

2023

GO Virginia Region 6 2023 Growth and Diversification Plan Update

Priority Industry Cluster	NAICS Code and Description
Aquaculture/Seafood/Commercial Fishing/Marine Industries	Seafood Product Preparation and Packaging (NAICS 3111710) Shellfish Fishing (NAICS 114112) Shellfish Farming (NAICS 112512)
Distribution/Logistics	General Warehousing and Storage (NAICS 493110) General Freight Trucking (NAICS 484110) Specialized Freight (NAICS 484220) Wholesale Trade Agents and Brokers (NAICS 425120) Industrial Machinery and Equipment Merchant Wholesalers (NAICS 423830) General Freight Trucking, Long-Distance, Truckload (NAICS 484121)
Forestry/Wood Products	Sawmills (NAICS 321113) Paper Mills (NAICS 322121) Logging (NAICS 113310) Nursery and Tree Production (NAICS 111421)
Manufacturing	NAICS 31-33
Professional, Technical, and Scientific Services	Engineering Services (NAICS 541330) Computer Systems Design Services (NAICS 541512) Computer Related Services (NAICS 541519).
Information/Data Centers	Data Processing, Hosting, and Related Services (NACIS 58210)

Where are we - State of the Regional Economy:

Year	Population	Jobs
2021	536,248	171,080
2022	546,367	174,097
2023	555,881	178,198
2024	565,484	181,531
2025	575,056	184,327
2026	584,558	186,691
2027	593,876	188,030

GO Virginia Region 6 is a diverse region made up of three distinct sub-regions: the greater Fredericksburg area, the Northern Neck, and the Middle Peninsula. Each of these sub-regions has a unique economic character with the major similarities being found between the Northern Neck and Middle Peninsula.

The current population of Region 6 is 546,367 according to the Census Bureau's Population Estimates program. While some communities in the Northern Neck and Middle Peninsula are experiencing net migration, the overall region is expected to grow by 47,509 people over the next five years. As of 2022, the region's population had increased by 7.9% over a five-year period, growing by 40,147.

Total regional employment is 174,097 with jobs growing by 3,142 over the last five years. This represents a roughly 1.8% increase in the number of jobs in the region, which is 1.6% less than the nation growth rate of 3.4%. Moreover, as the number of jobs increased, the labor force participation rate decreased from 63.2% to 62.4% between 2017 and 2022. Over the next five years, employment is expected to grow by 13,933 jobs. Unemployment in the region remains low at 3.07% as of March 2023.

One of the drivers of GO Virginia is the creation of high-paying jobs. To this end, wages in the region continue to rise albeit at modest rates. Dating back to the Q1 of 2018, the average salary across all industries was \$43,808 and, as of Q1 2023, average salaries were \$55,136. This is \$14,598 less than Virginia's average annual salary of \$69,733. The table below shows wages in each quarter from 2017-2023.

Q1	2018	2019	2020	2021	2022	2023
Region 6	\$43,808	\$44,966	\$47,022	\$51,137	\$52,865	\$55,136
Virginia	\$55,526	\$56,993	\$59,107	\$65,854	\$66,863	\$69,733

Despite strong employment figures and estimated population growth, a large swath of Region 6 residents commute out of the region for work to Northern Virginia, the Richmond metropolitan area, or the Hampton Roads region. In fact, the most recent data indicates that over 120,000 citizens commute out of the region for work daily leading to a net loss of almost 72,000 workers. Although this is not a new trend, it speaks to a continuing hurdle that the region seeks to combat with GO Virginia as well as other large scale economic development initiatives.

The largest industries in the region (excluding government) are still retail trade; healthcare and social assistance; professional, scientific, and technical services; and construction. Professional, scientific, and technical services is one of GO Virginia Region 6’s priority industry clusters and the focus of several GO Virginia funded projects over the past several years. That investment has paid off as this industry has grown by 23% since 2017. The average salary of \$89,712 (Q1 of 2023) for this industry also outpaces other Region 6 industry clusters.

