

An aerial photograph of a city skyline, likely Indianapolis, featuring a prominent tall white skyscraper (Bankers Life Tower) and a dense forest of trees with autumn foliage in the background. The image is partially obscured by a large diagonal graphic element that splits the page into orange and maroon sections.

Collaborating for Regional Resilience and Economic Growth



October, 2021

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Report by Fourth Economy



Fourth Economy is a national community and economic development consulting firm. Powered by a vision for an economy that serves the people, our approach is centered on principles of competitiveness, equity, and resilience. We partner with communities and organizations, public and private, who are ready for change to equip them with tools and innovative solutions to build better communities and stronger economies.

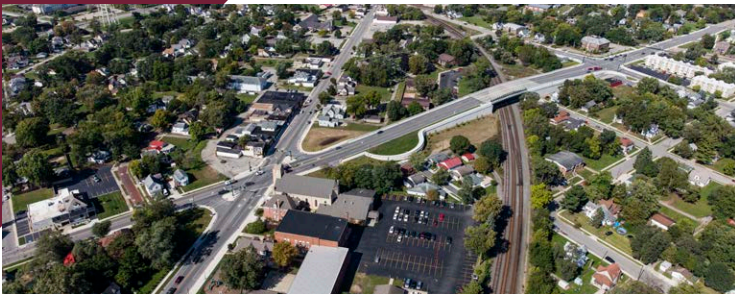
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Executive Summary

This plan, "Collaborating for Regional Resilience and Economic Growth," evaluates the impacts of the COVID-19 pandemic on the Michiana Area Council of Governments (MACOG) region's economy, and provides a roadmap to local stakeholders and policymakers for short-term economic recovery as well as long-term growth and resilience against future shocks and stressors.



The MACOG region, which includes Elkhart, Kosciusko, Marshall, and St. Joseph counties, faces economic challenges and opportunities – some of which have been exacerbated by the COVID-19 public health crisis, while others have been reversed. Opportunities include increasing technology adoption and advancements in the region's strong manufacturing, education, and healthcare sectors; deepening the region's focus on innovation-based startup development; maximizing the value of existing educational institutions and workforce development programs; and promoting the region's low cost of living, proximity to several major markets, good connectivity via transportation and broadband networks, and growing community amenities like arts, culture, and outdoor recreation.

Challenges include job loss and supply chain instability during the pandemic period; low per capita income; low startup and small business activity; lagging population growth and high out-migration; poor public health outcomes and lack of childcare; and an aging housing stock. All of these factors affect the region's ability to attract and retain top talent and create high-paying economic opportunities for the regional workforce.

To minimize these barriers to economic growth and capitalize on these strengths to advance future resiliency, the MACOG region will focus on three goals:

1. **Population growth** among working-age adults via talent attraction and retention
2. **Higher per capita income** through diversified and modernized industries providing higher-paying job opportunities
3. **Increased small business activity** and employment

These goals reflect the region's driving themes to help guide the development of the region's long-term sustainability:

1. **Growth & Prosperity:** Enabling population growth and employment or entrepreneurial opportunities to advance regional prosperity
2. **Innovation & Adaptiveness:** Respecting the region's manufacturing legacy while recognizing the importance of adopting new technologies and innovations
3. **Diversity & Inclusion:** Acknowledging the region's growing population diversity and building a welcoming environment where all are empowered to thrive

The strategies contained in this plan reflect the priorities of regional stakeholders, as well as actions that organizations in the region are currently taking to address these priorities. Strategies include supporting local vibrancy and connectivity efforts, promoting access to key infrastructure like broadband and childcare, providing resources to increase regional workforce housing, connecting the region to funding to support workforce training, marketing for talent attraction, boosting main street entrepreneurship, and advancing the region's industry modernization and supply chain efforts.

MACOG has a clear leadership role to play in several of these strategies, while others are already being led by other entities within the region that MACOG can support. All of the strategies outline ways for regional organizations to coordinate efforts to address historic trends and current economic conditions, as well as meet the region's long-term goals and vision. That vision is to become:

"A region of high-performing, inclusive, and connected communities that provides residents access to the global innovation economy and is recognized for world-class education and collaborative community partnerships"

Regional stakeholders are committed to working together to advance these goals, strategies, and vision for long term economic growth and resilience.



Introduction

2021 was another unprecedented year, after what many thought was the ultimate unprecedented year. Though COVID-19 vaccines became widely available in early 2021 and many sectors of the economy showed signs of rebound by mid-summer, it is clear that the MACOG region is still recovering from the effects of the pandemic and other shocks at statewide, national, and global levels.

As the regional planning organization for all of the communities inside Elkhart, Kosciusko, Marshall, and St. Joseph Counties, the Michiana Area Council of Governments (MACOG) is responsive to the needs of local municipalities and the region as a whole as it experiences macro challenges and stressors.

To address the current state of the region, MACOG solicited planning help from Fourth Economy, a national economic and community development consulting firm that focuses on inclusive and responsive engagement and analysis to inform future-facing and actionable plans that are specific to the community's unique needs and circumstances.

The enclosed plan evaluates the impacts of the COVID-19 pandemic on the MACOG region's economic health, based on assessments of historic economic trends, recent data, and anecdotal insights from stakeholders experiencing issues first hand. It also recommends strategies for short-term mitigation and economic recovery, and provides local stakeholders and policymakers with a roadmap for long-term growth and resilience against future shocks and stressors.



Methodology

The MACOG region has carried out several recent community planning studies, which Fourth Economy reviewed and analyzed in order to understand the current state of the region, existing vision statements, and ongoing goals that communities are actively pursuing. The following reports informed that baseline understanding.

Prior Plans Reviewed

- 2015 Innovate Indiana - Regional Cities Initiative Plan
- 2016 Plan for Prosperity, Growth, and Inclusion - Northcentral Indiana RDA
- 2018 Ensuring Prosperity for the South Bend-Elkhart Region (REDS)
- 2018 Tides of Change - TEconomy
- 2019 Marshall County Stellar
- 2019 Vibrant Communities - Elkhart County
- 2020 MACOG Comprehensive Economic Development Strategy (CEDS)
- 2020 Marshall County QOL Plan
- 2021 Indiana GPS - Brookings
- 2021 Regional Belonging Survey - South Bend-Elkhart Regional Partnership

Community Engagement

To help guide the planning process, provide local insights, and shape the scenario and strategy development, MACOG formed a steering committee made up of public, non-profit, business, and educational leaders from throughout the four-county region. Steering committee members met four times during the year to review data from the planning team, help connect the right stakeholders to relevant topical conversations, and refine the recommendations for regional economic recovery and resiliency.

To understand pervasive opportunities and challenges, a number of local stakeholders were interviewed early on in the process. These interviews included steering committee members and influential individuals from critical organizations that serve the region, including key employers, local government officials, financial institutions, and educational non-profits.

Once priority areas were identified, a series of in-person focus groups were held in South Bend and Elkhart, with local practitioners working on key issues like childcare, housing, education,

healthcare, regional marketing, and arts, culture, and recreation. The focus groups helped define the specific barriers that could use interventions, and started early brainstorming around potential solutions to address them.

Finally, virtual strategy sessions were held with key partners working on the subject matter of each strategy, to map out details around areas of potential collaboration and enhancements to existing efforts. These sessions used a combination of Zoom and X-Leap, a digital brainstorming tool, to engage groups of people online in collaborative problem solving.

Engaging these local subject matter experts was a critical component of ensuring the recommendations contained in this report are applicable to the regional context, not duplicative of other efforts, and complementary to regional coordination necessary to make real change.

Regional Vision

As part of the disaster recovery planning process, MACOG staff, steering committee members, and the planning team developed a vision statement for long-term economic resilience that reflects and builds on many of the sentiments found in the region's extensive prior planning efforts. It articulates a desired future that acknowledges the region's existing strengths, and identifies the development of new assets for continuous advancement and resistance against future disasters and economic shocks.

"A region of high-performing, inclusive, and connected communities that provides residents access to the global innovation economy and is recognized for world-class education and collaborative community partnerships"

Driving Themes

Driving themes were also identified to help guide the development of the region's economic recovery and long-term sustainability:


1. **Growth & Prosperity:** Enabling population growth and employment or entrepreneurial opportunities to advance regional prosperity
2. **Innovation & Adaptiveness:** Respecting the region's manufacturing legacy while recognizing the importance of adapting new technologies and innovations
3. **Diversity & Inclusion:** Acknowledging the region's growing population diversity and building a welcoming environment where all are empowered to thrive

Regional Goals

Both the vision and the driving themes are reflective of MACOG's goal to ensure the future resilience of the region's economy.

1. **Population growth** among working-age adults via talent attraction and retention
2. **Higher per capita income** through diversified and modernized industries providing higher-paying job opportunities
3. **Increased small business activity** and employment

Key Regional Challenges and Opportunities



Leaders in the region have identified and quantified key challenges and opportunities for economic growth and resilience through their prior planning efforts. Some of these trends have been exacerbated by the COVID-19 public health crisis, while others have been reversed. These conditions are summarized below under three pillars – “Business, Industry, and Entrepreneurship,” “People, Talent, and Workforce,” and “Place, Infrastructure, and the Built Environment” – which are the foundational elements of any strong economy.

Business, Industry, and Entrepreneurship

Industry Strengths and Weaknesses

Existing industry strengths

The Manufacturing, Educational Services, and Healthcare & Social Assistance industries¹ dominate the regional economy, especially in sub-sectors like RV manufacturing and orthopedics. Pre-pandemic, Manufacturing grew by an average of 267 jobs quarterly, Construction by 151 jobs, and Healthcare by 138 jobs, representing the three fastest growing industries in the region.

COVID-19 industry impacts

Educational Services, one of the region’s top employment sectors, experienced the biggest loss in employment during the peak of the pandemic (2,143 jobs lost 2020 Q2-Q3). Manufacturing experienced the second biggest loss, declining by just over 1,650 in the same period. Accommodation and Food Service and Retail Trade lost 1,596 and 709 jobs, respectively. Administrative Support lost 921 jobs and Healthcare lost 710 jobs.

¹ These industry categories refer to The North American Industry Classification System (NAICS) - the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Source: U.S. Census Bureau

Sector Impacts of COVID-19

Average Quarterly Change

<i>Sector</i>	<i>Pre-Covid (2015 Q1-2020 Q1)</i>	<i>Covid (2020 Q2-3)</i>	<i>2020 Average Employment</i>
Agriculture, etc.	5	63	1,157
Utilities	-0.3	1	463
Construction	151	121	11,243
Manufacturing	267	-1,651	99,693
Wholesale Trade	39	-209	15,100
Retail Trade	8	-709	27,291
Transport/Warehouse	31	-153	7,066
Information	-24	-214	2,603
Finance/Insurance	17	-54	6,107
Real Estate	26	3	3,044
Professional and Technical	59	-156	8,387
Management	34	-22	5,789
Administrative and Support	-19	-921	12,715
Educational Services	18	-2,143	28,217
Health Care	138	-710	36,113
Arts, Entertainment, and Recreation	48	-51	2,523
Accommodation and Food Services	58	-1,596	19,818
Other Services	28	-347	7,795
Public Administration	21	141	7,988

Source: Quarterly Workforce Indicators, U.S. Census Bureau, 2015-Q1 to 2020-Q3. The Covid period begins 2020-Q2. Data is only available through 2020-Q3, data on Post-Covid employment (2021-Q2 forward) is not yet available.

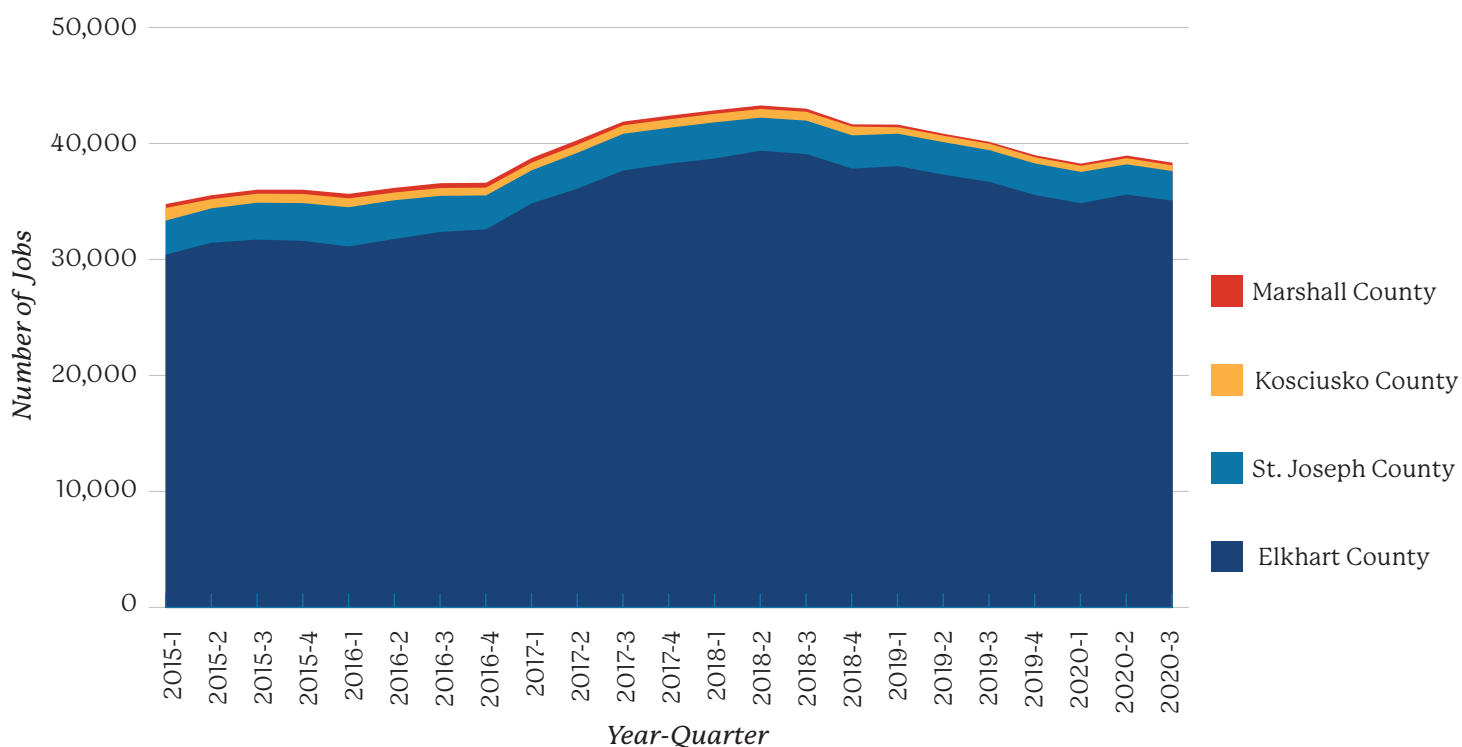
Low industry diversification and supply chain impacts

Even before the pandemic, the MACOG region was heavily reliant on a few industries which are vulnerable to disruptions in the supply chain. Many people in the region are employed by businesses connected to the RV industry supply chain. These regional specializations include (1) cabinets, furniture, and related products and (2) manufactured buildings and building products. In 2021, the Bureau of Labor Statistics' seasonally adjusted [Producer Price Index \(PPI\)](#) saw the highest increases since 2009, specifically for key commodities that create a disproportionate impact on sectors like vehicle manufacturing and construction.

- Industrial chemicals +3.2%(p) in Apr 2021
- Lumber +5.8%(p) in Apr 2021
- Steel mill products +18.4%(p) in Apr 2021

Rising prices for imports are adding to these price pressures, especially for those key commodities. Annual increases from April 2020 to April 2021 reached nearly 114 percent for wood product manufacturing, and 43 percent for primary metals. The increase in import prices also reflects the long-term pressures on the global supply chain that result from industry reliance on just-in-time production, combined with pandemic-related disruptions to production around the world and, more drastically, to the global shipping trade.

Transportation Equipment Manufacturing



Source: Census Quarterly Workforce Indicators, 2015-Q1 to 2020-Q3

It is not clear if the increase in commodity prices is impacting regional manufacturing, but employment in transportation equipment, which includes RV manufacturing, is nearly 5,000 jobs below the peak in the second quarter of 2018. This could be due to a number of factors, including tariffs imposed in 2018 on commodities like steel and aluminum, a construction boom in the MACOG region that concluded in 2018, and a general reduction in labor force participation seen nationwide due to an aging national population.



Regional efforts at automation and technology adoption

Leaders in the MACOG region have been working to modernize key industries like Manufacturing and Healthcare through targeted investments in advanced automation and other technology adoption, through efforts like the launch of the [Labs for Industry Futures and Transformation \(LIFT\) Network](#) and the associated [iNDustry Labs at Notre Dame](#). This shift will help the region's employers become more future-proof and efficient, while creating new career opportunities for those working in these industries with high-tech skills.

Photo of Intern within the LIFT Network Internship Program, provided by the South Bend – Elkhart Regional Partnership.

