



# 2024-2029 Comprehensive Economic Development Strategy

for Metropolitan Kansas City

## **Executive Summary**

**MID-AMERICA REGIONAL COUNCIL**  
on behalf of the Mid-America Regional Council  
**Economic Development District**

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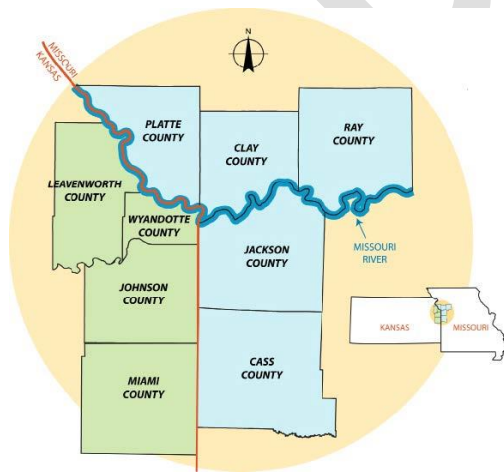
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# EXECUTIVE SUMMARY

## PURPOSE OF THE CEDS

The 2024-2029 Comprehensive Economic Development Strategy (CEDS) for Metropolitan Kansas City was prepared by the Mid-America Regional Council (MARC) with public participation from key stakeholders. The CEDS provides a continuing regional economic development planning process designed to capture the driving forces guiding economic growth, resilience and inclusive prosperity. Contributions to the data and SWOT analyses, policy framework, action plan and performance measures were under the review and guidance of the Regional Workforce Intelligence Network (RWIN) and its CEDS Strategy Committee. The plan was adopted by the MARC Board of Directors on [September 23, 2024].

As the region's designated Economic Development District (EDD), MARC has the responsibility to develop and maintain the CEDS in accordance with the requirements of the U.S. Department of Economic Development Administration (EDA). A new CEDS is required at least every five years to qualify for funding through EDA's Public Works and Economic Adjustment Assistance Program. Funding eligibility is extended to communities and organizations in the region to carry out the plan's strategies through infrastructure and planning projects that benefit economically distressed communities and populations.



Greater Kansas City Region

EDA promotes the federal economic development agenda through innovation, competitiveness and collaboration helping to prepare regions for growth and success to advance national and regional economic goals. Efforts focus on strategic investments to foster job creation and attract private investment to support development in economically distressed areas and in areas that require assistance to recover from emergencies and natural disasters.

The Economic Development District includes Cass, Clay, Jackson, Platte and Ray counties in Missouri and Johnson, Leavenworth, Miami and Wyandotte counties in Kansas.

## EMERGING NATIONAL PRIORITIES

The strategy proposed for 2024-2029 is informed by previous CEDS planning efforts and forward-thinking leadership. The 2022 CEDS update incorporated resilience and equity policies to address pandemic-era economic challenges. Recent work by KC Rising, a business-led civic collaborative, has identified metrics to measure the region’s economic competitiveness and growth toward inclusive prosperity. Climate Action KC is working with MARC to create a more sustainable region through mitigation, adaptation and resiliency measures to reduce greenhouse gas emissions.

Further, the UMKC Innovation Center’s recent report on the state of small business reveals opportunities to support the region’s entrepreneurial ecosystem. Respondents to a recent public opinion survey as part of the Connected KC 2050 regional transportation plan update process identified affordable housing options, road and bridge options, and a healthy environment as top regional priorities for the next five years.

And, work on behalf of the Civic Council of Greater Kansas City by Bruce Katz, founder of New Localism Associates and Accelerator for America, provides insights into new national economic priorities and how the region can respond competitively to take advantage of driving forces and local assets to support economic growth.

To measure progress, KC Rising benchmarks the **region against ten aspirational metros** that historically have done a little better than Kansas City on growth, inclusion, or both, and that the region continuously competes against for economic development projects. These metros are Austin, Charlotte, Cincinnati, Columbus OH, Denver, Indianapolis, Minneapolis, Nashville, Portland, and Raleigh.

