



EDITORIALS

Focus city's economic strategy for better, not just more, jobs

December 27, 2017 04:16 PM

Updated December 27, 2017 04:19 PM

In the coming year voters will decide every council seat in the Lexington/Fayette County government and choose a new mayor.

That makes it a good time to ramp up the conversation about local government's role in economic development.

The traditional approach has been simply, jobs, jobs, jobs. But "help wanted" signs are common here and the county's jobless rate is only 3.1 percent — what economists call full employment.

With so many people working and jobs unfilled we don't need to beg for more jobs. Instead, we should be talking about how to attract better, higher-paying jobs and, equally important, prepare workers for them. And we must figure out how to track the results so taxpayers know they are getting a bang for their economic-development bucks.

That's what the city has done with its two-year-old jobs fund. Managed internally, it's overseen by a board of public officials and private-sector appointees.

The program sets a minimum average wage threshold based on the average median income for the area. Now it's \$18.09 an hour in wages, exclusive of benefits. It targets four sectors — advanced manufacturing, technology, professional shared services and health care — and/or companies that locate their headquarters here.

Applicants specify how many jobs will be created at each hourly wage rate, so it's clear all workers are earning a decent wage, rather than an average inflated by a few highly-paid managers.

The program is new and relatively small — 20 companies have received grants or loans, creating 176 jobs and over \$10 million in payroll — but the targeted approach and detailed accountability can and should be part of any public investment.

Both were missing from the report Commerce Lexington, which receives almost \$500,000 annually in public funds from the local government to pursue economic development in Fayette County, gave to a council committee in November.

It is harder to define and measure the recruitment and relationship-building that's part of Commerce Lexington's work, but it was hard to understand either the strategy or measurable results, and many of the council members' questions went unanswered.

The burden to correct that lies with the council and the new mayor, who must be more active in setting priorities and defining the metrics for measuring the work the public underwrites at Commerce Lexington.

At that same meeting the committee heard about the \$300,000 in workforce development grants awarded to organizations to train people to get jobs or better jobs. Here again, in contrast to Commerce Lexington, the criteria for making awards and the reporting requirements were clear and specific.

Lexington/Fayette County is a smart and prosperous place where too many people still can't get or qualify for jobs that will give them a decent living.

As this election year unfolds, those who want to lead us must provide a clear plan to assure that every public dollar is well spent to support an economy that lifts everyone who wants to work.