

Economic Development

Goal: Grow, adapt, and strengthen Providence's economy

As Rhode Island's largest city and economic engine, the importance of Providence's business climate cannot be understated. Retaining and attracting businesses is vital to the city and its residents' prosperity and quality of life. Providing a welcoming, supportive economic climate to existing and future businesses and the physical assets and workforce to support them is a top City priority.

Providence leaders recognize the need to foster a resilient business climate that can withstand and adapt to changing economic landscapes and attract investment from emerging and growing sectors. Since 2020, the ways in which people live, work, learn, and play have undergone dramatic changes nationally and locally. Despite large-scale shifts in this post-Covid landscape, Providence's current economic climate is encouraging. The city's unemployment rate is among the lowest in the nation (2.9% as of September 2023), which indicates a robust economy that continues to diversify.

Providence is also well-positioned for growth, especially in health, science, tech, and tourism sectors. In the past decade, the city has also notably developed a more robust food and urban agriculture sector, which is unique and poised for further growth in the coming decade. To support this expansion, the City continues to work with developers to enhance their understanding of the infrastructure requirements associated with emerging sectors. This targeted work will ensure the availability of cutting-edge lab and maker spaces that enable new businesses to establish roots in Providence, underscoring a deep commitment to inclusive growth that positions Providence as a thriving hub for innovation and economic prosperity.

Providence's population is also growing. Data from the 2020 US Census shows that Providence has grown significantly since 2010. Within a decade, the Providence population grew by nearly 7%, from 178,042 to 190,934. As the city's population expands, there is a noticeable shift in demographics. A growing trend towards diversity is evident, particularly with Hispanic residents constituting 44% of the population, marking a 19% rise since 2010. New arrivals to Providence have demonstrated an entrepreneurial spirit, particularly with small businesses, retail, restaurants, and services.

Data also demonstrates changes in household incomes in Providence. The number of households earning less than \$45,000 or exceeding \$99,000 annually has risen, while those in the middle-income bracket, ranging from \$45,000 to \$99,000, have experienced a decline. This dynamic has led to a notable increase in wealth disparity within the city. Despite this disparity, the Providence adult population is achieving higher levels of education; nearly 32% of all residents over 25 hold a 4-year college degree or higher.

In response to the question of "where and how do we grow," the Comprehensive Plan takes a holistic view of where to direct job growth, informed by strategic land use and policy goals across topics like housing, climate and sustainability, and transportation. Whereas one type of economic growth, in emerging professional sectors, for example, may require integration with quality public transportation and the amenities of mixed-use urban neighborhoods, industrial sector growth requires jobs districts that are protected from residential uses to encourage expansion, mitigate conflicts and avoid market pressures that would restrict economic development. Providence also aims to capitalize on the growth

of the blue economy by preserving and improving the environmental quality of important land along the working waterfront and deep-water port, for the growth of offshore wind and other emerging ocean tech industries.

Growth corridors are outlined in the Growth Strategy and Future Land Use Maps of the Land Use chapter and illustrate areas that are prime for business development and can sustain an increase in density. As traditional daily commutes to Downtown business district workplaces decline as work from home (WFH) continues to rise, the City must both encourage a more mixed-use Downtown and invest in its neighborhoods to encourage small businesses growth, industry clusters, local collaborative incubators and scalable business opportunities. Most neighborhoods in Providence have excellent connectivity amongst each other as well as to major highways, interstates and rail and bus service which facilitate travel to other business hubs and TF Green Airport, allowing workers who may be employed elsewhere or require frequent business travel, to call Providence their home.

Investing in what makes Providence the "Creative Capital" is another important component in growing the City's economic base, while preserving the cultural assets that residents love. Providence's arts and culture sector serves as a formidable economic engine, contributing over \$2 billion to the Rhode Island economy, and generating more than \$200 million in Providence in 2022 alone. These figures only partially capture the transformative influence of a thriving arts and design sector, which can have interdisciplinary benefits when integrated into STEM industries (STE*A*M), for example. Moreover, the city's longstanding reputation for its arts and culture attracts a talented workforce and contributes to the city's overall quality of life.

