

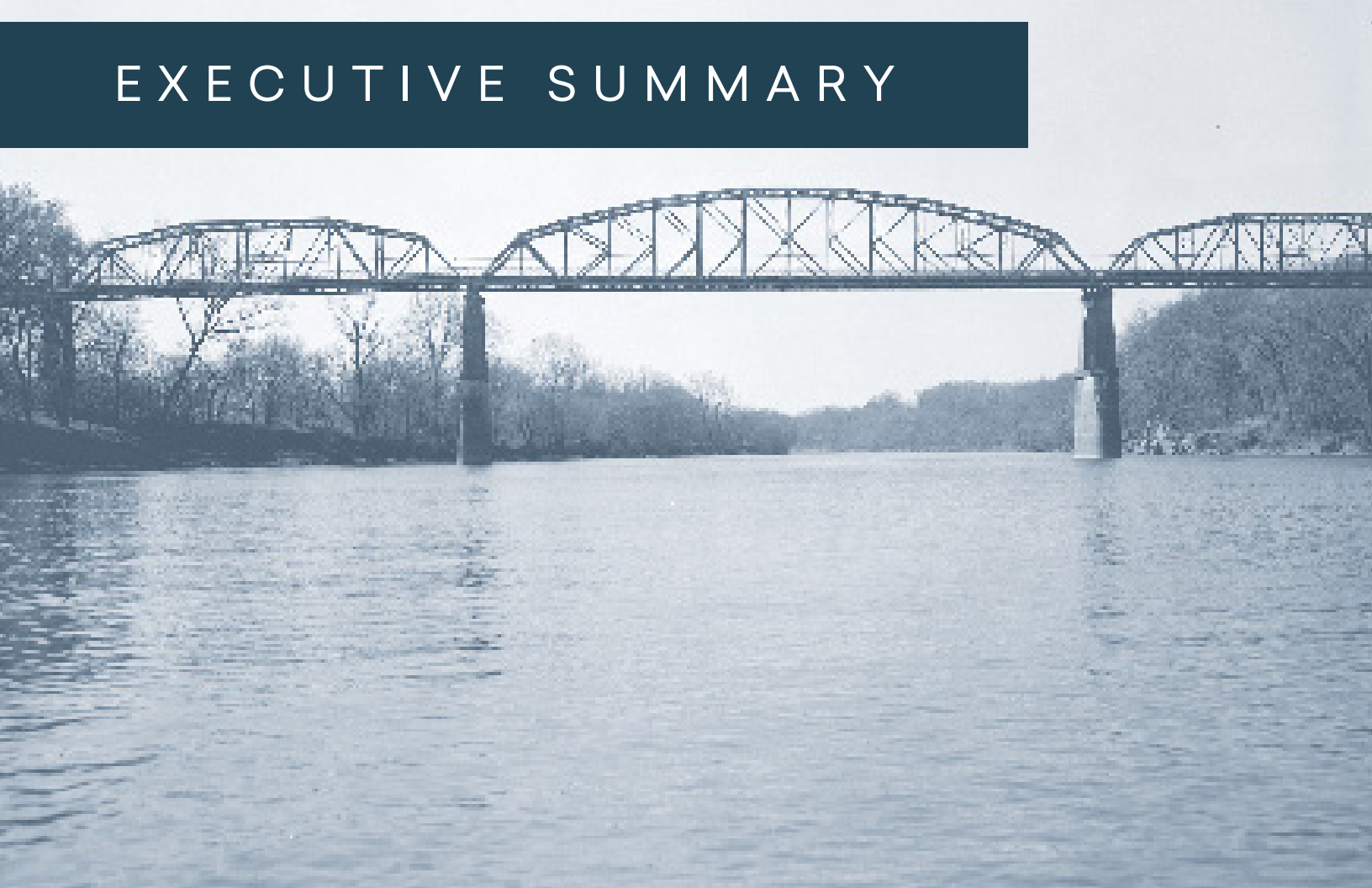


CLARKSVILLE-MONTGOMERY COUNTY

COMPREHENSIVE LABOR ANALYSIS

2017

EXECUTIVE SUMMARY



ABOUT THE REPORT

The Clarksville – Montgomery County Economic Development Council, working together with the Industrial Development Board commissioned this study. It was funded by private business through a grant from the Aspire Clarksville Foundation.

This report describes the economic and demographic profiles for Clarksville - Montgomery County and provides an assessment of the labor force available to support local employers. The intent is for workforce and economic development entities, educators, and business leaders to use the information presented in the study to coordinate efforts and target activities to better support worker skill development, job creation, and improved economic opportunities for everyone.



