Ten Years after the Merger: A Celebration of IEDC and Its Forerunners
By Frankie Clogston

Ten years ago, the American Economic Development Council (AEDC) and the Council for Urban Economic Development (CUED) merged to form the world’s preeminent organization of economic developers: the International Economic Development Council (IEDC). On the occasion of IEDC’s tenth anniversary, this article celebrates the evolution of the economic development profession, the contributions of these organizations, and the story of the merger. It relies on research from historical archives and recent interviews with 59 leaders whose experience spans across six decades. In addition to IEDC’s tenth anniversary, 2011 marks 85 years since AEDC was founded, 44 years since CUED was established, and 25 years since Jeff Finkle (IEDC president/CEO) was hired as president of CUED.

In 2001, the International Economic Development Council (IEDC) was formed through a merger of the American Economic Development Council (AEDC) and the Council for Urban Economic Development (CUED). These two organizations, which had almost 130 years of combined history in the field of economic development, were largely responsible for shaping the profession over its first decades.

During that time, economic development evolved from its early industrial roots in “big-game hunting” and “smokestack chasing” to more modern focuses on entrepreneurship, innovation, and global competitiveness. Throughout the economic transformations of the 20th and 21st centuries, economic developers have held the torch to help communities grow and prosper. IEDC, now celebrating its tenth anniversary, continues to lead the way.

While the profession has evolved to meet new challenges, many core competencies and tools remain. Paradoxically, in a world of globalizing trends, many in the profession express the sentiment that it is the local-level deal that still matters most. CUED and AEDC board member Mark Smith recalls Tip O’Neill’s adage: “All politics is local.” Economic developers continue to “grease the wheels” and facilitate the transactions that are necessary for local growth and prosperity. They utilize political capital they have built up through establishing strong personal
relationships. April Young (CUED chair, 1996-98) says, “As economic development professionals we make adjustments at the margin; but, you can’t do that without well-crafted constituency cooperation.”

At the same time, they must also have an economic development skill set that has become increasingly sophisticated and specialized. As Judie Scalise (AEDC chair, 1993-94) says, “Community leaders recognize that in order to be successful you need to leverage your assets and improve the foundations that support economic development. The skill set that economic development practitioners need to do their jobs has expanded.” IEDC serves the essential role of keeping its members educated and proficient in state-of-the-art economic development. Amidst the challenges of global competition and the deepest economic downturn since the Great Depression, the role of economic developers has never been more important to local communities than it is now.

As Jim Devine (AEDC chair, 1999-2000) says, economic developers are a diaspora. While they share specific traits and expertise, they are spread throughout the world. IEDC brings together these dispersed practitioners to share their knowledge and experiences, teach and learn from one another, and build a stronger profession. This thereby enables them to build stronger communities back home.

Jack Corrigan, a former regional director of the U.S. Economic Development Administration (EDA), says IEDC and its forerunners defined economic development. “The profession…hardly existed back in the 1960s. I think that [these organizations] have basically created a whole profession. That may be one of the great achievements of IEDC today.”

AEDC and CUED—Early Roots
Both AEDC and CUED formed as a result of efforts by businessmen and civic leaders, and both had roots in the “Charm City” of Baltimore, Maryland. The founders came from the railroads, utilities, and both the public and private sectors. They were leaders who had pioneered, or would pioneer, economic development in places around the country, including: Ed deLuca (the first director of economic development in Baltimore), Ken Patton (the first deputy mayor of economic development for New York City in 1968), Jim Hankla (who launched economic development organizations in the city of Long Beach and Los Angeles County, California) and Melvin Roebuck (who established the Department of Economic Development in Cleveland).

They had diverse backgrounds, educations, and professional training experiences. But they all shared a common passion to develop their cities and communities into vibrant places to live and do business.

**AIDC: Industrial Development for Wartime and Peacetime**

The American Industrial Development Council (AIDC), which later changed its name to the American Economic Development Council (AEDC), traces its roots to June 1926 when the first conference of the industrial bureau managers of chambers of commerce was held in Washington D.C. This was organized by the U.S. Chamber of Commerce in recognition of the growing importance of economic and industrial strategy to the growth of the nation. F. Scott Fitzpatrick (of the U.S. Chamber of Commerce) led the committee and enlisted the help of Findlay French (of the Baltimore Association of Commerce’s Industrial Bureau) to assemble leaders of local industrial bureaus for a conference in Washington, D.C.

This conference became an annual event, and AIDC was officially formed in 1930 at the fifth annual conference. George C. Smith of the Canton Railroad Company of Baltimore was
elected the first chairman, a board of directors was assembled, and annual dues were fixed at $10 per person. Membership was initially capped at 125 and was comprised of male industrial bureau managers, railroad and utility representatives, industrial engineers, industrial finance representatives, and local and national chamber of commerce members. Women were first permitted to join the organization on March 31, 1953 after the Board of Directors passed a resolution.

