored and expanded to meet the needs of less advantaged and minority populations and communities. Greater coordination among businesses, non-profit organizations and local leaders should be the first step in addressing this issue. While great work is being done by many, strong coordination must be addressed for the region to truly accelerate and deliver on the types of things that are accepted by evolving the NWA community.

Diversity & Inclusion
are at the center of
our future



Caring deeply for
healthcare and
wellness in NWA



6. Put Health and Resilience at the Center of the Agenda

The COVID-19 crisis has put a premium on health and safety. People across the country and the world are looking for regions that will proactively address the crisis and enable them to remain healthy. NWA has dealt relatively effectively with the pandemic with rates of infection and fatality significantly lower than other metro areas. The region needs to build off this success and put health and safety front and center on its economic and social agenda.

RECOMMENDATIONS:

The creation of a new academic medical center provides an opportunity to be a world leader in health and resiliency. The vision for the region should be to lead across the full spectrum of healthcare, from self-care to primary care to specialty care, in a “whole health” paradigm. A top-tier academic medical center, in collaboration with a nationally recognized health system, provides the opportunity to train medical practitioners and recruit healthcare leaders.



7. Rebrand and Market the Region

Last but not least, the region deserves a new brand. NWA was established to unify the communities around a common, collaborative brand but doesn't convey the region's vibrancy today. This has been a key point of our focus groups and conversations, and the NWA Council has found a similar sentiment in its surveys. Communities like Austin and Nashville receive huge brand advantages from their names. Another option is to find a unique and clever moniker like the Research Triangle.² We must keep in perspective that branding should emphasize conveying what qualities of the region are most appealing to talent, entrepreneurs and firms that might move here.

2. Where People + Ideas Converge. (2020, August 05). Retrieved August 04, 2020, from <https://www.rtp.org/>

RECOMMENDATIONS:

The region must develop a more powerful new brand, especially to communicate its message and success to national and global audiences. Some consultants might suggest taking advantage of a rhyme with communities with “ville” in their name. The region is a corridor from the north to the south. Bentonville has real momentum and buzz under it, as a place that is really on the move. And, Fayetteville is a college town that is similar in some ways to Boulder or Ann Arbor. However, this risks underappreciating the important roles that Rogers and Springdale play in the broader region. The rebranding could focus on the distinct qualities of the region, such as corporations, colleges and culture. Stakeholders in the region must make this determination while not discounting input offered from its northern-to southern-most point.

Inviting new communities into the NWA story.





A SEVEN-POINT PLAN FOR NORTHWEST ARKANSAS' POST-COVID-19 RECOVERY



CONTEXT

Like every community, NWA faces the challenge of COVID-19 and needs to open carefully.

Yet, at the same time, the realities emerging from the pandemic will not likely slow the area's remarkable transformation into a new model of American urbanism. Indeed, in the emerging new paradigm, smaller, less dense regions possess enhanced appeal, both for companies and families.

NWA continues to improve its strong job growth, with major investments in downtowns, local trails and cultural venues. The identifiable patterns are seen in many other fast-growing smaller communities, including the southern region of the state. Efforts to welcome a more diverse population of millennials, minorities and immigrants are key groups to assist the growth and to sustain the future of the state.

Before the pandemic, Americans began dispersing from large central cities to smaller, vibrant communities. In recent years, the Census Bureau reports that New York, Los Angeles and Chicago metropolitan areas all lost population. A recent study from Heartland Forward demonstrated cities growing the fastest outside of Florida and the southeast coast. They included both large Heartland cities (metropolitan areas) like Dallas-Ft. Worth, Houston, Austin, Nashville, Columbus and Indianapolis, as well as smaller cities,³ including Huntsville, Alabama, Des Moines, Iowa and NWA.^{4,5}

3. Frey, W. H. (2018, March 28). US population disperses to suburbs, exurbs, rural areas, and "middle of the country" metros. Brookings. <https://www.brookings.edu/blog/the-avenue/2018/03/26/us-population-disperses-to-suburbs-exurbs-rural-areas-and-middle-of-the-country-metros/>

4. DeVol, R., Kotkin, J., Schill, M., Cox, W., & Kurimska, A. (2020, March). Heartland Forward | Millennials Find New Hope In The Heartland. Heartland Forward. <https://heartlandforward.org/millennials-find-new-hope-in-the-heartland/>

5. Frey, W. H. (2018, March 28). US population disperses to suburbs, exurbs, rural areas, and "middle of the country" metros. Brookings. <https://www.brookings.edu/blog/the-avenue/2018/03/26/us-population-disperses-to-suburbs-exurbs-rural-areas-and-middle-of-the-country-metros/>



Lots of life to live in a small town



“

RISING DISORDER IN OUR MAJOR CITIES,
INCLUDING PERVASIVE HOMELESSNESS
AND RISING VIOLENT CRIME IS LIKELY TO
INCREASE INSURANCE COSTS FOR DOWNTOWN
SHOPPING AND SCARE MIDDLE CLASS
RESIDENTS OF ALL RACES OUT OF THE BIG
CITIES, DRIVING THEM TO PLACES SEEMING
SAFER BOTH IN TERMS OF HEALTH AND
PERSONAL SECURITY.

AARON RENN
URBAN ANALYST

The Rise of the Peripheral South

Of course, not every community in the Heartland or the South is doing well. Still, there are a series of cities located in what Angie Maxwell, director of the Diane D. Blair Center of Southern Politics & Society at the University of Arkansas calls, “the Peripheral or Rim South.” These are defined as areas that tend to be in higher elevations and have less oppressive climates. The presence of the plantation economy, and the scourge of slavery, was less evident in these areas, while the Confederacy sharply divided loyalties.^{7,8}

The Peripheral or Rim South possess the sort of innovative business culture that is important during turbulent times. The area’s residents, faced with isolation and an often-difficult terrain for farming, were forced to invent their economy.⁹ “It’s really the opposite of the ‘hillbilly’ stereotype,” noted Allyn Lord, director of the Shiloh Museum of Ozark History in Springdale. “The stereotype is lazy and undisciplined, but the culture here is all about finding entrepreneurial ways to solve things.”

6. Maxwell, A., & Shields, T. (2019, July 23). The Long Southern Strategy. Oxford University Press. <https://global.oup.com/academic/product/the-long-southern-strategy-9780190265960?cc=us&lang=en&>
7. Nelsen, R. (2020, July 5). Confederate Catastrophe. NWA Democrat-Gazette. http://nwa.pressreader.com/@Reader15616713/csb_
8. Woodard, C. (2011). American Nations: A History of the Eleven Regional Cultures of North America. Viking Press.
9. Blevins, B. (2002). Hill Folks: A History of Arkansas Ozarkers and Their Image (New edition). University of North Carolina Press.

Northwest Arkansas by the First World War created “an agricultural oasis, a countryside of orchards, livestock, and small grains that shared little in common with other areas of an impoverished southern state.”

BROOKS BLEVIN, HISTORIAN

This independent spirit has made NWA a remarkably entrepreneurial place. The key companies in the area, Walmart, J.B. Hunt and Tyson Foods, all emerged from humble roots yet became national leaders. These and other large companies have provided a critical base for the NWA economy, including its cultural richness, and the creation of outdoor recreation amenities that have been vital in attracting new talent to the region.^{10,11,12}

10. Voorhies, S. (2017, August 23). Visionary Gift Creates School of Art, Transforms Access to Art in Arkansas. The University of Arkansas News. <https://news.uark.edu/articles/39335/visionary-gift-creates-school-of-art-transforms-access-to-art-in-arkansas>
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JOHN TYSON ARRIVED IN SPRINGDALE IN 1931, AND HE SET ABOUT EXPORTING THE REGION'S POULTRY PRODUCTS TO URBAN MARKETS THROUGHOUT THE COUNTRY. BY THE 1960S, TYSON AND OTHERS TURNED POULTRY INTO ARKANSAS' LARGEST AGRICULTURAL SECTOR. TODAY, TYSON FOODS IS ONE OF THE WORLD'S LARGEST FOOD COMPANIES AND A RECOGNIZED LEADER IN PROTEIN.

Source: Blevins, B. (2002). A History of Arkansas Ozarkers and Their Image. University of North Carolina Press.

The Pandemic Effect

The immediate focus must be placed on opening up, since, as a recent Brookings report suggests, “The economy could not stand for this over an extended period. To be sure, the need to ‘stay safe’ remains the priority, and how the region does in handling the pandemic will be critical to its long-term economic health as well.”¹³ Dan Young, former president of the Irvine Company, said, “Healthy is going to be the big determinant in terms of where people and companies choose to locate.”

With its less dense form, wide-open spaces, bike trails and lack of dependence on mass transit, NWA has been fortunate, with some exceptions, in surviving the pandemic. Historian Kyle Harper notes that the precociously urbanized Roman Empire created cities that were “victims of the urban graveyard effect.”¹⁴ Historically, this pattern also existed through the pandemics of the Middle Ages, the Renaissance, as well as the last great pandemic, the Spanish Flu. With the current pandemic, we can see that the worst impacts have been felt in crowded, cosmopolitan cities as opposed to less dense areas.^{15,16}

Even with the recent infection rate surge, fatality rates¹⁷ in Texas, Arkansas, Kansas and the Dakotas remain between one-eighth to one-third less than New York and New Jersey. Overall, the combined state’s fatalities per 100,000 are under 100, a tiny fraction of the losses suffered in dense transit-dependent areas like greater New York.¹⁸ None of this suggests complacency, but whatever steps the region takes should be weighed against local conditions.¹⁹

In this environment, many workers in dense communities, according to a recent ApartmentList survey, demonstrate a growing appetite for lower density living, like the affordability in NWA.^{20,21} Living in dispersion far from the coasts may not save you from contagion, but having space between people, driving around in your personal transportation and having neighbors you know, have advantages. We may debate the exact cause of infection and mortality from the pandemic for decades to come. Still, it seems likely, judging from real estate trends and emerging demographics, the table is well-set for attractive smaller interior areas like NWA, where the level of COVID fatalities per capita is 73 percent below national averages.²²

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33. Zaveri, P. (2020, May 14). Salesforce will let employees work from home for the rest of the year, even after offices have reopened. Retrieved July 16, 2020, from <https://www.yahoo.com/news/salesforce-let-employees-home-rest-011356822.html>
34. Torry, H. (2020, May 27). As Coronavirus Lockdown Rules Ease, Some Want to Keep Working From Home. Retrieved July 16, 2020, from <https://www.wsj.com/articles/as-coronavirus-lockdown-rules-ease-some-want-to-keep-working-from-home-11590584400>
35. Muro, M. (2020, May 27). Could Big Tech's move to permanent remote work save the American heartland? Retrieved July 16, 2020, from https://www.brookings.edu/blog/the-avenue/2020/05/26/could-big-techs-move-to-permanent-remote-work-save-the-american-heartland/?utm_campaign=Brookings+Brief
36. With much of U.S. staying at home, how many jobs can be done remotely? (2020). Retrieved July 16, 2020, from <https://news.uchicago.edu/story/much-us-staying-home-how-many-jobs-can-be-done-remotely>

The impact of the current pandemic, although far less lethal than the plague or the Spanish Flu, is accelerated by new technologies, initiating a process that one British writer has described as, “counter-urbanization.”²³ The shift to online work, notes Stanford Economist Nicholas Bloom, “is likely to become a permanent feature, increasing from five percent before the pandemic to something closer to 20 percent even after the pestilence has receded or gone.”²⁴ A University of Chicago study suggests this could grow to as much as one-third of the workforce. This is a finding also confirmed by a recent Federal Reserve Bank of Atlanta report.^{25,26}

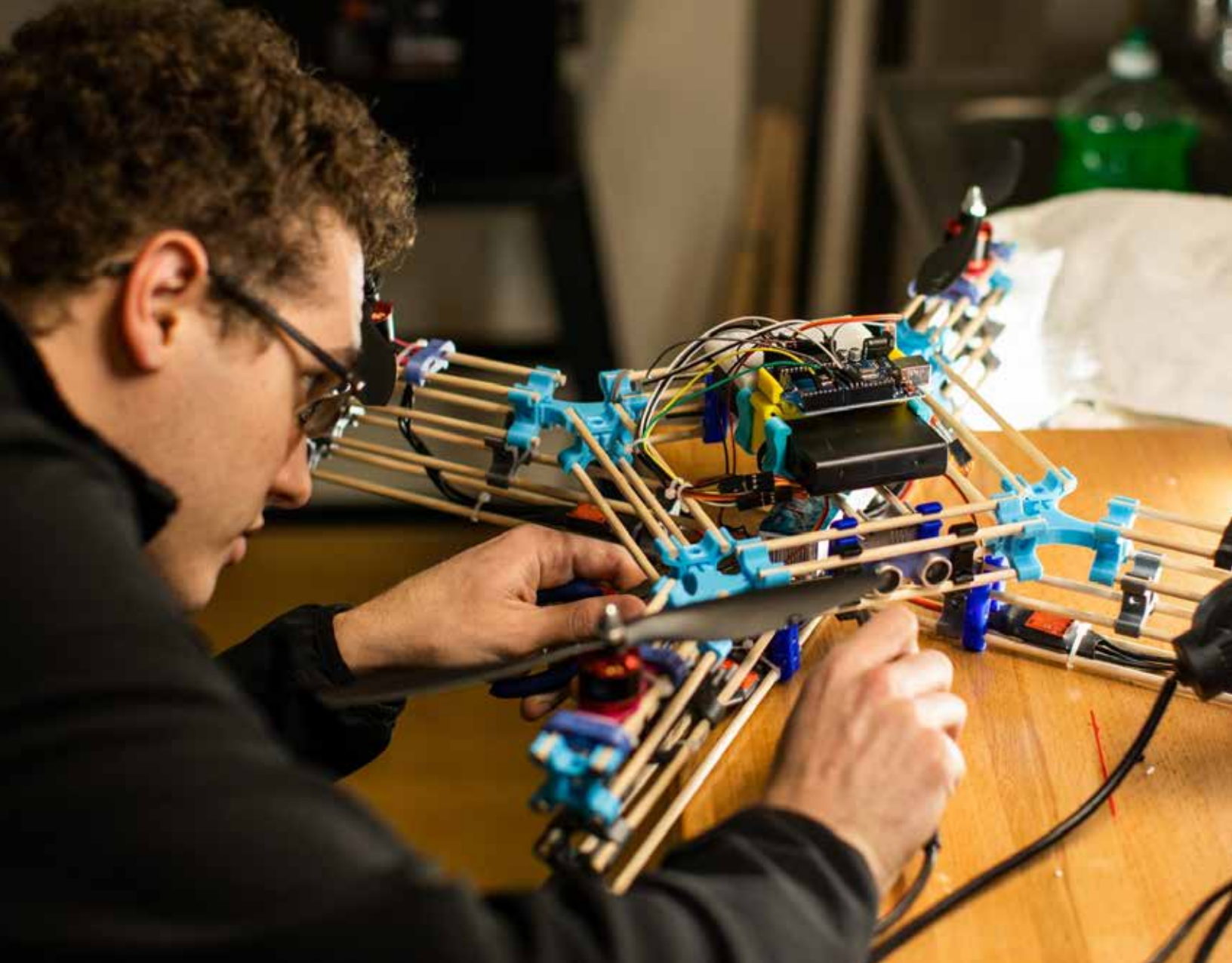
Corporate executives are surprised by how seamless the transition to online work has been, reaping surprising productivity gains.^{27,28} Most hiring managers believe this trend will continue after the pandemic.²⁹ Many companies, including banks and leading tech firms, including Facebook, Salesforce and Twitter, now expect a large proportion of their workforce to continue to work remotely long after the pandemic.^{30,31,32,33,34}

“As we try to lead and grow from an economic, technology, and quality of life standpoint, I have hope it’s an equitable growth and that we also become leaders in keeping all people and communities impacted in focus and supported with innovative programs and policy.”

CORY ADCOCK
ENGINEERING & TECHNOLOGY MANAGER AT J.B. HUNT

If the region could do more to promote technology businesses, including aggressive marketing in established tech centers, the payoff could be handsome. The shift out of areas like Silicon Valley, where 50 percent of all jobs can be done from home, could provide an opening, as Brookings suggests, “for more rapid growth in technology and other high-paid professions in places like Northwest Arkansas.”^{35,36}





Time For Our “Close-Up”

Today we may be entering an era of pandemics, as occurred in late Imperial Rome, and the Middle Ages, and during the first industrial revolution. Some experts, including the CDC’s Anthony Fauci, warned that more pandemics could³⁷ be on their way, some from the same source.³⁸ The forces that were already driving dispersion will likely continue under any circumstances, and the memory of the current pandemic will remain for a generation. The opportunity after a successful opening seems enormous for NWA. But this can only be the case if the area continues to develop its outdoor recreation, cultural amenities and accommodate an ever-more diverse population. The competition with other favored regions is likely to be intense. Still, NWA has done many things right and needs mostly to continue enhancing policies that have already brought considerable success.