Map Source: Emsi Developer

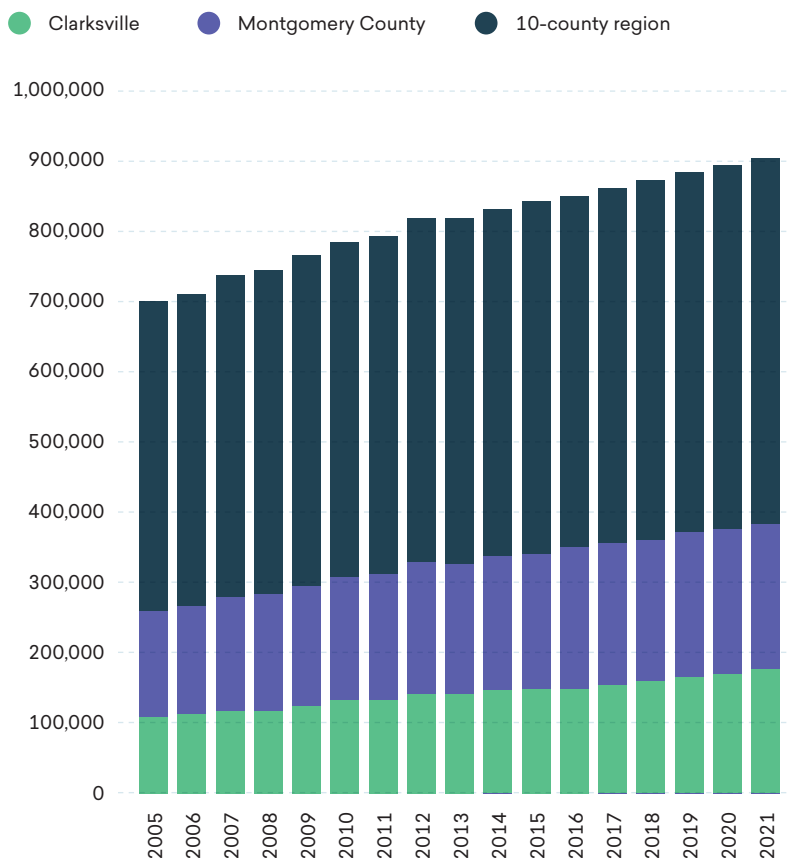
METHODOLOGY

To understand the region’s workforce assets and economic development needs, multiple research techniques were used. The research team quantified the demographics, labor force, and economic activities for the region using multiple data sources. Next, in conjunction with the Economic Development Council, the team conducted an online survey and held multiple focus groups. Finally, members of many local organizations provided insights into the data collected to create a fuller picture and a deeper understanding of the economy of the region.

REGIONAL OVERVIEW

Clarksville is home to over 150,000 people and comprises nearly 77% of the Montgomery County’s total population. The city and the county have experienced solid population growth over the past decade.

POPULATION TRENDS



EDUCATION

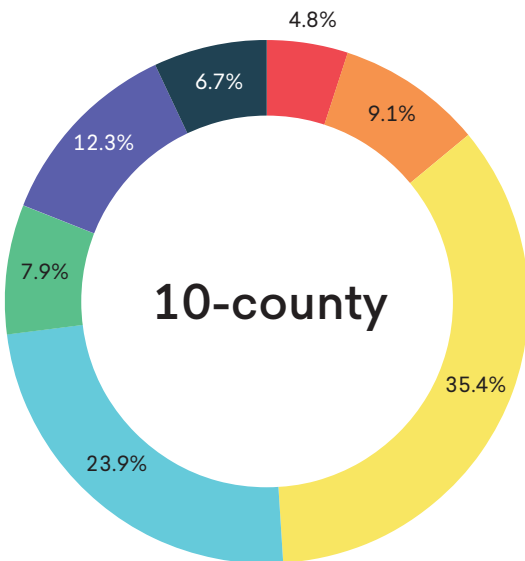
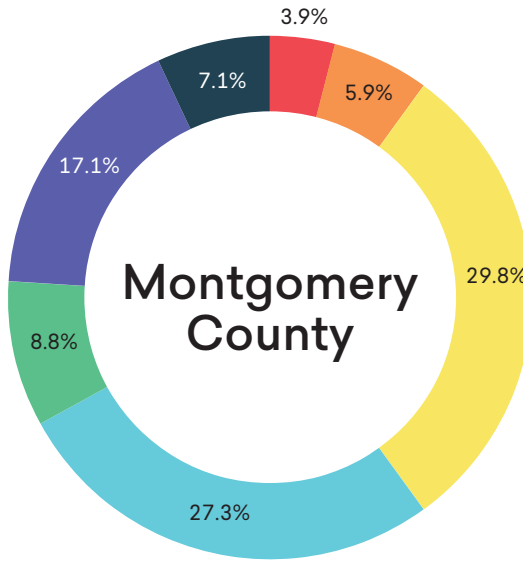
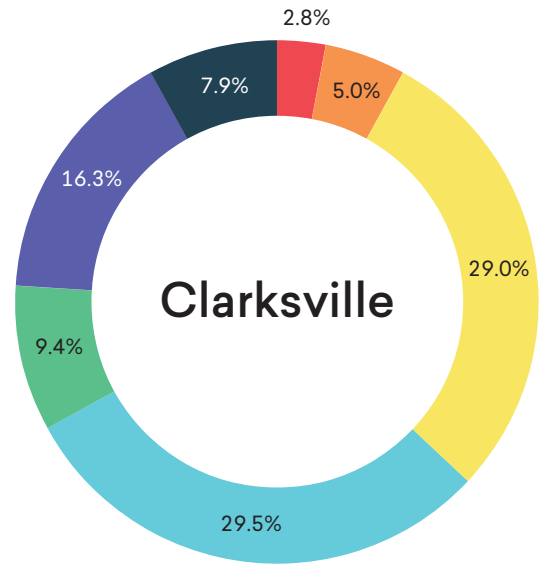
Montgomery County contains the largest share of residents who hold a bachelor's degree or higher in the 10-county region.

