

Growth & Diversification Plan - Draft



August 28, 2025
Region 9 Council Meeting

Growth & Diversification Plan - 2025

- Update every two years
- Assess regional economy
- Select high-growth target sectors for the region
- Identify sector gaps in four strategic areas:
 - Talent Development
 - Entrepreneurship
 - Grow Existing Business
 - Site Readiness
- Develop grant opportunities to address gaps and identify partners willing to lead initiatives (apply for grants), promoting collaboration among local government, education, and business.
- Clarify measures of success

Approach

- In-house vs consultancy
- Following DHCD guidelines
- Data - JOBS EQ Chmura
- Regional Reports: CEDS, Super-Regional Strategies, Local Strategic Plans, Virginia Chamber Blueprint, Grant Reports and Action Plans, Weldon Cooper Center Quarterly Economic Overview, etc.
- Economic Developers: Local, Regional, etc.
- Support Organizations
- Stakeholders
- **Validate Grant Opportunities with stakeholders**

Timeline



Economic Assessment and Identify Target Traded Sectors

- State Economic Highlights
- Region 9 Economic Assessment
- Review All Industries
- Select Target Traded Sectors

State Economic Highlights

Virginia Quarterly Economic Forecast Weldon Cooper Center (February 2025)



Key Findings for 2025

At 2.4%, Virginia's GDP will outpace national GDP growth

Statewide inflation will moderate, with a CPI rise of just 2.6%

Employment growth in Virginia will slow

Virginia's unemployment rate will remain lower than national average



Job growth drivers:

Healthcare, retail, and professional, scientific and technical services growth to 179,000 employed a 11.2 % increase from 1990

Of all the sectors that are expected to grow, the professional, scientific and technical services sector was the largest contributor in terms of jobs and will play an important role in the health of Virginia's GDP.



Sectors challenges:

Information - projected to lose approximately 141 jobs over the next year.

Manufacturing - expected to lose fewer than 100 jobs by the next quarter but will finish 2025 with a decline of 847 jobs.

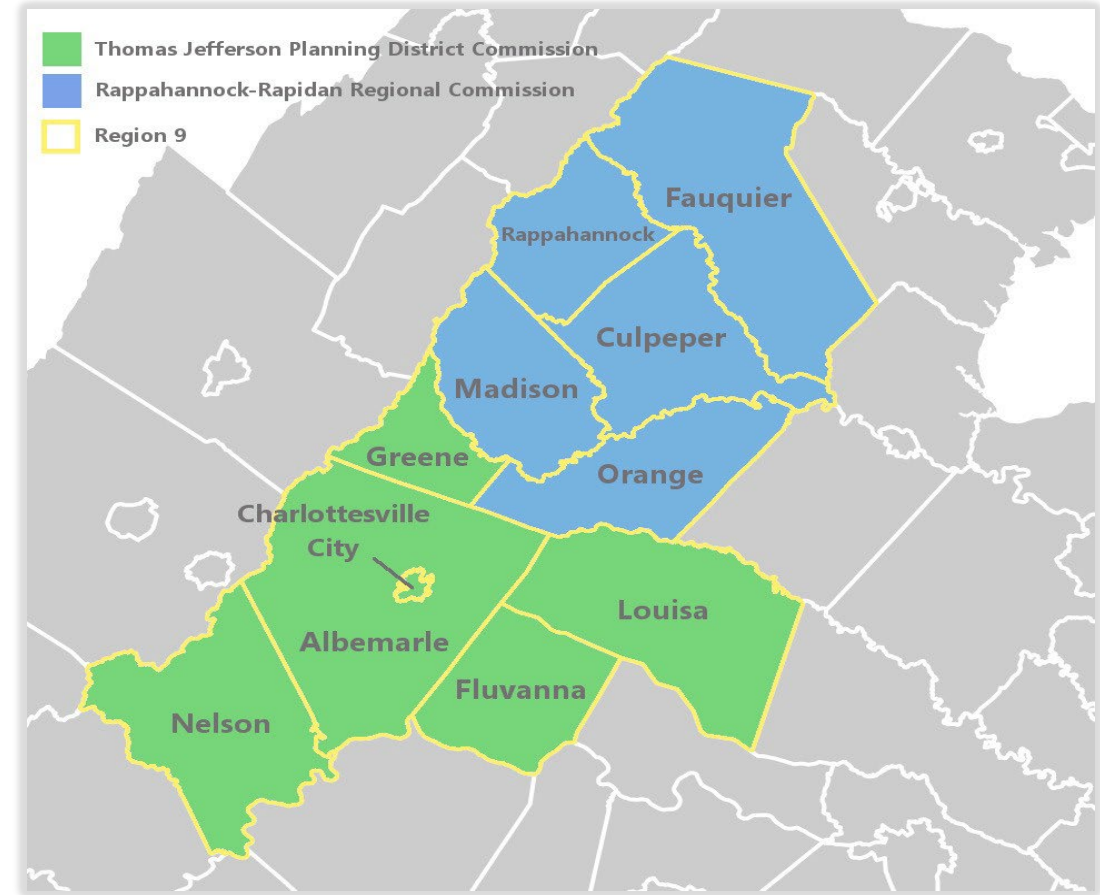
Mining and Logging - will continue long-term decline