37. Phillips, J. (2020, June 30). Swine Flu From China Could Cause Another Pandemic, Fauci Says. Retrieved July 16, 2020, from https://www.theepochtimes.com/fauci-says-swine-flu-from-china-could-cause-another-pandemic_3407103.html?utm_source=CCPVirusNewsletter

38. Lovelace Jr, B. (2020, July 01). Dr. Anthony Fauci says new virus in China has traits of 2009 swine flu and 1918 pandemic flu. Retrieved July 16, 2020, from <https://www.cnn.com/2020/06/30/dr-anthony-fauci-says-new-virus-in-china-has-traits-of-2009-h1n1-and-1918-pandemic-flu.html>



Enjoying NWA's outdoor amenities



The COVID-19 crisis is a great tragedy. But, out of great tragedies can come great opportunity.

There has been no shortage of predictions about how the pandemic will reshape the economic landscape. The reality is human civilization — its cities and urbanized areas, have weathered infectious disease, natural disasters and great crises before. Like these events, COVID-19, however, will create significant disruption, not so much abruptly but in ways that will accelerate the demographic and economic changes already underway in society.

It is now up to cities and regions, whatever the size or geography, to respond to the challenges wrought by the pandemic and seize the opportunities it presents. Not all regions will be set back; some regions may naturally benefit if they can adjust to these changes. In such uncertain times, strategic action will be required to adapt to these new circumstances. With coherent strategy and intentional action, regions can better shape their destiny and pave the way to a better, more inclusive and more resilient economic future.

The NWA region is in good position to weather COVID-19. It was in good shape — gaining population, jobs and wages — before the crisis hit. It has, fortunately, suffered less than most areas from the pandemic, and the region seems in a unique position to adjust to the current trends associated with it. But how bright this future becomes will largely depend on actions taken now to recover in ways that bolster both its existing economy and set the stage for a more innovative, productive, inclusive and resilient future. The region can build off of strategies and investments already put in place over the past decade — investments in the economy and business, the university, the airport, arts and culture, schools, bike infrastructure and sense of place. This has created a strong foundation and a growing buzz that can and should be projected nationally and globally.

An icon view of Old Main at the University of Arkansas in Fayetteville, Ark.



The transformation of NWA over the past three decades is nothing short of remarkable. Its growth and development put it on a trajectory similar to what we have seen in fast-growth, propulsive metro regions, as mentioned before, like Austin and Nashville, widely hailed as the economic success stories of recent years. NWA ranks fourth in population growth of the more than 100 U.S. metro areas with more than 500,000 people since 1990.

The region possesses all the ingredients for success — a world-class economy anchored by leading corporations, a major flagship, land-grant research university in the University of Arkansas, a leading-edge arts and culture community, particularly rare for a region of its size, world-class philanthropy, abundant outdoor recreation and a high degree of livability. This contrasts with problems inherent in many urban centers, such as long commutes and unaffordable housing.

Now with strategic intent and investment and a well-crafted and comprehensive post-COVID-19 economic recovery plan, the NWA region can reach a level on par with places like Austin and Nashville, creating a vibrant economy and talent base. This can be accomplished while avoiding some of the downsides of the crisis of success, such as inequity and unaffordability that have vexed other high-growth cities. The region will need to take advantage of the area's already multi-centered economy, which allows for shorter commutes and more human-scaled development.

The NWA region is home to more than 550,000 people producing \$23.5 billion in economic output, arrayed across four major communities: Bentonville, Rogers, Springdale and Fayetteville.³⁹ Bentonville has

39. Our Region By the Numbers, (n.d.). Retrieved August 03, 2020, from <https://www.nwacouncil.org/northwest-arkansas>



40. Rosa (), J. (2020, February 26). U.S. Census: Bentonville growing fastest in state, Benton County adds most homes. Retrieved August 03, 2020, from <https://talkbusiness.net/2019/05/u-s-census-bentonville-growing-fastest-in-state-benton-county-adds-most-homes/>

41. Our Region By the Numbers. (n.d.). Retrieved August 03, 2020, from <https://www.nwacouncil.org/northwest-arkansas>

42. Smith, R. (2017, November 22). NWA Ranks High in Income Analysis. Retrieved August 03, 2020, from <https://www.nwacouncil.org/news/2017/11/22/x>

41. Kotkin, J. (2016, August 09). The Best Small And Medium-Size Cities For Jobs 2016. Retrieved August 12, 2020, from <https://www.forbes.com/sites/joelkotkin/2016/05/19/the-best-small-and-medium-size-cities-for-jobs-2016/>

42. the-best-small-and-medium-size-cities-for-jobs-2016/

43. View the Best Places to Live rankings. (2019). These Are the Best Places in America. Retrieved August 03, 2020, from <https://realestate.usnews.com/places>

44. The urban prairie. (2020, July 23). Retrieved August 03, 2020, from <https://www.economist.com/special-report/2020/07/23/the-urban-prairie>

45. Menton, J. (2020, May 01). Get me out of here! Americans flee crowded cities amid COVID-19, consider permanent moves. Retrieved August 04, 2020, from <https://www.usatoday.com/story/money/2020/05/01/coronavirus-americans-flee-cities-suburbs/3045025001/>

experienced the most rapid population growth between 2010 and 2018,⁴⁰ but all four communities are participating in the region's advance, as are Lowell and Siloam Springs. Among the four communities with populations in excess of 50,000, Bentonville has the most jobs per resident worker at 2.04—meaning that twice as many people work in Bentonville as work and live there. Much of this is contributed to a Fortune 1 company located within the region.

The region has been on an economic upswing and enjoys strong tailwinds behind it. NWA ranked third in job growth and second in annual average pay gains among medium-size metropolitan areas (with populations of 500,000 to 999,999) between 2013 and 2018. More remarkably, NWA was second on per capita income adjusted for purchasing power (cost of living) among those medium-size metros and ninth of all 350-plus U.S. metros.^{41,42}

The area's impressive trajectory is reflected in its performance on a wide array of metrics: NWA ranked second on Forbes' list of its best midsize cities for jobs⁴³; second of medium-size metros on Heartland Forward's ranking of the nation's Most Dynamic Metropolitan areas; and fourth on a recent US News and World Report's ranking of the nation's 25 most affordable places to live.^{44,45,46}

The region is distinguished by a unique development model built around the "3 Cs" — a corporate, college and cultural center. It is home to three leading-edge Fortune 500 firms—Walmart, Tyson Foods and J.B. Hunt, which serve as economic anchors for the region. Walmart is embarking on developing a new world-class headquarters in Bentonville. Tyson Foods created a new technology center in 2017 and has recruited Silicon Valley executives to lead it. J.B. Hunt, a national-leading transportation logistics company, expanded its corporate headquarters in 2017 and recently completed a new technology and logistics operations center.



Gaining knowledge in NWA's collegiate life

These expansions significantly deepen the pool of technology talent and are a potential launching pad for entrepreneurial ventures in the region. Particularly promising is the region's expertise in logistics and distribution, a potential area of collaboration with big corporations, their suppliers and a growing array of high-tech startups. Supply chain is also an area of research emphasis for the University of Arkansas. The UA Walton College of Business' supply chain program ranked the best in North America in 2020 by a leading global research firm called Gartner.

NWA is anchored on one side by a cosmopolitan small town in Bentonville, home to Walmart's global headquarters, the world-class Crystal Bridges Museum of American Art and its downtown annex, the Momentary and a growing music scene. It is anchored on the southern end by Fayetteville, home to the University of Arkansas, a leading university with nearly 30,000 students, about half of whom come from out of state or foreign countries. There is also the Walton Arts Center and Theatre Squared. It has emerged as a college town with some of the characteristics of Madison, Boulder, or Ann Arbor. The region benefits from being home to large-scale philanthropy, led by the Walton Family Foundation, which has made billions in gifts and grants to bolster its economic, academic and cultural base. Other transformational philanthropists — among countless others — have followed suit with this generous spirit such as Tyson, Hunt, McMillon, Soderquist, Lee, Blair, Anthony, Bogle, Bayyari and Shewmaker. But, NWA cannot be complacent considering the profound challenges posed by the pandemic.

The region can benefit from a comprehensive and intentional post-COVID-19 recovery strategy that can accelerate the growth of its economy, provide better jobs, accelerate its efforts to attract and retain talent, leverage its substantial investments in arts, culture, recreation

An exciting culinary scene developing in NWA





World-class art
in NWA

47. DeVol, R., & Crews, J. (2019, June 1). Most Dynamic Metropolitans. Retrieved August 03, 2020, from <https://heartlandforward.org/most-dynamic-metropolitans>

and placemaking, and make it an even more inclusive, healthier and safer place to live and work. A recent article in *The Economist*, citing research by Heartland Forward, notes that for a region to prosper in the post-COVID-19 era, its urban areas of varying size must flourish. For NWA, that means an integrated strategy that enables all four of its hub centers to grow and thrive.⁴⁷

This strategy can provide a coherent and aligned direction for regional stakeholders and orient big bets and strategic investments, as well as smaller quick wins that can push forward the region's ongoing economic transformation. In doing so, NWA can become a model for the recovery and revitalization of smaller-and medium-sized metros across the United States and the world.

Over the past few months, our team at Heartland Forward has taken a deep dive into the region, arraying and assessing data on its economy and industries, its small businesses and startup ecosystem, its talent base, its changing demographic composition and the quality of place that stems from its arts, culture and recreation efforts and initiatives to develop a robust strategy for post-COVID-19 recovery. We have conducted detailed interviews and focus groups with stakeholders and representatives of each of these core sectors and communities:

- Economic and community development industry and business
- Recruitment and retention of talent
- University and higher-ed community
- Arts, culture, and music
- Recreation
- Diversity, equity and inclusion.

Based on that research, we have identified seven key elements that underpin the region's post-COVID-19 recovery strategy.

1. Become the Heartland's Leading Region for Talent

The region has made great strides in attracting talent. But its combination of leading-edge corporate anchors, a research university, affordability and livability enable it to do much more. It has been commonly thought that talented people who fuel the innovation economy head to leading cities like New York, Los Angeles, or San Francisco or smaller tech hubs like Austin or Boulder. But small regions, as our studies have shown, can attract world-class talent. The combination of working from home during the COVID-19 crisis and affordability challenges of leading superstar cities and tech hubs have enabled the skilled worker to shift to more affordable and livable places that offer economic opportunities, lifestyle and amenities the creative class is looking for.

“Here’s a real silver lining: organizations are now breaking down their own internal barriers to not just collaborate, but think about ways that we can share resources and help each other survive and thrive.”

TARENEH MANNING

INTERIORS, ART, & SOULFUL GIFTS AT MANNING HOUSE LLC

Across the nation, people have become unmoored by the COVID-19 crisis. Spending more time in one’s home and immediate neighborhood have made people even more aware of the importance of choosing the best place for themselves and their family. The shift to remote work means people can look much further afield than their local regions and their surrounding suburbs and rural areas for a place to live. Almost one-third of Americans have considered moving to a less densely populated area since the beginning of the pandemic, according to a recent Harris Poll.⁴⁸ Across the country and the world, people are reconsidering where and how they live, inspiring them to think about moving to a place that better fits their wants and needs, and searching for a more integrated way of life. For many, this reappraisal and rethinking means a life that is less self-centered and revolves more around family and those closest to us. NWA is well-equipped to capitalize on such a shift in values and needs.⁴⁹

48. Sidransky, A. (2020, July 21). Pros Say the Pandemic May Speed Up Embrace of Built-In Tech — The Evolution of Apartment Design. Retrieved August 12, 2020, from <https://cooperator.com/article/the-evolution-of-apartment-design/full>

49. Menton, J. (2020, May 01). Get me out of here! Americans flee crowded cities amid COVID-19, consider permanent moves. Retrieved August 04, 2020, from <https://www.usatoday.com/story/money/2020/05/01/coronavirus-americans-flee-cities-suburbs/3045025001/>

Offer Families the Best Place to Live: The COVID-19 crisis has given a new priority to family, as we draw closer to each other and our kids. Many







may want to continue this more family-oriented life and are reluctant to go back to the “old normal” of long commutes and non-present working parents. Many now are prioritizing family time and looking to get off the treadmill of work and travel just to be able to afford a place to live. Our research and focus groups confirm that the region has a huge advantage in attracting families looking for affordability, livability and quality of life. The COVID-19 crisis creates a huge opportunity to market more effectively to this cohort.

Target Remote Workers: The combination of affordability, livability, and quality-of-life also makes the region very attractive to remote workers. Roughly 40 percent of the workforce is currently working remotely, and post-pandemic that figure is likely to remain at least 20 percent of the workforce. Large companies like Facebook, Twitter and Salesforce are encouraging their workforce to work remotely for the foreseeable future. The region should create a remote work program and aggressively market regionally and nationally to attract remote workers.

NWA Talent Moon Shot: The pandemic and the economic fallout from it has made it harder and harder for researchers, entrepreneurs and cultural creatives to gain the support they need. The region should consider a MacArthur Genius-style award to attract 100 of the best and brightest scientists, engineers, entrepreneurs and cultural creatives who are looking for the next best place to live and work. The notion of shifting elite talent has been seen before, for example, in the massive movement of intellectual and artistic talent to California in the last century, and to places like the Research Triangle and Austin in the Heartland.^{50,51}

50. Schuessler, J. (2019, September 25). MacArthur 'Genius' Grant Winners for 2019: The Full List. Retrieved August 04, 2020, from <https://www.nytimes.com/2019/09/25/arts/macarthur-genius-grant-winners-list.html>

51. Where People + Ideas Converge. (2020, August 05). Retrieved August 04, 2020, from <https://www.rtp.org/>

“NWA is entrepreneurial as a region. It is a community that wants to go bigger. That’s something that compels people here.”

MARTIN MILLER
EXECUTIVE DIRECTOR OF THEATER SQUARED

Build-up a Greater Critical Mass of Young Singles: Our research and focus groups confirm that the region has struggled to attract and build a critical mass of young educated singles. But, the region has assets it can build on, both to attract and retain young singles. Far too many students who choose the region to go to college, leave when they graduate. The most important youth retention strategy should focus on the University of Arkansas. Just 45 percent of all college graduates and 33 percent of graduates from four-year institutions remain in the region, ranking 123rd among major metros.⁵²

52. Florida, R. (2012, August 27). America's Leading College Towns. Retrieved August 19, 2020, from <https://www.bloomberg.com/news/articles/2012-08-27/america-s-leading-college-towns>

53. (n.d.). Retrieved August 04, 2020, from <https://campusphilly.org/>

The University of Arkansas has a huge contingent of students from Texas who have chosen NWA as a place to go to school, but often then decide to leave. There is a sizeable opportunity here to retain young talent that has already selected the region, just as New Yorkers and Europeans who were lured to California's schools and high-tech firms ended up settling there. Here the region should create a new initiative like the very successful Campus Philly, which works with local universities and colleges to provide job opportunities, internships and cultural immersion to retain students.⁵³

Create Pipelines for Local Talent: Creating a more robust and innovative economy is not just about attracting talented residents from elsewhere; it's about offering promising career pathways to current residents. NWA's four major anchors (i.e., Walmart, Tyson Foods, J.B. Hunt and the University of Arkansas) provide ample opportunity for advancement and career development. Still, opportunities for growth outside of these companies and the university are difficult to find due to the region's preponderance of small firms. As a result, there is limited mobility across firms in the region, and few pipelines exist connecting the least advantaged residents to the most successful companies.

54. NWA Community College. (2020). Retrieved August 04, 2020, from <https://www.nwacc.edu/>

55. Greater NWA Development Strategy. (2018, July 10). Retrieved August 04, 2020, from <https://www.nwacouncil.org/projects>

This can be done by creating improved and aligned talent pipeline programs and scaling a regional supplier and procurement program to give life to local firms and enterprises. The NorthWest Arkansas Community College has expanded programs and opened a branch campus in Springdale and can serve as a key connector for this effort. The Northwest Technical Institute also can be a collaborator for this initiative. The Apprenticeship Pipeline program contained in The NWA IT Workforce Development Strategy is an excellent example of recent initiatives in this space and deserves requisite financial support.^{54,55}

Ensure Families and “Boomerang Talent” are a Priority Target Audience in Talent Campaign: A potential “quick win” is to ensure families and “boomerang talent” are a priority target audience in the region's talent campaign launching in January 2021. NWA will be in a uniquely strong position to attract these residents, and it should emphasize its essential attributes in the campaign: economic opportunity, affordability, ease of life, and a wealth of arts and recreational opportunities.

