

Editorial: Business leaders seem ready to climb the hill of region's economic recovery

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The Sacramento region's economy is in the ditch. Hopeful signs are few and far between.

Here's one: Some business leaders have concluded they can't sit back and wait for some miraculous turnaround, and can't count on the state or federal governments to come to the rescue. They say we have to accelerate the recovery ourselves, and they're taking the lead.

Their effort, called Next Economy, had its public kickoff Friday at the Sacramento Metro Chamber, which is organizing the initiative, along with Valley Vision, the Sacramento Area Commerce & Trade Organization and the Sacramento Area Regional Technology Alliance.

By next summer, they plan to unveil a [recovery plan](#) they hope local governments and business groups will rally behind. It will cover Sacramento, El Dorado, Placer, Sutter, Yolo and [Yuba counties](#). The [unemployment](#) rolls in those six counties totaled 141,700 last month; the jobless rates ranged from 11.2 percent in Placer to 19.3 percent in Yuba.

The goal is to synchronize and build on existing job-creating efforts, to encourage more private investment within the region and to diversify an economy too dependent on state government and [housing construction](#).

The focus is an economic development concept that has become popular in the last decade or so – "clusters."

The premise is that companies in the same economic sector benefit from being located close together, and spawn other firms to support them. They are interconnected with government agencies, trade groups and educational institutions. Eventually, regions become hubs for specific industries, which can drive economic growth.

[Silicon Valley](#) for [computer technology](#) and Hollywood's entertainment industry are obvious, established examples. The [Wall Street Journal](#) last week identified seven up-and-coming clusters, including Albany, N.Y., for nanotechnology, Indianapolis for [life sciences](#) and [San Antonio](#) for cybersecurity.

"We want to be the next one," Martha Clark Lofgren, the Metro Chamber's interim president and CEO, told The Bee's editorial board.

While research to be completed by year's end will help identify the most promising sectors here, Lofgren and others leading the effort say potential clusters include:

- Biosciences: The UC Davis Institute for Regenerative Cures in Sacramento is already doing cutting-edge stem cell research and clinical trials.
- Agriculture: The region is blessed with a cornucopia of crops and is already a trailblazer in the food-to-table movement.
- "Green" technology: A similar effort started six years ago has helped make the region a national leader in clean energy.

Sacramento is at a disadvantage because not a single one of the 53 Fortune 500 companies based in California is headquartered here. So the idea is to find smaller "flagship" companies to build around and to support small businesses, which create most new jobs.

Rather than hitting a home run, the goal is to pile up "a bunch of singles," says James Beckwith, Valley Vision's chairman and president and CEO of Five Star Bank.

Trying to direct economic growth is immensely difficult. In its report, the Journal also cited scuttled or stalled attempts to create clusters, including a semiconductor hub in Orlando and the wind power industry in Iowa.

That said, this initiative is well worth the effort. It's far better coming from the business community than government, and it rightly takes a regional approach.

Sacramento Mayor Kevin Johnson has his own economic development initiative under way and he did not attend Friday's event. While his office says he's on board, he needs to fully and publicly engage in this effort. Job creation is a team sport.

The business leaders pledge this won't be just a plan, but will lead to real action. For all our sakes, that's a promise to keep.