

NORTHWEST ARKANSAS REGIONAL STRATEGY

2022-2026

Northwest Arkansas has reached a critical inflection point. The region should continue to press forward with economic growth and talent attraction for the benefit of all of its residents, but stakeholders and policymakers must act boldly to preserve its quality of life and affordable cost of living. The time to act is now.

Prepared by





INTRODUCTION

Northwest Arkansas has reached an inflection point. The region, comprising Benton, Washington, and Madison counties, is being challenged by its very economic success. Over the past decade Northwest Arkansas has developed a stunningly successful growth model centered around four pillars: (1) strategic investments in quality of life, such as the world-class [Crystal Bridges Museum of American Art](#), [The Momentary](#); charming downtowns, and an [extensive network of hiking and biking trails](#); (2) leading-edge efforts to attract, retain and develop talent; (3) leveraging of its core economic assets and competitive clusters, including its three Fortune 500 companies, Walmart, J.B. Hunt Transport Services and Tyson Foods; (4) expansion of its innovation and entrepreneurial ecosystem through investments in technology transfer and commercialization at the University of Arkansas while bolstering its startup scene and angel and venture capital investment networks. On this, the numbers speak for themselves.

4th

- Northwest Arkansas ranks fourth among metros with populations above 500,000 in population growth since 1990, and third in job growth from 2013 to 2018. Northwest Arkansas is second in wage gains for metros with populations between 500,000 and a million people.¹
- The region ranked fourth in U.S. News & World Report's 2021 ranking of the ["Best Places to Live,"](#) behind Boulder, Raleigh-Durham and Huntsville, and ahead of Austin.²



NORTHWEST ARKANSAS **ACCOUNTED** FOR ALL OF ARKANSAS' NET JOB GROWTH

These successes were underpinned by the region's relatively affordable housing prices, which enabled Northwest Arkansas to provide incredible quality of life to its residents for a low price.

But the fruits of that success are creating challenges for the region as rapidly rising home prices threaten to undermine its affordable quality of life. Back in 2018, when he first visited Northwest Arkansas, Richard Florida warned stakeholders about the challenges that can accompany economic success. Drawing on detailed research from his 2017 book, *The New Urban Crisis*, Florida pointed to the deepening crisis of housing unaffordability and economic inequality that was starting to undermine the success of superstar cities like New York and London, as well as leading tech hubs such as the San Francisco Bay Area, Boston and Seattle.⁴ Accelerated by the geographic shifts spurred by the COVID-19 pandemic, that crisis quickly spread to rapidly growing “rise of the rest” regions like Austin, Miami and Nashville, as well as smaller “Zoomtowns” such as Bozeman, Mont. and Park City, Utah.

Now that crisis of success has made its way to Northwest Arkansas. A single data point helps illustrate the rapidity with which it struck and the urgency of the need to act. Of all 350-plus U.S. metros, the Northwest Arkansas region **witnessed the second largest year-over-year increase** in its median home price between May 2021 and May 2022 — 28.8%, an absolute increase of nearly \$75,000.⁵

An intentional strategy is required to address these new challenges while keeping the region on track to maintain its growth, attracting and retaining talent while preserving and enhancing all the things residents love about Northwest Arkansas. This is not a choice between growth and non-growth. What is needed is a smart and intentional strategy for continued growth. To ensure robust future growth, the Northwest Arkansas Council and the region must elevate housing affordability and quality of place to the very core of its talent attraction and economic development strategies.

Northwest Arkansas faces other challenges that stem from its smaller size and relative isolation. The region still exports a good deal of the young talent it produces, as college graduates are drawn to the allure and opportunities of bigger cities. And while the [Northwest Arkansas National Airport \(XNA\)](#) offers great service for its size, the number of direct routes it offers is understandably smaller than airports in larger metros.

The region's health care options are also limited. While improving, it [remains challenging](#) to find medical specialists, and there is not enough critical care available.⁶ Moreover, the region must continue to invest in its core economic strengths, its leading edge industry clusters and its developing innovation ecosystem.

At the same time, Northwest Arkansas must redouble its efforts to maintain a business and social climate that is open to all who choose to call it home. [Research shows](#) welcoming regions are more economically competitive.⁷ In today's politically divisive climate, it is more important than ever to be – and to be known as – as a place where anyone can thrive.

Working to slow growth is not an option as that could lead to less opportunity for Northwest Arkansas residents. Rather, the region needs an intentional strategy to address its worsening housing affordability, prioritize its investments in infrastructure, and ensure that opportunity is inclusive and equitable. Northwest Arkansas must refine its talent development, attraction, and retention efforts, and strengthen and grow its innovation and entrepreneurial ecosystem.

A overarching goal of this strategy is for Northwest Arkansas to create an economic development future that is vibrant and equitable, and that builds on the unique character and quality of life that has contributed to the success.

To guide and inform this strategy, the [Creative Class Group](#) worked with the Northwest Arkansas Council leadership, staff, and key stakeholders to better understand previous strategic efforts and goals; undertook detailed quantitative and qualitative analyses and reviewed extensive data on the region's economic and demographic growth as well as the opportunities and challenges that come with it. It convened focus groups and discussed local issues, ranging from talent attraction and retention to housing affordability, transportation, and diversity, equity and inclusion (DEI). Findings were considered in the context of trends and best practices culled from knowledge of and data on successful regions across the United States and around the world.

A key finding is the need for the Northwest Arkansas Council to expand the scale and scope of its work, supplementing ongoing efforts in the areas of economic development, innovation and entrepreneurship, and talent development, attraction and retention with an additional focus on improving physical and social infrastructure, addressing housing and ensuring that continuing growth is inclusive. With its convening power, ability to gain the attention of community leaders, and its history of success, the Council plays an indispensable role in setting the priorities and executing the strategies that can achieve them. The Council's members and staff can harness, galvanize and help guide the work and investments of governments, corporations, philanthropies and neighborhood and civic associations. Simply put, the goal is to ensure that the next 20 years are as good as the last.