### ***Early Identification of Opportunities to Unlock Kansas City's Assets in Critical Technologies***

#### **Biotechnology & Medical technology**

KC shows a strong positioning in this technology prioritized by the US government and highly interconnected to the local life sciences cluster.

#### **Advanced energy efficiency technologies**

Cross-sectoral players (construction, batteries, suppliers) that could position the region on these technologies that are essential to the energy transition.

#### **Data storage, Data mgmt. & Cybersecurity**

The region has important federal agencies (such as FBI-Kansas City Division; Fort Leavenworth ) with strong cybersecurity activity, and a rich ecosystem of organizations and chambers.

#### **Grid & Microgrid**

A coordinated ecosystem of construction firms, utilities and R&D could position KC to tap into the growth opportunities driven grid expansion.

#### **Automotive supply chain: EVs & Batteries**

The ecosystem of suppliers and OEMs, alongside recent Panasonic’s investment and the ongoing transition to EVs renew the opportunities for KC.

#### **Transportation & Logistics Hub**

Nearshoring is strengthening trade within the US and across the North Triangle, with KC strategically positioned to attract investments in tradable sectors.

#### **Federal Assets**

Including the National Bio and Agro-Defense Facility, along with the US Army Command and General Staff College at Fort Leavenworth, often recognized as the intellectual hub of the US Army.

*Source: Bruce Katz, New Localism Associates*

## REGIONAL GROWTH & COMPETITIVENESS

The region's diversity of industry clusters is among its economic advantages. Regional and local organizations have worked together with business and industry to create important leadership groups in areas of animal and human health, transportation logistics and warehousing, manufacturing, building construction and design and others. Recent efforts around emerging industries have led to national Tech Hub designations. In addition to current economic development advances in biologics, biodefense, critical minerals, cybersecurity, data storage and electric vehicle technologies, the region is well-positioned to respond to emerging national economic priorities. These new priorities, as defined in the aforementioned Civic Council research include **reshoring** to bring manufacturing back to the US, **remilitarization** given wars and tensions in Ukraine, Gaza and China, and growing concerns over the changing climate and need for **decarbonization**. Growth opportunities can bring in new federal resources to the region, take advantage of opportunities for critical technologies and green supply chain investments, and increase domestic and global exports as a share of greater Kansas City's total economy.

### KC Rising Pillars of Prosperity

#### Enterprise

A robust entrepreneurial ecosystem sparks scalable business and innovation, leading to breakthroughs that can transform a region's economy.

#### Industry

Building on our strengths enables our region to attract, grow, and retain globally competitive businesses.

#### Inclusion

Economies thrive through increased participation when everyone has equitable access to opportunity.

#### Connectivity

Effective, accessible transportation and Internet options open doors to economic mobility.

#### Culture

Cultural assets are an integral component of our economy, as well as a force to unify and inspire our region.

#### Neighborhoods

Healthy, safe, and attainable housing options allow families to build better futures.

#### Education

Learners of all ages need equitable access to continuous, innovative education to meet evolving workforce needs.

KC Rising established **two overarching growth metrics** to measure regional growth and competitiveness. An economy's overall growth rate is set by its growth in workers and its growth in their productivity.

**Net migration rate** is a key component of population growth, and by extension labor force growth.

**GDP per job** is a measure of productivity, or how much each worker is able to produce.

### INCLUSION & EQUITY

As one of EDA's investment priorities, the CEDS aligns with KC Rising's Pillars of Prosperity to grow the regional economy

through inclusive prosperity. For the region to succeed, socioeconomic inequities must be addressed to allow all people to achieve economic prosperity. KC Rising also established **two overarching inclusion metrics**. In today's economy, self-sufficient incomes may not be enough to cover unexpected expenses or loss of income. It takes wealth for households to be resilient in the face of adversity. The greatest potential to support building wealth is increasing opportunities for homeownership.

**Self-sufficient households** – percent of workers, a measure of whether jobs are sufficient to cover bills for necessities such as housing, transportation, childcare and healthcare.

