

# Current Trends & Topics in Economic Development

Jeffrey Finkle, CEcD  
President / CEO, IEDC





INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# State of the Industry Survey

Every year IEDC does a national survey of economic developers

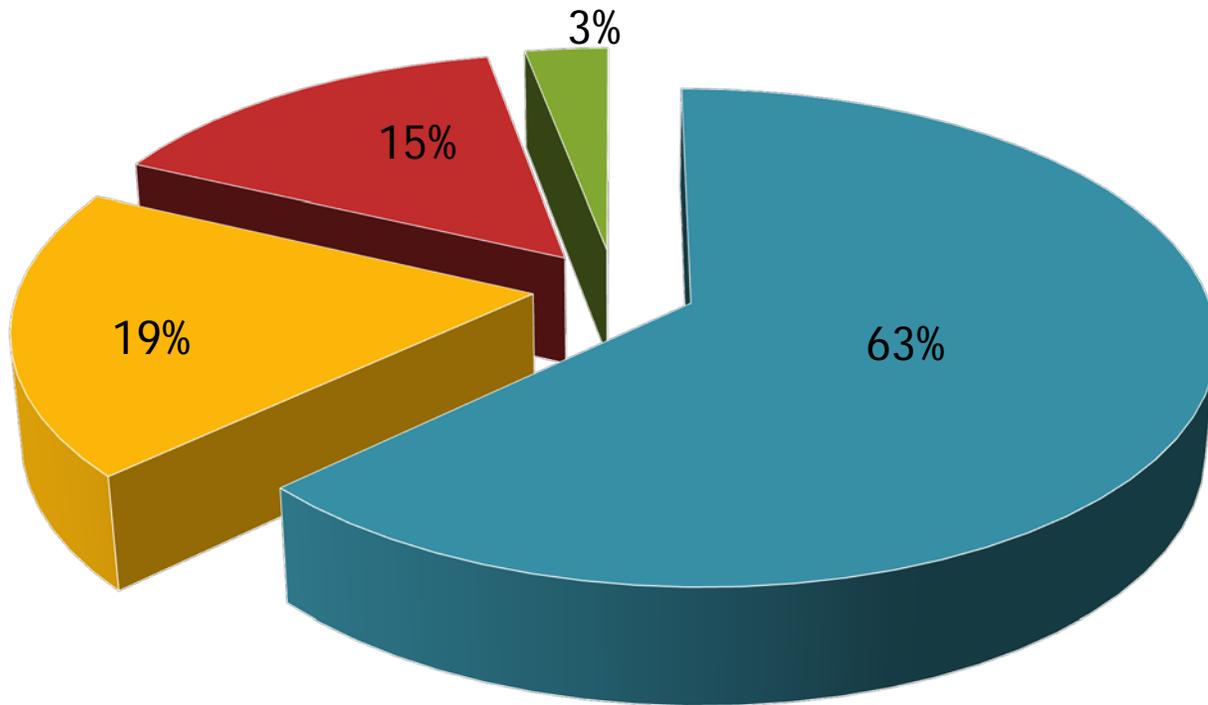
Year after year, despite challenges, practitioners remain positive about the outlook of economic development activity going forward

Key Message from 2014 survey:

Educating leadership about the critical role that EDOs play in the community is essential for sustainable economic growth



# Economic Development Organization Funding Sources

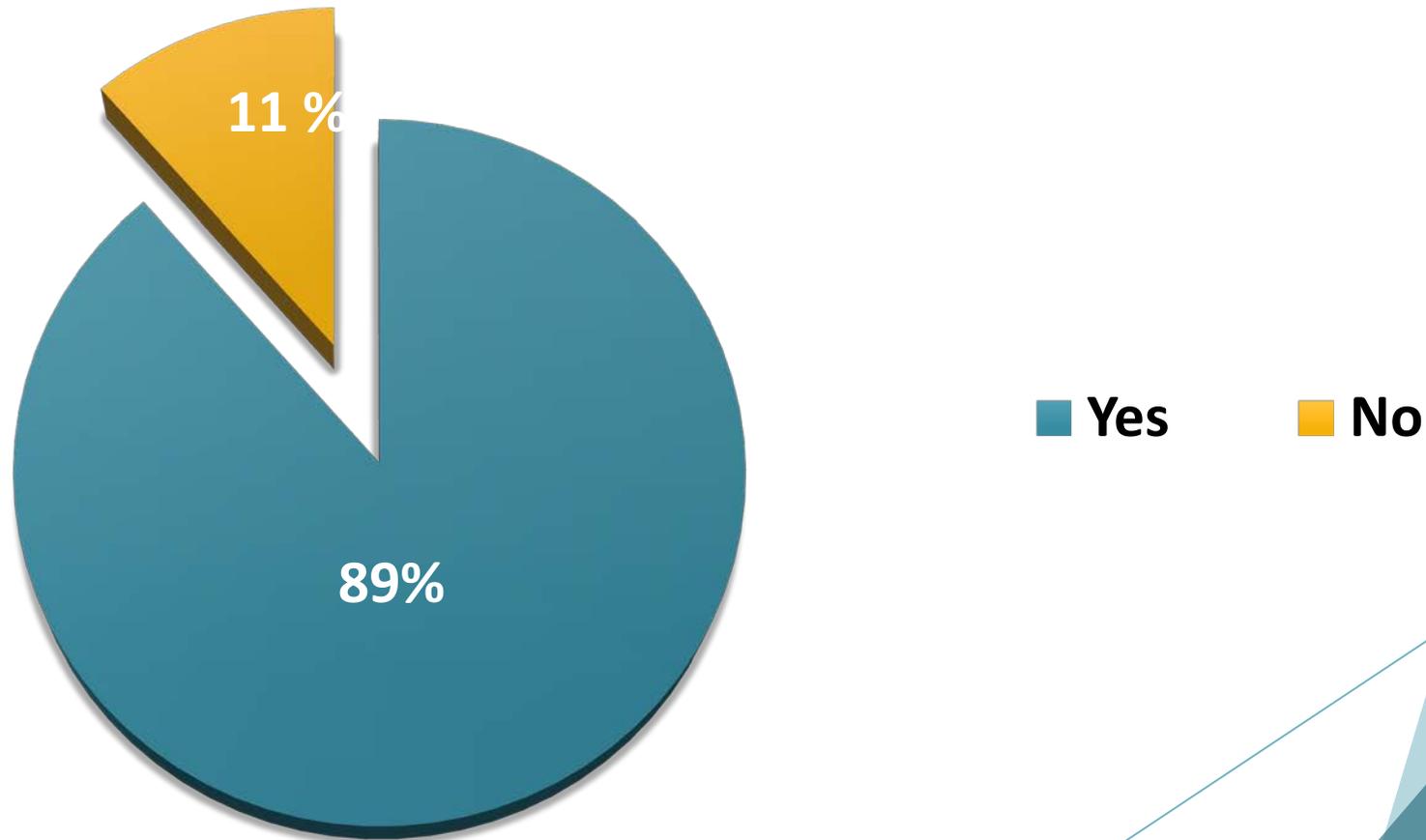


- Public Funds
- Private Funds
- Internally Generated
- Other



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# Have you entered into partnerships or combined resources with other community stakeholder to enhance ED efforts?