The strategy outlined in these pages is designed to position the Northwest Arkansas Council and region to address the challenges of its current inflection point and to enhance its ability to make the region a vibrant place where the ambitious come to craft a fulfilling life. Recommendations and priorities fall into five categories.

- 1 Continue the focus on developing, attracting and retaining diverse talent.
- 2 Expand efforts to bolster the innovation economy and entrepreneurial ecosystems.
- 3 Put significant additional focus and investments on addressing the challenges of growth, providing affordable housing and preserving character and quality of life.
- 4 Keep building on Northwest Arkansas' brand as a vibrant, thriving, up-and-coming and inclusive community which offers a high quality of life for all.
- 5 Expand the civic capacity of the Northwest Arkansas Council and related organizations to address new challenges and needs.

Working from these recommendations, the Northwest Arkansas Council staff will develop a five-year plan to ensure strategies and associated action items are implemented and evaluated for impact. While some action items may take only a few weeks, others may take the entire five years.

GOAL 1

DOUBLE DOWN ON DEVELOPING, ATTRACTING AND RETAINING DIVERSE TALENT

Talent is the single most important consideration that drives corporate location decisions and regional prosperity.⁸ Having a deep base of skilled workers creates a virtuous cycle of new business attraction and formation, which brings in still more talent. Up until now, Northwest Arkansas has punched above its weight when it comes to talent attraction. But the pandemic and the rise of remote work has tilted the playing field even more in the direction of talent. Regions that develop, attract and especially retain talent will gain additional advantages, while those that do not will lose ground. Northwest Arkansas must double down on its existing efforts in this area.

Professional workers with families have increased freedom and flexibility to choose where they want to live. Attracting and retaining them should be the region's number one priority. To do so, it must leverage its amenities and quality of place. At the same time, it must work with local schools and colleges, economic development partners and incumbent businesses to create a unified, full-continuum talent development strategy that trains and upskills locals to ensure a steady supply of the workers its economy needs. The **rise of remote work** creates additional opportunities for the region to attract professionals. The recent remote work initiative, "Life Works Here," which offered a modest financial incentive along with a bicycle, attracted thousands of applications and brought additional remote workers, while bringing a raft of positive press and helping to build national and global brands.⁹

All that said, Northwest Arkansas continues to lose young talent to larger metros' bigger and deeper labor, dating and mating markets.¹⁰



- Northwest Arkansas currently has a dire need for talent with 12,000 job openings, including 3,000 in tech.¹¹
- Seven in ten Northwest Arkansas Council members surveyed said talent attraction and retention is a critical priority.
- Less than [half \(45%\)](#) of Northwest Arkansas' college graduates remain in the region, and a large share of those who hail from Texas leave the region upon graduation.¹²

PRIORITY 1.1

LAUNCH A ROBUST REGIONAL TALENT RETENTION PROGRAM

Economic development success turns on retaining as well as attracting talent. Focus group participants described how a significant number of workers come to the area, stay for a short time, and then leave because they cannot connect with a community or build one. This is especially the case with people of color. To ensure that skilled workers stay in the region, the Northwest Arkansas Council should expand efforts to focus on talent retention. The [FindingNWA](#) initiative has been successful at connecting outside and local talent to potential opportunities. Additional efforts can help retain talent in the future:

- Continue to invest in the FindingNWA website as the preeminent destination for people seeking to learn more about Northwest Arkansas.
- Build on the success of FindingNWA to create a platform that provides a single point of entry for information about all aspects of the region, organized by target users (e.g. students, young professionals and families).
- Establish a newcomer concierge (or retention) program designed to accelerate community connection and belonging. Convene quarterly working groups to brainstorm new ways to position NWA as a long-term community for populations the region has struggled to retain (e.g. young singles, new graduates, people of color and more).
- Develop and maintain a robust pool of active career seekers and facilitate connections with employers via the [Northwest Arkansas Talent Network](#).



PRIORITY 1.2

EXPAND THE REGION'S TALENT DEVELOPMENT SYSTEM

Thriving regional economies are not just magnets for outside talent. To be sustainable, they must develop talent by offering promising career pathways and harnessing the skills of all residents, especially those who do not hold college degrees. Few pipelines exist to connect the least-advantaged residents to opportunities.

While the region's Fortune 500 employers provide ample opportunities for career growth and advancement, there are less high-quality opportunities outside of them. Workers in the region tend not to move from local company to company.

Efforts are underway to address these challenges. NorthWest Arkansas Community College has [expanded](#) its career development programs and opened a branch campus in Springdale that can serve as a key connector for this effort alongside Northwest Technical Institute.¹³ Launched in 2015, The [Northwest Arkansas Council workforce development program](#) has played a role in the passage of 21 legislative acts that support workforce training, leveraged \$43 million to start 28 new training programs, and is coordinating the apprenticeship program, which has placed nearly 2,000 apprentices to date.¹⁴ The program can be further expanded to create more training programs and develop local talent. The Council's [strategic partnership](#) with the [Arkansas Center for Data Sciences](#) brought programs such as the IT Apprenticeship to Northwest Arkansas; its work with employers across the region is bearing fruit as more and more have made it part of their hiring strategies (300-plus IT apprenticeships in cybersecurity, web development, data analytics, and robotics in 2022).¹⁵ Additional recommendations for the future include:

- Scale and build on the successes of the region's experiential learning and apprenticeship model (especially in high-demand occupations like IT, health and the trades).
- Increase focus on underrepresented populations in the workforce.
- Provide lower-income households with the resources to train for high-demand, living wage jobs by expanding the pilot program [UpskillNWA](#).



