

## Fresno County Economic Development Corporation's New Employment Opportunities Program

*Assisting Fresno County Residents to Self-Sustainability*

## Early Childhood Development as Economic Development

*Investments in Young Children Can Impact the Workforce of Today and the Future*

## Communication Across Generations

*How to Effectively Communicate with Audiences Ranging from Generation Z to the Silent Generation*

## Capitalizing on Outdoor Recreation

*Great Falls, Montana's Tourism Economy*

## From Global to Local

*Preparing Your Communities for Your State's International Recruitment Efforts*

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Ms. Tracye McDaniel  
IEDC Chair

# dear colleague

I am honored to have been selected as IEDC's board chair in 2019. I look forward to continuing the great work of the 2018 chair, Craig Richard, and I am pleased to have such a strong team of leaders, all of them CECs, at my side on the IEDC Governance Committee. I am also proud that our board membership demonstrates IEDC's commitment to diversity in terms of age, gender, race, and geographic location.

I am a big proponent of bringing the private sector to the table for economic development and of having a robust corporate engagement strategy. These companies are the job creators maintaining the tax base in our communities. In both state government and Houston, I have seen corporate engagement at its best. When I served as President and COO at the Greater Houston Partnership, the Board was made up of over 120 CEOs. We got to know business leaders in a way that elevated economic development and formed public policy.

IEDC has done a tremendous job in positioning itself for the future. Our strategic priorities are leadership development, fostering talent, supporting economic opportunity, economic transformation, and promoting the organization. Central to realizing these priorities is the strengthening of our relationship with businesses. Engaging business leaders will allow the organization to foster strategic partnerships and build a stronger IEDC.

Helping corporate leadership understand our value proposition is good for economic developers. At times, the public looks at us like we're "Incentives 'R' Us," and that is magnified by Amazon HQ2. I think we have an opportunity to recast the dialogue, and IEDC is the perfect vehicle to do that.

Today, I am driven by the development of places and by innovative, inclusive efforts to build ecosystems where people prosper. It's about opportunities for people. If we can keep that idea at the forefront of what we do, we will see the difference this profession makes and the impact we, as individual contributors, have on people's lives.

Our goal is to continue to evolve and be relevant and to secure our profession's place in developing stronger, more resilient communities. Relevancy is a pressing issue and will continue to be one. We have to ensure that we are educating and creating tools to empower people in the profession.

Together, we will tackle these issues while continuing to support our profession with IEDC's outstanding conferences, training courses, webinars, publications, research, and volunteer programs. IEDC's 2018 Annual Conference broke all attendance records, and we have a healthy balance sheet. This is all thanks to the dedication and energy of our members. With your help, we will continue to provide leadership and excellence in economic development for our communities, members, and partners.

I look forward to working with you in 2019 to keep IEDC as the world's preeminent economic development membership body.

Onward,

Ms. Tracye McDaniel  
IEDC Chair and President at TIP Strategies, Austin, Texas

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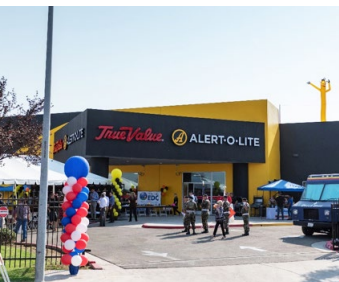
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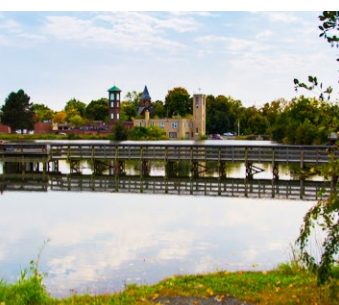
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# fresno county economic

## DEVELOPMENT CORPORATION'S NEW EMPLOYMENT OPPORTUNITIES PROGRAM

By Lee Ann Eager and Delfino Neira

### NEW EMPLOYMENT OPPORTUNITIES PROGRAM – THE BEGINNING

**T**he Fresno County Economic Development Corporation (EDC) recognizes that economic growth and the inclusion of our most disadvantaged communities are not mutually exclusive; they are interdependent. Our local economy is strongest when all segments of society are able to participate in the region's economic growth. Businesses and entire communities benefit by having access to a larger pool of qualified workers, making it clear why it is in economic developers' best interest to encourage opportunities for all. Fortunately, in Fresno County, this is not just a concept; it is reality.

Fresno County, much like the other counties that make up California's agriculturally rich San Joaquin Valley (Valley), has experienced decades of chronically high unemployment. Even during good times, the unemployment rate has hovered near double digits. Fresno County is the largest metro area in the Valley in both population, recently surpassing 1 million people, as well as workforce. Local businesses have also acknowledged the difficulty in identifying qualified workers, and it is unacceptable that a company considering Fresno County would locate elsewhere due to a lack of available skilled labor in Fresno.

As a region, we found several areas requiring improvement, specifically around job opportunities for residents and opportunities for growth for current and prospective businesses. Thus in 2014, the Fresno County EDC and the County of Fresno's Department of Social Services (DSS) took an uncon-



Alert-O-Lite (AOL) celebrates the grand opening of their facility and company expansion. AOL is a leader in traffic control services, plans and equipment and has been in business for nearly 50 years. AOL utilized the NEO program to fill their first hiring needs when consolidating operations and relocating into their new 32,600SF facility in South Fresno.

ventional step by partnering together on the New Employment Opportunities Expanded Subsidized Employment (NEO) Program which allowed both agencies to better serve their clients. DSS is able to find quality employment opportunities for Fresno County's most vulnerable communities while EDC is able to identify a job-ready workforce and training opportunities for Fresno County businesses.

The inception of the partnership for this program occurred at an event in 2013 where the EDC president/CEO and the then director of the Department of Social Services for Fresno County were guest speakers discussing workforce and economic development. After the panel discussion, they discussed the issue that new businesses were not coming to Fresno County due to the perception that we

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### ASSISTING FRESNO COUNTY RESIDENTS TO SELF-SUSTAINABILITY

The Fresno County Economic Development Corporation and the County of Fresno's Department of Social Services (DSS) took an unconventional step by partnering together on the New Employment Opportunities Expanded Subsidized Employment (NEO) program which allowed both agencies to better serve their clients. DSS is able to find quality employment opportunities for Fresno County's most vulnerable communities while EDC is able to identify a job-ready workforce and training opportunities for Fresno County businesses. The NEO program received IEDC's Gold Award for Business Retention and Expansion Programs of Three or More Years.

did not have a trained workforce available, but we had thousands of people unemployed and receiving services from DSS.

That discussion continued for the next few months with the general consensus that the expertise of the DSS staff centered around the needs of their Welfare-to-Work (WTW) participants, and not necessarily in economic development. It seemed the needs of the businesses could be better served with a partnership between the county and the EDC. It was decided that the EDC would work with the businesses to ensure their hiring/training needs were met and DSS would continue to work with the WTW clients to get them job ready.

Changing the way both agencies do business and agreeing on the best course of action led to many lengthy discussions. There was certainly a trial and error period where both agencies had to learn about the priorities of the other. Ensuring that the documentation was acceptable to both agencies and that it was prepared correctly and in a timely manner was a major obstacle which took a few months to iron out. With both agencies working toward a common goal – putting people to work – we were able to come to a mutually beneficial resolution.

The strategic partnership with DSS and the innovative NEO program serves as an example of what meaningful partnership and collaboration can accomplish. The importance of workforce development in economic development cannot be understated. As Area Development, a prominent corporate site selection resource, has noted, “In just about any survey of executives, their number one priority for site selection is a prime workforce – workers who are motivated, productive, reliable, loyal, and plentiful – both now and in the future.”

## HOW DOES THE NEO PROGRAM WORK?

The NEO program provides an incentive to prospective and existing companies to create and retain full-time jobs by providing employers with a wage reimbursement of up to 100 percent when hiring eligible County of Fresno WTW participants. DSS matches the EDC’s diverse network of expanding and new businesses, along with their available job opportunities, with WTW’s employment-ready job-seekers by using an intuitive online matchmaking portal, [www.ready2hire.org](http://www.ready2hire.org). This portal pairs a job-seeker’s skills and experience with the unique needs of each company’s job description.



*Ready2Hire.Org was launched in 2014 and serves as a “match-making” website and service, linking a ready-to-work job pool with job listings from local participating businesses.*

The success of this program is based most significantly on the ability of the public and private sectors to collaborate with their respective strengths. The EDC concentrates on the hiring needs of private sector employers while DSS focuses on the job-seeker, ensuring they have the necessary training and soft skills to gain sustainable employment.

Only eligible and approved companies can access the NEO job-seekers’ resume database, and only qualified WTW participants, through their DSS job specialists, can access the pool of open and posted job vacancies. Through this program, DSS job specialists work with some of the most culturally diverse communities in California, offering programs for job-seekers to ensure that any barriers to employment are addressed prior to participation in the program.

Companies are vetted by the EDC and are deemed eligible after qualifying interviews and background checks. Businesses must be able to provide full time work that has the potential to grow into permanent unsubsidized employment once the subsidized year ends. As a tradeoff for the subsidy, businesses are committed to working with employees to assist them in becoming ideal employees with skills to advance into self-sustainability and beyond.

The success of this program is based most significantly on the ability of the public and private sectors to collaborate with their respective strengths. The EDC concentrates on the hiring needs of private sector employers while DSS focuses on the job-seeker, ensuring they have the necessary training and soft skills to gain sustainable employment. Businesses use their standard hiring practices and are reimbursed for a portion of the employee’s wages during the training and staff-development period, which can last up to one year (see below). In addition to hiring needed workers, local businesses have used the savings from utilizing the program to purchase new equipment and expand their facilities and operations.

Weeks of Employment	Subsidy
1 - 13	100%
14 - 26	75%
27 - 39	50%
40 - 52	25%

Program costs, which include wage reimbursements, training dollars and program staff, are funded by California Works Opportunity and Responsibility to Kids (CalWORKS), a state public assistance program that provides cash aid and services to eligible families. CalWORKS funding is made available through a combination of California’s federal Temporary Assistance for Needy Families (TANF) block grant allocation, the state General Fund,



CalWORKS job-seekers participate in the Valley Apprenticeship Connection's (VAC) Pre-Apprenticeship program. To date, there have been 8 cohorts and 87 graduates to have come from the VAC.

realignment funds, and other county funds. In order to receive its annual TANF program allocation, the state is required to spend a maintenance of effort (MOE) amount from state and local funds (including realignment and other county funds) to provide services for families eligible for CalWORKS.

A critical component of the NEO program is the regular follow-up with employers once a NEO placement is made. For a full year after an employer hires a NEO job-seeker, EDC staff provide monthly support to ensure any concerns or issues related to their NEO hires are appropriately addressed in a timely fashion, resulting in higher retention rates of the NEO hires. Concerns vary from transportation issues that impact job attendance, lack of childcare, or behavioral and social issues.

Once concerns are communicated by the business to the EDC, it notifies DSS so that they can step in and offer coaching and review potential resources that may be of service. For example, if a client is having attendance issues due to lack of childcare, DSS can work to connect the client with a service provider, removing childcare as a barrier. Likewise, if a client is missing work due to transportation issues, DSS may issue them funds to repair a vehicle, grant a bus pass, or provide them with a bicycle.

Some solutions may be as simple as providing an alarm clock to ensure the employee is able to wake up on time for work, while other times, more intensive counseling may be the answer. The strategy is by keeping communication clear and flowing between all parties, retention rates of supported employees with these businesses will climb and increase the success of WTW clients achieving self-sustainability.

## JOB TRAINING AND RECRUITMENT

An integral piece of the NEO program seeks to bridge gaps between employer needs for skilled workers and the NEO job-seeker pool by creating short-term vocational training. The EDC facilitates job training programs that are not readily available or affordable in the community to match the specific needs of the private sector. To develop the curriculum, the EDC works with an existing training partner, such as local community colleges, along

with the private sector to ensure that the proposed training is not only relevant to employers but reflects the actual demands in the field and is in an industry capable of providing livable wages and growth. The training consists of both classroom instruction, including soft skills and conflict resolution, as well as hands-on instruction with introductions into the respective industries.

One of the most successful training programs developed through NEO is Class A truck driver training. Like much of the country, Fresno County is experiencing a severe shortage of available truck drivers with a Class A California driver's license. This training program originated from a discussion with one of the region's most prominent businesses in the logistics and transportation industry, John R Lawson Rock & Oil, Inc. The potential of developing a truck driving program was so important to John Lawson, the company's owner, that he offered to donate the land and trucks for students to train. This not only solved important logistical aspects of developing such training but allowed students to train on a wide variety of trucks.

Generally, established truck driving programs train on just one type of truck, and the probability that a student finds a job utilizing a similar truck is relatively low. By training on a wide variety of truck models currently used in the industry, NEO participants become much more versatile, confident, and employable. This significantly improves their prospects of securing employment, as it makes them eligible for a greater number of available positions. Furthermore, this training has become a nationally known program and a preferred training provider. Employers throughout the region regularly visit the training site, which has allowed many of the NEO training participants to secure jobs weeks before completing the training and obtaining their license.

Along with the Class A truck driver training, the EDC also facilitates pre-apprenticeship training for jobs available in the construction trades. In addition to the flurry of residential and commercial construction activity experienced in the region over the past four years, in 2015



(L-R) John Lawson, President of Lawson Rock & Oil; a graduate of the truck driving program; Amanda Venegas (ABC 30); EDC President/CEO Lee Ann Eager; and Glen Wills, instructor with the truck drivers training (TDT) program participate in an ABC 30 news segment on the success of the program. There have been 29 cohorts of the TDT program with over 192 graduates to date.



the nation's first high-speed rail project broke ground in Fresno. California's high-speed rail project investment in the Valley, to date, exceeds \$2.6 billion and has put more than 2,000 construction personnel to work, creating even more demand for skilled workers in the industry.

The pre-apprenticeship training consists of 12 weeks of instruction and utilizes the Thinking for Change curriculum that is used by the Department of Corrections, which is an integrated cognitive behavioral change program. This curriculum focuses on cognitive restructuring, social skills development, and problem-solving skills. The program also facilitates introductions to a multitude of trades and labor unions so that students are exposed to a variety of career options. The program culminates with the Laborers Union, the Local 294, administering a physical fitness assessment which places all with passing scores on a direct entry list to their union.

For larger hiring needs, the EDC and DSS tailor recruitment processes unique to the specific needs of local employers. For example, ULTA Beauty, the national beauty and cosmetics retailer, worked closely with the EDC, city of Fresno, and other local stakeholders during ULTA's site selection process for their new west coast e-commerce fulfillment and distribution center project. In March 2017, ULTA announced their selection of Fresno for their new facility and their plans including hiring 642 full-time employees. With workforce as ULTA's most important site selection factor, the EDC elevated discussions with the company by utilizing the NEO program to fulfill a portion of their workforce needs.

Following weeks of planning and preparation between ULTA, the EDC, and DSS, ULTA held a number of recruitment events catered to NEO program jobseekers, providing them with the first opportunity to obtain a job at the new facility. The program provided NEO job-seekers with the opportunity to obtain a job paying a minimum of \$15.00 an hour with benefits, the starting compensation for ULTA's entry level positions. This was life changing for the NEO job-seekers, providing them with a sense of dignity, independence, and a path toward self-sufficiency.

## RESULTS

NEO has greatly impacted individual job-seekers, many of whom have been able to transition from public assistance to self-sufficiency. Moreover, it has also helped meet local businesses' most critical workforce needs.

The unique partnership between the Fresno County EDC and the Fresno County Department of Social Services has been promising. Within the last year, nearly 400 NEO job seekers have obtained employment through the program. The Class A truck driving training program holds a steady placement rate of 83 percent and a retention rate of 83 percent over the last year. The Valley Apprenticeship Connection pre-apprenticeship training program graduates maintain a placement rate of 84 percent and a retention rate of 79 percent.

Even more impressive is the impact the NEO program has had for Fresno County's WTW participants' ability



*Mia Bella owners Robert and Michelle Coyle receive the Ursa Major Award for their commitment and participation in the NEO program.*

to secure subsidized and unsubsidized employment as compared to other counties in the San Joaquin Valley. EDC conducted an analysis on the impacts of the NEO program since its inception and through a multiple regression analysis of the data, found the following results.