The region as a whole sits significantly below the national average, at 30%, for percentage of residents who possess a bachelor's degree or higher, but is similar to the national average for associate's degrees earned.

More than 17% of Montgomery County residents possess a bachelor's degree (1.1% below the national average), and 8.8% hold an associate's degree (1.0% above the national average).

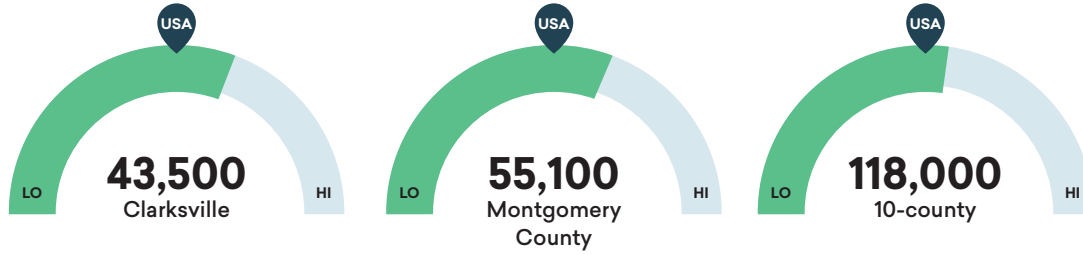
EDUCATIONAL ATTAINMENT

- Less than 9th grade
- 9th grade to 12th grade
- High school diploma
- Associate's degree
- Bachelor's degree
- Graduate degree and higher

