



The St. Louis Metropolitan Region

The Region

The St. Louis metropolitan area is a 16-county, bi-state region located at the confluence of the Missouri and Mississippi rivers, home to 2.6 million residents, 80% of whom reside in Missouri. Like many Midwestern regions, St. Louis' economy was driven by traditional manufacturing and distribution capabilities throughout much of the 20th century. During the post-war decades, St. Louis developed concentrations in chemicals, food products, aerospace and automobiles. By the 1970s, St. Louis was second only to the Detroit region in automobile production.

The region's economy faced wrenching challenges in the 1970s and 1980s. Manufacturing declined, due to increased global competition, and the economy experienced sluggish growth. The region experienced the beginnings of a rebound in the latter half of the 1990s. Between 1995 and 2000, the regional economy created more than 100,000 net new jobs, after more than a decade of no net job growth. More recently, St. Louis has begun to emerge from the national and bi-state economic downturns, generating a rate of net job growth at fourth in the nation (behind only Washington, D.C., Las Vegas, and Phoenix).

St. Louis remains a highly attractive location for corporate headquarters. The region regularly ranks in the Top 10 of Fortune 500 headquarters locations. Today, St. Louis boasts eight Fortune 500 headquarters and is home to a total of 19 Fortune 1000 companies, such as Anheuser-Busch, Emerson, Monsanto, and A.G. Edwards. Non publicly-traded companies, such as Edward Jones and Enterprise Rent-A-Car, are also headquartered in St. Louis. Lambert-St. Louis International Airport and the region's central location in the country are major assets, as are its affordable cost of living and housing, historic neighborhoods, and strong cultural, educational and major league sports institutions.

Moreover, St. Louis is working hard to gain its share of new, knowledge-intensive industries and employment growth. Perhaps the most significant development in this regard is the emergence of St. Louis as the *BioBelt: The Center of Plant and Life Sciences*, a national center for plant and life sciences research and development. The region is currently home to 390 plant and life sciences enterprises employing nearly 25,000 people, including Monsanto, Sigma-Aldrich, Pfizer, Centocor, and Solae.

Like virtually every other metropolitan area, St. Louis faces a number of regional challenges. Racial and economic disparity has long challenged the region. This can be seen in the region's residential patterns. Another serious challenge is political fragmentation. With two states, 16 counties, 93 municipalities, 760 units of local

government, and a 50-50 split between Republicans and Democrats, it can be challenging to develop a coordinated approach to regional public policy and economic development. St. Louis Regional Chamber and Growth Association (RCGA) President and Chief Executive Officer Richard C.D. Fleming notes, “It has been observed nationally that, where there is a fragmented governmental structure or public sector leadership, it is incumbent upon a civically-motivated business community to unite the region for action.”

Business-Led Organizations

Business-civic leadership in St. Louis is organized through three institutions representing interlocking segments of the regional business community. The St. Louis Regional Chamber and Growth Association is the “big tent” metropolitan chamber of commerce and regional economic development organization whose membership is open to businesses of all sizes, and also includes nonprofits, government organizations, labor organizations, and other institutions. The Regional Business Council (RBC) is composed of “mid-cap” CEOs. Civic Progress is St. Louis’ CEO leadership group, representing the region’s 30 largest companies (measured by annual revenue).

RCGA is the oldest (tracing its origins to 1836), largest and most prominent business organization in the region. The organization has upwards of 4,000 members whose employment base constitutes 40% of the region’s workforce. The mission of RCGA is to unite the region’s business community to engage dynamic business and civic leadership in developing and sustaining a world-class economy and community. RCGA undertakes both regional economic development, marketing and metro chamber of commerce activity, including the regional public policy and infrastructure agendas.

RBC engages the civic energy and resources of the region’s “mid-cap” companies. Incubated by the RCGA in 2000 and spun off as a free-standing organization in 2001, RBC is dedicated to increasing the number of business persons involved and investing in regional growth and civic investment. A company must generate at least \$100 million in revenue and have more than 100 employees to be eligible for membership in RBC. RBC’s priorities include regional public policy, K-12 education, higher education, supplier diversity, and arts and culture.

Civic Progress is composed of the CEOs of St. Louis’ 30 largest companies. Civic Progress has been active in the St. Louis metropolitan area since 1955. Today, it provides leadership and funding support for improvements in the areas of regionalism, racial and economic progress, education, community life, business climate and economic development, and infrastructure. Civic Progress works closely with RCGA, particularly in the areas of regional collaboration, public policy, infrastructure, and economic development.

The Regional Business-Civic Landscape

St. Louis is characterized by a high degree of collaboration among its business-civic organizations. According to regional leaders, RCGA, RBC and Civic Progress closely coordinate activities and resources to maximize the business community’s impact on

issues of regional concern. With relatively small-sized administrative staffing, both Civic Progress and RBC partner with RCGA for professional staff support and programmatic support.