**Housing wealth gap** – black percent of white housing wealth as indicator for resiliency.

## RESILIENCE

The region's recovery from the pandemic demonstrated the need for increased resiliency to withstand, recover and bounce forward from future events and natural disasters. Many of those who were at an economic disadvantage before and during the pandemic remain at a greater disadvantage.

Climate Action KC and MARC are continuing efforts to address economic and climate resilience with a focus on social equity and public health. The CEDS aligns with the nine

### Kansas City Region's Climate Action Plan – Areas of Focus

1. **Collaboration and Leadership:** Create new patterns of collaboration that engage diverse interests and support leadership development and capacity building around climate action and adaptation.
2. **Energy:** Replace our dependence on fossil fuels with renewable and clean energy to address climate impacts and reduce energy costs for households and for businesses.
3. **Transportation:** Reduce Vehicle Miles Traveled (VMT) by encouraging a shift to other modes of travel (public transit, bicycle, pedestrian) and by locating businesses offering goods and services at key activity centers and along key transportation corridors. Reduce travel by increasing the supply of affordable housing near growing employment centers.
4. **Urban Greening:** Use green infrastructure in the design of new development and redevelopment to achieve important public health and environmental benefits.
5. **Food Systems:** Strengthen local food systems to increase access to affordable healthy food.
6. **Finance and Innovation:** Increase equitable opportunities for a healthy environment, digital technology adoption and green businesses and jobs.
7. **Healthy and Resilient Homes and Buildings:** Support policies and programs to produce more energy-efficient homes and buildings that not only reduce GHG emissions but create healthy living and working environments. Support energy-efficient homes to reduce utility costs for low-income households.
8. **Community Resiliency:** Engage organizations and people of color in the design of policies and programs that create a more inclusive, resilient region.
9. **Industry and Resource Management:** Encourage waste reduction and diversion through recycling, waste diversion and reuse- that could create new economic business opportunities and reduce government, residential and business expenses. Support use of methane from landfills for energy use.

focus areas of this 2021 climate planning effort to reduce greenhouse gas emissions (GHG) and create greater economic opportunity for the greater Kansas City area.

## COLLABORATION

Community and private sector organizations support the region's economic progress and inclusive prosperity efforts. Regional and local economic development agencies, chambers of commerce, public institutions, nonprofits and civic and government partners contributed to the establishment of the CEDS policy goals, objectives and strategic actions. The policy areas address investments in industry sector growth, innovation and entrepreneurship, education and workforce preparation, housing, and transportation and other infrastructure investments.

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## 2024-2029 CEDS STRATEGIC FRAMEWORK POLICY AREAS

### **BUSINESS**

*Strengthen the region's economy by focusing on steps to support robust and emerging traded sectors, including efforts to enable existing businesses to grow and for the region to attract new firms. Encourage steps to increase the region's economic position relative to the nation and peer metros.*

### **INNOVATION AND ENTREPRENEURSHIP**

*A new regional vision for strengthening entrepreneurship is under development by the UMKC Innovation Center. Recognized as a hub for entrepreneurial talent and small business formation, the region's entrepreneurs need better access to investor funding and increased support from the area's established companies to fully achieve their growth potential. With assets provided by the UMKC Innovation Center, KCSOURCELINK and Ewing Marion Kauffman Foundation among many others, further strengthening of the region's pipeline with research institutions is needed.*

### **PEOPLE**

*Build a skilled workforce designed to meet the needs of business and to create economic opportunity for residents. Ensure that the region can develop, attract and retain the talent needed to increase the region's pace of innovation and sustain inclusive growth. The increasing diversity of the region's population poses opportunities and challenges to develop the human capital necessary to meet these needs.*

### **PLACE**

*Invest in vital infrastructure to support economic growth, create vibrant places, a resilient region and increase access to opportunity.*

### **LEADERSHIP, RESILIENCE AND EQUITY (SYSTEMS)**

*Strengthen local governments and other public and civic institutions throughout the Kansas City region to address social equity, economic resiliency and climate resiliency.*

## CONCLUSIONS

The region's economic strategies address future growth and prosperity for all. Data analysis reveals how different trends and forces influence the CEDS' policy framework in the five areas of Business, Innovation and Entrepreneurship, People, Places, and Leadership, Resilience and Equity. The Civic Council's Kansas City Playbook, UMKC Innovation Center's Entrepreneurial Strategy, and recent work by UMKC, KU, K-State and others around major economic projects in areas of biologics and life sciences, biodefense, cybersecurity, and critical minerals are incorporated into the CEDS Five-Year Strategic Action Plan.