Average Annual Wages – All Regions

Regions	2022 (Q2)	2023 (Q2)	2024 (Q2)	% Change 2022-2024
1	\$40,239	\$43,381	\$45,042	11.94%
2	\$49,678	\$52,436	\$54,704	10.12%
3	\$41,205	\$44,073	\$45,942	11.50%
4	\$62,603	\$65,404	\$67,730	8.19%
5	\$55,125	\$57,915	\$60,414	9.59%
6	\$53,395	\$56,026	\$58,190	8.98%
7	\$89,521	\$93,403	\$97,272	8.66%
8	\$49,277	\$51,561	\$53,347	8.26%
9	\$57,732	\$60,811	\$61,967	7.34%
Virginia	\$67,689	\$71,121	\$74,199	9.62%

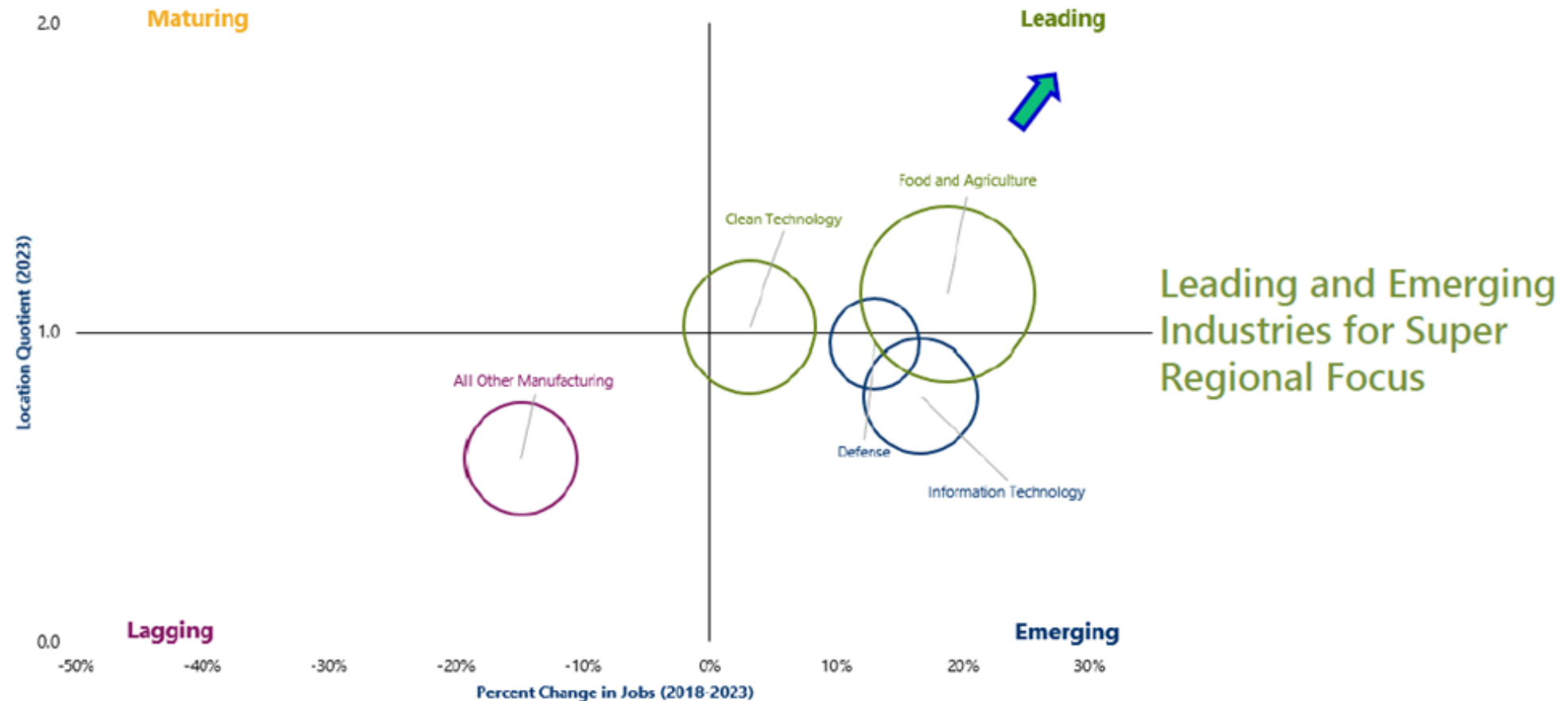
Region 9 Economic Highlights

- 443,709 individuals live here
- 63% labor force participation
- Average Per Capita income \$47,720
- Household income \$91,656
- Average Annual Wages \$61,967