Occupations and Wages

Low per capita income

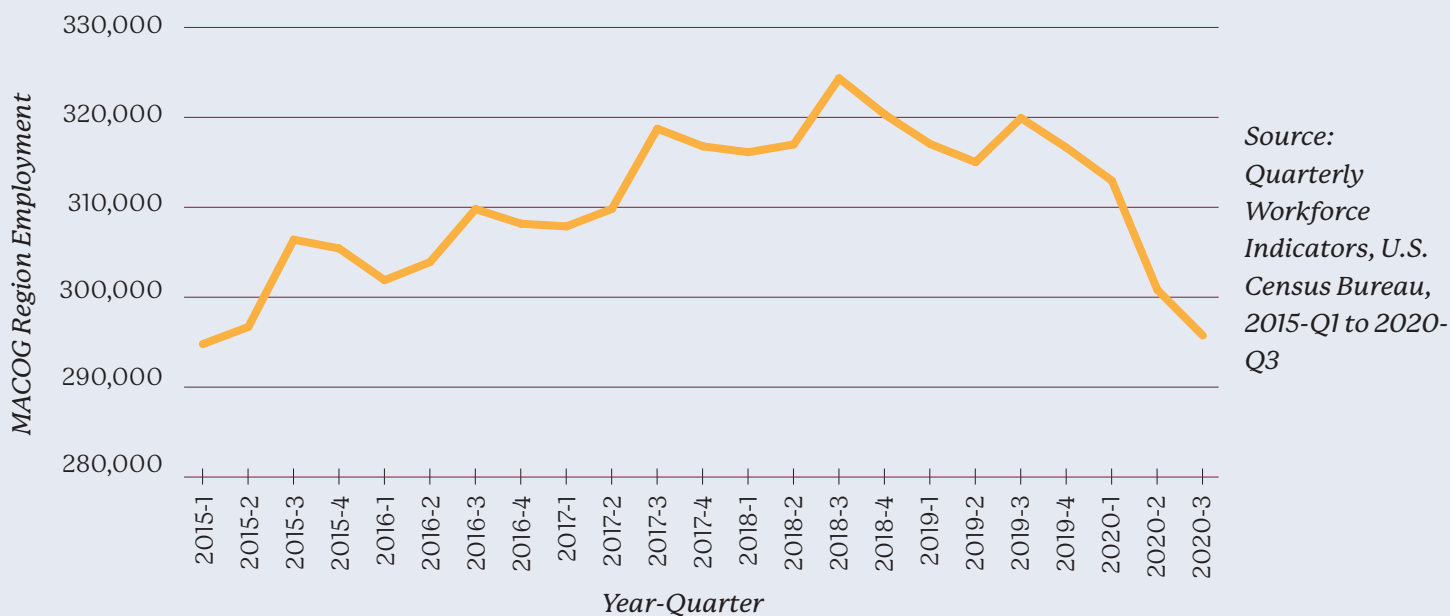
Per capita income in Elkhart and Marshall counties are lower than in 80% of the nation. Across all four counties in the MACOG region, per capita incomes are \$4,300 to \$8,300 below the national level (ACS 2015-2019). According to the Northcentral Indiana Regional Development Authority's 2016 Plan For Prosperity, Growth And Inclusion, "Fifty years ago, per capita personal income in the region was above the national average. Today [in 2016], the South Bend-Elkhart Region's per capita income is...[just] 87 percent of the national average."

Employment challenges

Employment in the MACOG region is 28,500 below the region's peak in the third quarter of 2018, despite gains in industries like Manufacturing, Construction, and Healthcare. This decline pre-dates the pandemic, but since the pre-COVID fourth quarter of 2019, the four county region is down more than 20,000 jobs. More than half of this drop occurred between 2020 Q1 and Q2. Recent losses return total counts to 2015 averages, re-emphasizing the challenge of the region's reliance on just a few key sectors.



Total Employment



Elkhart County drove the region's economic engine through the pre-COVID period, adding an average of 492 jobs per quarter, followed by St. Joseph County at an average of 360 per quarter. St. Joseph County suffered a significant reversal during the pandemic, shedding 4,880 jobs per quarter. Relative to their size, Marshall and Kosciusko also suffered significant losses. Rural Marshall County experienced an average quarterly decrease in employment pre-pandemic, likely due to its shrinking and aging population.



Average Quarterly Change in Employment

	Elkhart, IN	Kosciusko, IN	Marshall, IN	St. Joseph, IN
Pre-COVID	492	70	-15	360
COVID	-2,365	-1,082	-272	-4,880

Source: Quarterly Workforce Indicators, U.S. Census Bureau, 2015-Q1 to 2020-Q3. The Covid period begins 2020-Q1. Data is only available through 2020-Q3, data on Post-Covid employment (2021-Q2 forward) is not yet available.

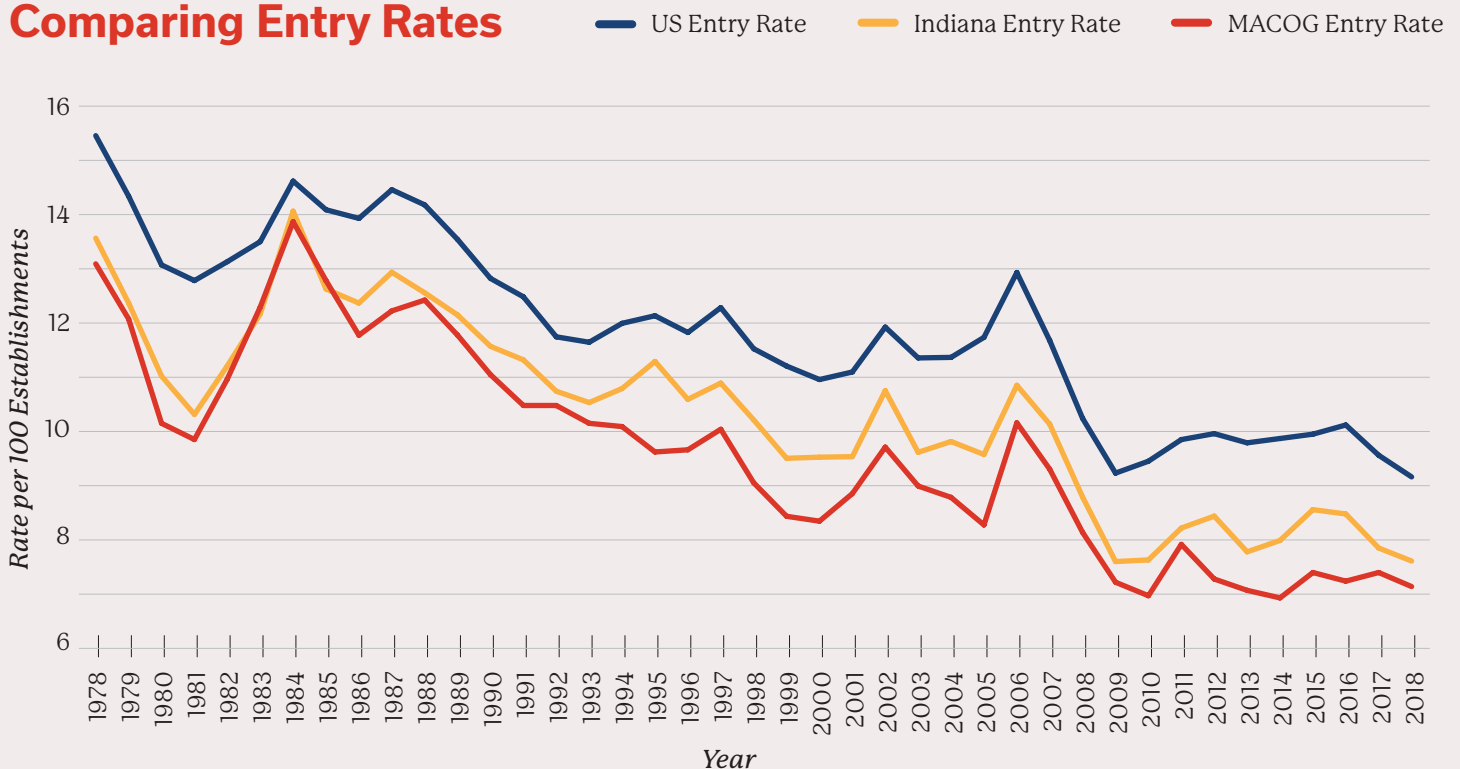
Innovation and Entrepreneurship

Low employment at startups and young firms

The MACOG region has 6.7 percent of employment in firms five years old or younger, compared to 7.6 percent in Indiana. Kosciusko County has only 6.1 percent while Marshall County has 8.9 percent. Overall this means a gap of more than 2,600 younger firms (Quarterly Workforce Indicators 2020-Q2). Some of this is due to the fact that the MACOG region, while following state and national patterns of declining new business entry rates since the 1980s, has consistently seen a lower business birth rate than both Indiana and nationwide trends. This is significant given that startups are responsible for most net new job creation within a regional economy.



Comparing Entry Rates



Regional focus on innovation-based startup development

One of the primary goals of the South Bend-Elkhart Regional Partnership, which represents the counties of the MACOG region apart from Kosciusko County, is to establish 275 high-potential startups by 2030, both privately and by commercializing research from local universities. This goal is part of its larger vision to see the region become a hub for tech companies with highly skilled workers using advanced tools and methods for bringing products to the global marketplace.

Photo of the LIFT Network Apprenticeship Program, provided by the South Bend – Elkhart Regional Partnership.

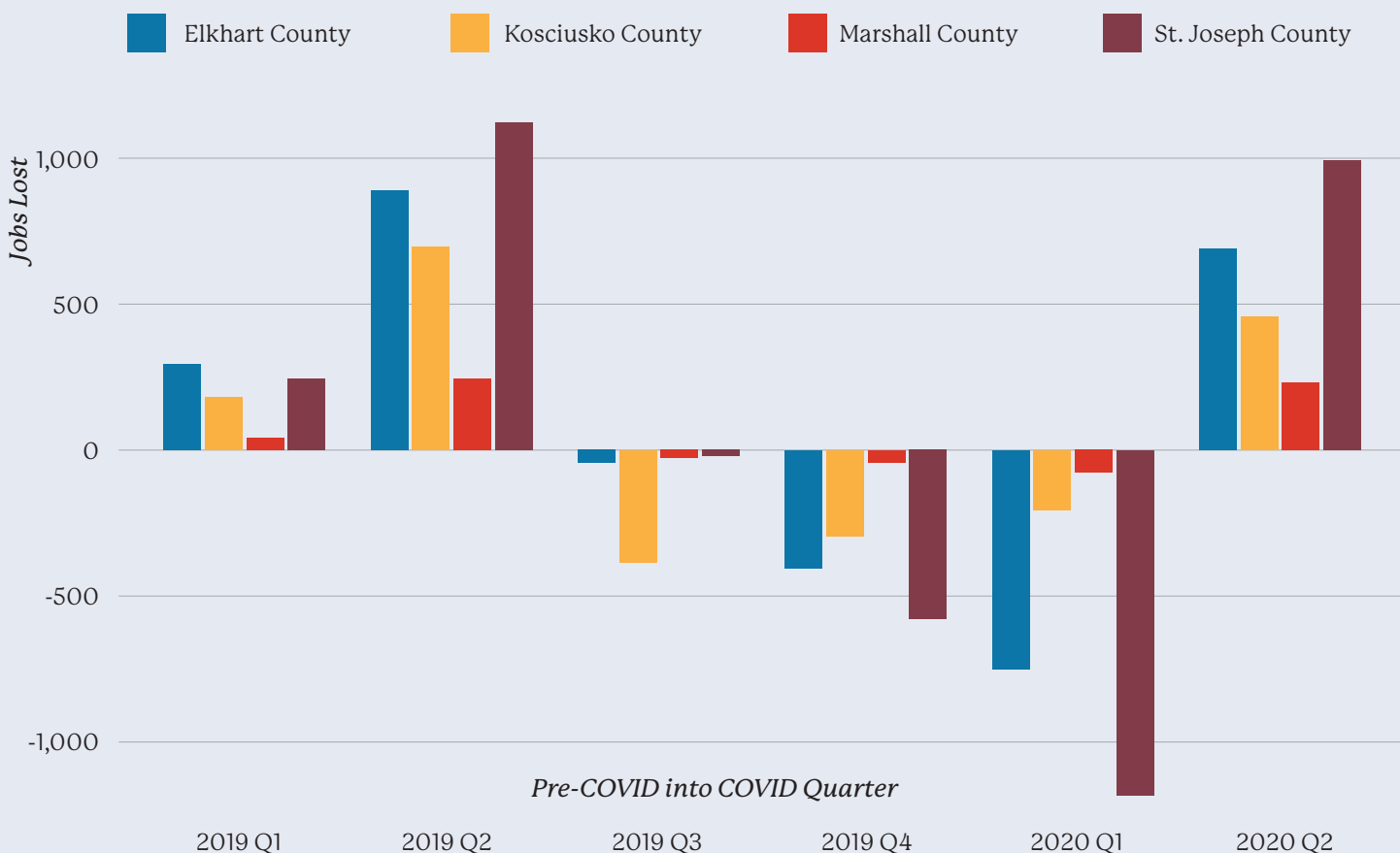
Pandemic challenges to small businesses

Small businesses are defined as those with fewer than 50 employees. The smallest firms in the region, those with fewer than 20 employees, experienced losses in 2019 Q3, well before the economic downturn resulting from the COVID-19 pandemic. The onset of COVID-19 in 2020 Q1 accelerated this loss, though turnaround began in the next quarter. These patterns likely reflect typical, seasonal fluctuations in hiring.



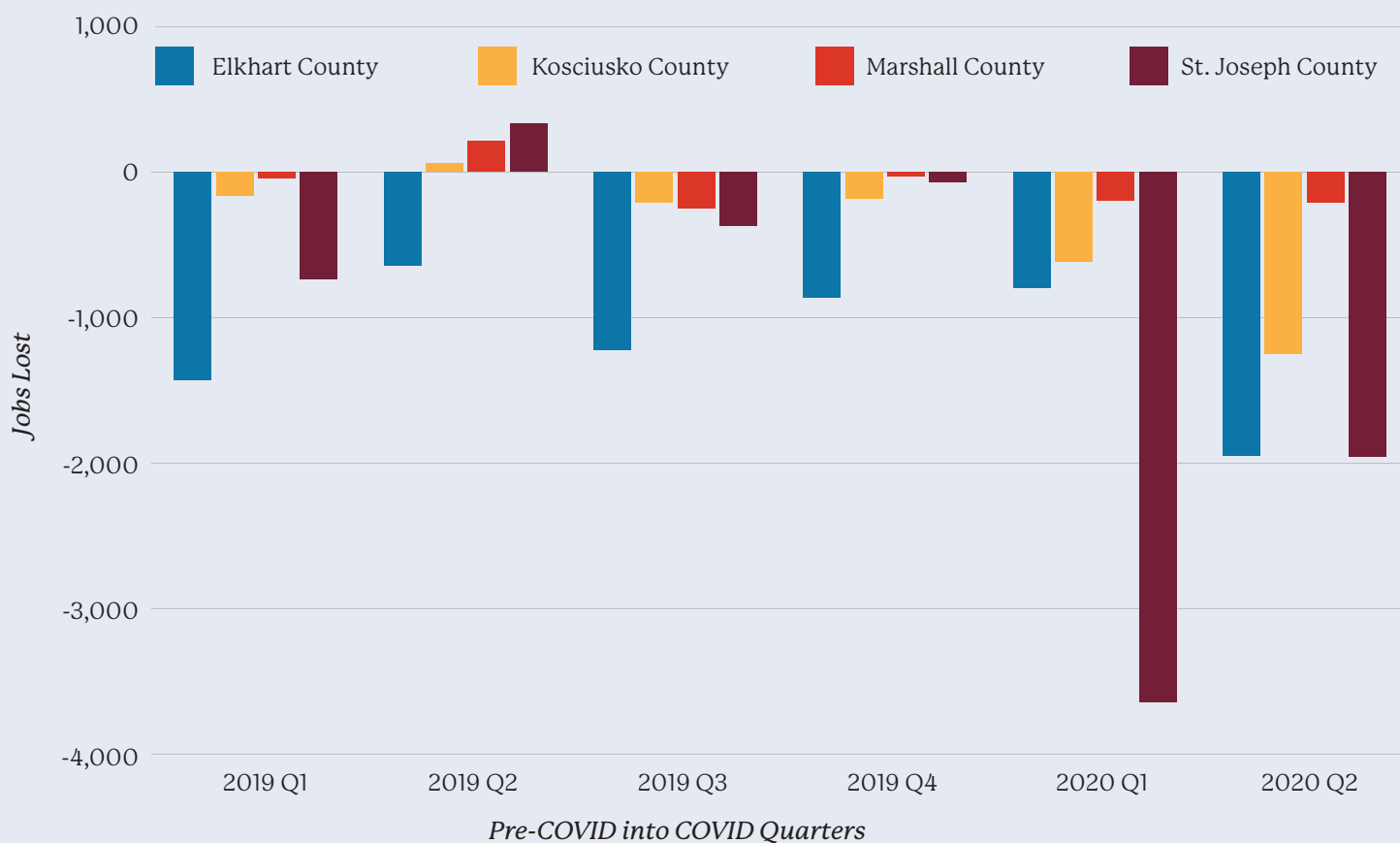
Photo via South Bend Regional Chamber

Change in Employment for Firms with 0-19 Employees



Source: Quarterly Workforce Indicators, U.S. Census Bureau, 2019-Q1 to 2020-Q2

Change in Employment for Firms with 500+ Employees



Source: Quarterly Workforce Indicators, U.S. Census Bureau, 2019-Q1 to 2020-Q2



By contrast, firms across the region with more than 500 employees have lost employment in nearly every quarter since 2019 Q1, following a general pattern of decline in employment across the economy seen since the region's employment peaked in the third quarter of 2018. These losses accelerated in the quarters that have overlapped with the COVID-19 pandemic.