56. Apsupport. (2020, May 12). Finding NWA. Retrieved August 04, 2020, from <https://findingnwa.com/>

The region has invested significantly in its quality of place development. It should be communicating that message with families who are seeking a relaxed, more affordable and comfortable way of living. NWA now complements a great place to work with a great place to live and build community. FindingNWA is a strong online platform for marketing the region if sufficient resources are devoted to a communications campaign.⁵⁶



2. Be the Heartland's Best Place for Arts, Culture and Recreation

57. Home. (2020, July 29). Retrieved August 04, 2020, from <https://crystalbridges.org/>

58. The Momentary. (n.d.). Retrieved August 04, 2020, from <https://themomentary.org/>

59. The Economic Impact of Coronavirus on the Arts and Culture Sector. (2020, March 18). Retrieved August 19, 2020, from <https://www.americansforthearts.org/by-topic/disaster-preparedness/the-economic-impact-of-coronavirus-on-the-arts-and-culture-sector>

60. Author analysis of EMSI 2020.2 employment data. (2019). Power BI Report. Retrieved August 19, 2020, from <https://app.powerbi.com/ew?r=eyJrIjoiMGkMzQ4Y2Q1NDU0NS00NDIxLWJiODgtMjMjMwNWQ4OGIxZTQ3IiwidCI6ImY2OGI2ZDZlLWlyMjltNGQwYSIhZjc0LTVINGEwMGFkMzVkZCislmMiOjN9>

NWA has made defining investments in institutions like Crystal Bridges Museum and The Momentary.^{57,58} It has thriving restaurant and music scenes centered in communities like Bentonville and Fayetteville and an excellent network of bike trails and open spaces. The region's arts, cultural and recreational offerings are comparable to that of a major city or metro area. NWA's arts and recreation sector have grown at a greater than 50 percent clip over the past decade, ranking second among peer cities and fourth among the 50-plus midsize metros that are home to between 500,000 and one million people.^{59,60} It has perfected a unique combination of being small and yet offering a world-class cultural scene, becoming a leading model of an uber-cosmopolitan small town.

“There’s a large number of independent artists and creatives working in NWA, maybe 400 to 500, that’s a tremendous cultural asset.”

ALLYSON ESPOSITO, EXECUTIVE DIRECTOR OF CACHE

The COVID-19 crisis is devastating the arts and culture across the nation. But it presents an opportunity for NWA to bolster and expand its arts and cultural offerings. More than half of the nation's working artists and musicians have been put out of work by the COVID-19 crisis. With strategic investment, NWA has an extraordinary opportunity to attract the best creative talent by offering a great place to live and an environment to do their original work. It's time now to double down on these investments in arts and culture that are essential to attracting and retaining talent and building the future economy.

Building the economy
by attracting and
retaining local artists



Build Platforms for Local and Regionally Sourced Culture: The COVID-19 crisis has brought mass culture to a screeching halt. For the foreseeable future, there will be no Taylor Swift shows, no Rolling Stones concerts, no Coachellas, Bonnaros or Lollapaloozas. But there is still demand for arts and culture. As one of the culturally-rich regions in the United States and the world, bolstered by significant investments in the region's artistic, music and culinary scenes, NWA should create new platforms for local arts and cultural organizations to set up virtual or socially-distanced events. Much like the arts, there is also an opportunity with the burgeoning culinary scene. For example, pairing local farm producers with protein expertise resident in the region could create a unique blend of culinary authenticity with entrepreneurial vigor.

“From the events canceled from March to May, the region has lost \$5 million dollars in economic impact. That’s a huge hit for our community, not only for us. We could go into our loss with our hotels: it was down 60 percent; our restaurants are down 30 percent. Those are huge losses for our community.”

KALENE GRIFFITH, PRESIDENT & CEO OF VISIT BENTONVILLE

This emphasis on arts and culture must recognize the region's diversity and richness and be oriented to inclusion and equity. It should reflect the local indigenous culture of the Ozark region. People come to places to experience what they consider authentic local culture. Mixing the region's growing cosmopolitan presence with the rich heritage of the area could create the basis for a more vibrant cultural life. After all, when people travel to Austin, they want to eat barbecue and go to honky-tonks, and people coming to New York come not just for the exhibitions, but the small jazz clubs and the smells and sounds forged by the city's unique history.

Leverage the Region's Hub Spoke Model of Development: In the wake of the pandemic, there has been much talk about reconfiguring cities and suburbs today based on shorter commutes and availability of amenities around which residents can organize their daily lives, and can work, live and play without enduring endless commutes. NWA is a leader in this regard, with its 20.8-minute, one-way average commute time. Only two of the 110 metropolitan areas with more than 500,000 population have shorter commutes. If people who work at home are included, the average commute time drops to under 20 minutes. These four hub communities,





Green spaces and trails contribute to quality of life



Fayetteville, Springdale, Rogers and Bentonville, are connected by an expansive network of bike trails and green spaces that contribute to its connectivity, livability and quality of place. A quick win could be to invest in creative placemaking tactics to bring different communities together and communicate the story around those initiatives.

NWA is a collection of local communities. Creative placemaking can give diverse communities a sense of ownership over their neighborhoods while developing a comprehensive connected regional story and experience. Local cultures can be celebrated through cultural districts, special events, and even in physical infrastructure, proclaiming that NWA is a diverse, welcoming place. Tell the story of all of NWA's communities and neighborhoods utilizing various community engagement mechanisms. The recently announced Creative Arkansas Community Hub & Exchange (CACHE) could spearhead this effort.⁶¹

61. Thompson, D. (2020, July 23). NWA businesses and leaders adopt anti-racism pledge. Retrieved August 05, 2020, from <https://www.arkansasonline.com/news/2020/jul/23/nwa-businesses-and-leaders-adopt-anti-racism-pledge/>

In addition to the experiences they provide, arts, cultural activities, retail and accommodations support livable communities by generating sales tax revenues for local government. Each of the three counties and all the major cities (population greater than 15,000) had positive growth in total sales tax collections during February, and all but Rogers had positive growth in total sales tax collections in March. In April, total sales tax collections for both Benton County and Washington County declined, as did total sales tax collections for Bentonville, Rogers and Fayetteville. One take away from this level of analysis is that the larger the community, the more likely it was to see reductions in total sales tax collections; as we will see, sales tax collections in smaller communities are more likely to come from sales of essential goods and services, such as groceries (a.k.a. food and beverage stores) and gasoline stations (a.k.a., convenience stores).



3. Grow the Economy and Jobs Around Big Company Anchors

The COVID-19 crisis has caused near-record unemployment. More and more, Americans are looking not just for great places to live, but places which offer stable long-term jobs. The region has incredible, large company anchors for a metro of its size, with the three major Fortune 500 companies Walmart, Tyson Foods and J.B. Hunt, which provide stable employment anchors and shape a robust labor market. All these companies have been impacted by the pandemic but have performed well relative to their peers.

Identify and Invest in Leading Clusters: NWA can build on distinctive strengths in its key clusters, particularly transportation and distribution, where it has a clear competitive advantage. It also has distinct advantages in supply-chain management. Not to mention it is the leading region in the country for corporate headquarters (LQ [location quotient] equal to 5.87—nearly six times the U.S. average). The region should consider the creation of an “industrial commons”⁶² focused on the area’s global preeminence in transportation and distribution. This would bring together the remarkable skills of large firms like Walmart, J.B. Hunt and Tyson Foods with University resources. NWA can emerge as a global thought leader in this field, whose importance has become ever more evident in the current pandemic.

To create a resilient economy, the region needs to invest in these existing clusters and foster new ones. This will insulate the region from disruption and provide employment opportunities to residents across the income spectrum.

Business Recruitment: The new Walmart headquarters shows how large corporations can develop a world-class presence in smaller communities. NWA can use this competency to attract other companies. Texas, in particular, is a place to focus business recruitment efforts, given its struggles with the COVID-19 virus and the problems associated with rapid large-scale growth, notably traffic congestion, air pollution and in some places, notably Austin, higher housing prices and growing homelessness. Indeed, NWA ranks in the top one-third of metropolitan statistical areas for lowest regional price parity, an index produced by the U.S. Bureau of Economic Analysis used to compare the buying power of income across regions.

Supplier Recruitment: Walmart is the center of a corporate ecosystem populated by the world’s leading corporate vendors like Johnson and Johnson, Unilever, Proctor & Gamble, and many more. This ecosystem doesn’t just include consumer companies, but also high-tech companies

62. The Industrial Commons is an industry focused organization that “founds and grows interconnected enterprises that solve industrial problems for businesses and workers and manufactures hope for the people of Western North Carolina.” For more information, go to <https://theindustrialcommons.org>.



Tyson Foods was founded in 1931 in Bentonville, Ark.



like Salesforce and others that help build out Walmart’s technology infrastructure. The vendor community has tens of thousands of employees working in the region, many of whom travel weekly between their corporate home offices and Bentonville. With restrictions on travel and fewer flights, the region has a once-in-a-lifetime opportunity to encourage and recruit vendors to establish more permanent facilities in NWA and to create opportunities to retain current talent from the supplier community that currently resides in the region.

Innovative Firm Recruitment to Partner with Corporations: A quick win could be the Plug and Play program in NWA that is attempting to improve the connectivity in the innovation space.⁶³ Originally, the Plug and Play program was initiated in Silicon Valley. The Plug and Play Tech Center is an entrepreneurial accelerator that serves as a matchmaker between selected startups and corporations in the community. It could bring a new breed of technology-focused talent, one with intensive entrepreneurial acumen, into the region. Further, it could link investors, mentors and university personnel to improve the rate of innovation and collaboration. Mostly, it is trying to be the “glue that binds” the necessary components into a more sticky, innovative and entrepreneurial culture by linking innovators with corporations. Additional resources devoted to this effort could be a quick win for NWA. The NWA Council’s leadership will be essential to this effort.⁶⁴

63. Plug and Play NWA. (2020). Retrieved August 05, 2020, from <https://www.plugandplaytechcenter.com/arkansas/>

64. NWA Council. (2020). Retrieved August 05, 2020, from <https://www.nwacouncil.org/>

4. Bolster the Region's Small Business and Startup Ecosystems

Startups and dynamic small businesses, often financed by venture capital or other forms of early-stage risk capital such as angel investing, provide a distinctive advantage in innovation, spurring the waves of creative destruction that generate new industries and transform existing ones. We can distinguish between two key forms of entrepreneurship: “Main Street” and “Knowledge Intensive.” Main Street entrepreneurship is directed at tapping local market demand and provides employment and income for a family but can create jobs for non-family members as well. It is typically found in personal services and retail establishments. Knowledge-intensive entrepreneurship is tied to the aspirations of the founders and the characteristics of the industry in which they are engaged. Firms in the professional, scientific and technical services have a high proportion of staff with a bachelor's or other advanced degrees. They typically target national and international markets.

Heartland Forward's research draws a clear link between strong entrepreneurial ecosystems and economic success. Cities with a higher share of employment at young firms, and particularly where employees at those young firms have a bachelor's degree or higher, saw notably faster employment growth over the past decade. While many young firms ultimately fail, a portion of them go on to be highly successful entities — a future source of gazelle firms and our country's large employers.

The Startup Ecosystem



Entrepreneurs are critical to economic success. Luring large firms from other locations might play well in headlines, but it is not an efficient or sustainable job growth strategy. Entrepreneurship is the true job creation engine, and cities must focus on creating environments where new, growing firms can thrive.

Startups and dynamic small businesses turn on startup ecosystems, which are frequently “hubbed” by major research universities and government labs. Both are key factors in the formation of knowledge-intensive entrepreneurial ecosystems. Consider the role of research universities like Stanford in the San Francisco Bay Area, MIT in Boston Cambridge, the University of Texas in Austin, the University of Washington in Seattle, and Duke, the University of North Carolina at Chapel Hill and North Carolina State University in the Research Triangle.⁶⁵ They commercialize their research by licensing intellectual property to existing firms and spinout their startups. But high-tech startups and their ecosystems are massively concentrated in the United States. Just the San Francisco Bay Area and New York, Boston and Washington, DC, along the East Coast Acela Corridor account for more than two-thirds of all venture capital investment in high-tech startups.

65. Where People + Ideas Converge. (2020, August 05). Retrieved August 04, 2020, from <https://www.rtp.org/>

Heartland Forward research documents how the Heartland lags in startups and dynamic small businesses. The Heartland has few knowledge-intensive entrepreneurial ecosystems that stand among the national leaders. The NWA region must bolster its position relative to peer metros. It ranks last out of the seven peer regions we compared it to and is in the middle of the pack of all metros in the nation. Bolstering and developing the startup ecosystem must be a key priority for the region. And stakeholders must recognize that developing a significant startup ecosystem takes time and long-run patient investment. The recent IC2’s report⁶⁶ on the entrepreneurial ecosystem of NWA reached similar observations as ours.

66. IC2. (2019). “NWA EDGE Final Report.” University of Texas, Austin, TX.

The region has had success in attracting startups, particularly those tied to its big corporate anchors. For example, the region attracted CaseStack, a logistics aggregator for retail from Santa Monica in 2007; Hub Group later acquired the company in 2018. The region is also home to homegrown Movista, an enterprise-grade execution platform for retailers, brands and service providers. NWA is home to several organizations that support and nurture its startup ecosystem, like Startup Junkie, and a local office of the global startup support group, Endeavor, which provides a network of mentors to support more established management teams. StartupNWA is a new regional resource, connecting local and transplant startups with the key players in the regional ecosystem. More education of accredited investors is necessary to develop an active angel group in the region.

A key here is the University of Arkansas. The university has improved its technology transfer and commercialization capabilities, strengthened by a recent \$194 million grant from the Walton Family Charitable Support Foundation. More focus on entrepreneurial programs is part of the grant as well. The University of Arkansas should strive to become the entrepreneurial hub for the region. Establishing and providing resources to entrepreneurial support organizations, whether they are called networks, connectors, enablers, or ecosystem builders, are a necessary part of the process for creating the social capital that is required for success in NWA. The Brewer Entrepreneurship Hub and McMillon Innovation Studios are key additions to these efforts. They must be linked to communities of color and be focused on inclusion and equity.

The region could also consider leveraging Walmart's annual "Open Call" event that brings hundreds of entrepreneurs to the region with a focus on U.S. manufacturing. While this is a national event, NWA could market to these individuals, highlighting the benefits of them moving to the region and being close to Walmart's headquarters, and the other advantages of being close to a broader supply chain network.

67. About Kiva U.S. (2020). Retrieved August 18, 2020, from <https://www.kivaushub.org/aboutkivaus>

68. Executive Summary — Disparities in Capital Access between Minority and Non-Minority Businesses. (2017, April 19). Retrieved August 18, 2020, from <https://archive.mhda.gov/page/executive-summary-disparities-capital-access-between-minority-and-non-minority-businesses.html>

69. Page, A. (2015). One in Ten American Consumers Is Credit Invisible. Retrieved August 18, 2020, from <https://www.fundandgrow.com/blog/credit-invisible>

Develop Accessible Small Business Loans—Focus on Underserved Segments in NWA:

Today, small business owners face diminished opportunities to access capital, with community banking down 50 percent over the past decade and 80 percent of small businesses unable to obtain bank loans.⁶⁷ More accessible loans, such as Small Business Administration backed loans, lack the flexibility required in a small business environment. This lack of access to capital stifles job creation, as well as business innovation across local and national economies. Besides, minority-owned businesses are three times more likely to be denied credit.⁶⁸ Thirty percent of consumers in low-income neighborhoods are credit invisible.⁶⁹

Establish and Activate a Formalized Angel Investor Network in the

Region: This could permit more potential entrepreneurs or investors to participate in funding early-stage firms productively. Angel investors are wealthy individuals who provide capital for a business startup, usually in exchange for convertible debt or ownership equity. Angel investment is an essential element for many early-stage startups to grow, enabling them to overcome the capital gap between seed or early-stage investment to growth-stage investment. Also, the angel investors sometimes provide non-financial assistance such as mentorship or management consulting services, in addition to financial support.

Engage Key Firms in Research and Technology Transfer Partnerships

at the University of Arkansas and its Forthcoming I3R: Local firms must recognize that research partnerships with the University of Arkansas can



provide them with an R&D advantage against their competitors. This is especially relevant for Fortune 500 firms such as Walmart, Tyson Foods and J.B. Hunt. It is incumbent upon them to engage in designing the industry/university interface at the newly created Institute for Integrative and Innovative Research (I3R) facility and throughout the research platform.

The University of Arkansas is already strong in supply chain management, industrial engineering, information systems, and food science. Domain expertise and technical skill in data science must be combined to create new knowledge and apply that knowledge to innovate and serve the evolving needs of consumers. These partnerships could spur additional startup activity in the region as well. This evolving partnership between the university, large hub firms and innovative young firms and startups could take the form of a leading-edge “skunkworks,” where innovation results from large firms loosening bureaucratic control to help boost the position of fledgling companies by providing critical markets for their products and services.

Promote Startup Weekends and Other Programs for Technology and Entrepreneurial Talent: This could be a quick win for NWA with continued support or an expanded Science Venture Studios. Science Venture Studio (SVS), a platform that leverages vital members of the Arkansas entrepreneurial community to rapidly scale up Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant applications that are primed for success. Science Venture Studios will also organize an SBIR accelerator — an intensive 8-week program that will guide a select group of participants that has technologies that are within the NSF SBIR/STR proposal solicitation — to create companies and submit an SBIR proposal.

