

Hampton Roads Partnership 2007 Strategic Plan and Metrics



Goals

The Partnership will track regional progress using the same metrics that are found on Virginia Performs website (<http://vaperforms.virginia.gov/>). While the Partnership will track and report the data across all the categories, the Strategic Planning committee chose to focus Partnership activities in three target areas: Education, Transportation and Economy. Further, the Strategic Planning committee chose several indicators customized for the Hampton Roads market that help to measure specific regional drivers and around which the Partnership can develop initiatives/activities for HRP to play role as a convener, educator, and persuader.

Education

Unite the region's stakeholders behind efforts to ensure all citizens gain knowledge and life skills required to succeed in the global economy and society.

School Readiness (Also a Virginia Performs indicator)

Why is This Important to Hampton Roads?

In order to fully benefit from the instruction provided in kindergarten, children must come to school with many fundamental skills already established. Years of research on child development and early learning show that several interrelated areas of development define school readiness: physical well-being and motor development, social and emotional development, child approaches to learning, language development, and cognition and general knowledge. These areas of development are important, build on one another, and form the foundation of learning and social interaction.

What metric should we track?

While no single "readiness" assessment is widely used for all aspects of development, Virginia does have a screening tool to identify students who are at risk for reading difficulties. The Phonological Awareness Literacy Screening for Kindergarten (PALS-K) assessment instrument is a screening tool used to identify students who are below kindergarten level expectations in important literacy fundamentals.

PALS-PreK is a scientifically-based phonological awareness and literacy screening that measures preschoolers' developing knowledge of important literacy fundamentals and offers guidance to teachers for tailoring instruction to children's specific needs. The assessment reflects skills that are predictive of future reading success and measure name writing ability, upper and lower-case alphabet recognition, letter sound and beginning sound production, print and word awareness, rhyme awareness and nursery rhyme awareness. (<http://pals.virginia.edu/>)

Educational Attainment (Also a Virginia Performs indicator)

Why is This Important to Hampton Roads?

In the classic view, an educated population is one of the most important components of a vital, healthy state. Educational attainment measures the percentage of the population in the region that has obtained various levels of education: high school diploma, some college, associate's degree, bachelor's degree, master's degree, or doctoral degree.

Educational attainment has a strong positive correlation with personal income. Studies show that individuals with more education generally enjoy higher incomes and are unemployed for shorter periods of time when compared to people with less education. According to the Federal Reserve Bank of Dallas, the lifetime earnings of a worker with less than a 9th grade education is \$976,350 while a person with an associate's degree can earn \$1,801,373, and a master's degree is associated with \$2,963,076 in lifetime earnings. (Virginia Performs) Further, in a May 2006 working paper, Paul Bauer and Mark Schweitzer of the Federal Bank of Cleveland and Scott Shane of Case Western University argue that a state's stocks of knowledge, as measured by its patents and its high school and university graduation rates, are the most important determinants of state per capita income.

A number of factors influence educational attainment, including availability of educational services, the quality of those services, responsiveness of educational institutions to the particular needs of a community or region, affordability, regional culture, economic opportunity, and migration into and out of the region. It is a long-term indicator of the investment that the region has made in developing and attracting human capital. This indicator provides a "big picture" assessment of a state's or region's quality of life, workforce preparedness and economic potential.

What metric should we track?

For educational attainment, we should measure the share of residents with a: high school degree; associates degree; bachelors degree; masters degree; and PhD as well as changes in these percentages over time.

Technological Research

Why is This Important to Hampton Roads?

Research activities are an important measure of a region's intellectual capacity. Such research generates knowledge that can translate into new firms and products.

Furthermore, universities and other research centers attract and produce highly trained people thereby enhancing the regional workforce. In a sense, research is workforce development at the PhD level – where graduate students are trained in their respective fields. This critical mass, and flow, of talent in turn attracts companies to locate in proximity to these organizations. As a result, research centers and universities are critical to incubating and sustaining high technology as well as many other high growth, high wage industries.

The Hampton Roads economy has several growing technology sectors and high technology assets (research universities, national labs, etc.) which serve to fuel this growth. As such, technological research is a useful area to nurture and track.

What metric should we track?