There are huge opportunities to increase the outlook and sustainability of small businesses, given their relative level of resilience to the pandemic and other economic downturns compared to their larger counterparts.

People, Talent, and Workforce

Population and Labor Force

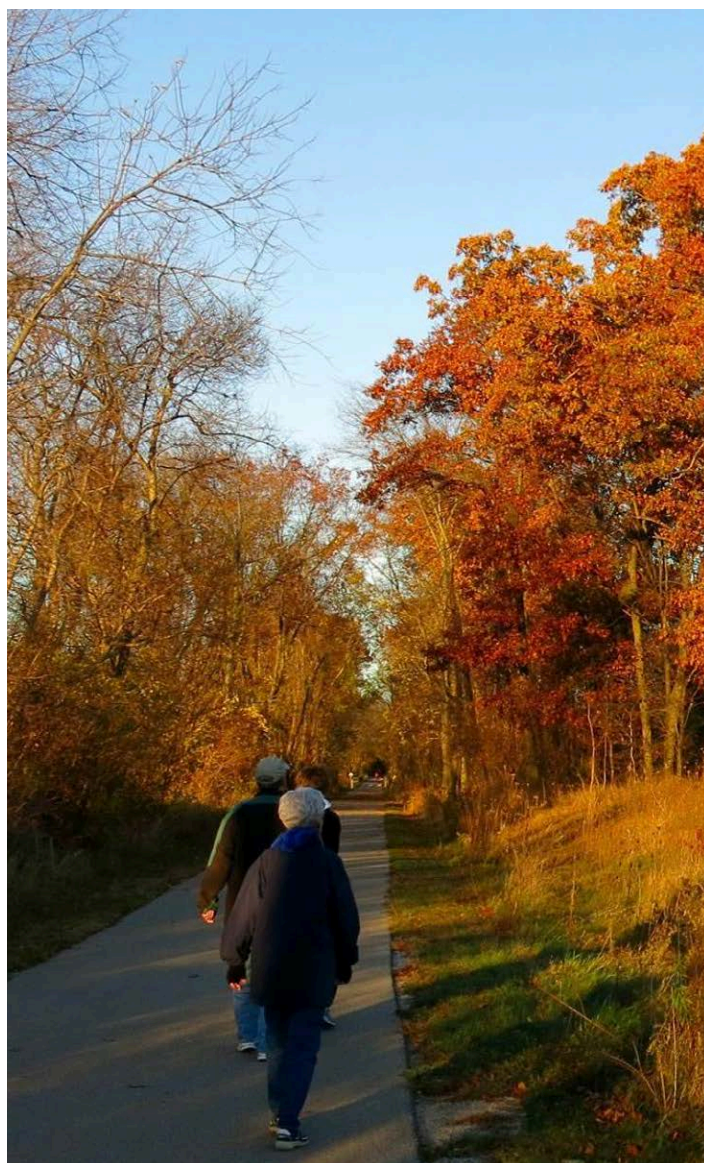
<i>Median Age</i>	<i>Elkhart County</i>	<i>Kosciusko County</i>	<i>Marshall County</i>	<i>St. Joseph County</i>	<i>Indiana</i>
2019	35.6	38.5	40	36.6	37.7
2010	34.4	37.2	37.7	35.9	36.6

Aging population

The median age is increasing in the state and the MACOG region. From 2010 to 2019, Marshall and Kosciusko Counties had higher median ages than Indiana, while Elkhart and St. Joseph Counties had younger median ages. Still, a high percentage of the workforce is at or approaching the retirement age. Many of these soon-retiring workers are employed in skilled trades and manufacturing, and workforce development leaders worry that skills may be lost as younger generations decline to pursue these career paths (CEDS 2020). As discussed in the scenarios section of this report, this trend is expected to continue.

Lagging population growth

Indiana's population increased nearly 10 percent from 2000 to 2019, but the MACOG region grew by less than 6 percent during that same period, ranging from less than 2 percent in St. Joseph County to nearly 12 percent in Elkhart County, the only county above the state growth rate (Census 2000, ACS 2015-2019). This equates to an annual growth rate of just .02 percent across the MACOG region.



Education and Workforce Training

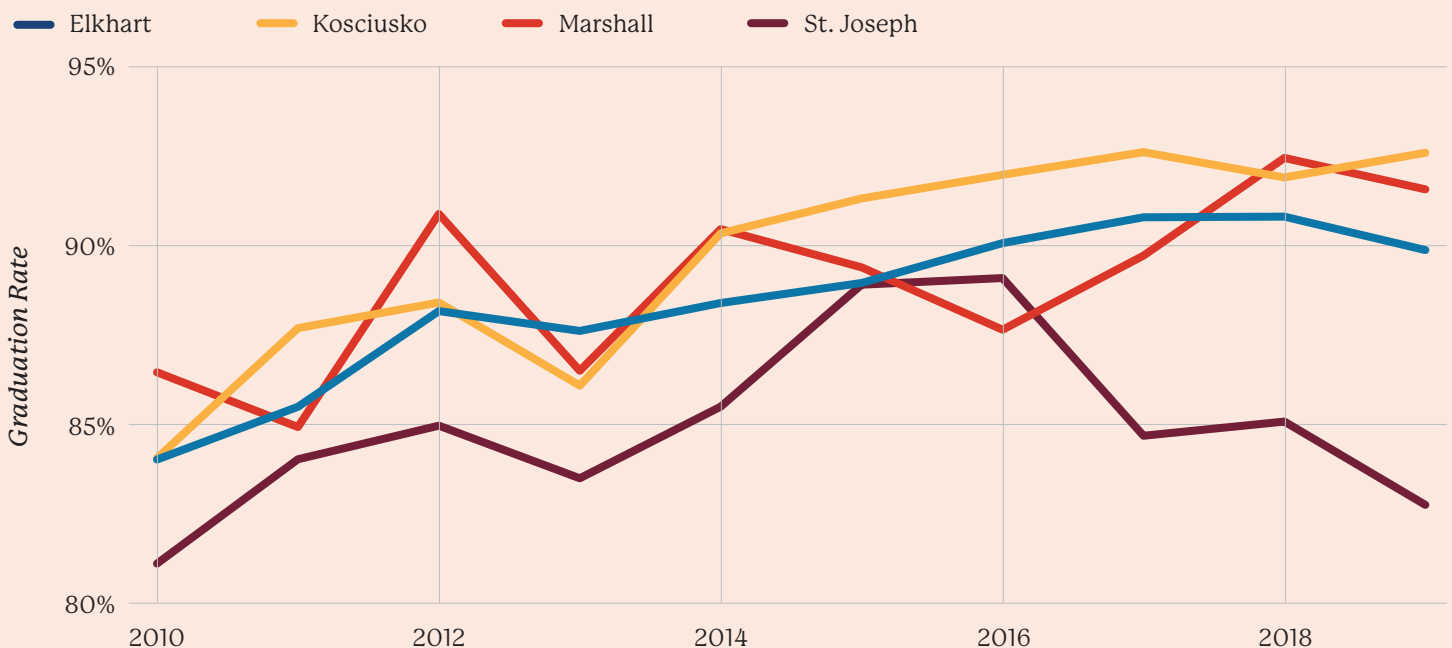
Low educational attainment and skills mismatch

Only 31 percent of the population in the MACOG region possesses a postsecondary degree, compared to the state's average of 39 percent. Many regional industries require higher education skills and training (CEDS 2020). Investing in increasing postsecondary attainment can help employers tap into both newer high school graduates and also the share of the population who have some college experience but lack a degree.

High school graduation rate also contributes to workforce skills mismatch. For Elkhart and Kosciusko counties, graduation rates remained fairly consistent over recent years. Since 2016, Marshall County's graduation rate has increased from 87.6 to 91.5 percent. Meanwhile, St. Joseph County's graduation rate is down from an 89 percent high in 2016.



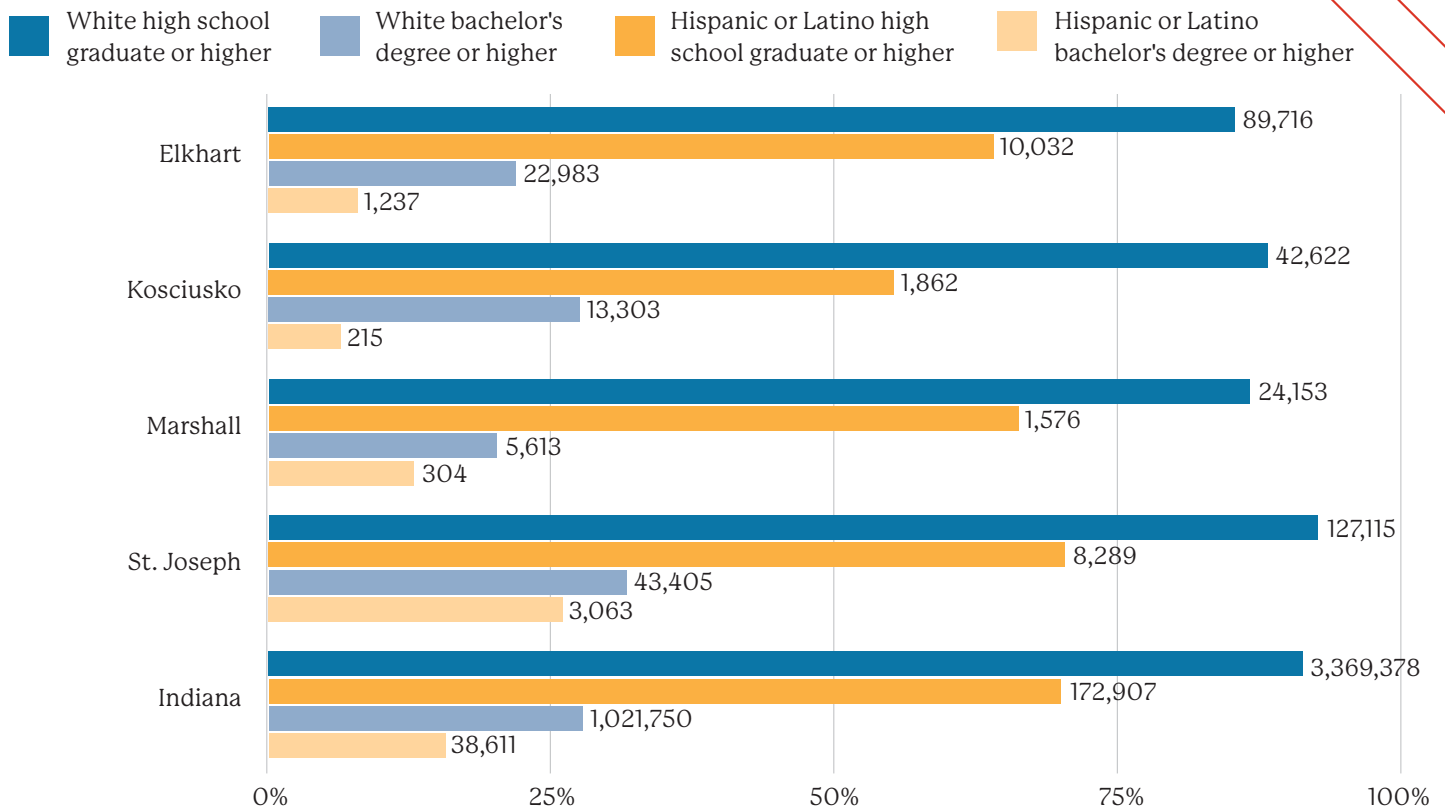
High School Graduation Rates by County 2010-2019



Source: [Indiana Department of Education](#)

Educational Attainment by Ethnicity

There are also differences in high school graduation rates between white students and Hispanic or Latino students. This may point to a need for targeted focus within certain demographic groups to help increase graduation rates overall.




Source: ACS 2019, U.S. Census Bureau.

Strong educational institutions and workforce development programs

The MACOG region is rich in educational institutions that help increase educational attainment and provide training in emerging skills. These institutions produce 6,600 degree awards annually.

- Ancilla College
- Bethel University
- Goshen College
- Grace College
- Holy Cross College
- Indiana University-South Bend
- Ivy Tech Community College
- Radiological Technologies University VT
- Ross Medical Education Center-Granger
- Saint Mary's College
- University of Notre Dame





GOSHEN
SETS **YOU**
THE **LEAD**
PACE **THE**
PACK

WE+YOU

SOUTH BEND ELKHART REGION

Talent Attraction and Retention

Regional branding, talent attraction, and retention efforts

To combat out-migration and brain drain and attract new residents with in-demand skills, regional leaders are engaged in placemaking efforts that focus on creating walkable and bikeable communities, and enhancing the arts, cultural, and recreational amenities that make the region special. The South Bend-Elkhart Regional Partnership's recent launch of the WE+YOU brand campaign seeks to highlight these assets and market them to an external audience to help boost talent attraction.

Outmigration and brain drain

The baseline net migration rate in the MACOG region is -2.4 percent. Stats Indiana estimates that the region lost -5,500 people from 2015 to 2020, and is projected to lose another 10,000 to out-migration by 2030. Many of these are college and university students graduating from the region's educational institutions with degrees, certifications, and marketable skills.

Centrality and proximity to major markets

The MACOG region is centrally located and close to other economic centers like Chicago, Indianapolis, Detroit, and Columbus. I-80, I-90, and I-94 cross the region and are easily accessible, as is the South Bend International Airport. Norfolk Southern Corp. operates 19,500 route miles of railroad in 22 states and serves every major container port in the eastern United States, and has its second largest rail-car classification yard in Elkhart, providing another point of logistical access and industry connectivity. All these assets make the region competitive for businesses and employees looking for easy access to major markets with the low cost of living found in the MACOG region.

*Photo provided via South Bend-Elkhart
Regional Partnership*

Place, Infrastructure, and the Built Environment

Key People-focused Infrastructure

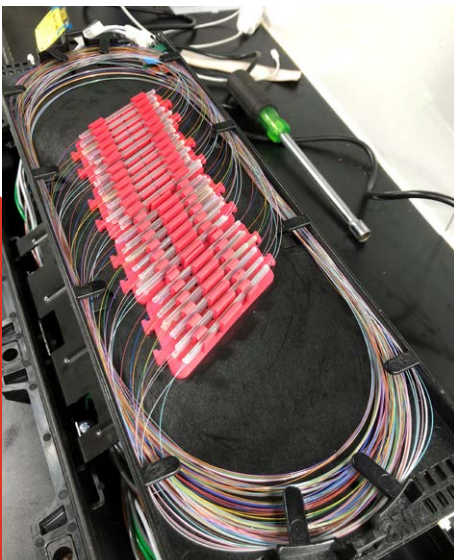
Housing

A key component of making sure the region is attractive to talent is ensuring that the area's housing stock is sufficient for the current and growing population, in both quantity and affordability. Only 23 percent of all households in the MACOG region are cost-burdened, compared to 32 percent in the U.S., but housing costs are rising faster than wage growth. Regional wages are increasing by 3 percent per year (QWI) while home values are growing between 12 and 18 percent, and rents are rising 10 to 16 percent (ACS 2014-2019).



Transit

Another component of a high-functioning workforce system is the presence of adequate multimodal transportation networks to ensure people can easily reach their jobs, schools, and other daily amenities. In the MACOG region, transportation, including public transit, costs for a moderate income family range from 22 to 37 percent of income (PolicyMap: 2019 HUD LAI). The \$491 million South Shore rail line expansion project, which broke ground in late 2020, will introduce a second mainline track, improve several existing stations, and add 1,300 new parking spaces and nine new platforms across the system. These enhancements will decrease commute times and enable more Hoosiers to access this critical public transit asset.



Broadband

Finally, high-speed internet access is a crucial service for residents and businesses in any community, as people increasingly rely on online services for everything from remote work and schooling to virtual home health care. As mentioned in the MACOG's Comprehensive Economic Development Strategy report (CEDS), an extensive fiber-optic network is currently available in St. Joseph County, along with a smaller-scale network in Marshall and Elkhart counties. However, many of the rural areas do not have access to the same level of broadband service – MACOG is conducting a broadband study in conjunction with Purdue University to assess existing supply and demand.

Public Health and Childcare

Poor public health outcomes

The [United Health Foundation](#) cites low health outcomes across the state of Indiana, including measures like high premature death rate (ranked 38 nationwide), high prevalence of cigarette smoking (ranked 41 with 19.2 percent of the adult population), and high rates of diabetes and obesity (ranked 41 and 40, respectively), as well as conditions like high air pollution (ranked 46 nationwide), low immunization rates (ranked 48), low levels of physical activity (ranked 43), and low levels of public health funding (ranked 48th in the nation). Public health is an important factor for economic development because the relative health of the population affects employers' ability to hire, employee absenteeism and turnover, and outsiders' perceptions of the community when considering whether or not to relocate to the area.



Initiatives like the Live Well Kosciusko health and wellness promotion program, the recent development of the Elkhart Health Fitness Aquatics & Community Center, and Marshall County's 2020 Quality of Life Plan are working to reverse these trends. In addition, MACOG's 2020 CEDS prioritizes the promotion of alternative forms of transportation to help improve regional air quality and associated health benefits. And the Education, Healthcare, and Social Assistance industry leads in St. Joseph County, with 29 percent of employment, compared to the US and Indiana (both 23 percent).

