

INDIANAVISION

2025

A PLAN FOR HOOSIER PROSPERITY



# ADVANCING OUR FUTURE

STATEWIDE REPORT – DECEMBER 2013

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## **Indiana Vision 2025 – OUTLINE OF KEY DRIVERS AND GOALS**

### **DRIVER 1: OUTSTANDING TALENT**

- Increase the proficiency of Indiana students in math, science and reading to “Top 5” status internationally.
- Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.
- Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.
- Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.
- Increase the proportion of Indiana residents with bachelor’s degrees or higher to “Top 10” status internationally.
- Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to “Top 5” status internationally.
- Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills. **Indiana Career Council in place/progress taking place**

### **DRIVER 2: ATTRACTIVE BUSINESS CLIMATE**

- Adopt a right-to-work statute. **Passed February 2012**
- Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.
- Reform public pension systems to achieve fairness and cost-containment.
- Preserve and enhance a “Top 5” ranking among all states for Indiana’s legal environment.
- Attain a “Top 5” ranking among all states for Indiana’s business regulatory environment. **Achieved in 2013 Report Card**
- Eliminate the business personal property tax.
- Eliminate the state inheritance tax. **Passed 2012/2013**
- Promote the enactment of a federal solution to the Internet sales/use tax dilemma.
- Streamline and make consistent the administration of the state’s tax code.
- Establish government funding mechanisms to more closely approximate “user fee” model.
- Contain health care costs through patient-directed access and outcomes-based incentives.
- Reduce smoking levels to less than 15% of the population. **Coalition progress and Wellness Council of Indiana’s QUIT NOW tool; first statewide smoking ban passed in 2012**
- Return obesity levels to less than 20% of the population. **Coalition progress, including new Wellness Council grant for 2014**

### **DRIVER 3: SUPERIOR INFRASTRUCTURE**

- Create and implement a plan to position Indiana as a net exporter of energy.
- Diversify Indiana’s energy mix with an emphasis on clean coal, nuclear power and renewables.
- Identify and implement workable energy conservation strategies.
- Develop and implement a strategic water resource plan that ensures adequate fresh water for citizens and business. **Indiana Chamber Foundation study in progress**
- Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth. **More user pay systems and dedicated funding for future needs passed in 2013**
- Aggressively build out the state’s advanced telecommunications networks.

### **DRIVER 4: DYNAMIC & CREATIVE CULTURE**

- Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support. **Creation of Office of Small Business & Entrepreneurship (reduce silos)**
- Increase the amount of technology transfer from higher education institutions and attain “Top 5” ranking per capita among all states. **Creation of Indiana Biosciences Research Institute**
- Achieve “Top 12” ranking among all states in number of utility patents per worker.
- Achieve “Top 12” ranking among all states in venture capital invested per capita.
- Strategically recruit foreign direct investment (FDI) and achieve “Top 12” ranking among all states in FDI as a percent of gross state product.
- Increase Indiana exports to achieve “Top 5” ranking per capita among all states.
- Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

## Introduction

During 2010-11, a 24-person taskforce of business and community leaders throughout Indiana developed *Indiana Vision 2025 (IV 2025)*, identifying four key drivers: **Outstanding Talent, Attractive Business Climate, Superior Infrastructure, and Dynamic and Creative Culture**. Under those four drivers, 33 goals were determined to be advanced. In June 2012, the **Indiana Chamber of Commerce**, along with its regional partners, hosted a series of forums consisting of thought leaders from throughout the state. These events were followed by a statewide summit in December.

The Indiana Chamber remains committed to informing stakeholders about promising initiatives and tangible results related to the plan and encouraging aggressive collaboration to ensure that regions are sharing their best practices. Additionally, the Chamber believes we must continually validate our top priorities, map our assets and strategically engage with business, community and philanthropic leaders and their organizations to keep *Indiana Vision 2025* top of mind.

Building on the 2012 momentum, the Chamber and its regional partners chose to reconvene a forum series for thought leaders to review the progress of *IV 2025* and explore ways of advancing regional prioritized goals. Forum participants heard from a variety of speakers and once again were afforded an opportunity to build upon the goals, comment on the plan's progress and offer their recommendations on how to advance the initiatives in their region. In 2012, forums were held in five locations to serve regions around the state. For 2013, a sixth regional event was added to better serve the communities in North Central Indiana.

## Forum Structure

The regional forums and statewide summit conducted in 2012 focused on introducing the drivers and goals that make up *IV 2025* and giving participants the opportunity to provide input and identify regional priorities and assets. The emphasis for these most recent forums was placed on sharing updates and progress pertinent to the drivers and goals, as well as planning strategically to prioritize areas of needed emphasis.

