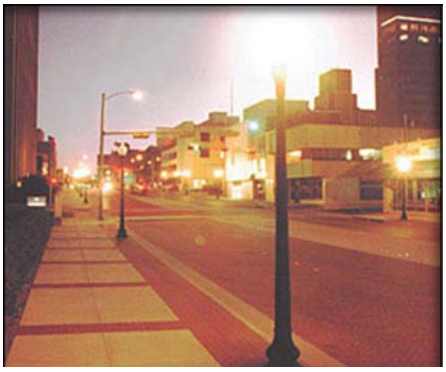
Tyler, TX

Industry Growth Initiative



Tripp Umbach & Boyette Levy

05/03/2010

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EXECUTIVE SUMMARY

PROJECT OVERVIEW

The United States is entering a new age in the 21st Century. Over the past 10 years, this country has made great strides towards new and exciting economic growth opportunities. The United States has only had a glimpse of the economic and technological potential of innovative or high-tech industries. The new higher paying jobs and innovative products evolving from knowledge-based industry aren't confined to a single region, state or even country in our global economy today.

The 21st Century economy is defined by an innovative and entrepreneurial culture, which means it also must include an educated workforce with high-tech skills. It is centered on a global environment and a global awareness. Cities are no longer solely competing with other cities, states with other states; now, communities in the U.S. are competing with other countries. There must be an adaptable and strategic approach to policy and economic development as the world continues to evolve.

A 21st Century economic development effort must foster an innovative and entrepreneurial culture. It must also have a solid understanding of its strengths, weaknesses and advantages. Last but not least, it must adopt an adaptable, strategic, and forward-looking approach to policy and economic development.

Tyler, Texas, committed to securing its place in the emerging Innovation Economy, retained collaboratively Boyette Levy and Tripp Umbach to create an Industry Growth Initiative. Together, we assessed Tyler's unique environment – its strengths, weaknesses, opportunities, and threats – analyzed existing data and conducted an industry trends analysis to understand the current market climate and project potential demand for economic and community development projects and initiatives.

Our objective was to pinpoint the industries that make the most sense to focus resources given Tyler's unique characteristics – and then to develop a series of recommended strategies and tactics to enable Tyler to grow into the emerging Innovation Economy. We were driven to help Tyler diversify its economic base, cushioning the community against economic shocks, and preparing the community for the evolving global economy. This Industry Growth Initiative should be used to ensure that

This Initiative is:

Adaptable: **Offering an adaptable and strategic approach to policy and economic development as the world continues to evolve.**

Aspirational: **Inspiring Tyler to reach for higher goals with confidence that there will be success.**

Foundational: **Providing a platform for the future direction and a rationale that generates support across all stakeholder groups.**

Results Oriented: **Providing Tyler with specific strategies to effectively pursue the objectives through enhanced internal practices and more efficient partnerships.**

Tyler continues to provide creative, innovative, and effective solutions to the economic challenges and opportunities of tomorrow.

Tyler is a remarkable community of 108,000 residents (Smith County has more than 200,000 residents). It has tremendous, prized assets and attributes. Tyler's $3.1 billion healthcare industry includes a health sciences center, several large hospital systems, and a new research innovation center. In addition to healthcare, Tyler is the education and retail center of East Texas and has a long history of a strong professional community including lawyers and accountants. These competitive advantages alone – if properly nurtured – can lead a hub like Tyler to become a self-sustaining magnet, attracting additional knowledge workers who are seeking opportunities and a quality of life typically associated with high growth areas.

As Tyler seeks to leverage its unique position it must strongly consider a complex combination of human, social, physical, financial, technological, and organizational aspects. This means rethinking the value of what might have been historical strategic assets. It also means rethinking the relationships that have underpinned previous economic activities, such as focusing on manufacturing jobs.

In fact, this plan purposefully avoids delving into two mainstays of traditional economic development: **retailing and manufacturing.** These industries, of course, are critical. Both can grow and prosper in Tyler. Our recommendation is that by targeting an Innovation Economy in Tyler, these jobs will follow.

In addition, concerning manufacturing, Tyler's relative lack of incentive funds – due to its low-tax structure – puts it at a disadvantage because manufacturing location decisions are determined increasingly by the size of incentive packages. As for retail, there's an adage in the economic development business: "retail follows rooftops." In other words, retail follows customers and those customers are created through other jobs. The same can be true for manufacturing. These jobs will follow, they will come to Tyler, once it's known as a key, appealing Innovation Economy destination.

The Industry Growth Initiative is a planning document that presents Tyler with 45 strategic tactics to attain long-term economic opportunities -- some near term and others long term and aspirational.

This document is intended as a blueprint for change with workable plans of action that call for organized widespread engagement from businesses, government, education, healthcare, and the community.

Tyler is on the cusp of transformation in a rapidly changing economy. Now is the time for Tyler to take steps to ensure its place in the Innovation Economy and its standing as the capital of East Texas.

SUMMARY OF IMPLAN ANALYSIS (SEE PAGE 61 FOR FULL ANALYSIS)

The economic impact methodology utilized in this study is IMPLAN. IMPLAN is input-output modeling which describes commodity flows from producers to intermediate and final consumers.

The IMPLAN software and methodology closely follows the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations.

Specifically, the analysis quantifies the overall economic output and employment impact of healthcare industry services, higher educational services, retail trade services, and tourism-arts & entertainment services on Tyler, Texas in 2008.

- **Direct effects** represent the impact for the expenditures and/or production values specified as direct final demand changes related to the specific industry.
- **Indirect effects** represent the iteration of industries purchasing from industries resulting from the direct impact of the specific industry.
- **Induced effects** represent the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of the specific industry.
- **Total** impact is the sum of the direct, indirect and induced effects.

Key Findings

- The largest overall operational impact in 2008 within Tyler, Texas, is over $3.2 billion provided by healthcare industry services.

- The healthcare industry provides the largest overall employment impact, over 25,000 full time equivalent (FTEs) jobs to the Tyler, Texas economy.

KEY FINDINGS FROM STAKEHOLDER INTERVIEWS (SEE APPENDIX C FOR ALL RESULTS):

To gather additional insight on Tyler, Texas, we interviewed almost 40 stakeholders either one-on-one or through small discussion groups. Key findings include:

- Tyler has numerous benefits – a great quality of life, great family values and natural beauty.
- Health care and education were cited frequently – almost ubiquitously—as huge strengths.
- The lack of venues, amenities, and infrastructure were commonly cited as weaknesses –all attributes that appeal to innovators, entrepreneurs and professionals – were commonly cited as a weakness.
- A number of stakeholders expressed concern about the city's tax and incentive policies:
    - Some said that the low tax rate was a huge draw, a major benefit and should never be touched.
    - Others believe that the low tax rate impedes the city in offering incentives, providing a major hurdle in recruiting businesses.
- Stakeholders had differing opinions about the role of manufacturing in Tyler's future. Several said it is important that Tyler not focus on manufacturing and risk missing the next wave of growth sectors.
- A very strong spirit of fellowship and philanthropy was cited.
- North Tyler remains a critical problem – perception and reality.
- Several participants spoke of missed opportunities – a lack of communication and planning among the colleges and between the colleges and business community.
- Several said Tyler needs to be aggressive in selling itself and speaking with a collective voice.
- Respondents took great pride in the airport but agreed there is a strong need to derive more economic benefits from it.

TYLER SPEAKS:

- "Tyler is the last great place to live."
- "We're at a critical crossroads for this community."
- "We can no longer grow on the back of manufacturing."
- "We need a pool of money to invest in incremental change in targeted areas; we're talking $1 million."
- "We never seem to get hurt as bad, as much, as quickly."

- "Our public facilities are pitiful."
- "The health care community has to come together and compete against the world, not each other."
- "We can't abandon North Tyler: What community wouldn't grow towards the interstate?"
- "If we don't provide incentives for the future prospect they'll continue to go to Longview versus Tyler – because that's where the money is."
- "We need to bring together the colleges – with schools, with each other and with businesses."

STAKEHOLDERS INVITED TO PARTICIPATE IN FOCUSED INTERVIEWS:

Felicity Reedy

Dr. Dwight Fennell

Mayor Barbara Bass

Henry Bell

Price Arrendondo

Sam Mezayek

Dr. Rod Mabry

Dr. Kirk Calhoun

Julie Ischy

Taylor Burns

Mark Whatley

John Sykes

Martin Heines

Judge Joel Baker

Walter Wilhelmi

Dr. Mike Metke

J.D. Osborn

Chris Simons

Tony Cain

Rep. Leo Berman

Lindsey Bradley

Mary Elizabeth Jackson

Rick Rayford

Tim King

Donald Sanders

Bob Garrett

Tom Mullins

Kathy Comer

Frank Simmons

Rick Tatman

Tony Orlowski

Kim Tomio

Rocky Gill

Jamal Moharer

Senator Kevin Eltife

Nelson Clyde IV

Commissioner JoAnn Hampton

Darryl Bowdre

Jim Lambeth

Elmer Ellis

Mike Thomas

Charles Alworth

Rev. Ralph Caraway

Ron Vickery

Randy Reid

Jim Perkins

Jeff Austin

Vijay Inbasagaran

Paul Fisher

Bob Westbrook

Mike Russell

Herbert Buie

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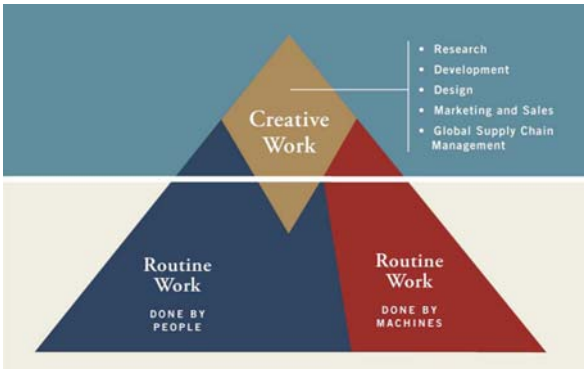
THE GOAL: THE INNOVATION ECONOMY

IMPORTANCE OF INNOVATION AND ENTREPRENEURSHIP

A key to success in the 21st Century is supporting entrepreneurial and innovative activities which will provide for the opportunity of new wealth creation. The ability to generate new ideas and turn those ideas into reality is a critical factor in creating a competitive advantage and wealth for both companies and communities.



Entrepreneurs are "individuals who lead small businesses that are based on knowledge, innovation, new technology, and are designed to grow quickly." Entrepreneurs create new wealth for themselves and their communities by taking innovations to market and commercializing new ideas to meet consumer needs.

Innovation is "a process by which value is created for customers through public and private organizations that transform new knowledge and technologies into profitable products and services for national and global markets." Innovative activities blend invention, insight and entrepreneurship which may result in the launch of new industries, the addition of value to existing industries or products, or the creation of new high-paying jobs. A high rate of innovation in a community often contributes to more intellectual capital, economic growth, job creation, and a higher standard of living. [i]

Programs which assist and encourage local entrepreneurs to succeed are one of the more promising 21st Century economic development strategies. Communities that build strong entrepreneurial programs and energize local entrepreneurs are more attractive to outside entrepreneurs looking for a good place to grow their ideas into a successful enterprise. Supporting entrepreneurship has the potential to provide the following benefits: [ii]

- Provide a productive outlet for enterprising and energetic people;
- Encourage innovation in products, services and technologies;
- Ensure that new technologies that are developed and new companies that are formed remain in the region; and
- Expand the pool of workers with high-tech and white collar skills.

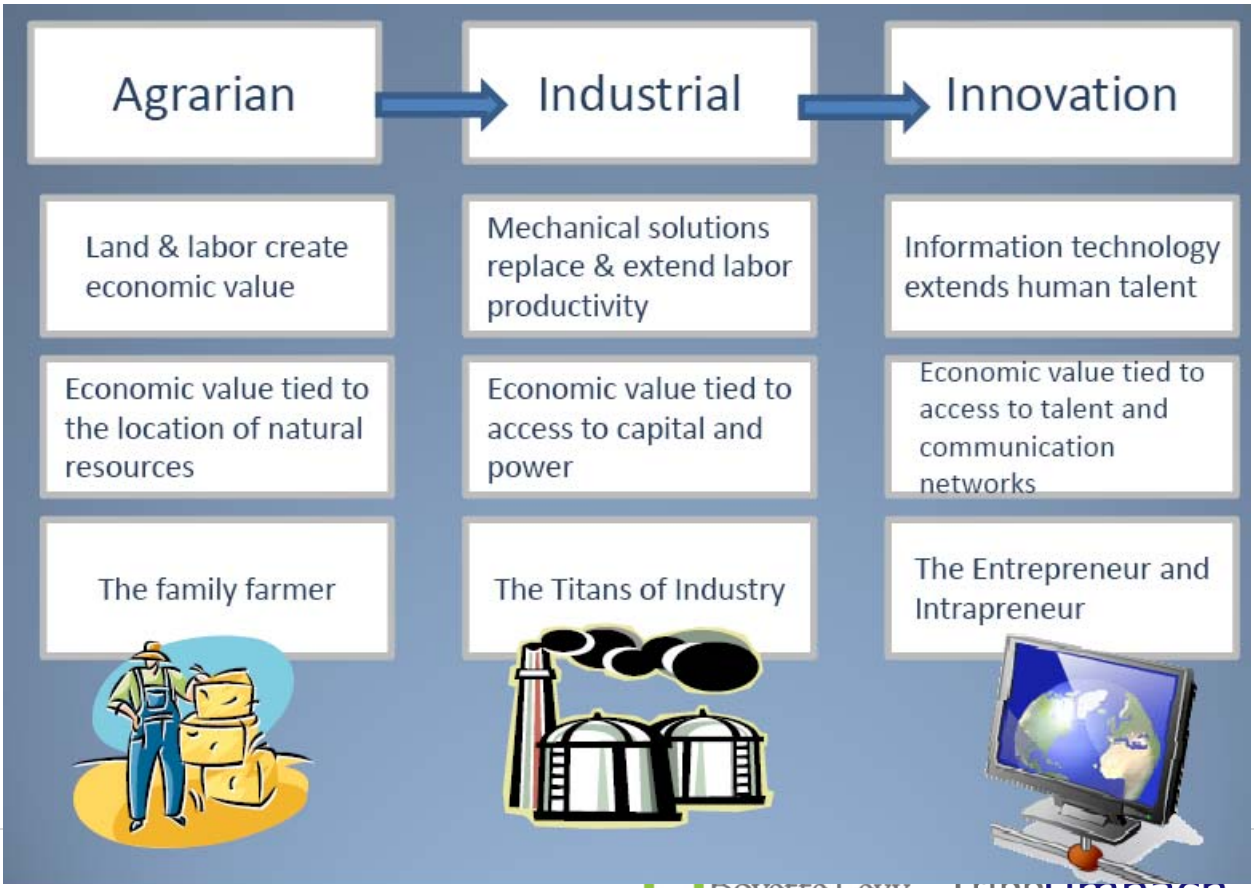
The foundation for the Industry Growth Initiative focuses on developing an "Innovation Economy" in Tyler because its economic development can no longer hinge solely upon the manufacturing sector.

An innovation economy creates jobs in:

- Research,
- Development,
- Design,
- Healthcare,
- Legal,
- Consulting,
- Marketing and sales, and
- Global supply chain management.

Where once economic development was linked to increasing the competitiveness of firms within the region, now the focus has changed to making the region itself a destination for highly skilled workers – in essence the challenge is "How to attract human capital" In the past the economic development game had to do with attracting the businesses; the new game will be attracting the talent.

To better understand the opportunities for Tyler in the innovation economy, it is useful to consider the evolution of competitive dynamics over time:

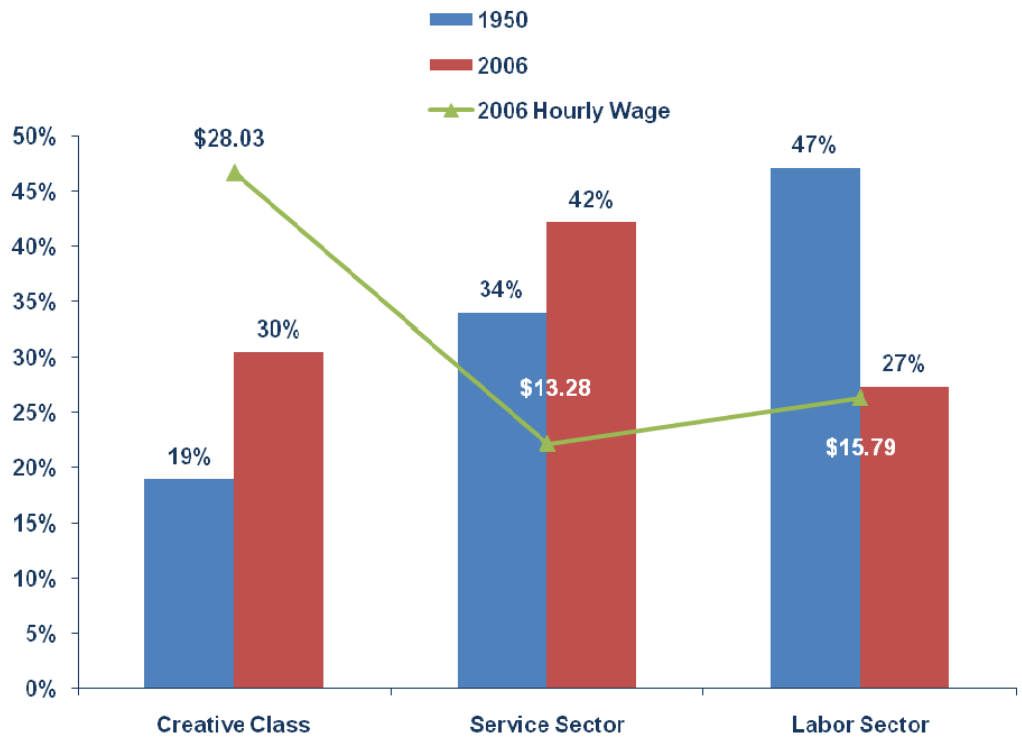


In the Agrarian Economy, early competition was based on land ownership and access to unique natural resources. Later in the Industrial Economy, mechanical solutions began to replace human work, and the ability to design mechanical solutions created wealth as human labor was replaced and as economies of scale favored larger and larger operations, such as jobs found in the oil fields. These, in turn, required both capital and access to sources of power to operate the machinery.