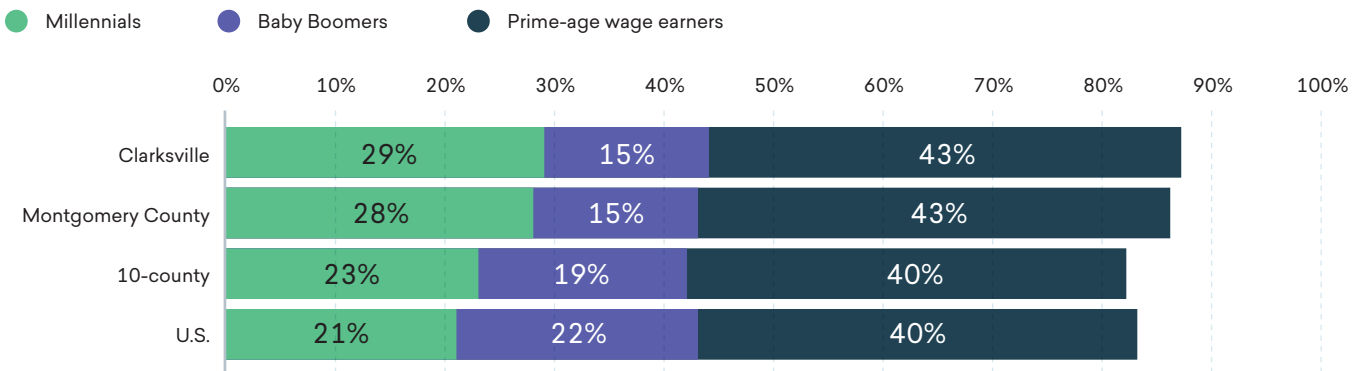


DEMOGRAPHICS AND COMMUTERS

MILLENNIALS



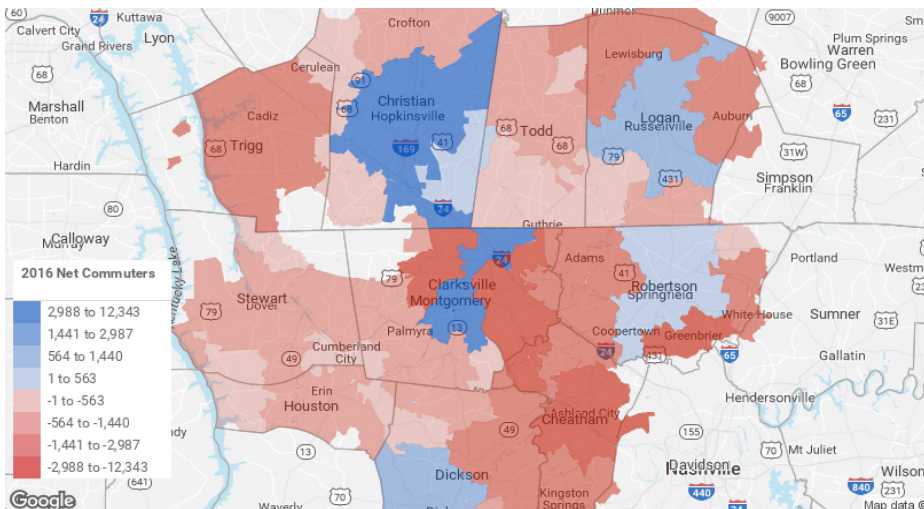
GENERATION BREAKDOWN AS A SHARE OF TOTAL POPULATION, 2016



Source: Emsi dataset 2017.3

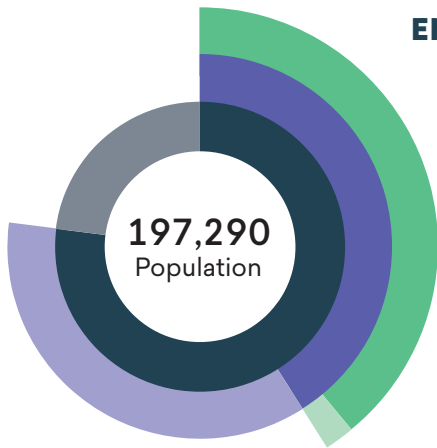
One issue facing employers is retirement risk, which is the loss of employees, as well as possibly the loss of valuable experience and company knowledge. However, for Clarksville, the number of millennials flocking to the region is astounding. For a city of its size, the number of millennials residing in Clarksville is significantly above the national average—29% of the total population. The median age in Clarksville is 29 and 30 in Montgomery County, compared to 38 in Tennessee and the nation.

NET COMMUTERS



Roughly 53% of Montgomery County residents work within the county—a high share compared to the greater region, while 47% leave the county every day for work.

LABOR FORCE

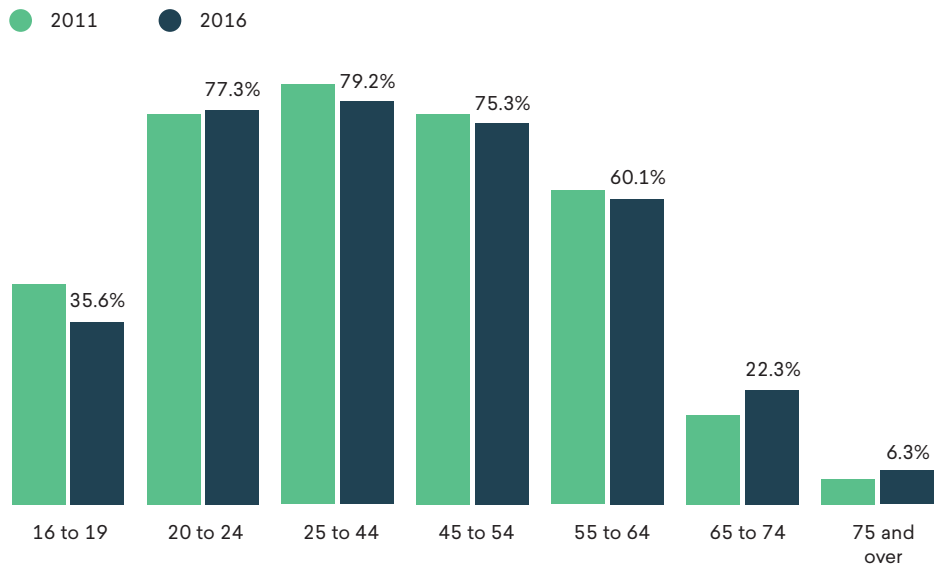


EMPLOYMENT

	POPULATION
Total Working Age Population	151,720
Labor Force	80,453
Employed	76,276
Unemployed	4,177
Not in Labor Force (15+)	71,267
Under 15	45,571