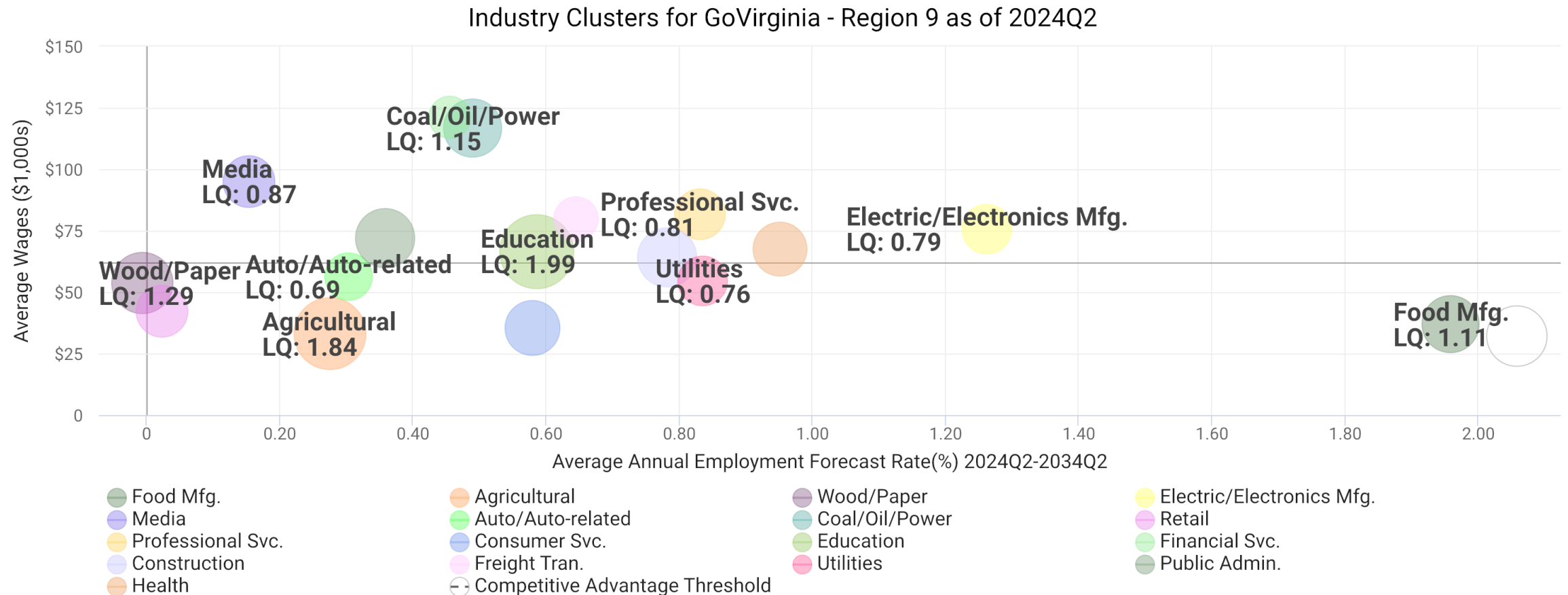
Industry Growth Trends – Region 9

Source: CEDS Plan
Lighthouse



Industry Clusters – Forecast

Source: JOBS EQ



Industry Employment Q2 2024 – Region 9

NAICS	Industry	Employment	Avg Ann Wages	LQ
61	Educational Services	33,192	\$68,717	2.12
62	Health Care and Social Assistance	27,751	\$65,034	0.96
44	Retail Trade	19,256	\$36,471	1.01
72	Accommodation and Food Services	17,495	\$28,007	1.03
23	Construction	13,981	\$64,964	1.20
54	Professional, Scientific, and Technical Services	13,801	\$97,787	0.97
81	Other Services (except Public Administration)	10,736	\$46,627	1.30
31	Manufacturing	9,676	\$65,962	0.63
56	Administrative and Support and Waste Mgmt. & Remediation Svcs.	8,318	\$48,764	0.70
92	Public Administration	8,150	\$71,979	0.90
48	Transportation and Warehousing	5,335	\$69,850	0.55
71	Arts, Entertainment, and Recreation	4,656	\$36,926	1.17
11	Agriculture, Forestry, Fishing and Hunting	4,393	\$34,287	1.84
52	Finance and Insurance	4,105	\$126,065	0.53
42	Wholesale Trade	3,601	\$78,388	0.49
53	Real Estate and Rental and Leasing	3,151	\$68,396	0.91
51	Information	2,707	\$99,835	0.72
55	Management of Companies and Enterprises	2,075	\$101,424	0.69
22	Utilities	1,606	\$117,146	1.60
99	Unclassified	591	\$51,163	1.57
21	Mining, Quarrying, and Oil and Gas Extraction	241	\$79,122	0.34
	Total - All Industries	194,816	\$61,967	1.00

Traded Sector Employment Q2 2024 - Region 9

NAICS	Industry	Employment	Avg Ann Wages	LQ
54	Professional, Scientific, and Technical Services	13,801	\$97,787	0.97
81	Other Services (except Public Administration)	10,736	\$46,627	1.30
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Identify Target Sectors