As East Texas transitioned from the Industrial Economy to the Innovation Economy, technology went from being a replacement for the human worker through mechanization and automation to be an enabler of even more complex human work through IT, the Internet, biosciences, and advanced healthcare.

INNOVATION AND ENTREPRENEURSHIP: JOBS

Innovation Economy jobs provide higher wages because they add more value. In the chart below, we see significant decline in the manufacturing workforce as a percentage of the U.S. workforce from 1950 to 2006. This data does not capture recent server declines.



The ability to create value through adaptability of the workforce and access to intangible assets (e.g. quality of life) is a key differentiator of Tyler versus other competing communities. The most important intangible assets are knowledgeable workers, their talents and networks.

An Innovation Economy offers the strongest opportunity for competitive advantage since this group of highly skilled workers demand the highest hourly rates compared to the labor or service sectors.

Workers in this sector are not bound by location. Because of their highly marketable skills, these workers are mobile and often choose their workplace and their workspace. Many of these workers are part of dual-career couples.

It is here that Tyler, Texas, has tremendous opportunity as individuals can live and work remotely in Tyler for professional service firms in Dallas and thereby have payroll checks written in Dallas but spent in Tyler.

Dallas is a competitive advantage for Tyler. The region encompassing Dallas, San Antonio, and Austin produces $370 billion in regional output. Combined with the mega-region of Houston-New Orleans, these regions may well form a gargantuan "Texas Triangle" according to a 2004 report by the Federal Reserve Bank of Dallas – a Third Coast megalopolis to rival New York, LA and Chicago[1]. Tyler's proximity to Dallas and this emerging mega-region—combined with its quality of life, healthcare, natural beauty, lakes, weather and so forth—make it an ideal locale to be within easy proximity to this region, yet far enough away from it.

[1] Richard Florida, *Who's Your City*

TYLER'S BUILDING BLOCKS FOR SUCCESS

Identification and prioritization of targeted economic opportunities for Tyler is critical to the creation of an efficient and focused economic development effort. The targeted opportunities for Tyler ultimately were selected based on a review of the targets from previous analyses a review of the area's assets ascertained through information gained during stakeholder interviews, focus/discussion groups and survey results; secondary research; and the assessment of the community. This information was then reviewed and compared against the needs of the potential targets.

The foundation, the mortar, for building Tyler's future can be accomplished by creating a public-private partnership (PPP).

Rising out of the PPP are the building blocks of Tyler's future. Level II targets and strategies – Education; Healthcare and Bio-Medical; Tourism; Arts & Entertainment Facilities — are the essential components of Tyler's economic development today and tomorrow. These are the big drivers; strategies have been developed to turbo-charge each sector. The next group, the Level III targets of 21st Century Energy; Retiree and Infrastructure are somewhat dependant on the success and growth of the blocks that make up Level II. Some of the strategies here are longer term; still, this report provides strategies and recommendations to further their development. The final Level – IV – is composed of graduate level schools and 21st Century transportation systems. Some of the recommendations at this Level are lofty, aspirational – but worth exploring.

The Industry Growth Initiative is a planning document that presents Tyler with strategic tactics to attain long-term economic opportunities -- some near term and some long term and aspirational.

Tyler is on the cusp of transformation in a rapidly changing economy. Now is the time for Tyler to take steps to ensure its standing as the capital of East Texas.

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Level I

THE FOUNDATION: PUBLIC-PRIVATE PARTNERSHIP

The foundation for building Tyler's future can be accomplished by creating an even stronger public-private partnership.

Tyler's city government has enjoyed a strong, collaborative relationship with the private sector. The two have worked together closely and have achieved success through the cohesiveness of the business community and the efforts of the city to engage business leaders.

We propose solidifying existing relationships – forging stronger, more formal ties – that will cement this partnership.

At first glance, this may appear similar to other blue-ribbon commission models of the past, or the loaned-executive model that other cities rely on to find solutions to big problems.

The Public-Private Partnership (PPP) is based on joint involvement, accountability for planning and execution. And it will forge unity from Tyler's strongest assets: its philanthropic, health-care, business, education, oil & gas, and government communities.

An overarching PPP committee can make sure that all initiatives are complimentary and not divisive. We envision the PPP functioning much like a venture capital firm – seeking solutions, identifying and leveraging leadership to jump-start programs, and then spinning them off to operate independently.

To achieve these goals – to develop and implement recommendations – city leadership and the broad PPP committee can either form new task forces or help existing task forces and groups refocus their efforts. Each of these task forces would be led by a member of the overarching PPP committee and include corporate executives, civic leaders, and others in the community.

Each task force will be asked to generate and evaluate the best ideas to address its designated goal. Task force members will be expected to think big and come up with the best possible strategies, without concern for political obstacles. City leadership then would be responsible for navigating any political hurdles that arise. This ensures that the task force's recommendations are neither dictated nor compromised by politics.

Oil & Gas

The East Texas Oilfield was discovered in Tyler's backyard in the 1930s. It was the largest oilfield in the world at the time and not only shielded Tyler from the brunt of the Great Depression; it also fueled the city's prosperity. People and new businesses flocked to the area. Hotels and boarding houses were full. Restaurants, homes, and offices were built.

Though the local oil industry eventually waned, it remains a critical part of Tyler's fabric, with many businesses, foundations and individuals today still benefiting from the industry either directly or indirectly. All efforts to support this legacy industry must be maintained. The Public Private Partnership task forces should all try to incorporate plans to help sustain and grow the Oil and Gas heritage that almost literally put Tyler on the map – and remains an important economic driver today.

PUBLIC-PRIVATE PARTNERSHIP ACTION STEPS: RECOMMENDATIONS FOR TYLER

1. **Officially launch and promote Tyler's PPP initiative.** Mayor Bass and Senator Eltife unveil the PPP initiative aimed at coalescing key stakeholders in the community, business and government in order to build an inclusive mechanism for funding development.

   a. **Initial, short term promotion focused on local, regional and national coverage through earned media from the new initiative.**
      i. **Local –** In advance of the announcement, the Mayor/Mayor's office should meet with the business editor of *Tyler Morning Telegraph* to explain the PPP initiative. Coverage should be embargoed until morning of the announcement.
      ii. **Regional –** On the day of the announcement Tyler's PR team should pitch a feature item to Texas Monthly offering access to the Mayor, two business leaders and one University President.
      iii. **National -** On the day of the announcement a press release announcing the initiative should be distributed nationally on the US-1 wire of PR Newswire.

   b. **Longer term promotion focused on success stories and annual wrap-ups.**
      i. **Local –** Successful applications should be announced via press release to local news outlets as ground-breaks/businesses open.
      ii. **National –** After several successes an exclusive feature should be pitched to a national business oriented magazine (e.g. Entrepreneur) or wire-service (e.g. Bloomberg). Journalist should have access to leaders mentioned above as well as individuals who have benefited from and thrived as a result of the initiative.
      iii. **National –** A press release announcing figures related to capital investment and businesses/jobs created should be distributed on PR Newswire's US-1 wire.

2. **Grow Tyler's General Business Incubator (GBI).** Using existing committees within the community, grow the public-private business incubator similar to The Shoals Entrepreneurial Center (SEC) in Muscle Shoals, Alabama. The SEC was established in 1992 and is a business incubator that houses start-up and emerging companies during their initial growth phase to allow them to dedicate more of their limited resources toward developing their new business.

   Companies typically remain at SEC for one to five years and receive assistance with mentoring, networking and public relations opportunities, access to equipment, and referrals to business professionals. The ultimate goal of SEC is to prepare companies to relocate into their own facility and become self-sustaining members of the business community. [iii]The SEC consists of four facilities: the Northington Court Complex for Mixed Use Incubation, the Jerry W. Davis Complex for Manufacturing, the Digital Arts Shoals Complex, and the Culinary Complex. [iv] Currently, 29 companies which employ 378 people are housed at the SEC. [v]

Specifically, Tyler's PPP committee would:

a. **Solicit funding support from banks, foundations, universities, the Chamber, and venture capitalists**
b. **Identify facilities that companies could use**
c. **Establish guidelines for application and disbursement policies; and**
d. **Promote endeavor via regional coverage through earned media of new initiative.**

3. **Create a Mayor 100 Catalyst Program.** This plan is similar to efforts in Dallas, San Antonio and other cities.
   a. As Tyler embarks on its efforts to transform its economy to the Innovation Economy, an existing group and/or a group that would be formed to spread the word about all of its initiatives – aimed at enticing companies to move to Tyler.
   b. The Mayor, City officials, and economic development leaders would select 10 leaders in such fields as manufacturing, health care, retail, hospitality and education. They in turn would appoint nine colleagues in their field.
   c. The 100 individuals would serve as unpaid ambassadors – using their networks to promote Tyler.
   d. The groups wouldn't recruit competitive companies but rather work together to identify complimentary businesses and then contact them.

4. **Grow a Minority Small Business Incubator.** Using the organizational structure of the GBI, the PPP should help grow existing groups of leaders to create a similar mechanism targeting Tyler's large and growing minority communities. A model bilingual, full-service small-business incubator can be the William Factory Small Business Incubator in Tacoma, Washington, created in 1986 and currently home to more than 30 companies focused in specialty trade construction, applied technologies and business services. For more information please visit http://www.williamfactory.com/.

How Others Have Done it Case Studies:

Watauga County, NC: One good example of a community-based entrepreneurship program is the Watauga Entrepreneur Development Partnership (WEDP) in Watauga County, North Carolina. The WEDP program offers comprehensive plans supporting new entrepreneurs and also establishes a long-term supportive culture for entrepreneurship and small business development in the county. [vi]

WEDP was established from a $50,000 grant by Watauga County business leaders in cooperation with the Watauga County Economic Development Commission, the Walker College of Business at Appalachian State University, and the Appalachian Regional Development Institute. [vii] Part of the program includes a free series of "Start Your Own Business" workshops facilitated by Walker College of Business entrepreneurship faculty. Participants receive training in entrepreneurship, business idea development, basic business skills and key elements of running a business, writing

a business plan, and identifying needed steps to turn plans into viable businesses. Participants also receive mentoring from successful local business people, networking opportunities and ongoing business strategy guidance. [viii]

WEDP's success has formed a core group of entrepreneurs in the county, and has also helped numerous people transform new business ideas into established businesses. One year after the program began, 11 new businesses had been formed and two of those were so successful that they had hired additional employees. Watauga County also committed $10,000 to continue the program given its initial success. [ix]

Littleton, Colorado: The economic development team of this community – population 40,000 – coined the term "economic gardening," shifting its focus from trying to attract outside businesses to nurturing hometown entrepreneurs and small businesses.

One early tactic was to put on a 13-part seminar to bring state-of-the-art business practices to existing Littleton companies. This proved unsuccessful, as the development team concluded entrepreneurialism in most cases cannot be "taught". Littleton settled on the strategy of providing local entrepreneurs with access to competitive intelligence on markets, customers and competitors that is comparable to resources customarily available only to large corporations. This includes database and data mining resources and geographic information systems.

Since 1989 Littleton has added 15,000 jobs with no incentives, and believes economic gardening has contributed to its steady and stable economic growth.

Concurrent with these initiatives, to create a superior support system for innovation, venture creation and entrepreneurial development, Tyler can consider the following tactics:

5. **Grow and promote existing workshop series and mentoring/networking vehicles.** Similar to programs offered by the WEDP program detailed above in the case study section Tyler can set a program that would:

    a. **Include a free series of "Start Your Own Business" workshops facilitated by TJC, UT Tyler, and Texas College faculty.**

    b. **Incorporate a networking session with mentoring from successful local business people for networking opportunities and ongoing business strategy guidance.**

6. **Identify and define the roles of all critical entities in the region that are active in entrepreneurial development.** Ensure that services are coordinated and readily available for those who need them – while avoiding duplication of services.

7. **Develop a business resource guide.** Provide entrepreneurs with information on starting businesses, available infrastructure, financing options, networking information, procurement, and workforce development support. Publish in printed form and on Tyler's website.

8. **Consider developing a network of resources available to entrepreneurs, with the network available online through a web-based program called SourceLink.** The network would include services ranging from marketing and financial planning to education and government contracts. (Visit www.kcsourcelink.com for an example of Kansas City's model program.)

9. **Collaborate with representatives from UT-Tyler, TJC and Texas College to develop additional courses in entrepreneurship.** As a model here, we recommend looking at the Innovation and Entrepreneurship MBA concentration at the University of Tennessee and the two-year Applied Associates Degree in Business Management and Entrepreneurship which has been introduced at eight community colleges in Arkansas for the current school year. Numerous other colleges and universities across the country also offer undergraduate and graduate programs in entrepreneurship. To gain knowledge about other types of programs, the 2008 list of the top 50 entrepreneurial undergrad and graduate programs in the U.S. according to *The Princeton Review* and *Entrepreneur* magazine may be accessed at the following website: www.entrepreneur.com/topcolleges.

10. **Representatives from the area's higher education institutions may also want to explore joining the Collegiate Entrepreneurs' Association (CEO) – if they have not already done so.** CEO is a national entrepreneurship organization for college students who seek to "inform, support and inspire college students to be entrepreneurial and seek opportunity through enterprise creation." [x] CEO offers different membership levels and members receive access to a network of fellow collegiate entrepreneurs, an electronic newsletter, members only online chats with renowned entrepreneurs, invitations to compete in student entrepreneur competitions, chapter development support, and leadership training. [xi] CEO also sponsors an annual conference for its members, and the 2008 CEO National Conference brought together over 1,600 participants from 132 colleges and universities around the country. More than 70 speakers presented topics such as how to create a one-page business plan, raising your first round of capital and tips for internet marketing. Sessions were also offered specifically for entrepreneurship in the arts, technology, and for faculty members. In addition, students had the opportunity to compete in Best Chapter Awards, an Elevator Pitch competition, and Global Student Entrepreneur Awards. [xii] More information can be found at www.c-e-o.org.

11. **Expand the Leadership Roundtable to include representation from the Hispanic Business Community and the Faith Community.**

12. Develop a branded marketing image that can be translated to each of the industry growth blocks. Focus the campaign messaging on Tyler's strengths including its natural beauty, business friendly environment and high quality of life. Messages should be developed for local, regional and national/international audiences as well as local residents. Explore using the A Natural Beauty tagline for local and regional audiences and use The Capital of East Texas for broader audiences.

13. Lobby the state or federal government for funding similar to the state-funded North Carolina Rural Economic Development Center. North Carolina has a successful organization created in 1987 to support small and growing businesses in rural North Carolina. Initiatives include:

- A microenterprise loan program awarding grants of up to $25,000 and business planning assistance to startup businesses.
- The Rural Entrepreneurship development system, offering education and support to area entrepreneurs.
- New Opportunities for Workers (NOW), an entrepreneurial training program for laid-off manufacturing workers.
- A Community Entrepreneurship Demonstration pilot project testing community-based approaches to assist startup companies.
- Entrepreneurial incubators.

