



ECONOMIC DEVELOPMENT  
RESEARCH PARTNERS

*International Economic  
Development Council*

# The Evolving Role of Economic Developers

## Adapting to Complex Community Needs

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# Acknowledgements

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## International Economic Development Council

The International Economic Development Council (IEDC) is a nonprofit, nonpartisan membership organization serving economic developers. With more than 4,300 members, IEDC is the largest organization of its kind in the world. From public to private, rural to urban, and local to international, IEDC's members engage in the full range of economic development practices to promote economic well-being and quality of life for their communities. Learn more at [iedconline.org](http://iedconline.org).

## Economic Development Research Partners

The Economic Development Research Partners (EDRP) program is an exclusive membership level of IEDC that supports practice-oriented research. Through EDRP, IEDC excels at its mission to assist practitioners in increasing prosperity for communities at an accelerated pace, competing in the global economy, and empowering the profession to better define its vision and value.

# Introduction

During IEDC's 2024 Annual Conference, EDRP leaders hosted a session to discuss the changing role of economic developers across the United States and invited attendees to give their real-world perspectives on what they experience within their organizations and communities. The panel also featured a presentation by Shawn Kaskie, PhD, an economic development leader from the University of Nebraska. This paper pulls data and information from multiple sources, including articles discussed in the session, audience testimonials, and survey responses.

## A Changing Field

The field of economic development is undergoing a significant transformation, with professionals facing an increasingly complex and diverse set of responsibilities. This evolution reflects broader changes in the economic landscape, social dynamics, and policy priorities of communities across the United States and globally. Recent research and discussions among economic development practitioners have shed light on these changes and their implications for the profession's future. Professor Ed Hill (2023, p.43) provides a framework for understanding this complexity called the "five types of development".



Historically, economic development focused primarily on business attraction, retention, and expansion, often called "smokestack chasing" (Taabazuing et al., 2015). This approach emphasized external sources of growth, such as industrial recruitment, and concentrated on land development and infrastructure provision. Traditional techniques included providing

developable industrial land, lowering development charges, maintaining low property taxes, and promoting communities as business-friendly environments. However, the contemporary economic development landscape has shifted dramatically.

A panel discussion at IEDC's 2024 Annual Conference revealed that economic development professionals are now tasked with a wide array of responsibilities beyond their traditional roles. These new areas of focus include innovation, infrastructure development, housing affordability, childcare, grant writing, community peacemaking, solar energy, broadband deployment, and artificial intelligence (AI) integration. This expansion of responsibilities represents a fundamental shift in the nature of economic development work. For example, economic developers are increasingly called upon to be "infrastructure czars," tackling issues as diverse as irrigation planning and waste management.

Several factors are driving the changing landscape of economic development. First, there is a growing recognition of the interconnectedness of various community issues. Housing affordability, for example, is now understood to be a critical component of economic development strategy. Second, there is an increased awareness of and emphasis on equity and inclusivity in economic development practices. Economic developers must now consider how the economy works for all community members, not just business owners. Third, economic developers are increasingly expected to align their work with broader policy goals at the state and national levels, necessitating a more holistic and collaborative approach to their work.

To address these evolving challenges, economic development practitioners are adopting new frameworks and strategies. These approaches are rooted in various economic theories and models that have evolved over time. The exogenous models of economic growth from the 1960s, such as those developed by Arrow, Uzawa, and Nelson and Phelps, can be considered early attempts to shape the role of education in economic growth. These models share the common theme that economic growth results from the improvement of work productivity, which, in turn, is the result of investments in education (Bucos, 2014).

In the 1980s, starting with the works of Romer (1986) and Lucas (1988), there was a large increase in the number of studies on endogenous economic growth. These new models tried to explain economic growth in light of endogenous factors, sometimes turning the exogenous factor of technical and scientific progress into an endogenous one. The main models representing the latest approaches to economic development in which investments in education are crucial to generating economic growth are the AK model, models based on research and development (R&D), and the model of the accumulation of human capital.