PRIORITY 1.3

BETTER ALIGN EDUCATION AND CAREER GOALS

School systems are the ultimate generators of talent. Through the shared efforts of the Northwest Arkansas Council, school district leaders, chambers of commerce, education cooperatives and industry members, thousands of Northwest Arkansas high school students are receiving increased levels of career guidance, career awareness, coaching and mentoring. These efforts can and should be expanded. Leaders must also focus energy on the creation and maintenance of a talent pipeline so more of these students can enter the workforce. As new opportunities for experiential and hands-on learning emerge, more pre-apprenticeship and apprenticeship options for students should be created. Additional action items include:

- Scale engagement with learners in grades 10 through 12 by connecting them with a dedicated team of career coaches.
- Develop and administer a continuous survey of workforce training gaps and utilize the findings to build on successful efforts and shape new skill programs.
- Engage a quarterly working group of private sector-hiring managers, workforce development practitioners and local university and post-secondary organization representatives to discuss needed skills and training programs and build connections across employers and talent development institutions.
- Continue to support more flexible credentialing in high-demand occupations at community colleges and the University of Arkansas.
- Raise awareness of career training options and employment/onboarding opportunities via digital strategies.
- Expand career expos and employer showcase/hiring events, both in-person and virtual.



PRIORITY 1.4

FOCUS ON INCLUSIVENESS IN TALENT DEVELOPMENT, ATTRACTION AND RETENTION

Talent cuts across the socially imposed categories of gender, race, ethnicity and nationality. The most successful places welcome all kinds and types of talent. To ensure that Northwest Arkansas is harnessing all of its talent and potential talent, it must bolster efforts to attract and retain and utilize diverse talent. Indeed, fully half of the Council’s survey respondents saw this priority as important/very important.¹⁶ Moving forward, diversity, equity and inclusion must be at the center of the region’s economic development agenda.

School districts have experienced rapid growth in enrollment. In many cases, the diversity in these school districts is growing at a faster pace than the diversity of the overall population. More than 90 countries and 87 languages are [represented in Northwest Arkansas’ schools](#).¹⁷ These numbers demonstrate that school districts in Northwest Arkansas, like those across the nation, are on the frontline of demographic change. The majority of students in Rogers and Springdale, for example, are people of color. Even so, it can be challenging for diverse populations to find ethnically targeted goods and services, and spaces to share familiar customs.

The region should be more intentional about highlighting the positive steps it has taken with its diversity, equity and inclusion (DEI) efforts and the successes it has enjoyed, like the fact that there has been a [24% increase](#) in racial/ethnic diversity since 1990¹⁸ and the launch of the Northwest Arkansas Leadership Pledge, developed to address systemic racism and promote a more equitable and inclusive region. To date, 229 organizations have signed. [EngageNWA](#), the region’s initiative, should be expanded, as it is in a strong position to be the leader of future initiatives. The goal is not just to change perceptions but to become more welcoming and inclusive to new residents and those who live here, while creating income and wealth-building opportunities for people from diverse backgrounds. To continue moving the region forward, a more nuanced, data-informed strategy is needed that moves beyond the “business case for DEI” to advancing a culture of belonging in Northwest Arkansas and creating more equitable outcomes across systems.



A comprehensive EngageNWA strategic plan will be released this fall, providing the framework from which Northwest Arkansas can build its capacity to advance diversity, equity, inclusion and belonging (DEIB) as a regional priority while successfully embedding DEIB throughout the Northwest Arkansas Council’s organizational structure and program areas. Using the metrics developed in the plan, the Council will be able to measure meaningful impacts across sectors. Its key components include:

- Develop an advisory committee to inform EngageNWA strategy development and implementation.
- Embed DEIB best practices into all Northwest Arkansas Council work areas.
- Continue to create a community of leaders committed to racial equity through the Northwest Arkansas Leadership Pledge.
- Expand educational opportunities for Northwest Arkansas businesses and residents.
- Expand and improve communications and messaging efforts on inclusive economic development needs and opportunities.

GOAL 2

BOLSTER THE REGION'S INNOVATION ECONOMY AND ENTREPRENEURIAL ECOSYSTEM

A priority of the Council's [previous five-year strategy](#) was to grow and develop the region's innovation economy and entrepreneurial ecosystem.¹⁹ Great progress has been made at bolstering research at the University of Arkansas, and even more so at strengthening its technology transfer and entrepreneurial assistance, incubation and accelerator initiatives.

Still, much more can be done. [Research by Heartland Forward](#) documented the ongoing challenges in developing high-tech startups and dynamic young firms.²⁰ While Northwest Arkansas has laid the groundwork for a stronger entrepreneurial ecosystem, it remains in the [middle of the pack](#) when compared to U.S. metros.²¹ The region must continue to build an ecosystem of institutions and services that will improve entrepreneurs' likelihood of success. Appropriate startup capital, specialized legal and accounting services, and access to experienced entrepreneurs for mentorship and business and financial support are key. More work is needed to develop and extend access to underserved and disadvantaged populations, including funding and support for traditional Main Street businesses. Stakeholders must recognize the urgency, while understanding that it takes time and patient, long-term investment to build a successful startup ecosystem. Moreover, the region should focus its efforts in areas where it has significant industrial cluster capabilities, such as supply chain development, business services, advanced manufacturing, food processing, transportation technology and high-tech solutions for retail and logistics.

Recent initiatives to [combine forces](#) with Tulsa and the George Kaiser Family Foundation through the joint Endeavor office and an angel network to create an innovation corridor between the two regions points the way forward.²²

- Walmart, Tyson Foods, J.B. Hunt Transport Services, Simmons Foods and PAM Transportation are all headquartered in Northwest Arkansas. As a result, the region's share of employees in enterprise management is nearly [six times](#) that of the nation. Northwest Arkansas' share of manufacturing is roughly [1.3 times](#) the national average.²³
- Hundreds of brands call Northwest Arkansas home, creating a wealth of business development opportunities.²⁴
- Key entrepreneurial support organizations to help startups from ideation to scalability include the area's chambers of commerce, Brewer Family Entrepreneurship Hub, Small Business Development Center, Innovate Arkansas, Startup Junkie, Endeavor, Plug and Play Northwest Arkansas, Cartwheel Startup Studio and more.

