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Presentation Outline

- About IEDC
- A Glance at the Profession
- 21st Century Challenges to ED
- Best Practice Strategies
- Take-Aways
The International Economic Development Council (IEDC) is the world's largest membership organization serving the economic development profession.

We are dedicated to helping economic developers do their jobs more effectively and raising the profile of the profession.

When we succeed, our members create more high-quality jobs, develop more vibrant communities, and generally improve the quality of life in their regions.
From public to private, rural to urban, and local to international, our 4,400+ members include:

- Public state, regional, city and county ED professionals
- Chambers of Commerce and other business support agencies
- Technology development agencies
- Redevelopment authorities
- Educational Institutions & Non-profits
- Consultants
- Utility companies
Member Services

- Technical & Networking Conferences
- Professional Development & Certification
- Legislative Tracking
- Information Clearinghouse
- Career Services
- Newsletters, Journal, Blogs
- Advisory Services & Research
Economic Development Training Courses

- IEDC holds monthly economic development training courses across North America

- For certification credit or simply to stay abreast of key topics and issues, these courses are designed to be interactive and provide a national perspective with a focus on real life experiences, best practices, and tools you can use in your community

- This July IEDC is also launching a new training course in foreign direct investment (FDI) and exporting: *Foreign Direct Investment and Exporting* on July 23-24 in Chicago, Illinois

* Attendees will learn how to attract foreign investors, and explore how to develop local export capacity
The Economic Development Research Partners Program – EDRP – is IEDC’s “think-tank”

- EDRP provides economic developers with the means of directing cutting-edge research that advances the economic development profession as a whole

This exclusive level of membership - under the IEDC banner - enables peer-to-peer dialogue in an open, collegial environment

- From rural to suburban to urban areas, EDRP Partners meet 4 times a year to consult and brainstorm with peers, coordinate activities, and set the EDRP agenda
A Glance at the Profession
A Glance at the Profession

Based on the IEDC Annual Survey results on the state of economic development in 2014
In comparison to 2013, how has your EDO’s operating budget shifted over the past year?

- 41% Increase
- 39% Same
- 20% Decrease
In 2014 did your organization increase efforts in the following areas:

- Foreign Direct Investment: 26%
- Sustainability: 14%
- Export Development: 26%
- Disaster Planning/Resiliency: 19%
- Reshoring Efforts: 13%
- Entrepreneurship: 9%
- Infrastructure Upgrades: 11%
- Measuring Performance: 52%
- Workforce Development: 53%
- Leadership Development: 35%
- Economic Inclusion: 39%
Notable ways of how EDOs are increasing efforts in four key areas:

- Expanding workforce development programs and developing training initiatives with other local and regional entities
- Working more with regional partners and community leaders to foster entrepreneurial support programs
- Increasing international trade missions and international outreach, including efforts to attract FDI and export development
- Increasing spending on infrastructure improvement and engaging in PPPs for infrastructure development
In 2014, what sort of educational institution did your organization partner with?

- K-12 School or school District: 48%
- Community College: 72%
- Public University: 72%
- Private University: 53%
- Vocational/Technical School: 40%

- 23%
If available as an option, would you encourage local elected officials and leadership in your community to engage in economic development training?

89% Yes
7% No
4% N/A
How would you rate your organization's outlook for ED activity for 2015?

- Better than 2014: 69%
- Worse than 2014: 28%
- About the same: 3%
21st Century Challenges to Economic Development
Turning into the 21st century, economic developers across the nation were impacted by:

- Globalization
- The Great Recession
- Increase in Natural & Man-made Disasters
- Dependence on an Old Economy
- Shifting Energy Markets
Globalization created opportunities throughout the globe, but also a more uncertain and riskier economy.