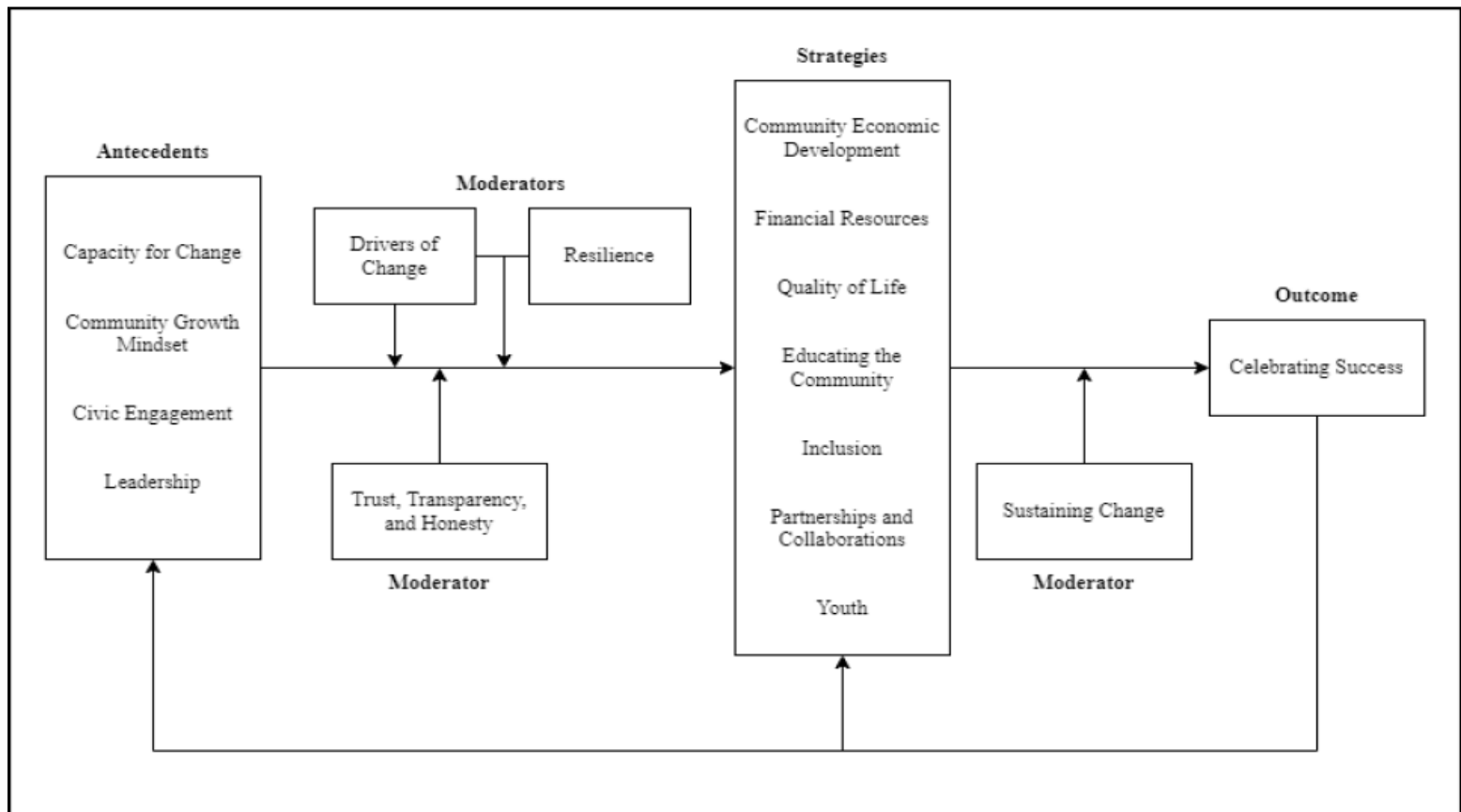
Hill (2023, p.41) introduces the concept of a "zoo" of economic development practice to better understand the work of economic developers today in relation to these theoretical models.

Product Cycle Stage	Economic Development Organization (EDO) Service Line			
	Recruitment (Attraction)	Retention	Expansion	Entrepreneurship
Introduction				Rabbits
Takeoff	Gazelle		Gazelle	
Maturity	Buffalo	Fox	Fox	
Decline-Manage				
Decline-Restructure		Puffin		
Abandon				

This zoo consists of five "animals" that represent different aspects of economic development work: rabbits (entrepreneurship and startups), gazelles (high-growth firms), buffalo (mature firms for recruitment), foxes (mature firms for retention or expansion), and puffins (retention efforts for declining operations). This framework helps to connect a region's product portfolio with the roles of economic development practitioners, illustrating how different strategies are needed at different stages of business development and product cycles.

Alongside these economic models and frameworks, recent research has emphasized the critical role of community leadership development (CLD) in fostering sustainable economic growth, particularly in rural areas. Hastings et al. (2023) argue that CLD is an imperative asset for rural community sustainability, as it focuses on developing leadership that belongs to the community as opposed to the individual. Their research suggests that CLD can have significant impacts on human, social, and cultural capital, all of which are crucial for community development projects.

Based on qualitative research with community development professionals, Hastings et al. (2023, p.10) propose a model for the “process of community change”.



This model suggests that positive community change begins with certain antecedent conditions, such as the capacity for change, a community growth mindset, a sense of civic engagement, and effective local leadership. With these conditions in place, strategies can be implemented successfully to create long-lasting change within the community.

Neamțu (2020, p.65) emphasizes the critical role of education in workforce development, arguing that education is a national priority in shaping human potential. The impact of education on social and economic development can be seen in various areas, including personal earnings, employability, health status, democratization, crime reduction, consumer decision-making, environmental awareness, and technological progress. Neamțu also discusses various economic growth models that incorporate education as a key factor, demonstrating the ability of the economic system to maintain long-term economic growth as a result of investments in education.

# The Future of Economic Development

The role of economic developers is undergoing a profound transformation. While traditional responsibilities remain important, practitioners are increasingly called upon to be connectors, facilitators, and strategic thinkers capable of addressing a wide range of community issues. Success in this evolving landscape requires a commitment to continuous learning, a willingness to forge diverse partnerships, and the ability to align economic development efforts with broader community and policy objectives.

The future of economic development lies in embracing a more holistic, inclusive, and adaptive approach. As communities face increasingly complex challenges, economic developers must position themselves as key players in fostering resilient, equitable, and prosperous communities. This will require ongoing collaboration with a diverse range of stakeholders, from local residents and businesses to educational institutions and international partners. Moreover, the field of economic development must continue to evolve its theoretical foundations and practical approaches, including developing more sophisticated models that can account for the complex, multilevel nature of community change. By embracing these changes and continuously adapting their practices, economic developers can play a crucial role in shaping the future of their communities and driving sustainable economic growth in an increasingly complex and interconnected global economy.

As we navigate these changes, remember that each community is unique. There is no one-size-fits-all approach to economic development. Our "North Star" should be creating wealth and opportunities for our communities, which may look different in each context. By focusing on building relationships, solving problems, and connecting stakeholders to the right resources, we can continue to play a crucial role in shaping the future of our communities. Stay adaptable, stay informed, and keep fostering those vital connections within your economic ecosystem. Together we can drive sustainable growth and prosperity in our regions.

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