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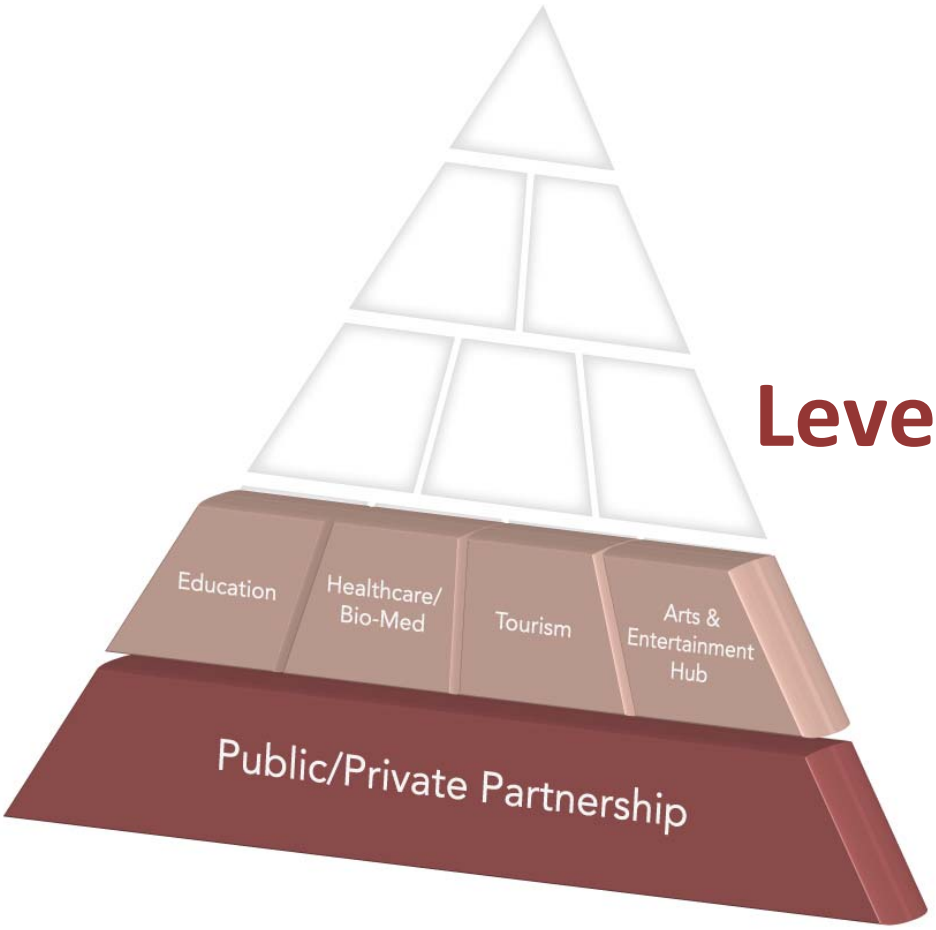
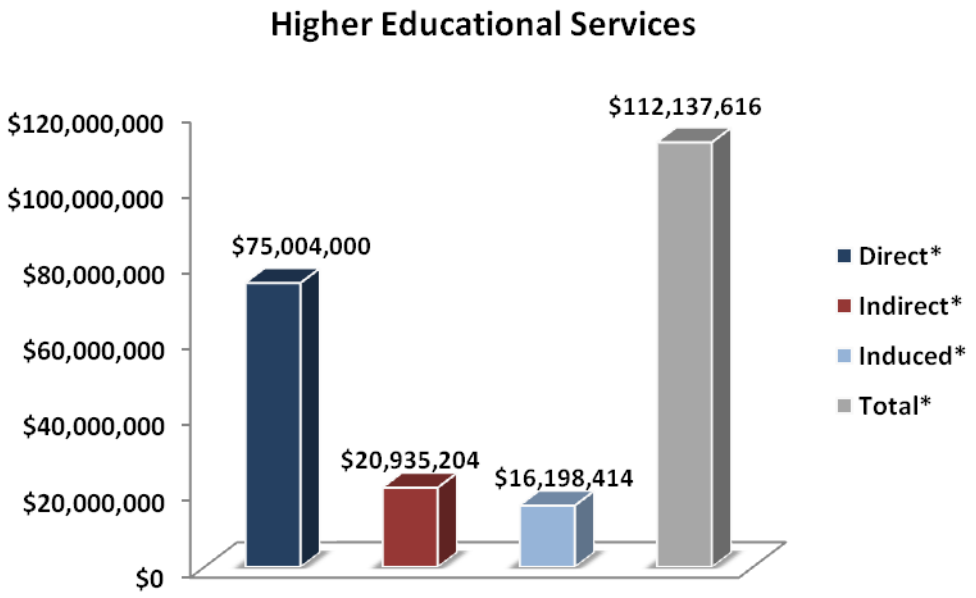

Education
Healthcare/
Bio-Med
Tourism
Arts &
Entertainment
Hub
Public/Private Partnership

Level II

STRATEGY #1: EDUCATION

IMPORTANCE OF EDUCATION

At present the higher-education industry in Tyler is comprised of $75 million in direct operational impact, more than $20 million indirectly and over $16 million in induced operational impact. In aggregate the operational impact of higher-education in Tyler for 2008 was worth more than $112 million.



Two near-term opportunities exist to maximize Tyler's strong, well-respected but under-utilized higher education industry:

- Colleges in Tyler should partner under the umbrella of a PPP-led academic consortium in order to provide unique and marketable baccalaureate opportunities for students not offered elsewhere.
- Brand Tyler as a college town.

Education, however, does not start and end with baccalaureate degrees. While expansions in graduate and post-graduate education will be addressed, maximizing the strength of K-12 (in particular high-school) public education programs goes hand-in-hand with a strategy to improve undergraduate learning opportunities. Although Tyler's private schools are considered a strength, enhancing k-12 education contributes to the enhancement of Tyler's quality of life and business recruitment efforts. **Thus, we also recommend support of efforts to expand local area magnet schools, STEM and charter schools with a particular emphasis on math, science and the arts.**

Only 14.5% of residents over 25 in East Texas have a Bachelors degree or higher while the state average is 23.2% and the U.S. average is 24.4%.

The economic impact in the higher education segment in Tyler is dramatically lower than at a major research university where the economic impact can be as high as $100,000 per student. We estimate that individual college students generate an economic impact of only $7,500 in the greater Tyler community.

Currently, the economic impact per student in Tyler is at the lowest end of the spectrum, creating the need to expand offerings through stronger collaboration between the colleges and universities, industry, and government. The economic impact of Tyler's higher education sector is at the lower end because a large percentage of Tyler's college students are enrolled in first and second year programs versus graduate school programs available at the University of Texas.

A MISSING LINK: MAGNET SCHOOLS, STEM AND CHARTER SCHOOLS

Specific achievements in Magnet Schools include: improved academic achievement; diverse student enrollments; higher attendance rates, graduation rates, and lower drop-out rates. Magnet schools boast more parental involvement, more personalization through theme-based education, and specialized programs providing a sense of a safer environment for learning. Teachers are better prepared through planned professional development.

The impact of developing magnet, STEM and charter schools includes the short-term benefit to the educational reputation of the community, the mid-range increase in the quality of students entering local high-education, and the long-range benefit of having more highly trained/trainable workforce.

EDUCATION ACTION STEPS: RECOMMENDATIONS FOR TYLER

To best leverage Tyler's education system, the following three tactics should be implemented:

1. Support efforts to expand Magnet, STEM and charter schools in Math, Science and Art.

a. **A public affairs action plan should be developed to aid in securing state/federal funding for these programs. This would include:**

i. **Lobbying strategy:**

1. Develop powerful, succinct messaging.
2. Rapid public affairs education and training of local leaders
3. Arranging meetings with legislators.

ii. **Public Relations strategy:**

1. Development of collateral materials including fact-sheets, testimonial/quote sheet and key message script.
2. Op-ed authored by Mayor highlighting importance and potential benefits of Magnet programs.

iii. **Implementation should focus on 2010 and/or 2011 legislative session.**

b. **Long term, during the latter stages of development, work with Magnet Schools of America – if not already doing so. This group provides leadership for innovative instructional programs that promote academic excellence for all students in public school choice programs.**

2. Support Academic Consortium.

a. **Accelerate efforts of P-16, an academic consortium.**

b. **The consortium should focus on expanding academic opportunities through intra-university programs as well as by partnering with local industries.**

c. **Align education with industry needs. Create a fluid, flexible education system that will respond to changing economic and industry needs.**

d. **Study Texas' new April 2010 Higher Education plan and ascertain how Tyler can become engaged.**

3. **Support Tyler Junior College's efforts to obtain additional on campus housing as well as new facilities for their Allied Health program.**
4. **Support higher education's effort to secure federal funding for researching energy and transportation alternatives.**
5. **Support continuing adult education for returning students.**
6. **Explore opportunities to support the NETNET system hosted by UTHSCT.**
7. **Brand Tyler as a college town.**

    a. **Short term: Tyler's PR team should meet with University external affairs officers to develop a coordinated PR plan.**

        i. Tyler's PR team would oversee pitching of stories to higher-education, medical, legal, and business oriented press. These publications would be carefully selected (perhaps by an outside PR agency) to maximize value.

        ii. Coordination is paramount to finding stories of interest to the press.

    b. **Initial focus of PR efforts will be on the development of academic consortium (including targeted but national media release) and promotion of Tyler as a great place to go for college.**[2]

        i. This latter tactic will benefit from and be directly connected to further development and promotion of outdoor activities and downtown (discussed later).

    c. **Long term focus of PR efforts will be on covering opportunities presented by the *unique* academic consortium. For example:**

        i. Business publications - Unique academic programs discussed above.

        ii. Human interest publications - Diverse learning environment.

        iii. Higher-education publications – Process of developing and implementing a successful academic consortium.

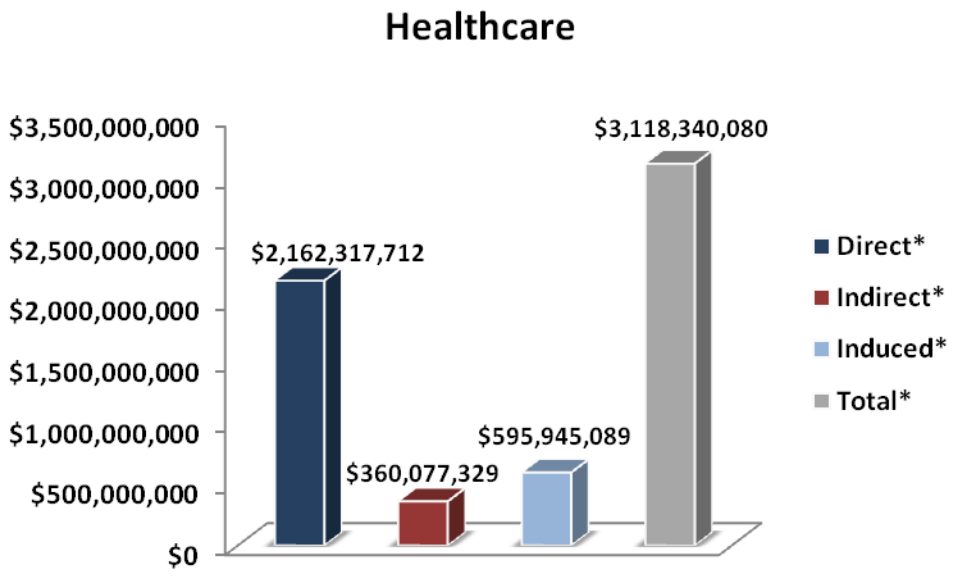
[2] Brill, Marla. "The Best Cities in the U.S. for College Students." *Market Watch* 10 Feb 2009: n. page. Web. 21 Oct 2009. <http://www.marketwatch.com/story/the-best-us-cities-towns-college>. (See "College Towns" list)

STRATEGY #2: HEALTHCARE/BIO-MED

INDUSTRY IMPACT

Tyler's healthcare industry is comprised of $2.16 billion in direct operational impact, more than $360 million indirectly and more than $595 million induced operational impact. The total healthcare operational impact in 2008 within Tyler exceeds $3.11 billion[3].

Currently, the Healthcare sector is Tyler's largest both in employment and economic impact. Tyler's $3.11 billion healthcare industry supports more than 25,000 jobs.



Why focus on healthcare? Simple: each doctor who resides in Tyler has an economic impact annually of $1.3 million on the East Texas economy and supports eight full time jobs.

Furthermore, we estimate that Tyler's hospitals spend more than $400 million annually on healthcare products, supplies, and information technologies.

To maximize the impact of Tyler's medical community the PPP should focus on the following areas in the near term:

[3] The IMPLAN number includes direct, indirect, and induced of the entire Healthcare services sector of the economy, showing the "true value" of the Healthcare Industry Sector.

- Identify and recruit business involved in the research and/or manufacturing of medical supplies or components that are used in Tyler's medical facilities.
- Combine resources to capture research dollars and elevate Tyler's standing in the medical community.
- Expand hospital residency programs.

Biotechnology is a foundational component of securing industrial medical-device/component production. Biotechnology is an emerging field worldwide and Tyler could be at its forefront. Construction is set to begin shortly on a multimillion dollar Biomedical Research Park. Tenants would include those from academia, medicine, pharmaceuticals, bioengineering corporations, and more as the Park will serve as a hub for leading research in the fields of biological technologies and sciences, allergy and asthma respiratory health, fetal and neo-natal preventative and emergency care, and much more.

The Biomedical Research Park is located immediately north and adjacent to The University of Texas Health Center at Tyler (UTHCT). Among other programs, the institution offers graduate programs in biotechnology and environmental sciences. The Center also has a research and development facility directly related to biotechnology disciplines.

The Biomedical Research Park is also strategically located in East Texas, near Dallas, Houston, and Austin. This location allows for the collaborative efforts of several of University of Texas' finest schools to engage in high level research of tomorrow's health and biological solutions. A distinctive feature of this planned development is the inclusion of a business and research incubator. This incubator will help startup companies commercialize their biotech innovations.

This project has already been discussed with companies such as Carrier and Trane, the University of Texas system, and others and could be the future home of Texas Allergy, Indoor Environment and Energy (TxAIRE) Institute research headquarters, an organization creating its own market niche in respiratory health, namely combating allergies and asthma.

The Park will help raise the profile of Tyler in the medical community.

In addition, Tyler's clout in the medical community can be further exploited. We estimate that hospitals in Tyler spend more than $400 million annually on healthcare products, supplies, and information technologies.

We estimate that hospitals spend more than $400 million annually on healthcare products, supplies, and information technologies.

The magnitude of Tyler's expenditures create an opportunity for economic development professionals to target the top healthcare product companies who do business with Tyler hospitals and conducting research at the biomedical park. For example, EMS has developed products such as Spinal Immobilization Devices which are produced in Tyler and distributed world-wide.

HEALTHCARE/BIO-MED ACTION STEPS: RECOMMENDATIONS FOR TYLER

Tyler can bolster and turbo-charge its already strong healthcare presence through the following approach:

1. Foster collaboration among all area hospitals and Universities.

a. **Form a group aimed at bringing together all major area hospitals and health-related universities – aimed at identifying common problems and building solutions. The overall theme here is that Tyler's dynamic health community – though competitive -- is stronger united than separate in some critical areas.**

b. **Engage an outside facilitator to ensure cooperation and provide guidance for key topics.**

2. Target medical supply companies for relocation or expansion to Tyler.

a. **Form a committee that includes representatives of major health care systems and Tyler Economic Development representatives to identify and approach companies that provide products or supplies to the hospital system.**

b. **Develop collateral material – showcasing Tyler's quality of life and the robustness of the health care community – not only the $3.11 billion community in Tyler, but also access to larger communities in Dallas, Houston, Shreveport, Little Rock, etc.**

3. Secure funding for creating or furthering clinical, air quality and tuberculosis research hubs.

a. **Establish an industry advisory board focused on:**
   i. Better understanding industry research needs and competitive direction.

   ii. Ensuring hospitals are communicating to define which hospital will target which research focus and not competing for industry dollars.

b. **Create an external relations action plan to aid in securing private (association), federal, state and national funding. This would include:**
   i. Coordinating with a designated marketing liaison at the TxAIRE Center to improve the economic development and job creation generation of the facility.

   ii. External relations education and training of hospital executives.

   iii. Arranging meetings with legislators and business leaders (through the Tyler office of economic development and hospital external relations team).

iv. Hospitals should prioritize what research dollars they focus on, call upon city support when needed and focus on low-hanging fruit.

c. As hospitals become successful in securing research funding and setting up research programs, their communications teams should publicize successes through targeted pitches and media releases.

i. Articles covering successes should mention Tyler's efforts to lay the foundation for successful research hub development, thus PPP officials should be made aware of and quoted in press releases and articles.

4. Expand residency programs.

a. Use group in recommendation #1 to ensure hospitals are communicating to define which hospital will focus on what residency program.

b. Develop a public affairs action plan to aid in securing state/federal funding for residency programs. This would include:

i. Lobbying strategy:

1. Rapid public affairs education and training of local leaders.
2. Arranging meetings with legislators.

ii. Public Relations strategy:

1. Development of collateral materials including fact-sheets, testimonial/quote sheet and key message script.
2. Op-ed authored by Mayor highlighting importance and potential benefits of Magnet programs.
3. Identify medical schools with strong programs that match our strengths and needs and target these fourth year medical students through direct mail, ads, campus visits, etc.

5. Explore the possibility of developing a healthcare concierge service

that includes assistance with transportation and lodging in close proximity to the hospitals.

6. Visit and define best practices from other successful healthcare destinations of comparable population.

7. **Work with local colleges to grow the scope and size of nursing programs that support the growth of the medical industry.**

8. **Launch an area development planning effort for the medical/hospital district.**

   Address issues such as wayfinding/signage, land use, aesthetics, gateways, connectivity and transportation as well as a possible trail system.

9. **Implement a Regional and National Marketing/Public Relations Strategy**

   a. **Earned Media Relations. Research health-industry story ideas and develop background information targeted to individual health care reporters at specific publications when editorial board calendars dictate highest likelihood for interest.**

   b. **Feature Stories. As major health stories or milestones occur, pursue feature stories both in targeted business or general interest publications.**

   c. **Web-Presence. Enhance Internet presence by reaching out to health care blogs – local and regional.**

STRATEGY #3: TOURISM

IMPORTANCE OF TOURISM

Tourism is defined as travel for recreation or leisure. Tyler has a strong foundation for tourism: lakes, zip-lines, rolling hills, easy driving distance to major metropolitan areas, a great airport, brick streets, great (and challenging) golf courses, The Caldwell Zoo, beautiful weather, roses, azaleas, gardens, historic homes, brick streets, and so forth. Tyler also has some events that could have national interest: the Rose Festival and the Azalea & Spring Flower Trail.