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# How have you altered your ED strategy in the past year?

Collaborating More on a  
Regional Basis 41%

Engaging in More Strategic  
Partnerships 40%

Concentrating More on  
Business Retention 41%

Engaging More in  
Entrepreneurship & Small  
Business Development 39%

Using Social Networking More as  
Mktg. & Comm. tool 29%

Concentrating More on Business  
Attraction 25%

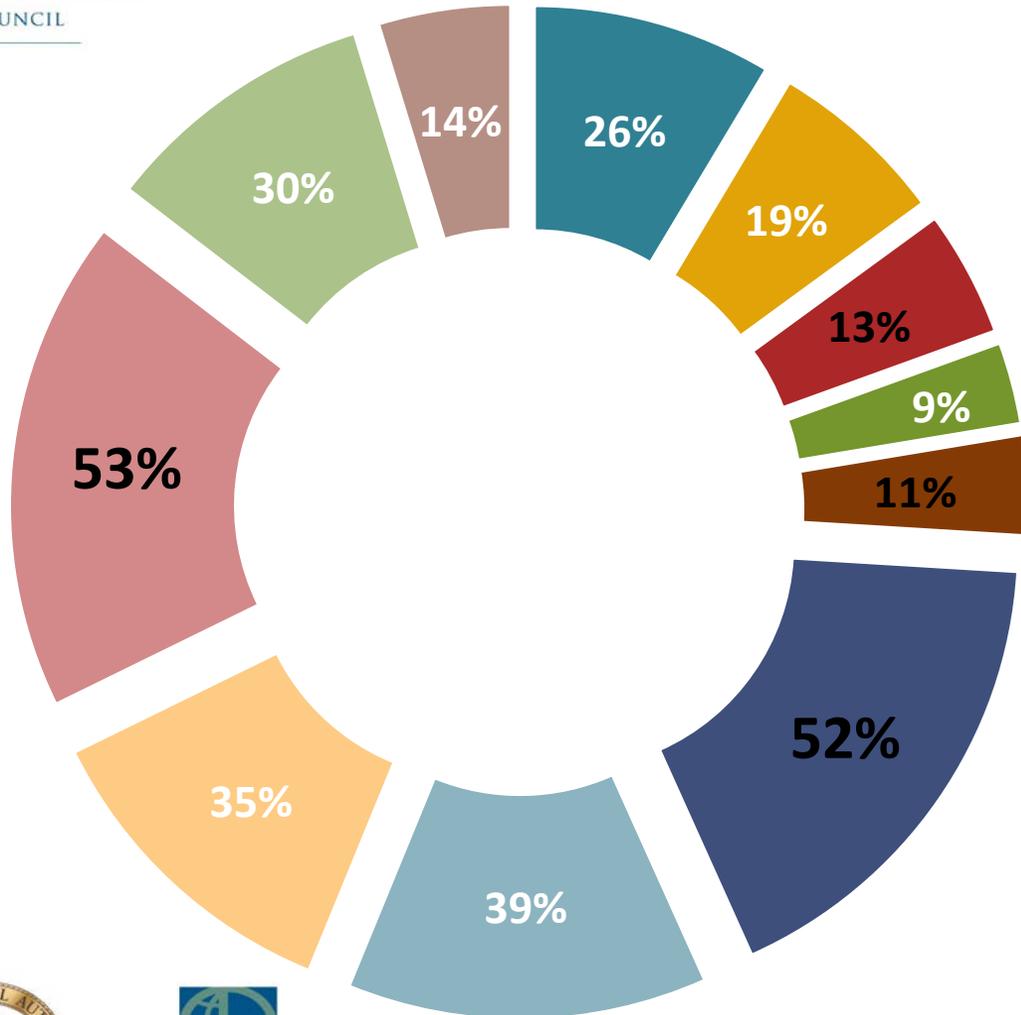
Concentrating More on Enhancing  
Local Quality of Life 23%

Increasing Efforts to Attract  
Foreign Investment 19%



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# In 2014 did your organization increase efforts in the following areas?



- Foreign Direct Investment
- Sustainability
- Export Development
- Disaster Planning/Resiliency
- Reshoring Efforts
- Entrepreneurship**
- Infrastructure Upgrades
- Measuring Performance
- Workforce Development**
- Leadership Development
- Economic Inclusion





INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

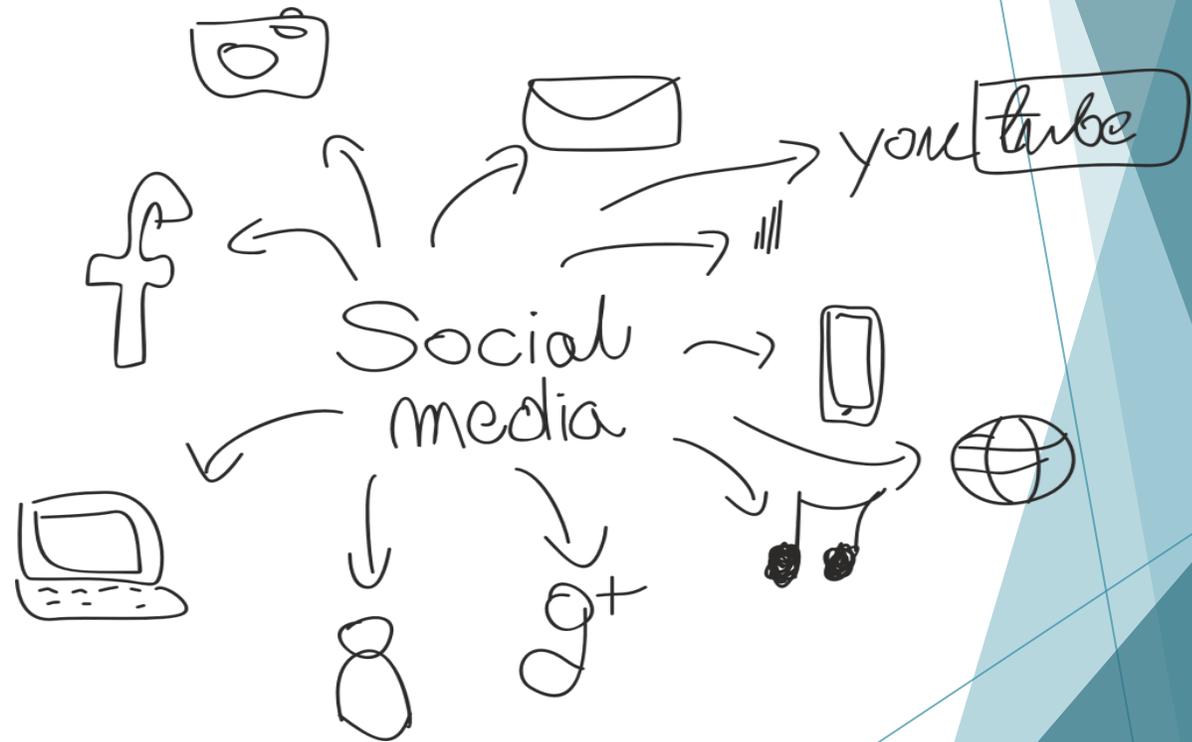
# EDOs are increasing efforts in 4 key areas:

- 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 outreach, including efforts to attract FDI and export development
- Increasing spending on infrastructure and engaging in PPPs for their development