As the largest and most prominent business organization in the region, RCGA spearheads collaborative, business-led, regional efforts. “It [RCGA] has its fingers in a lot of things and is a dealmaker,” said Christine Chadwick, Executive Director of FOCUS St. Louis (metro St. Louis’ civic league). “It is able to set an agenda, get the right people to the table and get money.”

In 2000, RCGA’s Board inaugurated *Shaping a Greater St. Louis*, a far-reaching set of eight long-term regional initiatives to provide an integrated regional agenda. The goal is to position St. Louis as an economic leader in the 21st century. These eight initiatives are designed to bring together government, business and civic leaders to energize the region, recruit new companies and jobs to the region, and build on historical strengths through targeted industry clusters, business recruitment and retention, entrepreneurial development, workforce development, infrastructure improvements, and the revitalization of the region’s central city. *Shaping a Greater St. Louis* provides an umbrella under which collaborative, business-led efforts take place.

A good example of how the region’s business-civic organizations are working together is *Forward Metro St. Louis*. One of the eight regional initiatives, *Forward Metro St. Louis* is an effort to get the region’s business community to speak with one voice on public policy issues that impact regional competitiveness and quality of life. Staffed by RCGA, *Forward Metro St. Louis* joins RCGA, Civic Progress RBC, along with two other sub-regional business organizations, with the goal to get multiple constituents on the same political agenda. This collaboration will focus on long-term regional needs and create accountability between the public and private sectors on implementing this regional agenda.

Another initiative that has brought the business community together is the Coalition for Plant and Life Sciences. Following a rigorous two-year strategy development by the Battelle Memorial Institute commissioned by RCGA, RCGA and Civic Progress teamed to form the Coalition, chaired by former Washington University Chancellor William Danforth. This Coalition aims to implement the long-term Battelle strategy to position St. Louis as an international leader for biomedical and plant sciences. The 32-member Coalition has secured the active participation of high-powered academic, medical and scientific organizations, as well as the business community.

A third example is the 100-member Greater St. Louis Economic Development Network, established in 1995 by RCGA, as a vehicle for collaborative marketing, business recruitment, retention and expansion, and joint marketing of the region.

While the business community itself exhibits a high level of coordination within, until recently, business has been less successful historically in partnering with civic

and governmental entities. St. Louis is described by business and community leaders as a region that too often works in “institutional silos.” The Metropolitan Forum (see box on this page) is a serious effort to establish a more systematic collaboration on key issues affecting regional competitiveness and quality of life among the business, governmental and civic communities.

Business Leadership

St. Louis is a headquarters region and this has shaped the nature of business-civic participation. The Regional Chamber and Growth Association serves as the umbrella business organization that joins the business and civic communities in unified public policy and economic development initiatives.

Additionally, the top CEOs in Civic Progress yield great power and undertake solving regional problems and generating strategic civic funding. As the region’s social and economic problems have become increasingly complex, this CEO-based organization has undertaken collaborative efforts with fellow business and civic institutions in the region.

THE ST. LOUIS METROPOLITAN FORUM

The St. Louis Metropolitan Forum is a new virtual, multi-sectoral partnership founded by the St. Louis Regional Chamber and Growth Association (representing business), East-West Gateway Council of Governments (representing government), and FOCUS St. Louis (representing the community-based sector). The Forum was established in 2003 to create an ongoing process for business, government and civic leaders to address regional concerns and undertake bold initiatives to deal with the region’s systemic challenges.

The full Forum meets four times per year, and consists of 12 members of the Boards of Directors from each of the three founding organizations, along with their staff directors. At a two-day offsite retreat in January 2003, founding members of the Forum identified regional job growth, racial and economic disparity, and tax policy as key long-term regional priorities.

According to regional leaders, creation of the Forum represents a significant step forward for St. Louis, as it is the region’s first coordinated response to the systemic social and economic challenges facing the region. Its creation also reflects recognition among business and civic leaders that no single regional institution can solve these problems alone.

The incubation of RBC by RCGA leadership was an effort to expand business leadership to the next level and tap into the more entrepreneurial mindset of “mid-cap” CEOs. As a voice and advocate for mid-cap companies, RBC has improved communication among business leaders in the region by linking the top CEOs of the largest companies with CEOs at the next level down.

Despite the increase in communication and cooperation among business leaders, many concede that there is still a long way to go in terms of business' relationship with other sectors. The organized business community at times has had uneasy relationships with both organized labor and the minority community. Business leadership's active participation in and commitment to the Metropolitan Forum, and other cross-sectoral efforts, represent important steps forward in this regard.