Region 6 Industry Cluster	Average Annual Wages Q1 2023	Employment	10-year annual growth forecast in employment
Aquaculture/Seafood/Commercial Fishing/Marine Industries	\$52,975	684	-4%
Distribution/Logistics	\$55,280	8,077	10%
Forestry/Wood Products	\$50,924	1,940	-13%
IT/Data Centers	\$73,837	336	14%
Manufacturing	\$62,125	1,096	14%
Professional, Technical, Scientific Services	\$89,712	10,747	11%

Overall, all the Region 6 industry growth clusters have experienced at least moderate growth since the 2021-2023 Plan was written. One of the most significant developments in the region's economy is the birth of our resiliency economy. This was enabled, in large part, due to innovative partners in the Middle Peninsula and Hampton Roads region on the GO Virginia project, "Launching a Coastal Resiliency Economy." The foundation this project provided is leading to an entirely new cluster that has the potential to be a bedrock economic driver for the Middle Peninsula – and potentially Northern Neck – for the foreseeable future. There is also significant overlap with potential economic development opportunities in the Fredericksburg sub-region as the area contemplates its own efforts around a resiliency economy.

To date, this project has directly contributed to the expansion of 6 companies and added 35 jobs. Given how nascent the industry is though, there's potential for significant growth especially in the core GO Virginia investment areas.

Finally, two major developments have taken place that span across the Information/Data Centers and Professional, Scientific and Technical Services industry clusters. The establishment of the Smart Community Test Bed is now a major asset for the entrepreneurial ecosystem in the region. In addition, the Fredericksburg sub-region is a focal point for data center expansion from Northern Virginia. The majority of localities in Planning District 16 are studying how to position themselves for what could be transformational investments in their communities.

Skills Gap Analysis:

One of the driving forces behind the work of the Region 6 Council is understanding the needs of employers in our priority industry clusters and working with educational partners in K-12 and higher learning to make their educational offerings congruent with business needs. To date, the Council has conducted several assessments of workforce in the region including the *Skills Gap Analysis*, *Good Jobs Here*, and the *FRA Industry Cluster Analysis*. In addition, in line with the Council's goal of increasing work-based learning opportunities, the Fredericksburg Regional Chamber's *Workforce Now* project is driving internships, externships, and apprenticeships across all Region 6 industry clusters excluding aquaculture.

As of the writing of this update, the Bay Consortium Workforce Development Board (BCWDB) with WorkED Consulting as its consultant is nearing the final stages of Region 6's *Talent Pathways Initiative (TPI)*. In preparation for applying for *TPI*, the Workforce Development Board worked closely with the Region 6 Executive Committee and staff to select the fastest-growing and highest-impact industries to analyze within the *Initiative's* framework. The region is doing a deep dive on *Manufacturing*,; *Aquaculture*; and *Professional, Technical, and Education Services*. To date, the *TPI* has been an invaluable resource in informing portions of this update as well as future workforce development implementation projects. One of the most important takeaways thus far are the industry roundtables and the creation of an asset map to fully

understand the region's strengths from a business and education perspective. This will be the first workforce-related asset map for the region and will be of great utility in informing how stakeholders align employers needs with K-12 and higher education programs.

Finally, the project, as well as the region's work on the *Launching a Coastal Resiliency and Adaptation Economy* project positioned the BCWDB to receive a U.S. Department of Labor Critical Jobs grant to plan around the coastal resiliency industry which has application to many of our priority industry clusters, especially the *Professional, Technical, and Scientific Services* sector.

Goals, Strategies, and How to Achieve Them:

*Please note that in some cases several industries are reflected in goal/strategies and are included in projects, i.e. site development.