When AIDC was founded, the U.S. was between World Wars and continuing to establish itself as a preeminent industrial power. Development was centered on improving infrastructure and expanding heavy industry. Some of AIDC’s early conferences included topics like Industrial Surveys, Industrial Prospects, and Community Advertising Campaigns and Their Relation to Industrial Development. Indeed, these topics sound akin to today’s business retention and expansion strategies in many ways.

Early conferences were also organized around specific international trends and events. This orientation is reflected in the headline themes, including: The Industrial Policy of the Soviet Union (1929) and The National Recovery Administration (1931). In 1942, the War Production Board called upon AIDC to assist in planning, plant site-location, conversion, and other phases of the war program.

AIDC held annual meetings in Washington, D.C. until 1933 when it moved the conference to Chicago. Over the years, AIDC held conferences in locations around the U.S. and Canada.

**Definition of Industrial Development:** “Industrial development mobilizes the mental attitudes of a community for the attraction, reception and cultivation of new and expanded industry to bring about the balance of residential and industrial activities desired for a steady community growth.” (AIDC, 1961)
including Montreal in 1950 and Quebec City in 1993. AIDC also had several headquarters, including Newark, Boston, Kansas City and, starting in 1981, Chicago.

The organization had a high representation of members from the American South and a healthy contingent of Canadian members. Its focus was on serving rural communities. Furthermore, AIDC historically concentrated on forging ties with the private sector. Government programs played a secondary role. This was especially the case after federal funding for local projects shifted to the cities in the 1980s due to policy changes like the restrictions on the widely used Industrial Revenue Bond (IRB) program in 1986. Don Dunshee (AEDC chair, 1988-89) says the severe limitations on the tax-exempt use of IRBs marked a major transition in economic development, and public funding shifted even more towards urban projects.

**Changing Times, Changing Name: AIDC Becomes AEDC**

AIDC changed its name to AEDC in 1980 to reflect the growing diversification of its members and the notion that economic development was an “umbrella term” that included industrial development. According to then-President Bill Shelton (AEDC chair, 1979-80), the name change was controversial among many of the old guard. As Frank Birkhead (AEDC chair, 1982-83) relayed, it initially made sense to be known as the AIDC. “We were industrial retailers. I did not, for example, bring *JC Penney* to a town…We were bringing in tire manufacturers [and] we were bringing in people who made auto parts.”

However, as Harry F. Foden (AEDC chair, 1990-1991) recalled, times were changing. It became clear there was a “need to be concerned with the overall economic conditions in addition to just attracting industry to a location.” This included providing good education, quality of life, planning and zoning. As the late Dr. Bob Koepke said, the economic development field adjusted
to incorporate this “huge, complex thing called *livability*” that affects a company’s decisions to locate, stay and expand. It requires economic developers to consider an ever-expanding pool of players for partnerships including those in workforce development, the fine arts, parks and recreation, education, transportation, and infrastructure.

**AIDC/AEDC Pioneers Education and Certification for Economic Developers**

One of the crowning achievements of AIDC/AEDC was its national education and training programs. In 1965, AIDC partnered with the University of Oklahoma’s Economic Development Institute (EDI). The institute had been previously established by the Southern Industrial Development Council (now SEDC) in 1962 in order to advance the skills of economic development leaders. AIDC took responsibility for sponsoring the program after it was decided that the program should become more nationally focused. AIDC drew on its network of accomplished economic developers, elected officials, and other leaders in the field to hire instructors. Demand for the education programs was so high in the ensuing decades that courses expanded to an increasing number of universities around the country in cities like Indianapolis, San Diego, and Kansas City.

AEDC’s educational programs now form the core of IEDC’s certification effort. Today, there is still a three-year curriculum at EDI. In addition, ten Basic Economic Development Courses (BEDCs) are held every year at major American universities. Moreover, the Economic Development Resource Center at the Midwest Research Institute in Kansas City serves as a clearinghouse for resources and hosts hundreds of theses from EDI graduates. Among the beneficiaries of the training have been individuals from rural communities around the U.S., Canada, and Native American reservations.
In 1996, AEDC started the Accredited Economic Development Organization (AEDO) program. Initiated as a way to ensure that economic development organizations were meeting important professional standards, the program was also intended to publicly reward outstanding economic development groups. Today, the AEDO program has become a main feature of IEDC’s work.

AEDC’s education initiatives developed professionalism in the field, fostered the sharing of best practices among economic developers, and cultivated an expertise among those in the profession. As Jim Covell (AEDC chair, 1989-90) says, “Economic development has evolved from being a ‘seat-of-the-pants-type thing’ to a much more professional occupation.” Ross Boyle (AEDC chair, 1992-93) says the educational programs often helped communities achieve self-reliant solutions that did not require public-sector aid.

