Widening the Circle:
Engaging a Young and Diverse Workforce in Economic Development
International Economic Development Council

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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. IEDC would like to thank the Economic Development Research Partners program for providing the impetus and resources for this project.

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Introduction

The hallway of the International Economic Development Council is lined with 65 photographs of the organization’s past board chairs, including chairs of the two organizations from which IEDC was formed: the Council for Urban Economic Development and the American Economic Development Council. The majority of faces in the early black and white pictures spanning the late 1940s through the 1960s are those of white men in suits and ties. More recent pictures include a few minority and female faces.

Contrast this collection with a recent poster issued by Development Counsellors International recognizing the achievements of 40 economic development professionals under the age of 40. The faces are young, racially diverse, and nearly half are women.

The differences in these two collections of photos mirror the dramatic change the economic development profession is going through. The respective size of these two collections is also telling. Presently, the majority of economic developers are in late middle age and tend to be white males. The population of up-and-comers in the economic development field is far more diverse, and unfortunately, far smaller.

The collection of photographs on IEDC’s walls reflect the legacy of CUED, AEDC, and IEDC. These men and women did the hard work of increasing the profile of economic development, establishing professionalism within the field, and adapting to a changing world economy. But to pass this legacy on, a new generation of economic developers must be recruited. They will learn from those who went before them but will face new challenges. Their skills, backgrounds, and appearances will not be the same as those of today’s economic developer, and the problems they face will not be the same as those of the past.

Why Diversity?

Looking to the private sector, the business world is recognizing the benefits of diverse workforces. If the private sector is seeking diversity in their own organizations, they will certainly notice it—or a lack of it—in economic development organizations they work with. Additionally, diversity can help organizations to engage with communities that are changing in age and racial composition.

Recognizing how young and diverse employees could improve economic development is a far cry from actually implementing practices that can lead to full engagement with these populations. This paper documents the growing diversity
in the economic development profession, explores the impact of organizational culture, and highlights the ways that engaging diverse populations would strengthen the economic development field. This paper also considers best practices in hiring, development, compensation, and benefits for diverse employees.

Demographics in the Economic Development Field

The demographic information presented comes from the 2013 Membership Survey, which was sent to the entire membership of IEDC and netted 463 results, and the IEDC Student and Young Professionals Survey, sent to IEDC’s entire mailing list. Participants were asked to take the latter survey only if they were under 40. 237 responses were received for the Young Professionals Survey.

Overview

Survey data indicate that the economic development field is overwhelmingly white and middle-aged. However, the Young Professionals Survey indicates that the field is changing, with higher results for both gender and racial diversity.

Current Challenges and Opportunities

Challenges

The Behind-the-Scenes Nature of Economic Development
Economic developers utilize connections and relationships in public and private systems to advance their goals, often behind the scenes. Additionally, there are limited options through the traditional education system to become an economic developer.

Low Visibility
The economic developer’s goal is to increase the reputation of his or her community which often means taking a backseat in the public eye. Additionally, young professionals typical hear about the economic development field indirectly through another professional interest or through school.
Unclear Path to the Profession
Young people may have a lack of knowledge regarding the economic development profession. Additionally, paths to a career in economic development are fragmented rather than linear.

Opportunities
Despite the challenges, there are many opportunities for recruiting new entrants to the field. As the economy changes, economic developers will need to continue to develop new skills and approaches. Young and diverse populations can supply this new talent and bring further innovation to the field.

Opportunities to Engage New Talent
Although they are not mutually exclusive, the following groups have different stakes in economic development and different concerns:

Women
Women make up a large percentage of economic developers and their numbers are growing. Any EDO looking to serve their community and businesses must strive for gender diversity on staff and in board leadership.

Millennials
The millennial generation (defined as between ages 18 to 34 in 20151) is highly motivated to improve their community and the world. Millennials can make for employees who are respectful and engaged.

 Minority Populations
Minority populations are similarly invested in improving and giving back to their communities. Engaging minority groups in economic development efforts can help to address income inequality and ultimately strengthen economic development efforts.

Organizational Culture
Organizational culture represents the collective values, beliefs, and principles of organizational members and is a product of such factors as history, technology, strategy, type of employees, management style, and national culture. Culture

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1 Richard Fry, “This year, Millennials will overtake Baby Boomers,” Pew Research Center, [http://www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/](http://www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/)
includes the organization’s vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.²

It is not enough to recognize the need to engage young and diverse populations. To retain young, diverse employees and make them into leaders, the economic development profession will need to examine and change its culture.

**How Does Organizational Culture Discourage Diversity?**

The downside to a strong organizational culture is that true diversity—which allows all members to express their talents and ideas—is squelched as non-conforming members assimilate, leave, or grow comfortable in positions of lesser power. Most people do not realize they are perpetuating the dominant organizational culture to the detriment of diversity. “Second- generation bias”, when managers are encouraged to fill positions expeditiously and often hire those whose backgrounds and careers fit their own, does not require intent or a wish to cause direct harm but is a reflection of organizational culture.

Second generation bias also creates unseen barriers often referred to as a “glass ceiling.” The U.S. Department of Labor defines “glass ceiling” as “an artificial barrier based on attitudinal or organizational bias that prevents qualified women and other minorities from advancing upward in their organization into senior management level positions.”³

Cultural change is difficult and does not happen overnight; it takes years to alter how people think, feel, and behave.⁴ Efforts to change an organizational culture to be more accepting and encouraging of diverse populations can be met with objections and even fear. The key to a successful effort is to engage all parties in determining why the organization needs to become more diverse and providing education to both leadership and staff.