Empowering talented entrepreneurs in NWA



5. Make Inclusion and Diversity a Regional Priority

The COVID-19 crisis has focused America's attention on long-standing divides of race and class. The crisis hit hardest in the Black and Hispanic communities, with rates of illness, hospitalization and death that is two to four times higher than white Americans. Recent months have also seen a wave of political protests over issues of racial and economic injustice.

The region needs to do a better job highlighting the positive steps it has already taken on these issues, like the fact that there has been a 23 percent increase in racial/ethnic diversity since 1990. EngageNWA continues to do meaningful work in this arena and is in a strong position to be the leader of future initiatives. Of course, this issue is not just about perceptions. It's about the essential project of creating income and wealth-building opportunities for people of color. Diversity, equity and inclusion must be at the center of the region's economic development agenda moving forward.

Particular attention needs to focus on the Hispanic community, which is both a relative newcomer to the area and by far the region's predominant minority. NWA should consider building meaningful relationships in this community, such as engaging with churches, small businesses, schools and existing service organizations to address practical and immediate needs like housing, health (particularly given COVID-19's impact on Latinos) and economic mobility.

NWA is a collection of local communities bound together by invisible borders. These borders can become obsolete if creative placemaking



Local communities
bonding together

“We’re going to combine the local, the regional, the Heartland, the national, the global, all of those sorts of concentric circles. This place has some amazing creativity to offer the rest of the world.”

JESSE ELLIOTT

DIRECTOR OF CREATIVE ECOSYSTEMS AT CACHE

is available to diverse communities. Such placemaking strategies can create a sense of ownership over their neighborhoods while developing a comprehensive, connected regional story and experience for each family and newcomer. Local cultures can be celebrated through cultural districts, special events, and even in physical infrastructure, proclaiming that NWA is a diverse, welcoming place.

NWA must continue to build upon these efforts and do more to put diversity and inclusion at the center of its arts, culture and placemaking agendas. The growing diversity of NWA is not widely known, sometimes even by residents. One way to address this would be to go on social media with short vignettes. A campaign similar to the one that San Diego uses, employing short interviews and testimonials, tells the story better than yet another top-down “initiative.”

Diversity and Inclusion as a Business Priority: The region’s large employers have put diversity and inclusion at the center of their agenda. They have worked hard to recruit a diverse workforce and to establish the capacity to develop diverse talent. These large employers can do more to work with the small business community to help improve the prospects for minority businesses and spread prosperity more widely.

Use Arts, Culture and Recreation to Promote Diversity and Inclusion: In the wake of this summer’s protests, arts and cultural institutions around the world have reckoned with racial justice, and NWA is no exception. The region has a powerful mandate to support artists of color and promote diversity in recreation. Our research and focus groups note that diversity and inclusion must be a central part of the region’s economic and social agenda moving forward. There have already been significant efforts in this direction: 50 percent of visitors to the Jones Recreation and Community Center are either Hispanic or Marshallese. Bike advocates are working on translating more materials into Spanish and Marshallese, as well as efforts to make sure all residents feel safe on the region’s recreational trails. But more needs to be done.

Ensure Greater Access and Equity in the Region's Natural Amenities:

Another potential quick win could be to focus on access and equity to NWA's amenities. The quote on the previous page from our stakeholder sessions says it all.

Translating biking information in multiple languages is a great first step, but more can be done. Bike lanes and trails should extend into low-income neighborhoods. Schools and community centers in these neighborhoods should promote the region's recreational amenities, and the active lifestyle they make possible. Convening a working group of regional recreational organizations to develop systematic regional recreation access and equity action plan will bring the voices of less resourced and minority individuals to the table. Local residents and diverse communities should be surveyed to assess recreational needs and current equity and access. The survey results can be utilized to support immediate, medium and long-term action steps to improve access and equity throughout the region.

“From our cycling space, we’re working on doing a better job of translating materials into Spanish and Marshallese. This also means auditing our imagery of people riding bikes. It’s not been representative of our community, so [we’re] doing a better job there.”

PAXTON ROBERTS, BIKENWA EXECUTIVE DIRECTOR

Representation in
Cycling Matters



6. Put Health and Resilience at the Center of the Agenda

The COVID-19 crisis has put a premium on health and safety. People across the country and the world are looking for regions that will proactively address the crisis and enable them to remain healthy. NWA has dealt relatively effectively with the pandemic, with rates of infection and fatality that are significantly lower than other metro areas. As we write, the region's COVID-19 fatality rate is about 75 percent below the national rate and nearly 10 percent below the national rate for the more than 700 counties that have no urbanization. The region's dispersed hub-spoke housing and business patterns are also a mechanism to reduce vulnerability to COVID-19, enabling the region to focus its attention on those areas, such as meat-packing plants, Latino and Marshallese communities where the infection has been most devastating.

Going forward, health and safety will be a key determinant of where people and companies decide to locate. The region needs to build off of this success and put health and safety front and center of its economic and social agenda. The creation of a new academic medical center provides an opportunity to coordinate these efforts.

Establish a Top-tier Academic Medical Center Including a Medical School: As a recent report⁷⁰ commissioned by the NWA Council demonstrated, NWA was the only metropolitan area among its peers without a four-year medical school and academic center. Without an academic medical institution, the sophistication of the entire healthcare system is restricted. This is reinforced by our analysis of employment data for the region; only 11 of the 39 subsectors have a location quotient greater than one. Another 13 subsectors have location quotients less than one and below-average employment growth.

As COVID-19 challenges other cities, NWA can advance its position in medical training and research. The medical school should lead the effort in creating a standardized whole health four-year curriculum. This should be accomplished by the Whole Health Institute learning best practices from progressive medical curricula across the country. A decision will need to be made on whether to seek accreditation through an existing medical school or seek new independent accreditation. The Whole Health Institute should develop a collaboration with the just-announced University of Arkansas Institute for Integrative and Innovative Research (I3R) and the University of Arkansas for Medical Sciences (UAMS) and establish a unique medical research cluster in NWA.^{71,72,73,74}

70. Umbach, T. (2019, January). NWA healthcare: Assessment, economic impact, vision for the future. Retrieved June 23, 2020, from <https://static1.squarespace.com/static/57e1aae19f74569a6b92b5d8/t/5d48228cc2f0c5000115fa5c/1565008563565/NWA+Healthcare+Assessment+single+page+file.pdf>

71. Souza, K. (2020, February 26). Alice Walton announces new Whole Health Institute, Chopra Medical Library. Retrieved August 05, 2020, from <https://talkbusiness.net/2020/01/alice-walton-announces-new-whole-health-institute-chopra-library/>

72. ----

73. Serving Arkansas and Beyond. (2020). Retrieved August 05, 2020, from <https://www.uark.edu/research/i3r/index.php>

74. College of Medicine Deans. (2020). Retrieved August 05, 2020, from <https://medicine.uams.edu/about-the-college/college-of-medicine-history/college-of-medicine-deans/>

Sweden's Approach to COVID-19

The Swedish method of flattening the curve associated with COVID-19 is clearly different from the countries that rely upon a “lockdown” strategy enforced by police and the military, or that have limited movement to “essential” workers. Sweden’s response relied upon voluntary compliance with the Public Health Authority’s evolving set of “recommendations” that are not optional, though lack punishment or fines to enforce them. The consequences of this differential approach are mixed. The Swedish death toll per 100,000 persons is five times greater than its neighbor, Denmark, which imposed business closures and more strict policies. The death rate among elderly is similar to other Scandinavian countries. And Sweden’s economy suffered similarly to Denmark’s economy. Sweden’s approach, though lacking immediate benefits, may prove to be more sustainable than lockdowns in response to the pandemic long term, however.

Recruit and Partner with a Nationally Recognized Health System:

The vision for the region should be to create an entire spectrum of care, from self-care to primary care to specialty care, in a whole health paradigm. To accomplish this, the region needs a health system focused not only on the treatment of disease but also on self-empowerment, self-healing and self-care. The Whole Health Institute should partner with a nationally recognized health system to broaden the entire spectrum of care based on whole health practices. This partnership should model how to plan, create, and demonstrate a value-based health system across the region, in turn, optimizing people’s physical, mental, and spiritual well-being.

The regional health system should promote one’s whole health and actively incorporate self-care and complementary and integrative treatment approaches. This should coordinate with the health care transformation division at the NWA Council, and all be inclusive with other existing health systems in the region. A quick win could be established by signing a memorandum of understanding with a nationally recognized health system to come to NWA.



7. Rebrand and Market the Region

The region needs a new brand. NWA just doesn't cut it. This isn't just us talking; it has come out of all of our focus groups and conversations in a forceful way. The NWA Council has found a similar sentiment in surveys of non-residents conducted on its behalf. These surveys highlighted a particular aversion to the negative perception associated with "Arkansas." Yes, it is a difficult thing to address politically, primarily since the region is composed of four hub communities. It's the kind of branding conundrum that has hamstrung other places. Such broad geographic descriptors tend to confuse people more than they help.

On the flip side, places like Austin and Nashville get huge brand advantages from their names. Austin today is talked about as the place that landed Tesla's new Cybertruck factory when in actuality, that factory is going to a more remote area outside of Austin. The other option is to find a unique and clever moniker like the Research Triangle, which is the amalgam of three original communities, Chapel Hill, Durham, Raleigh, with Cary, North Carolina joining in recent years.

It is important to understand that the primary purpose of branding is to convey what makes the region appear most attractive to talent, entrepreneurs and firms that might move here rather than for those that live here. In other words, the emphasis of the branding question should be focused on external interests but be informed by residents' opinions so that it is authentic. In what ways can we improve the perception and encourage national and global parties to take a more in-depth look at the region? Local stakeholders should put the interests of the region above any parochial concerns.

Rebrand the Region
for A New Generation



In some respects, the region is a corridor from north to south. Bentonville has real momentum and buzz under it, as a place that is really on the move. And Fayetteville is a college town that is similar in some ways to Boulder or Ann Arbor. Some consultants might suggest taking advantage of the rhyming of “ville” in place names. The downside to this approach is that it underappreciates the vital roles that Rogers and Springdale play in the region.

Alternatively, the region could move to a moniker that markets its distinct attributes. Something such as the **“3C” Corridor**—corporate, college and culture corridor. Or corporate-college corridor. We encourage people to think differently about how they see and view the region and understand that the primary target audience resides outside the region. In the end, it is local stakeholders that will determine the branding of the region. This can be best addressed by social media campaigns that highlight the area’s diversity and wealth of opportunity. We are well past the era when purchasing full-page ads in magazines like Fortune are cutting edge. Instead, the region should develop a narrative, told in the voices of local citizens and companies.

Corporate, Collegiate,
& Culture



STRATEGIC ACTIONS

While the Heartland Forward team has gathered the “why,” “what” and “how,” the “who” and “by when” needs to be a collective effort.

The team knows that such plans only work when there is a concerted effort on the implementation of the plan. We hope what is shared below will be the first step in determining what capacity organizations have to take on such initiatives and make them happen.



BIG IDEA

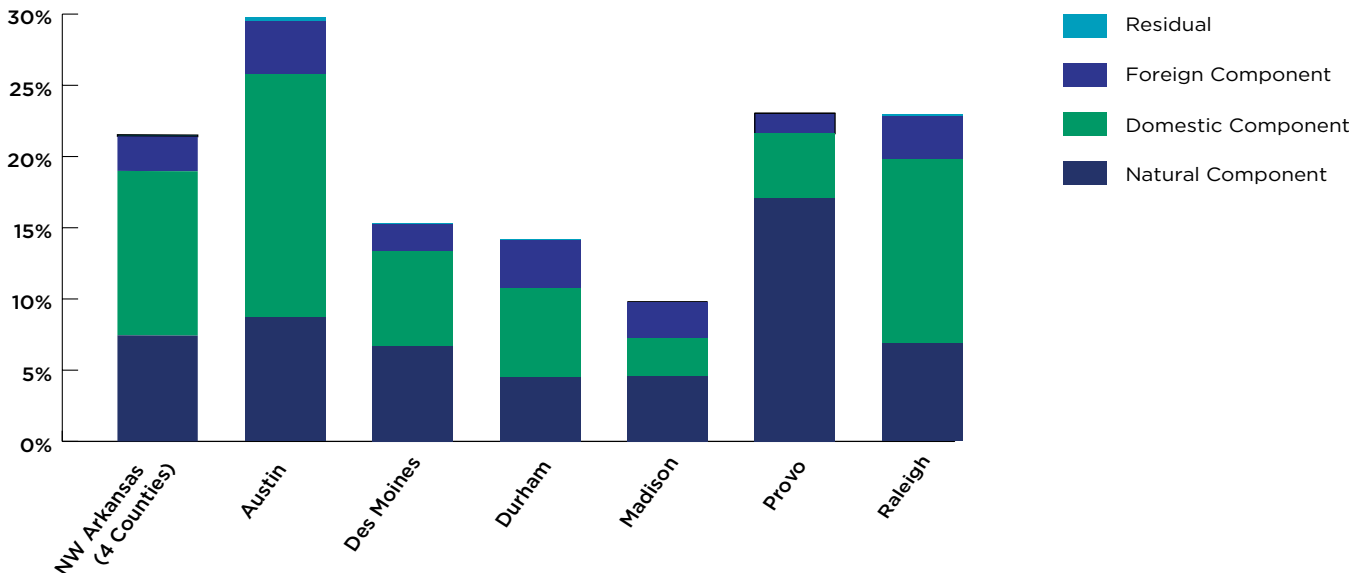
1

Become the Heartland's Leading Small Region for Talent

Between 2010 and 2019, NWA grew 21.5 percent, three times as fast as the national average, to be the sixth fastest growing metropolitan area of those with populations over 500,000. This surge is not driven by retirees but from people of working age. After all, the metropolitan area has enjoyed one of the fastest job growth rates in the nation, particularly in areas like professional and business services, where employment over the past decade rose 35 percent. Nearly half of the net migration (domestic and international) now comes from young adults and middle-aged people, ranging from age 25 to 49. Nearly half have a college degree or above, and 37 percent work in management, business, science, and arts occupations.⁷⁵

75. Modeled based on American Community Survey data.

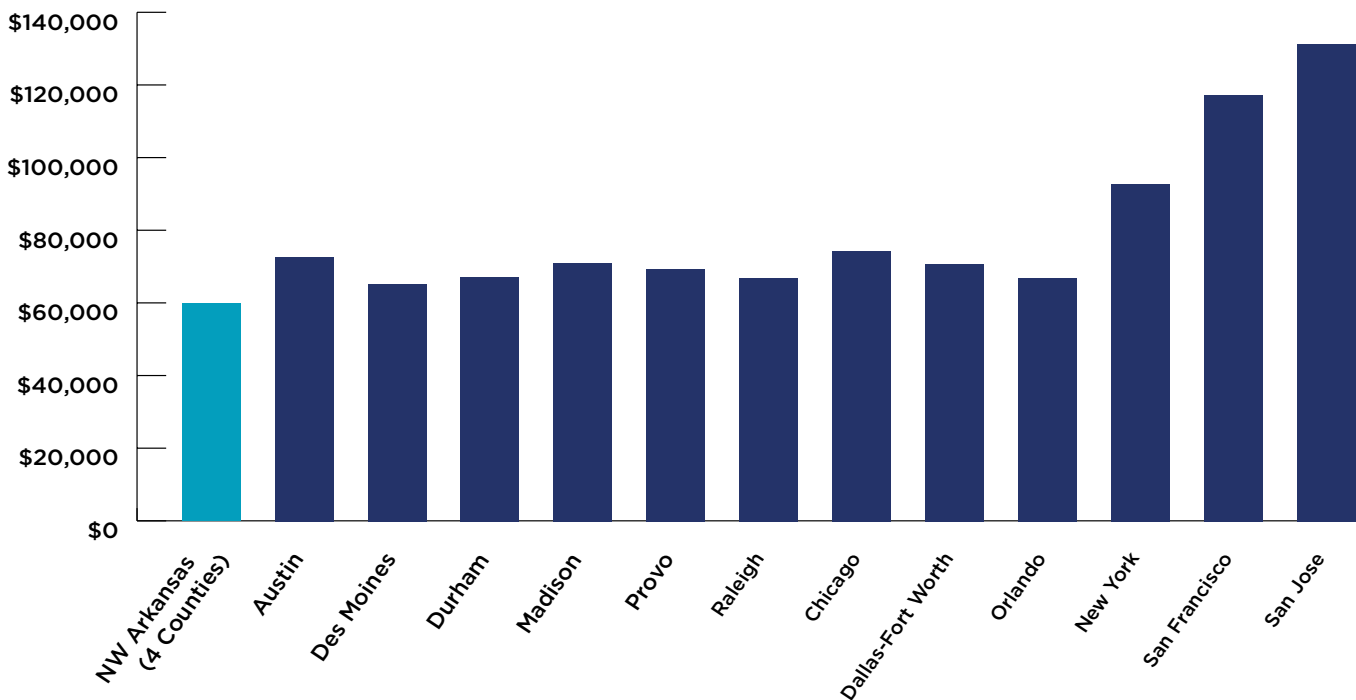
2010-2019 Population Growth by Components of Growth



Why NWA, and why now? Some of the growth reflects a lower cost of living and median household incomes that, on a cost-adjusted basis, are higher than New York, San Francisco, Chicago, and Orlando while roughly on par with booming metropolitan areas like Dallas-Fort Worth and San Jose. NWA ranks in the top one-third of metropolitan statistical areas by regional price parity, and a salary of \$57,911 (median household income in 2018) is equivalent to \$64,669 — \$126,768 in those towns. Commute times are also generally 50 to 80 percent below those in larger metropolitan areas; average commute time in NWA is 20.8 minutes, the third lowest average commute time for metropolitan areas with more than 500,000 population.