Through the 30 years of its certification program, AIDC/AEDC accredited over 1,000 men and women as Certified Industrial/Economic Developers (CID/CED). In addition, there are currently 30 organizations that hold the AEDO designation.

**AEDC—Educating Globally**

AEDC held annual conferences in different locales around the U.S. and Canada, and its members offered their services around the world. AEDC also sponsored the first transatlantic economic development conference in Frankfurt am Main, Germany. In the 1980s, the organization conducted groundbreaking economic development work in the Soviet Union after it agreed to train the country’s economic developers. John Morand, (AEDC chair, 1991-92), was one of the instructors who went to St. Petersburg and taught 40 Soviet economic developers the tools of the trade.
By the time of the merger in 2001, the membership of AEDC had reached 2,300.

CUED—Born from an Urban Crisis

The founding of CUED followed the 1965 Watts Riots in Los Angeles and civil disturbances in other cities like Detroit, Newark, and Washington, D.C. The urban disorder further weakened the position of many urban economies, as manufacturing and commercial businesses began moving increasingly to the suburbs and outer transportation corridors.

Responding to the crisis, Ed deLuca, Baltimore’s director of economic development, decided to take action. He had been a professor and engineer before becoming an economic consultant to over 40 foreign nations. In that role, he advised them on how to rebuild their economies in the decades after World War II. Therefore, he brought considerable expertise on how to help economies restore and improve on the prosperity they once enjoyed.

deLuca wrote a letter calling 20 mayors and economic development leaders from the nation’s largest cities to a meeting in Baltimore in 1966. The meeting resulted in the establishment of the Helping Urban Business (HUB) Council, a loosely federated group of city development leaders who were concerned with the flight of businesses from urban areas and the overall economic health and vitality of cities.

The HUB Council was formally incorporated on April 20, 1967 with its bylaws stating that the primary objective was to “develop an urban policy for economic development.” In keeping with its focus on large cities, membership was initially restricted to cities with populations over 250,000. However, that requirement was reduced to 100,000 by 1969. In the first year, representatives from 15 cities joined.
The HUB Council, CUED, and the Economic Development Administration (EDA)

Both the HUB Council and CUED had a close relationship with the U.S. Economic Development Administration (EDA). The EDA was formed by the *Public Works and Economic Development Act of 1965*, and its original mission was to target federal funds to economically distressed rural areas. However, its mission soon broadened to states and cities. In 1968, EDA awarded the HUB Council with its first major funding: a two-year grant of $151,530 to support “technical assistance, information, and research.” The grant included a $1,200 local-matching funds requirement (a new concept at the time), and deLuca was forced to ask members to pay their dues early. All went well, however, and by 1972 the organization had secured a second $60,000 grant from EDA.

The HUB Council was renamed the Council for Urban Economic Development (CUED) on December 16, 1971. Shortly after, CUED moved its headquarters from Baltimore to Washington, D.C. The organization originally borrowed office space provided by the National League of Cities.

With funding from EDA, the organization held annual conferences and provided newsletters to its members. Under the chairmanship of John Claypool (1994-96), CUED began moving its conferences to venues outside of Washington, D.C. Claypool says, “We came to understand [Washington, D.C.] wasn’t the epicenter of all economic development thinking,” and that some members “did not have agendas tied entirely to government financing streams.”

Not long after the establishment of CUED, its main funding source was threatened. In 1972, President Nixon called for the termination of EDA. This did not come to fruition, but the Nixon Administration did curb funding for urban renewal programs that had been used for almost 25 years. In 1974, President Ford established the Community Development Block Grant (CDBG)
program to provide funds for community development activities, including real estate acquisition and rehabilitation, infrastructure development, and economic development and job creation activities.

Furthermore, urban development programs received strong support during the Carter Administration. During this time, CUED had a large impact on federal funding and policies. In 1977, the federal government initiated the Urban Development Action Grant (UDAG) program to complement the CDBG program. The UDAG program gave distressed communities funds for residential or non-residential use and was designed to stimulate meaningful public-private partnerships. The UDAG program became the nation’s primary urban aid program for the next decade.

**CUED Develops Its Portfolio of Services**

From its early days, CUED established itself as a go-to organization for research and technical assistance on federal programs like CDBG and UDAG. In addition, the organization provided leading economic development, adjustment, and recovery strategies. In the mid-1970s, CUED conducted its first major research study on the need to integrate CDBG with employment and training programs. And, in 1978 CUED published its seminal book, *Coordinated Urban Economic Development*, with funding from the U.S. Department of Housing and Urban Development (HUD).