At each forum (made possible by title sponsor **Chase**), regional partners greeted participants and provided a brief background on the structure of the event. Senior staff members from the Indiana Chamber of Commerce then shared a brief review on the history and focus of *IV 2025* and provided an update on its success. All forums were facilitated by representatives from **CHORUS®, Inc.**, an Indiana-based management consulting firm which had also facilitated the 2012 forum series and statewide summit.

Leveraging its statewide footprint and cognizant of each region's particular strengths and challenges, the Indiana Chamber, in conjunction with its partners, adapted each forum to each region's unique needs. Speakers were selected based on regional priorities and included representation from other regions to promote information and idea sharing. Small group breakout discussion and facilitated large group discussion was participant-directed to ensure topics of greatest importance were addressed and to maximize collaboration and progress.

## Forum Dates and Participants

A total of 326 participants attended the six regional forums. Attendees again represented many of the most prominent community and corporate citizens in their specific areas of the state.

<p><b>Southeast Regional Forum   December 3, Sellersburg   Hosts: Wendy Dant Chesser, One Southern Indiana; Kerry Stemler, KM Stemler Co., Inc.</b></p> <p>While the majority of participants at the Southeast forum were from the counties immediately north of the Greater Louisville area along the Ohio River, leaders from counties throughout the southeastern quarter of Indiana attended.</p>	<p><b>North Central Regional Forum   December 5, Plymouth   Hosts: Mark Dobson, Warsaw/Kosciusko Chamber of Commerce; Jeff Rea, The Chamber of Commerce of St. Joseph County</b></p> <p>Participants at the North Central forum were primarily from a four-county area extending out from the South Bend/Mishawaka/Elkhart metro areas.</p>
<p><b>Northwest Regional Forum   December 6, Merrillville   Host: Jill Ritchie, United States Steel and the Northwest Indiana Forum</b></p> <p>Most participants at the Northwest forum work and live in the seven counties typically considered as the economic base of the northwest region near or bordering Lake Michigan.</p>	<p><b>Central Regional Forum   December 9, Indianapolis   Host: David Johnson, Central Indiana Corporate Partnership</b></p> <p>The economic nucleus of Central Indiana is Indianapolis and the nine-county area surrounding it. Representatives at this forum also came from a geographical area reaching west to Terre Haute, east to Richmond, north to Kokomo and south to Bloomington.</p>
<p><b>Southwest Regional Forum   December 11, Evansville   Host: Ed Hafer, Evansville Regional Business Committee</b></p> <p>Southwest forum participants were drawn primarily from the counties adjoining or within a 60-mile radius of the Evansville/Vanderburgh County area of Indiana bordering the Ohio River.</p>	<p><b>Northeast Regional Forum   December 12, Fort Wayne   Host: John Sampson, Northeast Indiana Regional Partnership</b></p> <p>Participants to the Northeast forum were primarily composed of the leadership of the Northeast Indiana Regional Partnership, an organization formed in 2006 to help build a globally competitive economy in that area of the state.</p>

## Statewide Challenges & Opportunities

*In both 2012 and 2013, forum participants identified challenges, opportunities and assets characterizing the economic environment in Indiana by region and statewide. Their observations were gathered through survey results, personal interviews and forum discussions. At times, the challenges and opportunities were very region-specific. Quite often, however, their insights extended beyond the reaches of a particular region to include a state perspective.*