Cost of Living Comparisons



Equally important, these age cohorts are precisely those when people tend to start families. NWA has been particularly attractive to this demographic, even before the pandemic. Families with children under the age of 14 migrate to the area at a rate of nearly 14 percent above the national average. As America's birthrates have fallen to record low levels, children as a percentage of the population in metropolitan areas stood at 21 percent in 2018, compared to 18 percent in New York, Seattle and Los Angeles, 16 percent in San Francisco and 19 percent in the nation as a whole.

NWA overall is now younger than the rest of the country, with a median age of 34.2, compared to the United States' median age of 38.2. Among the 107 metropolitan areas with more than 500,000 population in 2018, the Fayetteville-Springdale-Rogers, AR metropolitan area⁷⁶ ranked 8th youngest, trailing only metropolitan areas in Utah, California's Central

76. This is the latest data available (2018) and is based upon a 4-county metropolitan area, including McDonald County, MO. In 2019, McDonald County was excluded from the Fayetteville metropolitan area.

Roughly half of these migrants to NWA have a college degree or above, and 37 percent work in management, business, science, and arts occupations. (Source: Modeled from American Community Survey data.)

77. Becker, G. (2013, August 18). Low Birth Rates: Causes, Consequences, and Remedies-Becker. The Becker-Posner Blog. <https://www.becker-posner-blog.com/2013/08/low-birth-rates-causes-consequences-and-remedies-becker.html>
78. Campisi, N. (2020, June 25). How coronavirus is leading homebuyers to leave cities for rural areas. Bankrate. <https://www.bankrate.com/real-estate/americans-are-exiting-cities-during-pandemic/>
79. Peter, T., & Pinto, E. (2020, June 18). Special AEI housing market nowcast — Americans on the move. American Enterprise Institute — AEI. <https://www.aei.org/research-products/report/special-aei-housing-market-nowcast-americans-on-the-move/>
80. Feintzeig, R., & Eisen, B. (2020, June 17). When Workers Can Live Anywhere, Many Ask: Why Do I Live Here? Wall Street Journal. https://www.wsj.com/articles/when-workers-can-live-anywhere-many-ask-why-do-i-live-here-11592386201?mod=itp_trending_now
81. Pendleton, A. (2020, May 13). A Rise in Remote Work Could Lead to a New Suburban Boom. Zillow. http://zillow.mediaroom.com/2020-05-13-A-Rise-in-Remote-Work-Could-Lead-to-a-New-Suburban-Boom#assets_28775_137595-135

Valley, and the Rio Grande Valley of Texas. This is two to four years younger than the tech hubs in Denver, Seattle, Portland, Raleigh, and San Jose (Silicon Valley). Societies with low birthrates — as we now see in much of Europe and East Asia — inevitably suffer a kind of cultural and economic stagnation. Young people, notes economist Gary Becker, are critical to an innovative economy, and more of them are likely to come from the Heartland.⁷⁷

The pandemic seems likely to amplify the migration from big cities towards lower-density locations, notes a study by Bankrate.com.⁷⁸ Similarly, the American Enterprise Institute has found that since the pandemic, less dense areas are now growing much faster than denser ones.⁷⁹ In May, a Zillow survey suggests this is driven by greater consumer interest from what it calls “space seekers.”^{80,81}

Collectively, this suggests that NWA is a desirable place to live and work. Because the growth over the last decade — in particular, has been largely due to employment growth, the region enjoys a vibrant economy, robust retail opportunities and many amenities. Yet, the region faces persistent challenges finding suitable talent. The region has the capacity to produce talent locally, but it is unable to retain much of that talent once it completes its training — the region needs to better root students in the region and define clear career pathways for individuals to move up within a given company. NWA also needs to identify ways to embed students and families into the community, and local companies need to support talent development through clear career pathways and promotion opportunities. And, as will be discussed in more detail under Big Idea #7, the region needs to change its image to recruit talent to the region.

STRATEGY 1: TALENT RECRUITMENT

DEVELOP an incentive program targeted at remote workers (similar to Tulsa Remote or Remote Shoals) to both draw attention to NWA and draw tech-savvy talent to the region.

CREATE a “Moon Shot” program (a MacArthur Genius-style award) to recruit the brightest scientists, engineers, entrepreneurs and cultural creatives and bring elite talent to the region.

DEVELOP messaging for potential talent that emphasizes the region’s affordability and livability, as well as the opportunities for career advancement throughout the economy.



As the COVID-19 pandemic has demonstrated, more and more Americans are comfortable working remotely, and their employers are providing them that flexibility. Given its commitment to quality of place and the need to attract more talented workers to the region, NWA should follow in the footsteps of other communities and create its own unique initiative. This program would showcase the region's quality of place assets, affordability and ease of living. It would also provide resources specific to remote workers, including coworking memberships, housing opportunities and community events. This could be an effective strategy for addressing the IT and software occupational needs of the region in the short-term, while educational institutions increase the production of these workers.

“When having conversations with candidates, there was a lot of questions around ‘What if it doesn’t work out with the company? Where do I go? Do I have to relocate out of Northwest Arkansas?’ We have to be better about selling the ecosystem of economic growth, entertainment and community. We’ve been too passive.”

JIMMY PRENCIPE
VICE PRESIDENT, TALENT ACQUISITION, HR SHARED
SERVICES & ANALYTICS AT TYSON FOODS

New Career Paths
in NWA



STRATEGY 2: CONNECT STUDENTS, YOUNG PEOPLE AND FAMILIES TO THE COMMUNITY

BUILD upon the success of FindingNWA.com as a centralized repository of information about the region to create and maintain a platform that can provide a single point of contact for information about all aspects of the region, organized by target audience (college students, young adults, families.)

ENABLE professional development opportunities for students and young professionals, such as a program of music business courses and hosting networking events, to give them connections to business owners, community leaders and institutions; see CampusPhilly.org for an example.

CONTINUE to support and develop programs and events that are family-friendly and reinforce the family-centric values of the corporate founders in the region.

EXPLORE creative incentives to encourage talent to stay in the region, such as homeownership programs (where workers receive down payment assistance when purchasing a home), student loan forgiveness, or reduced-cost tickets to art and cultural events in the region.

CONVENE quarterly working groups to generate and share ideas for how to package and promote NWA as a long-term community for students, young professionals and families.

A significant percentage of students are coming to NWA and then leaving, especially the 50 percent of students who come from Texas. Just 45 percent of all college graduates and 33 percent of graduates from four-year institutions remain, ranking 123rd among major metros. One reason for this is the lack of local recruiting. While the big three employers make some recruitment efforts, much more is needed among those companies and others. International students in STEM fields are a particularly vital cohort to work to retain. Additionally, the region has a “ways to go” in creating the nightlife opportunities that young professionals have come to expect in every city, with many stores and restaurants closing by 9 p.m.



“We need to explore ways that we can build community that’s not based on company. How do we make better connections? We’ve got meetups, we’ve got Facebook; everyone has the tools. But we still regularly hear from our young professionals that it’s too much work on their part to have to make connections. They’re not making them and they’re leaving.”

MICHAEL SMITH

RECRUITMENT & EMPLOYMENT BRAND LEADER AT WALMART



Young professionals
connecting

STRATEGY 3: TALENT DEVELOPMENT

ENGAGE a quarterly working group of private sector-hiring managers across sectors, workforce development practitioners, local university representatives and post-secondary organizations to discuss needed skills and training programs and build connections across employers and talent development institutions.

EDUCATE industry leaders and business owners about the wage gap that exists and promote suitable wage increases to make NWA businesses more competitive for talent.

BUILD and deliver a talent pipeline and access to jobs for local residents through on-the-job training programs, especially for those occupations offering family-supporting wages and targeting management and IT occupations for which there are talent gaps in the region.

DEVELOP and administer an ongoing survey of workforce training gaps in NWA, continuing to build off the efforts of the NWA Council and utilize the findings to shape regional skill programs.

PROMOTE non-monetary benefits as a recruitment strategy for key occupations, such as paid-time for volunteering, matched-giving program or sponsorship of company athletic or social clubs.

Creating a vibrant creative economy is not just about attracting talented residents from elsewhere; it's about offering promising career pathways to current residents. While the region's four major employers provide ample opportunity for advancement and career development, there are few high-quality opportunities outside of these companies and the university. People seldom move from company to company within the region, and few pipelines exist connecting the least advantaged residents to the most successful companies.

While smaller businesses often have a "flatter" employee structure, this does not mean that opportunities for their employees to advance their skills and earn more are limited. Helping business owners understand how professional development, non-monetary rewards and business transition programs can create career paths for employees is an essential element to maintaining the businesses' relevance and retaining employees/ reducing employee turnover.



“

I THINK THERE'S A GAP IN HOW WE GROW CAREER PATHWAYS FOR FOLKS HERE BECAUSE OF THE MIGRATION OF TALENT IN, AND IN SOME WAYS, THE LACK OF INTENTIONAL MOBILITY FOR TALENT UP. I THINK THAT'S JUST A GAP FOR OUR REGION IN TERMS OF OUR INTENTIONALITY WITH BOTH EXPECTATIONS ON LARGE AND SMALL COMPANIES TO GROW THOSE TALENT PATHWAYS SO PEOPLE CAN REALLY BUILD CAREERS.

BIG IDEA



Be the Heartland's Best Small Place for Arts, Culture and Recreation

NWA already has a growing and robust art and recreational scene, putting it in an excellent position to attract the Creative Class over the long term. However, these assets need new strategies and new resources to become important parts of the region's economic development engine.

The arts and recreation sector has grown 54 percent in the past decade, second among peer cities and fourth among the 53 U.S. metropolitan regions between 500,000 and one million in population. The region's strong community of independent creators exists symbiotically with its enviable array of world-class arts institutions, many of which opened in the past few years. The Crystal Bridges Museum of American Art has one of the most comprehensive collections of American Art in the world, attracting five million visitors in 2019. Its downtown Bentonville satellite, The Momentary, opened in February 2020 and is yet to achieve its full potential. These institutions, and many others, have created a vibrant ecosystem of support for the arts.

While COVID-19 poses unprecedented challenges for the arts sector, 88 percent of NWA arts organizations are confident they will survive the pandemic, compared to just 59 percent nationally. Also, seemingly few of the 14 responding organizations have laid off employees. Perhaps this signals that arts organizations in the NWA region are in better health than their national peers, but it also must be stated that local philanthropy provided some immediate reprieve from the impact of COVID which leads to some uncertainty about how and whether arts organizations will remain intact. In the same breath, it cannot be downplayed that 75 percent of these organizations report using their artistic practice to contribute to positivity in their communities,⁸² part of the critical role creatives “play” in the community.

Urban parks and recreational wildlands are a considerable part of NWA's identity. The region has a wealth of bike paths and hiking trails connecting urbanized areas, lakes and state parks. NWA is unique in that it contains multiple downtown areas and multiple recreational destinations, which makes the interconnections between these areas even more important.

NWA's recreational and arts amenities are not just “nice-to-haves,” they're essential elements of 21st century economic development, attracting the talent and high-growth firms that power the creative economy. Now is the time to spread the word about these amenities and integrate them into the region's economic development strategy.

82. 'First to Close, Last to Open.' COVID-19's Impact on the Arts: Research Update June 15, 2020. (2020, June 16). Retrieved August 06, 2020, from <https://www.americansforthearts.org/news-room/americans-for-the-arts-news/first-to-close-last-to-open-COVID-19s-impact-on-the-arts-research-update-june-15-2020>





STRATEGY 1: BUILD PLATFORMS FOR LOCAL AND REGIONAL SOURCED CULTURE

LAUNCH a NWA “Genius Grant” for local artists. The grant, for five participants each year, and at least one NWA native, would be both a high honor and a means for the artists to sustain their creative work. “Geniuses” could become the face of the region’s artistic scene in the media and in marketing campaigns. This grant, and the publicity it will provide, will be key to attracting more artists to the region.

WORK with local venues, festivals and event promoters to create synergies between art assets and tourism, such as organizing press-trips to festivals and big music events, creating venue, festival and experience tourism packages or building arts-themed heritage maps, databases and/or archives.

INCENTIVIZE the development of the visual and performing arts ecosystem through tax rebates for the development of production spaces (e.g., artist studios, music production and/or recording studios), performances in permanent spaces, and relocating entertainment and music companies.

SHOWCASE a creative ambassador program that provides small stipends to local artists to showcase their work in other regions. Following in the footsteps of Austin’s program, NWA’s creative ambassadors would promote the region’s art scene to people who may want to move here, while also helping to support local artists.

ENSURE regional arts/recreation organizations have the technical services needed to weather the crisis of COVID-19. Support these organizations with the technology they need to adapt to more digital performances and exhibitions and take advantage of the new opportunities presented by the pandemic.

CONTINUED ON THE NEXT PAGE

BUILD out a comprehensive platform to showcase all art assets. Such a digital platform would help artists promote their work and build an audience, without each artist having to build out the costly and time-consuming infrastructure to do so. This platform would also create new opportunities for artists to get paid for their work, helping to support them through uncertain times.

OFFER grants or incentives to ensure cross-organizational planning and collaboration. COVID-19 is an opportunity to build new alliances and partnerships, and to think of the art ecosystem in new ways. Organizations need to be incentivized to be bold and take risks that they wouldn't otherwise make. This program would help facilitate these kinds of creative collisions.

UTILIZE the Creative Arkansas Community Hub & Exchange (CACHE) not only to support art organizations but to grow creative enterprises. CACHE should affirmatively recognize the link between the arts and entrepreneurship, promoting artists and organizations with the highest potential, much like a venture capital firm. All the while, it should stay true to its NWA roots, celebrating the spirit that makes this place unique.

CREATE an economic development plan that includes strategies for financial support, coaching, mentoring and spaces for artists in local arts districts. A strong arts scene needs vibrant arts districts, which need to be planned for and promoted by cities. Clustering principals, in this case, creating a critical mass of artists, patrons and supportive institutions in close physical proximity, will help produce a sustainable, self-perpetuating scene.

Craftsmanship &
Artistry



The region has invested heavily in bricks and mortar of new arts and cultural amenities throughout the region. In a digital age driven by the impact of COVID-19, now is the time to make the same commitment to building out a digital platform to showcase NWA to the world. Such a digital platform would help artists promote their work and expand their audience, without each artist having to build out the costly and time-consuming infrastructure to do so. This platform would also create new opportunities for artists to get paid for their work, helping to support them through uncertain times.

STRATEGY 2: LEVERAGE THE REGION'S HUB-SPOKE MODEL OF INTEGRATED 15-MINUTE COMMUNITIES

PROMOTE the unique culture and recreational opportunities that each of the major communities in the region offer and leverage the proximity of any given community to these assets.

IDENTIFY sporting events for which NWA has assets and develop packages that cater to participants and possibly encourage them to extend their stay (e.g., activities to do over a baseball tournament weekend).

LEVERAGE the trail system throughout the region to connect and engage culture and activities.

DRAW regional, national and international competitions to the region that can utilize the region's cultural and recreational assets (e.g., biking competitions).

NWA is built around four hub cities, which are already well on their way to being the kinds of 15-minute communities urbanists dream of. The average commute is 20.8 minutes, third-best in the nation among metropolitan areas with more than 500,000 population; 74.3 percent of workers have a less than 30-minute, one-way commute. Nationally, the average commute is 27.1 minutes, and only 47.1 percent of workers commute less than 30 minutes one way.

The region should also seek to be a leader in creating integrated, 15-minute neighborhoods around its four major communities, linked not just by short car commutes but by its extensive network of bike lanes and trails. These four hub communities are connected by an expansive network of bike trails and green spaces that contribute to its connectivity, livability and quality of place. Bentonville recently claimed the title of “Mountain Bike Capital of the World,” and NWA is home to the Razorback Greenway, a 40+ mile of shared-use trail that connects the four hub communities and serves as the backbone for over 250 miles of natural surface and 150 miles of paved trails throughout the region. The region hosted the Pumptrack World Championship in 2018 and will host the Cyclocross World Championship in 2022.