Is the sector a traded sector?

Does the sector have significant employment?

Does the region have an advantage in the sector? (LQ)

Has it grown over the past five years?

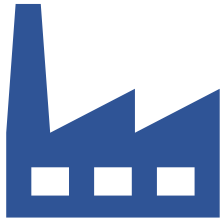
Is it projected to grow in the next two years?

Are there other considerations?

Target Sectors - Employment Growth

	Current			5-Year History		2-Year Forecast				
Industry	Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
Biomedical and Biotechnology	3,387	\$102,395	1.05	461	3.0%	627	191	369	67	1.0%
Financial and Business Services	19,137	\$99,299	0.84	1,301	1.4%	3,543	1,240	1,990	312	0.8%
Food & Beverage Manufacturing	2,629	\$37,294	1.05	328	2.7%	776	259	414	103	1.9%
Information Technology/Communications	13,363	\$101,154	0.89	1,549	2.5%	2,512	772	1,420	319	1.2%
Light Manufacturing	8,910	\$64,859	0.86	-171	-0.4%	2,035	698	1,173	163	0.9%
Total Priority Clusters	47,426	\$81,000			1.8%					1.2%
Total - All Industries	194,816	\$61,967	1.00	5,827	0.6%	44,847	17,469	24,981	2,398	0.6%

Other considerations



Light Manufacturing – large
manufacturing announcement
(i.e. Afton Scientific)



Logistics, Transportation,
Warehousing – locality specific



Clean Energy – as of now
research indicates
predominantly construction
related

Region 9 Target Traded Sectors (4/16/2025)



Biosciences



Financial &
Business Services



Food & Beverage
Manufacturing



IT &
Communications



Light
Manufacturing

Sector Analysis

- Pull data (i.e. JOBS EQ)
- Review existing reports (i.e. CEDS, Super-Regional Strategies, Economic Development Strategies, etc.)
- Engage region in SWOT by sector
- Deploy Cluster Based Economic Development Model by Sector

