



## SOUTHERN MISS ECONOMIC DEVELOPMENT NEWS

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By Brian Richard

### **Manufacturing a critical sector in Pine Belt**

It is common for local leaders to say that health care and education drive the local economy here in Hattiesburg.

The numbers support these assertions. Since 2006, those two broad sectors have been among the top in job growth in the region, adding about 1,200 and 900 jobs respectively. However, don't discount manufacturing as a critical sector in the Hattiesburg region.

#### **Health care**

The health care sector is expected to continue to grow over the next five years. Physicians' offices and hospitals are expected to add more than 1,000 additional jobs by 2016. While to some extent this trend will follow the nation, Hattiesburg is expected to add jobs at a faster rate than the national average.

This trend may be accelerated as health care reforms expand insurance coverage and make services more accessible to a larger portion of the population.

#### **Education**

With multiple public and private higher education institutions, this is clearly a critical economic engine for the area.

However, it is not a sector that is expected to grow significantly in the coming years. As federal and state support for higher education is challenged by budget realities, this sector may be in for a difficult time.

One sector that will receive an education-related boost in the coming years is construction. Additional residence halls, along with new buildings for USM's College of Business and School of Nursing are in the works in the coming years, with much of the costs funded by private donations. William Carey continues to add facilities related to its College of Osteopathic Medicine.

#### **Manufacturing**

Employment trends make it appear that the manufacturing sector is struggling in the region.

Employment in manufacturing fell by about 1,500 jobs between 2006 and 2011. However, this was largely offset by gains in administrative and support services, which added 1,250.

While some of this represents a change in the mix of business in the region, much of it is essentially outsourcing by the manufacturing sector. Reductions in functions at manufacturing firms such as human resources, security, and maintenance show up as employment gains in employment services, security services, and building services.

While manufacturing jobs don't make up a significant portion of the regions employment, the sector is critical for bringing in new wealth. Long-standing operations such as Kohler Engines, newly-opened facilities such as Stion, and even the future opening of a GE Aviation plant in Ellisville all bring income into the region.

Stion, with employment expected to grow to 1,000 in the next six years, ships its solar panels all over the world. This is critical to true economic development. We increase our regional income by producing goods and services and shipping them to other parts of the nation and the world.

And we shouldn't be terribly concerned about the physical location of these operations. What's good for Ellisville or Purvis is good for Hattiesburg.

The economic impacts of a company are not tied to where the business is located, they are tied to where the employees live and shop. No doubt many of the 250 persons to be employed at GE Aviation in Ellisville will live in Hattiesburg or Petal. Almost all will do at least some of their shopping in Hattiesburg.



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