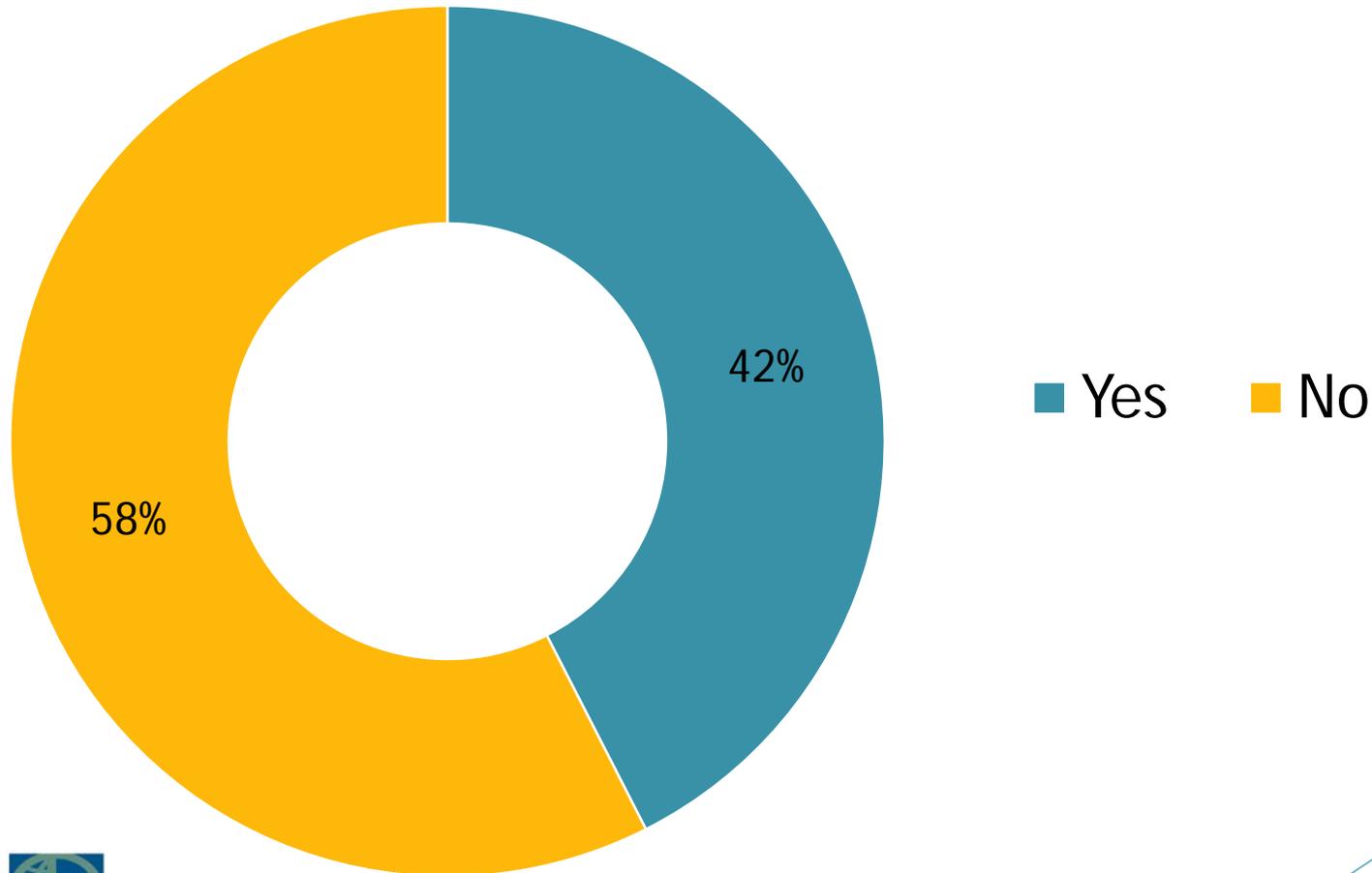


# Top Marketing Trend

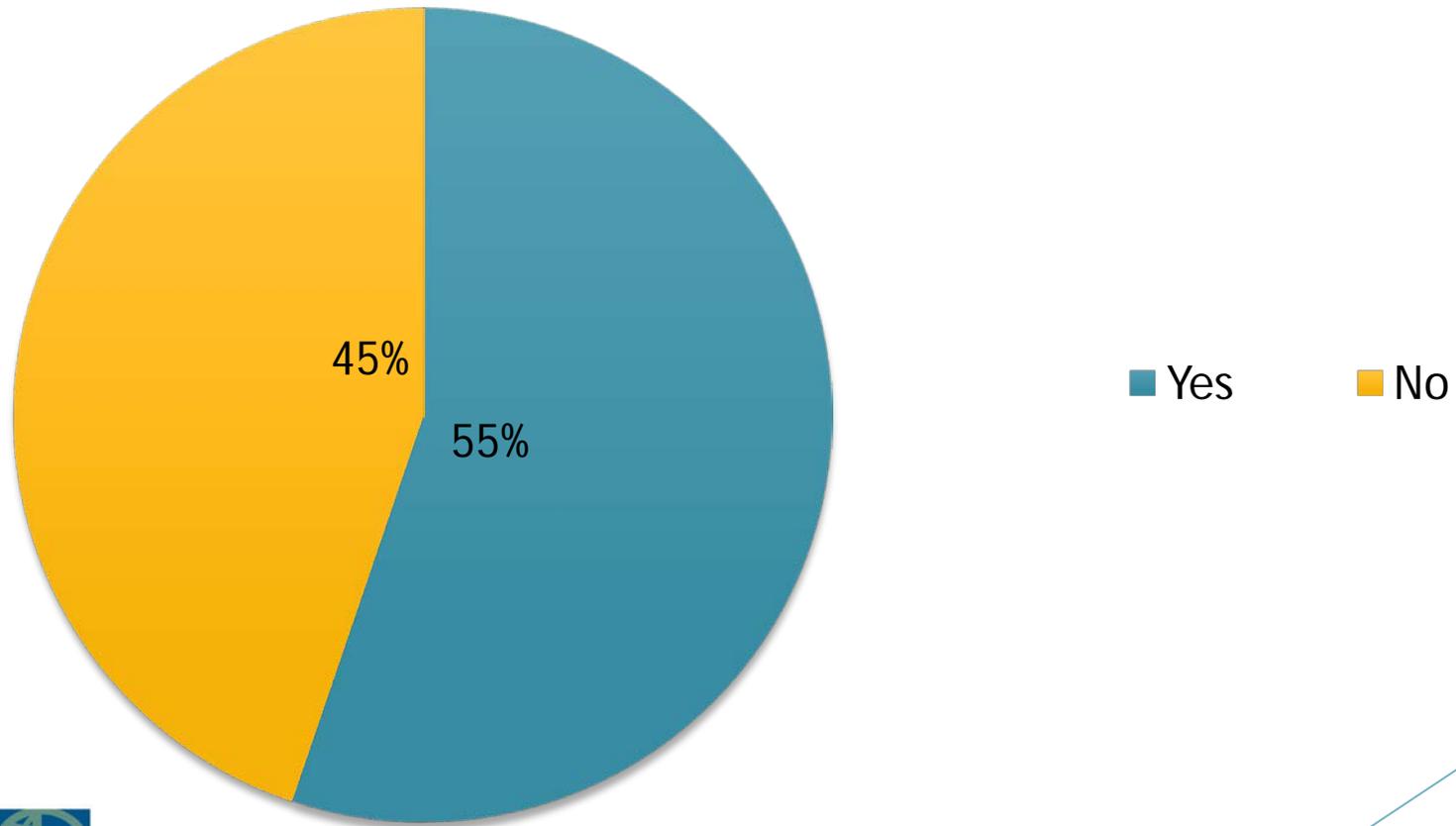
Social Media  
usage increased  
from 28% in 2012  
to 34% in 2013



# Does your organization plan to revamp its strategic ED plan in the coming year?



# Has your organization taken a proactive role to provide opportunities for the unemployed?



# In 2014, EDOs took a pro-active role to help the unemployed

- 62% of respondents partnered with Community Colleges on training programs
- 48% acted as an intermediary between employers and job seekers
- 42% facilitated real estate redevelopment to foster job creation
- 32% partnered with a private company for skills training

# What 3 issues have posed the greatest challenges to your organization's ED efforts in the past year?

## 2014 Challenges

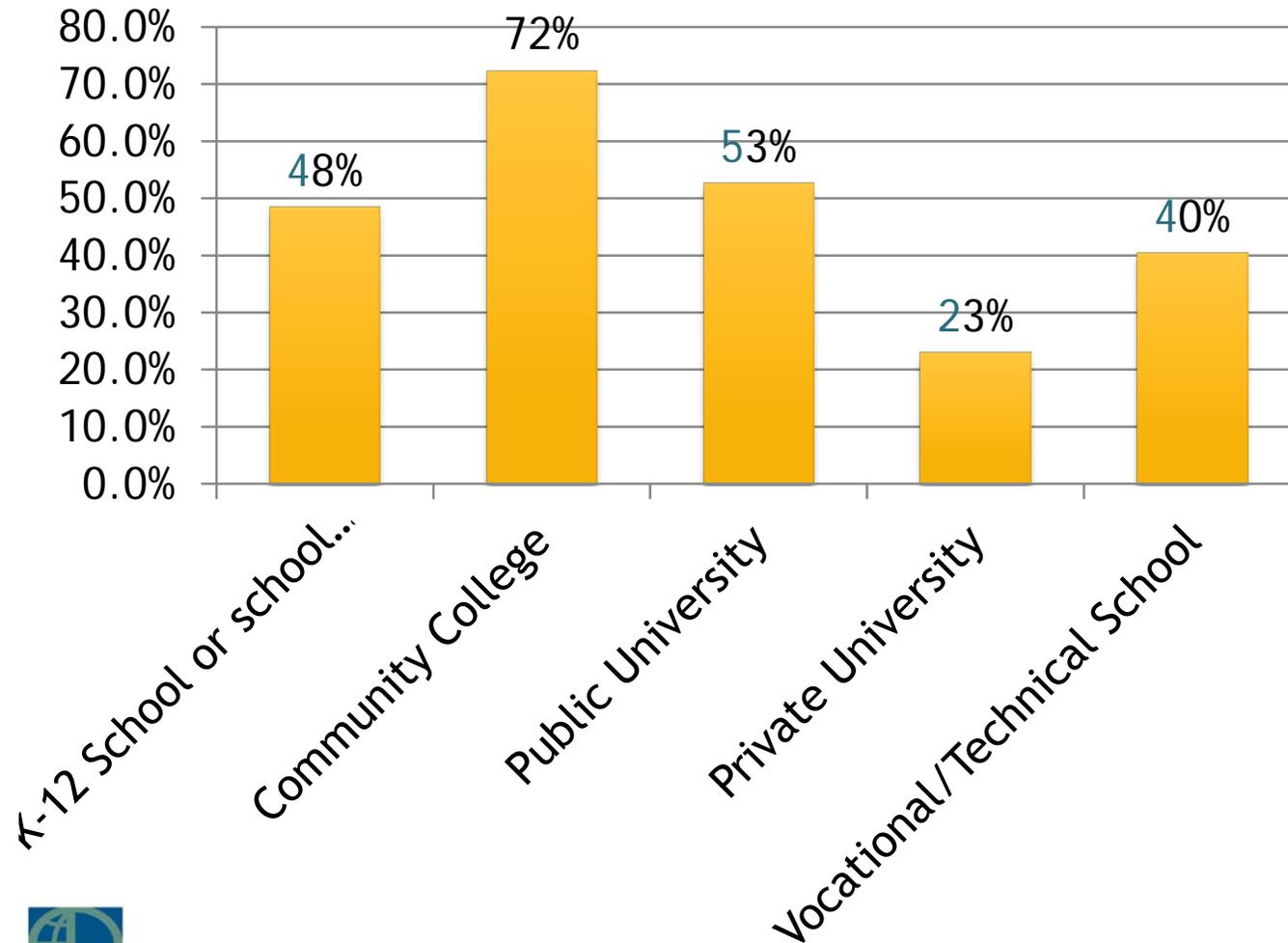
- |                                  |     |
|----------------------------------|-----|
| 1. Lack of Skilled Labor         | 50% |
| 2. City/County/State Budget Cuts | 33% |
| 3. Inadequate Infrastructure     | 29% |