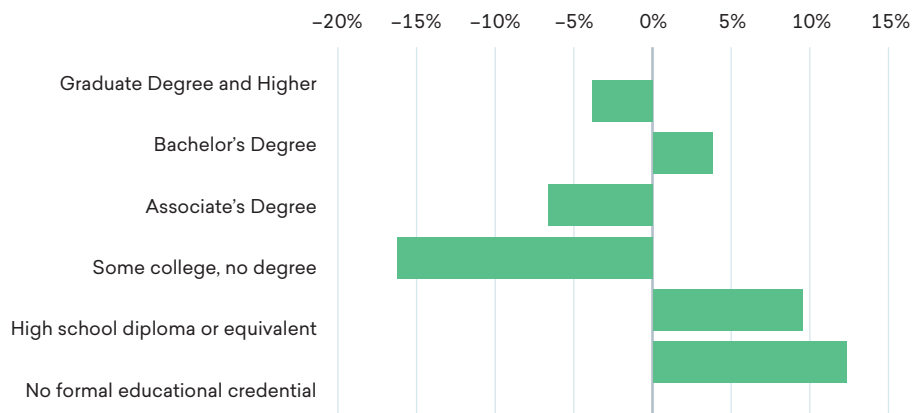
There are over 80,000 people in Montgomery County’s labor force with approximately 66% of the working age population participating—nearly three percentage points higher than the nation at 63.5%. Clarksville’s labor force participation rate stands at 66.4%. Similar to the nation, both Clarksville and Montgomery County’s labor force participation rates are trending downward which can be contributed to declines in participation in the 16 to 19 and 25 to 44 age cohorts, even though, these age cohorts have experienced significant population growth.

LABOR FORCE PARTICIPATION RATE TRENDS



Underemployment describes portions of a population working in careers which do not fully utilize the education they have received. This figure depicts the percentage point difference between share of jobs and people to fill them by typical entry level education. Negative numbers indicate an oversupply of people while a positive number represents more jobs than people to fill them.

UNDEREMPLOYMENT



* negative numbers indicate a surplus

Source: Emsi Dataset 2017.3



OCCUPATIONS AND WAGES

Government, retail trade, accommodation and food services, and health care are all larger than manufacturing in Montgomery County. To understand Montgomery County's most critical industries, we measure jobs by their concentration, or location quotient. Location quotients, or LQ, measures a region's industry concentration compared to the nation.

Hot Jobs:

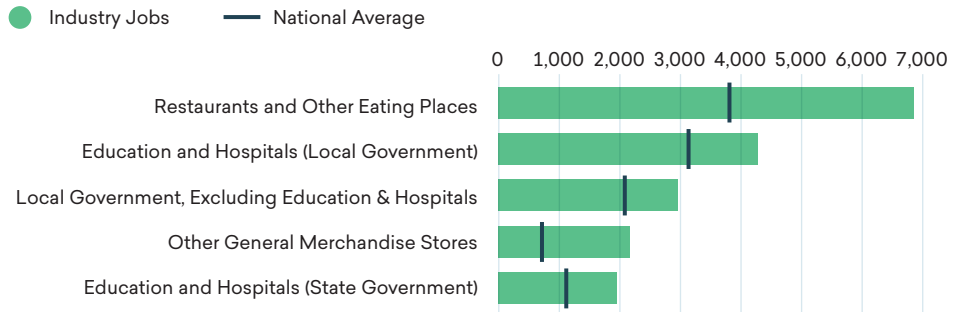
- Registered nurses
- Teachers (all levels)
- General and operations managers

Most abundant occupations:

- Office and administrative support
- Sales
- Food services
- Education
- Production