COVID-19 cases and deaths

People in the MACOG region experienced a peak number of COVID-19 cases, hospitalizations, and deaths in late 2020, mirroring state and national trends. The number of cases and deaths per 100,000 residents were fairly consistent across the counties, though Kosciusko County's numbers were slightly lower. Overall the region has seen nearly 100,000 COVID-19 cases and lost 1,393 people due to the COVID-19 virus since the start of the pandemic.



COVID-19 cases and deaths in the MACOG region

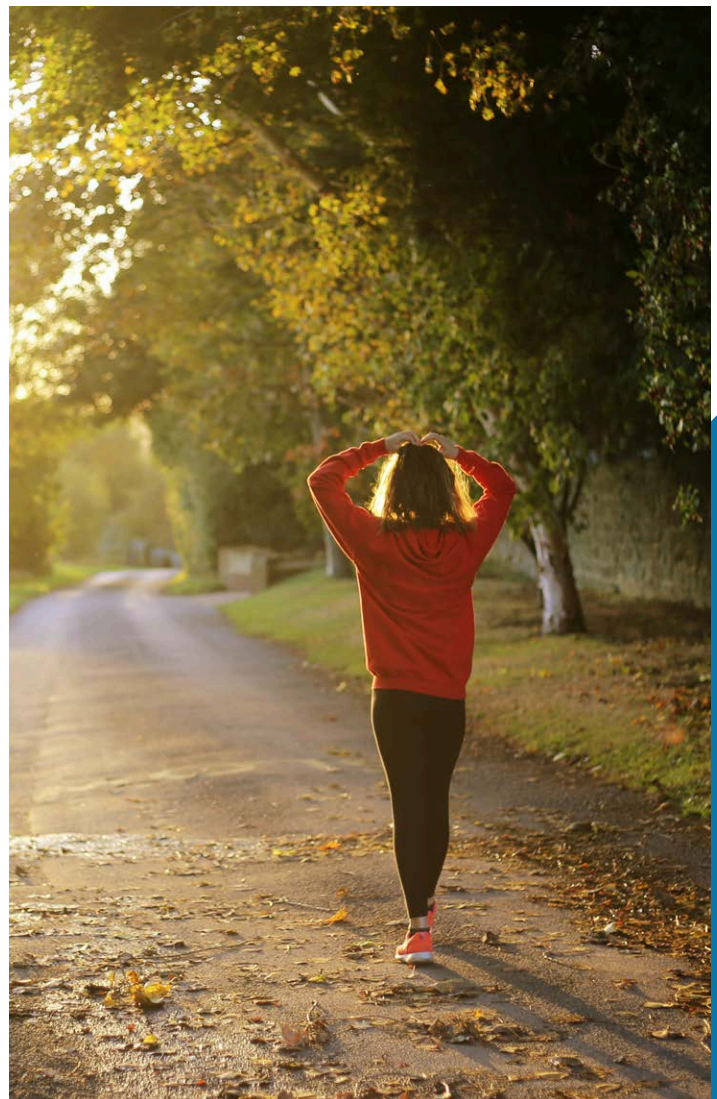
County	Cases per 100,000	Total Cases	Deaths per 100,000	Total Deaths
Elkhart	20,470	42,237	286	591
Kosciusko	19,235	15,283	223	177
Marshall	21,032	9,729	346	160
St. Joseph	19,490	52,980	256	696

Source: Indiana Coronavirus Map and Tracking, The New York Times. Accessed December 6, 2021.

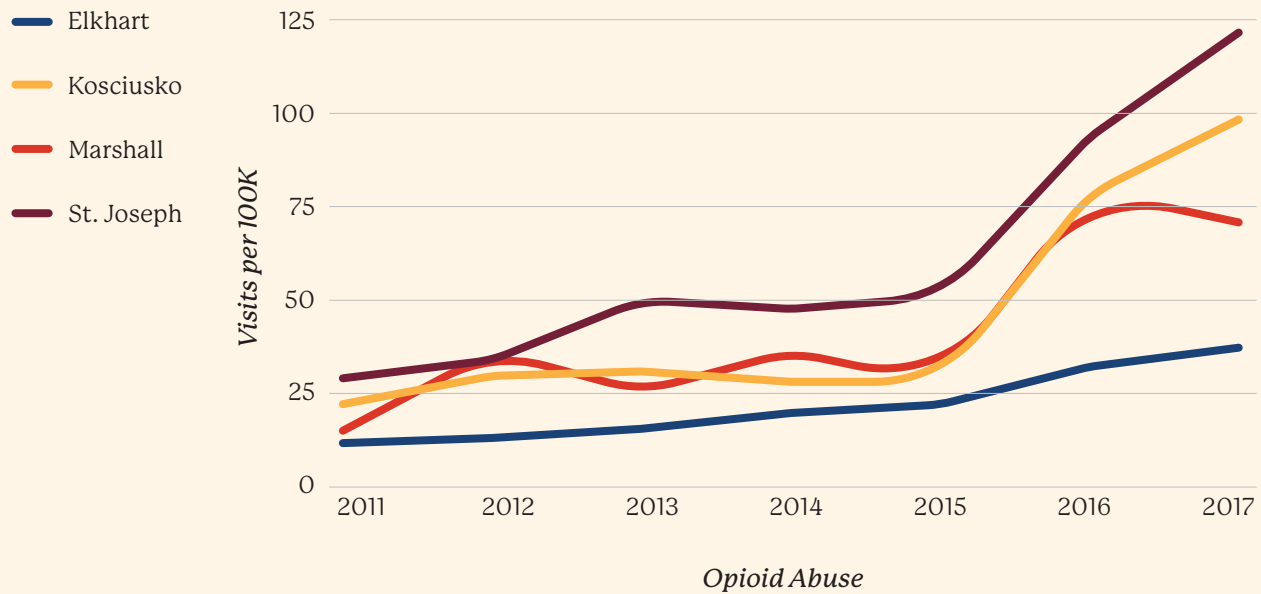
Surge in mental health trauma related to COVID-19

The MACOG region suffered from high levels of opioid use and deaths of despair before the pandemic. Since the 1990s, mortality rates have increased sharply among middle-aged, non-Hispanic white populations nationwide, with working class whites dying from increasing rates of suicide and substance abuse, which can often be attributed to various social and economic stresses.

The Indiana Indicators Dashboard provides easily accessible health indicators for communities, counties, and the state, with data on drug abuse and drug deaths from 2011 to 2017. In particular, opioid abuse has been increasing across the region since 2011. Relative to their population, Marshall, St. Joseph, and Kosciusko counties have experienced an alarming increase in non-fatal opioid ER visits since 2015.



Non-Fatal Opioid Emergency Department Visits Per 100k



Source: [Indiana Indicators Dashboard](#)



The United Health Foundation cites low numbers of mental health care providers overall in the state (Indiana is ranked 43rd in the nation), and the local Mental Health Taskforce formed in 2018 found a lack of local mental health facilities and a need to break down stigmas around seeking mental health treatment.

Social and economic disruptions spurred by the COVID-19 pandemic have increased mental health trauma for workers, children, and families. This is especially true for healthcare workers experiencing burnout, and those working in education. Before the pandemic, those working in K-12 public education were doing more than just educating – they were feeding families and addressing trauma both in school and at home, especially in majority-minority school districts and those with high poverty rates. Staff suffered from compassion fatigue, and the pandemic only worsened this.

Several local and county-level interventions are addressing these issues, such as the SOURCE (a comprehensive youth mental health support service system in Elkhart County), Marshall County's efforts to standardize mental health curriculum in K-12 and decrease substance use disorder county-wide, and initiatives being introduced in classrooms in St. Joseph County like social emotional learning frameworks that seek to elevate school counselors' work doing trauma-informed learning.



Lack of childcare affecting workers and employers

Lack of childcare availability and affordability affects the labor force's ability to work, and can contribute to a decline in labor force participation over time as working parents are driven out of the workforce, worsening the labor shortage that many employers cite today. The existing capacity of childcare centers is insufficient to meet current demand – this problem will be exacerbated for workers and employers as the number of children in the region and state increase.

Currently, the region and the state both qualify as childcare deserts, with fewer than one childcare spot for every 3 children under age 5. Overall, Indiana is expected to see an increase of 30,915 children from 2015 to 2025. Elkhart County is expected to see the largest gain of 1,755 children, followed by Kosciusko County at 727 children, Marshall County at 405 children, and St. Joseph County at 128 children.

Capacity of Existing Childcare Centers

	Capacity of Centers	Slots Per 100 Children 0-5
Elkhart	1,804	11.7
Kosciusko	801	15.6
Marshall	384	13.0
St. Joseph	4,712	27.1
Region	7,701	18.8

Source: Indiana Family and Social Services Administration; Bureau of Child Care, Early Learning Indiana, and Annie Casey Foundation Kids Count Data Center. Capacity data for 2017, data on children under 5 for 2019.





Scenarios

These challenges and opportunities facing the MACOG region will affect its ability to reach its goals of population growth among working age adults via talent attraction and retention, higher per capita income through diversified and modernized industries providing higher paid job opportunities, and increased small business activity and employment.

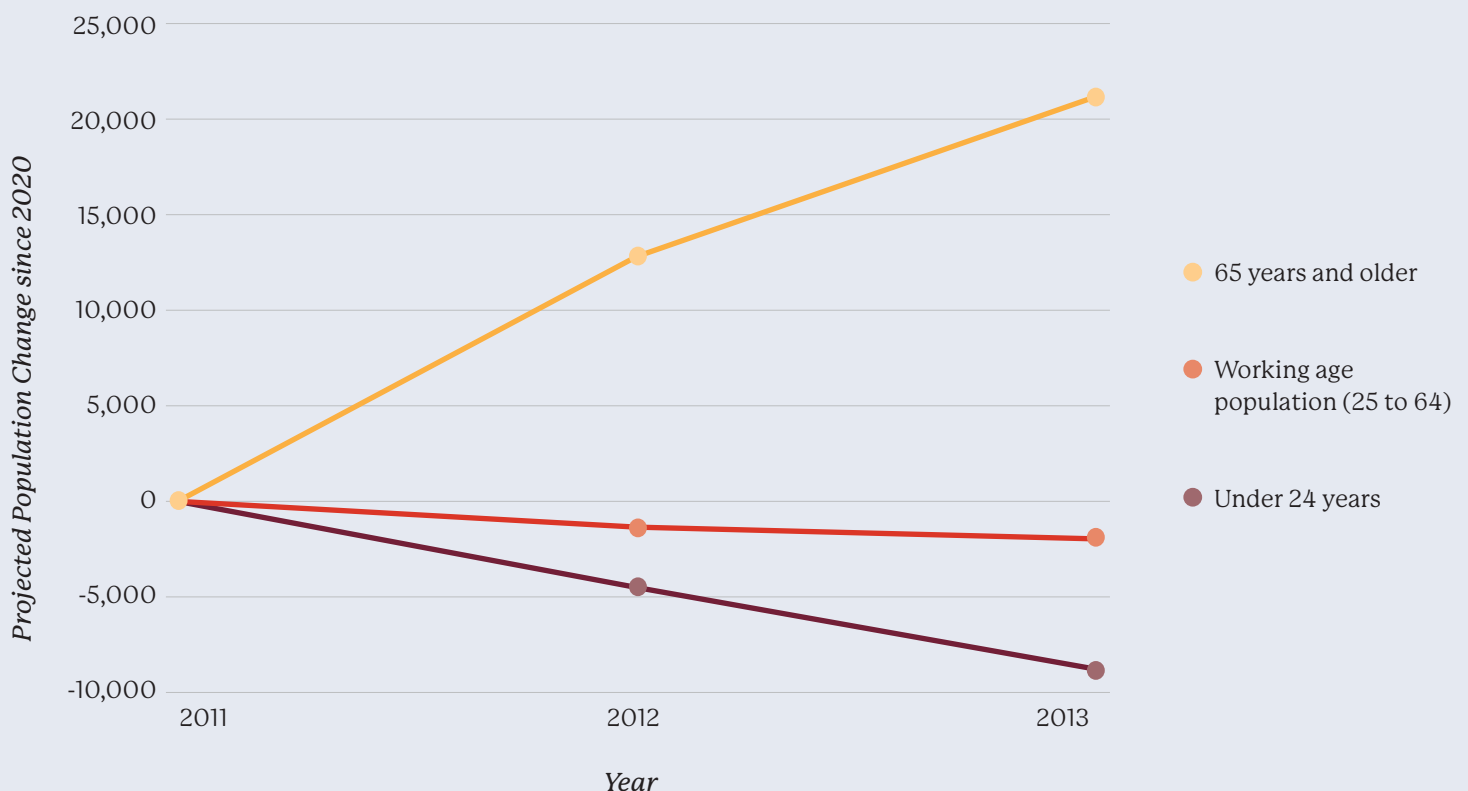
The three scenarios that follow were developed to project what the region may experience under certain conditions related to these challenges and opportunities, to guide strategies that will push the MACOG region in the direction of meeting its goals.

Scenario 1 - Status Quo

The Status Quo scenario assumes that no actions are taken to mitigate current challenges, therefore the current population and demographic trends do not change from now through 2030. In other words, the region's population continues to age, with lagging population growth and continued out-migration. Labor force participation declines even as the unemployment rate remains low, as workers leave the labor force due to factors like lack of childcare and early retirement. Low industry diversification and low per capita income continues as employers leave the region and/or business attraction ceases due to a limited local labor pool.

Population Growth

Under this scenario, keeping the current annual growth rate of .02 percent, the region's population is projected to grow by just over 10,000 people over ten years, from 604,859 in 2020 to 615,285 in 2030. However, most of that growth is concentrated in adults aged 65 years and older, with the total number of working age adults and those under 24 years old living in the region declining, as births and in-migration are unable to keep pace with the population's current rate of aging and out-migration.



Occupation and Industry Impacts

With fewer working-age residents, it will become even more difficult for employers to find enough workers, and regional job growth will be limited to 1,000 to 2,500 per year. A larger senior population increases the number of people on fixed incomes, which further constricts economic growth and region-wide economic goals like increasing per-capita income.

A higher population of senior citizens living in the region will also increase demand for assisted living, nursing facilities, and home healthcare workers. For example, nursing is an “in demand” occupation that is projected to add 774 jobs by 2028 based on the region’s current growth, but with a larger population, that number may need to grow by 1,000. The growth of the region will require an additional 4,500 healthcare workers of all kinds. These occupations are already in demand, and workforce training should increase to reflect that.



Scenario 2 - People First

The People First scenario assumes that talent attraction accelerates and in-migration goals are met. Following an influx of new people, ideas, and skills to the region, rates of entrepreneurship see a natural uptick. Employment within high-growth, high-wage, and traded sector industries increases as well, as talent is attracted to the area for new opportunities with new and existing employers.

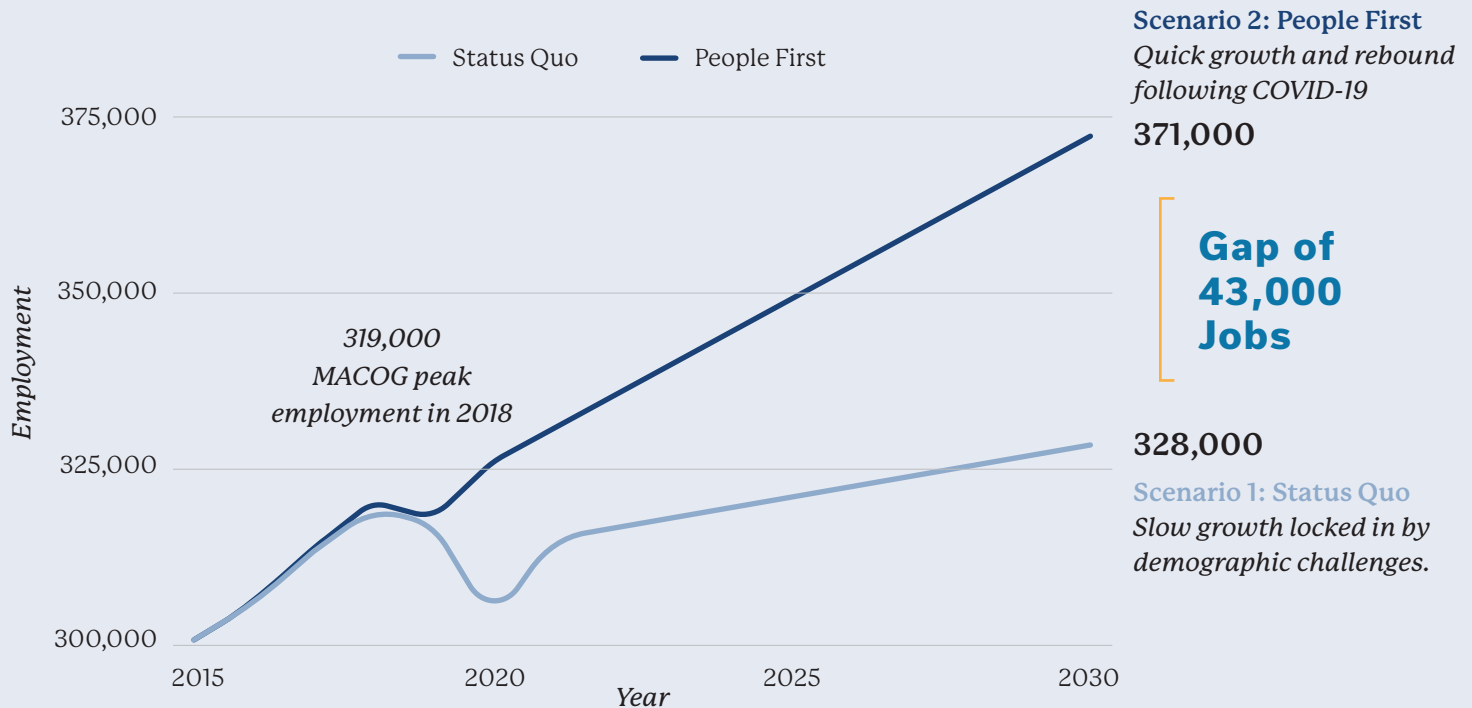
Economic growth

Under this scenario, we see jobs being added to the local economy at a faster pace than in the Status Quo scenario. Economic recovery post-pandemic takes place more quickly than it does under the Status Quo, where hiring is slowed due to employers' difficulty finding and retaining workers within a limited labor pool.