STRATEGY 3: UTILIZE PLACEMAKING STRATEGIES

INVEST in creative placemaking tactics to bring different communities together and communicate the story around those initiatives. Creative placemaking can give diverse communities a sense of ownership over their neighborhoods. Local cultures can be celebrated through cultural districts, special events and even in physical infrastructure.

IDENTIFY business opportunities that support outdoor recreation assets (e.g., cycling accessories, floating and fishing guides and gear supply).

INCREASE investment in recreation. The region has no shortage of generous patrons of the art scene. Now, NWA should make a concerted effort to invest in community gathering spaces, as outlined in the 2020 Home Region Strategic Plan. This is a key dimension of intelligent placemaking and attracting the Creative Class.



Outdoor Social
Spaces & Sports



Fly Fishing on
The White River



In addition to the biking infrastructure, the region boasts numerous lake and river recreational opportunities. The White River also feeds Beaver Lake, which attracts thousands of water sports lovers, fisherman, hikers and birdwatchers to its 28,000 acres of clear water. Further down, the White River is one of the nation's best trout fisheries. The nearby Buffalo National River is one of the few remaining undammed rivers in the lower 48 states, making it a popular river for floating and fishing: it's also an ideal location for stargazing, given its designation as an International Dark Sky Park.

Devil's Den State Park, along with six other state parks and one historic battlefield, provide ample opportunity for camping and hiking. As part of the Ozark Mountains, this region possesses a unique, natural beauty characterized by rugged terrain formed by unique geologic forces, clear mountain streams, picturesque waterfalls, not to mention the native flora and fauna.

Collectively, the art, cultural and natural amenities in NWA add character and quality of life to a place filled with economic opportunity. The unique structure of the metropolitan area, with its four hub cities and low population density, make these amenities convenient to access. The short distances between hubs minimizes commutes, which leaves more time for enjoying these amenities with friends and family. As the home to three Fortune 500 companies and numerous firms which supply and support them, NWA can use placemaking strategies to transform its branding and become a region where people want to live and visit.

BIG IDEA



Grow the economy and jobs around big company anchors

The NWA economy is relatively dependent on the management of companies and enterprises (i.e., corporate headquarters, regional offices and holding firms), transportation and warehousing, and manufacturing.

The intersection of these three industries is logistics, and NWA has competitive advantages upon which it can build and grow. The central location of the region in the United States, with easy access to all modes of transportation, as well as the potential for agglomerative effects (e.g., pooling of specialized labor and input suppliers such as truck drivers and maintenance, and innovation resulting from proximity to competing firms like combined transport capacity) are opportunities the region can leverage.

“Supply chain logistics area is just really one of the most impressive things about our area. And you’ve got people from Silicon Valley and New York that know that now, and they’re making trips here.”

CLETE BREWER

MANAGING PARTNER AT NEWROAD CAPITAL PARTNERS

In addition to the corporate management and supplier presence in the region, J.B. Hunt has made specific investments in technology and the University of Arkansas’ Supply Chain Management degree programs and research center provides a workforce and additional synthesis around the movement of goods and services. These components present the region with a competitive advantage that can be leveraged for further economic growth. Strategies such as building an Industrial Commons-style organization that coordinates projects between the large, established firms and smaller, often startup or innovative firms that can nimbly address the challenges and issues faced by the larger firms.

Furthermore, large firms need to continue to innovate and adapt their business model to a post-pandemic society; this presents opportunities to enhance worker efficiencies and adopt new technologies. Lastly, these firms should consider new product lines and/or complementary firms that provide new employment opportunities for existing workers, leverage existing capital and infrastructure or support nascent industries around the region.





Manufacturing
and Production

83. Sheffi, Y. (2012). Prologue. Logistics clusters: Delivering value and driving growth (pp. vii-xi). MIT Press.

Focusing on logistics also provides some important economic development benefits,⁸³ as most logistics jobs are not “offshorable”—distribution must be performed locally as a result of the economics of transportation:

1. Late-stage product customizations are best performed locally, because postponement allows for timely response to demand, leading to further economic activity in logistics clusters,
2. Logistics clusters attract other industries, such as manufacturing, which values the low transportation costs and high levels of service found in such clusters,
3. While high-technology clusters offer employment opportunities to engineers and scientists, logistics clusters offer opportunities to many unskilled and less-educated workers,
4. Logistics companies’ value front-line experience and tend to “promote from within,” enabling low-skill, entry-level workers to achieve middle class and even executive wages, and
5. Logistics services feed multiple industries, making the region less vulnerable to specific industry downturns.

These benefits can accrue to any region for which logistics is economically viable. However, NWA is uniquely positioned to benefit from anchor companies in traded industries. Anchor companies are large firms that generate benefits for other firms in the region. Walmart, Tyson Foods and J.B. Hunt represent anchor institutions that likely draw logistics (and other support service firms) to the region, as these companies possess such scale as to impact the entire industry; thus, a smaller firm specialized in a particular aspect of logistics working with Walmart can potentially determine the industry standard of operation just because Walmart is the world’s largest retailer.

The smaller firm also stands to benefit from exposure to the national and international markets in which Walmart engages, markets the smaller firm on its own would not be likely to penetrate. In addition, these firms operate in traded industries, that is industries for which the bulk of sales are exported outside of the region; this is critical to economic growth since the world’s population continues to grow and global consumption patterns continue to shift in ways that benefit these firms. An economy built upon nontraded industries (e.g., retail or construction) is inherently limited in its growth capacity — limited to the consumption patterns of the residents within its region. So, economic development efforts should focus on building the existing logistics cluster in NWA.

STRATEGY 1: BUILD TALENT PIPELINES AROUND BIG ANCHOR COMPANIES

DEVELOP an 'industrial commons' to support existing logistics cluster.

FACILITATE connections between innovative small firms and needs of the region's large anchor firms.



Logistics & Supply Chain

84. Gary Pisano and Willy Shih, "Restoring American Competitiveness," *Harvard Business Review* 87, nos. 7/8 (2009).

To attract more manufacturing to the NWA logistics cluster, state and local officials working with the federal government, private firms and foundations and local universities could attempt to create an "industrial commons" in the area.⁸⁴ The term was coined by Gary Pisano and Willy Shih in 2009, but the concentration of certain kinds of manufacturing in particular areas has long been familiar, in the cases of Detroit for automobiles and Silicon Valley for information and communications technology.

The proximity of basic R&D by universities or corporate labs or research institutes with product and process R&D undertaken by nearby firms creates important positive feedback loops which do not exist if basic research and design take place in one area while manufacturing is offshored to another region or country. Innovation is not a one-way process from basic to applied



research. Problems and process innovations in manufacturing or assembly, for example, can suggest new directions for basic R&D. In this way, success builds upon success, drawing more and more innovation in a particular sector to a particular area.

To help to transform this community into a flourishing industrial commons and bridge the divide between basic research shared by all and commercial competition among innovative firms, an industrial commons in NWA could be the site of a pre-competitive research consortium or several consortia in targeted manufacturing industries.⁸⁵

85. Willy Shih, "On Research & Development: Pre-competitive research consortia are vital to sparking innovation," American Compass, June 8, 2020, <https://americancompass.org/essays/on-research-development/> (accessed July 9, 2020).

Whether an industrial commons, pre-competitive research and development consortia, or a new Skunkworks, the key to the region's economic growth is leveraging the existing large companies and University of Arkansas to create opportunities for small, young firms to collaborate with and solve issues for the large corporations and "advance the frontier on commercialization," according to Shih. And logistics seems the ideal place to start.

In the U.S., successful government-backed research consortia have included Semiconductor Manufacturing Technology (SEMATECH), created in 1987 to help defend the U.S. semiconductor industry against Japanese competition, and the Aircraft Energy Efficiency program of the 1970s, a collaboration between NASA and major aerospace manufacturers. Some research consortia have been organized by firms, like the Common Platform Alliance in the advanced semiconductor industry, originally created by IBM, Siemens and Toshiba. Alliances like these enabled economies of scale in research which individual firms could not achieve on their own. They succeeded because their research was relevant to particular industrial sectors, with the breakthroughs shared by the members of the consortium and eventually, the industry as a whole.

In the case of NWA, the importance of data analytics, robotics and autonomous vehicles for Walmart and J.B. Hunt suggest that one or more of these could be the basis of a pre-competitive research consortium.⁸⁶

The goal would be not to turn into the next Silicon Valley but to focus on the practical application of advanced technology to the logistics and

86. Kim Souza, "Walmart exec says NWA could be data science hub," TBP, February 1, 2019, <https://talkbusiness.net/2019/02/walmart-exec-says-northwest-arkansas-could-be-data-science-hub/>, accessed July 8, 2020.

87. Shih, "On Research and Development."

logistics-related manufacturing industries. As Willy Shih has written, "Pre-competitive R&D consortia need to include leading companies, universities, and government research labs that are working at the frontiers of technology. This is not to exclude some firms; the intent of such collaborations should be to advance the frontier on commercialization, not act as a training ground for developing base capabilities."⁸⁷ Here, as in other areas, the presence and leadership of large, well-capitalized firms can provide positive externalities for an entire industry and an entire region.

"It's hard for early career talent to connect with startups. We do a great job at connecting with the big three companies, and we also do a great job connecting with many Walmart suppliers. But startups tend to want to recruit in their own way and the university hasn't figured it out yet."

MEREDITH ADKINS
DIRECTOR FOR CORPORATE & COMMUNITY OUTREACH
AT THE SAM M. WALTON COLLEGE OF BUSINESS AT THE
UNIVERSITY OF ARKANSAS

STRATEGY 2: IDENTIFY AND INVEST IN LEADING CLUSTERS

CONSIDER opportunities prompted by the COVID-19 pandemic to solve national supply chain disruptions.

PROMOTE worker efficiencies through innovation and automation technology development, such that workers become more efficient rather than replaced.

SUPPORT investments into new technologies and innovations that leverage regional industrial assets, such as Transplace and J.B. Hunt. Establishing manufacturing for components used in automation, for example, could place NWA at the forefront of automated driving technologies.

DIVERSIFY the manufacturing sector to provide higher-paying but lower-skill jobs through innovation around poultry waste and food manufacturing by-products.



IDENTIFY new businesses that could utilize prevalent infrastructures such as refrigerated warehousing and storage.

AID nascent, high-value industries, such as aircraft engine and engine parts manufacturing or navigation, guidance, aeronautical and nautical system and instrument manufacturing, to grow by identifying new markets, new clients and/or new applications of their existing products.

Due to the presence of headquarters for Walmart, Tyson Foods, J.B. Hunt Transport Services, Simmons Foods, and PAM Transportation, the metro's share of employment in **management of companies and enterprises** is nearly six times that of the nation's; the location quotient for this industry is 5.87. This industry employs nine percent of total employment in the region or 22,566 workers. The high density of management's employment provides the metro with a strong base of high-income workers, given that the average wage in this industry (\$107,736) is roughly twice as high as the overall metro median household income (\$57,911).

The **transportation and warehousing** industry have an employment location quotient of 1.59 and is also anchored by the companies that call NWA home. J.B. Hunt Transport Services, Inc. and PAM Transportation are two of the nation's larger trucking companies, and Walmart, Tyson Foods, and Simmons Foods have significant trucking and warehousing needs. The industry provides NWA with a strong base of middle-wage jobs, numbering 18,474 workers with average salaries of \$51,875.

NWA's **manufacturing** industry share is roughly 1.3 times the national share, and at 27,460 workers, the industry is NWA's second largest behind health care and social services. However, average wages tend to be much lower than nationally (\$44,273 versus \$68,958). The low wages are largely due to NWA being dense in low-value-added manufacturing. Poultry processing employment, which represents roughly one-third of manufacturing employment in the region, is low paying with an average wage per worker of \$34,470.

A listening session
at The Station



“

RETAIL, CPG [CONSUMER PACKAGED GOODS], SUPPLY CHAIN, AND FOOD AND BEVERAGE ARE OUR KEY VERTICALS. AND IF YOU LOOK AT THOSE, WHAT TOUCHES ALL OF THEM? HORIZONTAL SLICES LIKE ARTIFICIAL INTELLIGENCE, MACHINE LEARNING, INDUSTRIAL IOT (INTERNET OF THINGS). THOSE ARE LOGICAL THINGS THAT GO ACROSS MULTIPLE SECTORS; THOSE GO ACROSS THOSE VERTICALS. SO WE'VE GOT TO TRY TO ATTRACT AND BUILD COMPANIES IN THOSE SPACES.

These sectors represent the employment backbone of the region, and therefore, they cannot be ignored. Firms in these industries must continue to innovate and adapt to changing demographics and consumer preferences, distribution and e-commerce platforms, and other dynamics impacting their business models. One opportunity that has dual implications is to diversity and expand the cluster, by either creating or recruiting new firms to fill industrial gaps in the local cluster. This not only creates jobs and provides opportunities for new skill development and career advancement, but it also increases the likelihood of innovation as these firms work in closer proximity to one another and their core industry clients.

STRATEGY 3: RECRUIT NEW BUSINESSES TO THE REGION TO FILL INDUSTRY GAPS

IDENTIFY and attract key industries within the Logistics cluster that are not currently located within the region.

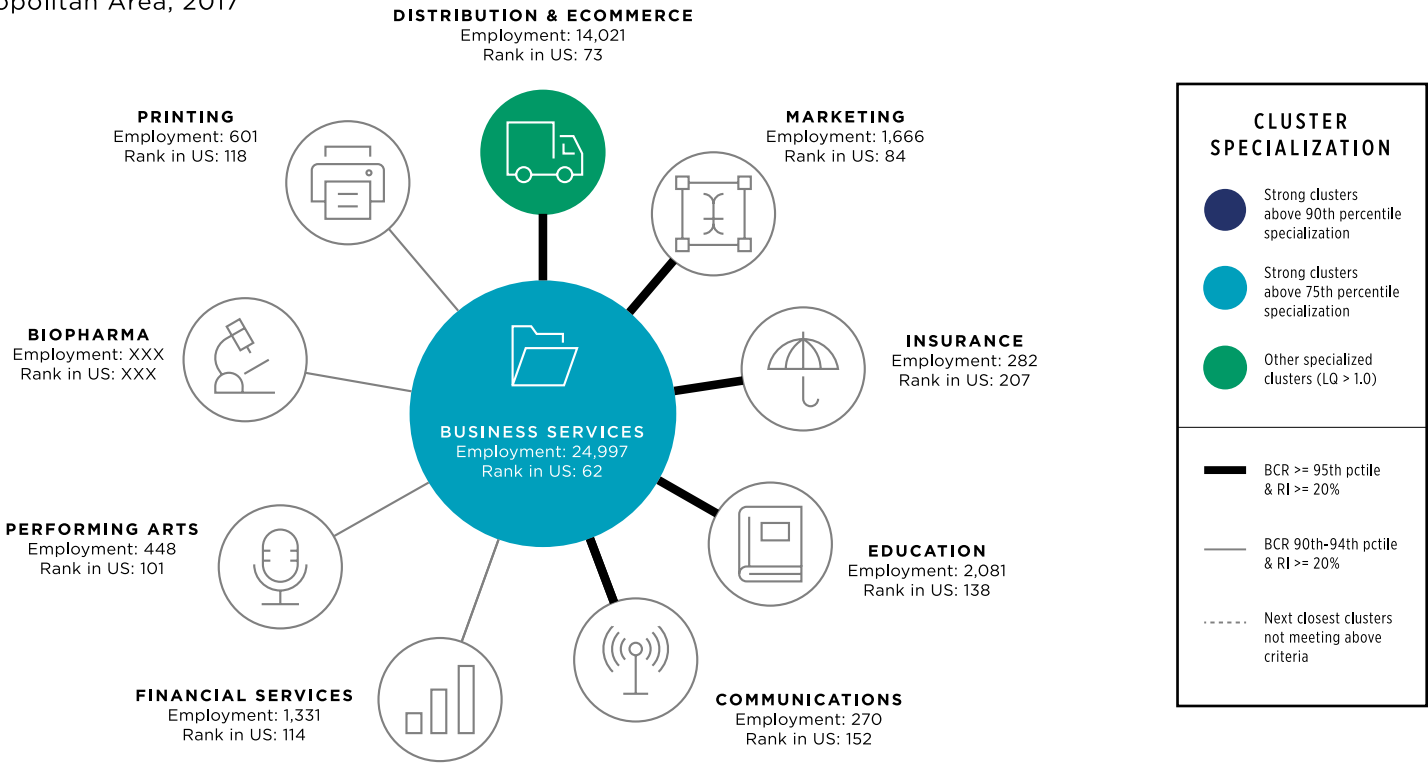
TARGET existing product and service vendors currently outside of the region for recruitment, leveraging regional assets and post-pandemic travel restrictions.

FACILITATE the identification and recruitment of innovative firms that could solve challenges faced by the largest firms in the region.