Biosciences SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Sector vertical in CvilleBioHub • Institutional support - Commonwealth Bio Accelerator, UVA, Manning Institute • BioBridge TPI Report forthcoming • Growing companies like Afton Scientific expansion, Bio-Cat • FlexTech R&D Zoning • State support • Increased business attraction inquiries 	<ul style="list-style-type: none"> • Cville/Albemarle-centric • Education requirement- new pathways needed; entry-level opportunities lacking • High fail rate • Needs venture capital • Companies require significant financial investment • Branding and recognition challenge with competitive established markets like Boston and Research Triangle • Highly specialized talent needs are hard to fill 	<ul style="list-style-type: none"> • Retain students • Retain knowledge workers • State focus and corresponding funding • High-paying • Potential competitive advantage • Scaling commercialization • Statewide collaboration • Expanding coordination among entrepreneur support organization • Smaller markets becoming more appealing 	<ul style="list-style-type: none"> • Federal government uncertainty • Highly competitive • Workforce availability • Infrastructure/space • Potential to price out other sectors • Companies that are acquired move

Financial & Business Services SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">• Data center revenue• Workforce/education opportunities from CTE, community colleges, UVA• Banking resources for businesses investment• Small business ecosystem• Big revenue impact without resource strain• Boutique hedge firms	<ul style="list-style-type: none">• Lack of big firms/corporate offices• Citizens opposed to data centers• Infrastructure• ROI on general business services	<ul style="list-style-type: none">• Open jobs• Demand for data centers• Growing sector• Integration with other clusters	<ul style="list-style-type: none">• Accounting labor shortage• Public sentiment• Tax structure (data centers)• Empty offices• Competing with big finance

Food & Beverage Manufacturing SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Concentration of companies • Visibility • Natural resources – climate, soil • Talent pool • Nimble operations 	<ul style="list-style-type: none"> • Growth limitations due to site/land availability • Other regions more competitive • Low wages • Seasonal aspect • Difficult to connect to higher education • Water as utility can be a barrier • Regulations restrict K-12 integration • Most companies are small • Many companies prefer to stay small 	<ul style="list-style-type: none"> • National recognition in wine production • Controlled environment agriculture emerging industry; potential for higher wages • Highest LQ • VTOP support • Food & Beverage Accelerator Study in progress • Some company peer groups exist 	<ul style="list-style-type: none"> • Workforce • Wages • Cost of land • Weather volatility • Labor regulations • Industry regulators • Downsizing by larger companies • Lack of workforce coordination