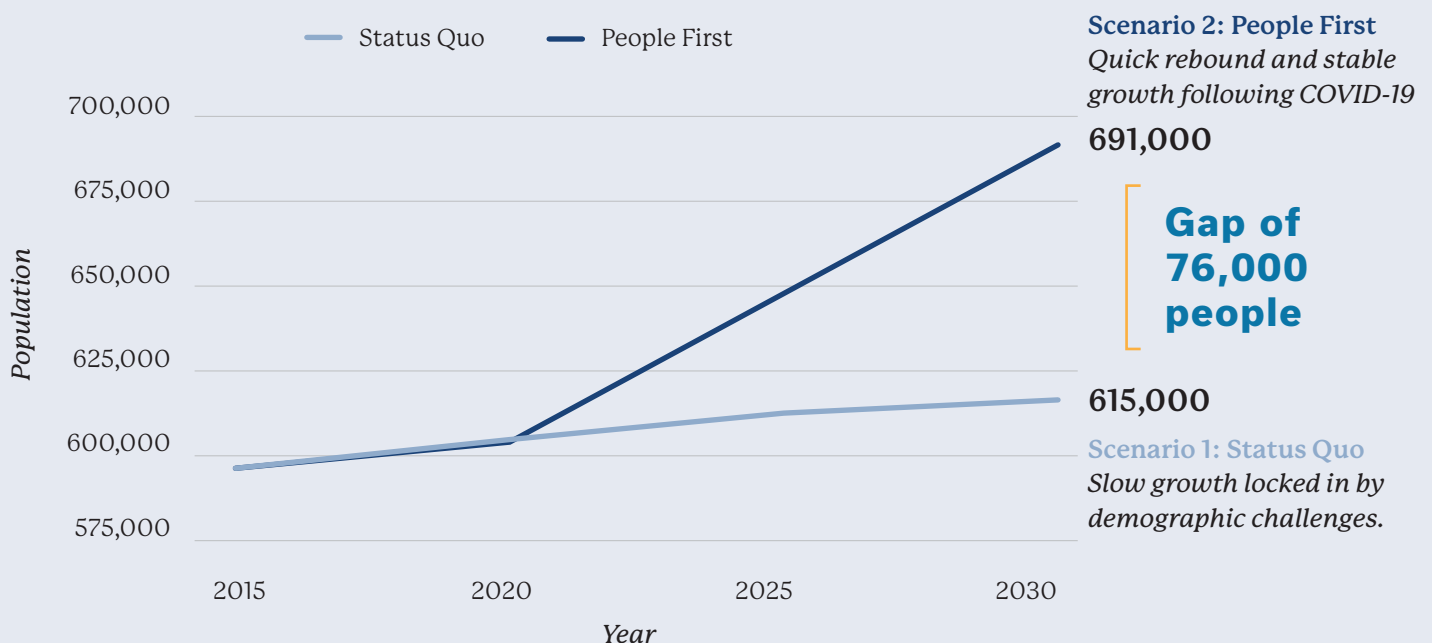
Projected Economic Recovery

What will the recovery look like for workers?



Population Projected to Support Economic Growth

What population growth would support each scenario?



To reach the level of employment projected here, the region would need to add more than 43,000 jobs than would occur naturally under the Status Quo scenario. In order to gain an additional 43,000 workers of prime working age to fill those jobs, the region would need to grow to a total of 691,000 people, 75,000 more than is projected under current conditions.



Childcare and Housing

This population-growth scenario will exacerbate the childcare and housing shortages currently experienced in the MACOG region.

Early Learning Indiana's *Deserts and Hubs Report* assesses childcare access based on the following characterization:

- **Hub:** 1.5 or more childcare spots for every child under age 5
- **Moderate Capacity:** at least one spot for every 3 children under age 5
- **Low Capacity/Desert:** fewer than one spot for every 3 children under age 5

The MACOG region is considered a childcare desert according to this classification, and would need to add 5,941 slots to increase from a “desert” to “moderate capacity” under current conditions. With one child for every seven working age adults in the region, attracting working age adults will require the addition of even more childcare capacity. With the levels of population growth under the People First scenario, supporting an additional 43,000 workers in the region would require an additional 7,200 seats for the region to no longer be a childcare desert.

If the region gains 75,000 people, all else equal, approximately 28,000 additional housing units will be necessary, requiring a reversal of historic trends of declining housing production. Since 2000, the amount of new housing production has fallen by nearly 50%. In 2020, less than 1,400 permits were issued for housing units. Of these, nearly 75% were for single family units, which will not meet the needs of future residents, who will have smaller family units with less need for big living spaces. Smaller homes are also conducive to a population that is aging in place.



Entrepreneurship

Finally, the MACOG region has historically seen fewer new business establishment entries than both the state of Indiana and the national rate due to a number of possible factors, including consistently low unemployment rates over the past decade. The region has been averaging fewer than 1,000 new establishment entries per year since 2010, and would need to add 61 new startups per year to match the Indiana rate and 271 more to match the national rate.

The region's establishment exit rate has been falling since 2010, which bodes well for existing businesses. Consistent with a goal of increasing new business starts while keeping exits low, additional in-migration and population growth overall should fuel the new ideas, creativity, and capital required by healthy entrepreneurship ecosystems.

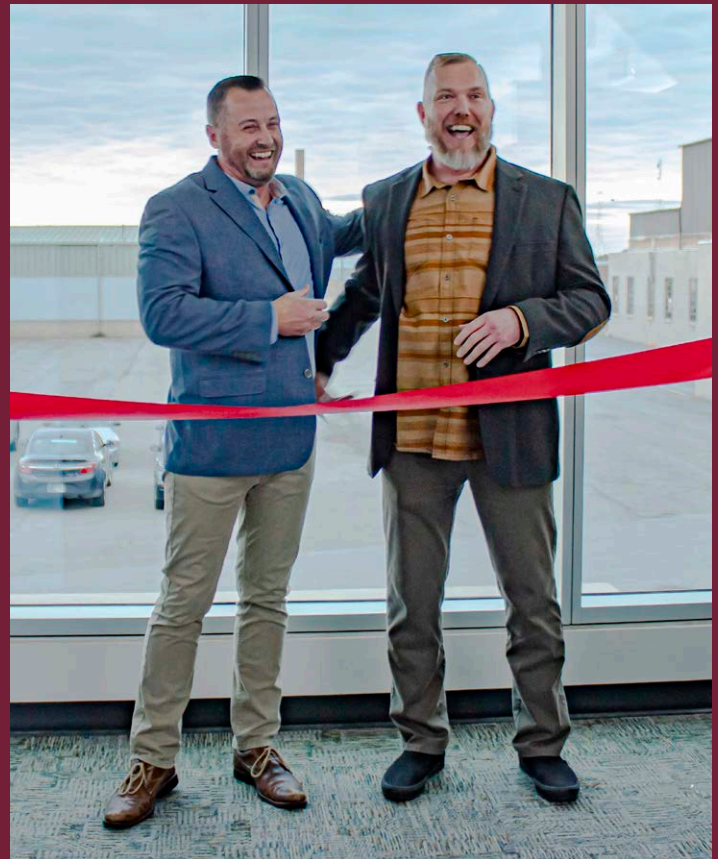
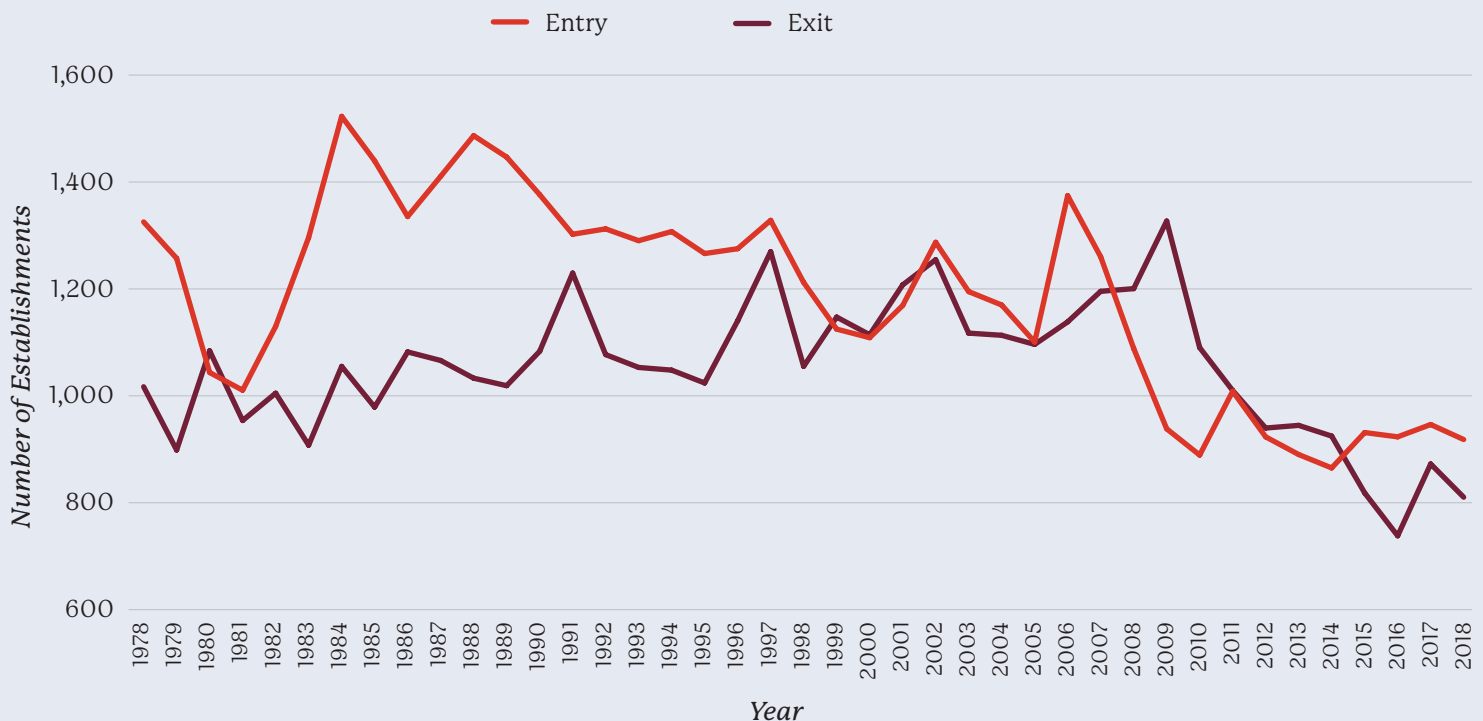


Photo via South Bend Regional Chamber

MACOG Region Establishment Entries and Exits



Source: Business Dynamics Statistics (BDS), U.S. Census Bureau

Scenario 3 - Jobs First

The Jobs First scenario assumes that new diversified, high-wage and traded sector employers are attracted to the area, existing employers expand, and startups grow, leading to increased per capita income region-wide, especially for minority residents. This would create more demand among the current and future labor force for skills training in growing technology-driven fields.



Per Capita Income

The average wage in Indiana is \$53,300, whereas the average wage in the MACOG region is \$49,250. To reach Indiana's average wage, **the region would have to see an 8 percent increase in pay across all jobs** that existing workers hold. This is equivalent to an annual \$1.2 billion payroll gap region wide.

However, high wage earners often pull up average wages and obstruct the holistic picture of earnings in a community. Therefore, per capita income is a better indicator of overall earnings within a given geography. Per capita income (which includes income of working and non-working people) in the MACOG region is \$27,528. To match state level per capita income (\$29,777) would require each earner in two-earner households to make \$37,300 or above.

Luckily, only 22 percent of jobs in the region pay below the \$37,300 wage target.

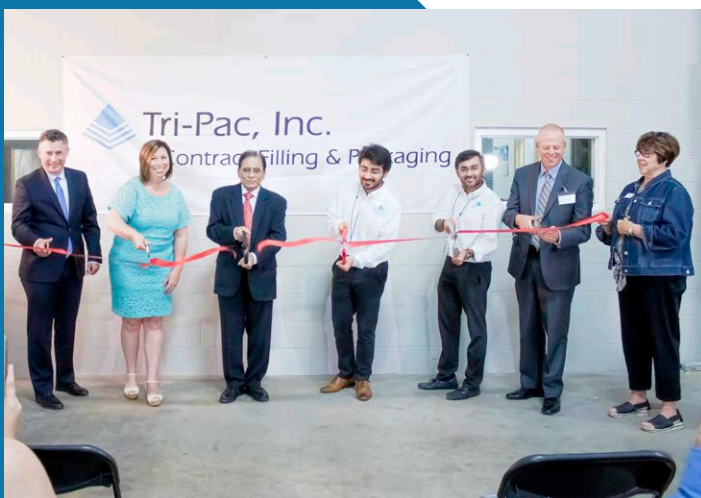


Photo via South Bend Regional Chamber

Jobs First Goal

The jobs first goal is to match state-level per capita income.

This would require that each earner in a two-earner household make at least **\$37,300**

\$53,300
Average Indiana Wage

\$49,250
Average Regional Wage

\$37,300
Wage Target

\$1.2 billion payroll gap =

Equivalent to an 8% increase in pay across all jobs for existing workers

22% of jobs

in the region pay an average wage below the \$37,300 target



Photo via South Bend Regional Chamber

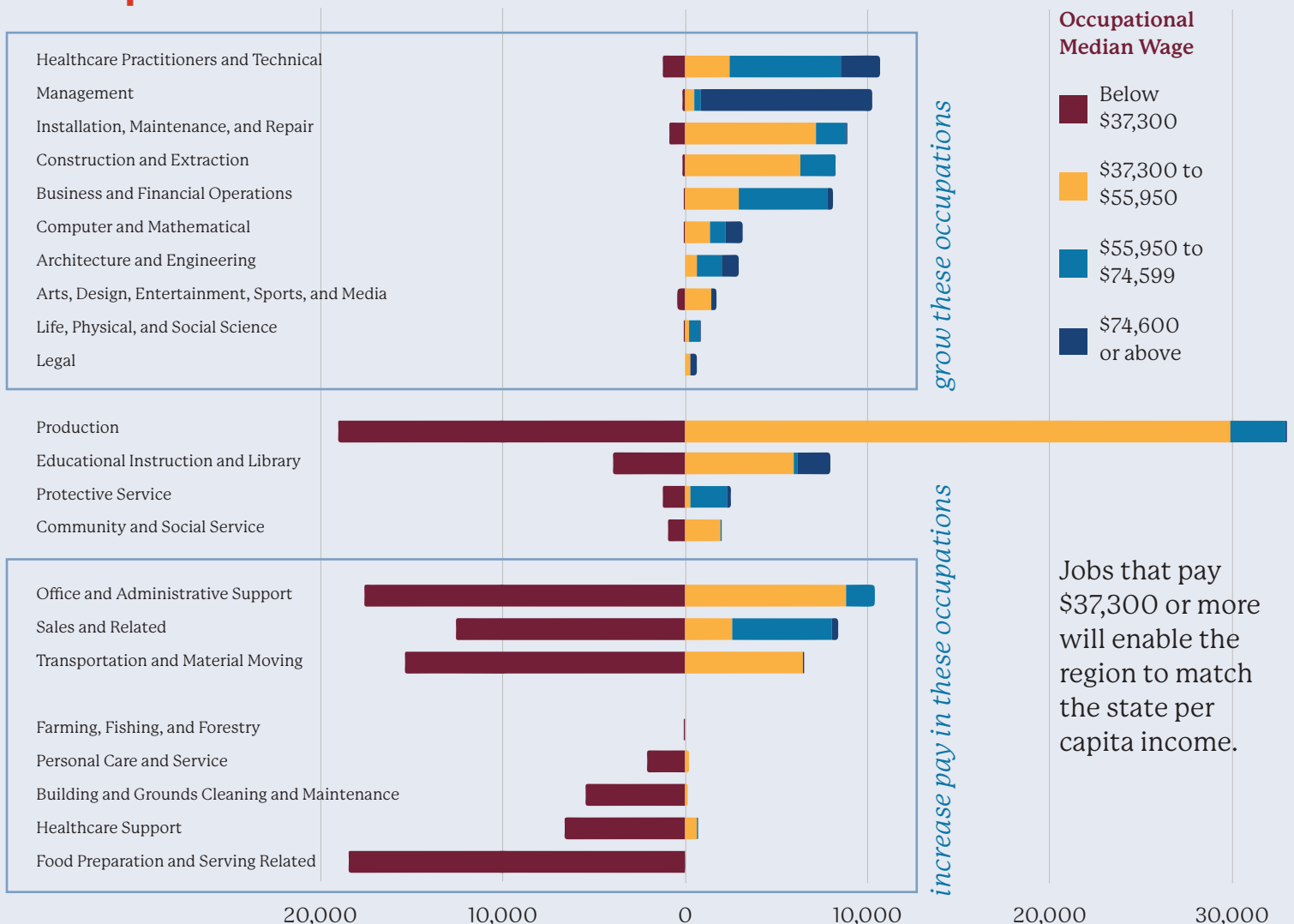




The chart below shows the percentage of workers within an occupational category that earn above or below the \$37,300 wage target. For example, most workers in the Management, Construction, Healthcare Practitioner and Technical, and Computer and Mathematical occupation categories earn more than \$37,300, whereas most workers in the Office and Administrative Support, Healthcare Support, and Food Preparation and Serving Related occupations categories earn below that \$37,300 threshold.

