

# **BASIC PRINCIPLES OF AND TRENDS IN LOCAL ECONOMIC DEVELOPMENT**

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# What is Economic Development?

- Economic development is the process of creating and sustaining wealth. We know that it is occurring when:
  - New jobs are being created
  - Existing jobs are being maintained
  - The standard of living is improving

# **COMMUNITY LEADERSHIP IS CRITICAL TO ECONOMIC AND COMMUNITY DEVELOPMENT**

## **WHO NEEDS TO BE INVOLVED IN LOCAL ED?**

- **Local government**
- **Chambers of commerce**
- **Economic and community development orgs.**
- **Utilities**
- **Existing business and industry**
- **Faith-based institutions**
- **Educational systems**
- **Financial institutions**
- **Civic leaders**
- **Citizens**
- **Federal and state government**

# **ECONOMIC DEVELOPMENT IS HAPPENING WHEN:**

- **the standard of living is increasing**
- **An actual increase in the level of average household income is occurring**
- **Improvement of income distributed evenly**
- **the local tax base is keeping pace with the mounting cost of government services**
- **business and industry are creating quality jobs**
- **the local quality of life keeps getting better**

# **INCREASING INCOMES**

**The increase in local income is derived primarily from:**

- **Companies that produce goods and services that are sold outside the community, bringing in new sources of income**
- **Tourists that bring new money into the community**
- **Retirees who spend money locally that was earned elsewhere**
- **Buying Local to reduce outside purchases**

# **ECONOMIC DEVELOPMENT**

**The process is facilitated through:**

- Development of a skilled workforce**
- Investment in the physical infrastructure**
- Improvement of the business environment**
- Availability of marketable land and buildings**
- Maintenance of the environment**
- Improvement of the quality of life**
- Promotion of the community and region**

# **INFRASTRUCTURE CONSIDERATIONS**

- **Proper adequate zoning**
- **Public Transportation**
- **Affordable Housing**
- **Adequate clean water**
- **Capacity to process wastewater**
- **Availability of Natural Gas**
- **Comparable Electric Utility Fees**
- **Sufficient broadband through cable and/or wireless**

# **TELECOMMUNICATIONS IS THE KEY INFRASTRUCTURE CONSIDERATION**

- **Availability of high-speed, broadband telecom**
- **The future is wireless**
- **Technical support needs to be readily available**



# **STRATEGIES FOR ECONOMIC DEVELOPMENT**

- **Recruitment**
- **Retention & Expansion**
- **Entrepreneurs & Start-ups**
- **Community Development**

# **BUSINESS RECRUITMENT AND ATTRACTION**

- **Defining your product – what can your community offer to a new business?**
- **Identifying your target audience – what types of economic activity are you most likely to attract?**
- **Clarifying your message – what are you trying to promote about your community?**
- **Developing your marketing plan – what marketing techniques will give you the best results, given your resources?**

# **EXISTING INDUSTRY PROGRAM BENEFITS**

- **Stop loss of direct & indirect jobs**
- **Less expensive to assist local firm expand than to recruit new ones**
- **Potential for entrepreneurial spin-offs from retained firms**
- **A happy local firm projects an important positive image for outside firms**

# QUALITY OF LIFE

- **Variety of retail & customer services**
- **Lodging & restaurants**
- **Attractive & clean environment**
- **Good traffic flow**
- **Range of cultural & recreational opportunities**

# QUALITY OF LIFE

- **Availability of quality housing at reasonable costs**
- **Strong basic skills in education**
- **Presence of colleges & universities**
- **Low crime rate**
- **Good medical & health care**

# COMMUNITY DEVELOPMENT

- **Build a product that can compete successfully for jobs, business investment, tourists, retirees**
- **Involve local leadership effectively to determine priorities, initiate action, and sustain momentum**
- **Access federal, state, and other outside resources to expand the possibilities**
- **Minimize barriers to development**

# COMPETITION ASSESSMENT

- Know your showcase feature(s)
- Plan for minimizing shortcomings
- Benchmark beyond a 100 mile radius
- Identify gazelles
- Capitalize on Opportunities

# WORRY PRIORITIZATION

- **Weather ~ Hurricanes, Nor'easters, Global Warming, Sea Level Rise**
- **Overpopulation**
- **Traffic Jams**
- **Uncontrolled Economic Growth**
- **Loosing Identity**



# PURSUIT OF THE STEADY STATE ECONOMY

- **Benefits**
  - **Environmental** ~ Respects biophysical limits and does not disrupt natural ecosystems
  - **Lifestyle** ~ removes congestion, sprawl and unfair trade practices
  - **Moral** ~ preventing over-consumption leaves more for future generations
  - **Zero Growth** presumes the unstable Boom/Bust cycle and continuous growth theory does not equal progress and that sustainability has inherent value.