However, some products such as arts and entertainment and the downtown could be enhanced - as noted in relevant sections of this document in order to (among other things) bolster tourism. Many of these needs are addressed in detail in their own section of the document; however given its central role in any discussion of tourism, investment in the Park of East Texas will be addressed here.

The primary focus of Tyler's tourism related efforts should be on marketing and public relations activities – fueling regional and national tourism. There are three primary nodes for tourism marketing:

1. **Outdoors/green oriented – roses, azaleas, nature tourism;**
2. **Outdoor activities – mountain biking, zip-lines and lakes, golfing, horseback riding;**
3. **Sports Tourism – youth sports and tournaments.**

Many communities similar in size to Tyler rely on the economic benefits derived from tourism and travel-related activities as a major source of economic vitality and growth. Expanding Tyler's tourism industry, in an organized efficient manner, is an important step in general economic development.

Revenues received from increasing tourist dollars can be used to improve the overall appearance and vibrancy of Tyler which will improve its ability to attract commercial businesses, related employment opportunities and increase the retiree population.

Improved physical image will positively impact business opportunities as company representatives considering a business location will view Tyler in a more favorable light. Additionally, tourism does not require large investments in traditional infrastructure. Proper development of a tourism plan will provide a springboard and revenue source from which general economic development, education, housing, and health-care issues can be addressed.

Quality of life and place is becoming the preeminent concern for both employers and employees and is therefore critical to economic well being and growth. Tourism strategic goals are directed towards the careful long-range planning; the hospitality and tourism industry can be a leading economic development sector for Tyler.

TOURISM ACTION STEPS: RECOMMENDATIONS FOR TYLER

Tyler has an immediate opportunity to undertake several action steps to fuel efforts to increase tourism.

1. Establish a local community awareness campaign.

a. **The first, critical step in a public awareness effort is to develop greater community pride and awareness among Tyler's residents. They need to begin to see the community as dynamic and prepared for the future. A community pride campaign that helps area residents better understand the community's assets will feed other economic and infrastructure development efforts. Residents also will become ambassadors promoting the area's strengths.**

b. **The community pride program should be an on-going effort to energize local residents about what a great place Tyler is to live, work and play. This will feed the economic development effort, increase tourism and an increase Tyler's social capital.**

c. **General tactics that might be included in a community pride campaign include the following:**

i. On-going media promotion of key community assets. This might be a series of feature stories in the *Tyler Morning Telegraph* to further educate area residents about lesser-known or new things to do and see in and around Tyler. It could also feature a joint newspaper/radio promotion with "factoids" about the area and a contest to encourage residents to learn more about their community.
ii. Signage throughout Tyler will begin to move residents toward a greater sense of pride. Signs might be banners on light posts in the community promoting the community pride campaign theme. The banners could also be changed periodically to promote upcoming festivals and events that further reinforce the idea that Tyler has much to be proud of.
iii. Incorporate community pride messages and activities in local festivals and events. This could be tied in with the media contest tactic mentioned earlier, in addition to distributing promotional materials at events that attract large numbers of local residents (such as recent Breast Cancer event).
iv. Erect billboards around the community and on highways around Tyler for local residents and visitors to see, recognize and familiarize themselves with community assets. Similar signage might also be used at Universities, particularly sporting and cultural events that attract the broader community.
v. Promote community assets to local university students in an effort to utilize them as ambassadors with potential new students and to encourage them to stay in the Tyler area upon graduation.
vi. Create a program like Charlotte, NC's "E-Merging Arts" – an effort to install local emerging artists' work in public space, lobbies and host a website to promote their work outside of the city.

vii. Benchmark off of Dayton, Ohio, whose successful "This is Dayton" initiative focused on rebuilding community pride. The initiative highlighted the region's many unique assets and diverse population through billboards, kiosks, bus signage, and window signage throughout the region.

2. **Implement a regional and national marketing/public relations strategy.** We recommend that Tyler either dedicate a city employee to this effort or hire an outside firm with experience in executing public relations strategies.

   a. **Direct Media Relations. Research story ideas and develop background information targeted to individual reporters at specific publications when editorial board calendars dictate highest likelihood for interest. Contact reporters at targeted media outlets and offer the story to them. Having relationships with reporters would heighten likelihood of successful placement.**

   b. **E-mail efforts. A direct mail campaign will keep reporters informed of major developments. Similarly a regularly produced e-letter, or electronic newsletter, could be disseminated to reporters and travel agents to keep them informed of interesting and relevant developments.**

   c. **Media visits. Personal visits with targeted reporters and editors would serve as an opportunity to develop stronger relationships with the media, as well as provide them with critical background for a variety of feature story ideas. The visits might be lunch meetings or brief meetings in the media offices to learn more about the reporters' needs and to provide them with story ideas.**

   d. **Feature Story. As tourism related initiatives come to fruition (development of downtown, outdoor activities, etc.), pursue a feature story in targeted business or general interest publications about both the initiative itself and process by which it was developed.**

   e. **Web-Advertising. Enhance Internet presence through cheap but effective web-based advertising, driving traffic to Tyler's "visit Tyler" website. Tyler may need to contract with an advertising company that focuses on tourism and new media advertising in order to maximize the effectiveness of this tactic.**

   f. **Branding. Websites and all tourism related activities should concentrate on a common brand and theme. Tyler's present slogan: "A Natural Beauty," is exceptional. It should permeate all elements of Tyler's tourism marketing and public relations.**

3. **Explore opportunities to specifically market Tyler's golf tourism and faith-based tourism opportunities.**

4. **Seek opportunities to co-market and develop events with existing destination assets, such as the Discovery Science Place.**

5. **Complete Lake Tyler and Lake Bellwood master plans.**
   Commence with infrastructure improvements that support tourism.

6. **Assess the "2009 Economic Impact of Travel on Texas" document, commissioned by the Office of the Governor, Economic Development and Tourism, and develop strategies to address gaps.**

7. **Add to the number of museums in Tyler to reach a critical mass to ensure all will prosper.**

8. **Help facilitate development of the Park of East Texas.**

   a. **The Park of East Texas has the potential to serve as a major economic development tool for Tyler.**

   b. **In order for Tyler's government and leaders to determine the most beneficial way for moving forward with local investment of this nature, the Park should contract with an economic development advisor to conduct an economic impact study of the various phases of investment proposed by the Park's leadership.**

   c. **The Park should then engage a public relations consultant to tout the merits of the facility and its economic impact – to stoke interest (fundraising).**

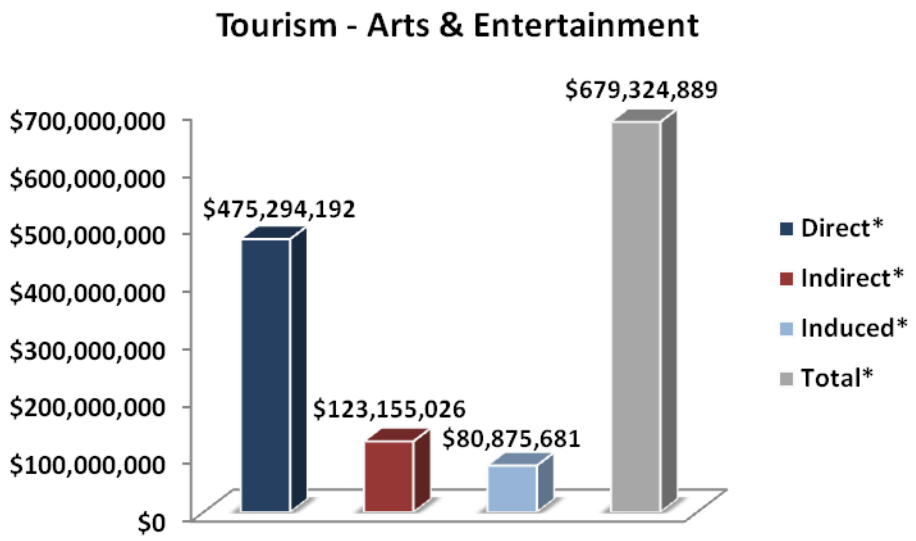
   d. **Investment in the Park should focus on a concert venue, both minor league and youth sports facilities, as well as rodeo and livestock facilities. A large scale convention center may be a component of development in years to come and would not be developed to the exclusion of another smaller scale convention space elsewhere in the city.**

STRATEGY #4: ARTS AND ENTERTAINMENT HUB

INDUSTRY IMPACT

Arts and cultural districts increasingly are a popular, effective economic development for local governments across the country. When theatres, performing arts centers, museums, art galleries, and artist studios are encouraged to locate in the same neighborhood, the neighborhood becomes a magnet for the general public.

Restaurants, gift shops, and art supply stores soon follow. Commercial enterprises, such as graphic design studios, advertising agencies, and architectural firms are attracted to such areas. When localities can achieve a critical mass of arts-related activities in a single area, these neighborhoods are appealing to what is often called the creative class of workers, many of whom prefer to live in and at least in close proximity to the arts and cultural districts.[4]



Successful arts districts are typically more important to the local economy than even professional sports franchises. For example, more people attend arts events in downtown Pittsburgh than attend all of the city's baseball, football and hockey games.

[4] http://vaartsandculture.blogspot.com/2009/10/arts-and-economic-prosperity-calculator.html

Downtown is an ideal location for such a district. **An important element in downtown planning is to build amenities such as theaters, hotels, meeting facilities, and entertainment venues to the scale of the downtown.** A 75 room –to- 150 room boutique hotels will be far more successful than a standard 400 room business hotel. We believe that a properly scaled hotel and meeting facility would be successful in downtown Tyler.

Specialty retail services—such as high end clothing, accessory, jewelry, cosmetics—will help attract workers of the innovation economy. **Developing downtown amenities is vital to Tyler's success.** Hospitality as well as arts and entertainment venues/organizations have the potential to be a powerful force in the Tyler economy. Educational programs such as Arts Institutes and culinary schools can be important anchors in the downtown, bringing vitality, tourism, and the resulting capital into the downtown.

Culture is the right tool for urban revival because it flourishes in the new urban reality of the 21st Century. The arts are no longer just about going to the symphony, the ballet, or a Broadway musical. They are more active, more accessible. Artists have become social entrepreneurs, selling their wares as well as their vision. They draw on the variety of the world's traditions as well as the distinctive and diverse rhythms of the contemporary city.[5]

It's not all about downtown. Several out-of-downtown planned arts and cultural facilities have enormous potential for regional – if not national and even international –appeal. Specifically, the Park of East Texas and the breathtaking, ambitious plan for the Tyler Museum of Art's new home are projects that should be embraced by the community and supported by the city and community. The museum has the potential to draw visitors from all parts of the country – and abroad (specifically Mexico and Spain). The museum also can be promoted in national publications with far reach, fueling tourism and positive perception issues about Tyler.

[5] http://www.trfund.com/resource/downloads/creativity/NaturalCulturalDistricts.pdf

ARTS AND ENTERTAINMENT ACTION STEPS: RECOMMENDATIONS FOR TYLER

1. Establish separate groups to recruit the following four facilities to downtown Tyler:

a. **A suite style minimum-three-star 150-room boutique hotel to be located in downtown Tyler,**

b. **An appropriately scaled Farmer's Market,**

c. **A culinary school. Establish contact with Education Management Corp., of Pittsburgh, PA., a 40-year-old company to discuss opening a culinary arts school in Tyler. EMC operates more than 40 locations in North America. This for-profit company recently spent $8.4 million and hired 70 to put an arts and culinary school in Virginia Beach where 400 students will enroll. More information is available at http://www.edmc.edu/About/.**

d. **An Art Incubator. This could take several shapes. It could be a warehouse-type development where essentially raw space is leased at a minimal cost. Or it could be modeled after the Arts Business Incubator in Tacoma, Washington, a long-term project to build multi-use art-business incubation "campus" that houses live/work studio space, shared support services, classrooms, and gallery space. Another such project is the Arts Incubator of Kansas City, a non-profit organization dedicated to working with emerging artists. For more information on this gallery/work space project: http://artsincubatorkc.org/about/.**

2. Establish incentive programs targeted to downtown development.

a. **Work within the community to create a small-business incentive program within the structure of the PPP community investment initiative.**

b. **Appeal to banks to provide special rates on loans for businesses being set up in the downtown area.**

c. **Consider a host of tax incentives and regulatory flexibility for those building a piece of an arts and cultural district. These incentives can include, but are not limited to**

i. Reduction of permit fees
ii. Reduction of user fees
iii. Reduction of any type of gross receipts tax.
iv. Special zoning
v. Permit process reform
vi. Exemption from ordinances.

3. **Establish a program for public art as outlined in the Tyler 21 Plan.**

4. **Develop and implement a streetscape plan for downtown.**

5. **Develop a Library Master Plan.**

6. **Promote creation of downtown facilities for higher education.**

7. **Work with partners to redesign the downtown square.**

8. **Address real and perceived security and parking concerns in downtown.**
    a. **In particular, develop a new public parking structure in downtown.**

9. **Promote downtown's existing and emerging assets – by creating a comprehensive marketing strategy for downtown's assets.**

    a. **Immediately distribute a local and regional press release covering the new downtown art museum.**
    b. **Issue local and regional press releases each time a new art exhibit is expected or a public event is being held at the museum. This same tactic should be applied to the symphony.**
    c. **Enhance a destination web page.**
    d. **Create an ad campaign to include all the assets.**
    e. **Develop collateral materials.**
    f. **Develop messaging.**
    g. **Partner with the CVB to do tourism marketing.**
    h. **Engage all businesses in social marketing efforts.**
    i. **Focus on earned media efforts.**
    j. **Aid Jake's and similar restaurants with restaurant pitches (non-paid news or editorial placements).**
        i. The restaurants will need to be provided with a list of lifestyle/food/travel critics in Texas and nationally that focus on the local-charm angle of food related coverage. In most cases this would tie directly to tourism related publicity.

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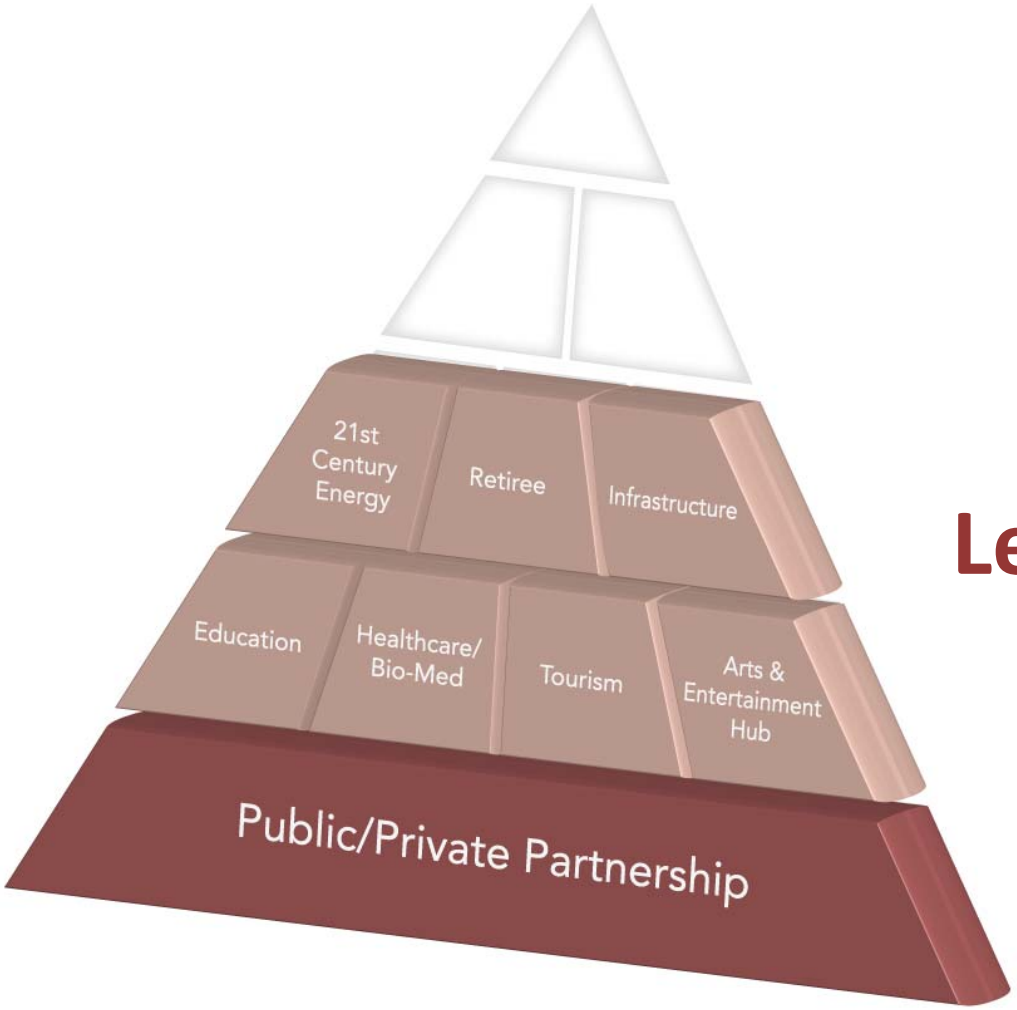
21st Century Energy
Retiree
Infrastructure
Education
Healthcare/ Bio-Med
Tourism
Arts & Entertainment Hub
Public/Private Partnership

Level III

STRATEGY #5: 21ST CENTURY ENERGY

IMPORTANCE OF ENERGY

Energy has been a vital part of Tyler's heritage since the early 1930s when a gusher was found on the Daisy Bradford farm. The massive East Texas Oil Field was yielding more than one million barrels of oil back in the early 1930s and has produced more than 4.5 billion barrels of oil since. The wealth from that commodity initially shielded Tyler from the brunt of the Great Depression and also helped produce new towns, new ways of living and a livelihood for thousands of East Texans.