### PRIMARY CHALLENGES

- 1. Educational Excellence:** In every region, participants are greatly concerned about Indiana's educational system, fearing that we are collectively failing to prepare our students for job opportunities in the 21st century. Participants in every region came from multiple sectors of both profit and not-for-profit organizations, including educational institutions. Given this broad cross-section of representation, participants were able to view these challenges from a holistic perspective; their conclusions pointed toward shared responsibility for creating the problem and also solving it. More emphasis in 2013 was in two areas that bookend the challenge. One is the pressing need for improved access and funding for early childhood education. The second point of emphasis was that business and higher education need to work more closely together to determine the regional skills needed by businesses and then execute programs that fill those needs.
- 2. Workforce Development:** The strong and urgent need for a technically competent and innovative workforce throughout Indiana continues to challenge employers. The difference in the perspectives of participants from 2012 to 2013 was that, as the economy recovers, the need for skilled workers has become acute. The basic skills and technical expertise possessed by a significant share of Indiana's workers do not measure up to current or anticipated expectations of high-tech employers. Participants noted in several regions that caution should be given in the recovering economy to not target simply jobs, but quality jobs that raise the average wages of workers.
- 3. Transportation Infrastructure:** Perhaps more than any other challenge throughout Indiana's six regions, transportation infrastructure is the one that varies depending on the area of the state. Participants universally identified the need for good roads and road access – whether that's the completion of Interstate 69, improvements to U.S. 31 or other initiatives. Moving people, products and ideas via multiple modes of transportation, however, is absolutely essential to Indiana's economy. Developing new fiscal systems for funding infrastructure projects continues to receive attention and discussion in every part of the state.
- 4. Quality of Life:** For forum participants, the definition of "quality of life" represents a number of factors or amenities. Cost of living, access to recreation and cultural events, adequate housing, climate, and awareness of issues of diversity and inclusion all were referenced. The cultural markers for this issue are different for each region, but there continues to be solid agreement that improving the quality of life in Indiana is a key component to growing our economy, and attracting and retaining talented individuals. More than in 2012, forum participants noted increased concern over issues of obesity, smoking and the multiple effects poor health choices are having on our citizens.
- 5. Collaborative Effort:** If there was one general challenge that showed greater focus in the 2013 forums than the previous year, that area was collaboration. Successful collaborative efforts in specific regions have drawn the attention of thought leaders in other areas of the state and have encouraged them to look deeper for economic cooperation across city, county and even state lines. While such efforts prove promising on paper, they are difficult to plan and execute.

### OVERARCHING OPPORTUNITIES TO LEVERAGE

- 1. Logistics & Transportation:** As noted earlier, transportation infrastructure was recognized as a common challenge. Nevertheless, there is strong consensus that Indiana's transportation and logistics capability remains one of our strongest assets and that our opportunity to leverage that strength is growing. The combination of an extensive interstate system, waterways both north and south and advantageous geography make Indiana a major economic force in terms of moving people and products. Participants noted that Indiana's business-friendly regulatory environment is helping create significantly more transportation and logistics opportunities than neighboring states.
- 2. Quality of Life:** Another area that forum participants viewed as both a challenge and an asset was Indiana's quality of life. There are areas of concern, but there are also some consistent quality of life advantages that nearly all regions enjoy. These include a low cost of living and a favorable tax environment. Revitalized downtown areas have created hubs of cultural and recreational activity.
- 3. Educational Resources:** Despite the significant educational issues Indiana faces (many which are shared with most other states) forum participants again noted (and expressed encouragement) that Indiana can leverage an exceptional number of outstanding higher education resources. At a number of the 2013 forums, thought leaders and speakers alike gave multiple examples of collaborative efforts between business and higher education institutions that were lifting regional opportunities.
- 4. Economic Base:** The recession adversely affected the economies of every region in Indiana. Fortunately, there is solid evidence that the diversity of Indiana's economic base is allowing it to recover more rapidly than most of the Midwest or other areas of the country. When coupled with what is regarded – both nationally and internationally – as a relatively friendly business regulatory environment, Indiana's diverse industry base and economic health is continuing to attract considerable interest from companies looking to expand or relocate.

## Statewide Observations & Recommendations

### Key Driver #1: Outstanding Talent

#### CHORUS Observations:

Forum participants around the state displayed a balanced perspective on how we address the needs of outstanding talent. They recommend we look at educating the very young (preschoolers), increase parental involvement, address the quality of schools and teachers, and assure that Indiana can meet the skill requirements for a 21st century economy.

#### Participant Statements and Themes:

- Fund preschool for all children. Educational process must start earlier.
- Ensure STEM (science, technology, engineering and math) training throughout educational experience.
- Continue to strengthen the availability and impact of regional college campuses throughout Indiana.
- Provide training to incumbent workers to prepare them for relevant technical jobs.
- Utilize new Indiana Works Council as statewide clearinghouse to identify resources and efforts for employers, academics, venture capitalists and economic development.
- Utilize regional career and technology centers to prepare students for jobs.
- Ensure close communication and collaboration between business and education to identify relevant skills needed for high-tech economy.

### Key Driver #2: Attractive Business Climate

#### CHORUS Observations:

Providing a business-friendly climate that encourages and enables growth is critical to the state's economy. Participants in the regional forums emphasized important issues such as governmental efficiency, tax policies, the legal environment and a healthy workforce. They expressed encouragement that Indiana's business-friendly environment will continue to create state and regional opportunities that our Midwest neighbors will struggle to match.