## 2013 Challenges

- |                                  |     |
|----------------------------------|-----|
| 1. Policy Uncertainty            | 47% |
| 2. Lack of Skilled Labor         | 36% |
| 3. City/County/State Budget Cuts | 33% |



# What sort of educational institution did your organization partner with?



About the issues that have posed the greatest challenges for economic development in the past year...



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

→ *In 2010 it was a challenge of just 14%*

This is the first year that “Inadequate Infrastructure” has been among the top 3 challenges.



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# Other notable challenges in 2014

- ▶ Lack of Political Support for ED 27%  
Up from 20% in 2013
- ▶ Debate Over Incentives 25%
- ▶ Lack of Access to Capital/Financing 20%
- ▶ Inadequate Education 17%
- ▶ Complicated Permit Process/Regulations 18%
- ▶ Lack of available buildings or space was also widely mentioned



# In 2014, has your organization seen an increase in the following projects?

Projects	Increased 2014	Increased 2013
<b>Expansions</b>	<b>65%</b>	<b>62%</b>
<b>Prospects</b>	<b>58%</b>	<b>51%</b>
<b>Real Estate Projects</b>	<b>51%</b>	<b>47%</b>
<b>Infrastructure Projects</b>	<b>39%</b>	<b>43%</b>
<b>Redevelopment Projects</b>	<b>39%</b>	<b>41%</b>
<b>Relocations</b>	<b>33%</b>	<b>37%</b>

