

Analysis of economics and opportunities of shreveport

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Shreveport is Louisiana's third largest city and boasts a population of over 200, 000 residents and serves over 440, 000 people in its metropolitan statistical area. It is centrally located between three major interstate highways, I-20, I-49, and I-220 to include Northwest Louisiana, Southwest Arkansas, and Northeast TX. The city's school system, affordable cost of living, diversity, and business industries make Shreveport a desirable place to live, conduct business, and vacation (" 2018 Shreveport Louisiana", 2018).

Educational Landscape

Shreveport is home to the Caddo Parish School System, which is one of the city's top employers. The Caddo school district has twelve national blue ribbon schools of excellence, and is comprised of 68 schools that enroll students from Kindergarten through grades 12 (" 2018 Shreveport Louisiana", 2018).

Shreveport also has ample higher education opportunities including five 4-year colleges, five 2-year colleges, and one 1-year career college. A few notable institutions include Centenary College, LSU-Shreveport, LSU School of Medicine and Southern University-Shreveport.

Cost of Living

According to the 2018 Shreveport Louisiana Newcomer's Guide & Membership Directory, Shreveport, Louisiana ranked #17 out of the top 25 cities for having the lowest cost of living for populations with 100, 000 people or more. Moreover, the average household income in 2016 was \$59, 967 for workers with a bachelor degree or higher (" 2018 Shreveport Louisiana", 2018).

Diversity in Business Industries

Shreveport's business hub is the focal point of the city's economic development. Advances in healthcare, biotech and life sciences, defense, manufacturing, software development, digital media, film, and energy are just some of the industries that compliment the local economy and attract business-minded individuals and tourist to the Capital of the Ark-La-Tex ("Shreveport Industries", N. D.).

Cultural Diversity

The greater Shreveport region offers a wide range of communities to suit urban, suburban, as well as rural lifestyles. The city's population is also culturally diverse, with African-Americans accounting for more than half of the city's population at about 56%, Caucasians representing about 38%, and American Indian/Alaskan Native, Hispanic, Asian, and " Other" making up the remaining 6% (" Shreveport, LA").

Crossroads of Culture

Shreveport is nestled in Northwest Louisiana, which is just a " stone's throw" from East Texas. The region serves as a crossroads where the Cajun and Creole traditions of Louisiana blend with the wide-open spirit of Texas (" 2014 SCMA/AMA/GMOA Regional Meeting", 2014). The food plays a major role in the city's culture where gumbo, crawfish etouffee, and Texas-style barbecue are staples. Throughout the year, the city of Shreveport hosts many festivals and concerts with Mardi Gras being the largest festival drawing over 200, 000 people annually.

Weaknesses

The city has various weaknesses that can contribute to their slow economic growth, including the downgraded bond rating, low-income levels, challenges to building and maintaining a skilled workforce.

Downgraded Bond Rating: Increased Cost of Borrowing

The recent downgrade of Shreveport's bond rating has resulted in the city's cost to borrow money increasing (Talamo, 2017). Moody's, the credit rating firm, cited stagnant revenue, lack of economic growth, and the greater Shreveport area's shrinking labor force and high unemployment rate (7% in 2009) as contributing factors (Talamo, 2017).

Prevalence of Crime

The prevalence of crime will be a struggle to overcome when attempting to attract professionals and growing businesses to the area. According to 24/7 Wall St., an online financial publication for investors, Shreveport is currently ranked #18 on their "America's 25 Murder Capital" list. This type of notoriety can dissuade some visitors and even investors from the area for fear of not having adequate hiring resources, or general security within the city.

Low Wages and Income

While the cost of living and labor may be strengths for businesses and industries in the greater Shreveport area, the current existence of lower wages and low income for the local workforce can negatively impact Shreveport's quality of life and discourage further economic growth (Crawford, 2017). Low income levels can lead to a decrease in the health and

educational levels of Shreveport's residents, and increase poverty and crime. These factors can have a "ripple effect" and prevent workers from retaining employment or continuing on to education programs (Talamo, 2017).

According to the U. S. Census Bureau, Shreveport is currently ranked amongst the highest in the country for poverty and child poverty. About 40% of the population lives below poverty levels, attributing to higher crime and lower graduation rates, which ultimately can detract from the city's ability to attract business investment and increased tourism.

Public School System Ratings

Public school education could be of concern as one of its two main districts has struggled to maintain solid ratings. Caddo Parish has 63 schools and over 40, 000 students. While the nearby district, Bossier, received an "A" rating from the LA Department of Education, Caddo Parish received a grade of "C" (Piekos, C).

Challenges to Building a Skilled Workforce

Low technical skills and poor education can also contribute to a lack of skilled workers for the new and burgeoning businesses and industries that Shreveport has attracted or hopes to attract in the future (Crawford, 2017). Despite the breadth of education opportunities in Shreveport (discussed above in 'Strengths'), low education levels for local workers and low graduation rates will hinder wage increases for wage earners. One of the major challenges of business owners in the Shreveport-Bossier area is obtaining and retaining skilled talent for their industries (Crawford, 2017). Additionally, some business owners have raised concerns about Shreveport's

lack of an international airport, and their need to commute to Dallas-Fort Worth to travel for business (Crawford, 2017).

Opportunities

Local Business Development

Local business development allows for local businesses to expand their awareness and growth via a working partnership with the Chamber of Commerce along with other potential businesses. Initiatives that integrate citizen involvement with local businesses will help bolster their reputations among potential business partners (in and out of state), and promote their strong cultural diversity to attract potential tourists.