There is no single measure that provides a total picture of the region's research performance – and potential. However, a good all around gauge, one that is reliable and allows for cross institutional and cross regional comparisons, is Total Research Expenditures as reported to the National Science Foundation (Academic R&D Expenditures Survey). Conducted annually since 1972, the survey collects information on university research expenditures by academic field as well as by source of funds. Additionally, it includes information on research conducted at each of the nation's 36 federally funded research and development centers (FFRDCs). This is important in Hampton Roads because Thomas Jefferson Laboratory in Newport News is one such FFRDC.

Transportation

Advocate for a regional transportation system that enables easy movement of people and goods, efficiently uses land resources, enhances the economy and improves our quality of life.

Traffic Congestion (Also a Virginia Performs indicator)

Why is This Important to Hampton Roads?

Traffic congestion presents more than a headache for commuters; it has a negative impact on the delivery of goods and services, and on the general well-being of citizens. A transportation infrastructure is valuable to an economy because it facilitates the mobility of goods and services, but congestion increases the cost of mobility to everyone and reduces the efficiency and condition of the roadways. The ability to move goods and people around the region at relatively low cost contributes directly to the well-being of citizens, and also reduces the total cost of the goods and services they receive. These lower costs result in savings to consumers and higher profits for businesses. Congestion also increases the amount of noise and air pollution created by the vehicles traveling the roads, thereby negatively impacting the environment.

Hampton Roads has a recognized, and growing, traffic congestion problem. More than many, the regional economy is dependent on an efficient transportation system. In

recognition of this, transportation/mobility has been a Partnership priority since its inception and ought to be an ongoing area of interest.

What metric should we track?

Congestion is best measured on a quantitative level of service (LOS) scale. According to the *Highway Capacity Manual*, Level of Service (LOS) is a “quality measure describing operational conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience.” LOS for a roadway facility or mode falls into six letter grade levels with “A” indicating the highest quality and “F” indicating the lowest.

The change in congestion is often more important than the absolute rating.

Land Use (Also a Virginia Performs indicator)

Why is This Important to Hampton Roads?

Land use decisions impact health, traffic, and quality of life. The majority of urban centers continuously develop green space in order to meet the ever increasing demands for real estate. There are both costs and benefits to new land development. New developments can place burdens on existing infrastructures and services. Changing land use can also increase congestion, commute times, and air and noise pollution, and can result in a loss of farmland and open fields. On the other hand, new developments are a sign of economic development and prosperity, providing much needed housing and increased jobs and economic revitalization. High density housing can provide enough passengers for efficient transit usage and when good transit is provided traffic congestion can be reduced. On the other hand, low density housing can exacerbate congestion by increasing commuting distance and decreasing public transportation options.

In recognition of the importance of transportation/mobility to the Hampton Roads economy, the Partnership should encourage a regional approach to land use in areas of transit planning, affordable housing, and regional commerce/industrial parks.

What metric should we track?

Tracking population density per square mile, and especially its change over time, reveals how well a city or region is doing in land use planning and preserving open space.

Public Transit (Also a Virginia Performs indicator)

Why is This Important to Hampton Roads?

Public transit provides persons with an alternate source of transportation. Transit can also help to alleviate roadway congestion. Transit can also provide environmental benefits by reducing congestion and with it the amount of noise and air pollution.

What metric should we track?

Transit ridership is typically a function of availability, necessity and opportunity. Total transit ridership is the key measure for successful public transit.

Economy

Support efforts to improve competitiveness of the Hampton Roads economy, particularly in the areas of port development and modeling and simulation.

Standard of Living

Why is This Important to Hampton Roads?

Standard of living, or “the level of subsistence and comfort in everyday life maintained by an individual or group” (Random House Dictionary), is an all around measure of economic success for a community, a state, or country. A strong economy is characterized by prosperity that is reflected in improving standards of living. Rising living standards enable individuals to purchase homes, provide for their families, and improve the quality of their lives (VA Performs).

As a financial measure, standard of living does not take into account less tangible quality of life issues which must be addressed in another way. Nor does it account for disposable income, or how much people have to spend after taxes. Nevertheless, standard of living measures – such as per capita income – are important to understanding the financial wellness of a region.

What metric should we track?

Per capita income, or “PCI”, is calculated by subtracting social security contributions from total current income received by persons from all sources (wages, salaries, rents, dividends, transfer payments, etc), and then dividing the result by total population. As a broad measure of wealth, it is a useful indicator of the region’s general economic health and capacity to maintain a high standard of living.