Through the decades, the health of the oil and gas industry has fluctuated wildly: this is an industry defined by booms and busts. But in the last five years, horizontal drilling has revolutionized the natural gas industry and increased reserves three times over since 2006. Horizontal drilling is a technique used to drill horizontally after the vertical well is drilled. This technique was used extensively for the first time on the Barnett Shale in Texas. There have been concerns about the affect upon groundwater; however, recent studies indicate that it is safe. Natural gas is a relatively clean burning energy source. Producing additional domestic natural gas may reduce dependence on foreign energy sources. East Texas is the largest producer of natural gas in the United States and more gas has been discovered in the last five years than in the entire history of gas exploration in the U.S.

According to an article in the Houston Star-Telegram recently about a study conducted by IHS CERA, shale gas accounts for about 20 percent of the U.S. natural gas supply, up from 1 percent in 2000. It is estimated that there is a 100 year supply of natural gas in unconventional plays such as shales.

In 2008, the Barnett Shale became the largest gas producing area in the U.S. and is projected to hold 30 trillion cubic feet; however its position is expected to be eclipsed by the Haynesville Shale in East Texas in the next five years. In East Texas and Louisiana, the Haynesville Shale/Bossier Shale is thought to extend over 3 million acres.

Because of its heritage, location to critical energy centers and wealth of local expertise, Tyler has an opportunity to remain a leader in various sectors of the vast Oil & Gas sector. In particular, Tyler can bolster its presence as a regional, national and international industry center in the following energy sectors:

1). Research & development
2). Engineering
3). Oil & gas related professional services

Tyler already has professional service firms that have been for decades focused on several industry categories -- mineral rights disputes and other oil and gas litigation matters, refining, and so forth. We believe that a systematic approach to branding and marketing Tyler as a center for oil & gas, coupled with it's the educational institutions that can establish or stress programs targeted to this industry will result in a higher profile that could lure additional jobs to the region.

ACTION STEPS: RECOMMENDATIONS FOR TYLER

Tyler has an immediate opportunity to undertake several action steps to fuel efforts to increase its stature in the Oil & Gas sector.

1. **Identify and engage local oil & gas industry leaders.**

    a. **Create a task force to bring together local oil and gas leaders – identify who they are and what they do – as a first step to forming a coalition that can work together to bring direct (if not indirect) jobs to the area.**

    b. **Task this group to tap into their networks and promote Tyler as a destination for Oil & Gas work – whether it in R&D, services, or other facets of the business.**

2. **Explore educational programs to establish Tyler as an industry center.**

    a. **Create group to coordinate with UT Tyler to discuss formalizing chemical engineering and research and development programs targeted at the oil & gas industry.**

3. **Monitor and develop strategies to avoid negative consequences of potential cap and trade legislation.**

4. **Recruit and help to grow regional oil & gas production offices.**

5. **Ensure vocational education programs align with oil & gas industry needs.**

6. **With no new refineries opened in the last 20 years, work with Delek Refinery to encourage continued reinvestment.**

7. **Implement a regional and national marketing campaign.**

    a. **Execute a strategy to raise recognition of Tyler's history – and future – as an oil and gas hub.**

    b. **Aim for coverage in leading trade publications, major O&G websites.**

STRATEGY #6: RETIREES

IMPORTANCE OF RETIREMENT

In 1900 the life expectancy for the average American was 47 years old. Due to decreases in infant mortality as well as improvements in health care and quality of life, the average life expectancy in the United States reached just under 77 years old, a century later, and it continues to climb.

In addition, the number of Americans aged 65 and older continues to increase as a percentage of the total population. According to the U.S. Census Bureau, the older population, defined as Americans 65 and older, will double between 2000 and 2030, increasing from 35 million to 72 million. At that time, the older population will comprise approximately 20 percent of the total population in the United States.

These statistics, coupled with the fact that future retirees are more likely to be better educated, have better health and higher incomes than those of their predecessors, have led communities to recruit retirees as part of their economic development strategy. An influx of retirees impacts not only health care and housing industries, but also financial, entertainment, hospitality, retail, utility, and tourism sectors. The central components of Tyler's retiree recruitment infrastructure already exist: top quality health care, low taxes/cost-of-living, high quality-of-life, and a host of vibrant faith-based communal organizations. However there is more that can be done to grow this segment of Tyler's economy:

Studies demonstrate that the average retired person's economic impact is more than three times than that of a traditional factory job.

- Studies show that most retirees settle in communities that they have previously lived in or visited. **Therefore, Tyler should focus a portion of its tourism related marketing to outlets that reach retirees.**
- Many seniors are looking for alternatives to traditional nursing homes. Increasingly retirees are moving to college towns and into facilities operated by universities. Nationwide, there are over 50 college-linked retirement communities ranging from those associated with huge universities like the University of Michigan-Ann Arbor to those associated with smaller schools like the University of North Carolina at Asheville. **Tyler should aggressively market and publicize its appeal to retirees. UT-Tyler should research the option to develop a retirement community.**

RETIREES ACTION STEPS: RECOMMENDATIONS FOR TYLER

Tyler can further develop retirement as an economic driver through the following tactics:

1. Survey retirees to determine community needs and baseline information.

2. Target marketing and public relations to the retirement sector.

a. **Develop background information about the key attributes of Tyler that appeal to retirees. Messages associated with public relations should be targeted to the specific publication involved, but Tyler's core appeal for retirees should permeate the vast majority of PR initiatives:**
   i. Top quality health care and as a medical destination.
   ii. Low taxes (including zero state income tax).
   iii. Low cost-of-living.
   iv. High quality-of-life.
   v. Vibrant faith-based communal organizations.
   vi. Continuing education opportunities.
   vii. Outdoor activities.

b. **Promote Tyler as a component of general retirement coverage. This will be most successful if Tyler's PR team develops a retirement oriented editorial calendar. This would track when various publications are planning on focusing retirement oriented stories, what the press deadlines are, and which editor is overseeing the coverage. As a result Tyler's public relations team will know when and to whom to pitch their stories. As appropriate, Tyler's public relations team should contact reporters at targeted media outlets and offer the story to them. Developing relationships with reporters over time would maximize likelihood of successful placement.**

c. **Just as with tourism, personal visits with targeted reporters and editors would serve as an opportunity to develop stronger relationships with the media, as well as provide them with critical background for a variety of feature story ideas. The visits should center on tours of the area and specifically those facilities most important to retirees. The messages tactic above should provide direction in this regard.**

d. **Develop a directory of outlets that list the "Best Places to Retire," and communicate with the decision makers. Examples of these lists include Money Magazine's "Best Places to Retire List,"[6] and U.S. News & World Report's "Best Places to Retire" search engine.[7] Often simply submitting the requested information is the most impactful step. Knowing when to distribute information –i.e. deadlines, calls for submissions etc- can often be achieved by examining the publications' editorial calendars as discussed above, or simply contacting the editor responsible for the list.**

[6] http://money.cnn.com/magazines/moneymag/bpretire/2009/index.html

[7] http://www.usnews.com/money/best-places/to-retire/listing/search/

3. Explore creation of university retirement community.

a. **The PPP and UT-Tyler create a team to investigate the feasibility of having the college develop a retirement community.**

b. The team should contract with consultants who specialize in such development projects.

i. Collegiate Retirement Community Consultants, located online at www.collegiateretirementcommunity.com, is an excellent resource for case studies on college and university-linked retirement centers.

ii. The PPP and the university should also look at the Kendal Corporation (www.kendal.org) which has developed retirement communities in conjunction with small and rural colleges and universities such as Oberlin College in Ohio and Dartmouth College in New Hampshire.

4. Recruit an elderhostel.

a. **Form committee to recruit Elderhostel, the world's largest non-profit educational travel organization for adults. More than 160,000 people enroll in its program every year. Elderhostel began operating and marketing its programs on Oct. 1 under the name of Exploritas. http://www.exploritas.org/**

b. **Programs that can be pitched range from horticulture to history to health care. A committee can explore whether to pull in UT-Tyler, TJC, the Art Museum or other Tyler resources.**

STRATEGY #7: INFRASTRUCTURE

IMPORTANCE OF INFRASTRUCTURE

Infrastructure is central to economic development. Though commonly thought of as streets, water, sewer, and power, infrastructure associated with the development of an innovation economy includes those critical amenities -- but transcends those basic needs.

To build and sustain an innovation economy, Tyler will require entertainment venues, professional class amenities, expanded recreational trails, the completion of Loop 49, and an airport with more reliable service.

As beautiful as Tyler is, the primary entry routes to Tyler – from Interstate 20 – create a substantial negative image/first impression of the community. This image could impact decisions of business and industry to locate to Tyler, students to attend universities and individuals to live in Tyler. This must be addressed and corrected.

Achieving these goals will go well beyond meeting the needs of workers recruited through Tyler's focus on an innovation economy. Realizing these ambitions will also serve to bolster other elements of the economic development strategy. Specifically, infrastructure development will benefit marketing efforts associated with tourism and retirees as well as recruitment efforts associated with the medical and legal industries, and college students.

INFRASTRUCTURE ACTION STEPS: RECOMMENDATIONS FOR TYLER

Tyler can undertake the following strategic initiatives to further its infrastructure development:

1. **Continue efforts to ensure balanced growth in all areas of the community – including extension of water and sewer utilities, construction of roads and development of water treatment plants.**

2. **Accommodate future growth through annexation; expand infrastructure as prioritized and outlined in Tyler 21.**

3. **Implement infrastructure improvements outlined in Tyler 21 while preserving Tyler's natural beauty including the urban forest and green corridors.**

4. **Implement south Broadway improvements recommended in Tyler 21's Traffic Congestion and Mitigation chapter.**

5. **Update the City's Master Street Plan.**

6. **Complete and implement projects identified in the 2010 Parks Master Plan.**

7. **Match public safety investment to community needs.**

8. **Improve efficiencies at Tyler Pounds Regional Airport.**

    a. **Tyler has a beautiful airport facility but needs to ensure that it's operating at maximum efficiency – fewer delayed flights, and expand service to additional destinations, lost baggage, etc.**

9. **Expand recreation trails.**

    a. **Secure funding through non-profit environmentally oriented organizations as well as directed federal and state government grants to increase and expand the number and scope of hiking and biking trails in and around the city.**

    b. **As recreation trails begin to increase, Tyler should consider working to create a bicycle friendly atmosphere in the city. In Duluth, Minnesota, a team focused on creating a bike-friendly metro area facilitated the creation of bike lanes, and installing public bike storage units decorated by local artists, connecting existing bike trails, distributing an accompanying trail map, and hosting a local bike race.**

    c. **As noted in the tourism section of this document, success in expanding recreation trails should be promoted to the regional and national press. The emphasis in this context should be outdoor oriented vacation publications.**

10. **Press forward in efforts to complete Loop 49.**

    a. **The first two segments of Loop 49 are complete and open for traffic. Construction of Segment 3A began in August 2009 and the** NETRMA currently has an RFQ for development of Segment 3B through a design/build agreement. It is expected to open in the summer of 2013. Segment 4 is in the planning stage and there is no schedule for completion at this time. Segment 5 is funded by Proposition 14 for the amount of $15,681,180. The project let in December 2009 and is under construction. It is expected to be complete in August 2012.

b. **Efforts to lobby state and federal government officials to fund Segment 4 should continue. If leaders determine that these efforts need to be boosted, a lobbying strategy should be considered.**

11. Upgrade entrances to Tyler.

The following steps should be taken to improve the first impression many potential businesses, tourists, students, and residents have upon entering Tyler from Interstate 20.

a. **Develop High Quality Signage.**

b. **Implement entryway landscaping, zoning or zoning reconfiguration with the city working with existing businesses to improve the appearance of the entry corridor. Specifically,**

12. Secure entertainment venues and professional class amenities.

a. **Target middle and high end restaurants and pubs for evening entertainment in Tyler.**

b. **This should largely focus on the concentration in specific areas, not only downtown. For instance, the group should consider recruiting an open-air, restaurant/bar/music venue near UT-Tyler and TJC.**

13. Secure downtown event center.

a. **Support efforts to bring a small-to-mid-sized hotel/event center do downtown Tyler.**

b. **This would not exclude other event centers of varying sizes to be pursued elsewhere around the city.**

c. **An ideal situation would be one in which the event center was connected to the aforementioned boutique hotels.**

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Graduate Education
21st Century Transportation
21st Century Energy
Retiree
Infrastructure
Education
Healthcare/ Bio-Med
Tourism
Arts & Entertainment Hub
Public/Private Partnership

Level IV

STRATEGY #8: GRADUATE EDUCATION

IMPORTANCE OF GRADUATION EDUCATION

Two of the strongest components of Tyler's economy are healthcare and education. These two industries, as well as the legal industry, are the sectors in which Tyler should focus its long-term development. As such, over the next decade, **we recommend Tyler develop first-class graduate education.**

The specific components of this level of education would include conference of the following degrees: **MD, MPH, DPH, MS in Chemistry, PharmD, and others.**

The economic impact of graduate level education is substantial. For example, the presence of the University of Texas Health Science Center along with two large successful community hospitals provides a distinct opportunity for Tyler to develop a four-year medical school. The total economic impact of each student in a medical school class is approximately $1 million annually.

Typically, a four-year medical school with a class of 100 medical students per year will have an economic impact of $100 million annually on the region where the school is located.

Further, there is a shortage of nurses and doctors across the country, and this shortage will only increase overtime and will impact smaller and rural communities the hardest. As noted by Reuters in mid-2008 "An estimated 116,000 registered nurse positions are unfilled at U.S. hospitals and nearly 100,000 jobs go vacant in nursing homes, experts said."[8] A few months later Consumer Affairs reported "An overwhelming majority -- 78 percent -- of physicians believe that there is an existing shortage of primary care doctors in the United States today."[9] Medical education will be a growth industry for decades. The State of Texas reports that an additional 40,000 doctors will be needed by 2025 to meet the growing and aging population in Texas.

The University of Texas-Tyler is undertaking the launch of an Executive Health Administration option in the Masters of Public Administration program. In the future, a Masters of Science in Chemistry at UT-Tyler and/or a joint Public Health program at both universities could have significant impact on the federal research funding available to the University.

Efforts to increase federal funding related to graduate research in general have shown promising results and have reached $12.5 million annually at UT-Tyler. Support should be given to grow this to $30 million in the next five years.

[8] http://www.reuters.com/article/domesticNews/idUSTRE5270VC20090308
[9] http://www.consumeraffairs.com/news04/2008/11/doctors_frustrated.html

As an academic mediacal center, UTHSCT is in the process of a major expansion to enhance education and research. Its medical library is the only such facility in the region. Additionally, its public health lab and NETNET distance education system are assets that should be leveraged.

Another long-term initiative – which would cement Tyler's recognition as a college town and elevate its standing in the Innovation Economy – is to investigate establishing an honors college at UT-Tyler. This would help all the current institutions and provide a boost to graduate level education.

GRADUATE EDUCATION ACTION STEPS: RECOMMENDATIONS FOR TYLER

The strategy for securing graduate level education (as well as the honors college title for UT-Tyler) should be viewed as a long-term approach whose final goals may not be realized for a decade.

1. Convene planning group.

a. **A group consisting of the City, UT-Tyler, University of Texas Health Science Center and major hospitals should convene and begin mapping out plans for a medical school. Consider the possibility of doing a branch accreditation to make the process easier and quicker. Similar groups should be convened to discuss other graduate schools.**

2. Support the efforts of UTHSCT to grow residencies in Tyler to 125.

3. Partner with universities to grow the graduate population at UT-Tyler to 1600 in three years.

4. Support UTHSCT and/or UT-Tyler's efforts to begin a public health program in three to five years.

5. Galvanize support for additional graduate programs.

a. **With a plan in place – and economic impact understood -- Tyler should engage a communications effort to galvanize local public support for the graduate education initiatives.**

b. **This should be done within the auspices of the local community pride campaign discussed in the tourism section. Other components could include:**
   i. Partner with UTHSCT to promote and educate the community about the benefits of an academic medical center.
   ii. A fundraiser, hosted by the President of the University that would raise funds for promotion and bring interested parties and politicians together.
   iii. A state-wide media campaign – including op-editorials and editorial board briefings.