During this era, the organization also provided technical assistance to over 20 communities—including Detroit; St. Louis; and Allentown, Pennsylvania;—that had been impacted by an exodus of manufacturing and industry-related jobs. It also advised communities impacted by national disasters, like Xenia, Ohio, which had been devastate by a tornado in 1974.
1980s—Times of Change

In the 1980s, CUED’s relationship with the federal government changed. President Reagan took up a campaign to downsize the government and began a White House tradition of submitting budgets to Congress with no official EDA funding. There was relentless politicking to get bipartisan Congressional support for EDA. As Jack Corrigan says, CUED and EDA had intertwined struggles at times. “We were actually, for many years, in a life-or-death struggle [over] whether we were going to continue.”

However, while many urban development practitioners were bemoaning the federal government’s withdrawal from direct economic development funding, Congress passed the Economic Recovery Tax Act of 1981 and provided communities with a major economic development tool in the form of tax credits for historical properties. This allowed communities to engage in public-private projects to restore and improve landmark railroad stations, hotels, office buildings, and other structures while also creating new urban spaces for retail, entertainment, and other uses. CUED consulted communities on the application of this tool.

In the 1980s, the organization also conducted important research regarding how state governments use incentives. Incentives quickly transformed the economic development field.

The survival of EDA, and federal funding for urban development, continued to hang in the balance in the 1980s. CUED worked with various Congressional committees, and members testified in support of EDA’s continued funding. It was amidst this fiscal uncertainty that the organization decided to shift its financial base away from dependence on government funding and towards a business model that was more self-reliant on membership dues and contributions. This coincided with the arrival of Jeff Finkle.
Jeff Finkle was an official at HUD for five years in the Reagan Administration. In addition to his institutional knowledge of the public sector, including the UDAG and CDBG programs, he had a strong private-sector marketing background. Tom Blanchard (CUED chair, 1986-88) says, “Probably the best thing I ever did for CUED was recommend that the Board hire Jeff Finkle.”

Finkle transitioned CUED to a more sustainable business model. Conferences became an important revenue source, and the organization operated with several months of financial reserves on hand. Richard Ward (CUED/IEDC Board, 1990-2010) says Finkle runs IEDC “as good as any CEO of a for-profit business.” Additionally, CUED began its own certification program under the leadership of April Young. The organization offered its first course in economic development in 1996 and the first EcD accreditation was awarded in 1998. Young says that the certification program did two important things: “It solidified a sense of what we were as a profession [and] it provided an income stream” that helped keep the organization financially strong.

As a result of good organizational management, CUED and IEDC have not just sustained, but they have grown. This is no small feat for a nonprofit membership organization with a restriction against lobbying for contracts.

Under the Clinton Administration, CUED again played a strong role in economic development policy. Following the administration's establishment of a new Empowerment/Enterprise Community program in 1993, CUED worked with government officials to raise awareness of the program and facilitate the subscription process for interested cities. The organization also offered technical assistance and conducted research on regional export development programs following the 1994 passage of the North American Free Trade Agreement in collaboration with the utility company association Edison Electric Institute.
From its modest beginnings as the HUB Council, CUED grew to include 2,700 members by 2001.

Courtships before the Merger

The merger of AEDC and CUED was a long time coming; yet, it was very hard to achieve. As Jim Covell says, “It didn’t make much sense to have two national organizations,” as most economic developers only joined one of the organizations. CUED and IEDC Board member Bob Ady noted, “There was a finite market, and we split it, so nobody had much of the market at the end of the day.”

Yet, many members identified strong differences between the organizations at the time of the merger. Each organization’s focus and membership differed. CUED was urban, while AEDC was more regional and rural. CUED was more focused in the Northeastern U.S., while AEDC had a strong foothold in the Southern U.S. and Canada. And, CUED’s membership was more public-sector oriented, while AEDC’s was more private-sector focused. The two organizational structures also differed. AEDC had a salaried president, while CUED had a salaried staff director. Finally, CUED was headquartered in Washington, D.C., while AEDC was in Chicago.

Bridging these differences entailed substantial compromises on both sides. As John Shirey, executive director of the California Association for Local Economic Development, says, “There is nothing more painful than merging two organizations where both have to give up their long-term identity in order to form a new organization.”

But, by the mid-1980s most leaders of CUED and AEDC found themselves actively considering a merger. David Sweet (AEDC chair, 1983-84) recalled meeting his counterpart, Gary Conley (CUED chair, 1984-86), and having conversations about the possibility of the two
organizations coming together. Both men happened to hold economic development positions in Cleveland. Following those discussions, three rounds of serious merger talks took place before an agreement was reached. These attempts failed owing to old perceptions, prejudices, and bad timing.

First, Ross Boyle (AEDC chair, 1992-1993) oversaw merger discussions in the late 1980s at the Mayflower Hotel in Washington, D.C. By this time, there were many members who belonged to both organizations, and Boyle was among them. This contributed to his belief that a merger would be beneficial for both organizations and their members. But, Boyle understood well that many AEDC members had historically been critical of CUED and its ties to the federal government, viewing it as a “captive of the federal grants” and the burdensome restrictions that accompanied them. On the other side, CUED Chair Ron Kysiak (1980-1982) recalled, “In the 1970s and the 1980s, the AEDC folks were trying to pull companies out of our cities while we were trying to hold them in.”