PRIORITY 2.1

BUILD ON UNIVERSITY RESEARCH AND TECHNOLOGY TRANSFER INITIATIVES

The University of Arkansas is a massive asset as a source of talent, research and technology transfer in the areas of supply chain management, industrial engineering, information systems, and food science, among others. Significant efforts have been undertaken to bolster the university's research, technology transfer and commercialization capabilities, most recently through a [\\$194 million grant](#) from the Walton Family Charitable Support Foundation which will support the new [Institute for Integrative and Innovative Research \(I³R\)](#).²⁵ Initiatives like the [Brewer Entrepreneurship Hub](#) and [McMillon Innovation Studios](#) help strengthen Northwest Arkansas' entrepreneurial and innovation capabilities. Recent policy changes, like assigning intellectual property ownership to firms, make the university more attractive for commercial research. Additional initiatives should include:

- Partner with the vice chancellor for economic development at the University of Arkansas to align regional business, innovation and research priorities.
- Engage key firms and industry clusters in new research and technology transfer partnerships.
- Strengthen the relationships between resident corporations and university faculty to promote collaboration and innovation.

PRIORITY 2.2

EXPAND STARTUP NORTHWEST ARKANSAS

Startups and dynamic young firms are important drivers of regional economies. The [Startup Northwest Arkansas](#) initiative can be expanded to support the further creation of scalable enterprises within the region's growth sectors of business services, technology, supply chain management, food processing, advanced manufacturing and more. Next steps include:

- Promote Northwest Arkansas entrepreneurial successes across economic development communication platforms.
- Help build 412 Angels into a robust angel investor network to benefit local investors and founders.
- Host community and regional events to encourage innovation, change community attitudes towards risk and inspire and empower would-be entrepreneurs .
- Identify and convene an advisory working group to support the development and scaling of StartupNWA and develop a strategic plan to guide its efforts.



PRIORITY 2.3

FOCUS ON COMPETITIVE INDUSTRY CLUSTERS

Industrial clusters drive economic development strategies, and Northwest Arkansas' clusters are on the forefront of global competitiveness. These **include** logistics, supply chain, business services, advanced manufacturing, transportation technology, corporate management, food processing and more.²⁶ Given the richness of existing clusters, efforts should be focused on attracting companies that can strengthen supply chains and provide support for the core functions of the area's anchor employers. Additional actions are as follows:

- Implement a cluster-focused business retention and expansion visitation program.
- Implement a corporate site selector engagement strategy for Northwest Arkansas' targeted industries.
- Host quarterly cluster roundtable discussion to encourage collaboration and raise awareness of cluster needs (suppliers, workforce, infrastructure and more.)
- Work closely with the Arkansas Council on Future Mobility to identify opportunities.
- Support the work of UP.Partners and the UP.Summit in showcasing Northwest Arkansas.
- Support investments in new technologies and enterprises that leverage regional cluster competencies (i.e. supply chain, outdoor economy, transportation and more.)



PRIORITY 2.4

LEVERAGE COLLABORATION AND PARTNERSHIPS WITH OTHER REGIONS

Northwest Arkansas' relatively small size creates certain disadvantages when it comes to innovation and talent attraction and retention. Almost every leading tech hub is part not only of a larger metro region but of a significantly larger mega-region. San Francisco and San Jose are part of the Bay Area mega-region, with 13 million people and \$900 billion in economic output. New York, Boston and Washington D.C. are all part of the Bos-Wash [mega region](#),²⁷ with 56.5 million people and \$3.75 trillion in economic output, one of the five biggest economies in the world. Seattle is part of the Cascadia mega-region, with 10 million people and \$600 billion in output. Austin is part of the Texas Triangle, with 20 million people and \$1.5 trillion in output. Northwest Arkansas remains a small, isolated region of just over half a million people.

A way to build size and scale is to partner with nearby metros. One recent example is the region's efforts to work with Tulsa and other neighboring cities in innovation, entrepreneurial support, talent attraction and retention and cultural activities. Two recent examples are [Endeavor NWA](#) and the 412 Angels.²⁸ All of this is developing into an emerging Tulsa-Northwest Arkansas Innovation Corridor, with efforts underway to combine forces and the resources of large-scale local foundations – the Walton Family Foundation and the George Kaiser Family Foundation. Building on these efforts, Northwest Arkansas can continue to:

- Align super-regional partnerships to help define shared challenges, solutions and market advantages.
- Advocate for public policy and resource support to grow and scale other partnerships focused on talent development and attraction and the region's startup ecosystem.

PRIORITY 2.5

SUPPORT INCLUSIVE STRATEGIES FOR NORTHWEST ARKANSAS' SMALL BUSINESS AND ENTREPRENEURIAL ECOSYSTEM

Northwest Arkansas must expand its efforts to support a diverse and inclusive entrepreneurial and startup ecosystem. The share of business owners who are Hispanic is [less than a fifth](#) of the share of the adult population that is Hispanic.²⁹ Similarly, the share of business owners who are Black is [only a quarter](#) of the Black adult population share. One immediate response is to:

- Support minority serving organizations, such as [EforAll](#) and [Venture Noire](#).



GOAL 3 ADDRESS THE CHALLENGES OF GROWTH

It is almost axiomatic: when a region's growth outpaces its ability to contain and direct it, bottlenecks inevitably form that can cut it off and even reverse it. Given its outsized successes, Northwest Arkansas has reached an inflection point. It must concentrate on addressing the consequences of rapid growth, among them housing unaffordability, traffic congestion, economic inequality and a shortage of health care options (fortunately, crime has not become the issue for Northwest Arkansas that it has in other fast-growing regions). Where the principal challenge before was to promote the region and enable rapid growth, now greater investments in infrastructure capacity—houses, roads, schools, hospitals and water systems—are urgently needed.

Average real estate prices can be misleading, as the fiercest competition, and hence the highest housing prices, are concentrated in a relative handful of desirable neighborhoods. Though it is possible to find more affordable housing farther away from the region's walkable downtowns and employment centers, longer commutes and the lack of amenities render those places less desirable, making it that much harder to attract and retain talent.