**Population and labor force:** Population trends are impacting the region's economy. Much of the region's population growth will be persons of color. Population is growing more modestly due to a declining birth rate, growing deaths due to the aging population, and fewer immigrants entering the region. The lack of enough workers in the labor force to support a growing economy is also impacted by disparities in educational and skill attainment that could result in many workers limited to filling low skill, low wage jobs. And, the region's unemployment rate has remained low, creating a tight labor market. Yet, this high demand for labor and limited supply has not translated into above average wage gains. Less than half of the region's workers earn a salary considered adequate for self-sufficiency.

**Business and industry profile:** Our regional economy continues to be diverse—a longstanding strength. Yet our GDP per worker is not keeping up with our peer metros, in part due to our continued reliance on services rather than the production of goods through our traded sectors. The region's three key traded sectors – professional and business services, wholesale trade, and information – have shown no or slow growth beyond the pandemic recovery.

**Need for innovation and support for small business:** The region has demonstrated strong entrepreneurial activity, and job growth across the region has been fueled by the strength among small businesses. However, the region has low research and development expenditures and patents. To bolster the region's position as a strong entrepreneurial region, a focus on increased capital, entrepreneurship among persons of color, commercialization through research institutions and entrepreneurs, and increased technical support services.

**Create a capable workforce and enable households to achieve inclusive prosperity:** The region has strong workforce development organizations, but the state line and a lack of awareness of available programs and services limits support for those seeking education

and training. The two states offer strong apprenticeship support systems, and the region could benefit from interest by area employers to offer apprenticeship opportunities to build their workforce. The region's K-12 system and intermediaries have strong career readiness and career exploration programs with scale up needed to serve more students.

**Address challenges of creating places that support economic progress:** The region, like much of the nation, has a deficit of workforce housing, particularly in and around emerging and growing employment centers. The ability of the region's workforce to find affordable rental and owner housing to meet their needs has become increasingly challenging and limits opportunities for the region to attract new workers. The region has a strong transportation system but lacks adequate public transportation to help workers travel time to training and jobs.

**Encourage collaboration among local governments, public institutions, economic development agencies and others to pursue economic opportunities:** The region needs to expand industry support organizations to strengthen key industry sectors for continued growth. More encouragement of public and private organizations can lead to greater understanding and opportunities to address economic and environmental resilience.

The strategic actions identified for the next five years are summarized in a reference chart in the CEDS. **Business** actions are centered around the KC Playbook and regional initiatives. **Innovation and Entrepreneurship** actions are centered around entrepreneurship and small business support services and diversity. The actions for **People** focus on workforce training and education and the providers of those services. The actions for **Places** concentrate on housing options. And Leadership actions seek to leverage funding and collaboration to support public investment of projects with significant impact to the region.

In the next five years, the regional economy will be strengthened by our business goals reframed around the new national priorities of reshoring, remilitarization, and decarbonization. A greater emphasis on manufacturing and transportation and logistics can strengthen domestic and international export trade. New opportunities to advance biologics, biodefense and biotechnology, critical materials, cybersecurity, and green energy, including electric vehicles and batteries place the region in a unique competitive advantage. Remilitarization offers sizable opportunities for Kansas City area businesses to provide goods and services to support nearby military bases and other major enterprises in the region. And through decarbonization, the region can expand upon EV investments in vehicle manufacturing and battery manufacturing, expand the number of energy efficient buildings, and strengthen the use of renewables like solar and hydrogen.