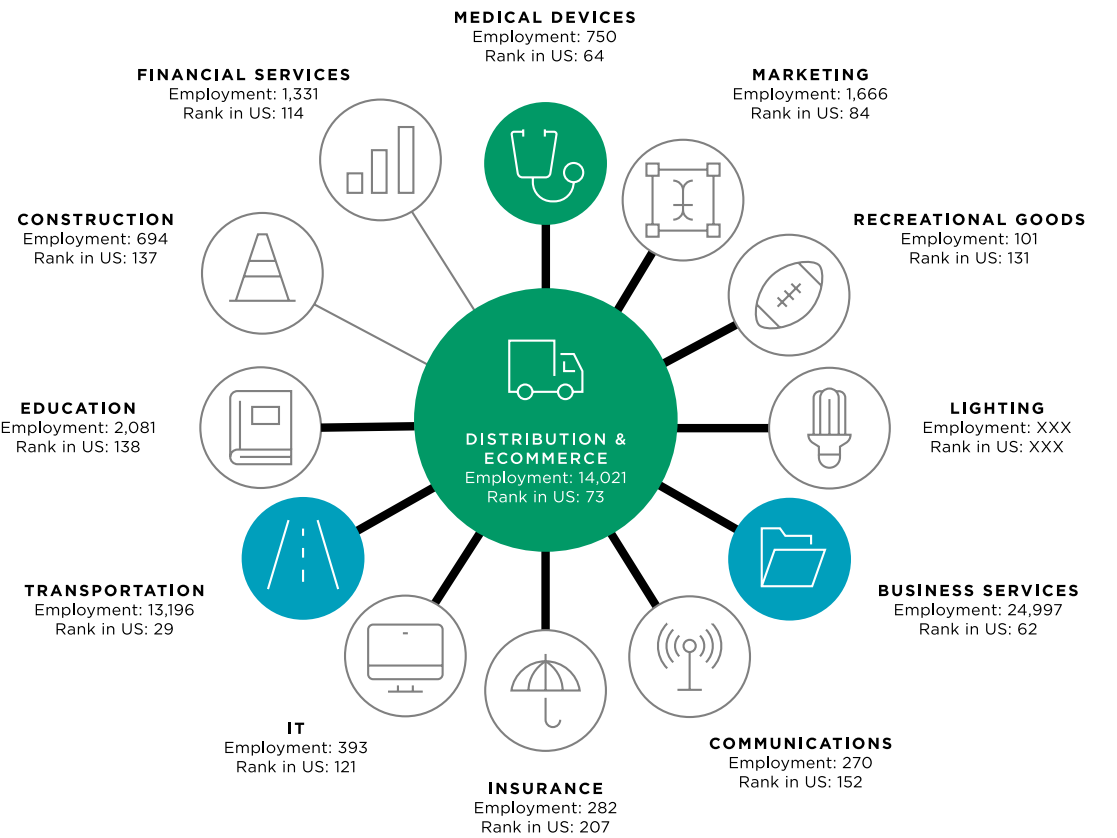
As the cluster maps below indicate, there are a number of opportunities for targeted business recruitment and creation that would strengthen the presence of these core industries (indicated by the gray circles). Given the way that the U.S. Cluster Mapping Project defines the clusters, Business Services encompasses the management of companies, and the transportation cluster only consists of transportation and distribution and e-commerce. Because of their overlap between clusters, Marketing, Insurance, Education, Financial Services and Communications present themselves as logical industries to concentrate on initially. The cluster maps reflect data for the 2010 Census definition of the Fayetteville metropolitan statistical area: Benton, Madison and Washington Counties in Arkansas and McDonald County, Missouri.

CLUSTER LINKAGES

Business Services
Fayetteville, AR
Metropolitan Area, 2017



Distribution & Electronic Commerce
Fayetteville, AR
Metropolitan Area, 2017





STRATEGY 4: BUILD & STRENGTHEN BUSINESS RELATIONSHIPS THROUGH REGIONAL PROCUREMENT PROGRAMS

PROMOTE best practices to build regional procurement programs that optimize engagement with local firms, recognizing opportunities among both corporate and university supplier and purchasing programs.

The two-digit code for all **Wholesale Trade**—capturing much of this vendor community—represents 10,070 workers who make average wages of \$89,289. This industry has grown 20.5 percent in the last five years, above the 14.4 percent growth for all NW Arkansas employment. The Wholesale Trade met our parameters as “Star Niches,” categorized as LQs above one, employment growth above area average (14.4 percent), but total employment below our rigid 0.25 percent standard. With the presence of many small vendors, almost no **Wholesale Trade** subindustries were defined as Staples. Collectively these twenty subindustry niches add up to employ 4,280, a sizable 1.68 percent of total area employment. Of the 20, eleven have average wages greater than \$100,000, and only one has average wages below the NWA average. Among these subindustries, there is a recurring presence in broad areas such as Food and Electronics.

An additional 34 were categorized as “Emergents” or high-growth subindustries with location quotients below one. Many subindustries with LQs below one is likely due to Walmart’s policy of requiring that all vendors have a staffed office in-region, which tends to create several operations with few people. These Emergents employ 2,533 people in the region, almost one percent of all area employment. In the context of COVID-19 recovery, potential areas of strength include providing supplies and equipment for essential industries, such as **pharmaceuticals and drug sundries, computer equipment, farm supplies, and petroleum products**, as illustrated in Industrial Employment: Management Companies and Enterprises and Wholesale Industries.

BIG IDEA

4

Bolster the region's small business and startup ecosystems

While NWA's economy is dominated by management companies, logistics and food manufacturing, small business and entrepreneurship play important roles in sustaining the residents of the region and supporting the region's economic growth.

Small businesses provide many of the nontraded goods and services households consume so that having numerous and vibrant small businesses ensures that households have access to variety; these businesses also provide jobs that are often many individuals' entry-point into the workforce. Small businesses also contribute to tourism in the region, as their quaint storefronts and unique menus and product offerings enhance the experience of being in NWA. The COVID pandemic has increased the visibility of and empathy for these firms, as neighbors have lost jobs at closed businesses while those with disposal income attempt to support remaining businesses. Therefore, ensuring the success of small businesses is an important and critical component of this strategy.

Entrepreneurship is critical to the growth and development of the regional economy. Entrepreneurs identify new products, new production practices, and new business models so that they are the dynamic agents within the economy. While entrepreneurship is a volatile component of the economy (in that many firms will start and fail), a region can build an ecosystem of institutions and services around entrepreneurship that will increase their likelihood of success. Appropriate startup capital, which can range from traditional, collateralized loans to equity investments, convertible debt and crowdsourcing, specialized legal and accounting services, and access to experienced entrepreneurs, are key components of these ecosystems. NWA has laid the groundwork for a functional ecosystem, though more work to extend access to underserved and disadvantaged populations is needed, especially around startup capital.

Cultivating the
Entrepreneurial Spirit



STRATEGY 1: DEVELOP A PORTFOLIO OF ACCESSIBLE STARTUP CAPITAL, WITH A FOCUS ON UNDERSERVED AND DISADVANTAGED DEMOGRAPHIC SEGMENTS

PARTNER with a regional Community Development Financial Institution (CDFI)⁸⁸ to provide accessible business loans for economically disadvantaged communities.

EXPAND Kiva⁸⁹ Hub NWA to crowd-source loan capital from the community for traditionally underserved entrepreneurs.

ESTABLISH and activate a formalized angel investor⁹⁰ network in the region.

ESTABLISH a fund to invest in the region's seed and early-stage companies. This fund will deploy seed and early-stage capital into NWA-based companies, providing much-needed capital into the region's enterprises that demonstrate significant growth potential, and prime them to flourish into investor-ready companies which will eventually draw in private institution capital.

DEVELOP strategies to connect entrepreneurs with equity capital opportunities external to the region (examples include providing access to online platforms like Wefunder and Republic or inviting external funders to visit the region and meet with prospective entrepreneurs.)

Data on firm ownership has reflected inequities within NWA's entrepreneurial ecosystem. Comparing the share of NWA's majority business owners (51 percent or more of the business) who are Hispanic to the share of the adult NWA population (25 and older) who are Hispanic, the ownership share is less than a fifth of the population share. That is, the Hispanic business ownership share would need to increase over 400 percent for Hispanics to be as represented in business ownership as they are in the adult population. Similarly, the NWA Black business ownership share is only a quarter of the Black adult population share, indicating that a 300 percent increase in the Black ownership share would be needed for NWA's Black population to have an equitable level of ownership.

88. CDFIs focus on serving people who would otherwise be locked out of the financial system. Unlike for-profit financial institutions, CDFIs rely less on credit scores, instead emphasizing on developing long-term relationships with members of the community to help them gain financial literacy, establish savings goals and build credit.

89. Kiva is a non-profit entity founded in 2005 to bring affordable capital to entrepreneurs and small businesses around the world. The Walton Family Foundation currently partners with Startup Junkie Foundation and Kiva to provide no-fee, no-interest microloans of up to \$15,000, with terms of up to 36 months, to aspiring or existing entrepreneurs in NWA who are excluded from typical financing options.

90. Angel investors are wealthy individuals who provide capital for a business start-up, usually in exchange for convertible debt or ownership equity. Angel investment is an essential element for many early-stage start-ups to grow, enabling them to overcome the capital gap between seed or early-stage investment to growth-stage investment. Besides, the angel investors sometimes provide non-financial assistance such as mentorship or management consulting services, in addition to financial support.

NWA Firm Owner and Adult Population Shares by Race and Ethnicity

	Firm Owner Share	25+ Population Share	Owner/Population Share Ratio
Hispanic	2.33%	12.87%	0.18
Black	0.52%	2.10%	0.25
White, Non-Hispanic	92.80%	77.50%	1.20

National Firm Owner and Adult Population Shares by Race and Ethnicity

	Firm Owner Share	25+ Population Share	Owner/Population Share Ratio
Hispanic	5.88%	15.62%	0.38
Black	2.27%	12.04%	0.19
White, Non-Hispanic	80.68%	64.51%	1.25

There has been anecdotal feedback on the absence of diversity in the region's entrepreneurship programming and activities. Qualitative interviews with members of these minority groups suggest that the lack of participation is due to the perceived inaccessibility of current entrepreneurship programs, ranging from location (e.g., no transportation to Fayetteville or Bentonville) to language, to the lack of identification with the offered curriculum (e.g., challenges faced by Hispanics/Marshallese in establishing businesses are different from those faced by white business owners, mentors in current programs are predominantly white.) There is a need to understand the specific needs of these demographic segments and to develop initiatives that provide resources to meet these unique needs.

Access to capital is essential for business success, particularly for young firms that may lack the cash flows or qualifying criteria necessary to take on traditional loan capital. Yet, such access is currently disparate — availing resources primarily to specific geographies, type and stage of businesses, or demographic segments. For example, according to PricewaterhouseCoopers/CB Insights MoneyTree report in the second quarter of 2020, only 21 percent of investments between March and May 2020 was directed outside of California, Massachusetts, and New York.⁹¹ In addition to geographic inequality in the country around entrepreneurship, disparities in entrepreneurship were observed in demographic segments. In the U.S., Q2 2019 data from Crunchbase News shows that only three percent

91. PricewaterhouseCoopers and CB Insights. (2020, July 6). "MoneyTree Report, Q2 2020." <https://www.pwc.com/us/en/moneytree-report/assets/pwc-moneytree-2020-q2.pdf>



92. Lenhard, J. (2020, April 19). Inside VC Firms: The Gender Divide. Retrieved August 06, 2020, from <https://news.crunchbase.com/news/inside-vc-firms-the-gender-divide/>

of venture money was spent on all-female teams; eight percent was given to mixed teams while 89 percent supported all-male teams.⁹²

Aside from geographic and demographic inequalities in access to capital, with the rise of mega-funds and a massive influx of capital into the technology sector over the past decade, the vast majority of vanguard firms in the venture capital industry are shifting their focus downstream in pursuit of later-stage, larger dollar investments. In 2018, 64 percent of all venture capital went to late-stage deals. On the other hand, the percentage of total venture capital invested in early-stage deals fell to the lowest levels the industry has seen in five years. More recently, the PitchBook-NVCA Venture Monitor Q2 2020 shows that COVID-19 is having an impact on the earliest parts of the venture capital funnel. By extrapolating the first half data through the rest of 2020, initial investments are on pace for a 26 percent decline from 2019, and the fewest total deals since 2010. Continuing this same extrapolation, seed investments are on track for a 36 percent decline in 2020 from 2019 and the lowest level in at least seven years.

Today, small business owners face dwindling opportunities to access capital, with community banking down 50 percent over the past decade and 80 percent of small businesses unable to obtain bank loans. More accessible loans, such as Small Business Administration (SBA) backed loans, lack the flexibility required in a small business environment. This lack of access to capital stifles job creation, as well as business innovation across local and national economies. Also, minority-owned businesses are three times more likely to be denied credit. Thirty percent of consumers in low-income neighborhoods are credit invisible.

Arkansas, as a state, has experienced poor performance nationally in terms of the availability of equity capital. According to the Milken Institute's State Science and Technology Index (STSI), Arkansas ranks in the bottom quintile in the availability of risk capital. Besides, STSI revealed that between 2010 and 2016, Arkansas companies received only 0.051 percent of venture capital within the U.S.

Venture Capital potential in NWA is massive.





STRATEGY 2: GROW RESEARCH ACTIVITY AT THE UNIVERSITY OF ARKANSAS AND INCREASE TECHNOLOGY TRANSFER AND COMMERCIALIZATION

ENGAGE key firms and industry clusters in new research and technology transfer partnerships now at the University of Arkansas and its forthcoming Institute for Integrative and Innovative Research (I3R.)

DEVELOP business-friendly licensing policies for the university's intellectual property, e.g., licensing fees will only be collected upon generation of business revenue.

STRENGTHEN the relationships between resident corporations and university faculty to promote collaboration and innovation.

LOCAL firms seek and fund new applied research partnerships at UA.

UA appoint an industry advisory council to design physical and operation engagement at I3R.

RECRUIT I3R Director with industry and academic research experience.

RECRUIT Vice Chancellor for Economic Development with extensive expertise in commercialization outcomes at universities and working with industry.

INVEST in I3R equipment/core facilities purchases and share access with industry.

Local firms and industries have not funded enough applied research at the University of Arkansas (UA). UA has not been viewed as a top research university or an interested partner. With recent policy changes like assigning intellectual property (IP) ownership to firms engaged in collaborative research rather than retaining at UA, UA must become a more desirable location for industry research. Research universities receiving a greater percentage of funding from industry have better technology transfer and commercialization outcomes. Industry research collaborations with universities permit judicious vetting of IP.⁹³ Local firms must recognize that research partnerships with UA can provide them with an R&D advantage

93. DeVol, R. (2018). How Do Research Universities Contribute to Regional Economies?: Measuring Research University Contributions to Regional Economies. Heartland Forward. <https://heartlandforward.org/media/pages/how-do-research-universities-contribute-to-regional-economies/567814433-1571712344/how-do-research-universities-contribute-to-regional-economies-1.pdf>

94. \$194.7 Million Grant Will Transform Research Engine at U of A, Create New Institute. (2020, July 14). Retrieved August 06, 2020, from <https://news.uark.edu/articles/54264/-194-7-million-grant-will-transform-research-engine-at-u-of-a-create-new-institute>

against their competitors. This is especially relevant for Fortune 500 firms such as Walmart, Tyson Foods, and J.B. Hunt. It is incumbent upon them to engage in designing the industry/university interface at the forthcoming UA I3R facility and throughout the research platform.⁹⁴ The University of Arkansas is already strong in supply chain management, industrial engineering, information systems, and food science. Domain expertise and technical skill in data science must be combined to create new knowledge and apply that knowledge to innovate and serve the evolving needs of consumers.

Significant investments are being made in NWA's R&D capabilities, both at the University of Arkansas and in the private sector. Just recently, the Walton Family Charitable Support Foundation announced a \$194.7 million grant to establish the University of Arkansas Institute for Integrative and Innovative Research (I3R). I3R will transform the research, innovation, and economic development culture of the University of Arkansas and have a lasting impact on the region's innovation ecosystem and economic development efforts. In addition, community and regional events that encourage innovation can empower innovators and entrepreneurs to emerge and change community attitudes toward risk and business failure. Lastly, promotion of and encouraging participation in the federal government's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provide small business owners with the necessary capital and access to potential clients, lowering their risk and easing the transition into entrepreneurship.

STRATEGY 3: SUPPORT INITIATIVES TO DEVELOP TECHNOLOGY-BASED STARTUPS

PROMOTE events such as Startup Weekends that convene technology and entrepreneurial talent to create concepts for new businesses.

CONTINUE to support Science Venture Studios (SVS), a platform that leverages key members of the Arkansas entrepreneurial community to rapidly scale up Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant applications that are primed for success.

EXPAND SVS to include an eight-week accelerator program that will guide a select group of participants who have technologies that are within the NSF SBIR/STR proposal solicitation — to create companies and submit a SBIR proposal.





BIG IDEA

5

Make inclusion and diversity a regional priority

NWA has a diversity problem.