Jim Covell was involved in the second attempt to merge the organizations in 1990. But the merger failed because of a disagreement on the headquarters location, board representation, dues structures, and other cultural differences. As Covell says, “Nobody could seem to resolve how it would become a marriage of equals.” Many former chairs and negotiators mentioned that accomplishing a merger that felt like a partnership, and not a takeover, was a major challenge.

The third merger discussion happened throughout 1996 and 1997 when Wayne Sterling was chair of AEDC. Sterling noted that the talks did make progress, but they just couldn’t get the issues ironed out. However, it was clear by this time that the organizations were coming closer together in mission and in membership. Cities were reaching out further into the rural areas, and
rural areas were becoming more urbanized. Many members belonged, or were interested in belonging, to both organizations. There were many signs that an eventual merger was inevitable.

In each case, it was AEDC that initiated merger talks. During the final round of talks in 2000, Jim Griffin (AEDC chair, 2000-01) called Kurt Chilcott (CUED chair, 2000-01) and initiated merger discussions. Now, the timing was ripe. The merger was driven by both philosophy and pragmatism. There was a growing belief that the different membership bases faced increasingly common challenges in the economic development realm. And, a merger would allow members of both organizations access to more resources. In addition, the two organizations would benefit from an economy of scale.

**At the Table—Determined to Make the Deal**

From start to finish, the merger took about six months. A Merger Design Team with ten members was formed. It was comprised of four members each from CUED and AEDC in addition to the respective presidents of the organizations. They met several times to work through a myriad of issues including governance, legalities, taxes, staffing, and the certification program.

Michele “Mike” Keller was on the design team representing AEDC. She observed that members felt conflicted about the deal. While they could see the benefits, they also feared a loss of individuality. “Some people are happier in smaller groups than in larger groups,” Keller notes.

AEDC Chair Jim Griffin brought a guidebook to nonprofit mergers to help chart the course at the negotiating table. The imperative was addressing the deal-breakers, Chilcott recalls. Combining the education and certification programs of the organizations was a sticking point. AEDC’s program dated back almost four decades, while CUED had recently invested significantly in its program.
Rick Weddle (IEDC chair, 2002-04) recalls one breakthrough moment. “We were sitting there at a lunch meeting when Ed Nelson took out a napkin where he had written down ‘CED’ and ‘ECD.’ He was the one who put the two together. He says, ‘What if we just combine them so we have ‘CEcD?’’ Indeed the credit for the merger belongs to the many people who worked hard to make it happen. Unfortunately, there is insufficient space here to name all the people who were mentioned as being instrumental in the merger process.

Other issues were also addressed. Griffin led the discussion regarding the location of the new headquarters, and the Merger Design Team agreed that IEDC’s office would be in Washington, D.C. It was also agreed that Jeff Finkle would be the leader of the new organization and that the new name would be IEDC. Luckily, the name had been previously registered by AEDC.

Merger at Last

In April, the boards of AEDC and CUED met separately in St. Louis. There, each board
unanimously voted for the merger. At a joint meeting on April 26, 2001, AEDC and CUED leaders signed a resolution to create the International Economic Development Council and formally unify the two organizations. The boards were merged, and Kurt Chilcott and Jim Griffin became the first co-chairs of IEDC. CUED had 45 board members and AEDC had 35 board members, so it was agreed that the initial IEDC board would include all 80 combined members.

Shortly after the merger, an IEDC publication likened the unification to the completion of the first transcontinental railroad in 1869, which was a six-year project that joined the Union Pacific and Central Pacific railroads (ED Now, May 31, 2001). This comparison may be hyperbole, but at least it is one based on concepts of infrastructure development—one of the shared goals of the two organizations.

The decision to name the organization “IEDC” was rooted in a common desire to reflect the international membership and mission of the organization. Ian Bromley, from Canada, (IEDC chair, 2009) and Greg Clarke, from the United Kingdom, were strong lobbyists for the international designation.
“Greg and I pushed for the council to take on the name *International* Economic Development Council. [This meant it would be] open to the idea of not only having an international element, but an international mission as well…and international aspirations,” Bromley says.

Members like Ed Nelson (CUED chair, 1998-2000), who has worked with the European Association of Development Agencies (EURADA) and economic developers in South Africa, agreed. “I think the international market is somewhere we can grow and prosper,” says Nelson, who found that both American and international economic developers have much to learn from each other.