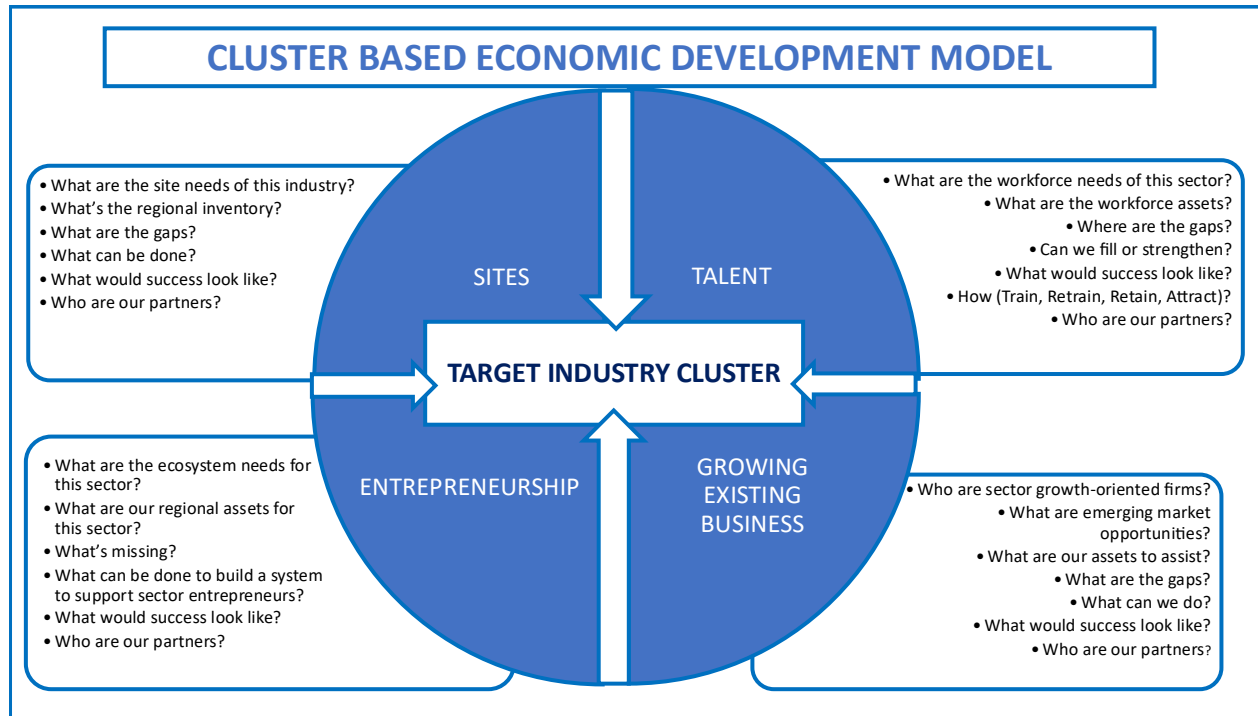
IT & Communications SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">• Fiber connectivity• Available workforce• High wages• Future-ready sector (AI)• Land availability• Power corridors available• Federal facilities (dark fiber)	<ul style="list-style-type: none">• Availability of workforce/talent to grow• Lack of critical mass concentration• Start-up rather than established firms• Negative perception of data centers	<ul style="list-style-type: none">• UVA talent pipeline• Strong designations in some localities could attract workforce• VEDP Knowledge Work priority• R&D integration	<ul style="list-style-type: none">• Purchased by venture capital and relocated• Challenge to retain businesses• Remote work – people don't need to live here

Light Manufacturing SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">• Regional – serves urban and rural• Available land• Resilient sector• Talent Pathways established	<ul style="list-style-type: none">• Available space• Decreasing jobs• Low wages• Sparse utilities• Requires specialized training• Fragmented cluster• Need more companies for robust market	<ul style="list-style-type: none">• Niche products• Research out of UVA• Shannon Hill	<ul style="list-style-type: none">• Uncertainty at federal level• Wage trends outpacing• Aging workforce, young people not entering• Difficult to find workers

Model and Stoplight Ratings

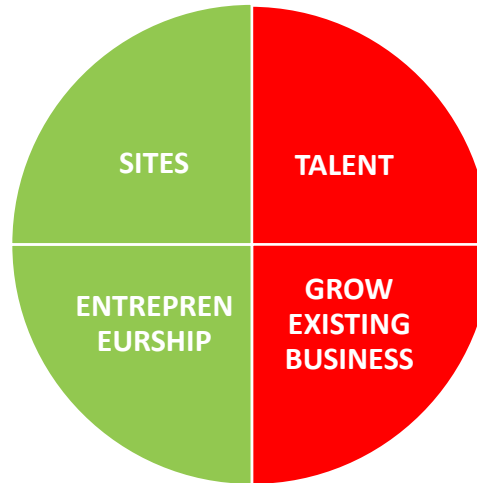


- **Green** = stable, adequate investment, evidence of sustainable impact; has momentum
- **Yellow** = in need of additional support or efforts to catalyze sustainable impact; little momentum
- **Red** = critical need, pipeline efforts and partner collaboration should be top priority; no momentum