Overall Quality of Jobs

Why is This Important to Hampton Roads?

Simply put, “quality” in this context is measured by how much a particular worker earns (i.e., the higher the earnings, the higher the quality of that worker’s job). Since earnings from employment are a major component of income how much money someone earns each year determines their quality of housing, food, etc. and is an important indicator of overall regional economic health.

What metric should we track?

Earnings refer to wages, salaries, other labor income such as benefits, and proprietor income. Earnings per worker is defined as total earnings divided by total workers. Whereas per capita income is a measure of general economic health, earnings per worker provides an indication of the quality of jobs in the region.

Port/Maritime

Why is This Important to Hampton Roads?

Hampton Roads has been a center for the movement of goods and people for several hundred years resulting in Port-related industries being a, perhaps the, major non-defense industry segment in our region and critically important for industry diversification. In recent years, moving cargo by container has become an increasingly important way to move goods. As a result there are over 500 port-related companies in located in Hampton Roads and 25.8 million sq. ft. of distribution center space. An additional 30 to 50 million sq. ft. of distribution center space will be needed to handle expected cargo by 2030

In 2003, the region's ports ranked 7th in the number of containers passing through the harbor. On the East Coast, the port ranked third in the number of containers moved, exceeded only by New York/New Jersey and Savannah, GA.

Growth in activity at the port has enabled it to become a hub of regional economic activity generating many jobs. According to a study conducted by Martin Associates for the Virginia Port Authority, the Port of Hampton Roads directly and indirectly supported 164,258 jobs in Virginia (1998) [note: a Jan 2007 presentation by Bobby Bray used Martin Study as did Gov Kaine's 0/2006 economic study] accounting for \$583.5 million in wages. A more recent analysis by Old Dominion University (2001) puts the number of Port related jobs in Hampton Roads at over 32,000 with total payroll over \$1 billion. Lastly, reliable estimates predict freight movements to increase dramatically in next 25 years from 2 million TEUs in 2005 to 5 Million by 2030. (Moffat & Nichol)

While the growth in Port activity is of benefit to the region, Hampton Roads is still largely a "through port" whereby goods pass through unaltered on route to their final destination. More can and should be done to encourage businesses that add value to the goods that come in through Hampton Roads.

What metrics should we track?

The Port itself tracks total cargo tonnage and containers shipped through the Port of Virginia. Additionally, it is useful to track relative ranking in these categories among other East Coast Ports. This information is readily available and provides a reasonable measure of port growth and overall competitiveness.

Modeling & Simulation

Why is This Important to Hampton Roads?

Modeling and simulation refers to the process of developing a mathematical model of a real world condition, say the flow of containers through a port facility, and then running multiple simulations to extract information concerning that model. This information can be used to enhance the effectiveness of the processes a model describes allowing them to be made more efficient and profitable.

In an effort to identify ways to strengthen the region's economy, a study of the region's M&S industry was conducted in 2004. The study, using a highly conservative definition, focused on training, pegged the number of direct M&S jobs in the region at 1,659 and projected them to grow 12.3% per year for the next five years. Moreover, these jobs paid an average salary of \$59,000 – 80% more than the regional average wage. Lastly, M&S is a regional industry with about 60% of jobs on the Peninsula and 40% in South Hampton Roads

In addition to M&S positions related to training, there are technical professionals in various science, technology, engineering and mathematics fields that build and use engineering based models and simulations (like computer aided design). One such example is Northrop Grumman Newport News Shipyard is the region's largest private employer. Over the past 5 years Modeling, Simulation and Analysis activities at its Virginia Advanced Shipbuilding and Carrier Integration Center have increased from a group of two modelers to an organization of 40+ modelers, programmers, analysts and network technicians.

What metrics should we track?

Modeling and simulation is not yet among the many industries represented in the North American Industry Classification System (NAICS). As such, the Partnership should continue to support periodic surveying of the region's M&S industry to obtain useful statistics on total employment, wages, industry growth and economic impact. The chief downside to the survey approach is its expense which limits the frequency of which data is collected. In addition to the survey, Opportunity, Inc. has access to JobsEQ®, a special product of Chmura Economics & Analytics that may provide a rough estimate of this information in years between surveys.

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