

Indiana Vision 2025

Indiana Vision 2025 is a comprehensive, multi-year initiative, coordinated by the Indiana Chamber of Commerce, to provide direction, leadership and a long-range economic development strategy for the state of Indiana to help ensure the prosperity of Hoosiers. It seeks to build upon similar past efforts - specifically, the Indiana Chamber's *Economic Vision 2010* initiative - and mobilize public consensus on key issues facing our state.

HISTORY AND SYNOPSIS

In the late 1990s, Indiana was in a very different place, economically speaking, than it finds itself today. Then, Indiana seemed to be humming along with the rest of America during a period of low unemployment and relative economic prosperity. That compared to currently fighting stubbornly high unemployment and twin crises of confidence and capital two years after the official “end” of the Great Recession of 2007-2009. However, many economic metrics from 1999 showed, and many critical thinkers had concluded, that the state was too complacent.

In 1999, Indiana was enjoying a false sense of economic security given global trends in manufacturing and the state's dependence on this critical sector (today, there seems to be no sense of economic security – false or otherwise). Indeed, a rigorous examination of the data showed the state was lagging other areas of the country and included downward trends in critical areas such as per capita personal income and the educational attainment of Hoosiers. The “dot.com” economic bubble was about to burst, but leaders of the Indiana Chamber already had decided to engage in a self-assessment of the state's economic foundations and chart a course for future action.

The result was *Economic Vision 2010*, a long-range economic development plan to make Indiana a dynamic and vibrant environment to establish, operate and grow a business. Published in 2000, this plan emphasized innovation and entrepreneurship while identifying five critical drivers for the state's future economic prosperity: education and workforce development; business costs; government and regulatory environment; infrastructure; and dynamism/entrepreneurism. A sixth key driver – quality of life – was added shortly thereafter as the importance of amenity-based economic development became recognized by a growing number of scholars and stakeholders. Within these six areas, a number of sub-drivers and dozens of metrics were identified through rigorous third-party analysis; a commitment was made by the Indiana Chamber to systemically measure and regularly report on progress.

Economic Vision 2010 was a decade-long initiative to improve the Indiana economy, increase the disposable incomes of individual Hoosiers and strengthen communities around the state. As a thought leader and strategist, the Indiana Chamber rallied like-minded organizations and policymakers to this plan of action and raised public awareness of key issues. As a public policy advocate, the Indiana Chamber realized a number of successes with state and federal policy-makers, including:

- New K-12 education standards and accountability measures
- Adoption of a “Core 40” high school curriculum
- Establishment of a statewide community college system
- Repeal of the counter-productive inventory and corporate gross receipts taxes
- Adoption of daylight saving time
- Major reform of telecommunications law
- Restructuring of the state's chief economic development agency
- New venture capital and patent-derived income tax incentives
- Passage of the “Major Moves” transportation infrastructure program
- Improvements to property tax assessment processes

After a decade of successfully advocating for policy reforms that resulted in renewed economic vitality (and, arguably, helped the state of Indiana weather the Great Recession better than most), many issues still remain and an obvious question arises: What next?

The Indiana Chamber's board of directors determined that a follow-on initiative to *Economic Vision 2010* was warranted given that the state faces a number of unresolved issues and its economic future remains uncertain. The world is much different than it was in 1999 and the state cannot rest on its laurels after an aggressive period of reform in recent years. No longer can “good enough” be considered “good enough.” By definition, progress is a continuum.

The Indiana Chamber will lead a continuing effort to improve the state of Indiana's economic prosperity as the second decade of the 21st century begins. The *Indiana Vision 2025* strategic economic plan seeks to provide economic development leadership in the coming years, using its successful predecessor as a working model. The initiative begins with this document and will take shape in the future through organizational meetings, data-driven studies and policy discussions, consensus-building, community outreach and strategic communications.

MISSION AND DIRECTION

The mission of *Indiana Vision 2025* is ambitious and succinct: To create a better life for Hoosiers. It is embodied in the following mission statement:

“Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper.”

During the next decade-plus, the Indiana Chamber will build upon past efforts and position Indiana as a leader in the global competition for new jobs and investment where technology advancements and other dynamics are rapidly changing the landscape. While we seek to positively influence events and fulfill this mission, we begin the process knowing at least two things: We cannot change human nature, nor can we repeal the laws of economics. We must accept the former and abide by the latter in all of our future collaborative efforts.

These insights are particularly helpful when we re-examine the economic drivers from *Economic Vision 2010* and apply lessons learned from the past decade's efforts. In that plan, the Chamber enumerated six key drivers of the state's economy:

1. Education and Workforce Development
2. Business Costs and Productivity
3. Government and Regulatory Environment
4. Infrastructure and Connectivity
5. Dynamism and Entrepreneurism
6. Quality of Life

The body of work in that plan and these drivers hold up very well over time. To remain competitive, Indiana must invest in its people and their marketable skills, both “hard” (e.g., critical thinking and mathematical computation) and “soft” (e.g., teamwork and leadership). We must keep taxes simple, low and efficient. We must check expansive regulatory schemes that unnecessarily increase business costs and deter investment. We must continue to build out our transportation, public utility and digital infrastructure to keep pace with new technological capabilities and market demands.