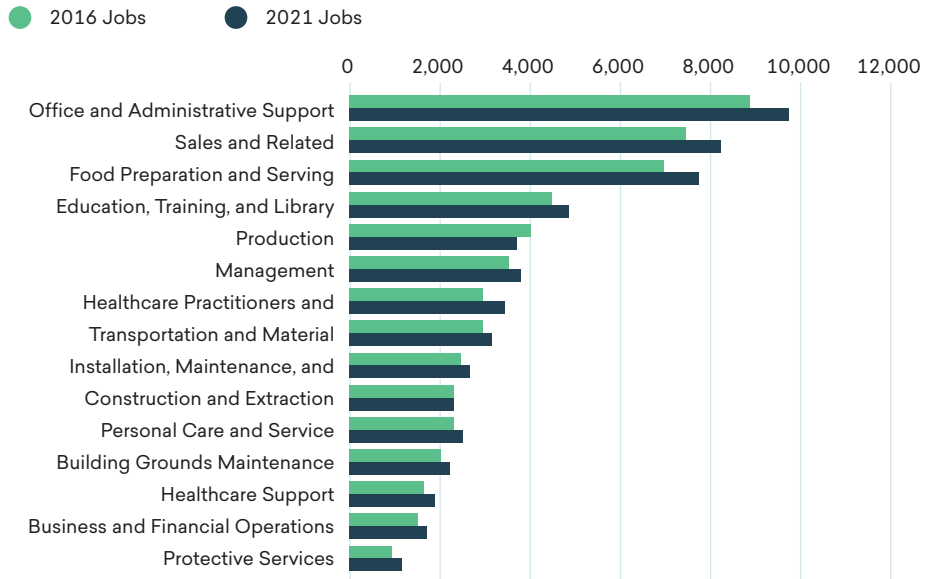
The average wage for Montgomery County is \$20.50 per hour, 31% below the national average. At this wage, there are over 39,000 workers available, or 72% of the entire workforce. Like most occupations, as wages increase, fewer workers are added to each wage increment. Younger, less experienced workers start at lower wages but see raises more often while more seasoned workers hit wage ceilings.

INDUSTRY CONCENTRATION IN CLARKSVILLE - MONTGOMERY COUNTY

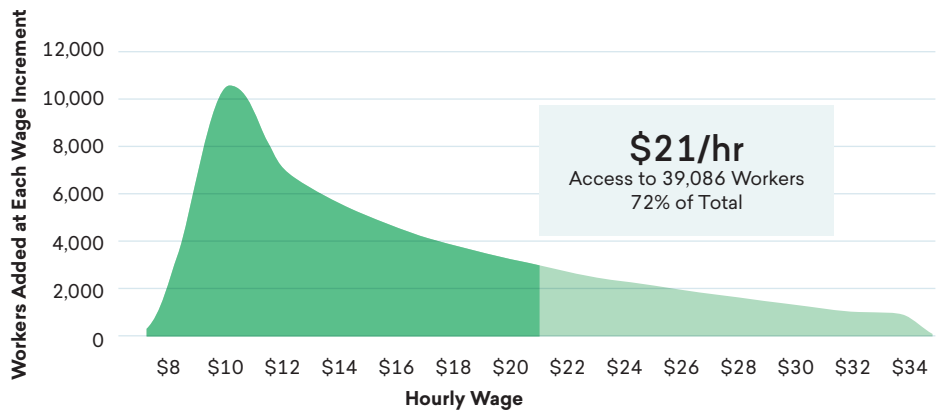


Source: Emsi Dataset 2017.3

TOP OCCUPATIONS



WORKFORCE AVAILABILITY BY WAGE INCREMENT



Source: Emsi, Workforce Insight dataset



MILITARY PERSONNEL

Fort Campbell contributes significantly to the Clarksville - Montgomery County economy and workforce, because more than 400 people per month leave the military, and 20%-30% stay in the area. One goal is to retain even more of these people.

KEY HIGHLIGHTS

The most frequent populated civilian occupations that match military experience, require some college or above (for education and training purposes), and pay above \$15 per hour include:

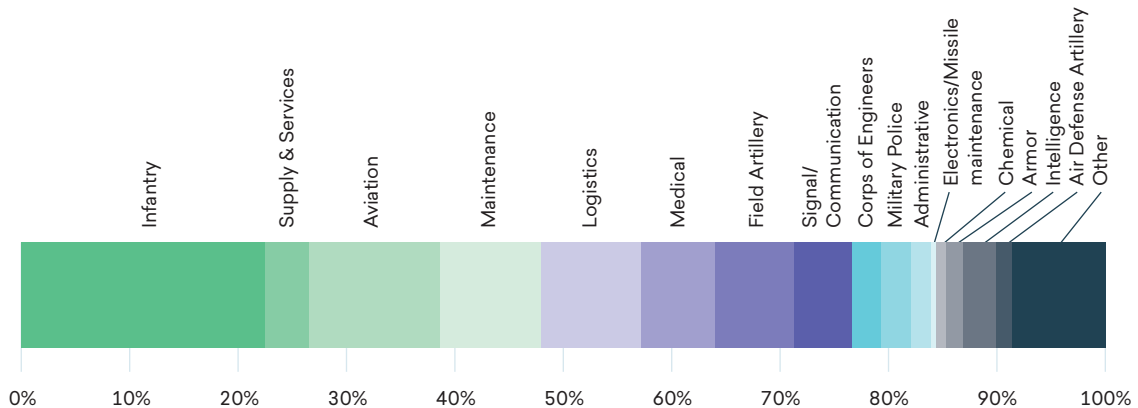
- General and Operations Managers
- Managers, All Other
- Heavy and Tractor-Trailer Truck Drivers
- Automotive Service Technicians and Mechanics
- Business Operations Specialists
- Construction Managers
- Telecommunications Equipment Installers & Repairers
- Management Analysts
- Training and Development Specialists