**Memorable Endings, Promising Beginnings**

In the autumn 2001 issue of *Economic Development Commentary*, co-chairs Kurt Chilcott and Jay A. Garner say the new organization would be “stronger, more effective and dynamic, as the shared values and capabilities of both groups provide a natural platform and focus.” IEDC’s new Certified Economic Developer (CEcD) program went into effect July 1, 2002. Those who had previously earned certification through CUED or AEDC were transitioned to the new CEcD designation.

Each organization held its final conference as a separate entity in 2001, because the planning of these events preceded the merger. In CUED’s case, the tragedies of 9/11 occurred during the final conference. Needless to say, it was a terribly unforgettable event. Members tried to make their way out of Philadelphia, but many who relied on air transportation were stranded for days. Yet, in many cases the extended time together allowed members to forge stronger ties. Despite this, CUED and AEDC treated their final conferences as celebrations of their respective organization’s contributions to the field of economic development.
The different memberships contributed both overlapping and complementary constituencies to IEDC. While AEDC brought a chamber of commerce, business, and marketing background, CUED brought strong relationships and skills related to public-sector programs. “We became bigger, stronger, and we had more skills,” Walt D’Alessio (CUED chair, 1978-80) says.

Ian Bromley mentioned that some differences and factions between the cultures of AEDC and CUED were revealed during the first three or four years of IEDC. “But it happens with any organization,” Bromley says, adding “It’s the classic ‘form, storm, norm, and perform.’ We’re now somewhere between ‘norm-ing’ and ‘performing.’” Jay Garner says that there was indeed some “buyer’s remorse” during the first couple of years. This was also described by Joe Marinucci (IEDC chair, 2005-2006) as “bumps and bruises.”

But former leaders of both AEDC and CUED say that the outcome has been positive, and members have grown to see the benefits of having a broader platform and more resources. As Garner says, “It took some time, as most mergers do, but I think it’s working effectively now.”

Since the merger, membership has grown by 10 percent and currently stands at 4,400. This total reached a high-water mark of 4,670 in 2007; but, the recession caused a dip. However, membership began growing once again in early 2011.

There are now more than 100 international members representing over 25 countries in Europe, Asia, the Mideast, and Africa. Looking forward, many IEDC members expressed the hope that this contingent will expand further.

Annual Conference attendance has also grown from 1,186 in 2002 to 1,444 in 2010. The 2006 Annual Conference was IEDC’s largest with 1,619 attendees.
IEDC continues to offer a portfolio of services including both technical and annual conferences. Some recent Annual Conference themes have been *Connect Locally, Succeed Globally* (2011), *New Paradigms: The Practice of Economic Development in a Changed Landscape* (2010), and *Renewable Communities Leveraging Your Competitive Resources* (2009). These themes have touched on topics like globalization, entrepreneurship, and competing in challenging economic times.

**Unity in Diversity**

The growth of the economic development profession corresponded with a period of expanding civil rights for women, African-Americans, and other minorities. For a long time, as John Morand (AEDC chair, 1991-92) reflected, economic development was a club of “good ol’ boys” and there were glass ceilings for women and minorities in economic development. Morand encouraged Judie Scalise, the first female AEDC chair, to take the helm in 1993. Marilyn Swartz-Lloyd became CUED’s first female chair in 1988, and Ioanna Morfessis became the second in 1992. April Young subsequently served in 1996, and Robin Roberts-Krieger was elected to lead IEDC in 2008.

African-Americans also have held influential leadership positions. The first African-American to lead CUED was Ed Nelson, who became chair in 1998. Ronnie Bryant was a member of the Merger Design Team and became the first African-American chair of IEDC in 2007. Bill Best was elected to lead IEDC in 2010.

The main goal of economic development is improving the economic well being of a community through efforts that entail job creation, job retention, tax base enhancements and quality of life.

Many of the African-American members were pioneers in the field of minority business development. For instance, Herbert Bailey was active in minority business development in the 1960s in Philadelphia before moving into the economic development field. Bailey was the first African-American to be awarded the deLuca Award for Lifetime Achievement in Economic Development in 1994, and he played an essential role in recruiting minorities into the economic development profession. As of 2009, approximately 10 percent of IEDC members are minorities and 30 percent are women.

One key, unifying moment for IEDC occurred in the first year of the newly merged organization. The National Association for the Advancement of Colored People (NAACP) charged the Adam’s Mark Hotel with discriminatory practices and instituted a boycott in late 2001. IEDC was contracted to hold a conference in 2002 at the Adam’s Mark Hotel in St. Louis and stood to lose a substantial penalty if it cancelled the reservation. As Ed Nelson describes, African-American members met and decided that they would not attend the conference if it was held at the Adam’s Mark. To their joyful surprise, the rest of IEDC followed suit. Nelson recollects: “Kurt [Chilcott] stood up, and I will never forget these words. He said, ‘I’ve known Ed Nelson for a long time. Ed Nelson is my friend. If Ed won’t cross that line, then I’m not crossing it either.’”