At all times, we must promote a culture of individual risk-taking and entrepreneurship, keeping in mind that dictum captured so well by Gov. Mitch Daniels in his second State of the State Address in January 2006:

“Governments do not ‘run’ economies. They do not create jobs or wealth. At their worst, they destroy jobs, or drive them to other, friendlier locations. At their best, they establish an environment in which free men and women, pursuing their own dreams and best ideas, create wealth for each other.”

Only in this manner, through the decidedly difficult process of democratic debate over public values and policy, can we collectively create new economic and life opportunities for our state's citizens, strengthening communities across Indiana and providing the highest quality of life for every Hoosier.

KEY ECONOMIC DRIVERS

To create a dynamic, entrepreneurial business climate in Indiana that benefits companies, communities and families, Indiana must strive for excellence in four key strategic areas. By focusing on the components of successful economies within these four areas, we can continue to build a diverse and robust state economy that will provide prosperity and a higher quality of life for Hoosiers. These four key economic drivers are:

- Outstanding Talent
- Attractive Business Climate
- Superior Infrastructure
- Dynamic & Creative Culture

Each driver presented here encompasses a number of relevant components or sub-drivers, elements that will lead to economic success or failure based upon how well Indiana achieves in each. While separate and distinct, these drivers should not be viewed in isolation, but rather holistically: Success in one area will not achieve our vision of a prosperous Indiana future; failure to address key issues or achieve progress in one area will hamper true progress toward a higher quality of life for Hoosiers. Like members of a community, these drivers are interdependent and complementary. They work together.

Over a period of several months, we drew upon past experience and the best available research and experts to come to consensus about these drivers. These four drivers were able to capture unfinished work of the previous six drivers in *Economic Vision 2010*, while focusing on what will move Indiana forward. Importantly, we have sought to measure our progress in each area, identifying key metrics and comparing Indiana's standing in both absolute and relative terms. This dedication to measurement and third-party analysis was a hallmark of the *Economic Vision 2010* plan, and helps us to focus on those things that truly matter in economic development while emphasizing the competitive nature of the endeavor. We are not only competing against ourselves to improve across key measurements, but we are competing globally, nationally and regionally for new jobs and capital investment. Therefore, you will see a strong emphasis on Indiana's rank in various measurements over time.

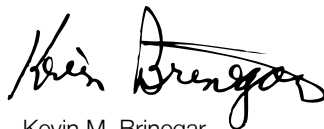
We do not assert that this document has all the answers to Indiana's economic challenges. That would be folly given the unpredictable changes in technology and society that will unfold in coming years. But, we hope to ask the right questions and provide a framework for prosperity that is adaptable over time and that leverages Indiana's key assets while enlisting the support and assistance of other stakeholders in our state's future.

One final observation: These drivers and their metrics have no political allegiances. While cumulatively they suggest an agenda for the future, they know no political party or movement or cause beyond seeking prosperity for all Hoosiers. As business and community leaders, we come from – and seek to further – a culture of data-driven decision-making.

Sincerely,



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Acknowledgments

The Indiana Chamber of Commerce would like to thank the following individuals and institutions for providing valuable insight, counsel, advice or expertise during the drafting of this plan. Whether through a formal engagement with the *Indiana Vision 2025* taskforce or informal consultations, we deeply appreciate their assistance.