6. Initiate lobbying efforts.

a. **Next, the City and University should undertake a lobbying effort directed at the State legislature and leaders of the UT-Tyler system. The structure of the lobbying effort should include:**
   i. Key message development
   ii. Development of collateral material
   iii. Face-to-face meetings with targeted stakeholders and decision makers

STRATEGY #9: 21ST CENTURY TRANSPORTATION

IMPORTANCE OF 21ST CENTURY TRANSPORTATION

Tyler is positioned to expand its transportation infrastructure to state-of-the-art levels both in Air and Rail.

Air

According to the Air Transport Action Group (www.atag.org) two billion passengers rely every year on the world's airlines for business and vacation travel and over 29 million tons of high-value freight is carried by air. Growth of air transport largely depends on global and regional economic cycles. But the long-term demand trend is always positive and the figures for passengers and freight are likely to double again within the next 12 to 15 years according to demand.[10]"

The long term growth creates a need for more pilots. According to FlightGlobal.com's David Learmount, "The gloomy current airline market may cast a long shadow over the training industry, but historic experience of market cycles combined with contemporary economic trends present a much more complex and - in the medium term - promising picture for the airlines and flight training organizations."

According to Flying Magazine: "The world's airlines will need more than 17,000 flight schools graduates each year for the next 20 years to fill the seats of the airplanes on order." **Tyler Pounds Regional Airport is well suited to become a flight training center as well as an aircraft maintenance center.**

In conjunction with serving as a maintenance and training hub, **Tyler can develop an urban-village/airpark in and around the airport in order to maximize the economic benefit of this underutilized asset.** For an example of what an airpark would look like, Tyler's leaders should examine the England Airpark and Community in Alexandria, Louisiana: www.englandairpark.org. England Airpark is a 3,300 acre award-winning, master planned community, offering outstanding options for individuals looking for a place to travel, work, live and relax.

[10] **Flying Magazine** - Flying Magazine Flight Training Section

Rail

For years Tyler was served by railroads. The city was the hub for a series of short-line railroads which later evolved into the St. Louis Southwestern Railway, better known as "The Cotton Belt Route." This line later became part of the Southern Pacific Railroad, which itself merged with the Union Pacific Railroad, which continues to serve Tyler today.[11]

Presently travel from Tyler to Dallas takes at least one hour and forty-five minutes by car. With Dallas's traffic patterns difficult to predict, this travel time can easily increase. Travel from Tyler to Dallas can be cut down to a reliable 30-35 minutes if the city taps into fledgling plans to develop high-speed passenger rail in East Texas.

Tyler should explore rail access to enable individuals to work in Dallas, but live and spend money in Tyler. An example of what Tyler can do is what city officials in Albuquerque, New Mexico, accomplished.

Albuquerque's Rail Runner Express regional passenger rail system was launched in 2006, providing a 15 mile rail link between Albuquerque and the northern suburb of Bernalillo. In 2008, Albuquerque completed the first phase of the project, extending the rail line from Belen to the south up to Santa Fe to the north. The passenger rail line extends 117 miles north to south.

The rail line is meeting its rider-ship projections of an average of 4,500 passengers per day. The rail line is run by central New Mexico's Mid-Regional Council of Governments (MRCOG). MRCOG did not intend to provide weekend service—the Rail Runner was envisioned as a commuter rail service—but Santa Fe is a tourist destination, and trial weekend service proved so successful it was made permanent.

The rail line was completed on time and within budget. The projected total cost of the Santa Fe line is $393 million, or $3.5 million per passenger mile—low for a transit system. Funding for the Rail Runner was provided by Federal government grants and state-issued bonds, as well as a $10 million contribution from Sandoval County.

Tyler can explore utilizing existing rail lines to provide commuter service to Dallas. The region encompassing Dallas, San Antonio, and Austin produces $370 billion in regional output. Combined with the mega-region of Houston-New Orleans, these regions may well form a gargantuan "Texas Triangle" according to a 2004 report by the Federal Reserve Bank of Dallas – a Third Coast megalopolis to rival New York, LA and Chicago[12]. Rail would provide speedy, easy access to this region.

[11] http://en.wikipedia.org/wiki/Tyler,_Texas

[12] Richard Florida, *Who's Your City*

21ST CENTURY TRANSPORTATION ACTION STEPS: RECOMMENDATIONS FOR TYLER

1. Form committees to grow Tyler Pounds and explore rail.

a. **Air: The PPP, airport and local business leaders should form a roundtable committee focused on developing the airport.**

b. **Rail: A committee should be formed to determine if Tyler needs to initiate its own efforts to secure rail access to Dallas – or if it can combine with another/other municipalities and regional efforts.**

2. Commission economic-impact studies.

a. **The airport committee should then commission compile an economic-impact study that would cover the impact of the airport's various expansions.**

b. **Similarly, a committee should undertake a cost-benefit analysis of rail efforts.**

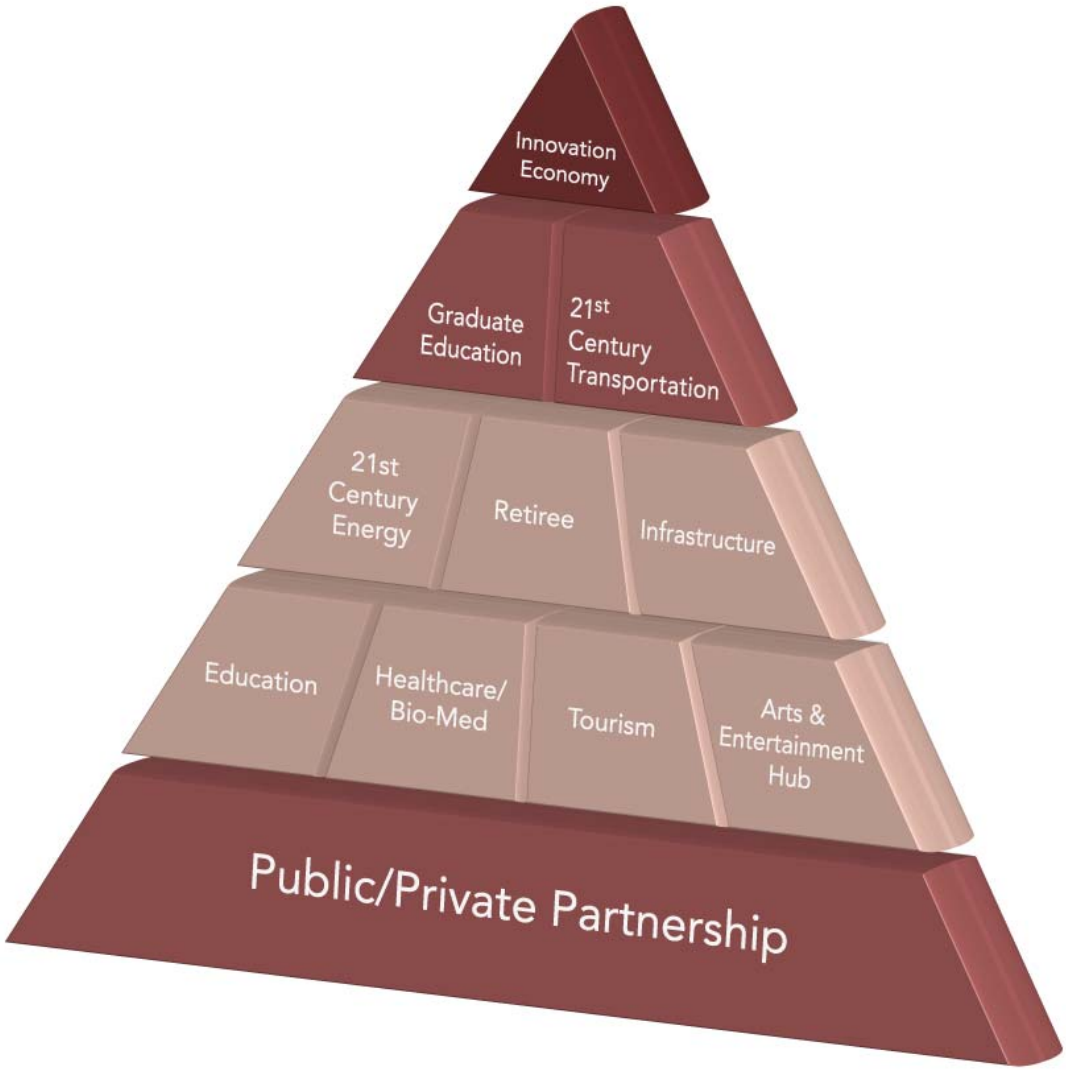
3. Develop and implement a comprehensive communications/ PR plan to galvanize support for Airport expansion and rail service.

a. **Use numerous tactics to gain community support and reach state and national audiences to showcase Tyler's efforts and press the case for funding.**

4. Identify and secure grants and other sources of funding.

a. **The airport committee should retain a consultant who specializes in garnering federal grants for projects of this nature. The Federal Aviation Administration and US Department of Transportation have received federal funds at various times to aid in airport development.**

b. **The rail committee would aggressively pursue opportunities to secure federal stimulus funds – or other federal funding (such as the program that financed the New Mexico System.**


Innovation Economy
Graduate Education
21st Century Transportation
21st Century Energy
Retiree
Infrastructure
Education
Healthcare/ Bio-Med
Tourism
Arts & Entertainment Hub
Public/Private Partnership

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IMPLAN ANALYSIS

The economic impact methodology utilized in this study is IMPLAN. IMPLAN is input-output modeling which describes commodity flows from producers to intermediate and final consumers.

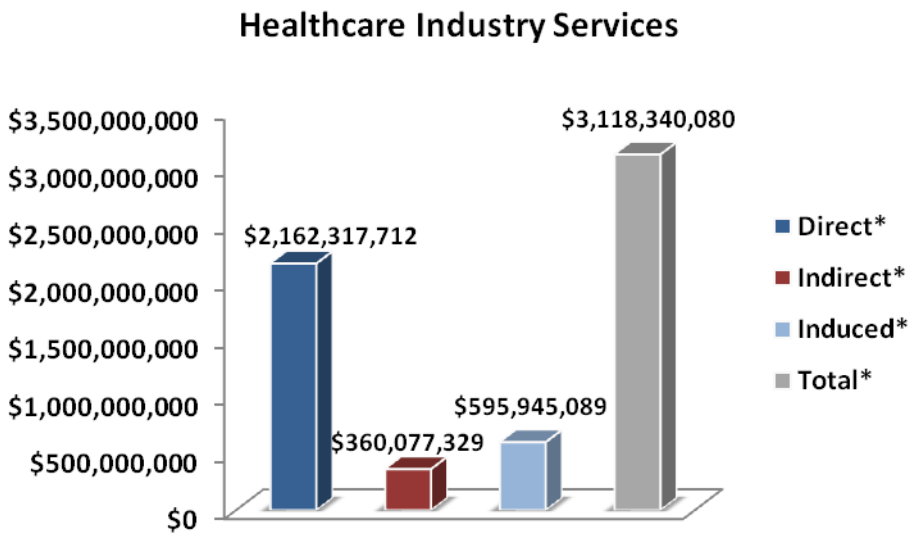
The IMPLAN software and methodology closely follows the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations.

Specifically, the analysis quantifies the overall economic output and employment impact of healthcare industry services, higher educational services, retail trade services, and tourism-arts & entertainment services on Tyler, Texas in 2008.

- **Direct effects** represent the impact for the expenditures and/or production values specified as direct final demand changes related to the specific industry.
- **Indirect effects** represent the iteration of industries purchasing from industries resulting from the direct impact of the specific industry.
- **Induced effects** represent the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of the specific industry.
- **Total** impact is the sum of the direct, indirect and induced effects.

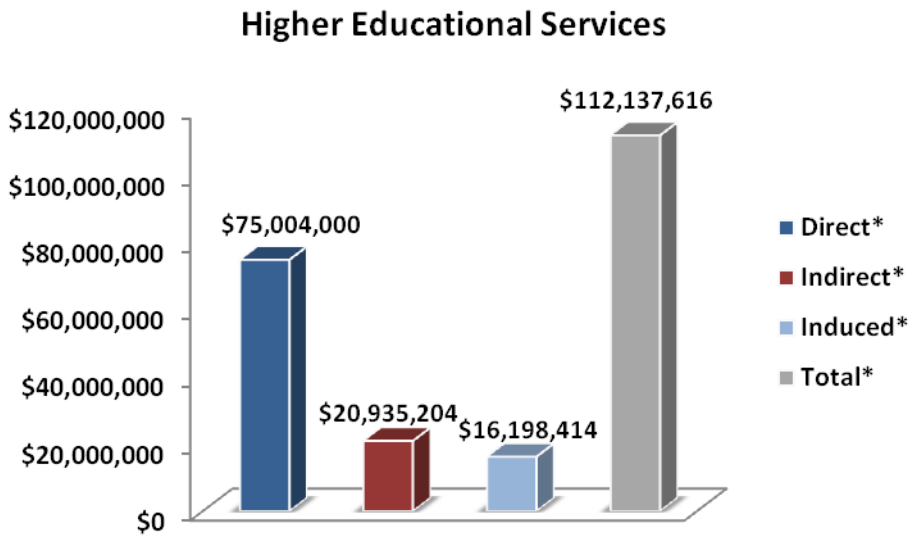
Key Findings

- The largest overall operational impact in 2008 within Tyler, Texas, is over $3.2 billion provided by healthcare industry services.
- Higher educational services had a relatively small overall operational impact in 2008 of slightly more than $112 million.
- The healthcare industry provides the largest overall employment impact, over 25,000 full time equivalent (FTEs) jobs to the Tyler, Texas, economy.
- Higher educational services provides a smaller overall employment impact, over 1,500 full time equivalent (FTEs) jobs to the Tyler, Texas, economy.

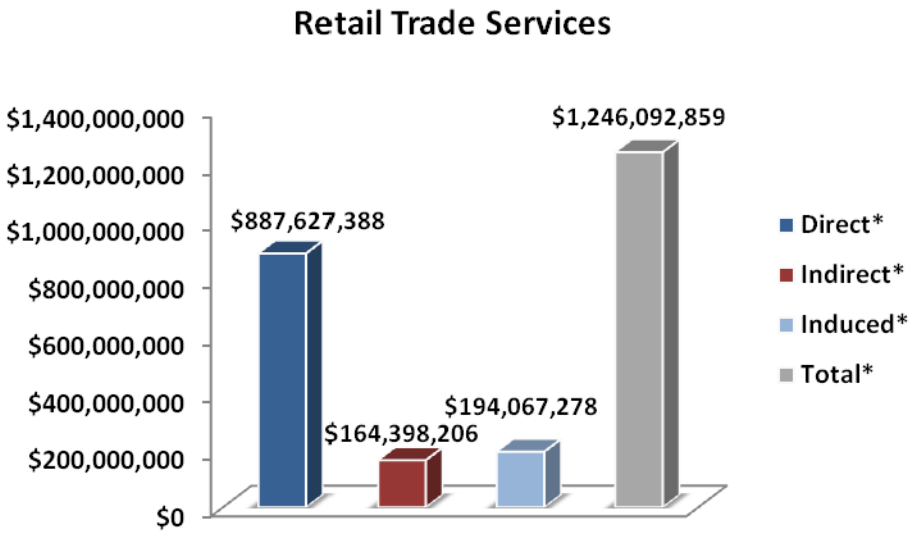


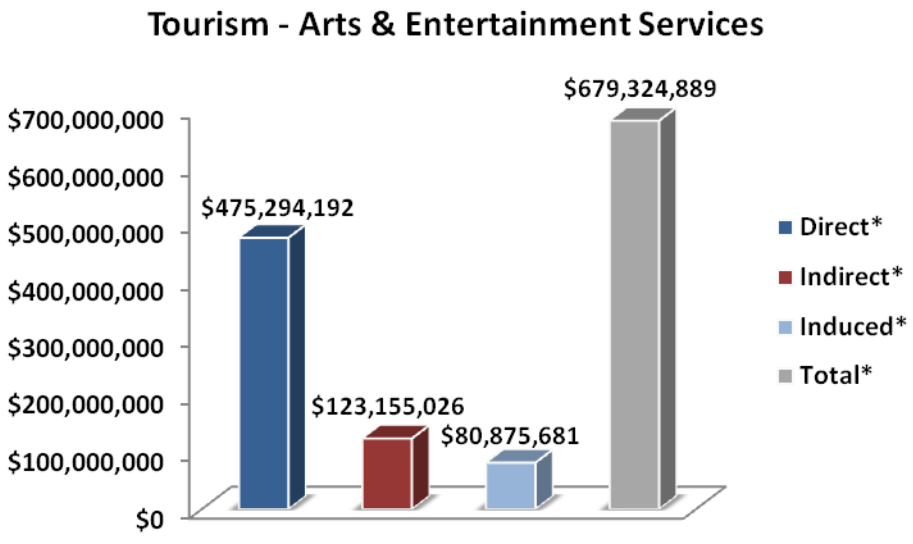
The **healthcare industry in Tyler, TX** is comprised of **$2.7 billion in direct** operational impact, over **$360 million indirectly** and over **$595 million induced** operational impact. The **total healthcare operational** impact in 2008 within Tyler, TX is **over $3.2 billion.**