Less frequent, but still prevalent for medical occupations:

- Registered Nurses
- Licensed Practical and Licensed Vocational Nurses
- Medical Assistants
- Dental Assistants
- Emergency Medical Technicians and Paramedics

Results from the 2016 *Post-Military Service Intent* survey indicate that many of the respondents have little to no higher education so those occupations that cross over into civilian jobs may require exiting military to pursue additional training or education—particularly for management positions. Provided that 36% of survey respondents said that higher education offerings would most likely affect their decision to remain in the region, this is critical in understanding the opportunities for exiting military and higher education offerings around the region.

DISTRIBUTION OF SKILLS OF EXITING MILITARY



Source: 2016 Post-Military Service Intent survey

GROWTH AND GRP

Montgomery County has grown into a \$4.92 billion economy following exceptional job growth over the past five years, whose median wage is \$15 per hour. Clarksville accounted for nearly all job growth and contributes 86% to the county's overall gross regional product (GRP).

The context of Montgomery County's firm composition reveals several striking dimensions to the area's economy. In 2016, there were nearly 3,000 firms with paid employees in Montgomery County. According to the U.S. Census' County Business Patterns program, over 85% of those firms had 19 or fewer employees, which is relatively low for an area of this size. **This means there are more medium to large sized businesses in the region than average**—10% of businesses employ 20-49 people, and 5% employ over 50 people.

KEY HIGHLIGHTS

- \$5 billion economy
- 13% Job Growth
- 3,000 payrolled businesses
- 17% firm growth
- Many medium to large sized businesses
- Self-employment Rate: 7.5%

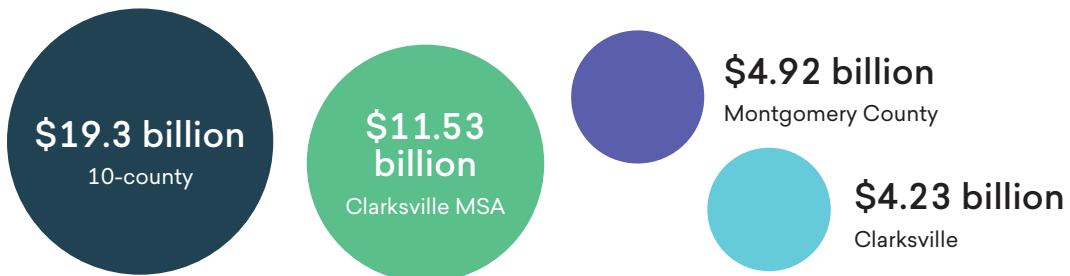
Top employing industries:

- Government
- Retail trade
- Accommodation and food services
- Health care
- Manufacturing

Important industries that may require attention:

- Textile product mills
- Nonmetallic mineral product manufacturing
- Nursing and residential care facilities
- Machinery manufacturing

GROSS REGIONAL PRODUCT (GRP)



KEY INDUSTRIES

Chemical Products

2016 GRP **\$17,646,466**

2016 Total Sales
\$68,436,756

2016 Total Demand
\$33,144,760



5% In Region
95% Exported



11% In Region
89% Imported

Automotive, Aerospace, and Production Technology

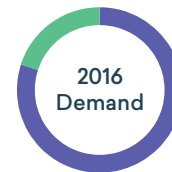
2016 GRP **\$549,721,049**

2016 Total Sales
\$2,074,101,660

2016 Total Demand
\$983,337,004



9% In Region
91% Exported



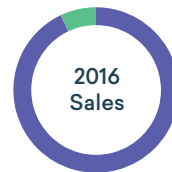
20% In Region
80% Imported

Metal Products and Mining

2016 GRP **\$326,957,963**

2016 Total Sales
\$729,181,378

2016 Total Demand
\$127,788,909



7% In Region
93% Exported



39% In Region
61% Imported

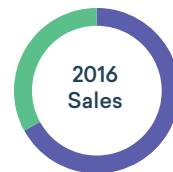
Industry clusters are a geographic concentration of industries that share common markets, suppliers, technologies, and workforce needs. When analyzing industry clusters, one measure of cluster viability is its concentration in the region. In Clarksville, the metal products and mining cluster has a very high concentration—38 LQ. This means that in Clarksville, metal products and mining is 38 times more concentrated than would be expected in another economy of similar size. For the supply chain analysis we consider the clusters shown on this page. Each cluster represents opportunities for growth and diversification for the Clarksville economy as well as opportunities for regional businesses to diversify their market base.