- Eric Ban, EdD - Principal, Crown Point High School – Crown Point, IN
- Hon. Tony Bennett, EdD – Superintendent of Public Instruction, State of Indiana – Indianapolis, IN
- Vince Bertram, EdD - Superintendent, Evansville-Vanderburgh School Corp. – Evansville, IN
- Neil Brown – Professional Staff Member, U. S. Senate Foreign Relations Committee – Washington, D.C.
- Anthony Carnevale, PhD – Director, Georgetown University Center on Education and the Workforce – Washington, D.C.
- Joseph R. Crosby - COO, Council on State Taxation – Cumberland, ME
- Steve Edwards - Superintendent, Marion Community School Corp. – Marion, IN
- Dean Foote, CEcD - CEO, Foote Consulting Group – Glendale, AZ
- Nathan Hagerman, CPA - Indiana Practice Leader for Multistate Tax Services, Deloitte Tax LLP – Indianapolis, IN
- David Harris - Founder and CEO, The Mind Trust – Indianapolis, IN
- Marty Irwin - Director, Purdue Center for Coal Technology – Purdue University, West Lafayette, IN
- Joel Kotkin, Distinguished Presidential Fellow: Chapman University – Orange, CA; Adjunct Fellow: Legatum Institute – London, UK
- Brad Lystra - Manager of Economic Development Partnerships, American Wind Energy Association – Washington, D.C.
- Dewayne Matthews – VP, Strategy & Policy, Lumina Foundation – Indianapolis, IN
- John Morris - Sr. Managing Director, Cushman & Wakefield Global Business Consulting – Rosemont, IL
- Casey Patterson - Executive Director, Teach PLUS Indianapolis – Indianapolis, IN
- Michael Patterson, CPA - International Tax Director, Deloitte Tax LLP – Cleveland, OH
- Craig Piercy - Principal, Bose Public Affairs Group – Washington, D.C.
- Walt Plosila, PhD – Sr. Advisor, Battelle Memorial Institute, Technology Group – Aberdeen, MD
- N. Clay Robbins – President, The Lilly Endowment
- Nicole Smith, PhD – Professor, Georgetown University Center on Education and the Workforce – Washington, D.C.
- Matt Tully - Reporter, The Indianapolis Star – Indianapolis, IN
- Jack Wittman, PhD - Director, Layne Hydro, a division of Layne Christensen – Bloomington, IN

2025

Our Future State

The premise of this plan is that by engaging now in thoughtful consideration of the future we may shape it. We are not willing to leave the future prosperity of Hoosiers to chance, but rather seek to enhance it by our actions today. Through this plan, we have attempted to establish a roadmap to prosperity where Hoosiers can achieve a higher quality of life than otherwise possible.

Today, Indiana is a very, very good place to live, work and raise a family. But we are greedy, in a good sense. We want Indiana to be the very best. We want to build on our current advantages and shore up our weaknesses. An honest self-assessment reveals that we must improve on today's reality when:

- At least one in four young people fail to achieve the bare minimum of a quality high school education.
- Only slightly more than one-third of high school graduates go on to achieve the postsecondary credentials necessary to succeed in today's competitive jobs market.
- High smoking and obesity levels contribute to ever-rising health care costs and, most importantly, cut short far too many lives.
- We waste tens of millions of taxpayer dollars on local government systems that are inefficient and, in many cases, ineffective.
- A few "chinks" in an otherwise positive tax system drive some business and personal resources elsewhere.
- Our valuable energy and water resources are at risk due to a lack of upkeep and long-term planning.
- Despite robust investment, transportation and telecommunications infrastructure is likewise at risk.
- We don't provide entrepreneurs with nearly enough resources to start and grow their businesses close to home.
- We send subtle (and sometimes more blunt) messages that some people are not welcome based on who they are or their country of origin.

While the year 2025 may appear far off, it is never too soon to begin going from "very good" to "great" as a state. Embodied in *Indiana Vision 2025* is a framework for action that will lead to numerous desirable outcomes.

If we work together to accomplish initiatives within this plan, we see Indiana as a future leader in which:

- At least 90 percent (with the ultimate goal of 100 percent) of students are fully prepared to enter college or the workforce.
- A minimum of 60 percent of Indiana residents have the postsecondary credentials or degrees that lead to personal achievement and business development.
- Individuals embrace wellness to enhance their own quality of life, workplaces and communities.
- Local government becomes a more effective resource, rather than serving as an impediment, to facilitate jobs and economic growth.
- Tax policy attracts additional investment and allows successful individuals to remain in our state and serve as valuable mentors and contributors throughout their lifetimes.
- We are assured that flipping the light switch and turning on the faucet will deliver the affordable power and water we are accustomed to for personal and business needs.
- Our physical and digital infrastructure prove to be valuable advantages over regional and national competitors.
- We not only keep more young people and future business leaders at home, but attract talented individuals from around the country and across the world.
- We have a culture that is open and accepting, paving the way for invention, creativity and prosperity.

As we examine each key economic driver, we can foresee the likely benefits: By striving to educate and train Hoosiers better than we do today, we make them better citizens and prepare them for a lifetime of productive work, adaptable to changing labor markets and less vulnerable to economic upheavals.

By constraining the size and scope of government, we create an attractive place for new investment and job creation. We will ease the financial burden government places on Indiana families, farms and businesses while making government more transparent and accountable. We will maximize individual liberty and economic opportunity while promoting the social welfare.

By creating strategies for long-term investments in key infrastructure, we ensure that Hoosiers will have available to them the necessary tools for commerce and a high quality of life. We will make the state more accessible and attractive to investment.

By promoting a tolerant, open society, we lay the groundwork for creativity and innovation. By encouraging public institutions and private enterprise to embrace diversity, creativity and risk-taking, we make it more likely that the next crucial breakthroughs in science, technology and business will be Indiana-born.

By planning, debating and then working hard toward a shared vision for the future, we can ensure that indeed "Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper."