

## **Higher Education's Role in Economic Development**

*A Southern West Virginia Focus*

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First, let me say I very much appreciate the opportunity to speak to you today. This Summit highlights the best and the brightest of West Virginia and Steve and his team manage every year to make sure it is a marvelous event. Thank you, Steve.

As you may know, I have been president at Marshall University for about 20 months now, and although we are relatively new to West Virginia, my wife Leigh and I are enormously proud to call this state our home.

I hope it goes without saying that I also feel exceedingly fortunate to serve as president of such a fine institution and to be part of America's Best Community—Huntington, West Virginia.

There is a great deal of energy and excitement at our institution and in our community. We truly believe the best is yet to come and that Marshall and southern West Virginia can be integral to jumpstarting our state's economy.

Two weeks ago we welcomed what I think is Marshall's most exciting and engaged incoming freshman class. I have extremely high expectations for the class of 2021. I have seen the future of West Virginia in the eyes of our freshmen, 80% of them from West Virginia, and I can tell you the future is bright.

Last year at this Summit, I spoke about Marshall's role in West Virginia's economic future. During the ensuing year, we have taken a number of steps to assert our leadership profile. We hired Sara Payne Scarbro as Associate VP of External Engagement and we have been revving up Marshall's engine to become even more engaged in our community, in service and in economic development. Last year at this Summit, I said we needed to bring university and state resources to the table and we needed to attract and promote a combination of new manufacturing, small businesses, and high-tech industry.

We just hired a new dean of our college of business—Dr. Avi Mukherjee, who is here at the summit—and we are very excited about his leadership. He is working to connect communities and engage the region with our business school. His international business experience and marketing background are just what we need at the helm.

We also are building new partnerships. We just signed agreements with BridgeValley Community and Technical College to jointly offer the regents bachelor of arts degree and a bachelor of science in nursing. Students can take the first two years at BridgeValley in either Montgomery or South Charleston, and then finish at Marshall.

Marshall also is spinning off companies that are having phenomenal success. For example, Cordgenics has just signed a multi-million dollar license assignment with a major pharmaceutical company. We are excited to have our faculty serve as entrepreneurs and create new jobs for West Virginia.

One of my top priorities as president is economic development and community revitalization in southern West Virginia. It's all about the jobs. That region is the hardest hit by the downturn in the coal industry and is right in Marshall's backyard. These people are our neighbors and these communities are our communities.

Gordon Gee and I have talked many times about this topic and feel very strongly that higher education can be a machine for economic development and job creation throughout our state. In fact, Marshall is collaborating with WVU on the West Virginia Forward project, which Gordon talked about at his presentation yesterday morning.

On this topic, we are in lock step. I look forward to continuing our cooperative efforts to make West Virginia an even better place to call home.

Higher education's mission is to remove obstacles and present opportunities. Let me repeat that: remove obstacles and present opportunities. Marshall University is committed in the strongest possible terms to linking our considerable resources with the State's efforts to diversify and grow southern West Virginia's economy—to be more actively involved in economic development.

Marshall may not be the State's lead economic development agency, but we can, and will be, a serious collaborator.

We do more than educate young people and prepare them for a career. Higher education institutions can also leverage our resources to create opportunities that will

help attract businesses to our region and then assist those businesses once they are here.

To that end, I want to make an announcement today about one of our major efforts.

We have initiated the Alliance for the Economic Development of Southern West Virginia—made up of higher education institutions in southern West Virginia, focused on helping to market the region to prospective businesses.

This spring and summer, I traveled to meet with the presidents of all 10 two- and four-year institutions in the south. They have been very receptive to the idea of this new association.

As we have developed the Alliance, we have been in close contact with Woody Thrasher. He and the Department of Commerce are supportive of the Alliance and what it can do to help attract businesses to West Virginia and create jobs.

You can see all the members here on the map. It's the universities, colleges and community colleges, as well as the West Virginia Osteopathic School. I should point out that we are still talking with West Virginia State University and are optimistic they will soon sign on to the Alliance.

The presidents of these institutions got together a couple of weeks ago in Charleston and discussed specific ways we can assist the state's development efforts. We are now putting together a comprehensive inventory of our institutional and community assets to help us develop pitches to companies that may want to locate or expand here.

We are constructing a very powerful portfolio.

Watch out next year for our conference, "Small Communities, Big Solutions."

As we approach the task of tying higher education to West Virginia economic development, here are some assumptions under which we will be operating:

1. **Corporate tax reform and a focus at the federal level on building this country's manufacturing base will result in the growth of domestic companies.** And that growth will create new jobs.

2. **There is an approaching wave of new foreign direct investment that is in its early stages.** Three examples I would cite are: the \$10 billion Foxconn investment in Wisconsin; the announcement by Infosys of 10,000 new jobs and four technology centers starting this year in Indiana; and the Toyota/Mazda \$1.6 billion investment in a yet-to-be-named location.
3. **Both domestic and foreign investment will raise the standards for technology applications in manufacturing.** Technology in manufacturing is ALL important, therefore, universities are important.
4. **This new technology-driven investment will create thousands of new jobs; however, these new jobs will require new and better skills in the workforce.** Elon Musk, founder of SpaceX and Tesla, says, “Computers, intelligent machines and robots seem like the workforce of the future.” We must be able to produce people with the skills and competencies to program, operate and maintain these technological machines.
5. **Our educational institutions will be challenged to keep pace with technological developments in industry.** This will involve exposing more of our graduates to practical experience in modern-day and future-oriented industries.
6. **Magnet industries**, those that require high numbers of suppliers, such as Toyota in Kentucky, Airbus in Alabama, BMW in South Carolina, Nissan in Mississippi, and Volkswagen in Tennessee, **are creating thousands of new jobs in the supply chain.** The supply chain multiplies the impact.
7. **Along with these new technological developments will come disruptors of existing companies.** For example, look at what e-commerce is doing in the retail industry. When asked how he explains his success as a hockey player, Wayne Gretzky famously said, “I skate to where the puck is going to be, not where it has been.” The industrial base is extremely dynamic, and like Gretzky, we must anticipate the changing directions that are coming.

Higher education institutions already make a substantial contribution to job creation and we can do more by taking a three-pronged approach:

1. **Retention and expansion of existing companies.** At Marshall, our Robert C. Byrd Institute for Advanced Flexible Manufacturing and our EDA University Center are major assets. We recently announced 3 major EDA POWER grants through RCBI, delivering jobs to the coal-impacted region of southern West Virginia. True collaboration among all the region's colleges, universities and community colleges, local and state economic development entities, and existing companies will strengthen our state's industrial retention efforts.

We have had discussions with leadership at Alcon/Novartis in Huntington, Toyota Motor Manufacturing in Buffalo and Sogefi (*so-jeff-ee*) in Pritchard to explore industry needs and we have learned that *all three* have the potential to grow and expand. Presently, these companies employ 3,000 West Virginians. Imagine an expansion and the increased number of jobs.

2. **Attraction of new industrial investments.** Marshall's manufacturing institute, the West Virginia EDA University Center (in conjunction with Concord University) and our Biotechnology Science Center are positioned to compliment the state's industrial development program in the areas of advanced manufacturing, computer and information technology, and healthcare. As I noted earlier, we read daily of new industrial investments that are creating thousands of U.S. jobs, such as Foxconn, Infosys, and Toyota/Mazda.
3. **Growth from commercialization of innovation.** Our schools of medicine and pharmacy, Forensic Science Center, our College of Health Professions, the Marshall Institute for Interdisciplinary Research and our genomics facility are major assets for the creation of new companies.

We are exploring the feasibility of the creation of a business incubator with the City of Huntington. We recently took a group to tour the Innovation Depot in Birmingham, Alabama, and they have offered to assist us if we determine that's a direction we want to go. That particular incubator is operated in partnership with the UAB, so it's a very good model for us.

In order to be successful at helping to create jobs in West Virginia, we seek three things:

1. **Serious collaboration that focusses on win-win situations.** No more silos. No more competition. No more “me-first” when it comes to economic development. A rising tide lifts all boats.
2. **Targeting of university and state resources to build on strengths.** Reflect with me on the assets we manage just at Marshall: a state-of-the-art institute for manufacturing technology, a medical school, a pharmacy school, an interdisciplinary biotechnology institute, a comprehensive school of education, a college of engineering and information technology, a college of business, and outstanding programs in the social sciences and liberal arts. When we have the Alliance’s full inventory complete, I think it will be very impressive.
3. **Utilization of any and all resources at our disposal to create jobs.** In that regard, we are using the consultative services of Dr. Malcolm Portera. Mack is the former chancellor of the University of Alabama system. I worked with him when he was president of my previous institution, Mississippi State University. A number of you were at a session Mack led in Huntington in May, when I brought him to Marshall to lead a community discussion about linking higher education with community resources to expand economic activity.

Mack has been key in attracting more than \$15 billion in industrial development to the southeastern United States, including manufacturing plants for Mercedes Benz, Hyundai, Nissan, JVC, Yokohama Tire and others.

Among other things, Mack is going to work with the new Alliance for Economic Development of Southern West Virginia this fall to help get our initiatives off the ground. He has been unbelievably successful doing just what we need to do, and we look forward to working with him.

To shift gears a bit, I would be ignoring the elephant in the room if I didn’t at least mention one of the greatest challenges we face in southern West Virginia. That great challenge is the opioid crisis. We need to tackle and defeat opioid addiction to create the kind of workforce we must have to be successful in attracting industry to West Virginia.

And Marshall is working to do just that. Last year, we created a Substance Abuse Coalition made up of experts from across the university who have long been working on

this problem. Southern West Virginia is the epicenter of the opioid epidemic and our medical providers have the knowledge and the experience needed to help solve the problem.

Marshall University stands ready and willing to lend every resource at our disposal to assist our state and the nation in this fight.

I am an optimist and feel certain that by working together we can have a major, positive impact on this crisis.

Job creation is not easy. In fact, it can be a daunting task.

Daunting, but not impossible. Remember, I said at the beginning that universities are in the business of removing obstacles and presenting opportunities.

Sometimes doing that can be really tough. I hope we can all unite around the notion that we need to change the direction in which we are headed and invest in higher education as an investment in the future.

Folks, I'll close by saying West Virginia is at a crossroads. We can do nothing new and continue to coast downward or we can decide it is up to all of us to collaborate to tackle this great challenge. And there is no time to waste.

As the author Mark Caine once said, "The first step toward success is taken when you refuse to be a captive of the environment in which you first find yourself."

Thank you for your attention.

I'll be happy to answer any questions.