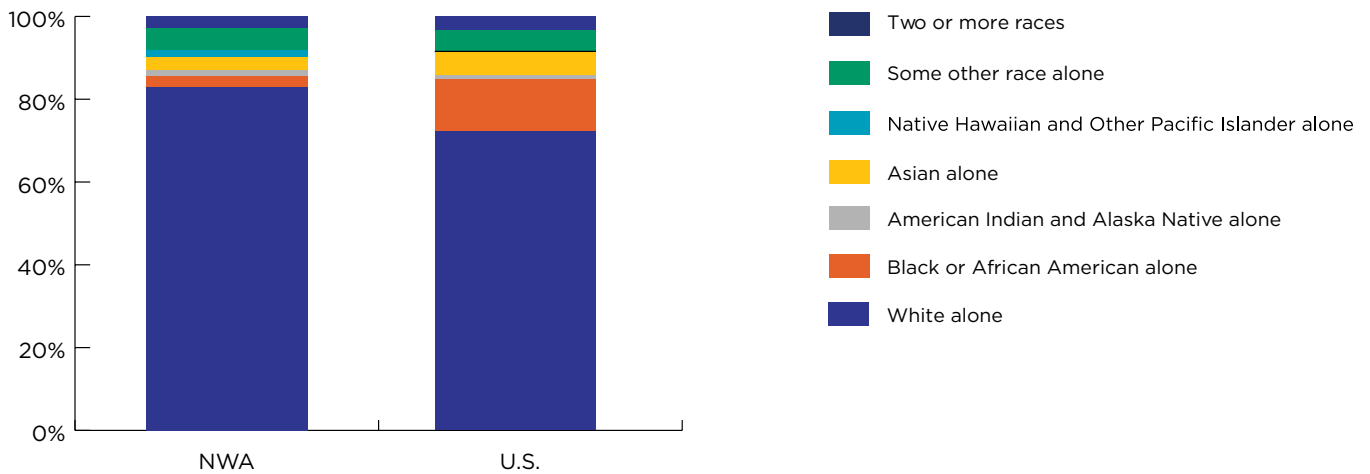
Only 2.5 percent of the population is Black, 1.5 percent is Native American, 3.2 percent is Asian, 1.5 percent is Pacific Islander, 5.4 percent of the people is some other race alone, and 3 percent of the total population is two or more races. Hispanics represent 16 percent of the total population in the region. In contrast, the United States is 12.7 percent Black, 0.9 percent Native American, 5.6 percent Asian, 0.2 percent Pacific Islander, 5 percent of some other race, and 3.4 percent are of two or more races; 18.3 percent of the U.S. population are Hispanic. These statistics hide the reality that more than 90 countries and 87 languages are represented in the schools throughout NWA. The low degree of diversity also means that the region lacks opportunities for purchasing certain goods and services, participating in specific cultural activities, and spaces where familiar customs are shared.

Given that NWA has a limited diversity pool, it is paramount that the region's major employers continue to attract and retain diverse talent. The mere presence of diverse talent owning and managing firms creates an expectation for underrepresented populations that these goals are obtainable. In addition, building up diverse populations assisting new members to the community in feeling comfortable and secure, as well as helps to make the existing culture more welcoming to outsiders. Thus, a key strategy is to increase the diversity of NWA. Along with this, NWA should consider ways to make diverse populations feel more welcome in the community through building awareness of inclusive development strategies, using multilingual communications, incorporating diverse populations into corporate and regional promotions, and including underrepresented populations in networking events. Additionally, NWA should utilize its arts and cultural resources as a mechanism for promoting inclusion and equity. Finally, underrepresented populations need to be able and welcome to enjoy the regional amenities; ensuring that all visitors and residents can participate and enjoy the natural and cultural amenities of the region is vital to making NWA an inclusive place that all people can call home and feel welcome.





Share of Population by Race



STRATEGY 1: CONTINUE TO DEVELOP DIVERSE TALENT AT LARGE EMPLOYERS

ENSURE that employers create inclusive, equitable, and safe work environments and hiring practices.

EXPAND and disseminate data on inclusive economic development needs and opportunities.

CONNECT minority entrepreneurs and business owners with large, regional employers through procurement programs and networking events.

PROVIDE job seekers with information, training, and networking opportunities.

INCREASE access to housing and transportation. While not relegated as a diversity, equity, and inclusion issue alone, it has become abundantly clear during COVID that affordable housing, and even transportation, are a concern for minorities in NWA, particularly for the Black, Latinx, and Marshallese communities.

BUILD relationships, support interactions, and promote communication among all members of the community.





Diversity makes our
workplaces stronger

95. Hunt, V., Prince, S., Dixon-Fyle, S. and Dolan, K. (2020, May). Diversity wins: How inclusion matters. McKinsey & Company. <https://www.mckinsey.com/-/media/McKinsey/Featuredpercent20Insights/Diversitypercent20andpercent20Inclusion/Diversitypercent20winspercent20Howpercent20Inclusionpercent20matters/Diversity-wins-How-inclusion-matters-vF.pdf>

Diversity and inclusion are critical to corporate performance and wealth creation that promote economic development in a community. McKinsey and Company's research⁹⁵ has shown that diverse corporate leadership is highly correlated with firm performance; they show that gender diversity increases financial performance by 25 percent, while ethnic diversity increases financial performance by 36 percent. It is also the case that economic mobility and wealth creation, critical to building small businesses, non-traded sectors of the economy, and stimulating local capacity for investments in startup capital and philanthropic entities, is dependent upon economic inclusion and mobility; all populations within the community must benefit from economic development efforts, but especially diverse populations, if the community is to make significant strides in job creation and wage growth.

STRATEGY 2: USE ARTS, CULTURE AND RECREATION TO PROMOTE DIVERSITY AND INCLUSION

INVEST in creative placemaking tactics to bring different communities together and communicate the story around those initiatives. Creative placemaking can give diverse communities a sense of ownership over their neighborhoods. Local cultures can be celebrated through cultural districts, special events, and even in physical infrastructure, proclaiming that NWA is a diverse, welcoming place.

WORK with local corporate partners to sponsor events that could be held at venues such as Crystal Bridges, the AMP, or the Walton Arts Center. These events would host a wide range of artists who would resonate with the NWA minority communities. For example, the 2020 Grammy nominees for best regional Mexican music would be a draw. When Essence Festival came to Bentonville on its bus tour it was well-received and recognized as one of the only activities for their "own" people. These types of experiences are important for the diverse members of the NWA community to feel welcome and at home.

In the wake of this summer's protests against racism and police brutality, arts and cultural institutions around the world have reckoned with racial justice, those in NWA are no exception. The region now has a powerful mandate to support artists of color and promote diversity in recreation. There have already been significant efforts in this direction: 50 percent of visitors to the Jones Center recreation and community center are either Hispanic or of the Marshallese community. Bike advocates are working on translating more materials into Spanish and Marshallese, as well as efforts to make sure all residents feel safe on the region's recreational trails. Sports programming is another proven way to bring diverse communities together.

“One thing I do want to say is when we do recruit faculty here and I go in these meetings, I do talk to them about nature and The Natural State, because it is beautiful. But one thing to keep in mind is that a lot of people of color, especially in today's era, just don't feel that safe being out there alone on those trails, not knowing who you're going to run into. It's there, but not everyone views it the same way. I think it's beautiful. I enjoy seeing it. I enjoy seeing the mountains when I'm going down 49, but I know that if I took a walk through those trails, the experience will be different for me than it would be for some of my white male colleagues.”

BRANDON JACKSON

FORMERLY THE ASSOCIATE PROFESSOR OF SOCIOLOGY AT THE UNIVERSITY OF ARKANSAS & NOW AT PURDUE UNIVERSITY

Everyone should feel
safe on the trails



STRATEGY 3: PROVIDE GREATER ACCESS FOR MINORITY POPULATIONS TO THE REGION'S NATURAL AMENITIES

WORK with ambassadors of the minority communities in NWA to help create a campaign encouraging diverse populations of the area to establish a relationship with the natural amenities across the region. This campaign could include a social media component with influencers who represent the minority populations. These influencers can use their channels to communicate in a variety of languages best places to see and experience with tips, directions, testimonials, costs, rules to follow, etc.

ESTABLISH NWA Outdoor Affinity Groups (i.e., Hispanics Outdoors, Black Outdoors, PRIDE Outdoors, Marshallese Outdoors.) Ambassadors for these groups can establish activities for individuals, friends, families and others, to experience the natural beauty of NWA.

CONTINUE recreation investments to ensure all aspects of our communities have access to the region's natural amenities and bike trails.

- Translating biking information in multiple languages is a great first step, but more can be done.
 - Bike lanes and trails should be extended into low-income neighborhoods. Schools and community centers in these neighborhoods should promote the region's recreational amenities, and the active lifestyle they make possible.
 - Ensure all members of the community have access to equipment and can participate in any recreational activities.
-

INTENTIONALLY PLAN public spaces to optimize use across all aspects of community, including but not limited to multi-lingual signage, access for the less-able, and integration of themes relevant to the cultures in each community; the Quilt Park in Bentonville is a great application of the Placemaking concept.

BIG IDEA

6

Put health at the center of the agenda

In recent years, NWA has been one of the fastest-growing mid-sized metros in the nation.

However, this strong growth trajectory resulted in the demand for health professionals to outstrip the region's ability to provide the medical talent required and it must recruit from other locations (please see Occupational Trends: Healthcare Practitioners and Technical Occupations that highlights the occupational gaps in health care). As a recent report commissioned by the NWA Council demonstrated, NWA was the only metropolitan area among its peers without a four-year medical school and academic center. Without an academic medical institution, the sophistication of the entire healthcare system is restricted.

As COVID-19 challenges other communities, NWA can advance its position in medical training and research. The medical school should lead the effort in creating a standardized whole health four-year curriculum. This should be accomplished by the Whole Health Institute learning best practices from progressive medical curricula across the country. The Whole Health Institute should develop a collaboration with the just-announced University of Arkansas Institute for Integrative and Innovative Research (I3R) and the University of Arkansas for Medical Sciences (UAMS) to establish a unique medical research cluster in NWA.

Advancing through
medical training &
research





Training the medical practitioners of the future

STRATEGY 1: ESTABLISH A TOP-TIER ACADEMIC MEDICAL CENTER INCLUDING A MEDICAL SCHOOL

RESEARCH innovative academic medical centers for potential partnerships.

DEVELOP a memorandum of understanding with an institution or pursue independent accreditation.

FUND a feasibility study on costs and a timeline for construction and operation.

Foundational elements of the healthcare sector are in place in NWA, as evidenced by a strong primary care base. However, gaps in specialty care, trauma care, and tertiary subspecialty care must be filled in NWA.⁹⁶ The lack of specialized care/academic medicine in NWA is harming the area's ability to recruit professional talent and companies. The vision for the region should be to create an entire spectrum of care, from self-care to primary care to specialty care, in a whole health paradigm.

To accomplish this, the region needs a health system focused not only on the treatment of disease, but also on self-empowerment, self-healing and self-care.⁹⁷ The Whole Health Institute should partner with a nationally recognized health system to broaden the entire spectrum of care based on whole health practices. This partnership should model how to plan, create, and demonstrate a value-based health system across the region, in turn, optimizing people's physical, mental, and spiritual well-being. The regional health system should promote one's whole health and actively incorporate self-care and complementary and integrative treatment approaches.

96. NWA Council. (2020). Retrieved August 05, 2020, from <https://www.nwacouncil.org/>

97. Bauer, B. (2017). Mayo Clinic Guide to Integrative Medicine. Retrieved August 11, 2020, from https://marketplace.mayoclinic.com/shop/healthy-lifestyle/book/mayo-clinic-guide-to-integrative-medicine_295700

Empowering NWA
to thriving health in
body & mind



STRATEGY 2: PARTNER WITH A NATIONALLY RECOGNIZED HEALTH SYSTEM TO BROADEN SPECIALIZED MEDICAL SERVICES AND CHAMPION WHOLE HEALTH PRACTICES

DETERMINE the best potential partners among nationally recognized health systems.

SIGN memorandum of understanding with a health system on funding and governance structure.

FUND feasibility study on costs of acquiring an existing system versus a greenfield entry with the philanthropic support of Whole Health Institute.

WORK with the Healthcare Transformation at the NWA Council, UAMS, and other existing health systems in the region to collaborate on incorporating whole health practices.

COORDINATE with new Whole Health Institute academic medical center, University of Arkansas Institute for Integrative and Innovative Research.



Rebrand and market the region

NWA has so much to offer visitors and residents, but it can do a better job of communicating this to those outside the region. Part of the issue lies in a negative perception by external stakeholders of Arkansas, so that the messaging needs to address this negativity.

By including the word Arkansas in its branding, NWA is associating itself with this negative perception. Another part of the problem lies in the use of NWA, which does not correspond to a geographic entity that can be found on a map. This creates ambiguity of exactly where the region is (and what communities, counties, etc. lie within the region); for instance, travelers flying into the region for a meeting in Bentonville may not realize that the closest commercial airport is NWA National Airport (XNA).

So, one part of the strategy is to develop a new brand that embraces all the character and amenities that the region has to offer and brings clarity about the location of the region, while distancing the region from Arkansas. Another aspect of the strategy is to focus on specific stakeholders: families with young children and “boomerang talent.” NWA is an ideal environment to raise children, with a variety of high-quality school options available, low cost of housing (with yards), plenty of greenspace, and regular events and activities which cater to families. In addition, the region also offers individuals toward the end of their careers (so-called “boomerang talent,” as this strategy considers rehiring individuals advanced in their careers that may have previously worked at the firm) — such amenities as world-class performing arts, golf courses, lakes, etc., provide a prime location for people nearing retirement. Also, the rebranding campaign must utilize contemporary promotion and advertising strategies, namely, social media.

STRATEGY 1: CREATE A BRAND THAT ENCAPSULATES THE CHARACTER OF THE REGION, DISTANCES ITSELF FROM ARKANSAS AND AVOIDS CONFUSION

PRIORITIZE initial resources and marketing dollars for reaching prospective families inside and outside the region.

SELECT target metropolitan regions for testing marketing messages and evaluate the success of those campaigns.

CONTINUED ON THE NEXT PAGE

Telling our story in
a new way through
new media



ENSURE the region's largest employers have access to the marketing materials being created for attracting families; employers should be encouraged to include those materials in their recruiting efforts.

CAPTURE interviews and testimonials from minority audiences for use in media.

To best promote the region, the region should utilize the latest and best promotional and advertising techniques. Given the proliferation of smartphones and social media, utilizing social media platforms should be central to the promotion strategy, including short videos featuring testimonies from visitors and residents that contradict the negative perception of Arkansas. San Diego has experienced great success from a similar video campaign.

STRATEGY 2: LAUNCH A SOCIAL MEDIA CAMPAIGN TO LAUNCH THE NEW BRANDING

DEVELOP a marketing plan to reach millennials via social media, including YouTube videos.

UTILIZE paid social media campaigns to extend the reach of influencers and local social media channels.

IDENTIFY influencers consistent with the message to be conveyed about NWA and engage with them through community visits and events.



CONCLUSION

Home Region of the Walton Family Foundation requested that Heartland Forward determine a course of action to help the NWA region proactively respond to the impacts of COVID-19 and move with haste to help the economy recover.

After reviewing the data, listening to focus groups, hosting interviews and learning more about this region through strong collaborative partners like the NWA Council, the HF team began writing a plan, and they recognized how well-positioned the region was to both weather the current pandemic as well as emerge as a metropolitan area to be imitated. Simply put, even with COVID, NWA is a humble region in the Heartland with a “can do” spirit for all the reasons most people might expect. It has “held its own” during COVID, has impressive growth in countless industry sectors, provides great jobs, low crime, a healthy economy, rich arts, culture and recreation that is bountiful — including a trail system that can take you directly from Fayetteville to Bentonville. But these messages have not been made known to the world.

This region has much to offer. In the same breath, there is much to continue to aspire to achieve. As noted in the report, recruiting and retaining talent is an area for greater strides to be accomplished, not to mention in the space of diversity, equity and inclusion which is set apart as its own priority among the seven, but it must be threaded through all of them . . . as an underpinning. The opportunity for more in-depth and broader relationships for research with the University of Arkansas cannot be overlooked. The tie between research and commercialization will bring jobs and growth to a region that hungers for creativity and innovation — in all sectors of the economy, for the many reasons explained already. NWA is a region that was built on the spirit of grit and entrepreneurship, and the people of NWA have benefitted from it and want to continue to make it “the best place to live” in the Heartland. Residents of this community will tell you what a great place this is to live, but others must know about this region too. That is why, recognizing the NWA Council has already made quite a bit of effort in the due diligence to “rebrand” the region, our recommendation is to not waste any time and to make sure audiences who do not already know about us are targeted, because they would likely be intrigued by why NWA offers for work, play, and soverall quality of life.

Additional data used in the generation of this strategy can be found online by [clicking this link](#).

