



Southwest Arizona Futures Forum

**FINAL REPORT  
OF  
“YUMA’S REGIONAL ECONOMY”**

September 19, 2014

**ECONOMIC IMPACT OF THE YUMA REGION**

Yuma County’s economy is currently based largely on agriculture, tourism and the military. These industries, however, are facing multiple challenges including changes to water policy, military industry consolidation to other states and the demographics of the winter visitors.

With the exception of the recent recession, Yuma County’s economy has historically been stable and consistent. Growth has seemingly stayed constant or level rather than dropping during cyclical recessionary periods. This recession, however, saw Yuma County getting caught up in the same housing phenomenon that impacted the rest of the nation which caused us all to suffer from the economic drop.

There are a number of misconceptions about the local economy in Yuma. Negative headlines about our economy can be self-fulfilling and cause people to feel as if the economic outlook is worse than it actually is. As a result, the Yuma region may struggle to attract outside industry due to a misperception about the quality of life offered here. This misperception needs to be changed and our significant resources (proximity to borders and existing and ready workforce) highlighted.

The misperception is not always limited to those outside of the Yuma region. Today, many young people in the Yuma area do not see educational opportunities in the community, whether it be traditional post-high school degree programs or advanced certificate programs. This can be improved through implementing programs like a Joint Technical Education District (JTED) which can expand opportunities for training of young residents in the community. Programs like this may also enhance the attraction recruitment and retention of other industries to the area, such as healthcare, while providing quality jobs and careers to young people. Many of these programs provide stepping stones to additional education and training. The absence of such opportunities could lead to an increase in social problems such as domestic violence, drug use and mental health disorders.

Changing perceptions and creating opportunities for success are part of the solution, but it is important that the Yuma region attract and retain businesses or industries that are compatible to those that are already here. Individuals and families need jobs to survive, but there is a need to ensure that those jobs are the correct ones for the region. An economy is more than just the income that it produces; it affects the culture and impacts the quality of life for everyone in the community.

**THE UNIQUE ECONOMIC STRENGTHS OF THE YUMA REGION**

Yuma has a variety of unique strengths or traits relating to a vibrant and sustainable economy. One of Yuma’s greatest strengths is that in spite of our recent growth it has retained a great small town, collaborative spirit and

community feel. Our small town atmosphere also allows for more opportunities to be involved in leadership positions and community groups that effect positive change.

Yuma is centrally located between several metropolitan areas and Mexico with millions of consumers. We have a distinct logistical advantage because we can be in other areas of the country faster than other communities. This also means that tourism is an important part of the Yuma community. Yuma has the ability to draw a lot of people that other communities would love to have. Winter visitors feel very comfortable and at home in the Yuma area and consistently return due to our relatively low cost of living, lack of significant traffic problems and lower crime rates than in larger cities.

The Yuma region is fortunate to have a positive image and many natural resources such as the Colorado River and its senior water rights. Water is the key to our future. Yuma currently has senior rights to Colorado River water; however, other communities are continually seeking to alter that position. We also need to recognize our opportunities to sustain renewable energy, such as solar, and need to take better advantage of our resources to improve our community. The Yuma region has a reputation for working together with its regional neighbors to protect both its natural resources and the jobs that they create.

The Yuma area has had challenges in recruiting and retaining industries. Some of that may be related to misconceptions about the region and a belief that Yuma cannot compete with the Phoenix metropolitan area. A broader brand discussion, focusing on Yuma being a regional player, can mitigate the misperception of Yuma being “too hot” and suffering from an abnormally high unemployment rate. We can alter the dialogue about this market by talking about labor supply, cross-border transactions, available distribution logistics through our airport, rail, and other transportation modalities and manufacturing opportunities to strengthen the “brand” of Yuma and its image. We also have a workforce that is diverse, eager and ready for technical or industrial training in order to retain and strengthen this asset.

There are tremendous potential synergies between Yuma, the lower Colorado region, and Mexico. Other communities, such as Mexicali’s view to be the Silicon Valley of Mexico, have a clearly defined vision. The Yuma region needs to become a part of a collaborative vision to experience true regional growth. We need to change the mindset in our view of Mexico, especially for those residents in the Yuma area that have never even been to Mexico.

### **IMPORTANT TOOLS NEEDED TO SUPPORT A VIBRANT AND SUSTAINABLE ECONOMY FOR OUR REGION**

Improving the education and training opportunities for our workforce is vital in order for us to compete for high paying jobs and create a vibrant economy. A focus should be on technology and engineering programs that will increase the number of individuals completing Bachelor Degrees. Other specific training should also be offered as needed by industries. We currently have a number of existing educational assets in our community, including our local colleges (Arizona Western College, Northern Arizona University - Yuma), however, we are short of teachers in our educational system. The pipeline nationwide is thin, and it is difficult to attract teachers nationally due to the lower wages received in Yuma County. Also, Yuma currently doesn’t have the ability to educate and certify new teachers, but we are beginning a tradition of “Growing our own” with initiatives such as the Yuma Regional Medical Center residency program and the NAU elementary education program. Finally, Yuma Schools need to offer life skills classes that teach business knowledge, work ethic and technical skills so that students have an opportunity to gain practical experience even before they reach graduation.

Attracting desired employers is important to grow our economy. As such, our presentation to outside industry needs to be refined in order to do this better. One tool that could use improvement is our branding. We do a poor job at “telling our story” and lack a cohesive message that resonates. We do not educate people outside the community of our wonderful attributes. This has to be a collaborative effort, where all local communities (Yuma, San Luis, Somerton, Mexicali, Imperial Valley, etc.) create an image for our region. Additionally we need to create better infrastructure

(power, gas, rail, etc.) as well as fully understand our market and what it has to offer. We should also consider reducing regulations in order to mitigate the hurdles that are required to open and operate a business.