The Great Recession led to general economic decline across the nation, followed by a slow recovery that many communities continue to struggle with.
Over the last 5-6 years, the profession overall has been greatly hindered by:

- Lack of access to capital and financing
- Business closures & downsizing
- Lack of skilled labor
According to IEDC’s annual economic development membership surveys:

3 greatest challenges of 2014

✓ Lack of Skilled Labor  50%
✓ City/County/State Budget Cuts  33%
✓ Inadequate Infrastructure  29%

3 greatest challenges of 2013

Policy Uncertainty (local/state/federal)  47%
Lack of Skilled Labor  36%
City/County/State Budget Cuts  33%
Notably...

“Lack of Skilled Labor” increased from 31% in 2012 to 36% in 2013 to 50% in 2014!

→ In 2010 it was a challenge impacting 14% of EDOS...

2014 was the first year that “Inadequate Infrastructure” was noted among the top 3 challenges to practitioners across the U.S.
Since 2007, many of America’s middle-class jobs have been decimated, replaced largely by low-wage jobs.

- 28% of workers are expected to hold low-wage jobs in 2020, the same percentage as 2010.

- Since the start of the recession, the nation has added 1.85 million jobs in low-wage industries.

  ➔ While mid to higher-wage industries have shed about 1 million positions each.
Coping with these 21st century challenges instigated evolutions in the profession... in order remain competitive and resilient, economic development practitioners and local leaders have adapted strategies and practices.
Best Practice Strategies
Today, economic development professionals are:

- Reassessing the role of the practitioner in the community

- Altering priorities and developing new strategies to support the prosperity of workers and regions

The aim is to build a resilient local economic base & create quality jobs for the long-term
Best Practice Strategies

Key best practices trends today in economic development help build resilient local economies:

- Promoting Entrepreneurship & Small Business Development
- Developing the Local Workforce
- Advancing Regional Partnerships
- Enhancing the Use of Metrics
Best Practice Strategies

Promoting Entrepreneurship & Small Business Development

In today’s competitive global marketplace, entrepreneurial firms are the driving force behind economic recovery.

- SMEs have been vital to innovation, job creation and regional economic growth.
Best Practice Strategies

- If we think of the three traditional legs of the economic development stool – recruitment, retention & entrepreneurship – entrepreneurship has grown into an emerging strategy.
Best Practice Strategies - Example

Promoting Entrepreneurship – Best Practice Example

The City of Snellville, Georgia, with a population of 19,000, created the *Entrepreneurship Alliance*

- The City is working to create an ecosystem for entrepreneurs of any age and any stage by working with local business owners to launch the *Snellville Entrepreneur Council* and with a local high school to establish the *Entrepreneurship Alliance (EA)*

  → *EA helps students create their own summer job by launching their own business – which also leads to increases in the tax base*

- One of the tools is the online *Snellville Business Toolbox* .....the program is also seen as a young retention/ attraction strategy

  → For 2014, the city issued 58 youth business licenses
Promoting Entrepreneurship – Best Practice Example

Juneau County Economic Development Corporation, Wisconsin

*Inventors & Entrepreneurs Club (I&E Club)*

- Fosters a culture of innovation & entrepreneurship
- Nurtures enterprise growth from within the region

**Partnerships** have been vital:

- Local utilities provide a facility for meetings & other local firms support the Club by donating material
- The SBDC and other local organizations have partnered with the Club for administrative help and services to save on business start-up expenses and to give the expertise needed to bring products to market
Best Practice Strategies

Developing the Workforce

Lack of skilled workers and changes in industry demands means that focus on a qualified workforce has become vital.