Photo of the LIFT Network Career Pathways Video Series, provided by the South Bend – Elkhart Regional Partnership.

Occupational Mix



*The majority of these workers earn **less than \$37,300** per year*

*The majority of these workers earn **\$37,300 or more** per year*

In order to reach the state's per capita income, the MACOG region has to add jobs in the high-paying categories, transition workers from lower paying jobs into those that pay higher wages, and raise wages across wage categories where more than 50 percent of workers earn less than the \$37,300 annual earning target. This is a three-pronged strategy – it is not possible to raise the region's per capita income by adding new high-paying jobs alone, nor would that be an equitable strategy.



Path to Goal: Meet the State Per Capita Income (PCI)

Scenario #3: Jobs First

1 Transition workers

Transition existing workers into jobs paying higher wages

The region would need to transition 24,570 workers to jobs paying at least \$50,000 to raise regional per capita income close to the Indiana average, or 16,500 workers to jobs paying at least \$75,000

2 Add new jobs

Adding new jobs to region paying at least the wage rate target will move closer to the goal

Adding any jobs paying less than \$37,300 will move further away from per capita goal

3 Raise wages across all jobs

The goal is not attainable through new job creation alone, so the region needs to increase wages of existing workers as well

The goal becomes a moving target that must be kept up with over time

Talent Development

Within each occupational category, there are a number of specific occupations that pay above the \$37,300 wage target:

High Paying Occupations in the MACOG Region

Computer and Mathematical Occupations

- 15-1256 Software Developers
- 15-1244 Network and Computer Systems Administrators
- 15-1211 Computer Systems Analysts
- 15-2031 Operations Research Analysts
- 15-2098 Data Scientists and Mathematical Science

Architecture and Engineering Occupations

- 17-2112 Industrial Engineers
- 17-2071 Electrical Engineers
- 17-2051 Civil Engineers
- 17-2141 Mechanical Engineers

Life, Physical, and Social Science Occupations

- 19-1042 Medical Scientists, Except Epidemiologists
- 19-5012 Occupational Health and Safety Technicians



Photo via South Bend Regional Chamber

Educational Instruction and Library Occupations

- 25-0000 Postsecondary Instructors

Management Occupations

- 11-1021 General and Operations Managers
- 11-3051 Industrial Production Managers
- 11-3031 Financial Managers
- 11-9111 Medical and Health Services Managers
- 11-9021 Construction Managers
- 11-9041 Architectural and Engineering Managers
- 11-3021 Computer and Information Systems Managers

Healthcare Practitioners and Technical Occupations

- 29-1051 Pharmacists
- 29-1228 Physicians
- 29-1171 Nurse Practitioners
- 29-1123 Physical Therapists
- 29-1122 Occupational Therapists

Production Occupations

- 51-1011 First-Line Supervisors of Production Workers
- 51-4111 Tool and Die Makers
- 51-2090 Miscellaneous Assemblers and Fabricators
- 51-4121 Welders, Cutters, Solderers, and Brazers
- 51-4041 Machinists



Photo via South Bend Regional Chamber

As the region pursues its goal of adding more of these jobs to the economy, it will need to upskill existing workers to fill them, as well as train new workers and students in the skills necessary to meet employers' needs in these areas.

Twelve higher education institutions within the MACOG region provide 6,600 degree awards annually, two-thirds of which are well-aligned to these key high-paying occupations. If the region were to retain all of these degree holders each year through 2030, it would be able to fill the nearly 43,000 additional jobs projected to be added to the regional economy under the People First scenario. Of course, retaining one hundred percent of graduates is not feasible, so attracting workers would have to be part of an overall talent strategy for the region.



High-Paying Occupation Degree Awards

Total

Architecture and related services	46
Engineering	542
Biological and biomedical sciences	330
Health professions and related clinical sciences	751
Psychology	230
Computer and information sciences and support services	155
Mathematics and statistics	147
English language and literature/letters	133
Foreign languages, literatures, and linguistics	60
Liberal arts and sciences, general studies and humanities	262
Business, management, marketing, and related support services	1,618
Key Degree Awards	4,274



Strategies

Strategies for regional organizations to tackle together to address historic trends and current economic conditions, as well as achieve the region's long term vision, are described here. These were developed through conversations with the steering committee and individuals who made up the focus groups and strategy sessions, all of whom work on these issues and have on-the-ground knowledge of what's needed to move the needle toward regional goals. Because this is a plan designed to support the region in its overall economic recovery and resilience, it reflects the priorities of many regional stakeholders, as well as some actions that organizations in the region are already taking to address these priorities. MACOG has a clear leadership role to play in several of these strategies, while others are already being led by other entities in the region that MACOG can support.

Each strategy names MACOG's primary role as either **convener** (setting the table for important region-wide conversations), **data provider** (analyzing and publishing data on a regional scale), or **resource** (sharing information, policies, and best practices to inform planning, or connecting stakeholders to funding to bolster regional efforts). A primary beneficiary is also named to indicate how each strategy builds on and supports existing initiatives and actions. Finally, existing partners, stakeholders, and regional experts who are critical to helping advance these solutions are also listed.

Place, Infrastructure, and the Built Environment Strategies

Support Local Vibrancy and Connectivity Efforts

A critical element of increasing net in-migration and boosting talent attraction and retention is enhancing the region's built environment and vibrancy. This can be accomplished by increasing opportunities for residents to access cultural arts venues, parks, and downtown amenities. Additionally, investing in our communities to have the desirable assets residents look for in a community, such as sidewalks, multi-use trails, public transit, and public gathering spaces, will help market the MACOG region as a desirable place to live, work, and play.



Strategic Action:

Support communities' efforts to build vibrant public spaces, cultural amenities, parks and recreation opportunities, and transportation solutions to connect people to these assets

The MACOG 2020 CEDS emphasizes creating quality of place through vibrant downtowns, restaurant and retail hubs, quality entertainment, and centers of art and culture, as well as focusing development along the water with park and trail enhancements and mixed-use residential units to take advantage of natural amenities and outdoor recreation opportunities. In addition, MACOG is committed to improving transportation connectivity, through initiatives like scaling railway capabilities for both cargo and passenger travel; expanding the airport to add more airlines, daily flights, and non-stop destinations; increasing the amount of direct investment for coordinated transportation and road improvements throughout the region; and evaluating opportunities to improve public transit, especially for students, job seekers, and workers. MACOG will continue to support individual communities' focus on these types of place-making and connectivity infrastructure enhancements as it works with them on local economic development and comprehensive planning.



MACOG's Role

Resource



Primary Beneficiary

Municipalities



Timeline

Ongoing



Partners, Stakeholders, and Regional Experts

Local municipalities and planning agencies, local economic development organizations (LEDO) and chambers, tourism offices and visitors bureaus, parks and recreation departments, transportation departments, arts and cultural organizations



Projected Outcomes, Vision of Success, and/or Case Studies:

MACOG regularly assists local municipalities with their comprehensive planning efforts, such as the Towns of Argos, Bourbon, Winona Lake, Middlebury, Bristol, and Wakarusa. The vision and outcomes of guiding communities through this process is to incorporate sustainable development practices as a vital component to maintaining the community's small-town identity while allowing future growth. MACOG guides their communities to develop transformative strategies that will help that will help build them as vibrant hometowns.

Promote Broadband Access Across the Region

High-speed internet access and broadband connections are critical place-based infrastructure that influences the well-being of people in a given region. This is especially true following the COVID-19 pandemic, as people have increasingly relied on online services for essential needs such as remote work and education to virtual home health care. As mentioned in the MACOG 2020 CEDS, an extensive fiber-optic network is currently available in St. Joseph County, along with a smaller-scale network in Marshall and Elkhart Counties. However, many of the rural areas do not have access to the same level of broadband service as the urbanized areas. Additionally, the United Health Foundation found that Indiana as a state ranks just 37th nationwide for percentage of the population with access to high speed broadband internet via computer, smartphone or tablet (currently 86.4 percent), one of the social determinants of health.



Strategic Action:

Provide data and studies to support broadband connectivity

Broadband access is a key piece of connectivity that people look for when moving from place to place. As the region seeks to attract and retain talent, especially from larger markets like Chicago, it will be important to make improvements in this area. MACOG's 2020 CEDS sets expanding the capabilities of the region's fiber network as a priority. This includes supporting initiatives like the Elkhart EDC's efforts to advance Elkhart County's fiber-optic network, or Rural Electric Membership Corporation (REMC)'s emphasis on expanding broadband throughout the rural counties in the MACOG region. MACOG is currently conducting a broadband study in conjunction with Purdue University to assess existing regional broadband internet supply and demand.



MACOG's Role

Convener, Data
Provider, Resource



Primary Beneficiary

Stakeholders working to
advance regional broadband



Timeline

Short Term
(0-12 months)



Partners, Stakeholders, and Regional Experts

LEDOs and chambers, local utilities, educational institutions, and regional employers



Projected Outcomes, Vision of Success, and/or Case Studies:

Early findings from the MACOG State of Digital Inclusion Broadband Study show disparities and inequities in access that exist between counties and groups in the region that may affect regional economic and workforce development. The study's draft recommendations indicate the need to verify and validate broadband data across the region, as well as focus on digital skills and device gaps in addition to connectivity. The findings and recommendations of the study, when complete, will help bolster action among regional decision makers to improve broadband access region-wide as a key economic, community, and workforce development strategy.

Provide Regional Housing Development Resources

Within the MACOG region, there are many strains on the housing market, particularly a huge demand for “missing middle” housing that is affordable for working families and first-time homebuyers entering the housing market, including young couples, families, and young professionals (i.e., housing that costs approximately \$250,000 or less). Much of the existing housing stock is older and in need of major rehab, or was built for four to five person family units, which is an outdated average family size as people stay single longer, and have fewer children. In addition, the region lacks much of the type of housing and styles that the workforce is looking for, i.e., denser housing types located in vibrant settings or types that support older populations to “age-in-place.” However, rising commodity prices and supply chain constraints that have occurred during the COVID-19 pandemic have made it even more difficult than ever for developers and builders to make a return on investment in workforce housing. Organizations like the South Bend Heritage Foundation, Lacasa Inc., CDCs, and Habitat for Humanity are helping build new workforce housing, but not at a scale that can address the issue as fast as it’s growing. This in turn creates difficulties for employers looking to recruit new talent to the area. As a regional organization, MACOG can help provide resources to private and public sector stakeholders to help ease some of these issues.



Strategic Action 1: Develop financial and other one-stop-shop resource programs for developers and local governments

Local governments are trying to create innovative solutions to make it easier to build affordable homes, such as minimizing parking requirements, permitting ADUs by city ordinance, or reducing setbacks to allow building on the entire square footage of a lot. Another example is the first time homebuyer pilot program in Mishawaka, where the city held a second mortgage to help reduce financial burden on new homeowners. Additionally, the Kosciusko County EDC has established a land trust and a workforce housing revolving loan fund committee to help local constituents access affordable housing.

At the same time, there are many resources available to private developers to help offset the costs of building missing middle workforce housing, such as IHEDA grants like the Modular Workforce Housing Pilot Program in Elkhart, or tax abatements offered by local municipalities to help cover the costs of utility extensions.

These tools should be curated and published through a “one-stop shop” resource, with separate sections aimed at developers and local government entities. For example, guidance for communities on zoning issues, or toolkits with pre-approved building plans and ordinances that can be adjusted by community, could be featured for public-sector stakeholders, and lists of funding, community partners, and local regulatory agencies could be developed for private-sector partners.



MACOG’s Role
Resource



Primary Beneficiary
Developers and municipalities



Timeline
Mid Term (6-18 months, pending funding and regional buy-in)



Partners, Stakeholders, and Regional Experts

LEDOs and chambers; community development corporations (CDC); community housing development organizations (CHDO); developers like Legacy25, Real America, and CommonWealth; local banks, community development financial institutions (CDFI), and other lenders; Indiana Housing and Community Development Authority (IHCDA) and Federal Home Loan Bank of Indianapolis (FHLBI); and community foundations



Projected Outcomes, Vision of Success, and/or Case Studies:

[The City of Saskatoon](#), located in the Canadian province of Saskatchewan, has developed a unique approach of partnering with local developers to incentivize “attainable housing.” The city works with developers, directing them to the city’s website to learn about financial incentives like tax reductions, waived fees, and faster paperwork processing times. The city also hosts numerous other non-financial resources on its site, including infill development guides and direct links to city services like development appeals, applying for property divisions, and requesting zoning amendments. The city also features a [Development Portal](#) – a GIS tool that allows the public and development industry to see more detailed information regarding land use and parcel data. MACOG can work with local municipalities to help them develop resources like these where they don’t already exist.



Strategic Action 2:

Create and support regional land banking and municipal parcel inventories

There is a lot of vacant land in the MACOG region that could be put to use for workforce housing development, and in some communities, towns and cities have acquired many lots through various means. However, many municipalities are not aware of what parcels are owned by whom and which are available to create the foundation for a local land bank. MACOG can help communities throughout the region inventory local parcels to better understand what’s available in each municipality.



MACOG’s Role

Data Provider,
Resource



Primary Beneficiary

Municipalities



Timeline

Mid Term (6-18 months, pending funding and regional buy-in)



Partners, Stakeholders, and Regional Experts

LEDOs and chambers; CDCs; CHDOs; developers like Legacy25, Real America, and CommonWealth; local banks, CDFIs, and other lenders; IHCDA and FHLBI; and community foundations



Projected Outcomes, Vision of Success, and/or Case Studies:

MACOG publishes a Property Viewer GIS parcel map for both Elkhart and St. Joseph Counties. These could be expanded to Kosciusko and Marshall Counties. The Kosciusko County EDC recently established a land trust and a workforce housing revolving loan fund committee, which could serve as a model for other municipalities throughout the region looking to set up land banks and land trusts that MACOG could help support.

Strategic Action 3:

Help local municipalities highlight housing issues through data/storytelling via planning and housing studies

MACOG provides technical assistance to its local municipalities to plan for their futures as well as implement their projects by being a conduit to access or apply for federal and state grant resources. MACOG can help underscore the need to diversify housing choices and affordability at a local level, following the lead of county studies like the Kosciusko County Housing Market Analysis and Housing Strategy and Elkhart County Housing Strategy, both prepared in 2019. These types of studies and data can help educate the public and elected officials on the economics behind housing to encourage the creation of municipal policies and help make middle income housing financially viable through subsidies and other innovative solutions like those listed above.

MACOG's Role

Data Provider, Resource

Primary Beneficiary

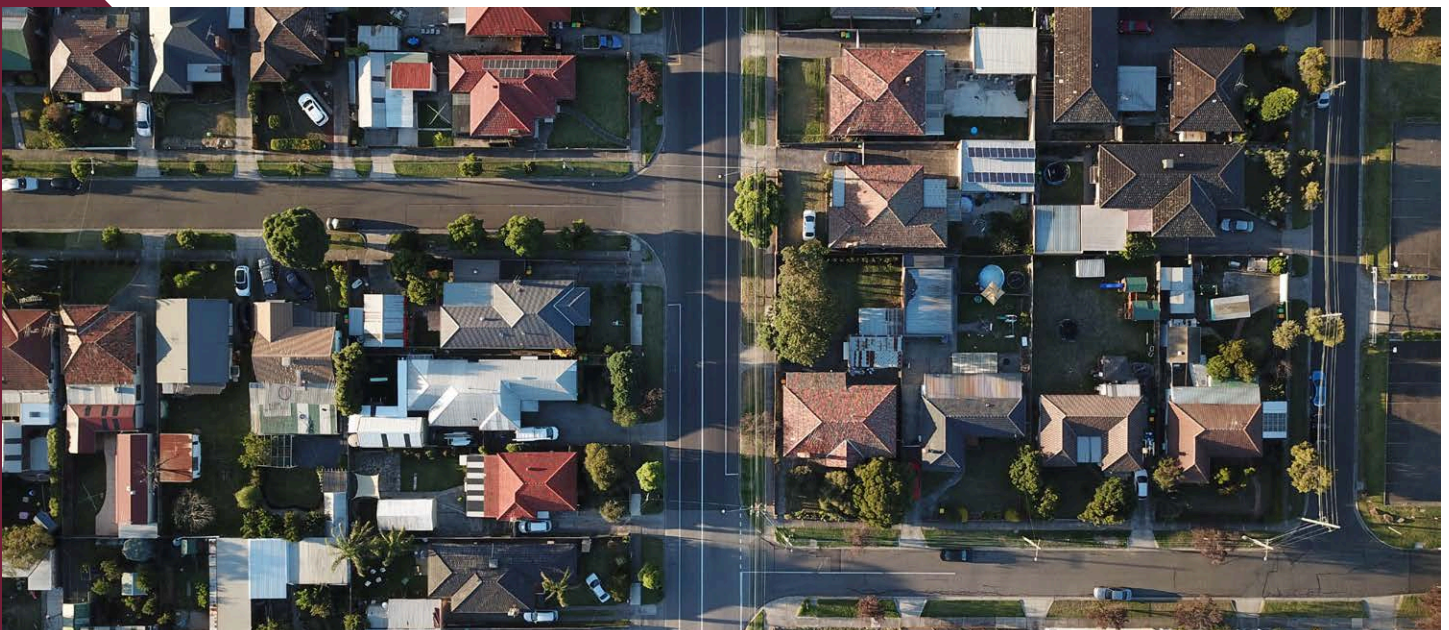
Municipalities

Timeline

Ongoing

Partners, Stakeholders, and Regional Experts

LEDOs and chambers; CDCs; CHDOs; developers like Legacy25, Real America, and Commonwealth; local banks, CDFIs, and other lenders; IHCD and FHLBI; and community foundations



People, Talent, and Workforce Strategies

Promote Childcare Access as Economic Development

As mentioned earlier in this plan, the existing capacity of childcare centers in the MACOG region is not enough to cover current demand – and this problem will be exacerbated for workers and employers as the number of children in the region and state increase. This lack of childcare availability and affordability affects the population’s ability to work, and can contribute to a decline in labor force participation over time as working parents are driven out of the workforce, worsening the labor shortage that many employers cite today. One lesson from the pandemic that both employers and employees learned is that standards of work and work/life balance can be better, and workers are increasingly intolerant of substandard work experiences. This drives competition among employers to be flexible around talent retention and attraction moving forward, including considering ways to meet the needs of working parents and caregivers, and contributing to childcare solutions for employees.

