INTRODUCTION TO ECONOMIC DEVELOPMENT
What is Economic Development?

The intentional practice of improving a community’s economic well-being and quality of life.

It includes a broad range of activities to retain, create and attract high-quality jobs, and to foster the growth of a resilient tax base and an inclusive economy.

It is a collaborative effort involving industry, government and myriad community stakeholders focused on improving a community’s competitiveness.
One word to describe economic development
Businesses need
- Access to land, skilled labor, capital and utilities
- Networks and connections that increase competitiveness

Workers need
- Quality jobs
- Education and training
- Opportunities for advancement

Communities need
- Funding for basic services
- Quality of life amenities
- Economic diversification and resilience

Economic Developers can help!!

Challenges
Role of an Economic Developer

**Analyst**
Understand the strengths, weaknesses and comparative advantages of the local community, providing quantitative and qualitative information to key players.

**Advocate**
Protect the interests of households and businesses, advocating for the good of the entire community.

**Visionary**
Able to look past short-term goals to champion a vision for the greater economic horizon.

**Catalyst**
Enthusiastically support community initiatives and incentivize investment by public and private actors.

**Gap Filler**
Assist when markets and institutions cannot meet the needs of the community or businesses.

**Educator**
Inform a wider community about the costs and benefits of development initiatives.
One word to describe economic developer
Core activities

- Marketing and business recruitment
- Business retention and expansion
- Small business development
- Workforce development
- Strategic planning
- Revitalization
- Creating networks and partnerships
- Fostering entrepreneurship
- Access to capital
- Neighborhood development
Ways and means

**Finance and incentives**
Loans, bond programs, seed funds, grants, tax credits, equity

**Navigating systems**
Zoning, permitting, regulations, incentives access and compliance, etc.

**Business climate**
Advocacy around transportation, taxes and regulation, infrastructure, telecommunications, education, and other community services and amenities

**Marketing**
Community promotion, targeted business recruitment, land and buildings

**Technical assistance**
Helping companies identify and access resources for workforce development, technology commercialization, small business development, new business formation, exporting, etc.

**Partnerships, networks and connections**
Creating links among businesses, governments, nonprofits, educational entities, neighborhood groups and other organizations to further common goals

**Analysis and planning**
Analyzing local economic data, assessing competitive advantages and disadvantages, understanding broad economic trends, strategic planning,
# Keys to success for an economic development program

1. An economic development **strategic plan** that has a widely accepted vision in addition to measurable indicators of success and failure.

2. A **strong understanding** of the local economy, its strengths, weaknesses, opportunities and threats.

3. Programs that are built on local **comparative advantages**.

4. Local leadership that stimulates **cooperation** and **collaboration** among different actors in the community.

5. Sustained **funding** for economic development over a long period of time.

6. Striving for excellence in **customer service**.

7. Professional economic developer.
Key Players

- Local, state, federal government
- Chamber / business associations
- Workforce development organizations
- Educational institutions (schools, colleges, research entities, etc.)
- Utilities / Special Authorities
- Labor leaders
- Philanthropic organizations
- Neighborhood groups
- Community nonprofits
- Public-private partnerships
- Businesses, entrepreneurs, Developers
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Government Resources

Federal
- Departments/ministries such as agriculture, commerce, construction, urban development, energy, finance, transportation & infrastructure, and treasury
- Provide funds and services to state and local governments

State
- Provide tax credits, tax abatements and other incentives to fund local initiatives
- State loan funds and technical assistance for businesses and real estate development

Local
- Financing (grants and loans), tax increment financing, incentives, infrastructure, front-end development costs, business technical assistance, streamlined and efficient development process
Types of Economic Development Orgs (EDOs)

- State and local governments
- Chambers of commerce
- Port authorities
- Development authorities
- Empowerment zones and enterprise communities
- Incubators, accelerators and research parks
- Technology transfer organizations
- State enterprise zones
- Business improvement districts
- Community development banks
- Public-private partnerships
- Community development corporations/certified development corporations
- Local redevelopment corporations
- Industrial development corporations
Fostering partnerships

• Economic development is much more than business attraction
• Fostering public-partnerships with existing community organizations
• Supporting business retention and expansion, entrepreneurship
• Partnerships within workforce development, real estate, higher education, etc.
International Economic Development Council (IEDC)

• Non-profit, non-partisan membership organization serving economic developers
• Economic developers promote economic well-being and quality of life for their communities
• IEDC members engaged in wide variety of settings – governments, public-private partnerships, chambers of commerce, universities
• Members serve to:
  – Create high-quality jobs
  – Develop vibrant communities
  – Improve quality of life in the region
• Certification program – Certified Economic Developer (CEcD), Accredited Economic Development Organization (AEDO)

iedconline.org