EDOs are increasingly coordinating efforts with government, academia and business to:

- Upgrade the skills of existing and new workers
- Retain and expand local business
- Attract new talent and youth
Developing the Workforce – Best Practice Example

The Work Ready Spokane Initiative provides a comprehensive picture of Spokane's work readiness that can serve as a business recruitment tool:

- It utilizes the WorkKeys assessment - a workplace skills test that enables scorers to receive a career readiness certificate:
  - endorsed by the National Association of Manufacturers
  - this is helping bridge the divide between jobseekers and employers in the region

* The Spokane Chamber of Commerce, the Economic Dvpt. Council, and the Spokane Area Workforce Dvpt. Council, all support Work Ready Spokane, ensuring that they have a competitive & qualified local workforce
Developing the Workforce – Best Practice Example

The SCEDC ECO15 in Switzerland County, Indiana works to establish a pipeline of skilled workers, in a county of less than 11,000

- In 2008, the Switzerland County Economic Development Corporation realized they could not attract firms demanding a pipeline of skilled workers until they had built a pipeline for them.

- As part of a 10-county initiative to raise educational attainment & earnings of area residents, they conducted an analysis to compare employer demands with residents’ skills.

- The SCEDC’s Eco15 initiative helps residents to enter, reenter, or reposition themselves in the workforce.

- The high school now has an advanced manufacturing lab and a focus on STEM education .... the community is sent regular messages on upgrading workplace skills to remain competitive in today’s economy.
Advancing Regional Partnerships

Communities are building on assets already in place and engaging in strategic regional partnerships

- Partnerships may be with Chambers of Commerce, local governments, colleges, other EDOs, and the private sector, any anchor institution, hospitals...utilities....

- These partnerships are key to developing quality jobs and in facilitating the retention & expansion of local/regional business
In Dec. 2014, 89% of EDOs replied “YES” when asked if they had entered into partnerships or combined resources with other local stakeholders to enhance ED efforts?
Advancing Regional Partnerships – Best Practice Example

The Southern Idaho Economic Development Organization’s (SIEDO) partnership with the College of South Idaho (CSI) has been pivotal for business attraction, retention, expansion, and WFD

- Since 2001, the region has sited nearly 30 new businesses and CSI has been a key partner in all community recruitment & expansion deals

- Whether developing a new curriculum, providing targeted training offering classroom space, the coordinated efforts between SIEDO and CSI have resulted in the creation of over 2,900 jobs and an economic impact of $1.2 billion to the region ....and the partnership is considered to be a valuable local asset
Best Practice Strategies

Enhancing the Use of Metrics

EDOs are under increased pressure to be accountable to investors & stakeholders

- Today, EDOs are focusing metrics more on organizational performance, rather than specific ED projects
- Metrics help achieve multiple internal goals, and help to track progress over time
Best Practice Strategies - Metrics

Enhancing the Use of Metrics

How does your organization USE the metrics it collects for decision making? (Internally)

- To measure progress over time
- To set goals or targets
- To assess effectiveness of programs and services
- To benchmark progress
- Other (please specify)

Number of Respondents
EDOs nationwide have encountered challenges in measuring organizational performance ....

* 3 years ago, IEDC’s Economic Development Research Partners (EDRP) program decided to tackle this issue to help EDOs better measure their performance and impact on the community....

Performance measurement is a combination of using correct metrics, collecting the right data, and understanding how the variables interact with each other to provide insights into the EDO’s impact on the community .... and using the right metrics system can boost an EDO’s performance!
It is critical that community leaders employ these strategies to develop:

- A Community-Wide Vision
- Local-Regional Collaboration
- Homegrown Support (i.e., building on existing assets)
- Resilience to Shifts and Challenges
Take-Aways
Best Practices in Economic Development

Take-Aways

- IEDC provides a platform for economic development practitioners to network, stay ahead of trends, and develop professional competencies.

- Communities across the nation of all sizes & demographics are facing similar challenges.

  * **Best practice strategies** provide ideas for EDOs to adapt in their own unique setting to develop a competitive and resilient economic base.

- Partnering with other local stakeholders is critical to enhancing local economic growth!
Join us in October!

ANCHORAGE

IEDC 2015
ANNUAL CONFERENCE
OCTOBER 4-7, 2015
Thank You

Questions?

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