They can focus their efforts on developing sales, creating strategic partnerships, and analyzing potential mergers and acquisitions. For local and smaller businesses, development opportunities could involve by finding and maintaining connections that align with the Ark-La-Tex brand.

Events

They can have events such as events like having a business showcase highlighting local business providing them a platform to showcase their product or service. By providing them the platform, it can help draw the citizens and tourists to their businesses for support and can spread more awareness (“ Small Business Development Center,” N. D.). This can also cultivate possible partnerships between other local businesses.

Providing other events such as local business workshops or training programs for existing and upcoming local entrepreneurs could benefit the

whole of greater Shreveport (Nugent, 2017). An event promoting community support and involvement, such as donating to local charities, sponsoring local teams, such as the little leagues, or even make donations or support other local non-profit organizations would further assist in building positive local sentiment towards small business opportunities (“ Policy Brief: Supporting Local Business Development to Build Wealth”, 2013).

Economic Development

Economic and community development gives the Shreveport Chamber of Commerce a cohesive approach of programs and services to support the establishment of new businesses and job creation. Economic innovation usually includes opportunities for business attraction, retention, and redevelopment (Cochran, Kenny, & McCoy, 2012).

The expansion and preservation of existing businesses within “ The Capital of Ark-La-Tex” will also attract companies that offer high impact jobs and share the community’s values. Programs such as annual meet and greets and business resource fairs, offer new business owners the opportunity to create sense of value to a prospective company. Community development programs such as workforce and leadership improvement will help bridge the gap between qualified job applicants.

Expansion of “ The Capital of the Ark-La-Tex” Brand

The Chamber of Commerce could offer tactics to aid the local companies in branding, customer acquisitions and development to create awareness around the Ark-La-Tex brand (McPheeters, 2014). This will provide an authentic value to the brand and expansion efforts, while also forming an

emotional connection between an audience and “ The Capital of the Ark-La-Tex.” The opportunity to connect the business with both current and future consumers creates greater capital investment in the community (Keith, 2011).

Brand Expansion: Social Media Marketing

Additionally, a focused social media strategy creates opportunities to organically spread awareness, sharing news faster. By rebranding social media platforms, interaction and awareness between the Chamber of Commerce and the citizens, tourists, and other potential target audiences has the capacity to influence positive associations with Shreveport.

The Greater Shreveport Chamber of Commerce has the opportunity to re-align their marketing and branding efforts on social media and traditional channels to create one definitive brand. Areas of focus for both paid and organic social efforts include building an Instagram profile for the Greater Shreveport Chamber of Commerce that caters to local businesses and residents, while also showcasing their strengths to tourists and prospective businesses. An additional low cost awareness piece includes the incorporation of Snapchat on brand geo filters, event filters, and stories showcasing the confluence of culture that Shreveport represents. Utilizing specific influencers who align with identified target markets for the Ark-La-Tex brand, an influencer campaign can help target key areas of people and businesses, while having organic content created.

Threats

While you can see that Shreveport has many of positive attributes to offer, it does have threats to growth. As a confluence of culture, they are competing with surrounding cities and their own brand campaigns that appeal to the same B2B and B2C businesses. Some of these specific threats include the competition of Oklahoma casinos drawing more business than riverboat casinos, the yearly threat of extreme flooding related to tropical storms or hurricanes, a lack of certain skilled workers, and no state income tax in Texas.

Competing Branding Campaigns:

Nearby Cities, like Bossier City, have recently adopted Branding campaigns that rival and try to appeal to the same B2B and B2C audiences that Shreveport is trying to attract (“ [http://bebossier. com/](http://bebossier.com/)”).

Risk of Alienating the Local Shreveport Community

As Shreveport solidifies their brand message, it’s a concern that the goals of attracting outside business and tourists with a mass-market push could result in a perceived neglect of the local values, residents, and overall local business market (Salzman, 2016).

Oklahoma Casinos

Over the last few years, the riverboat casino market draw has decreased every year since 2008 due to consumers and businesses moving to Oklahoma. “ If you look at the last calendar year, the Shreveport Market was down 6 percent from the previous year, and has been down every year since 2008,” said Ronnie Jones, chairman of the Louisiana Gaming and Control

Board (Starr 2017). The reasons behind this consistent decrease include the state restrictions limiting the size of the casinos in Louisiana, whereas in Oklahoma the size of the casino is not restricted.

Threat of Tropical Storms and Flooding

Shreveport could potentially be at risk for flooding due to its geographic location. The risk of hurricanes and tropical storms, and resulting flooding, are factors a potential business or tourist would consider when selecting their next destination city for a trip or business move.

The State Tax Rate

Louisiana's tax rate of around 5%, not including the local tax, is a threat to Shreveport business growth, because the neighboring state of Texas does not have a state income tax. Employees will consider how much of their actual wages they can retain when deciding on moving their family from Texas to Louisiana for a business opportunity.

Lack of Skilled Workers

While the region does have plenty of workers to entice new business, there are certain industries that could likely go to competing cities for a more skilled pool of workers. The ability to find people with certain skills in the region can be challenging for businesses. Industries such as technology and computer science appear to be lacking in the city compared to other cities. It will be a challenge to promote Shreveport as a new business center, when there isn't the promise of skilled workers. Additionally, Shreveport youth are more tempted to go to college outside of the area, and then not return to the city upon graduation (Talamo, 2017).