Higher Education Services in Tyler, TX is comprised of **$75 million in direct** operational impact, over **$20 million indirectly** and over **$16 million induced** operational impact. The **total higher education services** operational impact in 2008 within Tyler, TX is **over $112 million.**



Retail Trade Services in Tyler, TX is comprised of **$887 million in direct** operational impact, over **$164 million indirectly** and **$194 million** induced operational impact. The **total retail trade services** operational impact in 2008 within Tyler, TX is **over $1.2 billion.**

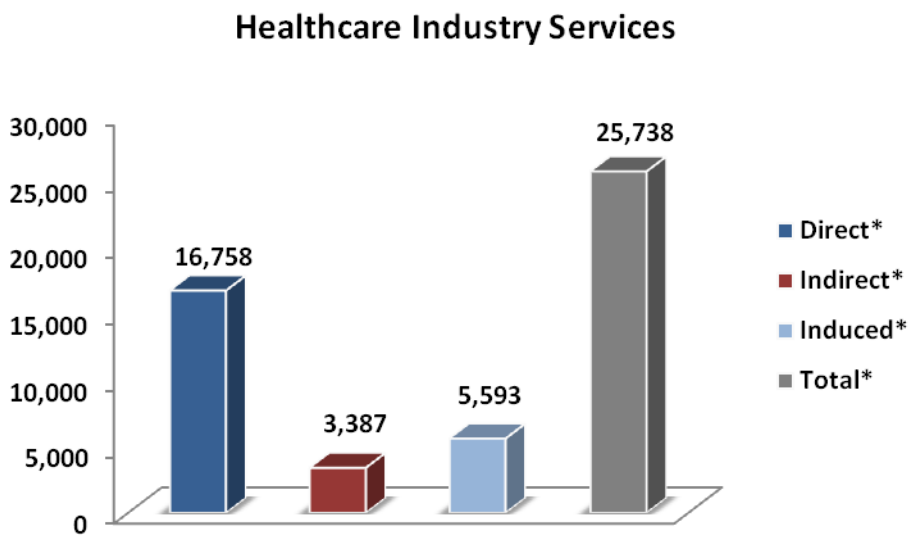


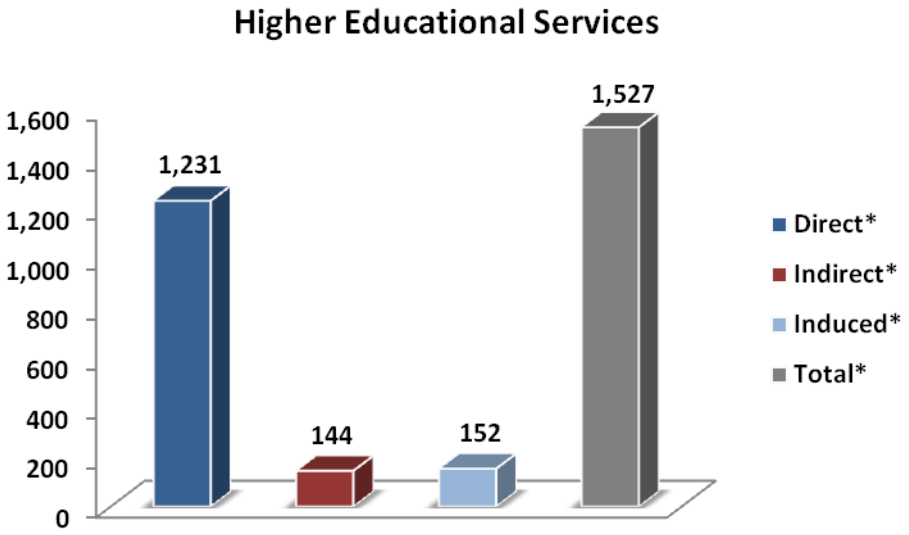


Tourism – Arts & Entertainment Services in Tyler, TX is comprised of **$475 million in direct** operational impact, over **$123 million indirectly** and over **$80 million induced** operational impact. The **total tourism – arts & entertainment services** operational impact in 2008 within Tyler, TX is **over $679 million.**

Employment impact measures the direct employment (staff, etc.) plus additional indirect employment that is created / generated in a given geographic area. Direct employment includes all persons, typically measured on a FTE (full-time equivalent) basis; those who receive a paycheck from an organization. Indirect employment refers to other workers throughout the geographic area whose jobs exist in part because of the organization's economic impact. In other words, jobs related to population – municipal services (police, fire), jobs related to visitation such as employees at local hotels and restaurants, clerks at local retail establishments, and jobs related to institutional spending such as employees of vendors retained by the organization.

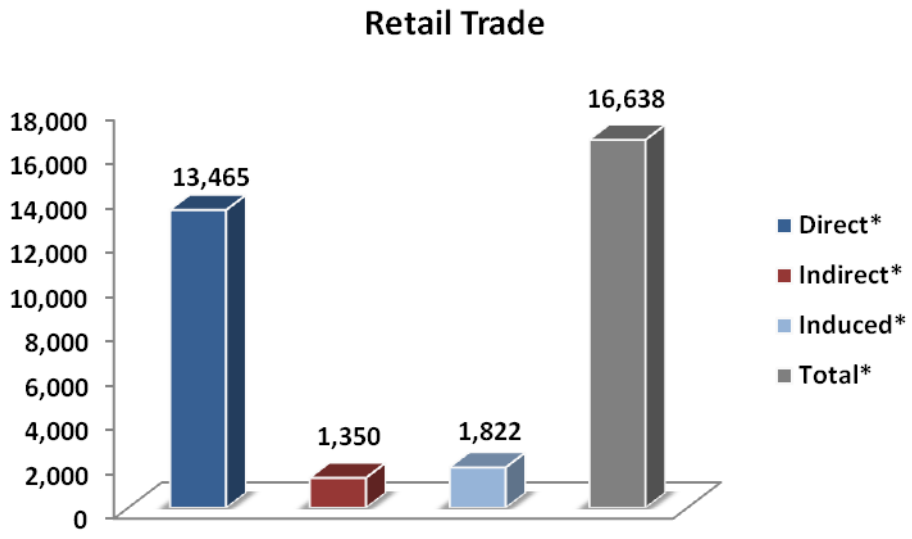
The healthcare industry in Tyler, TX provides over 16,000 direct jobs; over 3,000 indirectly and more than 5,000 induced jobs. The total employment impact in 2008 within Tyler, TX is over 25,000 full-time equivalent jobs.



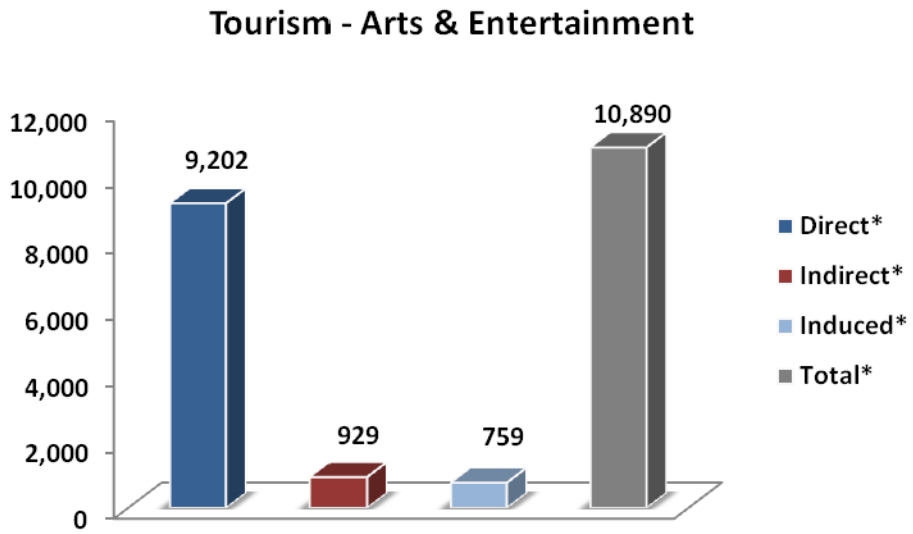


The **higher educational services in Tyler, TX** provides over **1,200 direct jobs; 144** indirectly and more than **150 induced jobs.** The total employment impact in 2008 within Tyler, TX is **over 1,500 full-time equivalent jobs.**

The **retail trade services in Tyler, TX** provides over **13,000 direct jobs**; **1,350 indirectly** and more than **1,800 induced jobs**. The total employment impact in 2008 within Tyler, TX is **over 16,000 full-time equivalent jobs.**



The tourism-arts & entertainment services in Tyler, TX provides over 9,200 direct jobs; over 900 indirectly and more than 750 induced jobs. The total employment impact in 2008 within Tyler, TX is over 10,000 full-time equivalent jobs.



HOW DOES IMPLAN CALCULATE IMPACT?

The **IMPLAN *input-output model*** is utilized to estimate the impacts of economic events in the defined regions. Developed by the Minnesota IMPLAN Group, cross-sectional data at the national, state and county level is compiled to construct a comprehensive and accurate database that has a consistent structure.

IMPLAN is widely used by researchers in industry, government and academe. Input-output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all monetary market transactions for consumption in a given period.

IMPLAN assumes that there are constant returns to scale, no supply constraints, a fixed commodity input structure, a homogenous output structure, and that production technology is fixed. The model estimates how a change in one or several economic sectors affects an entire economy. IMPLAN derives three types of economic effects that permit one to assess the impact of economic events: ***direct effects*** are economic impacts directly attributable to events; ***indirect effects*** are business-to-business economic impacts; and ***induced effects*** are business-to-consumer and household expenditure impacts (spending of discretionary income by employees).

It offers a snapshot of an area's economy at one point in time, and is therefore relatively static. Further information about the IMPLAN input-output model can be obtained at the IMPLAN Group's website: www.implan.com.

APPENDIX A:

METHODOLOGY

INITIAL DATA COLLECTION

Tripp Umbach and Boyette Levy (the consulting team) analyzed existing data related to Tyler, Texas, Smith County, Texas and the seven counties surrounding Smith County defined as: Wood County (north) Upshur County (northeast) Gregg County (east) Rusk County (southeast) Cherokee County (south) Henderson County (southwest) and Van Zandt County (northwest), including socio-economic data, population projections and demographics, quality of life indicators, and consumer spending patterns.

The consulting team also used economic census data to conduct an industry trends analysis to understand the current market climate and project potential demand for economic and community development projects and initiatives. The consulting team prepared a market profile report of the local economy illustrating positive and negative market trends and opportunities. **The consulting team also reviewed any past marketing, economic development, public relations and communications reports, including the recent "Tyler 21"documents.**

SITE VISIT #1: PROJECT PLANNING AND INITIAL ON-SITE WORK SESSIONS

The consulting team facilitated a project planning meeting with the project Steering Committee during an initial on-site work session. In summary, the objectives of this initial meeting were:

- ✓ Identification of project drivers
- ✓ Identification of critical success factors
- ✓ Identification of potential project challenges
- ✓ Discussion of the plan vision, goals and objectives
- ✓ Identification of key stakeholders to be interviewed

The consulting team conducted initial interviews and/or focus groups with key audiences following the initial half-day work session.

SITE-VISIT #2: KEY LEADER INTERVIEWS

The consulting team conducted face-to-face interviews and/or focus/discussion groups with 50 community leaders. The interview process included obtaining input on the community market needs, strengths, weaknesses, opportunities and threats (SWOT) of the local market place, testing of existing economic and community development concepts, and visioning regarding the potential for marketing Tyler to the region, state, nation, and world.

A summary of the information gathered during this process, including a summary of stakeholder interviews, focus/discussion groups, without attributing specific comments, is included in this report.

SITE-VISIT #3: PRESENTATION OF FINDINGS FROM INTERVIEWS AND FOCUS GROUPS AND PLANNING SESSION TO IDENTIFY KEY PRIORITIES AND MESSAGES

The consulting team presented the Core Working Group with findings from interviews and focus groups and conducted a planning session that helped create a strategic communication plan that positions the community with a positive perception among key target audiences. This plan contains a strategic communications plan that includes situation analysis and an overview of the research conducted related to current marketing and communications efforts, in addition to identified target audiences and specific communications objectives.

POST-PLANNING MARKET ANALYSIS

Upon completion of this task, the consulting team prepared a more comprehensive market profile report based on key focus areas. The more detailed market profile report is included in the final planning document.

SITE VISIT #4: PRESENTATION OF FINAL MARKETING PLAN

Tripp Umbach and Boyette Levy developed a final marketing plan designed to provide a blueprint for achieving the goals outlined. This plan includes the following:

- ✓ An implementation matrix to include priorities, the overall strategies and tactics designed to achieve the goals, as well as assignment of responsibilities, timing and status of each tactic in the plan; and
- ✓ Recommendations for implementation.

APPENDIX B:

DATA ANALYSIS

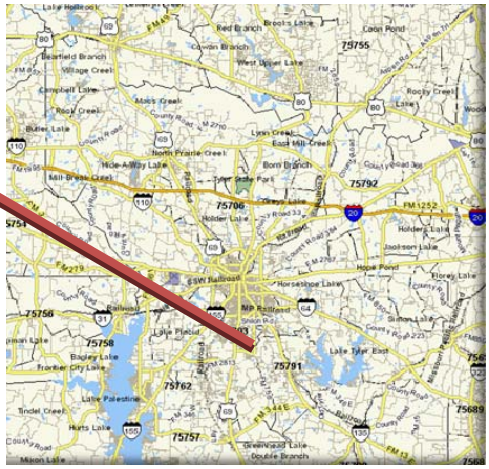
A VIEW OF THE COMMUNITY AND SURROUNDING AREAS

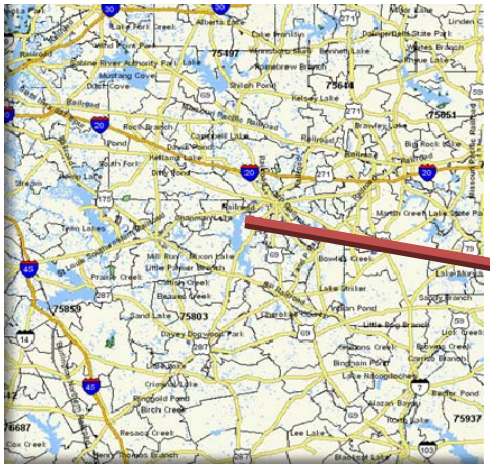
LOCATION

Center of Town, Tyler, Texas

0 – 5 mile radius

Smith County





7 Surrounding Counties, East Texas Region

Cherokee County, Henderson County, Upshur County, Wood County, Gregg County, Rusk County, Van Zandt County

Population

Population	Tyler, Texas [13]	Smith County [14]	East Texas Region[15]
2009 Estimate	101,427	203,781	431,900
2014 Projection	109,820	221,203	453,198
Growth 2009-2014	8.27%	8.55%	4.93%

The City of Tyler, Smith County, and the East Texas region are projected to grow in population over the next five years. The rate of growth in the City of Tyler (8.3%) and Smith County (8.6%) will be higher than in the multi-county East Texas Region (4.9%). The population growth in Tyler, as well as Smith County overall, is also expected to outpace the rest of Texas and the United States (5.1%) during this five year period.

2009 Population by Single Race Classification	Tyler, Texas *n=101,427*	Smith County *n=203,781*	East Texas Region *n=431,900*
White Alone	57,772 (56.96%)	143,994 (70.66%)	341,768 (79.13%)
Black or African American Alone	26,456 (26.08%)	36,614 (17.97%)	53,584 (12.41%)
Asian Alone	1,128 (1.11%)	1,800 (0.88%)	2,377 (0.55%)
American Indian & Alaska Native Alone	470 (0.46%)	1,051 (0.52%)	2,637 (0.61%)
Native Hawaiian & other Pacific Islander Alone	59 (0.06%)	85 (0.04%)	208 (0.05%)
Some other Race Alone	13,201 (13.02%)	16,337 (8.02%)	23,830 (5.52%)
Two or more Races	2,340 (2.31%)	3,900 (1.91%)	7,496 (1.74%)

The percentage of residents in the City of Tyler who are African American (26.1%) is higher than that of Smith County (18.0%) and of the East Texas Region (12.4%) and it is more than twice the percentage of United States residents who are African American (12.5%).

[13] **Tyler, Texas** – Tyler is a city in and the county seat of Smith County, Texas in the United States. Data shown is from center of town, Tyler, TX, aggregate, 0-5 miles radius.

[14] **Smith County** is a county located in the U.S. state of Texas.

[15] **East Texas Region** – data shown is from the 7 surrounding counties that surround Smith County: Cherokee County, Henderson County, Upshur County, Wood County, Gregg County, Rusk County, and Van Zandt County.

2009 Population	Tyler, Texas *n= 101,427*	Smith County *n=203,781*	East Texas Region *n=431,900*
Hispanic or Latino	24,574 (24.23%)	31,917 (15.66%)	49,203 (11.39%)

A higher percentage of residents are Hispanic or Latino in Tyler (24.2%) than in Smith County (15.7%), East Texas (11.4%), and the United States (15.5%).