Strategic Action 1:

Use data and mapping to communicate the value and ROI of increasing access to childcare for employers and their workforce on a regional scale

When childcare is made easier to access, stay-at-home parents may begin to return to the regional workforce, and employers are able to increase retention and decrease costs of continual attrition among employees. However, individual employers often dismiss this issue as one that affects only a small proportion of its overall workforce. As a regional organization, MACOG can help stakeholders view this issue holistically across industries and employers, and help communicate the value and ROI of solutions on a regional scale. There are several local organizations working to map the capacity of childcare providers in the region, including Early Learning Indiana’s [Deserts and Hubs](#) online dashboard. MACOG could help augment tools like this by adding layers like proximity to transportation and public transit networks, as well as communicating these findings to employers as a regional rather than individual issue.

MACOG’s Role

Data Provider

Primary Beneficiary

Existing coalition of childcare advocates

Timeline

Mid Term (6-18 months, pending funding and regional buy-in)

Partners, Stakeholders, and Regional Experts

Early Learning Indiana, regional employers, LEDOs and chambers, United Way, community foundations, and Launchpad

Projected Outcomes, Vision of Success, and/or Case Studies:

According to the [First Five Years Fund](#), investing in childcare pays dividends to communities as a whole. The extra time and scheduling flexibility that access to high-quality early childhood education provides can help working parents increase hours worked, miss fewer days from work, and pursue additional education or training to help them excel and move up in the workforce, thereby increasing productivity overall. Not only that, the presence of early childhood education programs makes communities more appealing to homebuyers, and increases property values by \$13 for every dollar invested in local programs. Access to information like this at the local level can help decision makers in the MACOG region understand the regional impact of investing in childcare and drive action in this area.



Strategic Action 2:

Publish information about incentives and the spectrum of options available for employers looking to support child care solutions

Similarly, employers could use additional information about the variety of ways they can support their employees' childcare needs. Some employers have started partnering with local school systems to provide childcare, while other businesses are exploring offering on-site childcare services or creating daycare centers within their industrial parks. Some employers are subsidizing local providers, while others are creating scholarship programs that allow people living at up to 200 percent of the poverty rate (as opposed to the current 127 percent ceiling) to access financial assistance for childcare. Other solutions include potential financial incentives and tax credits for both employers and individuals, or employee benefit account matches, which require much smaller investments from employers but can contribute to an overall benefits package that can help drive competition for employees.

These solutions represent a wide spectrum of available options for employers to explore, from most costly and involved to others that take less effort to pursue. MACOG could support the work of childcare coalitions to help better educate employers about this spectrum of needs and solutions.



MACOG's Role

Resource



Primary Beneficiary

Regional organizations working with employers on child care solutions



Timeline

Short Term (0-12 months, evaluating after 1 year)



Partners, Stakeholders, and Regional Experts

Build Learn Grow through Brighter Futures, Early Learning Indiana, regional employers, LEDOs and chambers, United Way, community foundations, Launchpad, local childcare providers



Projected Outcomes, Vision of Success, and/or Case Studies:

[The National Society of Human Resource Managers](#) publishes resources for employers that cite the many ways employers can support working parents outside of the most intensive and costly option of opening an on-site childcare facility. This includes everything from employer-provided spending accounts or bonuses to help cover the cost of childcare, to flexible schedules and virtual parent support groups, to creating a child care subsidy program via flexible spending accounts (FSAs) with a tax benefit to the employer. By compiling and helping to circulate resources like these, MACOG can help support the work of regional organizations working with employers on childcare solutions.



Strategic Action 3:

Craft and promote local government policies that may be beneficial to childcare efforts when doing comprehensive planning with municipalities

We know that childcare access is not just about the number of seats available but also the quality of care provided. Quality childcare consists of:

- Well-trained, licensed staff
- A safe environment to learn and play
- Structured programming for both children and staff development

Home-based, informal, and unlicensed childcare is not included in total tallies of childcare seats. Though these solutions help fill gaps for working parents, the region would be served better by investing in solutions that enable high quality care. As a regional planning organization, MACOG can help local municipalities consider and include analysis around childcare availability and affordability, and help them craft policies that may be beneficial to childcare efforts.

For example, recent efforts at changing zoning within Kosciusko County has resulted in increased numbers of rural licensed home-based centers, which has greatly improved the number of seats available to local families. In addition, the location of the center matters, and is best when it is close to housing, schools, and major employers. Consistent and high-quality transportation is needed to connect families in rural and urban areas to childcare locations. MACOG can help local municipalities assess and plan for these types of solutions.



MACOG's Role
Resource



Primary Beneficiary
Municipalities



Timeline
Ongoing



Partners, Stakeholders, and Regional Experts
Local municipalities and planners, LEDOs and chambers, United Way, community foundations, Launchpad, and local childcare providers



Projected Outcomes, Vision of Success, and/or Case Studies:
Comprehensive planning is an integral procedure in community development because it brings government officials, business leaders, and citizens together to build communities of lasting value. An outcome of planning is the comprehensive plan, which creates a road map for communities to realize their vision and aspirations through goals and action policies as they relate to transportation, housing, economic development, land use, utilities, public facilities, parks, and open space. Incorporating an evaluation of childcare availability and policies (e.g., updated zoning, increased access to transportation networks) to increase access to childcare for working parents as a component of planning will help communities in the MACOG region understand and enhance supports available to working residents.

Connect to Funding to Support Workforce Training

Finding the right talent is a challenge for local employers, especially employees who already have the necessary skills for emerging high tech job opportunities. As industries modernize and adapt automation and other new technologies, the alignment between available job openings and job seeker skill sets is diverging. Therefore, career pipeline development is a priority, to ensure the workforce is equipped with the right training and has access to educational opportunities to grow their skills. As the regional Economic Development District designated by the U.S. Economic Development Agency (EDA), MACOG can support the many economic development, education, and workforce training partners in the region by acting as a conduit to access federal and state resources.



Strategic Action:

Connect region to data and financial resources to support the development of training centers, equipment, and wrap-around services

Many regional initiatives work diligently at connecting industry to educational efforts to ensure alignment. For example, the South Bend-Elkhart Regional Partnership's Education Workforce Committee, Horizon Education Alliance, Goodwill, Ivy Tech, Regional Workforce Board, and school districts all work together to meet employers' needs. Dual language training, like programs offered by Goshen College and Purdue University, is important in places like Elkhart County, where the population is almost 16 percent Hispanic. Finally, Plymouth School District has partnered with ITAMCO to build a manufacturing lab, and Elkhart EDC's career center received a \$1.5M grant along with Ivy Tech to create a simulated automation lab. Physical infrastructure like this is costly, and local partners can turn to MACOG, as the region's EDA designated Economic Development District, for support in pursuing state, federal, and other funding to help cover these costs where needed. A key step in this process is publishing data regarding the number of workers needed in target industry sectors and the corresponding required education/training, a natural role for MACOG to play.



MACOG's Role

Data Provider,
Resource



Primary Beneficiary

Workforce training and
education institutions



Timeline

Ongoing



Partners, Stakeholders, and Regional Experts

LEDOs and chambers, local employers, educational and workforce training institutions



Projected Outcomes, Vision of Success, and/or Case Studies:

The Bureau of Labor and Statistics (BLS) publishes [10-year occupational employment projections](#) that predict how much the economy will grow and in what fields, based on changes in demographics, population, technology, and consumer trends. The BLS also includes information about education, training, licensure requirements, and median pay for occupations within those industries in their Occupational Outlook Handbook. By providing a similar type of information on a regional scale, MACOG can help workforce training and educational institutions better predict and articulate the need for training facilities and curriculum to funders.

Support Marketing for Talent Attraction

Recruiting and retaining great talent, and reversing net out-migration to net in-migration, will require a concerted, coordinated effort by local leaders to tell the region’s story in a consistent and engaging way. The South Bend-Elkhart Regional Partnership’s recent launch of the WE+YOU campaign is leading this charge, with a multi-faceted marketing and promotion effort aimed at both an internal and national audience to spread the word about regional assets, strengths, and economic opportunities to people and companies looking to potentially relocate to the area. MACOG can help support the coordinated marketing campaign of WE+YOU by boosting its content and using consistent, unified messaging.



Strategic Action:

Amplify marketing messages for talent attraction (e.g., WE+YOU) through MACOG’s website


MACOG can help bring visibility to the WE+YOU marketing campaign by using the platform and hosting regional stories on its website. Other entities throughout the MACOG region engage in their own talent attraction marketing efforts, including the region’s many colleges and universities, regional employers, the local units of governments, and local EDOs. One key way to align these efforts is by supporting the formation of a regional marketing coalition and shared customer relationship management platform to add capacity and quickly share success stories across subject matter. This will contribute to unified messaging, and regional partners can add and share stories as they see fit.




MACOG’s Role
Resource



Primary Beneficiary
Regional stakeholders doing regional marketing for talent attraction




Timeline
Short Term (0-12 months, evaluating after 1 year)



Partners, Stakeholders, and Regional Experts

South Bend-Elkhart Regional Partnership, LEDOs and chambers, tourism offices and visitors bureaus, local employers, and educational institutions



Projected Outcomes, Vision of Success, and/or Case Studies:

[TeamKC: Life + Talent](#) is the Kansas City region’s answer to the global race for talent. The initiative is a program of the Kansas City Area Development Council, 250 top corporations and 50-plus city and county partners who work together to tell the stories that matter to prospective talent. Employers and other partners support the initiative and access custom, branded resources through membership in the KCADC, including digital media tools, presentations and tour materials, and gift boxes for new recruits. These partners work together to deploy these assets in a unified and consistent way for talent attraction marketing, which mirrors the strategy of stakeholders within the MACOG region that are working in tandem to promote regional marketing for talent attraction.

Business, Industry, and Entrepreneurship Strategies

Boost Main Street Entrepreneurship

Main Street entrepreneurship is the lifeblood of communities. The independent shopping, retail, dining, and service businesses that exist in business districts and along main corridors provide essential goods and services to residents while also creating vibrancy for those who live and work in the community. These businesses can also support ecosystems of high-tech and innovation-based startups, which have an existing network of support around them (from place-based nonprofits like Startup South-Bend Elkhart, Rise, enFocus, and INVANTI, to regional innovation funders like Elevate Ventures and Techpoint, to university campus-based supports like Spark at Saint Mary's and the IDEA Center at Notre Dame). This support network for innovation-based startups looking to grow is well-mapped and accessible through regional organizations like the South Bend-Elkhart Regional Partnership. Main street business owners need the same type of network of support tailored to their needs, especially given that small, lifestyle businesses were those hit hardest by the pandemic. Currently, there is no central point of contact for small businesses or local economic development entities in small communities throughout the MACOG region to turn to for comprehensive support.



Strategic Action 1:

Provide main street development planning, best practices, and funding to local municipalities

As a regional planning organization that works with local municipalities on local planning efforts, MACOG is uniquely positioned to introduce best practices to those entities and identify funding opportunities for them. MACOG should continue to encourage and support local planning agencies and elected officials by providing access to resources as they prioritize and incorporate vibrancy and placemaking strategies into their community plans, specifically around downtown and main street development and revitalization issues like zoning, public art and beautification, transportation, parking, and enhance marketing for small businesses to encourage residents to “shop locally”, and enhance their online presence..



MACOG's Role

Resource



Primary Beneficiary

Municipalities



Timeline

Ongoing



Partners, Stakeholders, and Regional Experts

Municipalities, counties, local planning agencies, main street organizations, local chambers of commerce, neighborhood associations, business associations, and elected officials



Projected Outcomes, Vision of Success, and/or Case Studies:

The City of Cincinnati and Cincinnati Center City Development Corporation launched its “Streateries” program this summer, a tax increment financing-funded outdoor dining initiative that provided \$2.2 million to install permanent street-level modifications and outdoor dining infrastructure for more than 40 participating restaurants, such as wood decking, bollards and planters, and parklets in key areas.

Through comprehensive planning, MACOG can help municipalities study local main street vibrancy and identify funding to implement innovative solutions like this. MACOG can also help local communities pursue becoming an Indiana Main Street Organization and seek financial assistance for these initiatives.

Strategic Action 2:

Convene small town chambers and main street organizations

Regional chambers like South Bend Regional Chamber, Greater Elkhart Chamber, and the Kosciusko County Chamber of Commerce informally meet with their peers in Northern Indiana and Southern Michigan on roughly a monthly basis to discuss projects and community issues, and collaborate where appropriate. This same structure could be helpful if replicated for smaller chambers of commerce and Main Streets or other business group associations that are working on Main Street development in their towns and cities but do not currently have access to such a convening. MACOG would not have a role beyond convener, to set the stage and coordinate meetings, as the agenda would be set by the local organizations. This provides an opportunity for smaller organizations to network and learn from one another, share ideas, and solicit capacity from each other and MACOG where applicable, to support small-town Main Street vibrancy efforts.

MACOG's Role

Convener,
Resource

Primary Beneficiary

Small town chambers and
main street organizations

Timeline

Short Term (0-12 months,
evaluating after 1 year)

Partners, Stakeholders, and Regional Experts

South Bend-Elkhart Regional Partnership, LEDOs and chambers, tourism offices and visitors bureaus, local employers, and educational institutions



Strategic Action 3:

Create a small business dashboard, resource map, and story board on MACOG's website

Resources for independent main street and micro businesses that serve the community could be mapped and published on MACOG's website. This can serve as a central resource for small lifestyle businesses and the local economic development entities in small communities that serve them, identifying where they can turn for more tailored, hands-on support. Active promotion of these programs is key. Success stories of businesses in small communities – with images of businesses that resemble the target audience – should be featured on the web page as well, to inspire others. A data dashboard should be another feature, to track success toward the region's goal of increasing the overall number of new business starts (at least 61 per year to match Indiana's rate).

MACOG's Role

Data Provider,
Resource

Primary Beneficiary

Small-town LEDOs that
support small businesses
in their community

Timeline

Mid Term (6-18 months,
pending funding and
regional buy-in

Partners, Stakeholders, and Regional Experts

South Bend-Elkhart Regional Partnership, ISCBDC, SCORE, lenders, professional service providers, and local chambers of commerce

Projected Outcomes, Vision of Success, and/or Case Studies:

The South Bend-Elkhart Partnership does an excellent job of hosting resources for high-tech and innovation-based startups on its [website](#), which entrepreneurs can navigate based on their company stage and need (e.g., business planning, mentoring, incubation, or funding). A similar resource exclusively geared toward small businesses and main street entrepreneurs could enhance supports available to those ventures, and provide a directory of service providers for local municipalities and LEDOs to turn to in order to better support small businesses in their community.



Support the Region’s Industry Modernization and Supply Chain Efforts

The MACOG region has put a sharp focus in recent years on increasing automation and other technology adoptions within the manufacturing and healthcare industries. This includes regional training programs in emerging technology skills, like those offered in partnership by Purdue University and the Elkhart County EDC; exposing middle and high school students to high tech careers through events like Manufacturing Days; the LIFT Network’s advanced industries internships and apprenticeships; and the technical assistance that iNDustry Labs at Notre Dame offers to regional businesses for Industry 4.0 transformation. Though some local companies like ITAMCO are on the front line of innovation, it is easier for companies that produce a lot of the same product to adopt advanced manufacturing practices and technologies than it is for those doing batch-oriented tasks. The MACOG region has a long-standing history as the global leader in RV manufacturing. The challenge facing the RV industry is to remain economically competitive and resilient that adopts diverse and new technologies in automation, robotics, engineering, and “green” infrastructure. These are important initiatives to help support existing industries as they connect to and adopt modern, future-facing technologies and operational practices to increase their resilience and sustainability. MACOG can continue to serve as a conduit to help the region pursue federal and state grant resources and provide technical assistance to apply for and administer EDA funding for these grants.



