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# LOOKING AROUND THE CORNER: The Future of Economic Development

## International Economic Development Council

The International Economic Development Council (IEDC) is a non-profit membership organization serving economic developers. With more than 4,000 members, IEDC is the largest organization of its kind. Economic developers promote economic well-being and quality of life for their communities, by creating, retaining and expanding jobs that facilitate growth, enhance wealth and provide a stable tax base. From public to private, rural to urban, and local to international, IEDC's members are engaged in the full range of economic development experience. Given the breadth of economic development work, our members are employed in a wide variety of settings including local, state, provincial and federal governments, public private partnerships, chambers of commerce, universities and a variety of other institutions. When we succeed, our members create high-quality jobs, develop vibrant communities, and improve the quality of life in their regions.

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## Economic Development Research Partners (EDRP)

The EDRP Program is the “think tank” component of IEDC, designed to help economic development professionals weather the challenges and grab opportunities from economic changes affecting our communities. EDRP members are leaders in the field of economic development, working through this program to improve the knowledge and practice of the profession.

Amarillo Economic Development Corporation	Georgia Tech Enterprise Innovation Institute
American Electric Power	Greater Fort Lauderdale Alliance
Ann Arbor SPARK	Greater Houston Partnership
Baltimore County Department of Economic Development	Greater MSP
BNSF Railway Company	Greater New Braunfels Chamber of Commerce
Brick City Development Corporation	Greater Oklahoma City Chamber
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## Executive Summary

Good information based on sound data is critical to the economic development profession. On a day to day basis, economic developers analyze and rely on all kinds of data, but, as every economic developer knows, the data only tells part of the story. Massive disruptions not directly linked to economic development have the potential to dramatically change the way economic development organizations (EDOs) operate and deliver services.

In the next ten to fifteen years, EDOs will be responding to changes and shifts that cannot be quantified today. But that does not mean that EDOs are powerless to anticipate and prepare for change. While it is impossible to know with certainty what these disruptions will be, at a macro level there are existing trends that act as signals for what may happen.

This report, sponsored by the Economic Development Research Partners (EDRP) program examines the emergence of these trends and provides some conjecture and speculation about how they can potentially change the economic development industry. The report wraps up a series of research papers focused on the changes impacting economic development, including the following papers:

- New Realities for Economic Development Organizations
- New Realities for Funding Economic Development Organizations
- Making it Count: Metrics for High Performing EDOs

### *Methodology and Scope*

This paper attempts to draw on trends and signals in technology, economics, and population demographics to foresee concerns for economic developers in the next ten to fifteen years. It is important to note that all conjectures in this paper are just that; while all are backed by research, it is impossible to know if they will come true. Research draws from leading think tanks, such as the Institute for the Future, as well as the latest thinking from leading media outlets focused on business and economy.

This list is by no means exhaustive; many factors will impact economic development in the next ten to fifteen years. However, these four themes are most likely to make an impact on the profession. In the first section of the paper, basic data on the four themes is presented. In the second section, “Impacts on the Economic Development Profession,” the themes are examined in the context of economic development.

## Major Themes

The major themes that emerged from the research are:

- Demographics
- Climate change
- Shifting global roles
- Technology expansion

## Impact on the Economic Development Profession

In the second section of the paper, the four trends are considered in terms of their implications for economic development.

### *Changing Practices*

This section highlights the changing nature of the role of the economic developer. For example, economic developers will take a larger role in increasing and managing talent in their communities, a skill that is related to demographics. They will be called upon to harness the growing power of technology, especially when it comes to marketing. And they should develop and improve their skills in systems management to facilitate new kinds of incentives in a global economy.

### *Changing Metrics*

In the future, metrics for economic development will not be focused solely on job numbers. This is especially important in terms of understanding the freelancing and entrepreneurial economy. Similarly, typical measurements of human capital, such as number of college degrees, will fade in importance with new developments in education. Sustainability will also become a metric for competitiveness.

### *Changing Skills*

In the future, economic developers will need to take a lead role in leading change, in order to connect their community to larger trends. Economic developers will increasingly be the drivers of change, enabling their communities to identify big trends and take advantage of them, while managing associated risks.

### *Changing Competition*

In a changing global economy, economic developers will need keep their communities needs met, while also scanning the larger scene for opportunities and hazards. The global competition for talent will be fierce, and smart economic developers will build on their communities' strengths to attract and retain human capital. Education and quality of place are two main strengths to build upon.

## Conclusion

In the next 10 to 15 years, it is probable that the accelerated pace of worldwide development will continue, aided by digital technology and a rising global middle class. These changes in the worldwide economy and structure will impact local economic developers differently. However, EDOs and economic developers can incorporate tactics into their practice to help prepare for the future.

Cultivating an organizational and professional attitude of nimbleness will keep EDOs ahead of trends and able to adopt. The ability to pivot into different roles ensures that EDOs will stay relevant. And, though it is a cornerstone of economic development today, the ability to collaborate will become even more important on a global scale.