2009 Population by Age	Tyler, Texas n=*101,427*	Smith County *n=203,781*	East Texas Region n=*431,900*
Age 16 and Over	77,384 (76.30%)	155,667 (76.88%)	339,039 (78.50%)
Age 18 and Over	74,746 (73.69%)	150,921 (74.06%)	327,164 (75.75%)
Age 21 and Over	69,979 (68.99%)	141,708 (69.54%)	310,042 (71.79%)
Age 65 and Over	15,105 (14.89%)	29,519 (14.49%)	70,374 (16.29%)

More than 15,000 people in the City of Tyler are of retirement age (65 and older). In the East Texas Region overall, there are over 70,000 people in this age group.

Education

2009 Pop. Age 25+ by Educational Attainment	Tyler, Texas *n=64,464*	Smith County *n=130,738*	East Texas Region *n=288,424*
Less than 9th Grade	6,512 (10.10%)	9,759 (7.46%)	23,697 (8.22%)
Some High School, no Diploma	8,454 (13.11%)	15,693 (12.00%)	48,525 (16.82%)
High School Graduate (or GED)	14,191 (22.01%)	32,133 (24.58%)	91,680 (31.79%)
Some College, no Degree	15,517 (24.07%)	33,368 (25.52%)	67,610 (23.44%)
Associate Degree	4,370 (6.78%)	9,763 (7.47%)	15,871 (5.50%)
Bachelor's Degree	10,095 (15.66%)	20,367 (15.58%)	27,176 (9.42%)
Master's Degree	3,457 (5.36%)	6,331 (4.84%)	9,995 (3.47%)
Professional School Degree	1,312 (2.04%)	2,320 (1.77%)	2,778 (0.96%)
Doctorate Degree	556 (0.86%)	1,004 (0.77%)	1,092 (0.38%)

The highest percentages of individuals in the East Texas Region have completed high school or a GED, but only 19.7% have obtained any type of postgraduate degree. About one fourth of the

population of the area in and around the City of Tyler has attended college but not received a degree.

Households and Household Income

Households	Tyler, Texas	Smith County	East Texas Region
2009 Estimate	38,190	75,300	164,605
2014 Projection	41,008	81,260	172,940
Growth 2009-2014	7.38%	7.92%	5.06%

2009 Households by Household Income	Tyler, Texas *n= 38,190*	Smith County *n=75,300*	East Texas Region *n=164,605*
Income Less than $15,000	7,031 (18.41%)	10,824 (14.37%)	27,166 (16.50%)
Income $15,000-$24,999	5,267 (13.79%)	9,143 (12.14%)	21,888 (13.30%)
Income $25,000-$34,999	5,034 (13.18%)	9,051 (12.02%)	21,467 (13.04%)
Income $35,000-$49,000	6,351 (16.63%)	12,491 (16.59%)	28,232 (17.15%)
Income $50,000-$74,999	6,543 (17.13%)	14,685 (19.50%)	30,741 (18.68%)
Income $75,000-$99,999	3,167 (8.29%)	7,874 (10.46%)	16,513 (10.03%)
Income $100,000-$149,999	3,041 (7.96%)	7,390 (9.81%)	12,393 (7.53%)
Income $150,000-$249,999	1,163 (3.05%)	2,564 (3.41%)	4,212 (2.56%)
Income $250,000-$499,999	432 (1.13%)	887 (1.18%)	1,528 (0.93%)
Income $500,000 and more	161 (0.42%)	391 (0.52%)	465 (0.28%)

The highest percentages of households in Smith County and the East Texas Region have a household income between $50,000 and $74,999. However, the largest percentages of households in the City of Tyler have a household income less than $15,000.

Workforce

2009 Civilian Employed Pop (16+) by Occupation	Tyler, Texas *n=44,430*	Smith County *n=91,193*	East Texas Region *n=181,128*
Management, Business, and Financial Operations	4,194 (9.44%)	9,849 (10.80%)	18,359 (10.14%)
Professional and Related Occupations	8,924 (20.09%)	18,178 (19.93%)	28,832 (15.92%)
Service	7,593 (17.09%)	13,775 (15.11%)	27,456 (15.16%)
Sales and Office	11,700 (26.33%)	24,901 (27.31%)	46,606 (25.73%)
Farming, Fishing and Forestry	198 (0.45%)	500 (0.55%)	2,735 (1.51%)
Construction, Extraction, and Maintenance	4,308 (9.70%)	9,619 (10.55%)	24,749 (13.66%)
Production, Transportation and Material Moving	7,514 (16.91%)	14,371 (15.76%)	32,391 (17.88%)

The highest percentages of employed non-military individuals in all three regions are employed in Sales and Office occupations. In the City of Tyler and Smith County, the second highest percentage is employed in Professional and Related Occupations, while in the East Texas Region, the second highest percentage of employed individuals work in Production, Transportation and Material Moving.

2009 Civilian Employed Pop (16+) by Occupation Classification	Tyler, Texas *n=44,430*	Smith County *n=91,193*	East Texas Region *n=181,128*
Blue Collar	11,822 (26.61%)	23,990 (26.31%)	57,140 (31.55%)
White Collar	24,717 (55.63%)	52,567 (57.64%)	91,922 (50.75%)
Service Farm	7,892 (17.76%)	14,636 (16.05%)	32,066 (17.70%)

The majority of employed people in all three regions are considered to have a White Collar type of occupation.

2009 Workers (16+), Transportation to Work	Tyler, Texas *n=43,831*	Smith County *n=89,712*	East Texas Region *n=177,884*
Drove Alone	34,727 (79.23%)	73,595 (82.03%)	147,717 (79.67%)
Car Pooled	6,573 (15.00%)	11,380 (12.69%)	25,648 (14.42%)
Public Transportation	243 (0.55%)	281 (0.31%)	337 (0.19%)
Walked	589 (1.34%)	954 (1.06%)	2,757 (1.55%)
Motorcycle	54 (0.12%)	212 (0.24%)	166 (0.09%)
Bicycle	39 (0.09%)	47 (0.05%)	113 (0.06%)
Other Means	725 (1.65%)	915 (1.02%)	1,716 (0.96%)
Worked at Home	880 (2.01%)	2,328 (2.59%)	5,430 (3.05%)

The vast majority of workers in the City, County, and seven-county Region drove alone to work in 2009. Only 15% or less participated in a car pool and only 2-3% worked at home and required no transportation.

Consumer Spending Patterns – 2009 Aggregate Expenditure Estimate

Product Category	Tyler, Texas (in thousands of $)	Smith County (in thousands of $)	East Texas Region (in thousands of $)
Sports and Entertainment, including Food Away from Home & Alcohol	260,101 (17.10%)	568,157 (17.35%)	1,188,930 (17.18%)
Transportation & Auto Expenses	298,194 (19.60%)	654,438 (19.99%)	1,322,176 (19.11%)
Total Apparel	123,240 (8.10%)	259,482 (7.92%)	514,695 (7.44%)
Healthcare	172,909 (11.37%)	368,541 (11.26%)	802,357 (11.59%)

Individuals in the three regions spend the largest percentage, almost one-fifth, of their overall consumer expenditures on transportation and auto expenses. The second highest amount is spent on sports, entertainment, and food away from home.

APPENDIX C:

STAKEHOLDER INTERVIEWS

To gather additional insight on Tyler, Texas, we held almost 40 stakeholder interviews -- either one-on-one or through small discussion groups. Some of the key findings from such interviews/discussion groups include:

What do you believe are the general perceptions of Tyler and the region?
➢ Beautiful Environment
➢ Great Quality of Life Created by Investment
➢ Small town atmosphere with big town amenities
➢ Roses
➢ Conservative
➢ Clean
➢ Family environment
➢ Historic presence/strong foundation
➢ Education city
➢ City with class
➢ Confident community
➢ Have to explain where Tyler is from time to time to outsiders

Strengths	Weaknesses
➢ UT Health Science Center – train for Industry spinoffs	➢ Need to support TX College – majority of students are not from Tyler – pipeline of K-12 supporting College
➢ Solid leadership – professionally run City	➢ Limited by demographics on some levels
➢ Great community college base	➢ Colleges/Universities do not work for the general NEED and off of each other strengths
➢ Growth opportunities	➢ Lack sports venues
➢ Willingness to grow from majority of residents – easy to grow regarding City regulations	➢ Larger corporations perceive Tyler having accessibility issues
➢ Market to serve (400,00)	➢ Rely on sales tax from retail more than they should
➢ Private education	➢ Taxes -- $ needs to be spent and invested
➢ Affordable housing and land	➢ Finding the right level of support for Health Science Center
➢ Majority of residents have great expertise in a variety of fields	➢ Need upscale amenities to compare to Dallas
➢ Medical HUB	➢ Public education needs improvement
➢ Healthcare groups	➢ Lack "early college" aspect within K-12 schools

➢ Educated workforce	➢ Lack people moving downtown because of negative perception that businesses can't make it at that location
➢ Competition of Healthcare makes for better care provided	➢ Some people don't even go downtown because they feel they have no reason to
➢ Willingness to give $ to support things	➢ Lack "outdoor recreation" – not walking/biking friendly
➢ Higher Education	➢ Lacks a primary entranced and signage
➢ Young families coming back	➢ Missing out on International opportunities
➢ No restrictions on Economic Funds	➢ Universities and colleges lack a collective voice that speaks to the general need of the City
➢ Junior League for younger residents	➢ Perception of North Tyler is negative
➢ Upscale senior population	➢ Tyler residents are directed to go elsewhere if they want upscale amenities and sometimes for schooling
➢ City governance answers to customers (taxpayer awareness)	➢ Hospitals have problems when recruiting young, single professionals
➢ Closeness to Dallas	➢ Airport leakage to Dallas, Houston, and Shreveport
➢ Property tax allowed to have 8% increase if needed	➢ Feel of the community needs to become "whole" – the loop creates disconnection
➢ City is open to incentive plans – they will come up the money	➢ Retaining graduates to stay within Tyler after graduation
➢ Perceived as service industry with cleaner jobs	➢ Need connectivity/accessibility
➢ Building of Loop 49 to improve accessibility	
➢ Strong oil and gas base	

What are Tyler's major challenges or threats to development/growth?
➢ Not increasing taxes has hurt Tyler in some ways
➢ Infrastructure needs to be a higher priority
➢ Workforce training – technical skills isn't being used to fullest potential
➢ Relationship btw. TEDC leadership and City leadership
➢ Roads, access to I-20 – Westside
➢ Public education – every child should be brought to standard for future
➢ Limited by demographics
➢ Historically separate hospital systems
➢ Largest city without a freeway system
➢ Need things that appeal to the "creative class"
➢ Oil/gas – Tyler is out of the field – cap and trade could kill Tyler's small reservoirs
➢ Size of downtown – needs more capacity
➢ City and TEDC not on the same page – there are a lot of residents with expertise in various backgrounds that aren't being used as resources
➢ Accessibility hurts growth – affects distribution centers wanting to move there
➢ Residents view downtown as not being on the same page with the loop area – everything seems to be moving south
➢ Need to offer tax incentives to allow for outside opportunities to move to Tyler
➢ Developers going to city with their plans – need openness of sharing ideas and plans
➢ Missing opportunities btw. City/community and colleges/universities because of lack of funding given for infrastructure/technology

Which industry sectors do you believe are the best fit or have the most potential for the region?
➢ Higher education growth opportunities – public education upgrade – magnet schools

- Allied health programs at UTHSC
- Healthcare
- Downtown convention center
- Courts -- patent cases – legal industry
- Upscale shopping
- Grocery store downtown
- Arts district downtown – possible Arts Institute Academy – brings young creative class downtown and possible spinoffs
- Quality Air Initiative
- Sports Arena
- Tourism
- Clean manufacturing industry
- Retirement community
- Airport – larger carriers
- Oil technology – education research
- Natural gas industry
- Petroleum engineering programs offered
- Oil/gas lawyers niche
- Fairgrounds – park industry "Park of East Texas"
- Downtown Hotel
- Educational HUB in workforce training
- Police Academy – safety technology industry
- Film Industry – creative industry
- Early College in public schools
- Preventive Healthcare industry
- Outdoor Recreational industry
- Sudden Link corp.
- Medical school possibility
- Bio-tech industry
- Service Industry
- Tele-commuting to Dallas but living in Tyler

What do you think must happen to secure the future of the region?
➢ Universities need to come together with clarity to get specific – working with all strengths – create a roundtable group – work with K-12 as pipeline o Technology upgrades – facility upgrades o Get students connected to the community through volunteering, internships, etc. to create connection which may make them want to stay after graduation
➢ Nursing and Health professionals integration
➢ Downtown needs to incorporate 24 hour life – add variety so that people have a reason to come, park and stay – grow strategically
➢ Sports Venue to attract larger leagues and crowds, including outsiders
➢ "Old" $'s need to be released and used as a "foundation to the community"
➢ Must conform to grow – City and TEDC work together with same visions
➢ New job creation needs to have more depth
➢ Improve accessibility
➢ Let there be more interchange btw. Universities and industry – new product development will occur
➢ Create a "Task Force" of community leaders that possess expertise and are available to share it
➢ Pay attention to the current economy, but look forward to the future changes
➢ Provide a variety – think outside of the box
➢ Build only to fit the city's needs – pay attention to the spinoff possibilities
➢ Explore more possibilities – connections btw. Healthcare and education
➢ Work with your environment – distinct seasons – recreational activities
➢ Address every generation
➢ Need investment from City and need to allow vision
➢ Don't overload investment
➢ City tax incentive offered to new businesses
➢ Hospital relationship
➢ Tyler representing as "East Texas"

What works best in marketing Tyler?
➢ Broadcast with help of local news station's
➢ Start young with children in schools getting them more involved with community
➢ Speak with a collective voice
➢ Creation of committees/task forces
➢ National Press
➢ Unified approach
➢ Downtown Summit taking place
➢ Funding
➢ Incentive packages
➢ Sell the "feel" of Tyler
➢ Package the positives
➢ Pay attention to "best practices" and learn

What is the biggest hurdle?
➢ Small group that is anti-business/growth/change
➢ Taxes positive and negative
➢ Technology upgrade
➢ City – developers – TEDC on same page
➢ Strategic growth
➢ Investment from public
➢ Diversity at different levels
➢ Slow because of oil business
➢ Room to hold summits, etc.
➢ City embraces Economic Development
➢ Businesses haven't been sold correctly in past
➢ Accessibility
➢ Providing quality jobs that pay well enough to give back to the community

APPENDIX D:

MEDICAL SCHOOL 101

- The goal of medical education is to produce physicians who are prepared to serve the fundamental purposes of medicine. Physicians must possess the attributes that are necessary to meet their individual and collective responsibilities to society. If medical education is to serve the goal of medicine, medical educators must develop learning objectives for medical education programs that reflect an understanding of those attributes.

  https://services.aamc.org/publications/index.cfm?fuseaction=Product.displayForm&prd_id=198&prv_id=239

- Medical education takes a total of seven to eleven years – the MD programs takes four years, with the first two years focused on basic science education and the second two years focused on clinical experiences. All medical graduates with an MD degree must also complete a residency program which can take between three and seven years of additional training.

- "The nation's medical schools are working hard to meet the growing demand for more physicians by boosting their enrollment," said AAMC President and CEO Darrell G. Kirch, M.D. "But we must also increase the number of residency training slots to prevent a bottleneck in the pipeline of new physicians, and ensure access to care for the millions of Americans who hopefully will attain coverage under health care reform."

- Expansion in medical school enrollment as well as graduate medical education, or "residency" training positions is needed to avert an expected shortage of 124,000 to 159,000 physicians by 2025. As a result, the AAMC supports the "Resident Physician Shortage Reduction Act" (S.973/H.R.2251), which increases the number of Medicare-supported training positions for medical residents by 15 percent (approximately 15,000 slots). None of the reform bills currently before Congress includes more Medicare funding for graduate medical education positions. Instead, both the House and Senate legislation would redistribute about 1,000 unused residency training slots among a small group of targeted states.

  http://www.aamc.org/newsroom/pressrel/2009/091020.htm

- This period of graduate medical education, which ranges from three to more than eight years after medical school, provides new physicians with the clinical experience and knowledge they need to become effective and highly qualified doctors. New physicians train in a variety of clinical environments that expose them to all that modern medical care and research has to offer while helping them to become lifelong learners — an essential skill with medical knowledge doubling every seven years.

  Physicians at teaching hospitals also play a critical role in primary care and prevention. Frequently, they provide primary and specialty care to patients who have multiple complex conditions. They also conduct research on chronic illnesses, and they test and implement new care models, such as the medical home, that help patients better navigate a complex system. Teaching hospitals are also frequently the only source of community services aimed at improving health, such as providing nutrition counseling and geriatric services.

  Grover: U.S. Teaching Hospitals Need Federal Support -- Atul Grover, M.D., Ph.D., is chief advocacy officer at the Association of American Medical Colleges. -- June 8, 2009

- Medical education is a major driver of the US economy as medical schools and teaching hospitals generate more than a half of Trillion in economic impacts in 2008. More than 3.3 million jobs are related to medical education and more than $22 billion in state tax revenue.

- Each medical student has a $1 million dollar annual economic impact on the region where they attend medical school.

  (In March 2009, the Association of American Medical Colleges (AAMC) retained Tripp Umbach to measure the economic impact of AAMC member institutions on the 46 individual states (and the District of Columbia – not including Puerto Rico, even though AAMC does have members in Puerto Rico) in which they are located, as well as the nation as a whole. The report presented results of the combined economic impact that AAMC members have on states and the country.)

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