Business Services

2016 GRP **\$599,419,218**

2016 Total Sales
\$956,588,471

2016 Total Demand
\$2,079,908,456



33% In Region
67% Exported



15% In Region
85% Imported

Distribution and Electronic Commerce

2016 GRP **\$380,680,012**

2016 Total Sales
\$636,877,556

2016 Total Demand
\$959,266,570



36% In Region
64% Exported



24% In Region
76% Imported

INDUSTRY CLUSTER	GROSS REGIONAL PRODUCT (GRP)	TOTAL SALES	% IN-REGION SALES	% EXPORTED SALES	TOTAL DEMAND	% DEMAND MET IN-REGION	% DEMAND MET BY IMPORTERS
Chemical Products	\$17,646,466	\$688,436,756	5%	95%	\$33,144,760	11%	89%
Automotive, Aerospace, and Production Technology	\$549,721,049	\$2,074,101,660	9%	91%	\$983,337,004	20%	80%
Metal Products and Mining	\$326,957,963	\$729,181,378	7%	93%	\$127,788,909	39%	61%
Business Services	\$599,419,218	\$956,588,471	33%	67%	\$2,079,908,456	15%	85%
Distribution and Electronic Commerce	\$380,680,012	\$636,877,556	36%	64%	\$959,266,570	24%	76%
Total of Target Clusters	\$1,874,424,708	\$4,465,185,821	18%	82%	\$4,183,445,699	22%	78%
Total Clarksville	\$11,531,337,116	\$31,286,440,392	13%	87%	\$25,857,695,290	17%	83%
Total as % of Clarksville	16%	14%	-	-	16%	-	-

HIGH LEVEL RECOMMENDATIONS



Increase communication and collaboration between industry, educators, and the military



Attract or grow more creative and technology-based jobs and investment



Develop targeted and highly visible strategies to retain exiting military personnel



Create an implementation plan for economic development priorities

RECOMMENDATIONS

RECOMMENDATION 1



Increase communication and collaboration between industry, educators, and the military.

Clarksville has an active Area Chamber of Commerce, the Economic Development Council, the Industrial Board, Workforce Essentials, and military transition programs. Together, these provide great regional cooperation and collaboration. Nonetheless, during the focus groups and interviews, companies expressed interest in working more closely with educators. Requesting corporate support for specific programs, events, school activities, and community efforts can draw commitment from the multinational companies with local operations.

RECOMMENDATION 2



Attract or grow more creative and technology-based jobs and investment.

Clarksville has a strong and growing economy with a significant base of manufacturing jobs. We recommend that a next step to build and grow the economy is to focus on increasing technology-based activity. Manufacturing communities that better withstand the highs and

lows of manufacturing tend to have about 30% of “white collar” manufacturing jobs and 70% plant jobs. For the Clarksville employers that we interviewed, the ratio of “white collar jobs” to plant jobs is about 10% and 90%. “White collar” work includes engineering, design, research and development, applied research, technology transfer efforts, headquarter work in accounting, legal, marketing, etc. Production-based economies with a healthy mix of creative work (such as in R&D, engineering, and design) tend to also have a high rate of business start-ups and entrepreneurial activity. Attracting more technology-based work will provide upward career mobility and more variety in higher-skilled work to retain graduates of local schools such as Austin Peay State University.

RECOMMENDATION 3



Develop targeted and highly visible strategies to retain exiting military personnel.

Dr. Fred Mael wrote a study in May 2017 that is comprehensive in suggestions and ideas for retaining and transitioning people based at Fort Campbell who are separating from the military. Using these suggestions, as well as the many programs available to understand how military occupations and skills translate into the civilian labor force will guide stakeholders in supporting exiting military.

RECOMMENDATION 4



Create an implementation plan for economic development priorities

Two studies, one from 2009 and the other from 2013, were conducted to provide economic development implementation strategies. These thorough reports can provide the basis for updating the next steps to take in ensuring that Clarksville-Montgomery County maintains a strong workforce, education system, and quality of life for its citizens. Since these studies, significant progress has happened in the development of the Clarksville economy—particularly regarding record levels of corporate investment, job creation, and investment in education. But many of the findings that led to the strategies suggested remain true today.

Building on those reports and the findings of this study, community leaders and economic development stake holders should next create a focused plan of action.





Clarksville

MONTGOMERY COUNTY, TN
ECONOMIC DEVELOPMENT COUNCIL®



www.clarksvillepartnership.com/aspire/

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