Our analysis found that the NEO program has led to an increase of aggregate subsidized employment for Welfare-to-Work (WTW) participants in Fresno County by 78.5 percent, outperforming neighboring counties in the San Joaquin Valley. This effect represents the results of a county level difference-in-differences model in which the eight counties within the San Joaquin Valley from 2010 to mid-2018 were used as the model parameters. We found this effect to be statistically significant at the 99 percent confidence level, the highest confidence interval.

Similarly, when examining unsubsidized employment, the analysis found that the NEO program has led to an increase of unsubsidized employment by 16.5 percent in Fresno County, when compared to the other seven San Joaquin Valley counties. Once again, we found this effect to be statistically significant at the 99 percent confidence level. Additionally, in trying to evaluate the NEO program's effect on individuals leaving the welfare-to-work system, our analysis has found the NEO program to be directly responsible for a decrease in the amount of monthly enrollees within the welfare-to-work system by an approximate total of 578 individuals since its inception in 2014.

With over 100,000 California residents currently enrolled in the state's WTW program, the impact of replicating a similar program in other San Joaquin Valley and California counties cannot be understated. The Fresno County EDC looks forward to building on the success of NEO in expanding new programming that turns areas of need into new opportunities for all.

## LESSONS LEARNED

As with any endeavor, lessons have been learned through the program's development. Strong communication has proven to be essential to its success: communication between the EDC, Fresno County's business community, and DSS. The EDC needs to remain in touch with the businesses to understand their needs and com-



municate their difficulties to DSS; likewise, the EDC also needs to remain in regular contact with DSS to understand their needs and coordinate the program's efforts.

It has become clear that individuals need to not only be job ready, such as having access to transportation and the ability to show up dependably to work, but also be technically trained and ready to fulfill the needs that have been identified by burgeoning industries within Fresno County. Training requirements are identified by utilizing data and trends as well as being tuned into the business community. There also needs to be an examination of the workforce that is available: who are they, what skills do they have, what is their background, and what are they capable of. There needs to be a labor pool inventory in order to formulate what steps ought to be taken in order to have a healthy and growing economy.

## CONCLUSION

Ensuring economic development efforts are inclusive means that workforce must be considered of great importance. The NEO program has enabled the prioritization of people most in need of jobs by putting them at the front of the line and incentivizing businesses to consider them first, thus bolstering workforce and the economy as well as fostering an environment that is conducive to continued growth and prosperity.

The success of the NEO program is a testament to the importance of communication and the benefits of strategic partnerships with other agencies within the community when working towards a common goal. The pioneering partnership between EDC and DSS has enabled opportunities for businesses to grow and relocate to Fresno County and has given people receiving public assistance the opportunity to become self-sufficient and no longer reliant on aid to support their families. 🌐

## BUSINESS TESTIMONIALS

"We hired our office assistant through the program and the process has been excellent. Not only did I receive the perfect candidate, the selection process through the Ready2Hire website was easy. This allowed McMillan Consulting to benefit from the free candidate search service to find qualified candidates quickly. We will continue to utilize the NEO program as more positions become available."

Hollie G., McMillan Consulting

"The NEO program has brought in many great employees that help this firm continue to be successful."

Dennis G., Grossman Law

"The NEO program is a community resource where both businesses as well as CalWORKs recipients benefit."

Bonnie S., Forever Care

"NEO has served both as a source for potential employees and as a training resource for us. We have benefitted from some excellent personnel, and have also received wise counsel in training and retaining good employees from Fresno County EDC staff."

Carolyn O., Tree of Life

"I must start by saying thanks to EDC Staff for all their professional support and encouragement. I have used savings from NEO reimbursements to boost our expansion processes. Employers have the opportunity to make a good selection among many candidates."

Gregory I., Ideal Care Centers



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# early childhood

## DEVELOPMENT AS ECONOMIC DEVELOPMENT

By Rob Grunewald

**T**ight labor markets, long-term demographic trends, and a growing demand for workers with strong skills have economic development officials looking to an unlikely candidate for investment: young children.

With low unemployment rates and fewer applicants for open positions, businesses are finding that child care availability can be a factor in whether talented parents with young children decide to work at their companies. In areas with a relatively low supply of affordable child care, parents may decide not to work. And for those who do work, unstable child care arrangements can lead to lower productivity and higher absenteeism.

Investments in child care and other types of early childhood development (ECD) programs also have a long-term impact on the future labor force. The first few years of life are a critical period for healthy brain development with life-long implications. Attending a high-quality ECD program can help children arrive at kindergarten prepared to succeed in school. These children are more likely to graduate from high school, acquire additional education, and fill job openings.

Long-term research studies show that investments in high-quality ECD programs can yield annual inflation-adjusted returns as high as \$16 returned for every \$1 invested, particularly for children from disadvantaged environments, such as poverty. Cost savings to government accrue from reductions in remedial education, social services,

and crime costs, as well as increased earnings and tax revenue.

This article first explores how investments in ECD can affect economic development by helping build the foundation for future workforce skills. Second, the article looks at how child care supports parent participation and productivity in the labor force. The article concludes with examples of how economic development officials and business leaders can help increase the availability of child care and promote family-friendly workplaces in their communities.

**Tight labor markets, long-term demographic trends, and a growing demand for workers with strong skills has economic development officials looking to an unlikely candidate for investment: young children.**

### EARLY CHILDHOOD DEVELOPMENT AS THE FOUNDATION FOR ECONOMIC DEVELOPMENT

Talent. Soft-skills. Productivity. Team player. STEM. Economic development officials often refer to these words and phrases in reference to the quality of a region's labor force. A talented and productive workforce is a top consideration among businesses when they consider where to locate a new operation or office. Business leaders often look for workers with solid cognitive, communication, and teamwork skills. The foundation for all these skills begins in early childhood.

The science of childhood development shows that the first few months and years of life have a strong influence on the skills a child cultivates in school and brings to the workforce as an adult. Neuroscience and child psychology research describe the types of early experiences that help children thrive, including stable and nurturing rela-

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## INVESTMENTS IN YOUNG CHILDREN CAN IMPACT THE WORKFORCE OF TODAY AND THE FUTURE

*Investments in early childhood development (ECD) programs can have a substantial impact on economic development and children's future. Long-term research studies show that investments in high-quality ECD programs can yield annual inflation-adjusted returns as high as \$16 returned for every \$1 invested, particularly for children from disadvantaged environments. In addition, when access to affordable child care is scarce, parents may decide not to enter the labor force. And for those who do work, unstable child care arrangements can lead to lower productivity and higher absenteeism, affecting business profitability. Economic development officials and business leaders can play key roles in helping expand access to high-quality ECD programs.*

If communities and families provide nurturing and stimulating environments, children are more likely to avoid toxic stress or buffer its impact. And when children arrive at school ready to succeed they are on a successful trajectory in school and eventually the labor market.

tionships with caregivers, language-rich environments, and encouragement to explore through movement and senses. With supportive early experiences, children are more likely to start kindergarten prepared to succeed in school and beyond.

Research also describes experiences that hinder healthy development. Adverse experiences and chronic exposure to “toxic stress” can lead to a brain wired for negligence or threat, impairing learning, memory, or the ability to self-regulate. Economically struggling families living in low-income areas are more likely to suffer exposure to such negative experiences.

These disadvantageous circumstances can interfere with children’s early skill development, leading them to underperform relative to their peers even before kindergarten. One research study documented that, on average, by the age of three years, children in families with college-educated parents have twice the vocabulary of children in low-income families.<sup>1</sup>

Early adversity not only affects school success but is also associated with mental and physical health issues later in life. According to the Adverse Childhood Experiences study, adults who suffered multiple types of adverse experiences in childhood were more likely to suffer from health problems, including heart disease, diabetes, substance abuse, and depression, compared with adults who did not have an adverse experience.<sup>2</sup> For better or worse, early experiences have lifelong implications for education, health, and success in the workforce.

If communities and families provide nurturing and stimulating environments, children are more likely to avoid toxic stress or buffer its impact. And when children arrive at school ready to succeed they are on a successful trajectory in school and eventually the labor market.

#### **Early investments produce high public returns ...**

In response to the science of ECD, public investments in young children are designed to provide resources to children and families that promote development. Investments include maternal and child home visits for families with pregnant women and young children, family health and nutrition programs, early learning programs (including child care), and early childhood mental health services. A number of investments are targeted to children and families who face risks for starting school behind their peers.

Four key longitudinal evaluations demonstrate that early interventions can have a positive impact on young children from disadvantaged environments that lasts well into adulthood.

The Perry Preschool Program in Michigan<sup>3</sup> and the Chicago Child-Parent Centers<sup>4</sup> provided preschool at ages three and four, the Abecedarian project in North Carolina provided full-day care and education for children from a few months old through age four,<sup>5</sup> and the Elmira Prenatal/Early Infancy Project in New York provided home visits by a nurse to high-risk mothers during pregnancy until the child turned age two.<sup>6</sup>

The studies used well-matched comparison groups and cost-benefit analysis, and have demonstrated inflation-adjusted average annual rates of return from 7 percent to about 20 percent, depending on the size and timing of benefits relative to the cost of the program. Benefits include reductions in special education, grade repetition, incidences of juvenile and adult crime, as well as increases in earnings and tax revenue. While children and families benefit from these investments, the majority of benefits accrue to the rest of society and are still observed decades later.

#### **...and a stronger future workforce**

Results of these studies along with more recent research findings suggest that investments in ECD can help buffer the impact of projected trends in labor force growth and quality over the next few decades. The following three facts provide important context. First, the average annual growth rate for adults age 18 to 64 is expected to drop from above 1 percent from 1990 to 2010 to below 0.5 percent during the next four decades.<sup>7</sup> Second, the fastest employment growth rates through 2026 by occupations is expected in those that require a post-secondary degree or credential.<sup>8</sup> Third, in 2017, 22.6 million adults aged 18 to 64 did not hold a high school degree or equivalent, over 11 percent of this segment of the U.S. population.<sup>9</sup>

With labor supply growth slowing, demand for skilled workers growing, and plenty of room to increase the share of workers with higher levels of education, ECD investments have the potential to assist in making sure there are enough skilled workers to fill open positions over the next few decades. The long-term research studies cited above show that attending a high-quality ECD program can increase education attainment levels in adulthood. ECD investments today can help lay the groundwork for a strong workforce and economic development in the future.

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## CHILD CARE EMERGING AS AN ECONOMIC DEVELOPMENT ISSUE

While investing in ECD programs has implications for decades down the road, the provision of child care has a number of immediate effects and can help address some of the challenges businesses face today in finding workers. That is, child care is an ECD investment that can have a two-generation impact, both on child development and the ability of parents to participate in the labor force.

Almost two-thirds of children under age six (about 15 million) have all of their parents in the workforce.<sup>10</sup> These children require non-parental care at some point during the week. Consistent with these data, 54 percent of respondents to the 2016 National Survey of Children's Health with a child under age six in the household noted that the child received care for at least 10 hours per week from someone other than the child's parent or guardian.<sup>11</sup>

When parents have reliable, high-quality child care, they can go to work confident that their children are in a stable and stimulating environment. But when child care arrangements fall apart during the day, parents may be distracted at work or need to leave to attend to the situation. Unstable child care can also put parent employees at risk of losing their jobs. As evidence, about 8 percent of respondents to the 2016 National Survey of Children's Health with a child under age six reported that during the past 12 months, they or someone in their family had to quit a job, not take one, or greatly change the conditions of a job because of problems with child care.<sup>12</sup> A recent survey of parents with children under the age of five in Louisiana showed that over 40 percent of respondents had missed work during the previous three months because of child care issues.<sup>13</sup>

While instability of child care affects parental employment and household finances, these issues also affect the bottom line of businesses. An analysis by Clive Belfield at Columbia University estimates that U.S. businesses lose nearly \$13 billion annually in reduced revenue and hiring costs due to inadequate child care for children under age 3.<sup>14</sup> Inversely, availability of affordable child care can lead to stronger employment levels. One study found that availability of child care subsidies increased labor force participation rates for mothers of children aged three or younger. A threefold increase in funding for child care subsidies would lead to an estimated 376,000 more mothers being able to find work.<sup>15</sup>

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## Challenges of the Child Care Business Model

The U.S. child care industry comprises a large number of small businesses, including 75,000 child care centers and 693,000 small home-based family child care providers.<sup>16</sup> Across child care centers, family child care providers, and federally funded Head Start centers, the industry comprises about 2 million employees or small business owners.<sup>17</sup> Research shows that relative to many other industries, U.S. child care providers tend to buy a greater share of services and materials from local businesses, and child care workers tend to spend more of their earnings locally.<sup>18</sup>

Operators of child care centers and family child care homes face a number of challenges with the child care business model. First, the primary source of revenue, tuition payments, is constrained since parents with young children are typically in the early earning years of their careers and face costs associated with family formation, such as housing and transportation. Second, the reimbursement rates for government-funded child care subsidies for low-income families often fall short in covering the cost of providing care. Third, the largest costs of providing child care are related to labor and are hard to lower due to required staff-to-child ratios designed to help provide a safe and enriching environment for children.

While child care providers face challenges with financial sustainability, the cost of child care can be a substantial hurdle for families. In 2017, the national average annual tuition for an infant in a child care center was estimated at \$11,502, and for a family child care provider it was estimated at about \$9,345.<sup>19</sup> The same study finds that for a 4-year-old, average annual tuitions in 2016 were \$9,139 at a child care center and \$8,905 at a family child-care provider.<sup>20</sup> For states with child care subsidy reimbursement rates that fall short of tuition prices, families or the provider end up covering the difference.

## ROLES FOR ECONOMIC DEVELOPMENT IN CHILD CARE

Economic development officials and business leaders are in a position to help expand access to high-quality child care. First, they can help analyze and share information about local child care supply relative to demand and participate in local initiatives to expand child care. Second, economic development officials can work with

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business leaders to disseminate best practices for supporting parent employees with young children. Third, they can add their voice to policy discussions about investing in child care and in ECD programs more broadly.

### **Supporting Local Child Care Initiatives**

While federal and state policy and funding streams have a large impact on child care, much can happen at the community level. Economic developers and business leaders can help communities develop solutions regarding the supply of child care, such as opportunities to expand or repurpose buildings, mentor local child care operators on business practices, and work with local governments on zoning and regulation issues that can sometimes stall the development of new child care programs.

One example is Missoula, Montana. At a community forum on child care in April 2018, a number of members and board representatives of the Missoula Chamber of Commerce expressed concerns about a shortage of workers in the area and how a lack of child care was a contributing factor. In response, leadership at the Chamber started working with community leaders and organizations to investigate solutions.

In November, the Chamber helped field a survey of residents to better understand the demand for child care in the city. The Chamber also partnered with a child care center operator, an architect, and local businesses about potential options to expand child care. Together they are looking at six different models that could lead to new child care spaces in the city.

The child care business model can be a particularly challenging fit for rural areas where population levels are often too sparse to sustain providers, particularly child care centers. For example, an analysis of child care in Wisconsin shows that children living in rural areas have fewer child care spaces per young child than in more populated areas.<sup>21</sup>

First Children's Finance recently developed the Rural Child Care Innovation Program in rural Minnesota with funding from the state's Department of Human Services. The program uses a community engagement process, which includes local community leaders, child care providers, economic development officials, and the busi-

ness sector to develop solutions to increase the supply of high-quality and affordable child care in Minnesota's rural communities. In 2017, 19 communities participated and helped create 533 new child care spaces.<sup>22</sup>

### **Workplace Best Practices for Parents with Young Children**

Workplace practices can help support parents with young children and also serve as recruiting and retention tools. In northwestern Wisconsin the United Way St. Croix Valley's Success by 6 program developed Family Friendly Workplace certification to increase business and community linkages to support families and ECD programs. The initiative is also designed to help attract families to the area by bolstering the region's reputation as a supportive place to raise a family.