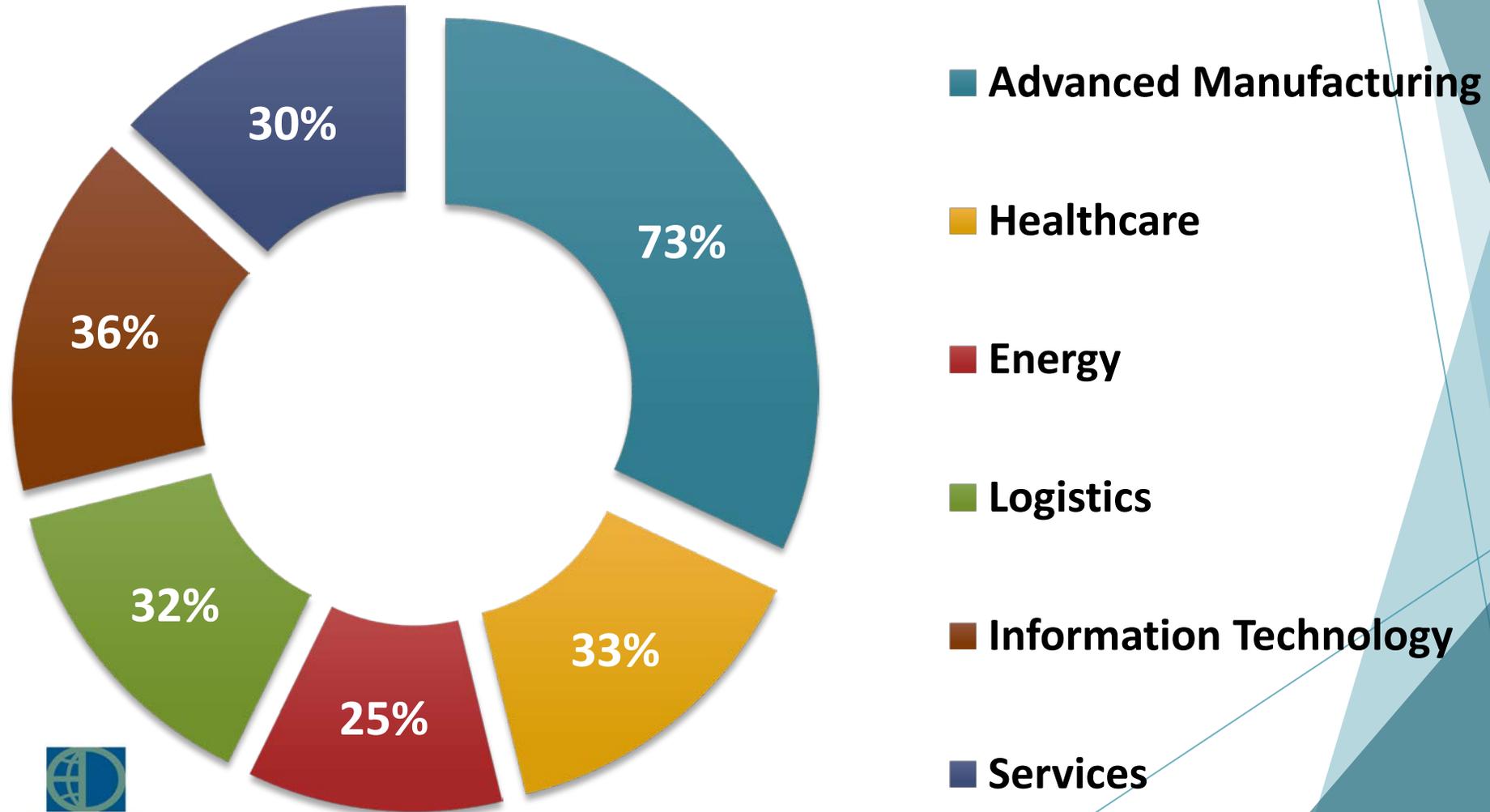


INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

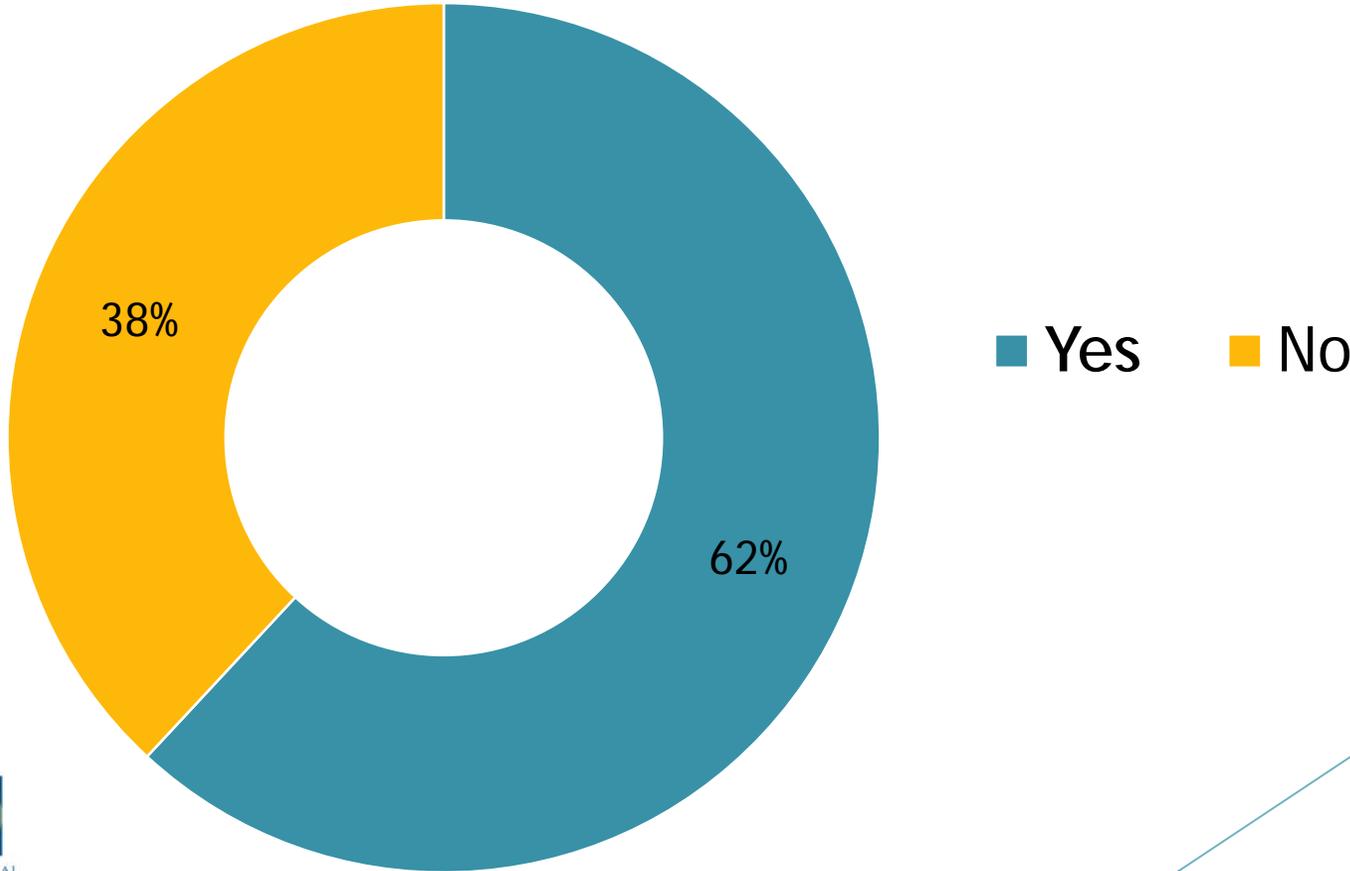


INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

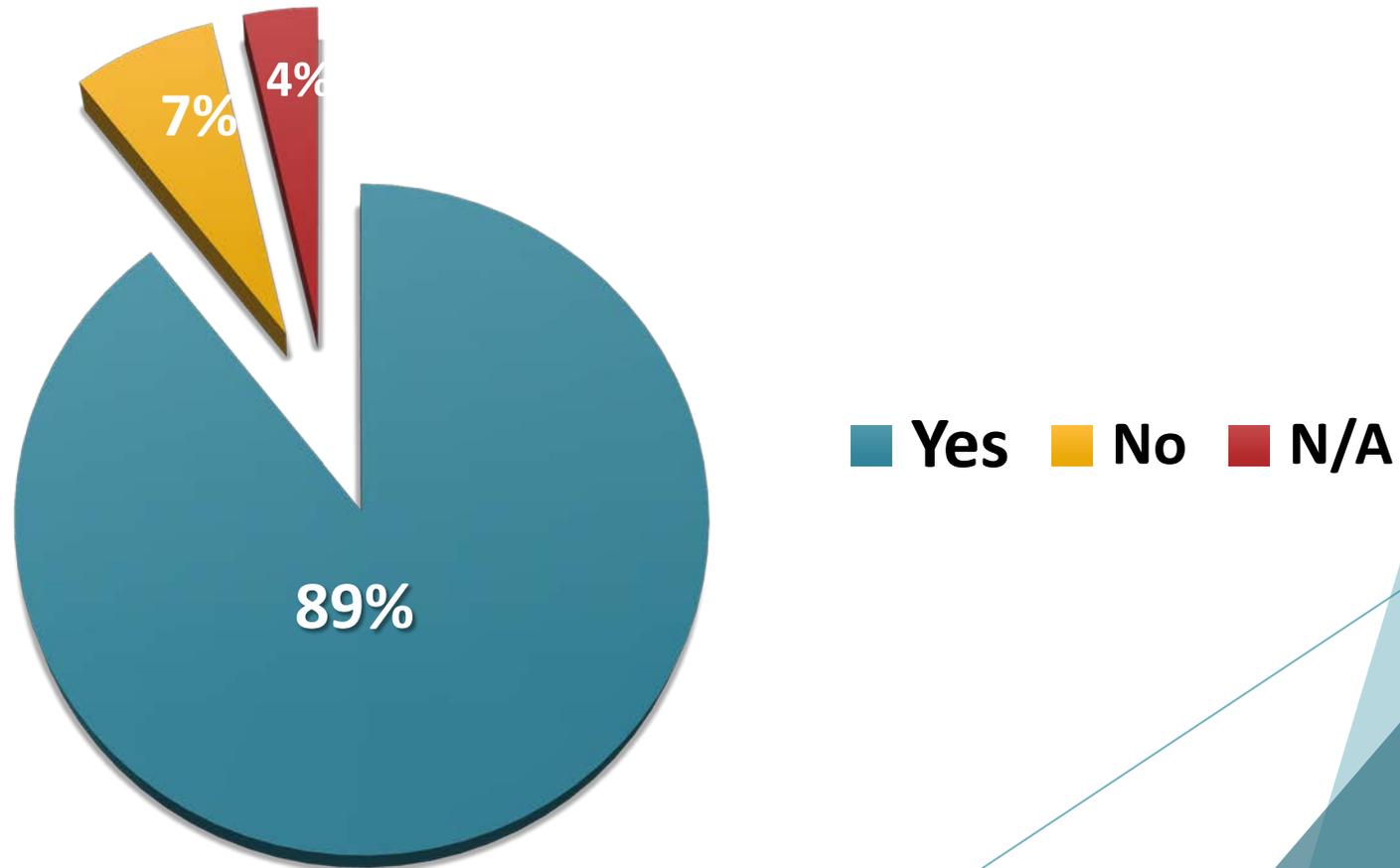
# Which industries is your community primarily focused on in its business recruitment efforts?