As Bill Best says, the organization’s decision to honor the boycott gave IEDC a “voice” that resonated “authenticity and validity” to its African-American members. This led Best to “become even more motivated to ascend into the organizational leadership” in order to “promote the voice of IEDC.” He would later become IEDC chair in 2010.

IEDC’s bylaws reflect a commitment to diversity on the Board of Directors. The Nominating Committee is required to draw from the membership so that the Board “assures geographic, ethnic, and gender diversity.” The Board must also include at least one member from
Canada and at least one from the European Union. Additionally, current IEDC Chair Denny Coleman commissioned the Board Diversity Task Force in 2011 to recruit more diverse members. In the case of Ken Dobson, CUED did not have to look far to bring an African-American onto the Board. Originally recruited by Ed deLuca, Dobson was the only person who started out as CUED staff and worked his way onto the Board.

**Moving Ahead**

As economic development moves into the future, members have identified a number of challenges for the field. These issues included workforce development, entrepreneurship, globalization, and equity. The U.S. has an aging population, and much of the workforce is not trained for the jobs that fuel the knowledge-based economy. Economic developers must work with workforce development professionals to help retool them around new opportunities. Workforce is a key factor driving firms’ locational decisions. This applies to knowledge-based firms as well as manufacturing firms. Both sectors will continue to remain an important component of the economy moving forward, but there will be a particular emphasis placed on advanced manufacturing and manufacturing related to growth industries. Among those growth industries, several members identified opportunities for “green jobs” in the energy sector.

In addition to workforce development, entrepreneurship is becoming key. Rather than trying to replace a company that moves with another established company, Joe Marinucci thinks economic developers should focus on creating a new one. He says, “If a company is lost to globalization, God bless them. Going forward, the key is, ‘Can I create the type of environment that replaces a lost company with another entrepreneurial investor?’”
Economic developers are tasked with finding successful ways to spur innovation and entrepreneurship in their communities through incubators, partnerships with universities and schools, and helping locate seed capital and venture capital to fund these enterprises. The goal is to effectively support target sectors and foster economic growth.

Issues of equity are also important. As Finkle says, cities need to better share wealth. The economic transformation that drove commercial and residential wealth out of cities starting in the 1960s left behind many blighted communities. Often, inner-city residents are no longer near places of employment or even decent retail stores. Herbert Bailey concurs that there is a place for economic developers to help provide opportunity in a country that still has “haves and have-nots.” With businesses and residents starting to move back into urban areas, economic developers are challenged to craft strategies that lift economic development levels and improve livability for all residents.

Economic developers must face these issues at a time when public funding is decreasing. Both incentive money and private-sector investment are harder to come by in the tighter credit market that has resulted from the recent economic recession. Ioanna Morfessis takes a realistic view, reminding people that, “This is economic development…not economic miracles.”

**Stepping Up to the Economic Challenges of Our Time**

Yet, although this is a challenging economic time, it is also an opportune moment for the profession to insert itself into the national dialogue. Victor Hausner, a former policy and research director at CUED, and director of economic development policy for President Jimmy Carter, believes IEDC should push its agenda further onto the national stage as CUED did in the 1970s when EDA and HUD were strong federal partners.
“Organizations like IEDC ought to be setting agendas that are going to have an impact on national and state administrations. There is no more important time. Our issues are now the government’s issues. They are international issues. We ought to continue to push [for] economic development to be a major component; because, in the end, policies need to get implemented on the ground. That means they need development practitioners,” Hausner says.

Jeff Finkle, IEDC’s president and CEO, stresses the importance of having a national economic development strategy and says, “We are competing against countries that have national strategies, and the United States has no national strategy in economic development or industrial policy.”

Moving ahead, Finkle says the U.S. must target growth industries in order to be competitive. “There are some who believe that we shouldn’t pick winners or losers. I’m here to tell you that we need to pick winners and losers. We always have. We need to decide what types of companies are going to employ lots of people and be investments for this country’s future. We need to put them in a cocoon to allow them to grow.”

Yet, many members stressed that for all the change, today’s demands share many of the same fundamentals. Jay Garner believes that while some financing tools and other tactics are new, organizations are still responsible for entrepreneurial development, existing industry support, and business development; and, these were the primary concerns 30 years ago.

**Bridging Silos: Effective Communication and Relationship-Building**

A recurring theme that leaders in the profession mention is the importance of having strong relationships with stakeholders. It comes back to communication; advocacy; and bridging the silos between investors, companies, and a community’s other stakeholders. As Walt D’Alessio noted,
knowing the players and the specifics associated with each project is key because projects are like “snowflakes.” No two are the same.