Businesses in a three county area that borders Minnesota (two counties are part of the Minneapolis-St. Paul Metropolitan Statistical Area) are eligible to participate in the program. A few examples of family-friendly practices include paid leave, flexible schedules for family activities, offering tax-saving options for childcare expenses, and providing a private location for breastfeeding and lactation. To-date there are 19 companies from a variety of industries listed on the Family Friendly Workplace website.<sup>23</sup>


### **Business Leaders Add Their Voices to Policy Discussions**

In many parts of the country business leaders have played a key role in supporting efforts to improve access and quality in child care as well as other ECD programs. For example, from 2006 to 2011, business leaders in Minnesota raised \$20 million to fund ECD initiatives and research through the Minnesota Early Learning Foundation. This led to a statewide roll out of Parent Aware, Minnesota's child care quality rating and improvement system, and the Early Learning Scholarship program, which provides \$70 million annually to help low-income families enroll their children in a high-quality early learning program.<sup>24</sup>

More recently the Minnesota Chamber of Commerce and Minnesota Business Partnership participated in a workgroup focused on finding solutions to the state's child care shortage and persistent achievement gaps by race, ethnicity, and socioeconomic status. The workgroup released a report ahead of this year's state legislative session that included recommendations on program administration and funding for child care.<sup>25</sup>

In many parts of the country business leaders have played a key role in supporting efforts to improve access and quality in child care as well as other ECD programs.

The Pennsylvania Early Learning Investment Commission is an example of business leaders who stay abreast of new ECD research and policy issues facing the state and advocate for ECD investments. Members of the Commission work with the state “executive and legislative branches to provide advice and support for policies and investments that are educationally, economically and scientifically sound and that serve an increased number of at-risk children.”<sup>26</sup>

ReadyNation International is a resource available to business leaders and their networks to promote public policies and programs that build a stronger workforce and economy through investments in children and youth. The organization has helped business leaders develop advocacy strategies and media pieces to boost state and federal resources for young children. In November, ReadyNation hosted a Global Business Summit on Early Childhood in New York City with over 200 business leaders.<sup>27</sup> 

## MINNEAPOLIS FED CONNECTS EARLY CHILDHOOD DEVELOPMENT AND ECONOMIC DEVELOPMENT

Over 15 years ago the Minneapolis Fed published the paper, “Early childhood development: Economic development with a high public return”, by then director of research Art Rolnick and economist Rob Grunewald.<sup>28</sup> The first few sentences read, “Early childhood development programs are rarely portrayed as economic development initiatives, and we think that is a mistake. Such programs, if they appear at all, are at the bottom of the economic development lists for state and local governments. They should be at the top.”

The paper highlights research from long-term studies that show investing in young children can achieve a high public return. It also makes a case that long-run returns to early health and education programs can eclipse those of economic development initiatives that use subsidies and preferential tax treatment to entice companies to expand or relocate in specific areas.

Since 2003, the Minneapolis Fed has hosted six conferences and published a number of articles and reports on ECD issues. Minneapolis Fed economists have also presented at meetings with policymakers and business leaders across the country. For more information visit [minneapolisfed.org](http://minneapolisfed.org).





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# communicating across GENERATIONS

By Sandy Sponaugle

**W**e hear all the time that it's important to know your target audience. But why is it so important? You can't communicate with everyone *all* the time. And when you try to, communications will be flat. However, an Economic Development Organization has more than one target audience it needs to reach, which might include existing businesses, potential new businesses, an expanding workforce, and stakeholders. The people in these audiences may range from the 18-year-old Gen Z to the more mature Baby Boomer or Silent Generation.

The question then becomes: how can we communicate effectively to different generations? We often think about this issue in regards to reaching millennials. But we also need to resonate successfully with other members of the population, like the Gen X executive or the Baby Boomer CEO. This also isn't limited to workforce attraction initiatives. Effective communications are necessary for everything from marketing campaigns to reports for stakeholders to running your organization internally.

This article explores different examples of organizations that were targeting millennials and Gen Z's. It also looks at examples in traditional economic development where organizations need to reach a more mature generation. Interviews with six economic developers are featured throughout the article. In each scenario, there are key strategies that can provide inspiration for more effective communications across the board, whether you're a one-person office or have a team of 20+ people inside your organization.

## HOW TO EFFECTIVELY COMMUNICATE WITH AUDIENCES RANGING FROM GENERATION Z TO THE SILENT GENERATION

*This article explores different examples of organizations that were targeting millennials and Gen Z's. It also looks at examples in traditional economic development where organizations need to reach a more mature generation. Interviews with six economic developers are featured throughout the article. In each scenario, there are key strategies that can provide inspiration for more effective communications across the board, whether you're a one-person office or have a team of 20+ people inside your organization. Effective communications are necessary for everything from marketing campaigns to reports for stakeholders to running your organization internally.*

### Breakdown for each generation:

The Silent Generation: Born 1928 - 1945 (73-90 years old)

Baby Boomers: Born 1946 - 1964 (54-72 years old)

Generation X: Born 1965 - 1980 (38-53 years old)

Millennials: Born 1981 - 1996 (22-37 years old)

Generation Z: Born 1997-Present (0-21 years old)

### HOW DOES YOUR AUDIENCE WANT TO RECEIVE INFORMATION?

When thinking about how to market to a specific demographic, a key rule of thumb is this: Share information in the way that your target audience wants to receive it, versus what your personal preferences are.

A common marketing mistake that many EDOs make is sticking to the way they personally feel most comfortable communicating, instead of investigating how their target audience wants to receive information. This might require getting out of their comfort zone, doing some experimenting, and embracing some new technology, especially when it comes to reaching millennials or Gen Z.

### EMBRACING TECHNOLOGY TO COMMUNICATE WITH MILLENNIALS AND GENERATION Z

Millennials and Gen Z aren't exclusively focused on technology, but it is a big part of their lives. Isn't it a big part of everyone's lives these days? We'll dive into some examples where organizations engaged with their millennial and Gen Z audiences in new ways, but we'll also show how they created and implemented these plans in manageable ways that suited their community and organizational culture.

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The following specific case studies focus on several organizations that embraced technology to reach millennials and Gen Z's in Minneapolis St. Paul and Anne Arundel County, MD.

## **"WE STARTED BY LISTENING – NOT TALKING" GREATER MSP'S SUCCESSFUL YOUTUBE CAMPAIGN**

Greater Minneapolis St. Paul created a targeted multimedia campaign to technology professionals to draw them towards jobs and internships in the community. The campaign was successful – reaching 284,605 engagements in 10 metros. The regional talent initiative driving this campaign called Make It. MSP. later received IEDC's 2018 Gold Award for Human Capital. They looked at this not just as a marketing campaign, but as a movement to drive traffic to their website and ultimately define the community.

A key part of the strategy started with learning about the target audience through focus groups and surveys. Peter Frosch, CEO of the Minneapolis St. Paul Regional Economic Development Partnership (GREATER MSP), shared that this was the foundational secret to their organization's successful tech initiative, as well as many other campaigns. "We started by listening, not by talking," he said.

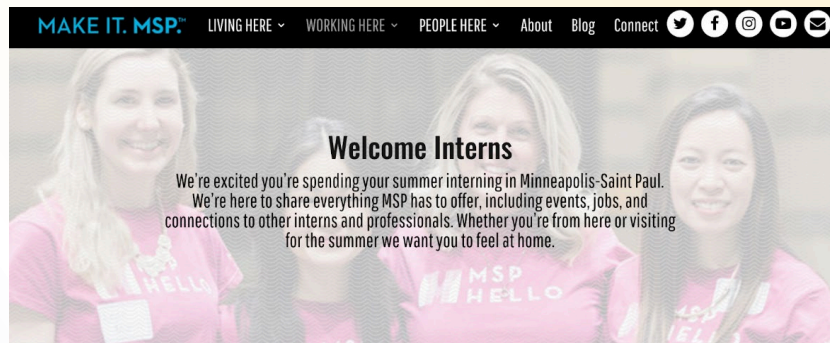
They spoke with over 6,000 people in focus groups of different ages, races, and backgrounds to find out what was really important to mobile professionals, including those already living in Minneapolis-Saint Paul and others living in 20 other metros around the U.S.

The data gave them information about their key audiences, which led to the creation of audience segmentation and key strategies. And then, they responded in a way that felt most authentic for them as a community.

The primary target audience for this campaign was millennials, but it was also not limited to millennials. The organization used mixed platforms of web, video, testimonials, social media, and live events, resulting in a very relatable campaign that resonates both with millennials and those in older age ranges. Minneapolis St. Paul is fortunate to have the corporate headquarters of Target within the community, which is a great starting point for younger millennials.

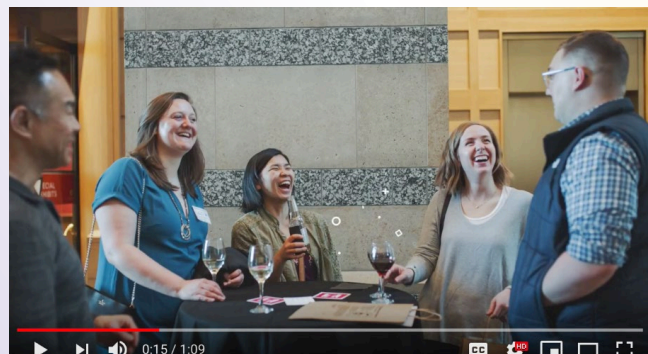


One of these events was the "MSP Welcome Week," which they also highlighted in a YouTube video. This video included testimonials of MSP transplants of varying ages and races – from young millennials through Baby Boomers.



They created YouTube videos, like "Interning in Minneapolis St. Paul" which features a young woman sharing why she decided to find an internship in St. Paul and what she loves about living there. Having her share her story and sing the praises of relocating to Minneapolis St. Paul is much more effective than someone inside the organization "selling" you on the value of working or living there.

It also wasn't all social media and technology. One key data point they found in their focus groups was that newcomers to MSP or any region can feel isolated if they don't make personal connections quickly. So they created meet-up opportunities for newcomers to connect and enjoy the town once they've relocated.





We often neglect to ask our community for help because we don't want to bother people. Through making simple asks, we can get a really great buy-in. Especially from an economic development perspective, people are going to be inclined to help you out because they want their community to be successful and thrive.

Whether you're communicating with people just like you or speaking to generations outside of yours, imagine how your recipient likes to receive information. What colors, images, language, and words would appeal to them? What kind of media would get their attention? Determining what messaging will resonate with a specific target audience requires a lot of talking, testing, interviewing, and trial and error.

Perhaps you don't have the budget to lead focus groups totaling 6,000 people like Greater MSP did. You might think of focus groups as being massively expensive. However, you could do something as easy and informal as a mini focus group over pizzas in your office. Or, you could go into a business you'd like to replicate, with the types of employees you want to target, and ask them questions. You could also create an online survey using a Google form or SurveyMonkey.com. Then, email it to your newsletter list, share it on social media, or ask specific people to fill out the survey.

We often neglect to ask our community for help because we don't want to bother people. Through making simple asks, we can get a really great buy-in. Especially from an economic development perspective, people are going to be inclined to help you out because they want their community to be successful and thrive.

Let's take a look at another multimedia campaign targeting millennials.

### WHAT IF I'M A ONE-PERSON OFFICE?

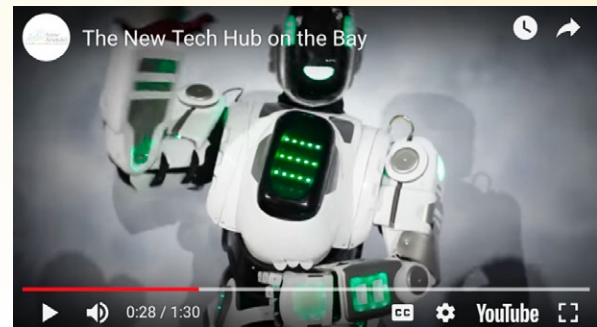
If you're a one-person office, you may not have the time to learn new technologies. While you might not be able to create the savvy digital YouTube campaign, you can still narrow your focus to a specific target market and start there.

Perhaps you're comfortable using LinkedIn. Focus on the target audience you can reach on LinkedIn and be strategic in your outreach efforts, making all your communications very specific to that audience.

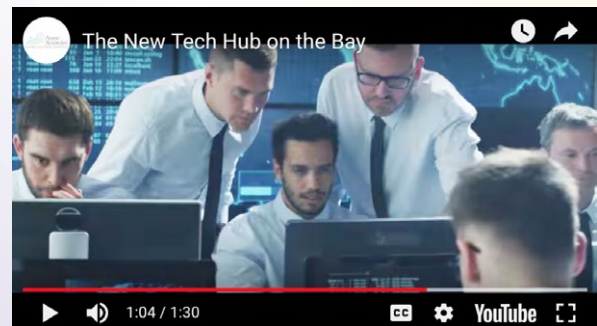
After that, move your focus to millennials or Gen Z. Consider bringing on an intern or a millennial in your community or from another partner organization who could help identify the types of content and communication that would be most resonant with this audience, and then you could execute.

### HOW ANNE ARUNDEL COUNTY ECONOMIC DEVELOPMENT CORPORATION USED DISRUPTIVE VIDEO TO REACH A SKILLED MILLENNIAL WORKFORCE

It was the kind of video that some generations might not like. It had fast cuts, a shaky camera, lights flashing, images constantly changing, and loud music going between rock and roll to classical with sharp cuts in between. The music stops for a moment as an A.I. robot says, "Anne Arundel County offers a disruption to your disruptive career."



The video itself was exactly that – a disruption. It was the kind of video that Baby Boomers might find to be too loud, too shaky, and too choppy. But... the millennial target audience loved it. In fact, they loved it so much that it was viewed over 38,000 times and later garnered an award from the Maryland Economic Development Association.



This tech-focused recruiting video was part of a campaign by Anne Arundel County to reach a highly educated and skilled millennial workforce for their cyber tech community. Their goal? Targeting millennials to get them to understand what Anne Arundel County has and why they should consider employment opportunities with the companies located here. A primary economic development team player in this campaign was Allison Akers, marketing and outreach manager, Anne Arundel Economic Development Corporation (AAEDC). "We decided that video was the best type of media to resonate with the millennial tech audience and showcase the region and quality of life in the community."

This video was pushed out primarily through Twitter, LinkedIn, and Instagram. The organization also utilized influencer marketing via a platform called ContentAmp, which allows influencers to get talking points about the video so they can blast it out to their followers. The allure of digital media is that they were able to focus their money towards targeted campaigns and get a bigger bang for their buck, which AAEDC did with a budget of just \$1,000.

This is a campaign that can and will expand. Now that the organization knows what works, it can put more of a budget behind it in future iterations and develop it further.

This campaign proves that you do not need a giant budget to start utilizing technology. Start with where you are and what you can do, and you can grow from there.

## COMMUNICATING WITH GEN X, BABY BOOMERS, AND THE SILENT GENERATION

The Gen X and Baby Boomer generations are certainly engaged on social media, watching videos online, checking Twitter for news and growing their network on LinkedIn. This being said, they are doing many of the same things that millennials are doing – but they are doing it a little differently.

This demographic might still be reading a daily newspaper with their morning coffee. However that paper might be split between a combination of different formats – print, online or in a daily podcast environment on the ride to the office. This doesn't mean that the welcome event that MSP did for new residents might not work perfectly well for an older demographic, but in the planning of this type of event, you'll need to be very aware of your audience and how they want to connect and interact with others.

Just like every millennial is not created equal, every Gen X and every Baby Boomer is not either. You might have a Baby Boomer who has a Gen Z child and as a result has kept up to date with technology. They might even play with Snapchat filters, but this doesn't mean it's their preferred method of communication – especially for work.

## CREATING A DIVERSE PORTFOLIO OF COMMUNICATION STRATEGIES

Annie Davis of Salt Lake City's Department of Economic Development shares: "We are dealing with generational issues and are very aware we can't target all of them in the same way. We have a diverse portfolio of how we communicate what we do to our internal and external audiences."

Within their communication portfolio is a Friday report that goes to the mayor's office, a digital newsletter seen by city staff, partners and contacts, in-person business visits, and roundtable discussions – both with housing and real estate firms and developers, and with young tech entrepreneurs.

They also have a weekly earned media spot with a local TV station's 6 a.m. morning show. Earned media refers to media that isn't paid for, as opposed to paid advertising. In this case, they have coverage on the local news show without having to pay for the air time. "The focus is on branding our department and our talented staff. So many times, one of us will be out and about in the community and someone says, 'I saw you this morning on the news!'" says Davis. This is a way of reaching the local audience of Generation X and Baby Boomers that is getting up early to go to work in the morning and reminding them of the initiatives taking place.

The Gen X and Baby Boomer generations are certainly engaged on social media, watching videos online, checking Twitter for news and growing their network on LinkedIn. This being said, they are doing many of the same things that millennials are doing – but they are doing it a little differently.