Providence's reputation in the arts, intact historic fabric, walkable neighborhoods, culinary offerings, and cultural events and attractions also draws growing levels of tourism. The number of annual visitors to Providence has returned to pre-pandemic levels (estimated at over 7 million in 2022), with close to \$2 billion dollars in traveler economy spending in 2022 alone, almost 10% higher than pre-pandemic levels. The tourism and hospitality sector is a key and growing employer in Providence, which is bolstered by growing cultural events like Waterfire, PVD Fest, and RI Pride Festival and Parade.

In addition to the City's physical and cultural assets, its workforce remains a top economic driver. The City manages and supports numerous programs to ensure City-wide equitable access to high-quality jobs that provide life-sustaining careers. According to the 2020 US Census, Providence is home to nearly 84,000 currently employed adults, a number that has increased by almost 7% in the past decade. Most of Providence's workforce is employed within city limits.

Providence is also home to 8 colleges, universities, and satellite campuses. The City must continue to support and link to the strengths of its academic institutions. Knowledge and technology transfers from higher education to the innovation economy, local start-ups as well as mature industries in health care, manufacturing and service industries require nurturing, collaboration, and retention of recent graduates to support economic growth and diversity and provide paths for upward mobility.

Providence is well-positioned to become a major economic hub regionally, as it offers residents a higher quality of life at a lower price point than other New England cities. Recognizing this opportunity, the City is investing in vibrant public spaces and amenities such as public art, improved infrastructure and connectivity, greater tree canopy cover, and other beautification efforts. These investments cultivate a positive quality of life and showcase Providence as an attractive destination to live, work, and play. Quality of life improvements also encourage business and capital influx, while bolstering Providence's

national and international profile. By adopting smart, equitable strategies that build upon its unique assets, Providence is growing an economy that is more varied, resilient, and attractive to businesses and investors, while strengthening its ability to withstand economic shock.

Objectives and Strategies

Objective ED 1: Invest in key sectors including the Blue Economy, Health & Life Sciences, Arts & Culture, Tourism & Hospitality, Food

Strategies:

- A. Work with anchor institutions to align their growth with economic development targets.
- B. Pursue funding from relevant federal agencies for the attraction and growth of these industries.
- C. Combine city and state efforts to ensure that maximum resources are available to prospective industries.
- D. Ensure that marketing efforts are focused on highlighting the success in these key sectors to build Providence's related brand.
- E. Invest in Providence's waterfront for economic growth.

Objective ED 2: Ensure that Providence is the best-run city for businesses and residents

Strategies:

- A. Make long-term investments in city infrastructure including streets and sidewalks
- B. Utilize the city's 311 systems to ensure that constituent complaints are addressed in a timely manner
- C. Partner with businesses in commercial corridors to address quality of life issues
- D. Simplify planning and permitting processes to ensure that projects that are in compliance with city regulations can move quickly to implementation
- E. Work with the City Council to evaluate and support TSAs that are support economic development goals
- F. Study and implement reductions to commercial tax rates to ensure Providence's business environment is competitive

Objective ED 3: Support & grow our small business community

Strategies:

- A. Provide dedicated customer service to Providence small businesses
- B. Support MWBE businesses to become certified and compete in local city procurements
- C. Invest in high quality local business support programs
- D. Work with business incubators to rationalize approaches and implement strategies to incentivize new businesses to stay in Providence

Objective ED 3: Facilitate access to capital for new and growing businesses

Strategies:

- A. Utilize the Providence Business Loan Fund to support a diverse community of small businesses.
- B. Prioritize the allocation of funding to the Providence Redevelopment Agency for gap funding of priority projects

Objective ED 3: Invest in and develop our workforce

Strategies:

- A. Utilize federal workforce dollars to invest in career pathways programs that result in family sustaining job
- B. Establish a vision and plan for the city's First Source program to ensure that Providence residents have access to today's jobs
- C. Establish core learning standards across all city funded youth employment programs
- D. Link industry partners to PPSD CTE programs
- E. Work with local institutions of higher education to incentivize graduates with high demand credentials to stay in Providence