Essential workers like teachers and first responders create the very foundation of communities. If they cannot afford to live in the places they serve, economic growth is not sustainable. In all, [80,000 new families](#) are expected to move to Northwest Arkansas' four largest cities by 2040.³⁰ [Approximately 28,000](#) will need workforce housing or housing that a family of four making between \$33,000 and \$78,000 can afford. Current trends suggest that will be difficult:

- Median home prices are [outpacing median income](#) growth.
- According to the Center for Business and Economic Research at the University of Arkansas and as reported in the Our Housing Future study, the average sale price of a home in Benton and Washington counties [continues to increase](#) and rental vacancy rates for one- and two-bedroom apartments remain less than 5%.
- Of all 350-plus U.S. metros, Northwest Arkansas [witnessed the second largest year-over-year increase](#) in its median home price between May 2021 and May 2022 — 28.8%, an absolute increase of nearly \$75,000.³¹

PRIORITY 3.1

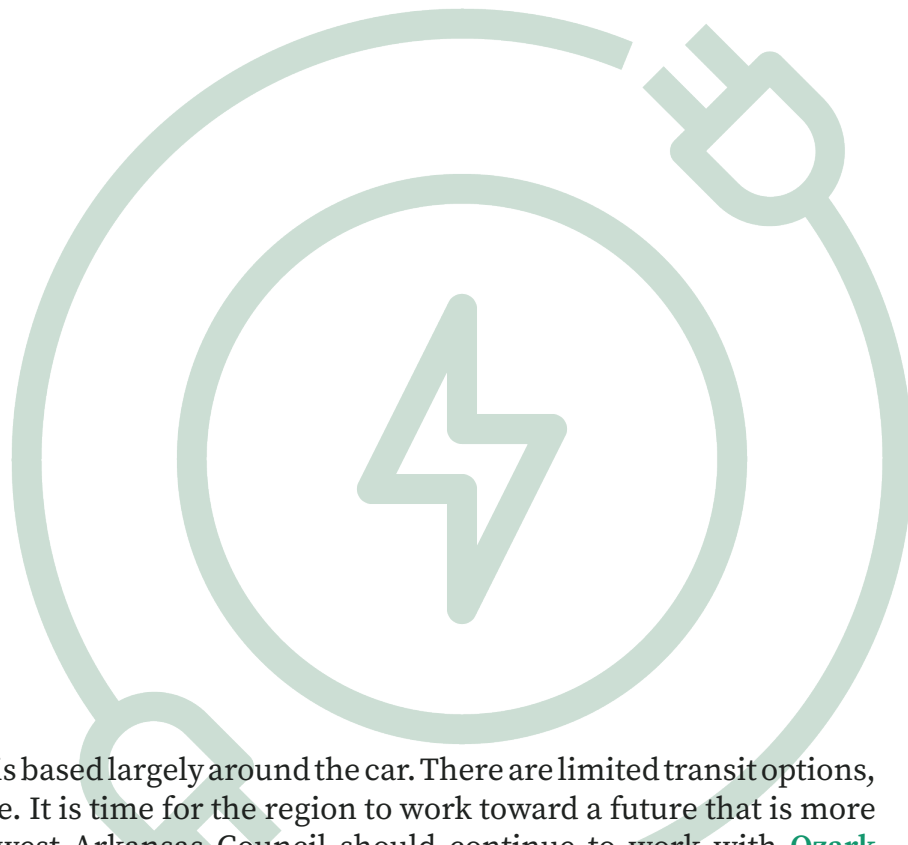
MAKE HOUSING AFFORDABILITY A KEY ECONOMIC DEVELOPMENT PRIORITY

Housing affordability is a crucial factor for Northwest Arkansas' economic viability. Having a wide range of quality housing options ensures that a high quality of life remains accessible to all. Quality means housing that is well designed; adds value to neighborhoods; is proximate to jobs, services, transportation and amenities; and builds community.

In March 2021, the Council to launched the [Northwest Arkansas workforce housing center](#) with support from the Walton Family Foundation. A founding executive director was hired in December 2021 and strategic planning efforts were launched in January 2022. Going forward, the region should work to:

- Raise awareness of the importance of housing affordability within the region and among state policymakers.
- Offer creative and flexible financing solutions to advance housing needs, including the deployment of a regional housing fund.
- Deliver on the recommendations outlined in [Our Housing Future: A Call to Action for Northwest Arkansas](#).





PRIORITY 3.2

EXPAND TRANSIT OPTIONS AND PREPARE FOR THE FUTURE OF MOBILITY

As a smaller metro, the region’s mobility is based largely around the car. There are limited transit options, so traffic congestion will continue to rise. It is time for the region to work toward a future that is more sustainable and affordable. The Northwest Arkansas Council should continue to work with [Ozark Regional Transit](#) and cities and counties to expand transit options, including new on-demand strategies. The region should look to expand infrastructure to make commuting by bike an option. And its future growth plans should be oriented to models that provide more robust mobility alternatives.

The Council should continue its work with the [Northwest Arkansas Regional Planning Commission](#) to accelerate the development of EV charging facilities to support the transition to electric vehicles. The Council works with regional and state leaders on large-scale infrastructure projects, such as highways and water projects, and this should continue. Going forward, the Northwest Arkansas should:

- Continue to convene the work group to align regional priorities and work to secure state and federal funding for projects.
- Prioritize electric charging station infrastructure to support electric vehicle adoption.³²
- Explore alternative transportation programs and initiatives, including expanded bus services and ride sharing.
- Work with regional partners to pursue federal funding focused on supporting alternative modes of transportation.
- Partner with the newly formed [Arkansas Council on Future Mobility](#) to help the region become a leader in next-generation transportation—not just EVs, but self-driving vehicles, and Advanced Air Mobility systems, including flying cars and delivery drones.³³

PRIORITY 3.3:

CONTINUE TO EXPAND THE REGION'S AIRPORT CONNECTIVITY



Northwest Arkansas National Airport (XNA) has made great strides. It offers 35 flights a day with 23 direct flights to destinations like New York and Los Angeles. But there's a never-ending thirst for better air service from the region's business community. In today's global knowledge economy, seamless and direct airport connectivity is critical to the movement of people, goods and ideas. Airports "[shape business location](#) and urban development in the 21st century as much as highways did in the 20th century, railroads in the 19th, and seaports in the 18th," according to John Kasarda and Greg Lindsay, authors of [Aerotropolis: The Way We'll Live Next](#).³⁴ Focus group participants emphasized the need to add more direct flights, as well as to reduce the costs of tickets. Going forward the region should:

- Continue to work with XNA leadership to expand connectivity.
- Understand the costs associated with expanding air services, develop a proposal and present it to appropriate stakeholders.
- Encourage business and leisure travelers to prioritize flying from XNA over other airports, as every additional passenger at XNA makes it that much more attractive to airlines interested in expanding routes.