Economic developers often are at the intersection of competing or conflicting interests, and this is inherently a place of friction. Marilyn Swartz-Lloyd remarks on the need to bridge between “mission-driven” and “bottom-line driven interests.” As Ioanna Morfessis says, “The economic development executive is a change agent, and change often makes people very uncomfortable. So, it’s critical to reach out, bring people together, and make sure that everyone is moving in general alignment.” Successful economic developers have this talent.

Many members reflected on the technological changes that have enabled better communication. When Jeff Finkle arrived at CUED on August 1, 1986, the organization had one computer. Now, Earnestine Jones, IEDC’s conference coordinator who began working at CUED in 1993, presides over an interactive online database. IEDC’s technology enables “a quicker response to the needs and inquiries of our members,” says Jones. Computing has indeed come a long way. Dorothy Collins recalled her role literally computerizing AEDC in the early 1980s. She wrote the Microsoft DOS code and trained the staff on software.

Beyond computing, other forms of technology have changed the way economic developers function. Don Dunshee reflects on the creative methods he would apply to give him a competitive edge before the days of FedEx. He would go to the Minneapolis airport and find Northwest Airlines flight attendants who agreed to carry his financial paperwork to New York City. Once there, it could be mailed locally to firms based in the city. The documents were received so quickly that Dunshee’s business partners would say, “How the devil did you get that here? We just talked about it yesterday!” Indeed, many members reflected on changes in technology: from Telex machines and phone calls to email and Blackberries.
Technological advances have had a direct impact on the economic development field. For example, there are fewer visits and other face-to-face meetings during the site-selection process. Today, the challenge is to maintain strong relationships in this environment. Indeed, technology facilitates transactions; however, the interpersonal dynamic has changed as a result. As Ronnie Bryant says, “Projects actually move faster now than they did years ago. The timeline, from conception to completion, is shorter. We have less human engagement.”

The Personal Challenges and Rewards of the Profession

Many members spoke about the demands of the profession. Murray Elder (AIDC chair, 1965-66) recalls being based in Montreal and travelling extensively throughout Canada’s Atlantic Provinces to deal with clients. Travel and relocation are mainstays in the profession. Jim Devine refers to these tolls as being part of “the dark side of economic development.”

Through AIDC/AEDC member surveys in the 1980s and 1990s, Devine identified many of the issues that are challenges for economic development professionals, including: a high turnover rate, changing geographic locations, political cycles, and the whims of city management. Spouses and families often feel the effects of an economic developer’s stress as well. Devine’s career, for example, spanned locations including California, Rhode Island, Maryland, Colorado, Arizona, and Missouri. Jim Garver (AEDC chair, 1998-99) moved from Kansas to West Virginia to South Carolina to Maryland to Florida. And, Bill McDermott (AEDC chair, 1995-96) moved from Delaware to Indiana to Texas to Florida. McDermott joked that “economic developers are a lot like migrant workers…dressed up in a suit and tie.”

Devine recalls administering a stress test to AEDC members around the country and finding a burnout factor. “You guys are as stressed as nurses and dentists!” he recalled saying.
Many members reflected on the importance of conferences for relieving stress. In addition to broadening their knowledge of economic development, members are able to reconnect with old friends and discuss their trials and tribulations with a valuable network of peers.

So why do they do it? It turns out economic developers reap tremendous professional rewards. Jack Corrigan reflected on the unique role of economic developers. “Your purpose is to help people create wealth in their own lives and in the lives of their community. You’re really helping people advance. I think there are [only a] few other professions that offer the rewards of feeling that you are changing people’s lives. And I think that’s at the heart of it.”

As Walt D’Alessio says, “We changed the face of cities…of some of our aging suburban communities…of some small towns across the country. That’s pretty stimulating stuff, and that’s what CUED facilitated.” Jay Garner recalled that his fondest memories were making job growth announcements for a community “that gave hope and joy to people” who needed a job or a better career.

The economic development field still incorporates many of the same fundamentals and rewards. Meanwhile, the skill set has become more sophisticated and demanding as financing tools and incentive packages have become more complex. Additionally, the field has become more holistic, as it now requires economic developers to build partnerships to strengthen the workforce, improve services in the community, and provide an environment that delivers returns to investors and residents. The agility and acumen of economic developers are crucial to communities that are trying to compete in the global economy during the worst economic downturn since the Great Depression.

Eighty-five years after AIDC began, and ten years after the merger of AEDC and CUED, the members of IEDC have never faced a larger challenge. However, they have also never had a
better skill set to meet that challenge. As Jim Griffin reflects, “The evolution of IEDC is
tremendously satisfying, because my dream to see the two of them together did come true. Today,
we look at it as the right thing to have done, and IEDC has evolved into a fantastic organization.”

Frankie Clogston is a journalist—who has worked for ABC News, NBC News and Reuters—and
an economic consultant. She first interned with CUED in 1992 and has done multiple consulting
assignments for CUED and IEDC since. (jfclogston@gmail.com)