We have a wonderful Downtown area in Yuma that has been showing great improvement over the years. However, we can capitalize on that more by providing more special events and by improving access to this area through increased means of transportation.

Finally, state government needs to participate in changing the image of Arizona in regard to highly charged issues, such as immigration and unaccountable tax reductions. With this change in perception, benefits to the local government and a better business environment would follow.

### **ACTIONS THAT WOULD HAVE A BENEFICIAL IMPACT**

Overall, we need to alter the perception that people have of our region. We don't do a great job of telling our own story. A process should be developed to collectively deal with the issue of branding and focus on removing negative perceptions. All of our non-governmental entities can work together toward the creation of common goals along with a comprehensive plan to collectively finance the marketing of our brand and then move that message to front line businesses such as hotels, supermarkets, etc. so that the message is apparent everywhere. We can further reach out to targeted companies and potential individual talent to convey the welcoming nature of the community.

We also need to invest in the community by cleaning up areas that have fallen into disrepair so that we can be more attractive and marketable. Industry partnerships should be created to address "bigger goals" that can be shared by stakeholder industries. Assets unique to industry partners will strengthen our market by demonstrating a positive relationship among existing businesses. Further utilization of existing business venues for community or similar events would also contribute to a positive perception that local businesses are enjoyed and supported.

The community needs to take more of an interest in our success by becoming involved. Our youth should be aware of what industries thrive in our area, such as agriculture, and they should be encouraged to learn about other industries so that they can be engaged when opportunities arise. Expanding opportunities for work experience (such as JTED) will provide practical experience. A partnership between high achieving students and school administrators to develop relevant programs would have a positive impact on our educational systems and would be seen as an asset by those outside of our community. We should support what we have but also identify what is next for our community. Our existing assets can then be used to align with the next big expansion to industry.

We focus on winter visitors and tend to underestimate the benefit of providing opportunities for students. Putting a college campus downtown would allow for partnerships between Industry and businesses that could provide jobs, training and other opportunities to connect with students to keep them interested and involved in the community. The common thread in all of this seems to be education.

Rules, regulations and barriers that restrict people from getting into business should be reviewed so that we can make it easier for people to start a business, thus creating jobs. There are a number of industries throughout Yuma County, that have an aging workforce population and there is nobody to replace them. Opportunities will be available that we need to make sure the youth of this community are aware of. One way to do this is integrating this with already existing programs. Some industries, such as field workers, are not pushing their children to do the same thing or the children do not want to follow in their parents' footsteps, like it was in past generations. The purpose of technology is to improve our quality of life, but what would happen to the actual workforce that cannot afford the education? If we can identify opportunities, and the future of that opportunity, to young people, they would be interested and motivated. One way this should be done is by bringing businesses into the classroom and have them engage with students. There is a business-school barrier that should be broken. Students do not have the opportunity for job fairs or to learn about the local businesses and the opportunities they have.

## **WHAT ELECTED LEADERS NEED TO KNOW**

Elected leaders should make more of an effort to go into the community and actually speak to the people. Government officials need to be more visible and recognizable. They need to focus on the future for our community and let go of obstacles from the past. The community should feel welcomed to participate in government at public meetings without feeling intimidated.

Streamlining processes and removing bureaucratic obstacles will make it easier for businesses to come to Yuma County. Officials should also understand that the economy is not as bad as they are being told in comparison to other areas. They control the tax base and an increase in government income means less money in the communities' pocket.

Many of the elected leaders at the state level are more idealistic than pragmatic. Solutions do not readily come out of the state legislature. The region needs to come up with a solution on its own, put together the resources, and implement it.

Elected leaders have done a very good job in regard to economic development but would still benefit in being more business friendly by streamlining the process related to starting up a business, providing start up incentives and being flexible with regulations related to development and expansion of existing businesses. Perhaps by spending more "hands on" time with actual businesses, this practical experience may enhance their leadership abilities.

Our leaders should focus on education, not only university, but also K-12. They must be good stewards of our tax money. Some infrastructure improvements have occurred, but we also need to make sure we are spending education money wisely. We need to get our critical program funding back from the State and adopt tax increment financing.

## **THE ROLES OF PUBLIC AND PRIVATE SECTORS IN PROMOTING ECONOMIC DEVELOPMENT**

The government's purpose and function needs to be reevaluated. The role of economic development should stay, whenever possible, in the private sector. Government support is needed, but it can be too intrusive and its growth needs to be controlled, as opposed to the individual or private sector.

Government should recognize that small business is the backbone of our community, paying wages and healthcare for employees. Regulatory programs should be limited to necessity and administered in ways that do not harm businesses. Private industry are the risk takers and will play on the field that the public sector creates and maintains.

Both public and private sectors should be unified, working in tandem to look for ways to benefit the people. It is a partnership and they need to work together in getting the proper message out to others about our community. They need to promote economic development through testimonials, advocacy and evangelism and need to coach them on how to do this. However, we should also respect experts and real information rather than just anecdotal opinion or experiences. We want good "customer service" and a positive brand, but should communicate the reasons behind our processes so that there is better understanding by constituents. Saying what is needed to be done and actually doing it needs to be emphasized by identifying what it is we are really good at and back it up, through marketing and the utilization of those services by the members of the local private and public sectors. If areas of the region are lacking, both sectors can react to help fill that void through the use of partnerships and resources.

The State Legislature should invest in people and concentrate on bigger issues. They need to spend time in Yuma to see what is actually going on in our schools and community. Also, we need to keep our non-profits robust and not let them suffer or fail in the face of a constricting economy. These programs can help to improve our economy by providing support for those populations that need help preparing for future economic challenges.