Targeted Industry (IES)	Goals	Strategies	Outcomes/Impact Measures	Strategic Partners	Current Projects
Aquaculture	1. Align Region 6 Talent with Current and Prospective Job Opportunities 2. Adapt education and training programs to meet company needs	1. Establish internship and other work-based learning programs 2. Establish/build upon career pathways that reflect company needs	1. Number of internships created 2. Number of companies in the industry engaged	1. Virginia Tech Center for Economic & Community Engagement 2. Virginia Seafood Agriculture & Research Extension Center 3. Rappahannock Community College 4. Virginia Institute of Marine Science 5. Bay Consortium Workforce Development Board	1. Promoting Careers in Aquaculture 2. Creating a Coastal Resiliency Economy 3. Talent Pathways Initiative
Distribution and Logistics	1. Advance sites on the VEDP Tier system 2. Align Region 6 Talent with Current and Prospective Job Opportunities	1. Increase the number of sites that are Tier 3, 4, or 5 2. Establish work-based learning programs	1. Acres advanced along the VEDP tier system 2. Work-based learning opportunities	1. Fredericksburg Regional Chamber of Commerce 2. Fredericksburg Regional Alliance 3. All localities in Planning District 16	Fredericksburg Regional Chamber of Commerce Workforce Now
Forestry/Wood Products	1. Align Region 6 talent with current and prospective job needs 2. Adapt education to meet current and future job needs	1. Establish work-based learning opportunities 2. Establish programs for high school students to learn about jobs in the region and a pathways to entry	1. Work-based learning opportunities created 2. Credentials awarded 3. Curriculum developed/implemented	1. Fredericksburg Regional Chamber of Commerce 2. JASON Learning 3. Northern Neck Planning District Commission 4. Middle Peninsula Planning District Commission	1. Fredericksburg Regional Chamber of Commerce Workforce Now 2. Pathways to Success

<p>All Region 6 industry clusters excluding aquaculture</p>	<p>Align Region 6 Talent with Current and Prospective Job Opportunities</p>	<p>Establish internship and other work-based learning programs</p>	<p>Work-based learning opportunities created, Companies engaged/trained on best practices in successful internship/apprenticeship hosting</p>	<p>1. Fredericksburg Regional Chamber of Commerce 2. Workforce Now Committee – includes industry partners across Region 6 priority industry clusters 3. K-12 partners</p>	<p>Fredericksburg Regional Chamber of Commerce Workforce Now</p>
<p>Professional, Technical, and Scientific Services</p>	<p>1. Develop a strong entrepreneurial ecosystem 2. Adapt education and training needs to meet current and prospective business needs</p>	<p>1. Develop programming to help businesses at all stages develop and grow 2. Strengthen and expand non-degree programs that meet the needs of regional employers</p>	<p>1. Businesses engaged 2. New businesses created 3. Current businesses expanded 4. Credentials awarded 5. Jobs created 6. Curriculum developed/implemented</p>	<p>1. Virginia Smart Community Test Bed 2. RIoT 3. JASON Learning 4. Phoenix Advantage 5. Bay Consortium Workforce Development Board</p>	<p>1. RIoT Pre-Accelerator and Accelerator 2. Pathways to Success 3. Young Entrepreneurship</p>
<p>IT</p>	<p>1. Adapt education and training programs to meet current and prospective business needs 2. Develop a strong entrepreneurial ecosystem 3. Align talent with current and prospective employer needs</p>	<p>1. Strengthen and expand non-degree programs that meet the needs of regional employers 2. Develop programming to help businesses at all stages develop and grow</p>	<p>1. Credentials awarded 2. Jobs created 3. Businesses engaged</p>	<p>1. Virginia Smart Community Test Bed 2. K-12 system 3. Germanna Community College 4. Rappahannock Community College 5. G3 Community Services 6. JASON Learning 7. CompTIA 8. Bay Consortium Workforce Development Board</p>	<p>1. Innovation Pathways 2. Smart Community Test Bed Extension 3. RIoT Accelerator/Pre-Accelerator 4. Pathways to Success 5. Young Entrepreneurship 6. Talent Pathways Initiative</p>