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Case Study: Economic Developers Council of Ontario

The emergence of women and young professionals as major groups in Ontario’s economic development realm has prompted the Economic Developers Council of Ontario (EDCO) to create “Mentor Meetups” and the “Women in Economic Development Luncheon.” Events allow connections to be built between new entrants in the field and more experienced practitioners.

Opening up the Economic Development Culture to Diversity

The steps listed below are a starting point for EDO’s to begin engaging young and diverse populations. Resources abound for further education on these topics, from worksheets to anonymous hiring software to facilitator-lead workshops.

Step 1: Organizational Soul-Searching
The baseline first step in creating a diverse organization is a systemic assessment of an organization’s attitudes toward diversity and its level of diversity. It helps to know what issues exist and what their underlying root causes are.⁵

*Define what diversity means to your organization.* Differences that people bring to the work environment include race, gender, sexual orientation, religion, age, geographic background, education, economic background, and thinking and communication styles.

*Assess present diversity.* An assessment should have more than one process in order to evaluate the level of diversity, the attitudes toward diversity, and changes that increased diversity will bring. Processes and tools include written surveys, focus groups, interviews and worksheets

*Create a plan.* Using the findings of the assessment, organizations can determine goals, roles, expectations, and scope of the intended change.

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IEDC has taken steps to make the organization more open to younger professionals via the Young Professional Advisory Committee. Additionally, IEDC recruits a diverse group to its Board of Directors.
Step 2: Education
Education is a major component of changing the culture in an organization. Behavior that inhibits diversity is often a product of ignorance rather than outright hostility. Unconscious bias training can help members of an organization recognize how their unknown prejudices influence their behavior. Ideally, training should be led by an expert facilitator and focus on specific, real situations, such as reviewing resumes, conducting interviews, and responding to customers.\(^6\) The education and subsequent buy-in of key leadership is especially important.

Step 3: Institute Policies
The entire organization should be involved in increasing diversity. Organizations should not only focus on sourcing and hiring but also retaining diverse employees.

Hiring
Finding a pool of diverse candidates may require moving outside of typical hiring practices. Steps can include developing an equal opportunity employment policy that follows the Federal Equal Employment Opportunity Commission (EEOC) guidelines, creating a committee to implement the policy, and creating practices to make the hiring process more anonymous.\(^7\) Minority advocacy non-profits can also assist in nationwide searches.

Development
Developing young, diverse new hires is essential to retaining them. Practices that seem common in an organization may be completely different to new hires. New employees should be familiarized with office culture, and opportunities for advancement should be clearly communicated.\(^8\) Updating development practices also matters for engagement of young and diverse members of boards of directors.

Inclusive Benefits
Diverse populations may value different benefits than organizations currently offer. Parents, and especially women, often value benefits such as onsite daycare, childcare subsidies, flexible schedules and longer-than-average parental leave. Flexible working schedules are also important to employees with family outside of the county and younger employees. Cultural and religious holidays should also be considered.

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\(^8\) Ibid.
within benefits policies. Office dress codes should also reflect recognition and respect for diversity-friendly, but office appropriate, apparel choices.

**Step 4: Outreach**
Outreach to diverse populations is most effective and authentic after an EDO has established an inclusive environment within the organization.

**Marketing Materials**

One way to ensure that EDOs are projecting an image that resonates with many different populations is to conduct an audit of marketing materials and web presence. This can be especially important for EDOs looking to attract technology companies or retain a young workforce.

**Outreach to Potential Economic Development Leaders**

Economic developers can encourage diversity by looking outside of their typical partners. Groups such as ethnic chambers of commerce, and young people or women's networking groups provide links to businesses and leadership within those communities. When it comes to sitting on boards or engaging in speaking events, consider suggesting someone in a position of leadership in an ethnic business chamber, young professionals, or women's group. Additionally, defining a clear path to economic development for the new generation can start with outreach to schools and higher education institutions, including career days and internships.

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**Case Study: Greater Dubuque Development Corporation**

In Dubuque, IA, retention of talent had become an economic development issue. To address this, the Greater Dubuque Development Corporation (GDDC) created a program that would welcome and retain talent. Dubuque Works, the workforce development arm of GDDC, helped successfully establish the Newcomer Services of GDDC. Additionally, GDDC partnered with the local community college to offer a class for newcomers. Inclusive Dubuque was also established as a local network of leaders to advance social equity in the community. This program has brought people together to build a community where all feel respected, valued and engaged.
Conclusion

Change within the economic development profession is inevitable. The communities that economic developers are working within are changing too by becoming more racially and ethnically diverse and more accepting of non-traditional gender roles and families. To remain relevant, economic developers must embrace the promise of diversity.

Increased diversity will bring skills that EDOs did not realize they needed into their arsenal. It will bring ideas and innovation never before considered to solve pressing problems. Creating a diverse organization—and profession—is not a socially-conscious, “feel-good” decision. It is needed for survival. As this generation of economic developers retires, the 40 under 40 and their cohorts will move into leadership roles. The organizations that will benefit most from their presence are those that have recruited and developed their talent from early stages.

It is often said that “Economic development is about relationships.” Having young and diverse employees on staff can create genuine relationships with communities and business partners that would be difficult to cultivate otherwise. Customers—whether those are new businesses, existing business, or newcomers to your community—are looking for a place where they feel welcome. Fostering an organizational culture that is open to young and diverse populations and new ideas can create this feeling, and facilitate those relationships that bring jobs and investment to all members of your community.