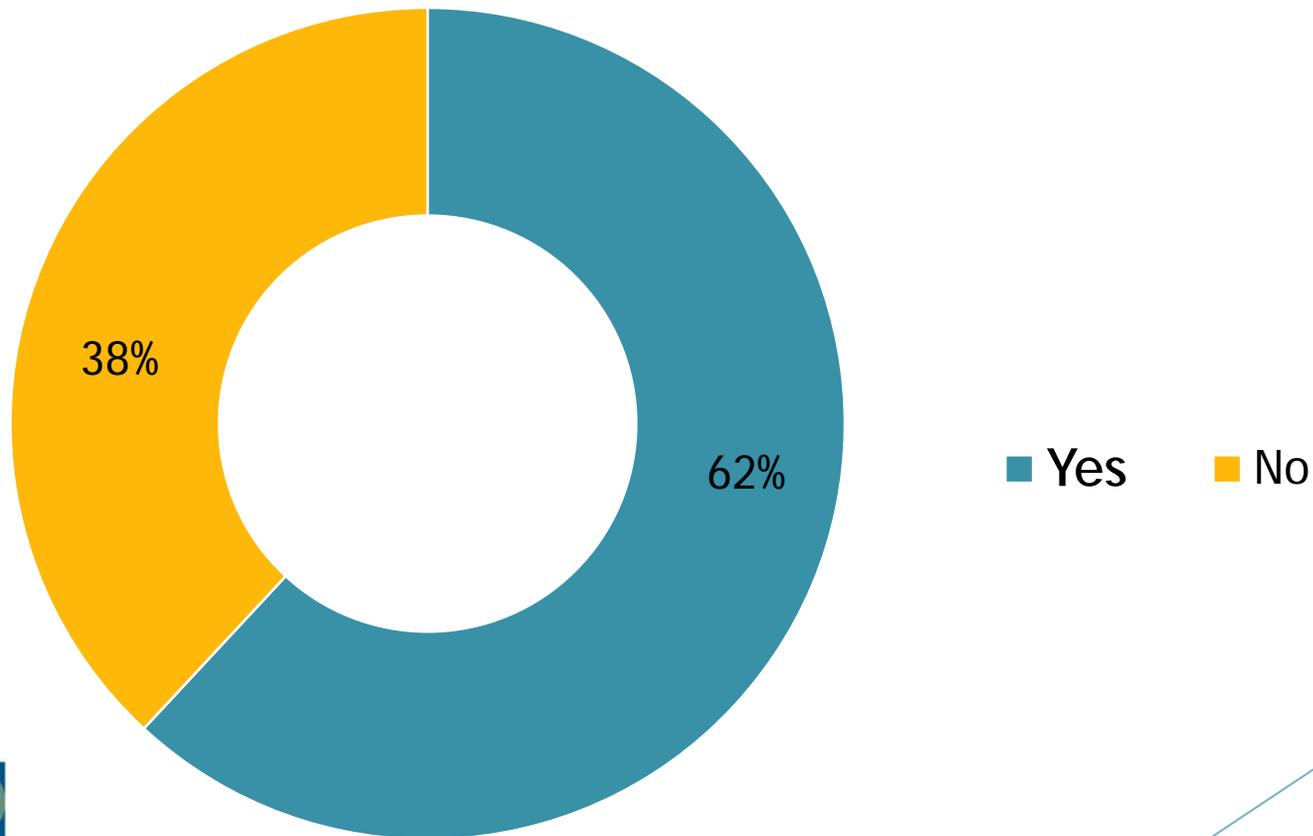
# Were there times over the past year where local politics interfered with an economic incentive deal?



# Would you encourage local elected officials and leadership in your community to engage in economic development training?



Are there policy changes at the local, state or federal level that are having an impact -- or that you expect will have an impact on ED in your community?