## BABY BOOMERS: IT'S ALL ABOUT THE NETWORKING

"One of the things I'm finding is that when targeting entrepreneurs, it's a younger demographic. When it gets into site selection, it tends to be an older demographic, and therefore the approach is different," says Laura Perdew, Director of Communications of the Greater Irvine Chamber of Commerce in Irvine, California. She shared that when targeting Generation X or Baby Boomers, it tends to be all about networking.

Perdew offered an example of the powerful new business development director who attracts new members into Chambers. He has a fantastic presence on social media and he also embraces the power of face-to-face networking. The combination of in-person events and then online social connections (like LinkedIn) are highly effective marketing techniques for all generations.

## CREATING PERSONAS IN EACH TARGET MARKET

When you're approaching marketing from the generational perspective, it's important not only to focus on their age range but to find out all the details that make them individuals. Jennifer Wakefield, interim president & CEO and senior vice president of marketing with Greater Richmond Partnership, shares that her organization crafts personas for each target audience and initiative. "We have different personas for different types of CEOs," she says. Even if they are

similar in generation, if they are in different markets, they require different personas.

To create the personas, they look at the age, but they don't stop there. What are their values? Do they have children? Where are they located?

Following are some examples of personas an organization could have:

- Linda, the Tech Executive – Could be mid-30's, female, more active online and that will be how she receives most of her information.
- Ron, the Fortune 500 CEO – Could be early 50's with grown children. Active on LinkedIn and Facebook, but Facebook is reserved for personal use – not business.
- Austin, the New College Graduate – 22 years old. Looking for a job that brings him great joy and career satisfaction. Sees room for growth and will relocate. Hasn't known a life without the Internet. Active on SnapChat and Instagram. Utilizes Facebook to connect with family. Hasn't gotten active on LinkedIn – yet.

Obviously, these are all fictitious examples. Talk with real people in each target demographic and ask questions. [See sample questionnaire in the chart.]

## TYPES OF QUESTIONS TO ASK YOUR TARGET CUSTOMER

What questions should you ask to clarify your target customer? Here are some sample questions to ask existing business owners whom you'd like to replicate in your community.

### Customer Information:

Industry: \_\_\_\_\_

Where do they live: \_\_\_\_\_

What is their job position in the industry: \_\_\_\_\_

What is their approximate age range: \_\_\_\_\_

### Customer Questions:

What are the advantages of doing business here?

What are the disadvantages of doing business here?

What is it that you love about living in this community?

What is it that you don't like about living in this community?

How would you describe your ability to recruit and retain employees?

What would you say about the quality of workforce from acceptability perspective?

What is one thing that surprised you about doing business here?

What were your biggest challenges that were solved by living and working here?

How do you describe the cost of doing business here?

How do you evaluate the ROI of your business location?

What specific programs / services has your business benefited from (financing, loan programs, training assistance, etc)?

### Personal Questions:

Do you have children? Are they living at home?

Are you involved in the community?

Are you on social media? On which platform do you spend the most time (personal / work)?

What kind of media do you read, watch, or listen to? Local news, radio, newspapers, online blogs or podcasts?

What are your interests outside of work?

Similarly, Wakefield has a lot of conversations with site selection consultants to better understand who they are in detail and adds them to her list of targeted personas.

The more details you can drill down within each specific audience, the better. This allows you to create relatable campaigns that get their attention.

If you're working within a large organization, you might have the luxury of having people within all demographics working with you. If you're part of a small

If you're working within a large organization, you might have the luxury of having people within all demographics working with you. If you're part of a small organization, you might not have the luxury of people in all generations working with you on a daily basis.

organization, you might not have the luxury of people in all generations working with you on a daily basis.

Maybe if you're within that generational demographic and you're talking peer to peer, you can draw on some of your preferences. However, even if you're in the same age range, you may differ in other ways, such as: male/female, single/married, values, location, etc. In this case, you may need to tap into your community in order to learn more about different demographics.

Jennifer Wakefield says that once they figure out the personas, they tweak the phrasing and the visuals of the marketing campaign based on what would resonate with that persona – while keeping the core messaging intact. One helpful technique is to actually give a name to each persona, such as "Site Selection Consultant Sally". This can help you see them as "real people" and better tailor your messages. The key is to still fit the brand voice while using different approaches for different personas. Then, they target audiences in the places where they are already spending their time, using different social media platforms to reach different generations.

When trying to reach the personas in the Generation X or Baby Boomer generations, they may go to Facebook, utilizing phrasing differently than when reaching out to someone who might locate a company there. When trying to reach executives, they use sponsored content on LinkedIn.

When trying to reach younger millennials or Gen Z, they'll do it not as much on Facebook but perhaps on Instagram or Snapchat. Why? Because that's where younger millennials and Gen Z prefer to hang out.

## FIND OUT WHAT'S MOST EFFECTIVE BY MEASURING RESULTS

Ultimately, how will you know what is the most effective marketing campaign for the audience you are trying to reach? You need to track your data and measure your results.

Jennifer Wakefield of Greater Richmond Partnership says, "What works for one industry won't necessarily work for another – even if it's the same type of CEO with the same age and the same likes. Trial and error can and should be a part of finding what works and measurement is the most critical piece. Through measuring results, you can look back to see what's working and what isn't working."



When you collect this data, you can use it in an annual report, presentation to elected officials, presentations to community partners, and in your regular communications with stakeholders.

## COMMUNICATING TO STAKEHOLDERS

As an EDO, you aren't only communicating with site selectors, investors, or entrepreneurs. Your communication strategy also needs to include ways of explaining to your stakeholders and board of directors why your strategy will work and what you are doing. This may be even more important when your campaign is targeted towards an audience like the younger millennials. A disruptive YouTube video that gets the attention of 25-year-olds may have the opposite effect on a Baby Boomer stakeholder.

At the end of the year, how can you get stakeholders and elected officials to see the value of increasing your budget so you can get more staff on your team and more marketing dollars? To justify a budget increase, you need to be able to show them your increased activities, results, and productivity through the year.

Annie Davis of Salt Lake City's Department of Economic Development noted earlier that every Friday, they send a report to the mayor's office. They also create a digital newsletter that goes to the mayor, communications offices, city council and public as well, which justifies what they are doing and what they have accomplished.

## COMMUNICATING ACROSS GENERATIONS INSIDE YOUR ORGANIZATION

The elephant in the room is that we aren't just communicating across generations when it comes to marketing. We also have to communicate across generations in the workplace. And this comes with its fair share of challenges.

I recently surveyed my audience asking their experiences with other generations. Here are a couple of the reactions:

A Baby Boomer said: "I find that I do alright with the Silent, Baby Boomers, and Gen X. It is harder for me to communicate with Gen Y (tend to get impatient) or Gen Z - they tend to communicate entirely on different platforms, know another level of shorthand that I don't, and know/realize that in their eyes, they see me as parental, or almost 'old'."

The elephant in the room is that we aren't just communicating across generations when it comes to marketing. We also have to communicate across generations in the workplace. And this comes with its fair share of challenges.

## THE BEST SOCIAL MEDIA PLATFORMS FOR EACH GENERATION

With 77 percent of people in the United States on social media and an estimated 2.34 billion worldwide<sup>1</sup>, you may be wondering: what are the best social media platforms for each generation?

### Facebook:

- The largest social media network worldwide at this point in time with 1.5 billion+ active daily users.
- Facebook is a great place to reach everyone from millennials to Baby Boomers.
- More than half of Americans in every age group say they are on Facebook, except for those over 65.
- In the U.S., 82 percent of 18 to 29-year-olds and 79 percent of 30 to 49-year-olds have Facebook accounts.
- 34 percent of online U.S. teenagers think that Facebook is "for old people."

Source: <https://blog.hootsuite.com/facebook-demographics/>

### LinkedIn:

- A place to build your professional network and make connections.
- Looking to recruit college graduates for your workforce, or connect with senior-level influencers? Go to LinkedIn!
- 61 million LinkedIn users are senior level influencers and 40 million are in decision-making positions.
- 13 percent of millennials and Gen Z (15-34) use LinkedIn.
- Over 39 million students and recent college graduates are on LinkedIn.

Source: <https://www.omnicoreagency.com/linkedin-statistics/>

### Instagram:

- A very visual, user-friendly platform and a great place to tell stories through photos, videos, and small captions.
- Instagram attracts millennials and Gen Z as its primary users.
- 59 percent of internet users between 18-29 use Instagram.
- 33 percent of internet users between 30-49 use Instagram.
- 72 percent of teens use Instagram.

Source: <https://www.omnicoreagency.com/instagram-statistics/>

### Snapchat:

- A place where users can post or privately send photos and videos that are only available for 24 hours.
- If you want to reach millennials and Gen Z, Snapchat is a great way to become relevant and heighten your organization's visibility within this audience.
- 71 percent of Snapchat users are under 34 years old.
- People under the age of 25 use Snapchat for 40 minutes on average every day, more than Instagram's latest stat for the same demographic.
- 45 percent of Snapchat users are 18-24.

Source: <https://www.omnicoreagency.com/snapchat-statistics/>

### Twitter:

- The social media network where users post, reply and retweet 280-character messages, called "tweets."
- With an active economic development community, this social media network is a no-brainer for economic development organizations!
- 74 percent of Twitter users say they use the network to get their news.
- 37 percent of Twitter users are between 18-29.
- 25 percent of Twitter users are between 30-49.

Source: <https://www.omnicoreagency.com/twitter-statistics/>

A millennial shared: “I’ve been in multiple meetings where the attendance is largely old generations (mainly Boomers) and they just sit around and badmouth millennials and how awful we are. It’s extremely hard to want to work productively with groups that lay blame with millennials.”

The judgments and perceptions of other generations can end up becoming a self-fulfilling prophecy that ultimately blocks productivity, creativity, and easily flowing teamwork. So how can we move forward even with the judgments or frustrations of other generations?

### **SHIFT YOUR PERCEPTIONS AND BE OPEN TO LEARNING FROM ANY AGE**

If you have a diverse range of team members within your organization, this is actually a huge benefit for your team. The truth is that everyone brings a variety of perspectives to the table. Rather than seeing other generations as a problem to be dealt with, be open to seeing what added value they can bring through their unique worldview and experiences.

Kim Clark of Baltimore Development Corporation noted that they have two team members who are 35 and 25, and they came up with a creative way of documenting business retention visits. They’ve created their own version of Salesforce CRM Software without the big price tag. They found a Google app which worked perfectly and helped the team transition to using it.

Everyone else in the office – ranging from millennials to Baby Boomers – had been used to using an Excel spreadsheet. They were in awe because this Google app was a tool they wanted and didn’t know where to find it – and these two millennials found it.

Clark says, “In the past two years, I’ve made an effort to listen. If it’s something we have tried, I look at it as how have we not done it in the ways you are suggesting.”

Jennifer Wakefield is a former adjunct professor and manager of interns who has worked with close to 30 interns. “I’ve learned as much from mentees as they have from me. You can learn from anyone at any age. Make sure you have a wide enough circle of friends and influencers you interact with that you can turn to for advice.”

When you have a diverse range of ages, everyone can draw on their own individual strengths and abilities, and then ask for the help of others when their techniques may not be working. If you are one of the many EDOs with teams of fewer than three people (maybe you’re even a one-person office), don’t let this stop you from getting that outside feedback or support. Connect with others in your community, with volunteers, or those in other organizations to get support.

### **CREATE AMBASSADORS**

Kim Clark shares that in her organization, they create ambassadors. For example, Ira, 37, is ambassador to new hires. It’s his job to explain workplace dynamics such as: “bring your own coffee mug and make sure your coffee vessel has a lid on it.”

“There are others who take people under their wing. One of their peers takes them on their outreach visits and shows the others how you sign out, track mileage, and other day-to-day duties of whatever their position is.”

“The biggest adaptation is if we hire someone out of school they aren’t used to the office environment. We had a few problem situations coming up with a young new hire, and I had to sit down and talk to him. That’s when I realized that all the others on his team were Baby Boomers and he had no one on the team he could relate to. I had an older millennial take him under his wing and after that, everything changed.”

At the end of the day, the goal is to maintain an employee versus losing someone who wasn’t happy in the environment. Clark found that the answer was finding that ambassador who can be relatable and supportive for the new person.

### **COMMUNICATE YOUR EXPECTATIONS**

A lot of challenges that crop up when multiple generations are working together can be overcome by more effective communications. Here are a few tips to help establish that communication.

**Communicate your expectations clearly and up front.** With all of your employees and subcontractors, be very clear about what you need from them, how you prefer to be communicated with, and at what frequency. You aren’t a mind reader and neither are they. Be upfront about your expectations, and you give them a greater chance at success.

**Notice what you take for granted about what you know to do.** You might be accustomed to communicating in a certain way and get confused about why the millennial doesn’t naturally pick up on it. If you have preferences, it’s on you to assume the responsibility and explain them to your team members.

For example, with texting versus calling, millennials (and the emerging Gen Z coming into the workforce) have the default of texting. There’s a time and place for texting, and a time and place for picking up the phone and dialing. It’s up to you to train millennials and Gen Z’s to work within your parameters and expectations.

**If an issue comes up, have a conversation quickly and professionally before it escalates.** The sooner you address the problem and provide guidance on what to do instead, the sooner you can peacefully resolve the issue.

**Don't be afraid to communicate expectations again and again.** Just like with your marketing messages, you may need to reinforce expectations multiple times.

Remember... none of us are born knowing the preferred etiquette of others. We all have to learn somewhere, and the learning curve takes patience from both parties.

## CONCLUSION

Just as everything has changed in the past 20 years, everything will continue to change!

Personally as a Gen X, when I joined the workforce, I didn't have a laptop. I couldn't check email from my phone. There wasn't a large online social network where I could get in front with potential clients. As technology has evolved, all generations have been able to reap benefits.

In marketing, what worked five years ago may not work in the same way now. Nowadays, being strategic requires taking some chances and trying something new, and course-correcting along the way.

In many ways, we aren't so different, even with the generational gaps. No matter what generation you are, we all desire to feel seen, heard, and understood. In other ways, we *are* different. Through understanding our differences, we can better communicate with one another.

So as you look for ways to communicate better, make it your goal to engage in conversations, learn about the preferences of others, and get out of your comfort zone.



## ENDNOTES

<sup>1</sup> Source: <https://www.statista.com/statistics/273476/percent-age-of-us-population-with-a-social-network-profile/>

## INTERVIEWS CONDUCTED:

- Allison Akers, Marketing and Outreach Manager, Anne Arundel Economic Development Corporation, Anne Arundel County, MD
- Kim Clark, Executive Vice President, Baltimore Development Corporation
- Annie Cutler Davis, Marketing and Research Manager, Department of Economic Development, Salt Lake City Corporation
- Peter Frosch, CEO, Minneapolis St. Paul Regional Economic Development Partnership
- Laura Perdew, Director of Communications, Greater Irvine Chamber of Commerce, Irvine, CA
- Jennifer Wakefield, Interim President & CEO and Senior Vice President, Marketing, Greater Richmond Partnership

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# 2019 LEADERSHIP SUMMIT SPONSORS & EXHIBITORS

IEDC would like to thank the sponsors and exhibitors of the 2019 Leadership Summit for demonstrating their commitment to the important work of economic developers. It is through their generous support that IEDC has brought leaders of the profession together for this forum of professional development, peer networking, and discussions of the most imperative issues facing economic developers today. We proudly recognize the following sponsors and exhibitors as partners in helping economic developers to build strong, more vibrant communities.

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# NEWS FROM IEDC

## **DRIVING GROWTH: THE RACE FOR TALENT, INNOVATION & PLACE IEDC 2019 ANNUAL CONFERENCE OCTOBER 13-16, INDIANAPOLIS, INDIANA**

Workforce is a theme that connects multiple issues within economic development.

A strong workforce makes a strong community by attracting additional investment, equipping new and expanding businesses, and attracting employers. How to attract and retain these needed workers, and the investment that would follow a quality workforce, is a major concern.

The 2019 Annual Conference will focus on these issues and explore key elements of workforce development. Discussions will revolve around five conference tracks:

- Livability (Resilient, livable and equitable communities),
- Future Business, Future Worker,
- Housing & Infrastructure,
- Talent Partnerships, and
- Business Clusters (The Circle of Friendship and Prosperity)



## **FIRST ACCREDITED ORGANIZATION IN NORTH DAKOTA**

Williston Economic Development in Williston, North Dakota, has become the first accredited economic development organization (AEDO) in North Dakota. There are currently 62 accredited organizations.