#### Participant Statements and Themes:

- Need tax reform conversation for schools and municipalities.
- Create incentives for companies to establish home offices in Indiana.
- If business personal property tax is eliminated, we must find a way to replace some of the revenues.
- Leverage and market Indiana's business/regulatory environment: cost of living, taxation, logistics are all clear advantages.
- Reconsider consolidating and reorganizing local and county government to increase efficiency in service delivery.
- Address wellness from multiple angles: physical education is a must in schools; incentivize/reward healthy decisions; consider tax incentives for healthy lifestyles.
- Regions should focus on gaining more high-tech, high-paying jobs. But remain focused on keeping great jobs here too.
- Further develop "hub" downtown areas; make them great for livability and promote them as centers for regional activity.

### Key Driver #3: Superior Infrastructure

#### CHORUS Observations:

Effectively moving people, resources, products and ideas requires superior infrastructure. Forum participants highlighted several infrastructure priorities for the regions and the state, including building and funding excellent roads, railways, waterways and information technology networks. Water resources, plentiful in many areas of the state, but with growing demands, were also a topic for discussion. Capitalizing on the state's wealth of energy resources was also a focus in many of the forums.

#### Participant Statements and Themes:

- Must have long-term plans and priorities for regional infrastructure projects with clear directions on their funding and maintenance.
- Shorten the process for infrastructure approval, but not the standards. Cut the red tape and time for approvals.
- There are still logistics obstacles along the way even on "new" U.S. 31. This is potentially the key to logistics in northern Indiana.
- Need to address additional bridges to link particular regions with neighboring states.
- Need regional public transportation that connects communities. Mass transit is vital to our growth and expansion economically.
- Aggressively improve regional and state information technology infrastructure.
- Utilize private and public funds more to increase the technological infrastructure; be strategic on where it is spent.
- Find ways to utilize our coal resources while still reducing impact on the environment.
- Absolute need to improve water treatment facilities to improve water quality and its availability.
- Mass transit is vital to our future: fund it as an alternative to roads; treat it as a public utility.
- Promote multiple alternative transportation such as bike lanes, light rail, cultural trails/walkability, etc.
- Continue to develop our rail system assets.

**Key Driver #4: Dynamic & Creative Culture**CHORUS Observations:

Creating a dynamic and creative culture that attracts and retains the best and brightest talent to Indiana is a key focus area. Indiana must nurture an environment that encourages entrepreneurship and breakthrough technology, thus promoting economic opportunity. Additionally, we must promote a culture of diversity and civility in all regions of the state. Forum participants focused a great deal of their attention and energy toward generating entrepreneurial opportunities throughout Indiana.

Participant Statements and Themes:

- Foster culture of entrepreneurship at a young age. New Tech programs are a positive step.
- Develop list of resources for various stages of entrepreneurship. Find a way to identify, encourage and steer young potential students to entrepreneurship.
- Small business development efforts in each county could provide incubator services – keep everything local.
- How do you finance sole proprietor ideas/develop plans for finance feasibility?
- Build cooperation between universities in Indiana, financial institutions and businesses to create an environment for entrepreneurs.
- Have larger companies with established diversity programs mentor smaller companies.
- Use successful entrepreneurs to mentor and encourage start-ups.
- Promote greater access to capital for start-ups and growth.
- Continue to encourage communities to think regionally. Smaller cities must work together and establish trust between themselves.
- Ensure quality of jobs: wages vs. just the number of positions.
- Promote interaction and collaboration between universities, communities and businesses.
- Region leadership must work hard to integrate economic development efforts and speak with one voice.
- Chambers should lead efforts and promote businesses.

**STATEWIDE PRIORITIES MOVING FORWARD >>>**

Some common themes emerged among participants at the regional forums. Clearly, all regions of the state recognize the critical role that educational excellence, coupled with workforce development, will play in expanding economic opportunity. The responsibility for nurturing our students and improving our workers falls upon all sectors. Businesses, not-for-profit organizations, educational institutions and families must work in lock step to lift our capacity to produce in a 21st century economy. Another consistent theme among participants centered on working collaboratively at significantly higher levels. To make a dramatic economic impact in their regions, cities and counties must work together to attract and grow opportunity for their collective citizenry. Additionally, to help our economy continue on the road to recovery, our infrastructure must be in a continuous state of improvement, capable of delivering people, products and ideas efficiently and effectively. Finally, nurturing an entrepreneurial environment is crucial to Indiana. Much of our potential for job growth will come through technological innovation. Creating a culture for entrepreneurs (including making the resources they need to succeed more readily available) could yield immeasurable benefit in allowing our citizens and enterprises to prosper.

It is important for regions across Indiana to share best practices and learn from each other. While the challenges in each region are somewhat unique, solutions often revolve around effective communication and collaboration. Strategies and initiatives that prove successful in one location could provide valuable lessons for others in different regions. For true statewide progress toward the goals of *Indiana Vision 2025*, each region must be as strong as possible. The best way to help make that happen is by working together.

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