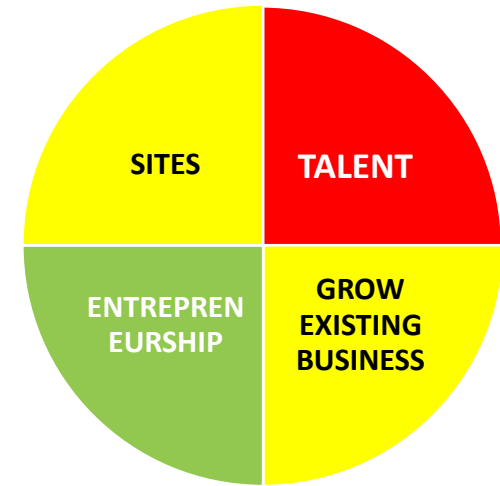
Model and Stoplight Ratings by Sector



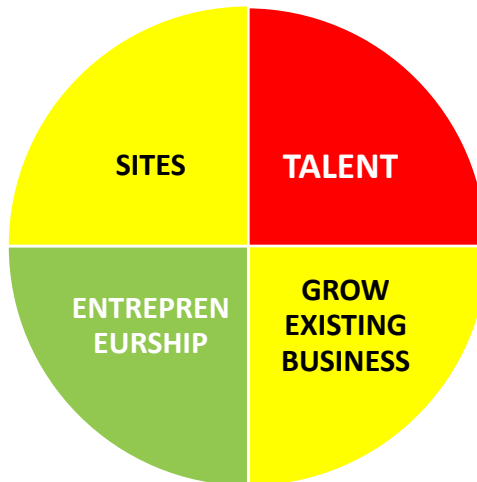
Bioscience \$5,278,827; 5 Projects



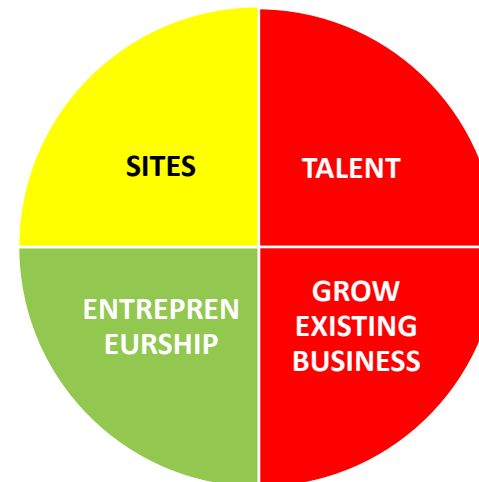
Financial & Business Services \$0; 0 Projects



Food & Beverage Mfg. \$882,199; 6 Projects



IT & Communications. \$809,875; 3 Projects



Light Manufacturing \$694,503; 3 Projects

Developing 2025 Grant Opportunities and Measures of Success

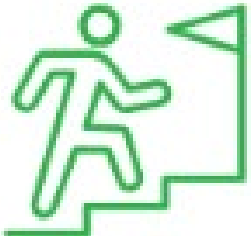
After sector assessment process draft grant opportunities to catalyze sector growth:

- Assess closed and active grant impact
- Identify gaps
- Validate grant opportunities with stakeholders
- Validate measures of success

2025 Grant Opportunities

The GO Virginia Region 9 Council invites grant proposals that deliver outcomes for the Region 9 target sectors of *Biosciences; Financial & Business Services; Food & Beverage Manufacturing; Information Technology & Communication or Light Manufacturing*

Talent Development



Grants must

- train people,
- place jobs,
- serve businesses,
- place new interns,
- create new apprenticeships, implement new programs, award credentials,
- dual enrollment completion

1. Establish workforce coalition(s) or initiatives that enhance collaboration and efficiency within the Region 9 talent development ecosystem for target sectors regionally or subregional.
2. Grow an AI-ready workforce to advance the competitiveness of region 9's target sectors informed by the AISLA Project Blueprint Report. (Fall 2025)
3. Advance sector-specific talent pathways planning efforts, ensuring the alignment of education and training with industry specified needs in each target sector.
4. Implement talent pathway strategies spanning from middle school career awareness to senior-level employment opportunities
5. Develop sector-driven credentialing, micro-credentialling, apprenticeship, upskilling, and internship (high school, adult) programs designed to meet the demands of target industries
6. Assess and address regional target sector workforce needs to fill high demand occupations

Grow Existing Business

1. For each target cluster, re-evaluate member industries within each cluster as defined and identify gaps in growth to develop recommendations for future implementation grants.
2. Support implementation grants from gaps identified through planning grants or other regional reports
3. Support sector led initiatives that address business-validated sector gaps to traded sector growth.
4. Catalyze AI & technology adoption in target sectors that drive sector growth and competitiveness



Grants must

- create jobs,
- attract businesses,
- expand existing businesses,
- serve businesses,
- raise funds



Grants must

- create jobs,
- expand businesses,
- create new businesses,
- serve businesses,
- add new mentors,
- raise funds, release new products,
- file patents,
- award patents