PRIORITY 3.4

EXPAND AND LEVERAGE REGIONAL HEALTH CARE INVESTMENTS

Northwest Arkansas has relatively strong health care quality and [relatively low costs](#) compared to its peers. Yet much more needs to be done. More than [6,000 new health care jobs](#) are needed to meet the regional health care demand.³⁵ This is not just an inconvenience; it is an economic drain. Northwest Arkansas is losing nearly [\\$1 billion](#) a year as residents seek care outside the region. If specialty services are added to satisfy demand, Northwest Arkansas could add more than [\\$2 billion](#) a year to its health care economy by 2040. The Council's [10-year vision](#) for the region is to create an entire spectrum of care, from self-care to primary care to specialty care, and at the same time, to expand medical education and research. Additional actions are to:

- Continue to support the implementation of the recommendations outlined in the [Northwest Arkansas Healthcare Assessment](#).
- Support the continued expansion of graduate medical education.
- Work with the Whole Health Institute as it expands integrative medicine and establishes the Alice L. Walton School of Medicine.
- Support efforts to bring in appropriate external partners that support the collaborative vision for Northwest Arkansas, like the Cleveland Clinic and others.³⁶

PRIORITY 3.5

PROMOTE COOPERATION AND COORDINATION TO INCREASE RECYCLING EFFORTS

Increasing recycling and advancing the region's circular economy were [identified as key priorities](#) in the last regional strategy.³⁷ Over the years, dozens of public and private recycling programs developed to cover all of Northwest Arkansas, but they have grown separately and with relatively little coordination on materials accepted, public outreach and efforts to improve and expand those programs. The Northwest Arkansas Council has worked to increase collaboration and coordination for more than a year. Progress includes the establishment of a regional recycling website and brand, gathering region-wide collection data, convening stakeholders on a variety of issues, developing a recycling vision for Northwest Arkansas and organizing a learning and inspiration trip to the Twin Cities for select local recycling leaders. Actions moving forward include:

- Continue to engage recycling stakeholders around a shared vision.
- Take actions that strengthen the region's culture of recycling and sustainability.
- Coordinate a concerted public outreach and education push through community events and advertising in traditional and social media.

GOAL 4

MAINTAIN THE CHARACTER OF THE REGION AND ENHANCE QUALITY OF LIFE

A key feature of the region, and one that has driven its growth, is its affordable quality of life. Northwest Arkansas regularly [scores in the top five](#) in U.S. News & World Report’s annual “Best Places to Live” survey.³⁸ It has made defining investments in institutions like the [Crystal Bridges Museum of American Art](#), [The Momentary](#), [Walton Arts Center](#), [Arkansas Music Pavilion \(AMP\)](#), [TheatreSquared](#), [Scott Family Amazeum](#) and [Museum of Native American History](#), among others. It has thriving restaurant and music scenes and an [excellent network of bike trails](#) – 400+ miles of hard and soft surfaces, lakes and open spaces.³⁹

The region can do a better job of promoting and marketing these initiatives. In 2021, the Council made an important move in this direction when it kicked off the [“Life Works Here” campaign](#).⁴⁰ Another way to do this is to focus on specific market segments where the region has competitive advantages, such as families with young children. The region offers an ideal environment to raise children, with a variety of high-quality school options, houses with yards, plenty of greenspaces and events and activities that cater to families. Northwest Arkansas can also focus on so-called boomerang talent – natives of the region who left to pursue their careers and who may consider returning later in life.



PRIORITY 4.1

SUPPORT ARTS, MUSIC AND CULTURE AS ECONOMIC DEVELOPMENT PRIORITIES

A thriving arts and culture scene is not just a “nice to have,” a high-end amenity for the well-to-do and educated. [Study after study](#) document the ways that arts, music and cultural scenes strengthen talent attraction and retention while building community and quality of place, and demonstrate their direct associations with high-quality economic growth.⁴¹ [Northwest Arkansas’ music ecosystem](#) alone produces \$389 million in economic output and is responsible for the creation of nearly 4,000 jobs.⁴²

The [Creative Arkansas Community Hub & Exchange \(CACHE\)](#) was originally established under the umbrella of the Northwest Arkansas Council to further develop the region’s creative community and economy. By design, it has become a stand-alone, independent entity. In its first three years, CACHE regranted \$2.96 million across 402 local artists and organizations, including \$750,000 through [The Bridge Fund](#) to 30 small and mid-sized arts and culture nonprofits to help them adapt to COVID-19.⁴³ Its partnership with the British music industry think tank Sound Diplomacy produced a [Music Ecosystem Strategy and Action Plan](#) for Northwest Arkansas, which has in turn led to everything from music series and festivals in the four biggest population centers of the region, to participation in a heralded, nationwide, hip-hop incubator called [Groundwaves](#). To date, CACHE has helped to curate, consulted with, or produced 102 new multi-disciplinary events across the region, often playing matchmaker between public, private and creative entities that would otherwise never work together. The [Northwest Arkansas Municipal Arts Alliance \(MAA\)](#) works with municipal leaders to shape a coordinated policy agenda focused on arts and creativity, inclusivity, education, training and economic development; it is just one other example of CACHE’s 42 initiatives. Alongside these and other efforts, Northwest Arkansas must continue to:

- Identify additional areas to partner with CACHE in its mission to support local creatives, leveraging synergies within economic and workforce development and housing initiatives.
- Advocate for state and regional policies supporting arts and cultural organizations (often nonprofit) and the development of creative businesses and solopreneurs (for-profit).
- Promote arts, culture and creativity as a means of building community and bridging social, racial and economic divides.
- Activate additional strategies from the [Northwest Arkansas Music Ecosystem Strategy and Action Plan](#), which was partially put on hold at the beginning of the pandemic.
- Continue to build platforms and opportunities that enhance local and regionally-sourced talent. For instance, residents of Springdale may not know about the House of Songs in Bentonville; Rogers residents might not be aware of Springdale’s unique restaurant hub.