Organizations are required to apply for reaccreditation every three years to maintain their accreditation. Four organizations recently achieved reaccreditation:

- Tinley Park Economic Development in Tinley Park, Illinois
- CenterPoint Energy in Houston, Texas
- The Miami-Dade Beacon Council in Miami, Florida
- Big Sky Economic Development in Billings, Montana

Looking for a way to audit or strengthen your organization's operations? Learn more about becoming a member of the prestigious AEDO program at [www.iedconline.org/AEDO](http://www.iedconline.org/AEDO).

## **CHAMPIONING ECONOMIC DEVELOPMENT – THE LATEST EDRP PAPER & TOOLKIT**

Although communities agree that supporting local businesses is crucial to economic vitality, the means to that end can be hotly contested. Whether

it is a lack of understanding or ideological differences, economic developers endure criticisms from elected officials, media, academia, and others from time to time.

The latest paper and toolkit from the Economic Development Research Partners (EDRP) program – Championing Economic Development – examines the reasons for discontentment and provides recommendations on how to address these issues both internally and externally. It is designed to be a one-stop resource for economic developers to champion their cause and their profession.

The report is available for free download to IEDC members; available to non-members for \$60 from the bookstore.



## **RECOVERY AND RESILIENCE FEATURED AT THE 2018 ANNUAL CONFERENCE**

The 2018 Annual Conference saw a day of activity focused on economic recovery and resiliency. In the morning, an Economic Recovery Forum featured perspectives from disaster-affected communities, economic recovery volunteers to these areas, and federal officials.

The afternoon was filled with a series of panel discussions for island-based economic developers, community leaders, and subject matter experts. They recognized the unique characteristics of island economies and the challenges faced by island-based economic developers. More than 50 people from 12 jurisdictions attended the event.

Key points from both events are now available on the Restore Your Economy website. <http://restore-youreconomy.org>

## **2019 SALARY SURVEY OF ECONOMIC DEVELOPMENT PROFESSIONALS**

IEDC's Salary & Demographic Survey has remained the industry standard reference for compensation, demographic, and professional activity information. Data from thousands of economic development professionals make this an authoritative report of exacting detail.

The survey includes trending details over the past several years, allowing readers to see not just current data, but how this data has evolved over time. The 2019 Salary & Demographic Survey is available for pre-purchase now on the IEDC online Bookstore at <https://www.iedconline.org/main/featured-bookstore-titles>



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# CALENDAR OF EVENTS

## RECERTIFICATION FOR CERTIFIED ECONOMIC DEVELOPERS

**Fulfill a recertification requirement without tapping into your budget!**

Earn two credits towards your next recertification by having an article published in the *Economic Development Journal*, IEDC's quarterly publication.

This is one of a number of ways that you can pursue recertification credits.

Submissions are accepted throughout the year. The Journal Editorial Board reviews all articles and determines which articles are accepted for publication.

For more information contact Jenny Murphy, editor, at [murp@erols.com](mailto:murp@erols.com) (703-715-0147).



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

IEDC sponsors an annual conference and a series of technical conferences each year to bring economic development professionals together to network with their peers and learn about the latest tools and trends from public and private experts.

IEDC also provides training courses and webinars throughout the year for professional development, a core value of the IEDC. It is essential for enhancing your leadership skills, advancing your career, and, most importantly, plays an invaluable role in furthering your efforts in your community.

**For more information** about these upcoming conferences, webinars, and professional development training courses, please visit our website at [www.iedconline.org](http://www.iedconline.org).

### CONFERENCES

#### 2019 Federal Forum

April 14-16  
Washington, D.C.

#### 2019 Economic Future Forum

June 9-11  
Salt Lake City, UT

#### 2019 Annual Conference

October 13-16  
Indianapolis, IN

#### 2020 Leadership Summit

February 9-11  
Tampa, FL

#### 2020 Economic Future Forum

June 21-23  
Calgary, Alberta

#### 2020 Annual Conference

October 11-14  
Dallas, TX

### 2019 TRAINING COURSES

#### Real Estate Development & Reuse

April 4-5  
Lansing, MI

#### Economic Development Credit Analysis

April 10-12  
Washington, D.C.

#### Technology-Led Economic Development

May 1, 8, 15, and 22 (online)

#### Economic Development Marketing & Attraction

May 7-8  
Minneapolis, MN

#### Economic Development Strategic Planning

May 9-10  
Minneapolis, MN

#### Managing Economic Development Organizations

June 6-7  
Salt Lake City, UT

#### Economic Development Credit Analysis

June 12-14  
Salt Lake City, UT

#### Foreign Direct Investment & Exporting

July 9, 16, 23, and 30 (online)

#### Business Retention & Expansion

July 18-19  
Atlanta, GA

#### Economic Development Finance Programs

August 14-16  
Denver, CO

#### Neighborhood Development Strategies

September 19-20  
Baltimore, MD

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#### Real Estate Development & Reuse

October 10-11  
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#### Managing Economic Development Organizations

October 31-November 1  
Edmonton, AB

#### Economic Development Marketing & Attraction

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November 14-15  
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#### Workforce Development Strategies

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#### June 8-9

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#### October 12-13

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July 18

#### International Opportunities in Economic Development

August 15

#### All In: Developing Inclusive Workforce Strategies

September 19

#### Year in Review: Interpreting Your Results

December 19



# capitalizing on

## OUTDOOR RECREATION

By Rebecca Engum

Outdoor recreation in Montana is multi-faceted, encompassing activities that include:

- Fishing
- Hiking
- Hunting
- Biking
- Rafting
- Floating
- Kayaking
- Canoeing
- Skiing
- Snowshoeing
- Ice Fishing
- Boating
- Birding
- Rock Climbing
- Backpacking
- Snowmobiling

Outdoor recreation also includes events such as:

- Music Festivals
- Obstacle Courses
- Stunt Shows
- Triathlons
- Races

It includes businesses that support the activities and events such as: outfitters, guides, sporting good retailers, equipment rental retailers, grocery stores, and accommodation facilities.

The activities and events take place on both public and private lands and waterways, which makes the landowner a cornerstone component. The landowner can be federal or state government,

county or city government, or individuals. The final component of outdoor recreation is Mother Nature, which can ensure an unprofitable ski season by not having enough snow, devastate a local economy by

shutting down fishing due to parasites in the water, and reduce the number of travelers arriving to hike because the forest is on fire.

Great Falls, Montana, has worked to generate economic impact from outdoor recreation by considering and managing the different facets of this industry. This article focuses on Great Falls' strategy to make the community an outdoor activity destination.



Maggie Carr and Yve Bardwell are the owners of Dropstone Outfitting, a company that uses public lands to provide guided trips into the backcountry of Montana.

### GREAT FALLS' TOURISM ECONOMY

Great Falls is the third largest city in the nation's fourth largest state, by land mass, with 147,000 square miles. With 1 million residents in the state and just under 60,000 residents in the city, the open space appeals to residents and non-residents alike. Last year alone, 12 million people visited Montana.

The community is designed for independent outdoor adventurers and sits on the banks of the Missouri River in the center of the state. Great Falls is a basecamp, a place to anchor your adventures, to the Rocky, Big Belt, Highwood, and Little Belt mountain ranges; each providing public access for a variety of outdoor recreation. It is also a basecamp to the Sun and Smith Rivers, Belt Creek, and Holter Lake. It is 2.5 hours south of the east entrance to Glacier National Park and 3.5 hours north of the north entrance to Yellowstone National Park. Great

Rebecca Engum is Executive Director of Great Falls Montana Tourism, the local Destination Management Organization for Great Falls, Montana. (Rebecca@VisitGreatFalls.org)

### GREAT FALLS, MONTANA'S TOURISM ECONOMY

Outdoor recreation is multi-faceted and encompasses activities, events, and the businesses that support people being active outside. Economies can be strengthened by capitalizing on outdoor recreation for non-resident travel, entrepreneurship opportunities, and quality of life focused workforce and business recruitment. Great Falls, Montana, is rich with outdoor recreation opportunities and has leveraged those opportunities for an economic impact by focusing on its unique advantages, consumer behavior with a targeted marketing strategy, keeping stakeholders engaged, supporting local entrepreneurs, and advocating for maintenance and growth of outdoor recreation infrastructure.

## GREAT FALLS, MONTANA

Great Falls is located in the center of the state of Montana at the intersection of State Hwy 200 and I-90. It is five hours south of Calgary, Alberta and ten hours north of Denver. It is the trade area for over 190,000 people, and home for 60,000 residents and 3,400 service personnel stationed at Malmstrom Air Force Base. Population growth remains flat. The average wage in Great Falls is \$40,558, a 66 percent increase over 16 years. The GDP for Great Falls is \$3.5 billion, seeing the same growth as average wage in the same time frame.

Falls' access to a variety of outdoor adventures is complemented by its arts, culture, and history in a vibrant, modern community where over 892,000 non-resident overnight visitors spent \$205 million in the economy last year.

Tourism is a critical driver of the city's economy, accounting for 8 percent of the GDP. Eighty-seven percent of non-resident spending is done on dining, retail, fuel, lodging and grocery stores in a community driven by small business. Businesses that make up the tourism industry account for 3,080 jobs, over \$72 million in payroll locally, and over \$33 million in property taxes. Great Falls' tourism industry accounts for 9 percent of Montana's total overall tourism impact, and the state, the city and the region's tourism economy is driven by outdoor recreation.

In addition to its tourism economy, the city has a growing manufacturing economy, nationally ranked healthcare facilities, and industry leading agricultural processing operations. Although 92 percent of its businesses have 20 employees or less. The city has growing



*Paddle boarding on the Missouri River from Broadway Bay in Great Falls.*

large employers that include: steel manufacturers, oil refiners, back office management operations, educational institutions, military installations, financial institutions, and construction companies.

From an economic development focus, these employers are key stakeholders for job growth, talent recruitment, and business retention and expansion. For Great Falls Montana Tourism's strategic efforts, the stakeholders differ and include convention facilities, attractions, event coordinators, lodging properties, experiences, retail and dining businesses. Ultimately, as a Destination Management Organization [DMO], Great Falls Montana Tourism generates revenue when anyone spends a night in our lodging facilities.

The city has local outfitters and guides who provide the experiences component of our stakeholders. However, our community is designed for independent adventures, and there are gaps in the types of experiences our outfitters and guides provide. That gap exists due to risk aversion, lower demand, and the ultimate financial feasibility of offering certain experiences, based on that lower demand. Of the total non-resident spending, only 2 percent was spent with outfitters and guides. At this time, the independent adventurer is an element of our brand that we use as a differentiator in our marketing. This is one of the pieces that, through research, has helped the community define its target market and develop messaging that speaks to it. The next piece is understanding how the market behaves, which is essential to capitalize on the local outdoor recreation.

## CONSUMER BEHAVIOR

Misconceptions can exist for states and communities where outdoor recreation is the driver of the non-resident experience. For these visitors, the activities can seem exciting and somewhat daunting. In a survey conducted by the State of Montana Department of Commerce's Office of Tourism and Business Development, potential visitors made the following comments:

"I wouldn't spend that much money to fly to Montana for a weekend. If I'm going to go, I'd have to go for at least a week or two."

## SIDEBAR 1

Montana is in the Northwest section of the United States; it is often difficult for potential travelers to determine exactly where it is. Great Falls is in the center of Montana and has direct flights into the state for outdoor recreation opportunities.



“Sounds like a great trip, but I probably won’t go. . . Because of how much time and money I would need to devote to this kind of trip.”

“It seems a little tricky to get there, you have to make connections, there’s not a lot of non-stop flights from anywhere, especially coming out of my home town.”

Great Falls stresses its central location in the state and its accessibility as a travel destination to address potential visitors’ concerns. (See Sidebar 1)

Some misconceptions are compounded by a trend in the United States for families to take less vacation time and fit trips into a Thursday – Monday timeframe. Knowledge about consumers’ behavior and concerns drives the development of proper resources to aid in the research stage of the trip planning process.

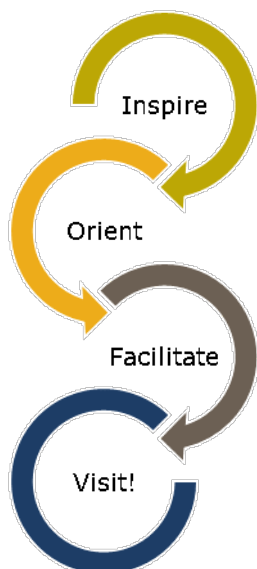
In Great Falls, we have identified the consumers’ path to purchase through a behavior process path identified in Chart 1.

**CHART 1. CONSUMER PURCHASE PROCESS**



Anytime a purchase occurs, it requires problem recognition, in its broadest form. For travel decisions, the problem is either too much work and the need for a break, an experience that hasn’t been had, or peers having an experience you want to participate in. Once potential visitors have determined they are going to travel, they begin researching where to go, what to do, and what experiences to have.

**CHART 2. TRIP PLANNING CYCLE**



During the evaluation stage, consumers are trying to choose one option over another. This is when we begin to orient them on how to get to Great Falls, where they can stay, and facilitate the experience they want to have. Done correctly, the purchase phase occurs and the visit to the city occurs. Post-purchase evaluations show that the city consistently delivers on the expectations it sets, with 78 percent of travelers being repeat visitors. (The Institute for Tourism and Recreation Research at The University of Montana, 2017).

Chart 2 shows the trip planning cycle, identifying the processes for influencing the consumer to consider

Great Falls as a destination. This is where our efforts to inspire and orient begin and where peer influencers can be helpful by sharing inspiration. Studies show consumers are 84 percent more likely to act based on a recommendation of a peer, or a friend of a peer than any paid media (McCaskill, 2015).

Knowing what activities visitors like to experience, how they make decisions, and how to help influence the decisions at each stage all form the cornerstone to Great Falls Montana Tourism’s marketing strategies for outdoor recreation.

The state of Montana invests in collecting data regarding non-resident visitation through the University of Montana’s Institute of Tourism and Recreation Research [ITRR]. The data that ITRR collects allows local communities to access it and identify who is arriving, how they are arriving, where they are staying, and what they are choosing to do.

The appeal of Montana’s spectacular, unspoiled nature inspires people to travel as it is the fourth largest state in the US with over 100 vibrant and charming small towns that provide impressive outdoor experiences. As a result, Great Falls competes within the state, as well as the Northwest region and the nation to orient and facilitate the visitor to experience Montana’s Basecamp for Art & Adventure (Great Falls’ brand promise).

Developing and growing the tourism effort is driven by market and consumer behavior research. This is conducted by destination branding consultants, market research firms, and ITRR to ensure the delivery of a specifically crafted trip planning message during a critical stage of the consumer purchase process in targeted markets on specific platforms. It is essential to ensure an authentic, deliverable promise that Great Falls is Montana’s Basecamp for Art & Adventure.

## MARKETING STRATEGY

Great Falls Montana Tourism invests in paid media placement, developing compelling content and stories, and social media engagement. The amount of the investment continues to grow, doubling in the past year to an all-time high. However, the amount is still 60 percent less than our peer cities in the state. Due to our level of investment, Great Falls strategically spends approximately 80 percent of the investment on digital media placements and 20 percent on print placements. The investment is developed annually and reviewed during each placement. The state of Montana makes additional investments through the Office of Tourism and Business Development to support the inspiration stage of the trip planning cycle. These strategies are focused on the research when it comes to delivery timing and demographic targets.

As part of the orientation step of the trip planning process, Great Falls Montana Tourism provides infographics on direct flights, drive time, and distance from our target markets to support the message that making a trip to the city can be done in a day or less. That “getting here” message is supported by various trip ideas for weekend



trips and weeklong vacations. An example of our one-day trips shows how to spend a day in Great Falls before an evening concert – highlighting day hikes, kayaking, fishing, and shopping along with dining options to make a memorable time connected to an event.