Entrepreneurship

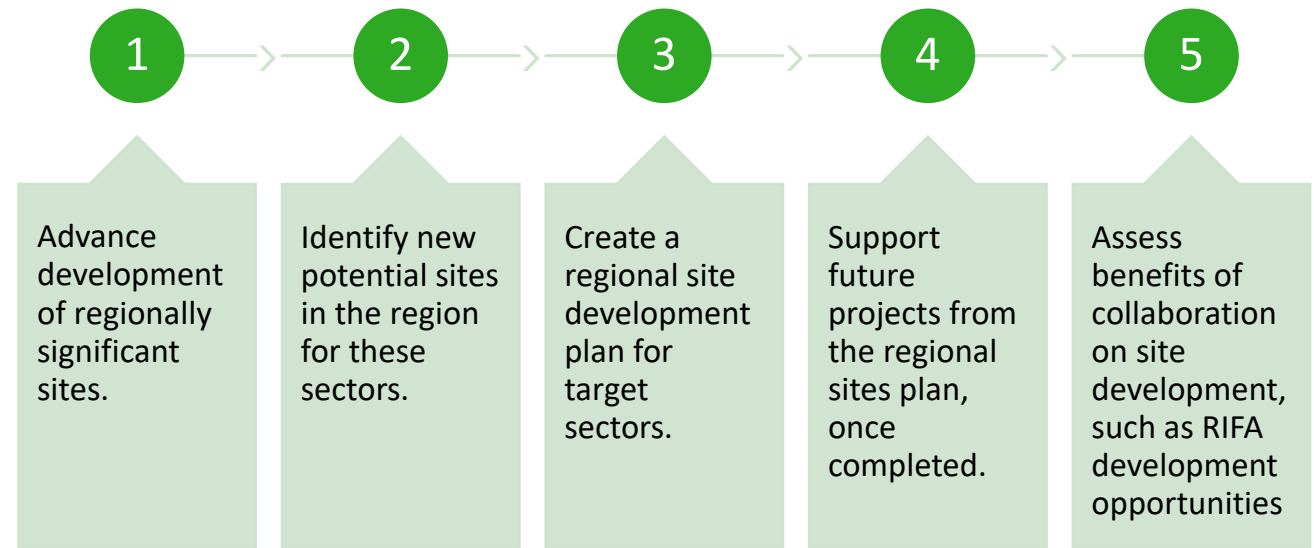
1. Expand the number of sector specific industry support organizations (peer groups) that will provide mentorship, education, community, and resource exchange for target sectors entrepreneur leaders.
2. Establish coordinated sector specific incubators or accelerators when demand is validated
3. Widen founder education about capital sources and connect more capital

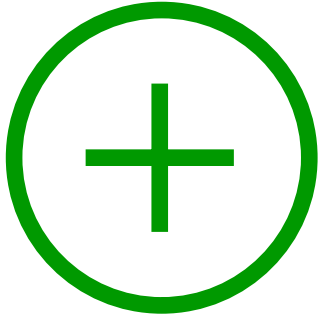


Grants must:

- advance acreage on VBRSP,
- impact / develop acreage,
- increase locality engagement,
- add site specific sewer, water, gas site infrastructure, or middle mile broadband

Site Readiness





Other

1. Support planning grants to assess, map, and catalyze growth in emerging industries for which the region may have a competitive advantage
2. Support implementation grants that address recommendations identified in emerging industries planning grants

Measure Success

Updated Annually in the Annual Report (June)

- Employment Growth by Target Sector
- Employment Growth for All Sectors
- Average Annual Wage Growth by Target Sector
- Average Annual Wage Growth by All Sectors
- Expanding Target Sector Business Announcements: Job Commitment and Capital Investment
- New Target Sector Businesses Announcements: Job Commitment and Capital Investment
- Committed Outcomes vs Actual by Strategy for All Closed Projects
- Committed Outcomes vs Actual by Strategy Year to Date by Active Projects

Feedback

2025 Growth and Diversification Plan and Appendix are available for download:

<https://www.govirginia9.org/about/growth-diversification-plan/>

Feedback encouraged by September 10

Report delivered at October 28, 2025 Council Meeting

Feedback encouraged by September 10!

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