PRIORITY 4.2

CONTINUE TO PROMOTE THE REGION'S BRAND AND IMAGE

Word about the region is spreading. The Council's "[Life Works Here](#)" campaign is gaining attention, with focused outreach in Atlanta, Austin, Dallas, Denver, Minneapolis and Seattle.⁴⁴ The Boston Globe [headlined a story](#) "How a Sleepy Corner of Arkansas Became a Destination for Art Lovers."⁴⁵ Architectural Digest [ran with](#) "Why Aesthetes Should Consider a Trip to Bentonville, Arkansas."⁴⁶ Recently, the Washington Post [ran a story with the headline](#), "The Next Austin? How about Arkansas. Seriously."⁴⁷ But more can be done to promote and leverage Northwest Arkansas by coming together to:

- Continue to scale and expand the "Life Works Here" campaign into target markets aligned with regional skill needs.
- Utilize the success of regional businesses and residents to amplify Northwest Arkansas' message of opportunity and shared prosperity.



PRIORITY 4.3

ADVANCE POLICY AND CIVIC ENGAGEMENT IN SUPPORT OF ECONOMIC DEVELOPMENT INTERESTS

The Northwest Arkansas Council works with state and federal policymakers and groups like the [Arkansas State Chamber of Commerce](#) to advance the interests of the region. Recent examples include its leadership in the effort to pass legislation to streamline state workforce programs, secure state funding to expand regional graduate medical education positions and its work with leaders across the state to enact a hate crimes law.

In today's increasingly polarized political climate, some state actions can at times conflict with or hinder the region's ability to attract and retain talent and grow its economy. The region has long been steadfast in its opposition to "legislation or policy enacted by the state of Arkansas that could be viewed as discriminatory or creates a false narrative, feeds a negative image or generates unwelcome publicity for the state or Northwest Arkansas." The Council and the Northwest Arkansas business community will have to work even harder to ensure that state policies reflect its worldview and objectives, and to differentiate the region from polarizing state policies. To this end, the Council and the region should:

- Continue to advocate for state and regional policies that position Northwest Arkansas as a premier destination for talent and business.
- Support civic engagement and educational efforts to communicate the needs of the business community.
- Work with state and regional partners to educate and train the next generation of civic leaders through various leadership development initiatives.
- Oppose any legislation that is discriminatory or feeds a negative image of the state of Arkansas.



GOAL 5

EXPAND THE WORK OF THE NORTHWEST ARKANSAS COUNCIL

To address Northwest Arkansas' inflection and its attendant challenges, the region's civic capacity and institutional infrastructure must be bolstered and expanded. The Northwest Arkansas Council is the region's key civic organization; the key role that it has played and will continue to play in addressing the [issues of housing supply](#) and [affordability](#), [recycling](#), [resilience and sustainability](#), economic development, workforce development, public safety, DEI, health care and [infrastructure planning](#) have been widely acknowledged by local philanthropies, stakeholders and the media. As such, it is the ideal venue for the conception, incubation, exploration, promulgation and ultimately the deployment of new ideas that impact on the region's economic and social development.

Council staff has been convening large groups of businesspeople, government workers, elected officials and other stakeholders that are interested in addressing the region's opportunities and challenges. Because these groups come together on a monthly or quarterly basis, the Council has created a mechanism for collaborative change, cost efficiency and the kind of effective, smart work that will be increasingly necessary as Northwest Arkansas' population grows.



PRIORITY 5.1

EXPAND THE COUNCIL'S CONVENING CAPACITY AND STAKEHOLDERS

The importance of the Northwest Arkansas Council's role as a convener cannot be overstated. No other organization can comfortably address so many subject areas as the region grows. The groups being convened now (recyclers, public safety officials, health care leaders, etc.) fit well within the Council's regional mission, but there may be new areas of focus that will need attention in the future. If so, it may become necessary for the Council staff to grow in size. Going forward, the region should:

- Develop new Council capacity or create related spinoff organizations to address new and growing regional channels.
- Provide required resources for data-based policy to ensure that key decisions are based on facts, research and best practices.
- Ensure the Council has the capacity to convene and coordinate with key local, county, state and federal stakeholders.
- Focus on exchange of ideas, cost efficiency and avoid redundancy. If two communities have separate facilities where the same work is being pursued, it's worth exploring whether they should be consolidated and centralized.
- Look for common threads that impact multiple communities and determine whether more can be accomplished with the Council's involvement.
- Look for opportunities to positively impact the region's core resources, including Beaver Lake, and the region's rivers and streams. Those resources are critical to the region's future growth.
- Tap into new areas. For instance, the Council could explore whether the region would benefit from convenings of bankers, church leaders, child care organizations, people interested in sustainability and specific types of businesses.