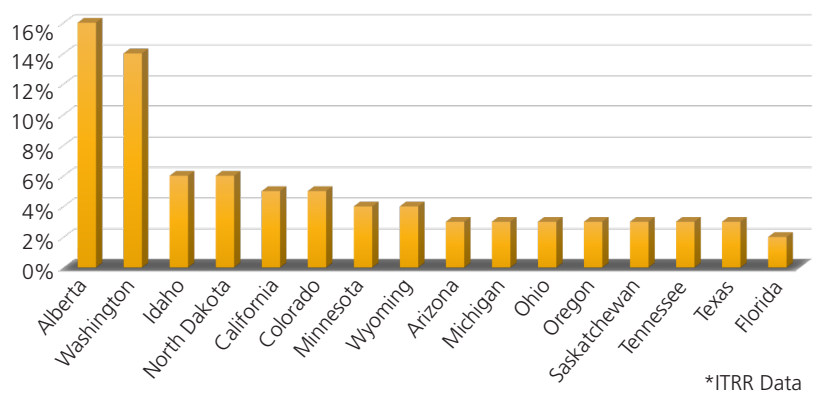
Chart 3 shows where the non-resident traveler comes from based on surveys conducted by ITRR. The locations have not changed significantly over the past 10 years. We have always seen travelers in our community from Alberta, Washington, Idaho, North Dakota, California, Colorado, Minnesota, Wyoming, Arizona, Michigan, Ohio, Oregon, Saskatchewan, Tennessee, Texas, and Florida. The chart shows the percentage of Great Falls' 820,000 visitors from each location and thus guides where Great Falls Montana Tourism directs its marketing investments.

Historically, the top activities are relatively unchanged as well for those visiting Great Falls, only the percentage of people who participated in that activity has changed over time. Chart 4 shows over time what activities the non-resident traveler engages in and what percentage of the total visitors engages in that activity. This data guides the messages that Great Falls Montana Tourism uses in its marketing investment.

Each of our target markets are a little different, so it is important to know how each target market will utilize the outdoor recreation in an area. Assess your community to determine what infrastructure is present to support a specific message of a deliverable brand promise. That assessment can include collaborating with local partners, consultants, or industry experts. For Great Falls, it was working with stakeholders that included local outfitters, state park managers, Forest Service personnel, city staff, non-profit outdoor recreation groups, state department of transportation, and resident experts.

Great Falls Montana Tourism collects data from in-market visitors and reader-service inquiries to identify the source of visitors and potential visitors. We use their city and zip code data to map the concentration within a state to identify where to invest our marketing budget. Additionally, our team analyzes traffic behavior on our website, email newsletters, and social media to gauge

**CHART 3. SOURCE OF NON-RESIDENT VISITORS**



\*ITRR Data

interest in specific activities. Through this analysis, we determine what IP addresses are engaging with specific content and where the IP addresses are located.

Through these efforts we have mapped California, for example, based on the addresses provided through inquiries. The addresses are spread throughout the state without a significant concentration in any one geographic location. The data, as seen in Chart 3, indicate that 5 percent of Great Falls' non-resident visitation arrives from California. However, only 1,500 inquiries came from the Los Angeles metro area, which is a population of around 4 million people. This makes strategic investments difficult for paid media in California. This is why we choose to make investments in psychographically targeted marketing where media can be placed in front of hikers or fishers in locations they are already using to consume content, like Expedia or National Geographic, through paid content or banner ads. (Sidebar 2)

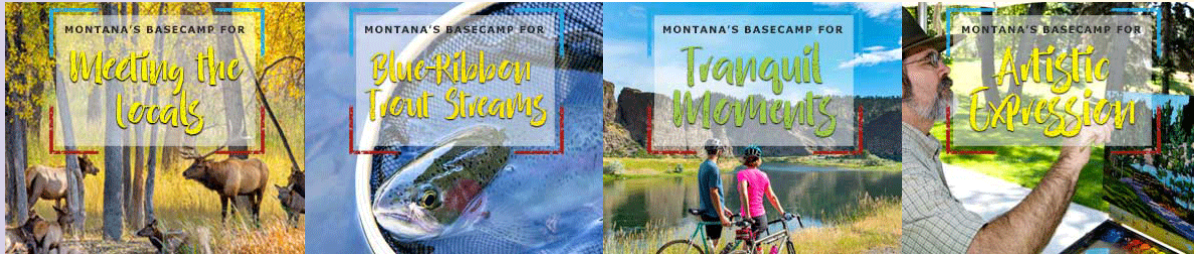
To showcase the critical need for a targeted message, the comparison of two target markets provides an example. In Great Falls, we know that our core market arriving from Denver is already outdoor adventurers through our research. This market enjoys day hikes and fishing, and appreciates the Great Falls experience because the diverse landscapes are familiar to it and the uncrowded space ensures a more enjoyable outdoor recreation experience.

**CHART 4. NON-RESIDENT TOP ACTIVITIES**

Year	Activity	%	Activity	%	Activity	%	Activity	%	Activity	%
2017	Scenic Driving	51	Day Hiking	29	Nature Photography	28	Camping	25	Lewis & Clark Sites	25
2016	Scenic Driving	59	Day Hiking	33	Nature Photography	33	Camping	29	Shopping	28
2015	Scenic Driving	60	Nature Photography	32	Shopping	31	Lewis & Clark Sites	31	Day Hiking	30
2014	Scenic Driving	61	Shopping	38	Nature Photography	29	Day Hiking	27	Camping	27
2013	Scenic Driving	69	Shopping	42	Historical Sites	32	Day Hiking	30	Wildlife Watching	29
2012	Scenic Driving	66	Nature Photography	35	Shopping	33	Lewis & Clark Sites	28	Historical Sites	27

## SIDEBAR 2

Banner ads used for paid media placement across digital platforms.



This market, in general, recreates unguided with its own equipment. Whereas, portions of our California market are not familiar with the high elevation landscapes and are not as confident in self-guided hiking, yet want to have a genuine Montana experience. This market will purchase equipment in-market or rent, relying on local expertise when it comes to gearing up. This market will also be more apt to utilize a local outfitter to guide it through the mountains on a hike or assist it in a Montana fly fishing experience.

When non-resident visitors engage a guide for outdoor recreation, there is less need for the visitor to know exactly where to go, as the guide is there to deliver the visitor to the experience, assist them through the experience, and bring them back from the experience. For the independent adventurers, such as our Denver market, it is important to have accurate and available maps, signage and other wayfinding tools.

### WAYFINDING

Getting people to where they need to be is a key component to ensuring access for any outdoor recreation experience. Take stock of the current signage, maps, online information, and applications to direct visitors to the trailhead or other outdoor experience. This can be done several ways.

Our community began by gathering all printed materials and reviewing them for usability. We also put our-



Signage in Smith River State Park on the banks of the river indicating the name of the camp spot.

Photo Credit @Montana State Parks.

selves in the visitor's shoes through a little secret shopping. We used current available resources to arrive at a hiking trailhead and analyzed what signage was available along the route. We are currently in the process of securing outside consultants to study our community and develop a plan, with a fresh set of eyes, regarding what is needed for wayfinding and how to approach meeting those needs.

Getting lost is frustrating, takes time away from the adventure, and clouds the experience. Make the investment to ensure that visitors can easily find where they need to be to enjoy their adventure, have a great experience, and ultimately return. When visitors recount the experience, you want them to begin their story with "the drive to the trailhead was simple and we were quickly on the trail, experiencing diverse landscapes." This becomes part of the peer influence network, that gets more people inspired to recreate outdoors.

### SUPPORT AND ADVOCACY

As a DMO or economic developer for our communities, we promote the assets that are present, identify the gaps, and then work to find ways to fill those gaps. Great Falls is driven by small business, our tourism economy is growing and developing, and outdoor recreation is a multi-faceted concept. We have a strong entrepreneurial support system within our Economic Development Organization, which houses a Small Business Development Center. Here, entrepreneurs can find a coach who can assist them in navigating crucial market research, planning cash flow for seasonal operations, determining the mix of products and services and licensing or permitting requirements. This coaching is invaluable to ensure a successful business operation, and good business operations help to create a positive experience for visitors.

Beyond the business component, many natural assets help to create our outdoor recreation economy. Local residents, or as we call them, Champions, in our community capitalize on those assets by creating biking, racing, and obstacle course events. Additional Montana communities have invested in massive-scale signature events that enhance the outdoor experience and bring people into the community for the event. This style of event can be a



*Starting line for Burn the Bird, an annual 5k, 10k or 1.33 mile race held on Thanksgiving Day.*

great strategy to attract first time visitors or to drive visitation to a community during a slower time of the year. It is essential to be strategic with events. Some events can require a significant investment of money, human capital, and environmental resources, and not produce a positive return for the investment. Without the proper entrepreneurial support, these events can struggle and attract only residents due to a weak investment in planning and marketing as illustrated in the following example.

In Great Falls, our tourism effort invests in entrepreneurial projects that grow the economy through increased lodging room nights and visitor spending in the community. The strategic investment occurs in projects that generate new overnight stays, with a high preference for non-peak visitation times.

A committed group of Great Falls residents requested funding to start an outdoor heritage festival, focused on the art and games of the culture. The time of the year, location, and idea were an ideal fit for the Basecamp for Art & Adventure.

The first year, the festival attracted 795 attendees and broke even. The second year, our tourism effort invested in the idea again, with hesitation. The time of the year changed and the location changed. The attendance dropped 33 percent. Additional investment wasn't sought and the marketing included posters and free local sources; the lack of strategic planning played a major role in the drop in attendance.

Tourism made one final investment commitment. This depended on the group receiving coaching to formalize its efforts, generate the human capital necessary to secure sponsorship investment, commit to strategically placed paid marketing well in advance of the event, and secure entertainment in advance of marketing to provide the details of an event that people will choose to attend over all the other options. The festival was ultimately cancelled as the group was unsuccessful in its efforts to develop a sustainable business model.

## INFRASTRUCTURE

The outdoor recreation infrastructure – whether it be obstacle courses in parking lots, bike riding trails, or

open spaces for music festivals – needs to be maintained. Funding that maintenance can be difficult but is essential. It is further complicated by the ownership of the land, be it public or private. The city has created a Park District to assist with a portion of the funding for maintenance on the public land designated as parks. However, that isn't the full solution. Additionally, the Park District is funded by local taxpayers, and in some instances, the larger users of some of our outdoor recreation infrastructure are non-residents. Great Falls has local non-profit user groups that invest in trail maintenance under agreements with the public land owners to ensure debris is removed, the trail signage is visible, and the trail itself is still identifiable.

Great Falls Montana Tourism and its stakeholders continue to advocate for our infrastructure with local, state and federal representatives to collaboratively find solutions to ensuring longevity of our infrastructure.

## STAKEHOLDER ENGAGEMENT

For Great Falls, outdoor recreation is essential to the economy. Keeping stakeholders engaged keeps our marketing efforts informed, our entrepreneurs successful, our infrastructure developed, and our community growing. We engage our stakeholders first and foremost as representatives on our Board of Directors. They set strategic priorities and provide monthly insight from their respective fields.

Additionally, we engage stakeholders through quarterly Industry Roundtables, where we look for answers to such questions as: How is the industry performing? What changes are coming? What trends are occurring? This engagement ensures the message being delivered is relevant, we can capitalize on the interests of the market, we can support our entrepreneurs, and we can advocate for change, if needed.



*The River's Edge Trail is 53 total miles throughout Great Falls, offering a variety of recreational opportunities.*



## CONCLUSION

In a competitive landscape where the choices for leisure travel can include amusement parks, extreme sporting events, beach resorts, and national treasures, nature-based outdoor recreation doesn't always rise to the top of every traveler's list. The offering provided for outdoor recreation must be compelling enough to win out over other events and experiences.

Only 28 percent of the weekends in a year are during the summer season, and summer weekends can get filled with family obligations such as sports tournaments, weddings, and reunions. Outdoor recreation occurs all year round, however, it is more prevalent in the summer. Our community continues to leverage the spring, fall, and winter offerings among various markets for a greater economic impact. These markets include the Baby Boomers and other double income no kids market segments, which have more flexibility for traveling and tend to have a higher average spend when they travel.

Crafting the right message, for the right market, delivered at the right time, and supported by the right infrastructure, will enable communities to capitalize on outdoor recreation. Niches will choose to spend their limited discretionary income for leisure travel, where an outdoor experience, family time, and economic impact are one in the same. 🌐



*A contestant competes in the Knuckle Buster Obstacle Challenge. An extreme course of physical challenges where teams compete is held annually in the Little Belt Mountains.*



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# from global to local

By Courtney Hendricson

- If you are prepared to invite global companies to invest in your state, then you have to be prepared to support them locally.

Often business recruitment strategies concentrate on the prospects and not as much on specifically where they land. Our approach in Connecticut ties recruitment activities to making sure locations have the knowledge and the tools to land recruitment prospects, increasing the likelihood of success. What foreign companies are specifically looking for in potential relocation communities has evolved and become more specialized.

Attracting companies to expand or relocate requires a strategic plan that includes consideration of:

- Economic development priorities as set forth by the state and its resource partners
- Partner commitments to foster an environment that supports the state's targeted industries
- Economic research of industries, potential prospects and methodology for managing relationships

The process of a town attracting an international company starts with knowing your community. As an economic developer, you must know the locality you represent from all angles.

Often business recruitment strategies concentrate on the prospects and not as much on specifically where they land. Our approach in Connecticut ties recruitment activities to making sure locations have the knowledge and the tools to land recruitment prospects, increasing the likelihood of success. What foreign companies are specifically looking for in potential relocation communities has evolved and become more specialized.

## ARM YOURSELF WITH INFORMATION

**1. Demographics** – who lives there, who works there, what is happening to the age shift in town: getting older? Schools declining? What is the median income? Is that shifting? For better or for worse? What is the ethnic makeup in town—is that shifting? How is that affecting the community? All of these stats show us what is happening on the ground and clues us in to what may be happening in the near future. This is critical as companies from out of town, out of state, and outside the United States are making location decisions, often with these issues in mind. (Example 1)

**2. Businesses** – know your business community on both a macro and micro level. Macro means knowing who are the major employers, who are the top taxpayers, which industries are growing, which are stagnant, and which are declining. Knowing your businesses at the micro level simply means knowing the companies and knowing the decision-makers personally. It means forging and maintaining meaningful relationships with the businesses in your community so that you can offer them assistance when they need it (e.g. access to tax relief or help with a sign permit) and the business in turn can offer you assistance in business recruitment by identifying which companies they partner with in their supply chain, who is their largest competitor in the region, etc. (Example 2)

Courtney Hendricson is Vice President of Municipal Services at the Connecticut Economic Resource Center, Inc., a nonprofit, public-private partnership that drives economic development in Connecticut by providing research-based data, planning and implementation strategies to foster business formation, recruitment, and growth. (chendricson@cerc.com)

## PREPARING YOUR COMMUNITIES FOR YOUR STATE'S INTERNATIONAL RECRUITMENT EFFORTS

*State, regional, and local economic developers must recognize that international recruitment efforts are unsuccessful when local infrastructure is not fully supportive. It makes no sense to spend resources on recruitment if you aren't ready to provide what companies need in a new or expanded location. Using Connecticut as a case study, this article addresses the importance of building local and regional economic development capacity and leveraging your assets and international and domestic business recruitment activities. The result will be more business growth and expansion, jobs, economic vitality, and long-term continuity.*



### Example 1

As part of the economic development efforts in the town of Hamden, CT, the Connecticut Economic Resource Center, Inc. (CERC) works directly with all department heads and elected and appointed officials on preparing grant applications and helping them administer the grants. Demographic information, such as the CERC Town Profiles, is key to providing critical information for the grant applications. Current efforts include:

- Applying for a private foundation grant for the Hamden Public Library to fund programs for the patrons;
- Applying for a FEMA grant to fund fire apparatus for the Hamden Fire Department;
- Assisting the Hamden Energy Commission with a utility sponsored grant that will help educate Hamden residents and businesses on solar installations; and
- Managing a large Transit-Oriented Development grant for sidewalk creation and pedestrian connectivity.

These efforts are important to towns like Hamden that have a small economic development team focused on retaining and supporting local business, yet don't have the resources to hire a full-time grant administrator.



*CERC presentation of data to municipal audience*

### Data Tools:

- For demographic data, the best source is American FactFinder, a product of the U.S. Census Bureau. It has data from a variety of Census programs, including the Decennial Census as well as annual demographic estimates produced through the American Community Survey (ACS) and Population Estimates Program. It also has results from surveys of government, housing, business owners and other programs. Much of the data, especially for the Decennial Census and ACS, is available at the broader national level down to local jurisdictions and, in many cases, Census tracts and block groups, so you can really dig in and find the data that you need. FactFinder is online at <https://factfinder.census.gov>.

