



WHAT IS
**ECONOMIC
DEVELOPMENT**
AND WHY IS IT IMPORTANT?



WHAT IS ECONOMIC DEVELOPMENT?

Economic development is a deliberate activity – **the aim of which is to improve the economy of a community, region or state.** Economic development activities generally include efforts to attract, retain, and create jobs with the intent to foster a resilient, pro-growth tax base and diverse economy. The practice of economic development should be inclusive and typically involves the close collaboration of business, government and a wide-range of community stakeholders.

WHO ARE ECONOMIC DEVELOPERS?

Economic developers are professionals in the practice of economic development activities. Most economic development professionals have specific education and training in economic development and many have professional certifications. Economic developers provide leadership in policymaking alongside serving as administrators of programs and projects in support of economic development efforts.

The best economic developers are collaborators, conveners and communicators with all of the community stakeholders involved in economic development. These stakeholder groups include businesses, utilities, educational institutions, chambers of commerce, banks, real estate developers, neighborhood groups, foundations, NGO's, and more.



WHAT IS AN ECONOMIC DEVELOPMENT ORGANIZATION?

Economic development organizations (EDOs) are created to support economic development activities. EDOs are typically independent organizations or part of a government entity, a public-private partnership, a chamber of commerce, or a non-profit or non-governmental organization. Some community organizations, such as utilities, corporations or higher-education institutions, may also be involved with supporting economic development.

Funding for EDOs, as well as specific economic development projects, may come from several sources, including federal, state and local government, foundations and NGOs, businesses and other private funds. There are accredited EDOs which signify operational excellence.



WHAT DO ECONOMIC DEVELOPMENT ORGANIZATIONS DO?

- **Organize and implement a plan of action** to improve the economic well-being and quality of life of residents in a given geographic area/region.
- **Lead a team of players** committed to creating and maintaining good jobs and a high quality of life.
- **Diversify the Economy**
 - Recruit new industries, and diversify the tax base so a community is less vulnerable to fluctuations in the economy, and better equipped to rebound from a relocation or closure of a major employer.
- **Control Their Own Destiny**
 - A comprehensive economic development program that focuses on seeking high-quality, primary jobs, gives a community control of its own destiny, and the economy and environment it envisions for its citizens.
- **Compete for Investment**
 - Communities compete not only with neighboring cities, regions or states....they are competing globally for jobs and capital investment.

WHAT DO ECONOMIC DEVELOPERS DO?



Economic developers support local businesses through:

- Connections to resources and capital
- Problem solving
- Marketing the community as a great place to invest and do business
- Navigating the system
- Building strong relationships
- Community and economic revitalization
- Site development
- Strategies for business and the community
- Developing a skilled workforce

ECONOMIC DEVELOPERS ARE PROBLEM SOLVERS!

Professional economic developers engage in a variety of tasks in support of their community's economic development efforts. More specifically, economic developers engage in the following activities on a regular basis:

● Business Retention and Expansion

Business retention and expansion (BRE) is a core component of economic development. BRE programs help existing businesses navigate economic difficulties and assist with expansions that create new jobs. **A strong BRE program is critical to the success of any EDO.**

Understanding the physical requirements, market trends, competition and workforce needs of existing businesses within the community is a key component to a sound economic development strategy. **BRE efforts undertaken by an EDO can overcome challenges that could lead to layoffs, shutdowns, or relocation.**



WHAT DO ECONOMIC DEVELOPERS DO?

● **Business Attraction and Marketing**

Economic developers develop and execute marketing and attraction strategies to **market their community to existing and potential businesses**. Marketing strategies usually promote a community's unique qualities, programs, location, and resources, and target a particular industry sector or audience. **Their marketing efforts are designed to attract high-paying jobs to support the economic vitality of their community.**



● **Small Business Development and Entrepreneurship**

Supporting small businesses and entrepreneurs is typically one of the core functions of economic development organizations. These activities may include providing access to capital, incubator space to provide for early-stage growth, technical assistance to navigate regulatory processes, or support for entering new markets.

● **Workforce Development and Talent Attraction**

Economic developers work in concert with workforce development organizations to **support a robust, resilient talent pool for existing and future businesses in their regions.** These efforts include engaging with businesses to learn about their current and future talent demands, working with educational institutions to build training programs, and partnering with workforce development agencies to develop policies that support businesses and the local labor force.



Strategic Planning

Economic developers are involved in the creation and execution of a community or region's strategic plan. They serve a critical role of convener in establishing the strategic plan. **The strategic plan provides a path toward economic success and incorporates all local stakeholders,** as they have a role in the ultimate success of the strategic plan.



Finance

Economic developers play a key role in helping businesses access capital. Economic developers play various roles in the space, from convening capital resources to hosting revolving loan funds to incorporating a Community Development Financial Institution (CDFI) within the local economic development organization.



Technology Commercialization

High-tech industries are important to an economy because they provide high growth potential and significant multiplier effects into other economic sectors. Partnerships between government, industry, universities, and the public are intrinsically important in making technology-based development work and **economic developers play a central role in connecting resources around supporting technology-led development.**



Real Estate Development

Economic developers are often engaged in major real estate development projects, particularly industrial parks, incubators, brownfields redevelopment, and sometimes housing. Development projects are integrated with the economic development plan for the community. **The economic developer has keen insight into the needs and desires of the community and the marketplace for real estate development.**

● Disaster Recovery and Resiliency

Now more than ever, economic developers must understand the role that they play in building resilient and sustainable communities. **Economic developers play a vital role in helping their communities prepare for and recover from economic disruption.** This work involves analysis of existing vulnerabilities, technical assistance for businesses, and community planning involving many community stakeholders. **Economic developers are in a unique position to help bridge the gap between the business community, government entities, emergency responders, NGOs, educational institutions, and citizens.**



● Foreign Direct Investment

Economic developers are increasingly engaged in international opportunities to support their local and regional economy. These activities include attracting foreign direct investment (FDI) into their community, working with their businesses in exporting to overseas markets, and being knowledgeable about current trade issues factors and how they may impact their economy.

WHY SUPPORT ECONOMIC DEVELOPERS?

Economic developers are working every day to make our economic future as bright as it can be by bringing everyone together around one mission: the retention, attraction and creation of high-quality jobs and investment. They can't do it alone and need your input and support to be successful.

Let's get working, together.

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