Strategic Action 1: Continue to identify and solicit federal and state funding to support the region’s efforts at industry modernization

Automation isn’t always cost-effective, particularly when there’s a reliable source of employees to cover tasks. This is changing given current labor challenges, as increasingly there are not enough people to cover all the jobs available at local companies. Nevertheless, it is difficult for individual companies to make investments in technology adoption when the return is not immediate or readily apparent. MACOG can support regional efforts at industry modernization in industries like manufacturing, healthcare, and even agriculture, by helping partnerships of local organizations, educational institutions, and employers identify and solicit federal and state funding for regional technology advancement support projects.



MACOG’s Role
Resource



Primary Beneficiary
Regional stakeholders working to support industry modernization



Timeline
Ongoing



Partners, Stakeholders, and Regional Experts
South Bend-Elkhart Regional Partnership, LIFT Network, iNDustry Labs, regional employers, LEDOs, and local educational institutions



Strategic Action 2:

Publish supply chain and cluster analysis data

As previously mentioned, the MACOG region's largest industries are quite vulnerable to changes in global supply chains. The COVID-19 pandemic exacerbated several supply chain issues, like rising commodity prices, tariffs, and international shipping delays, that affect many regional companies. There is currently no one organization that local industry can turn to for supply chain data or cluster analysis to better understand how inter-related industries are affected by macro economic challenges. The MACOG 2020 CEDS stated that as the region adopts new technologies to increase productivity and revenue in a more digital economy, it would prioritize expanding business connections and relationships to access low-cost and convenient supply chain options. This work should begin with MACOG supply chain and cluster analysis data to provide added value to regional employers.



MACOG's Role

Data Provider,
Resource



Primary Beneficiary

Regional stakeholders
working to support
industry modernization



Timeline

Mid Term (6-18 months,
pending funding and
regional buy-in)



Partners, Stakeholders, and Regional Experts

South Bend-Elkhart Regional Partnership, LIFT Network, iNDustry Labs, regional employers, LEDOs, local educational institutions, and industry associations



Projected Outcomes, Vision of Success, and/or Case Studies:

Conexus Indiana recently partnered with Butler University's Lacy School of Business to research supply chain resiliency and potential near- and on-shoring opportunities. Through this partnership, led by Dr. Jane Siegler, assistant professor of operations accounting, management information systems, statistics, MBA students and undergraduate researchers helped Conexus identify critical suppliers within regional industry clusters and identify ways to increase supply chain visibility and support those suppliers to grow and benefit the state's economy. This type of data and analysis can help regional industry leaders understand supply chain issues affecting the region and how to work collectively with other businesses to address these challenges.



Implementation

If these strategies are to be successful, their implementation will need to continue to be a regional effort. MACOG can be a convener and leader in some areas, setting the table for important region-wide conversations, since it represents all four counties and comes with a region-wide perspective. In other areas, MACOG will take a supporting role, providing regional data analysis, connecting stakeholders to funding to bolster regional efforts, or connecting partners to resources in the form of sharing information, policies, and best practices to inform planning.

MACOG staff will be the primary party responsible for the execution of this plan. This work should be done in close collaboration with local government partners to ensure the plan continues to match specific local priorities and initiatives. MACOG staff will ensure accountability by reporting to the MACOG Policy Board monthly on progress toward the objectives listed in this plan. The MACOG Policy Board is responsible for oversight of progress and pushing for the work to be completed within the appropriate time frame.

MACOG will also look for opportunities to collaborate with the South Bend-Elkhart Regional Partnership and its committees to ensure outside accountability as well. The formation of a partnership committee on recovery and resiliency would be welcomed to oversee future efforts that go beyond this plan.

Resources

There are many resources that MACOG, its partners, regional experts, and stakeholder groups can tap into to support and fund the implementation of many of these strategies. These include but are not limited to:

Main Streets and Vibrancy

- Indiana Office of Community and Rural Affairs (OCRA)
- Indiana Arts Commission
- CreatINg Places (IHCDA - Patronicity)
- Indiana University's Center for Rural Engagement
- Community Heart & Soul
- OCRA Quick Impact Placebased (QuIP) Grant

Connectivity and Mobility

- Purdue University Center for Regional Development
- Northern Indiana Commuter Transportation District (South Shore Line)
- Indiana Department of Transportation

Broadband

- OCRA Next Level Connections & Connectivity Program
- Public-private partnerships
- U.S. Department of Agriculture (USDA)
- Wireless Institute at the University of Notre Dame
- U.S. Economic Development Administration (EDA)



Workforce Housing

- Indiana Housing and Community Development Authority (IHCDA)
- Federal Home Loan Bank of Indianapolis (FHLBI)
- Fitzgerald Institute for Real Estate at the University of Notre Dame

Childcare

- Build, Learn, Grow's stabilization grants
- Early Learning Indiana's Closing the Gap grants
- Indiana Department of Education

Training and Workforce Development

- U.S. Economic Development Administration (EDA)
- U.S. Department of Agriculture (USDA)
- Regional universities and colleges
- Indiana Department of Workforce Development
- Northern Indiana Workforce Board

Advanced Manufacturing

- U.S. Economic Development Administration (EDA)
- University of Notre Dame

Conclusion

This economic recovery and resilience plan highlights the many ways that stakeholders throughout the MACOG region do, and can continue to, work together to achieve shared goals that are essential for long term regional economic growth. These goals include attracting and retaining a higher share of the working-age population than current trends project, increasing per capita income by diversifying and modernizing the region's industry mix to create more high-wage job opportunities, and increasing the volume of small business activity and employment within those firms.

The region will be successful in reaching these goals by following its driving themes, which include fostering growth and prosperity through economic opportunity, innovation, and adapting the region's legacy economic drivers to new technologies and advancements, and embracing the region's growing diversity while building a welcoming environment where all are empowered to thrive.

Reaching those goals will depend on regional leaders' ability to work collaboratively on regional efforts. The strategies in this plan reflect ongoing and new efforts that will help move the region closer to those goals. By supporting local vibrancy and connectivity efforts, promoting access to key infrastructure like broadband and childcare, providing regional housing resources, connecting the region to workforce training resources, supporting marketing for talent attraction, boosting main street entrepreneurship, and advancing the region's industry modernization and supply chain efforts, the MACOG region will be well-positioned to prosper now and into the future.

Pursuing these goals will help the region become more resilient against future environmental, societal, and economic shocks, and the yet-unknown impacts these events may bring. Coordinating efforts at a regional level, to both address existing challenges and capitalize on current strengths, will help ensure shared success in achieving these goals.



Photos this page: top left MACOG, other photos South Bend Regional Chamber



Appendix

Public Comments

Community engagement was a foundational element for the development of this plan to ensure the needs of the region are addressed and support long-term economic growth to withstand future stressors and shocks. Several opportunities were offered through the planning process for engagement activities. This included hosting six Focus Group meetings, six Ideation meetings, and a public input session. This plan was developed by the input of the Steering Committee, regional stakeholders, and residents.

In March 2022, MACOG held a 30-day public comment period. The public had the opportunity to speak with the planning team and the Steering Committee to share their thoughts on the draft Collaborating for Regional Resilience and Economic Growth. A comment form was available on MACOG's Recovery page and paper forms were available at the MACOG office. During the public comment period, MACOG held a public input session on March 17, 2022, which 10 individuals attended. We received several comments from attendees who wanted to know more about the focus group meetings, the consideration this plan had for health and well-being, and the region's efforts to address creating walkable and bikeable places. The following pages provide a summary of the received public comments during the public comment period in March 2022 and MACOG's response.

Collaborating for Regional Resilience and Economic Growth - Public Comments

Online Comment Form Responses

Response #1

What strategy excites you the most after reviewing the draft “Collaborating for Regional Resilience and Economic Growth” plan?

Realizing that supporting families (such as having quality childcare) is important for regional resilience.

What did you learn from reviewing the draft plan?

The planners are not locals.

What would you change about the plan or the presented strategies?

I would focus less on retaining graduates of local colleges and more on attracting high school graduates who went elsewhere to college and graduated.

Additional Comments or Questions

The MACOG region has many multi-generation extended families sharing childcare and elder caretaking duties. This is a unique factor that has not been adequately considered in this report. The MACOG region’s workers can survive in a “childcare desert” because people with good support networks or who are economically pressured find ways to balance work and childcare. They also have less need for community centers, community activities, and neighborhood schools because their community ties are established over generations in the same community. While these large family networks are helpful for families navigating difficult situations, such as working for low pay and/

or at jobs with unpredictable hours or night shift work, the relative lack of investment in community-building and family-supporting infrastructure certainly does affect attraction and retention of workers who do not have strong community ties. For example, incoming families may be put off by the segregation of local schools; even in diverse neighborhoods, there may be just 5 families with kids, and those families may send their kids to 5 different schools – private elite, private parochial, charter, and/or various public schools.

Given that strong community ties are uniquely important to keeping people in the region, it is important to embrace re-integrating college graduates to the region rather than focusing on new residents or retaining graduates of local colleges and universities (several of which have student bodies that are substantially wealthier and less racially diverse than the communities they are in). The largest state-supported educational institutions in Indiana are not located in South Bend, but in West Lafayette, Bloomington, Indianapolis, and Muncie, and there are many well-respected private schools across the state and region. For this reason, temporary out-migration for educational purposes should be encouraged (as it diversifies the education and experience of local talent) and supported by solid regional and interstate transportation options. The South Shore train line and Greyhound bus service help students attend universities in Chicago while easily maintaining ties to the area that will bring them back after undergraduate or graduate school.

Young people who develop ties outside of the area, though, expect salaries and transportation options that let them stay connected with friends and family elsewhere in the country.

More options for car-free transportation to Indianapolis, Bloomington, and West Lafayette would likely help make this region more attractive to people who have ties to those regions.

One asset of the area is its rural areas. Regional and county development plans that build up the agricultural areas to provide suburban housing or new industry may be appealing on the surface, but the subsequent increases in traffic congestion, water runoff, and pollution will reduce the quality of rural areas and their amenities, such as quality fishing, hunting, community-supported agriculture, and “silent sports” activities. Not only will such development patterns sacrifice some of the best assets of the region, but they will also prove costly. Tax increases would likely be necessary over 15-20 years to support replacement cycles on the infrastructure required to build out into previously undeveloped areas, meaning that residents of areas with underutilized urban and brownfield lots will be subsidizing the suburbs, all while the region tries to figure out how to get employees to employers in their new locations.

While the report states that only 23 percent of all households in the region are cost-burdened in their housing expenses, this ignores that in other areas, a cost-burdened household may be making triple the income of a household here. The 2/3 remaining household income in an area where AMI is \$80,000 for a family of 4 is going to go much farther than 2/3 of \$60,000. Further, the report states that transportation costs for a family in the MACOG region can approach 22-37% of income; this is unlikely to be true in many urban areas where people tend to be burdened by outsized housing expenses. The report mentions that “missing middle” housing should go for \$250,000 or under; in this region, that would not be considered “missing middle”, but “upper-middle” – most families earning even a middle income in the region would not qualify for a \$250,000 home loan and would have a lot of trouble saving for a \$50,000 down-payment

for 20% equity or even \$12,500 for 5% down. The report also fails to assess home ownership and rental rates across the region. Investor-owned single-family homes are on the rise, threatening the stability of rental and housing markets particularly for lower- and middle-income families in the region. Statewide efforts that reduce subsidies while increasing accountability for landlords are necessary to ensure that homeowners are not competing for purchases with out-of-state corporations seeking a high return on their investment at the expense of housing stability for the region’s families.

Re-attracting local talent that moved elsewhere for an education and expanding refugee resettlement efforts should be preferred talent attraction strategies for the region. A large influx of people from outside the region could raise property values and displace current residents, offsetting some of the gains of attracting new residents as housing churn (evictions & foreclosures) leads to very high, long-term costs to residents, families, and ultimately the entire community – students who are homeless have a very hard time graduating high school and getting into college, and our separate-and-unequal private/charter/public approach to education in Indiana is unlikely to improve population-level graduation rates.

MACOG’s Response

Thank you for your comments. This report highlights the challenges of lack of convenient and affordable childcare has on the labor forces’ ability to work. Within a “childcare desert” it is common for families to work together to provide solutions for childcare so that adults are able to work full-time. This report does focus on providing data from state-certified childcare centers and does not include family or non-licensed centers.

There is more work to be done to better understand the childcare issues and work with local partners in identifying acceptable solutions.

Retaining local residents though building local connections and creating vibrant public places is a key piece of our economic strategy. Whether we are directing those efforts at college graduates from our local universities or at our local high school students encouraging them to return after their college experiences. (See page 42 and 51).

Local and regional housing markets are strained. MACOG recognizes that housing is a major barrier for economic success, both for the region and for individuals. On pages 44 - 46, MACOG highlights are strategies to work with local partners to better understand and assess the current conditions and to help create tools to make the solutions easier to implement.

Response #2

What strategy excites you the most after reviewing the draft “Collaborating for Regional Resilience and Economic Growth” plan?

The collaboration and conversation is appreciated. I am curious about the process as it skews toward programs and industries involved in the development of the report and may not fully capture more disadvantaged populations in our region. Inadvertently, some of our best populations for bringing more immediate talent to the table may not find their place in the conversation or the process.

What did you learn from reviewing the draft plan?

The draft plan seems to focus on post-secondary workforce solutions, thus investment. That emphasis leaves significant numbers of potential workers out of consideration as only approximately 59% of high school graduates in Indiana will pursue post-secondary education to meet the demands of a marketplace with increasing need for higher level industry skills.

What would you change about the plan or the presented strategies?

Workforce and education solutions need to begin as early as middle school and move toward increased project-based learning and intentional industry training/engagement no later than early high school. Young people are voting with their feet in our area and leaving school to ‘work’ in companies far too willing to accept the help without consideration for the longterm future growth of these young people and their talent. We need to thoughtfully and collaboratively redesign what ‘school’ looks like for our community’s young people, including facility and program designs that rise to the level of actual industry application and demand.

Additional Comments or Questions

Thank you for the work on this document and plan. It is appreciated as meaningful change is often incremental. Our team looks forward to seeing what practical steps are implemented and what realized opportunities emerge.

MACOG’s Response

Thank you for your comments. Workforce and education solutions are built with many layers to provide everyone with more opportunities for work. This report did focus more heavily on post-secondary educational challenges and solutions. The study began as a response to the economic challenges faced as a result to the COVID-19 pandemic. As such, the issues identified and solutions provided focused on rebounding from this economic situation. As a result, more emphasis was spent on aligning post-secondary opportunities, whether for academic education or offering job re-training and certifications. A broader look at improving educational and workforce training opportunities was looked at during the 2020-2024 Comprehensive Economic Development Strategy. Page 26 of that plan emphasizes the need to create pathways to careers for students.

Response #3

What strategy excites you the most after reviewing the draft “Collaborating for Regional Resilience and Economic Growth” plan?

The innovation.

What did you learn from reviewing the draft plan?

We have a great start. Keep going.

What would you change about the plan or the presented strategies?

I would like to make sure ALL of our local high schools are on the bus route. We want more workers, there are thousands of students who can work, internship, work based learning... It also provides opportunities for more before school or after school participation for those who can not get a ride without a school bus.

Additional Comments or Questions

Timing is important if this is to be successful. What time schools start and end so transportation is around those times. If a student works half a day it would also be great to have transportation to accommodate that timing.

MACOG’s Response

Thank you for your comments. Public transportation is a key component to providing individuals, and students, opportunities of work. Currently Transpo and the Interurban Trolley are working on a Transit Plan, looking at their current routes and how they can best serve the community. We will forward this comment to their planning effort so they can look more closely at the connections between schools and public transit. You can learn more at www.connecttransitplan.com.

Public Meeting Responses

Jim Baxter, United Way South Bend

Was there a reason we did focus group meetings only in South Bend and Elkhart?

MACOG’s Response

We chose these locations given the availability for space given the size of the audience needed and central meeting locations. Stakeholders across the four county planning region were invited and participated in the meetings. Meetings were also available by Zoom so attendees could join virtually if they couldn’t make it to the meeting location.

Lisa Harman, Live Well Kosciusko

Knowing our population is aging and the cost of health care is increasing due to our state’s poor health outcomes. Are there strategies that consider the health and well-being as a component of workforce development and economic development?

MACOG’s Response

Definitely recognizing the aging population there is going to be a need for more home health care and senior living facilities that will be a challenge and an opportunity. During our healthcare and education focus group meetings we talked a lot about those health care sectors and the stress the health care and industry professionals are experiencing. We talked about opportunities for plugging into some of the regional efforts in marketing and messaging to use those platforms for things like community-wide public health awareness, pointing people to strategies that exist in the MACOG region such as mental health awareness, burnouts, and other services.

Alison Mynsberge, Resident

It seems that a lot of our bigger cities seems to lack is the ability to bike comfortably and use other types of alternative transportation to live your life. The region seems to be 20 years behind to get recreational trails, and we're getting there, but doesn't have the infrastructure and local economies to support walkability.

MACOG's Response

Our region and efforts have been lagging but we are trying to ramp up to meet our needs now. We hired a new active transportation planner who is focused on increasing commuting routes and awareness. It is also a direction of the region's to enhance our quality of life to create attractive places that are bikable and walkable as a talent attraction and retention initiative.

Dan Buckenmyer, South Bend Elkhart Regional Partnership

What are our next steps to narrow in to implement the strategies?

MACOG's Response

Next steps will be to work with our Steering Committee in the process to continue the conversation and prioritize.