Another option is your local State Data Center (SDC). Each state has an SDC that works with the Census Bureau to collect and provide access to data. In Connecticut, the Connecticut Data Collaborative (CTData) conducts research projects and helps data users learn how to collect and use their own data in addition to making data available for all the towns and cities in the state. You can find your state's data center and more information on the program at <https://www.census.gov/about/partners/sdc.html>. More information about CT Data is available at <http://www.ctdata.org>.

- To learn more about your local business community, you can check with your local assessor's office, who would likely have information on your largest taxpayers and other details. You might also consider purchasing a business list from one of the many vendors out there, such as D&B Hoovers or infoUSA. You can order the lists based on certain industries, such as manufacturers or retail establishments, if that is what you are interested in, and the lists will usually provide a contact person and phone number and email address if you request that information. However, these companies do charge for business lists.

In Connecticut, one option that we frequently direct our economic developers to is a free business list provided by the state Department of Labor, which also has some industry and contact information available for businesses in the state. It may be worth a check to your state's Department of Labor to see if they have any data they can provide or resources they can direct you to, if you need more than your local assessor can provide.





Know what land and commercial building space is available to a prospective business. The quickest way to learn what is out there is to get to know commercial real estate industry professionals. Meet brokers, local developers, property owners, and site selectors who regularly conduct real estate transactions in your community.

**3. Available commercial property.** Know what land and commercial building space is available to a prospective business. The quickest way to learn what is out there is to get to know commercial real estate industry professionals. Meet brokers, local developers, property owners, and site selectors who regularly conduct real estate transactions in your community. Ask them to show you the spaces and parcels they represent so you can serve as the first line of answering questions to a prospective business. When the real estate professionals know the specific recruitment goals of the community (which industries you are targeting or what types of development make the most sense in certain parts of town), they are well suited to assist you in that effort. Essentially, you and they both share goals – you both want to see long-term successful businesses in town (you in the community and they in the specific space they need to fill). With a shared goal, you can be working together for business recruitment. (Example 3)

### GET TO KNOW THE STATE'S VISION.

The governor and the state level economic development team generally hold a strategic vision for the specific industries they want to grow and the specific locations within the state where that growth makes the most sense. Sometimes it's biotech, sometimes it's high tech, and sometimes it's brownfield cleanup for advanced manufacturing. Whatever the state vision is, know it and determine where your community may best be able to help serve that need.

*Do you have a large underused parcel near a teaching hospital with clinicians and researchers who would partner with private industry?* Perhaps a biotech company could locate there and partner with the medical faculty for research and development.

*Do you have a brownfield site directly next to a rail station or airport?* Perhaps a transit focused mixed-use developer would be interested in building housing that meets the needs of commuters and commercial pads for companies that move goods via rail.

You get the idea. Clue in to the state's overall economic development priorities and align your community accordingly. This allows your community to become attractive to a larger business recruitment effort and potentially lands you some companies.

### Example 2

The towns of Suffield and East Granby, CT, retained CERC to provide shared economic development services. Since the towns are adjacent and have similar local economies, officials recognized the benefits that could arise from having one individual working with both towns.

One of the focuses from the start of the engagement was the marketing of the towns' key assets such as the Bradley Airport Development Zone and their prime location within the New England Knowledge Corridor. CERC evaluated relevant data to determine which industry groups would be most receptive to this marketing and then disseminated this material and started building up contacts in some key industries such as aerospace manufacturing, finance, and technology.

Additionally, CERC created an inventory of available commercial and industrial properties on CTSiteFinder.com, as well as a list of businesses in each town, to get a better understanding of the scope for business retention and the opportunities for business expansion and recruitment. CERC then met with owners of several key parcels that had been vacant for several months or years to discuss ways to fill these buildings and the resources required to do it. CERC is working with many of these property owners and supporting them in acquiring the necessary resources, and there is now action within some of these parcels. In one such case, elected officials from both towns joined representatives from the State's Department of Economic and Community Development to meet with an out-of-state business prospect, share information on a specific property opportunity, and detail the incentives available to them. Staff are also regularly performing business visitations to address any issues that may arise and to maintain retention.

Finally, CERC worked with the towns' Economic Development Commissions to plan a workforce development and education workshop for manufacturers to drive a discussion aimed at finding solutions to real challenges.



Business Tour in Suffield

The state is making decisions you'll want to tune into regarding which countries they are actively recruiting from and which industries they are actively targeting for growth in your state. In Connecticut for example, we are currently targeting Israel (for the high-tech and innovation), Brazil (for the medical tech/supplies industry), and Germany (for the aerospace industry and advanced manufacturing). Israel and Brazil are eager to gain ac-

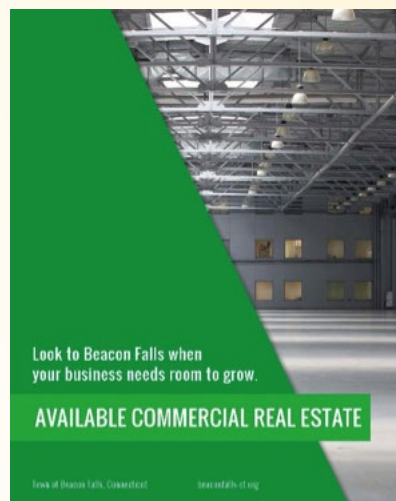
### Example 3

The town of Beacon Falls, CT, is a small community formerly without a formal economic development function. CERC staff worked with the town to prioritize developing internal buy-in for this newly-focused economic development work. This included getting all town employees and land use boards and commissions on the same page in terms of understanding the role of the land use regulatory process in economic development. CERC staff attended land use board and commission meetings to introduce the work that would be done through the economic development function and to speak about the importance of communication and consistency among the different groups. CERC also put together a document outlining the land use regulatory process to be distributed to prospective new and expanding businesses as well as to the boards and commissions.

Another priority was to begin developing relationships between the town and key local and regional economic development players. Staff set up meetings and attended events with local property owners, developers, commercial realtors, the regional chamber of commerce, and the regional council of governments. By conveying the message to these groups that Beacon Falls was serious about economic development and would provide top-quality service to any interested new and expanding businesses, they would begin to spread the word to these prospective clients.

One final priority at the outset was the development of a tax incentive policy. CERC staff evaluated the policies of different municipalities in Connecticut and worked with town staff to create one that would provide the optimal combination of incentive schedules and other benefits to promote the type of business expansion and creation that Beacon Falls wanted. The policy recently was approved at a Town Meeting and is now in use.

CERC is also focused on grand list maintenance and growth in Beacon Falls, engaging in business visitations regularly which allows for feedback and support that are essential for the community's success. Business recruitment is also a focus through a formal marketing campaign which has included a commercial inventory and creation of an online database of available properties, the creation of marketing materials, the engagement of target groups and industries through events, and the creation and leveraging of networks for greater recognition of the town as a prime location for business. Because of this work, the town is seeing many transactions related to new business creation and the expansion of existing businesses.



cess to the large market in the Northeast and have social connections here already established. There are already several German aerospace and advanced manufacturers in the state so they too are helping Connecticut recruit further within this industry all across Europe. (Examples 4 and 5)

### NETWORK, NETWORK, NETWORK

**Partner with your regional business recruitment team** – this may be an economic development organization, this may be a planning agency, this may be a large regional chamber. Whatever the entity is that is actively recruiting companies to your region (and your region may cross county and even state lines in some cases), be sure they know what your community has to offer and what you are interested in welcoming. They will work on your behalf (especially when you have limited resources). The key is that you position your community as aligned with their recruitment interests and maintain a strong relationship so that they are thinking about your town as they are making connections overseas.

So what are those critical local components that international companies currently look for and expect? BOT-TOM LINE – International companies are looking for our localities to be friendly, organized, knowledgeable, and helpful. (Example 6)

### BE READY

When the stars are aligned, and a company is interested in locating in your city, be ready to make it happen. Here's how:

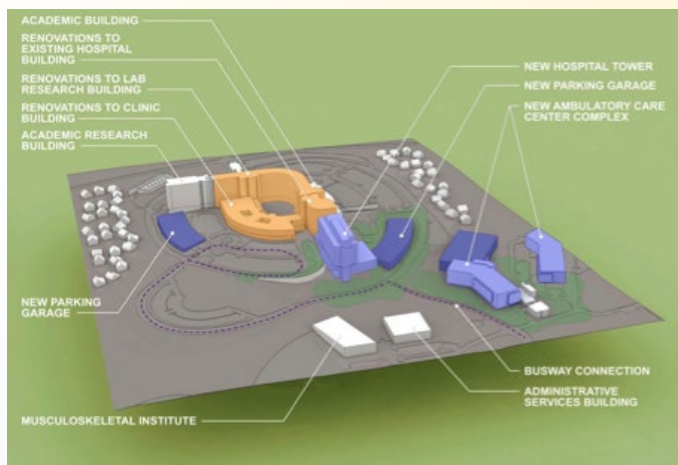
1. Be sure to prepare elected officials ahead of a company visit and brief them on the pertinent questions that a site decision will inevitably bring. Political decision-makers will set the tone for a company to feel welcome or not from the outset.
2. Bring in local business contacts to help welcome the prospective company, especially if they are in the same industry or from the same global region. This can be a powerful influence to the company when the existing business leaders speak about a positive experience and encourage the prospect to re-locate to your specific community.
3. Be sure to invite senior leaders at local institutions and organizations that would be helpful to the company like a community college that is training the workforce for this industry or a cultural organization from the country that the company is from. This will show the prospect that you care about their success and that you are thinking about their employees, spouses, and families – essentially, that your community will make them all feel welcome.

#### Example 4

The town of Farmington, CT, was in need of pro-active economic development that engaged residents and businesses in town and successfully achieved economic development results by way of an increased commercial tax base. Some of the methods used included:

- Identifying and articulating the communities' competitive advantages, including targeted industries
- Creating marketing materials that support those advantages and address those industries
- Creating and strengthening strategic partnerships with major institutions in town
- Creating an e-newsletter and building a distribution list of over 3,000 contacts that receive it quarterly
- Conducting surveys and focus groups as a way to engage with businesses and residents on controversial issues
- Planning and executing numerous networking and speaker events to engage with the residents and businesses on a variety of timely topics
- Bringing together the commercial real estate industry players to network with each other, meet Farmington's elected and appointed officials and key staff and ensure that all were "in the loop" as the economic development efforts continued
- Using the local media to publish op-eds and other "good news" stories that the team wrote and pitched

These efforts sustained over time proved to be successful and are still being used today as the town continues to invite responsible development that fits with the character of the community and increases the commercial tax base in those industries that the town targeted.



*Example of the strategic plan concept developed by Farmington, CT.*

#### Example 5

In the town of Somers, CT, is the Somersville Mill – a 5.5-acre parcel located on the Scantic River. Originally a textile mill, the property was significantly damaged by fire in 2012. The town purchased the site and their goal was to use state grant funding (already awarded) to complete the demolition of the structure and prepare the site for meaningful redevelopment. CERC was retained to:

- Provide coordination of vendors and key municipal staff;
- Engage the public through written updates and project information sessions;
- Serve as the grant administrator;
- Assist with preservation of key historical features;
- Serve as the single point of contact for the Somersville Mill Ad Hoc Committee; and
- Market the site for redevelopment.

Demolition and remediation are completed and CERC is currently marketing the site for redevelopment. This includes conducting a market feasibility study, inclusion in the CERC SiteFinder commercial real estate database, convening real estate developers who want to learn more about the site, and preparing and implementing traditional commercial real estate marketing materials to promote the site and the redevelopment opportunity. Due to the marketing, several developers are engaged in talks with the town leaders about this redevelopment opportunity.



*Somersville Mill*



4. Formalize any incentives that the municipality is willing to provide to a prospective business long before it ever comes to town. It is up to each municipality to determine whether incentives will be offered at all and if so, whether they will be based on number of jobs, level of investment, type of development or will be targeting a certain industry or geographic part of town. Work together to create the policy so that once the prospective business asks what is available, everyone can understand whether the request meets the policy or not. Making these incentive decisions when the company has already shown up often ends with communities feeling like they gave away too much or did it in a way that doesn't reflect their community values.
5. More important than any monetary incentive, a streamlined land-use regulatory process is critical to the success of a prospect turning into a reality for your city. This simply means that the process a business will go through to relocate and get up and running is predictable and consistent. It means that they will understand BEFORE the process starts, what is expected of them in terms of the meetings they will be required to attend, the costs that they will incur to prepare plans, the deliverables that will be expected at each step of the process, and the expected time-frame for the entire process.
  - a. PREDICTABLE – they can count on what you have told them
  - b. CONSISTENT – the process doesn't change halfway through and no matter who they speak with on staff, the answers are always the same
6. The level of trust that will form from a streamlined process will translate into satisfied developers who will likely seek opportunities to do more projects in

#### Example 6

CERC was retained by the town of Clinton, CT, to provide general economic development services. The focus at the outset was on meeting with developers and marketing available commercial properties. CERC also put together an event targeted at small businesses addressing state and local financial resources available to support them. Over time, CERC staff will pro-actively reach out to the community to let them know that economic development is happening and obtain their feedback on ways to expand our efforts. The town is receiving continued guidance and expertise on a variety of economic development challenges they are currently tackling.

your town and will tell others that their experience was positive, potentially influencing other businesses to come and invest in town.

7. Ready for their arrival? Show the prospective business you care by spending time listening to them, answering their questions, touring potential sites with them, and emphasizing your excitement about them coming and your ability to help them thrive.

Now it is time to prepare, implement, and repeat – keeping lines of communication open between state business development and other regional and local partners can result in a pipeline of relocation and expansion opportunities. Successful business recruitment must include collaborative economic development efforts. The result will be more business growth and expansion, jobs, economic vitality, and long-term continuity. 🌐



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# accelerating american

## RURAL ECONOMIC DEVELOPMENT

By James P. Gibson, CEcD

The New York Times recently published an article from economist Eduardo Porter, leading off with the question, 'Can rural America be saved?' He points out that rural America is getting older, making less money, and losing population – not the best indicators for future prosperity. There are a few ideas floating out there to try to arrest these trends and hopefully make rural places attractive once again. There is even a subtle hint that perhaps it's not worth it to try to 'save' rural America. Insidiously, one of the suggestions was a program of economic relocation, where if one wanted to leave rural America then the government would help pay for the move.

As someone who has lived most of their life in a small town and actively worked to make one a prosperous place, I can acknowledge the economic and demographic headwinds that my colleagues and I face as we passionately try to get wins for our rural cities.

Congress recently created the Opportunity Zones and annually renews the New Market Tax Credits; both programs are meant to direct investments into distressed areas, thereby creating jobs, stimulating the economy, and so on. Other state and federal programs operate under the same theory – a distressed community lands an employer that pays above average wages and the local economy can flourish.

However, more can be done at a fundamental level that has nothing to do with providing large incentives to companies or spending great sums of

Practicing economic development in a rural community can be challenging. But I feel it's worth it. The problem is that, simply put, the rules are different in a rural town compared to a metro area. It's like playing rugby versus playing soccer. The way economic development legislation and policy are written is that the same rules apply for everyone – big city/small town, urban/rural. We must customize our approach and allow rural communities to get creative in order to be competitive.

public funds. The thought behind these suggestions is the rules are different for rural economic development compared to anywhere else. Many rural communities can be resistant to change and no amount of cash-waiving incentive can change that. Professional economic developers can be incentivized to work in rural communities and technical assistance programs can be targeted there as well. Some government programs simply need rules relaxed or expanded, while other problems may be easily fixed with transparency and improved communication. Following are 11 practical and simple ways to improve the rural economic development process. Each is highlighted throughout the text in italics.

### WHY WE OUGHT TO CARE ABOUT RURAL AMERICA

Porter quoted a reference that an innovative company cannot survive unless located in an innovation cluster and that diffusing these companies will lead to stagnation and business failures – and that may very well be true. However, if we were to agglomerate production then we would see pric-

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### 11 LOW COST APPROACHES

*Recognizing that rural economic development practitioners not only face a difficult work environment, but regulatory rules also present challenges. This article shares the author's perspectives in improving the rural community development process, by questioning if minor issues can be modified, then exponential results could be achieved. Can legislation governing the use of economic development public funds be relaxed in distressed communities? Can there be greater transparency with telecom companies and mechanisms for public-private partnerships? Can the concept of fragmented high schools be reformed for greater efficiency? Can future professionals get exposed to economic development while in school? Can economic development professionals be incentivized to work in distressed communities?*

es increase. There is an economic theory that states as products mature in their life cycles, they need to locate in places with lower costs. So there is at least one economic reason for a vibrant rural America – we actually need good places for domestic production of low-cost goods. If we give up on rural America and more production shifts to higher cost areas then consumers would pay more. Otherwise, this production shifts to much lower cost foreign markets. However, there is a documented trend that manufacturing is coming back to the United States. Rural America should try to be on the forefront of this trend and capitalize on it as best it can.