REFERENCES

- ¹ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ² Doug Thompson, [“NWA Ranks Fourth on ‘Best Places to Live’ Report.”](#) Northwest Arkansas Democrat-Gazette, July 13, 2021.
- ³ Doug Thompson, [“NWA Accounts for All the State’s Growth, Figures Show.”](#) Northwest Arkansas Democrat-Gazette, May 28, 2022.
- ⁴ Richard Florida, [The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, and Failing the Middle Class—and What We Can Do About It](#), (New York: Basic Books, 2017).
- ⁵ ReMax, [“RE/MAX National Housing Report for May 2022.”](#) May 2022.
- ⁶ Tripp Umbach, [“Northwest Arkansas Healthcare.”](#) Northwest Arkansas Council, January 2021.
- ⁷ Richard Florida, Charlotta Mellander, and Kevin Stolarick, [“Inside the Black Box of Regional Development—Human Capital, the Creative Class and Tolerance.”](#) Journal of Economic Geography, July 21, 2008.
- ⁸ Richard Florida, [“The Top U.S. Cities for Knowledge Workers.”](#) Bloomberg, February 16, 2022.
- ⁹ Alyson Krueger, [“Want to Move to Our Town? Here’s \\$10,000 and a Free Bike.”](#) New York Times, April 30, 2021. Richard Florida and Adam Ozimek, [“How Remote Work Is Reshaping America’s Urban Geography”](#) The Wall Street Journal, March 5, 2021.
- ¹⁰ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ¹¹ Northwest Arkansas Council Analysis of job posting from [Chmura Economics and Analytics](#), 2022.
- ¹² Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ¹³ Laurinda Joenks, [“Upskill NWA Provides Training, Support for Students in Medical Fields in Northwest Arkansas.”](#) Northwest Arkansas Democrat-Gazette, February 6, 2022.
- ¹⁴ Internal Members Survey, Northwest Arkansas Council, May 2022.
- ¹⁵ [“Arkansas Center for Data Sciences, NWA Council Create Tech-Focused Apprenticeship Program.”](#) Talk Business and Politics, September 4, 2019.
- ¹⁶ Internal Members Survey, Northwest Arkansas Council, May 2022.
- ¹⁷ [“Region Sees Steady Climb in Diverse Populations.”](#) Northwest Arkansas Council, 2020.
- ¹⁸ [“Engage the Future: A Look at the Growing Diversity in Northwest Arkansas.”](#) Northwest Arkansas Council, March 2020.
- ¹⁹ [“Council Pursues ‘Bigger Plays’ in New Strategy.”](#) Northwest Arkansas Council, 2018.
- ²⁰ Jonas Crews, Ross DeVol, and Richard Florida, [“Young Firms and Regional Economic Growth.”](#) Heartland Forward, May 2020.
- ²¹ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ²² Rhett Morgan, [“Global Entrepreneur Network Endeavor Announces Expansion to 36 Degrees North Business Incubator at City Hall.”](#) Tulsa World, February 2, 2022.
- ²³ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ²⁴ [Startup Northwest Arkansas](#). Accessed May 31, 2022.
- ²⁵ University of Arkansas, [“\\$194.7 Million Grant Will Transform Research Engine at U of A, Create New Institute.”](#) July 14, 2020.
- ²⁶ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ²⁷ Richard Florida, [“Mega Regions of North America.”](#) Rotman School of Management at University of Toronto, March 14, 2005.
- ²⁸ [“412 Angel Fund Launched to Help Fuel Growth Across NWA-Tulsa Region.”](#) Arkansas Money & Politics, May 31, 2022.
- ²⁹ Ross DeVol, Richard Florida, Joel Kotkin, and David Shideler, [“Northwest Arkansas Economic Recovery Strategy.”](#) Heartland Forward, October 2020.
- ³⁰ Northwest Arkansas Council, [“Our Housing Future: A Call to Action.”](#) October 2021.
- ³¹ ReMax, [“RE/MAX National Housing Report for May 2022.”](#) May 2022.
- ³² Northwest Arkansas Council Analysis of Arkansas Office of Motor Vehicles Data, 2022.
- ³³ Northwest Arkansas Council, [“Arkansas Stakes Claim to Be Global Leader in Next Generation Transportation by 2050.”](#) February 23, 2022.
- ³⁴ Richard Florida, [“America’s Most Important Airport Cities.”](#) Bloomberg, April 9, 2012.
- ³⁵ Tripp Umbach, [“Northwest Arkansas Healthcare.”](#) Northwest Arkansas Council, January 2021.
- ³⁶ Alice Walton, [“Washington Regional Medical System Form Partnership to Create a Transformative Health Care System in Northwest Arkansas.”](#) April 25, 2022.
- ³⁷ [“Council Pursues ‘Bigger Plays’ in New Strategy.”](#) Northwest Arkansas Council, 2018.
- ³⁸ Doug Thompson, [“NWA Ranks Fourth on ‘Best Places to Live’ Report.”](#) Northwest Arkansas Democrat Gazette, July 13, 2021.
- ³⁹ Tom Walton, [“Northwest Arkansas Delivers New Destinations to Ride – and Relax.”](#) Walton Family Foundation, September 7, 2018.
- ⁴⁰ Northwest Arkansas Council, [“Northwest Arkansas Council Launches National Advertising Campaign Focused on ‘Life Works Here.’”](#) September 27, 2021.
- ⁴¹ Richard Florida, Charlotta Mellander, and Kevin Stolarick, [“Inside the Black of Regional Development: Human Capital, the Creative Class and Tolerance.”](#) Journal of Economic Geography, 8, 5, May 2007.
- ⁴² Northwest Arkansas Council, [“Northwest Arkansas Music Ecosystem Strategy and Action Plan.”](#) January 2021.
- ⁴³ CACHE, [“Nonprofit + Artist Development.”](#) Accessed May 31, 2022.
- ⁴⁴ Northwest Arkansas Council, [“Northwest Arkansas Council Launches National Advertising Campaign Focused on ‘Life Works Here.’”](#) September 27, 2021.
- ⁴⁵ Regina Cole, [“How A Sleepy Corner of Arkansas Became a Destination for Art Lovers.”](#) The Boston Globe, September 13, 2017.
- ⁴⁶ Anne Roderique Jones, [“Why Aesthetes Should Consider a Trip to Bentonville, Arkansas and the Ozarks.”](#) Architectural Digest, June 4, 2018.
- ⁴⁷ Conor Sen, [“The Next Austin? How about Arkansas. Seriously.”](#) The Washington Post, November 30, 2021.



Northwest Arkansas has reached a critical inflection point, generated in large measure by its incredible economic success. The region must act boldly to avoid the new urban crisis that is vexing regions from San Francisco and New York to Seattle, Denver, Austin and Nashville, by taking the required steps to ensure that its housing remains affordable and that its quality of life is protected for all to enjoy. If a strengthened and potentially expanded Council focuses on these challenges and areas of opportunity and pursues the strategic goals outlined in these pages, there is every reason to expect that Northwest Arkansas can avoid the pitfalls of the new urban crisis while generating a more inclusive and sustainable prosperity.

The time to act is now.