Data Centers	<ol style="list-style-type: none"> 1. Advance sites on the VEDP Tier system 2. Adapt education and training programs to meet current and prospective business needs 	<ol style="list-style-type: none"> 1. Increase the number of sites that are Tier 3, 4, or 5 2. Strengthen and expand non-degree programs that meet the needs of regional employers 	<ol style="list-style-type: none"> 1. Acres advanced 2. Students trained 	<ol style="list-style-type: none"> 1. Fredericksburg Regional Alliance 2. George Washington Regional Commission 	<p>There are currently no projects directly connected to this industry</p>
Manufacturing	<ol style="list-style-type: none"> 1. Establish programs for high school students to learn about jobs in the region and a pathway to entry 2. Increase the number of business ready sites within the region to Tier 3, 4, or 5 	<ol style="list-style-type: none"> 1. Engage K-12 schools to strengthen and expand non-degree programs 2. Fund regionally significant sites 	<ol style="list-style-type: none"> 1. Certifications and credentials awarded 2. Students engaged 3. curriculum designed and implemented 4. Teachers trained 	<ol style="list-style-type: none"> 1. All school divisions in Region 6 2. Germanna Community College 3. Rappahannock Community College 4. JASON Learning 5. Bay Consortium Workforce Development Board 6. Local Economic Development Authorities 	<ol style="list-style-type: none"> 1. Pathways to Success 2. Tech Talent Pipeline 3. West Point Site Development 4. Talent Pathways Initiative
All region 6 industry clusters excluding professional, technical, and scientific services	<p>Increase the number of business ready sites within the region to either Tier 3, 4, or 5</p>	<p>Fund regionally significant sites</p>	<p>Acres developed/tiered up according to the VEDP's tier system</p>	<p>Town of West Point, King & Queen County, Middle Peninsula Planning District Commission</p>	<p>West Point Site Development</p>

Future Project Development:

The Region 6 Council and Region 6 Executive Committee use the Growth and Diversification plan as a guide for project pipeline development. With representation from all Region 6 industry clusters and subject matter experts in the four GO Virginia investment areas, the Council used the G&D plan as launching pad for discussions with other stakeholders in the region regarding strategic economic development and project ideation and creation.

Several of the projects in our pipeline are directly related to planning grants. We hope to further the success of the *Careers in Aquaculture* project with a competitive project that leverages the assets in aquaculture in Regions 5 and 6. Region 6 is also working with Rappahannock Community College to bring the lessons from the *Northern Neck Workforce Training Feasibility* project to life through a Diesel Mechanic Program.

Region 6 also just got its *Regional Entrepreneurship Initiative (REI)* approved. This will set the stage for a wide array of projects aimed at further developing the entrepreneurial ecosystem in the region. The efforts of the REI Will build upon the success of the *RIoT Accelerator and Pre-Accelerator* and will provide a framework for another accelerator project currently in the Council's pipeline.

Site development is an area Region 6 is putting a premium on. From a broader perspective, the Council is using the work done in the *MPA Site Characterization Study* as a north star for major site development in the Middle Peninsula. More specifically, the Council hopes that the work underway in the *West Point Site Development* planning project will inform a future implementation project that will fund significant development of a major industrial site in the Middle Peninsula. It's envisaged that the West Point site will attract companies across several Region 6 priority clusters including manufacturing, professional, technical, and scientific services, IT, and forestry and wood products.

Growth and Diversification Planning:

This update was informed by several groups and meetings throughout 2023. First, many of the broader economic themes are contemplated on a continuous basis at Executive Committee meetings. Region 6 often uses the Executive Committee to address strategic priorities identified in the Growth and Diversification Plan from an industry cluster perspective. The Executive Committee, Regional Council, and industry partners from across the region were critical in the development of our Talent Pathways Initiative – especially in taking the sub-regional approach that is critical to economic development in Region 6.

In addition, the update to the G&D Plan coincides with one of our most important planning efforts for workforce development in the region – the Talent Pathways Initiative (TPI) led by the Bay Consortium Workforce Development Board and WorkED Consulting. The TPI was instrumental in informing several pieces of this update including providing economic data, employment data specific to our six priority industry clusters, and valuable qualitative information from roundtables around three of our priority clusters.

In July of 2023, Regional 6 Council and staff held a retreat with a third-party consultant following our quarterly Council meeting. During this meeting, we assessed the current state of the regional economy and did a deep dive on the Growth & Diversification Plan.