Rural America could be a wonderful resource to solve many of our country's problems. Instead of agglomerating population and production in just a few megacities, what if that was diffused across the country?

There are tangible health benefits to living, not just in a small town, but in a place close to nature that could help combat the nation's mental health and obesity problems. The country's mental health could be improved if people were able to live closer to where they work and live among a few trees rather than a concrete jungle. Rural America has better air and water quality and is close to natural amenities like rivers, lakes, forests, and mountains. Rural America is where we grow food – and a lot of it. People would have greater access to locally grown food. If for no other reason, national food security, we all have a vested interest to keep rural America afloat.

#### **A FAILURE OF RURAL LEADERSHIP AND VISION**

Rural America not keeping economic pace with the rest of the country is not entirely an economic issue. It is the manifestation of a lack of vision and leadership in rural communities. Like many groups, those living in rural America are a proud, independent people. And if this trend is going to be corrected, rural America is going to have to confront something they should have dealt with and embraced long ago – change and how to manage it.

I grew up in Daingerfield, Texas, a town of 2,500 that once was 5,000. A large steel mill provided most of the jobs and supported other industries in the region. These were well paid, union jobs that supported a vi-

Governing bodies (city councils, county commissioners, state legislatures, economic development boards) first have to realize there is a problem. They need to be open to some non-traditional ideas and be willing to accept change and perhaps lose a little control.

brant economy. In the 1980's the steel mill closed down and Daingerfield has not been the same since. The mill will open up from time to time, but the employment is very cyclical. Many of the supporting industries have closed shop. Population has drained from the community. Some efforts were made to bring in other industry, but these efforts often experienced opposition, because folks are holding out that the steel mill will return to its glory days. Recently, I have been told by some in local leadership of the futility to try to diversify.

Here is a local urban legend that was told to me. In the late 1970's/early 80's, Wal Mart wanted to put its first store in Northeast Texas in Daingerfield and the town leaders said no – it will kill our downtown! Wal Mart did pass and went to another town that accepted them and that city is thriving by all accounts.

If, on the other hand, the community had rallied together to plan economic diversification, then the town might look very different after 30 years. Big box retail stores do affect downtowns – there is no arguing that. But Wal Mart will never replace the experience and customer service that a locally owned shop can provide. If the locals had realized that the downtown can complement instead of compete with the Wal Mart, then everyone has a chance to benefit.

Sadly though, leadership and vision cannot be incentivized. Either a community will have it or they will not. Or, they can be inspired to act based on what a neighbor has done.

#### **WHAT CAN BE DONE?**

I personally am not ready to give up and walk away from rural America. But what must be done? What does an intervention look like? Stimulating large-scale investment to save rural America is an unrealistic idea. If we were to just throw money at rural America and hope it catches up, then we will be greatly disappointed. But it is possible that with some policy and legislative changes to the economic development environment, rural America might begin to flourish once again.

Governing bodies (city councils, county commissioners, state legislatures, economic development boards) first have to realize there is a problem. They need to be open to some non-traditional ideas and be willing to accept change and perhaps lose a little control.

There is an economic theory that states as products mature in their life cycles, they need to locate in places with lower costs. So there is at least one economic reason for a vibrant rural America – we actually need good places for domestic production of low-cost goods. If we give up on rural America and more production shifts to higher cost areas then consumers would pay more. Otherwise, this production shifts to much lower cost foreign markets.



In Texas, we have the economic development sales tax, but there are certain conditions that dictate how we can use that money. Under current conditions, we are required to play by the same rules as prosperous communities. Practicing rural economic development is hard enough and the strategies to accomplish our goals are slightly different.

### **RULES GOVERNING USES OF ECONOMIC DEVELOPMENT FUNDS**

In Texas, we have the economic development sales tax, but there are certain conditions that dictate how we can use that money. Under current conditions, we are required to play by the same rules as prosperous communities. Practicing rural economic development is hard enough and the strategies to accomplish our goals are slightly different. It would be great if there was a statutory change that allowed distressed communities to use those funds on a non-traditional project on the condition it had a documented economic impact and ROI. What would be classified as a major economic development win in a distressed community could be considered foolish in another.

#### *1. Allow distressed communities greater flexibility in the use of economic development funds.*

Here are two speculative examples: Imagine there is a remote community that once had a grocery store but is now classified as a food desert – meaning that residents must travel 10 miles or more to shop for food.

Or, imagine that a community does not have a commercial day care center. Child care might be provided by private individuals or perhaps a local church. Working families or single parents must struggle to find available child care or perhaps not work at all.

Under current policy, if someone wanted to open a grocery store or a child care center they would not be able to access any economic development funds, even though both of these projects could have a significant impact on the community.

### **BROADBAND ACCESS**

Texas cities are statutorily prohibited from competing with telecom providers. Communities without good broadband feel the only alternative is to seek another provider or become one themselves.

AT&T has 1GB of fiber in my community. But, we had to go through a difficult process to find the right person to simply report what was already there. Maybe the telecoms need to do a better job of communicating what is already available. It might already be there, but nobody knows it. Rural communities might be willing to

put up some money to help offset the cost of extending broadband. There should be transparent mechanisms for public-private partnerships with the telecoms to extend broadband into rural areas. Nobody seems to know what the rules are for this or to whom one should talk. This process must be simplified and that's where federal legislation and regulations could help.

#### *2. Require telecom companies to inform communities of existing broadband capabilities*

#### *3. Change legislation to allow for communities to enter into a public-private partnership to extend broadband*

### **WORKFORCE DEVELOPMENT**

Perhaps the largest obstacles to sustainable rural prosperity are education and workforce issues. Maybe it's time rural America reimagines public education policy as it relates to workforce development.

A cultural issue to overcome is that many rural communities' identities are linked to the school. Rural schools truly are institutions that bind the community together. And, these institutions should be cherished and preserved. But there might be another way to accomplish that.

The modern high school was designed to churn out factory workers. The problem is that different schools have different programs and the talent working at those schools can be concentrated in quality schools or specialized programs. One school may offer a culinary program while another has a STEM curriculum and another has a strong arts program and another may teach 3-D printing. Each of these schools may have less than 300 students at the high school and maybe even in all grades. Every school cannot offer every program under the sun to meet the needs of this fragmented population.

Educational policy leaders and local school boards, and maybe everyone to that extent, should realize that local high schools are graduating people to work in a regional workforce and not just for local businesses. However, the funding mechanism for local schools comes from the local property tax base and the local governing body is elected from the taxing district. This makes the focus of decisions to be very local. But few school boards are encouraged to think at a regional level.

What if the concept of high school was to be completely retooled? Let's say that an 8th grade education becomes the established minimum, much like how it was

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before WWII. High school can then become a form of advanced training. The funding of regional high schools comes from the taxing entities consolidating into larger 'districts' where the tax bases are shared. Then different high school facilities can essentially become magnet schools where the high school in one community might be a STEM school while the other one down the road might become a vocational school and so on. The students would not have to pay transfer fees, however there would be substantial transportation issues.

As mentioned above, communities see their identities in their local schools and a system such as a regional school district would never fly. But this is an example of an idea that could serve rural America well if there was the vision and leadership to champion a radical concept.

*4. Change the funding mechanism for high schools where multiple schools are grouped into regional school districts. Specialized programs are housed in existing facilities. Students can choose which advanced program to attend after completing a basic 8th grade education.*

#### **TRAINING FUTURE ECONOMIC DEVELOPMENT TALENT**

In most, if not all, small cities, the city manager/administrator is also tasked with running the economic development program. When I was in graduate school, we did not cover economic development. I remember our urban management professor briefly mention it in one class. There are a few dedicated economic development master's degree programs in the country, but are universities exposing public administration students to this important field? Public administration programs should include economic development in their curricula - even if it is a module within a class, an entire required class, or a specialized tract within a public administration program, universities could provide some level of training to future professionals.

Right now, rural city managers receive on the job training and economic development learning becomes more vocational in nature. That is not the ideal condition to learn, experiment, fail, and repeat. Failures in the city management profession often will be followed by a job

There are a few dedicated economic development master's degree programs in the country, but are universities exposing public administration students to this important field? Public administration programs should include economic development in their curricula - even if it is a module within a class, an entire required class, or a specialized tract within a public administration program, universities could provide some level of training to future professionals.

With the cost of college education skyrocketing and a graduate degree even higher, well intentioned graduates who may want to work in a rural community find it difficult because of pay differentials. If someone completed a master's degree and wanted to work in economic development, they would have to look for a higher paying job to repay their student loans, and these jobs are normally found in larger cities.

loss. Further, many small towns do not have the resources to provide the training for their city managers to receive basic, much less, specialized economic development training. I was at my fourth job before I even attended classes in basic economic development because the three previous jobs lacked the financial resources to send me. And, as the city manager/administrator of a small town, you really cannot be out of the office for a week.

*5. Encourage university accreditation organizations to include some level of economic development training in undergraduate and graduate public administration programs.*

#### **ATTRACTING ECONOMIC DEVELOPMENT TALENT TO RURAL AMERICA**

With the cost of college education skyrocketing and a graduate degree even higher, well intentioned graduates who may want to work in a rural community find it difficult because of pay differentials. If someone completed a master's degree and wanted to work in economic development, they would have to look for a higher paying job to repay their student loans, and these jobs are normally found in larger cities. There is the Public Service Loan Forgiveness program that is designed to provide an incentive for a commitment to public service. In this program if you work 10 years in public service and make qualifying payments, the balance of your qualified loans is forgiven. This is probably not a good tool to recruit talent to lead in a rural community.

This program is fraught with problems, chief among them being that there is, essentially, an income cap. You have to make below a certain threshold over the 10 years to qualify for the loan forgiveness. And most of these economic development jobs, even in a small town, pay above that. The qualifying payments are based on your income so these are unaffordable payments anyway.

To correct this, what if a program was established that was modeled after the teacher loan forgiveness program? Under this program, if a teacher works at the same distressed school for five consecutive years, they are eligible for some loan forgiveness. The amount of forgiveness is greater if they teach in a specialized field.

## Amend the Opportunity Zone authorizing legislation to allow for establishing revolving loan funds so that distressed communities could finance quality economic development plans.

Following this logic, if a professional works in a distressed community practicing economic development for five years, they can be eligible for, say \$15,000 in student loan forgiveness. Something such as this might be enough of an incentive for a student to graduate and then lead a rural economic development program.

An ancillary result of diffusing economic development talent into rural areas could be that communities would attract innovators who could lead, or at least nudge, local decision makers into new ways of thinking.

6. *Expand student loan forgiveness programs to include rural economic developers working in distressed communities.*

### OTHER TALENT INCENTIVES

Community professionals, specifically teachers, police officers and firefighters, are eligible under special programs from some banks and mortgage companies to receive special treatment as it relates to mortgages. It might be a slight interest rate reduction or relaxed down payment requirements. Could economic developers working in distressed communities be extended the same consideration? If an economic development professional purchases a home it will bind them to the community, and it may turn their job into a long-term commitment.

7. *Encourage banks and mortgage companies to include rural economic developers working in distressed communities in special mortgage programs.*

### TECHNICAL ASSISTANCE

Some communities may just need a solid economic development plan but they don't have the resources to fund it. Imagine that a solid economic development plan will cost \$80,000. A community may shop around for a plan at the lowest cost if they are funding it. Under this scenario, the community is at risk of getting a poor-quality plan.

There are grant opportunities that will pay for a plan. However, the community is not invested in the process or the plan, and they can allow the plan to just sit on the shelf – they didn't pay for it, why bother, and who cares? There are no political ramifications or accountability when it happens this way.

Could these new Opportunity Zone funds be allowed to form revolving loan funds where rural communities can borrow the money to fund a plan and pay it out over three to five years? When the community actually has to pay for the plan, they ought to hold themselves accountable because they are paying the bill.

What if these Opportunity Zone funds developed a consultant network of rural economic development experts and were able to use them at a reduced rate to assist distressed communities? The Opportunity Zone fund would have a vested interest in this approach because it is building the local capacity to properly manage prospects that they can in turn earn a return on their investment.

8. *Amend the Opportunity Zone authorizing legislation to allow for establishing revolving loan funds so that distressed communities could finance quality economic development plans.*

9. *Amend the Opportunity Zone authorizing legislation to allow for the funds to employ economic development consultants to provide technical assistance to distressed communities at a reduced rate.*

### COMMUNITY BEAUTIFICATION

In Texas, a city can collect hotel occupancy taxes that can be used to promote tourism within that community. Arts and sports promotions are allowed uses of those funds. I would propose another use-- community beautification. One of the tests of the uses of hotel occupancy taxes is that it must generate heads in beds. But people like to visit places that are attractive. More so, people like to live in places that are attractive. If a city desired to start a community beautification program to fund things like public art, murals, and landscaping in public right of ways (ROWs), then those funds would have to come from general fund taxes like property and sales tax. These resources are already stretched providing basic services like police and fire protection. Allowing hotel taxes to finance improvements like these for beautification could easily be changed with legislation.

The rights of way controlled by the state highway departments are drab, sterile, industrial – all in the name of driver safety. Can regulations be relaxed at either the

What if these Opportunity Zone funds developed a consultant network of rural economic development experts and were able to use them at a reduced rate to assist distressed communities?



Let's take talent that already have a passion for rural communities and incentivize them to work there. This could be done by targeting existing student loan forgiveness programs to economic developers, encouraging them to buy houses in the towns where they work, and providing some basic training in undergraduate and graduate university programs.

state or federal levels to allow local entities to add some character to these areas like planting selected trees and shrubs or allowing for certain low-profile landscaping improvements?

10. Change legislation allowing for hotel occupancy taxes to fund community beautification projects.

11. Change regulations governing the use of landscaping in state highway ROWs.

## CONCLUSION

The bottom line is that we are not going to correct a problem in five years that took 50 to create. Mr. Porter is correct that we cannot – nay, should not – incentivize saving rural America by throwing money at it.

Practicing economic development in a rural community can be challenging. But I feel it's worth it. The problem is that, simply put, the rules are different in a rural town compared to a metro area. It's like playing rugby versus playing soccer. The way economic development legislation and policy are written is that the same rules apply for everyone – big city/small town, urban/rural. We must customize our approach and allow rural communities to get creative in order to be competitive.

In order to combat failures of vision and leadership, newly created Opportunity Zones could expand their product offerings to allow rural communities to finance the development of quality economic development plans and establish subsidized consultant services. New and innovative ideas would be injected into rural America.

Let's take talent that already have a passion for rural communities and incentivize them to work there. This could be done by targeting existing student loan forgiveness programs to economic developers, encouraging them to buy houses in the towns where they work, and providing some basic training in undergraduate and graduate university programs.

Let's recognize that economic development programs behave differently and allow rural communities to get creative with economic development funds. Legislation and regulations could be changed to allow funds to be used for community beautification. Finally, reconsider the concept of high schools and the housing of training programs. Reforms like these, implemented on a grand scale, may very well make rural America competitive again and start an American Rural Renaissance. ④

## 2019 IEDC Upcoming Events

### APRIL EVENTS



April 4–5 | Lansing, MI  
**Real Estate Development and Reuse**



April 10–12 | Washington, DC  
**Economic Development Credit Analysis**



April 13–14 | Washington, DC  
**CEcD Exam**



April 14–16 | Washington, DC  
**2019 IEDC FED Forum**



April 18 | Webinar  
**The Cannabis Economy**

### MAY EVENTS



May 1, 8, 15, 22 | Online  
**Technology-Led Economic Development**



May 6–11  
**Economic Development Week**



May 7–8 | Minneapolis, MN  
**Economic Development Strategic Planning**



May 9–10 | Minneapolis, MN  
**Economic Development Marketing and Attraction**



May 16 | Webinar  
**Put Your Best Foot Forward: Marketing Tourism**

See all of IEDC's upcoming events at [iedconline.org/upcomingevents](http://iedconline.org/upcomingevents)