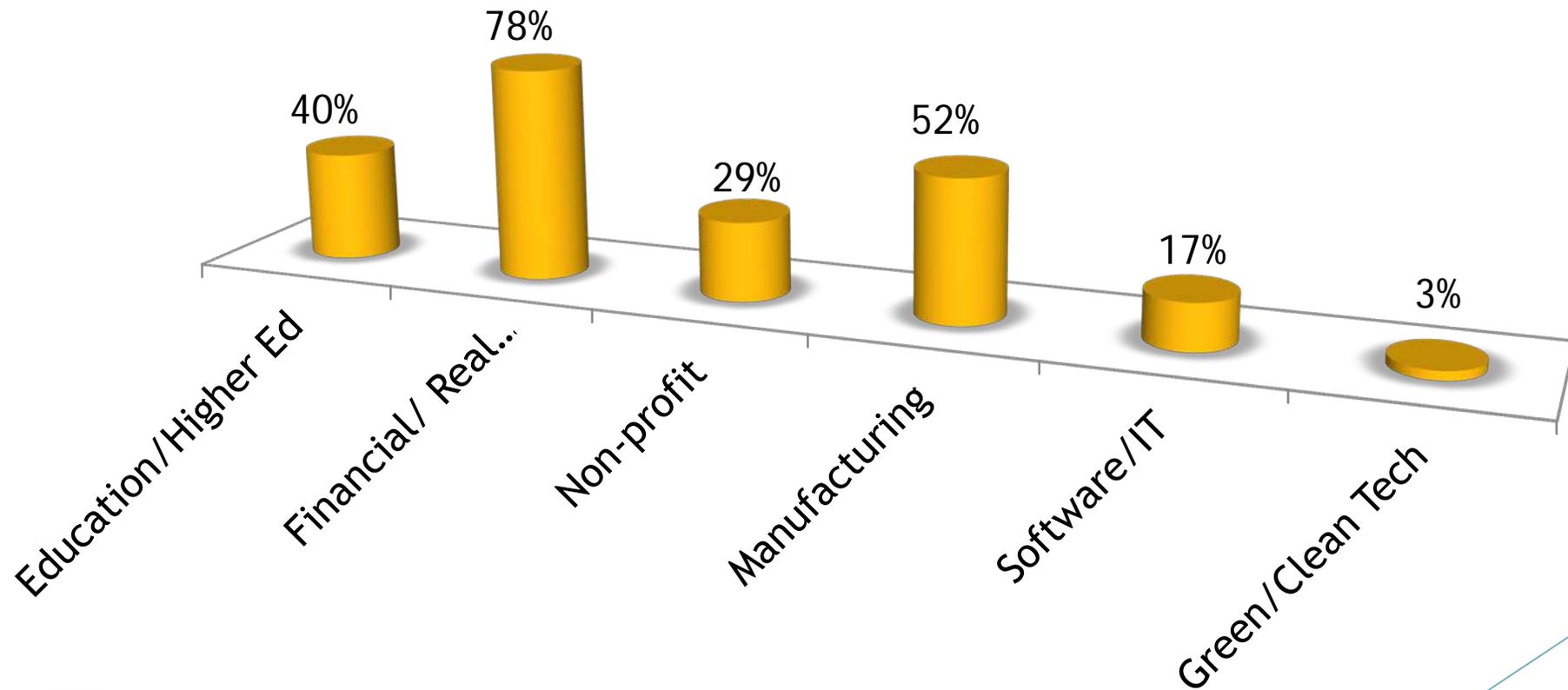


# Most frequent concerns regarding current or pending policy changes



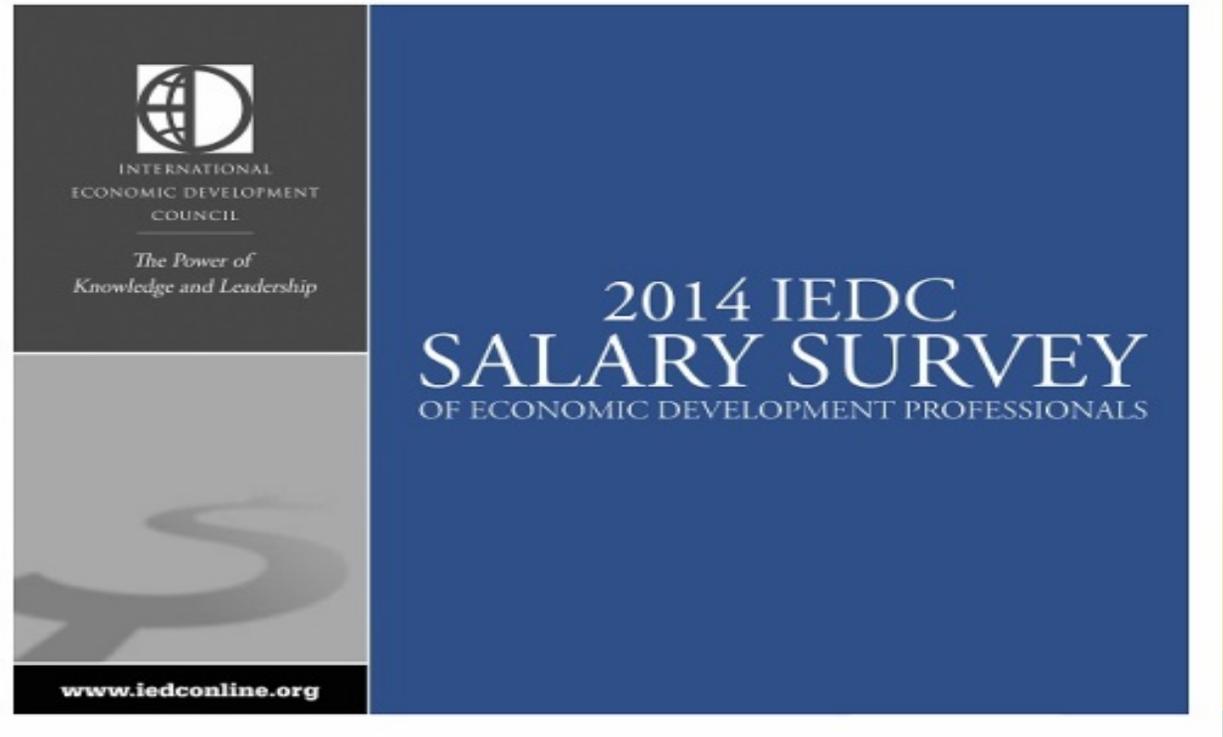
- ▶ EPA and other energy-related regulations
- ▶ Scrutiny over incentives and pending changes for incentives in some states
- ▶ Reorganization of ED activities in some states and municipalities due to new leadership
- ▶ Uncertainty over the short & long-term impact of federal healthcare insurance laws on local workers

# From which sectors is your ED Board of Directors primarily composed?



# Highlights of IEDC's 2014 Salary Survey

- ▶ Industry standard - 5<sup>th</sup> edition
- ▶ North American survey of 3,075 respondents
- ▶ Previous salary survey was conducted in 2012



*Available at [www.iedconline.org](http://www.iedconline.org)*



# IEDC Salary Survey

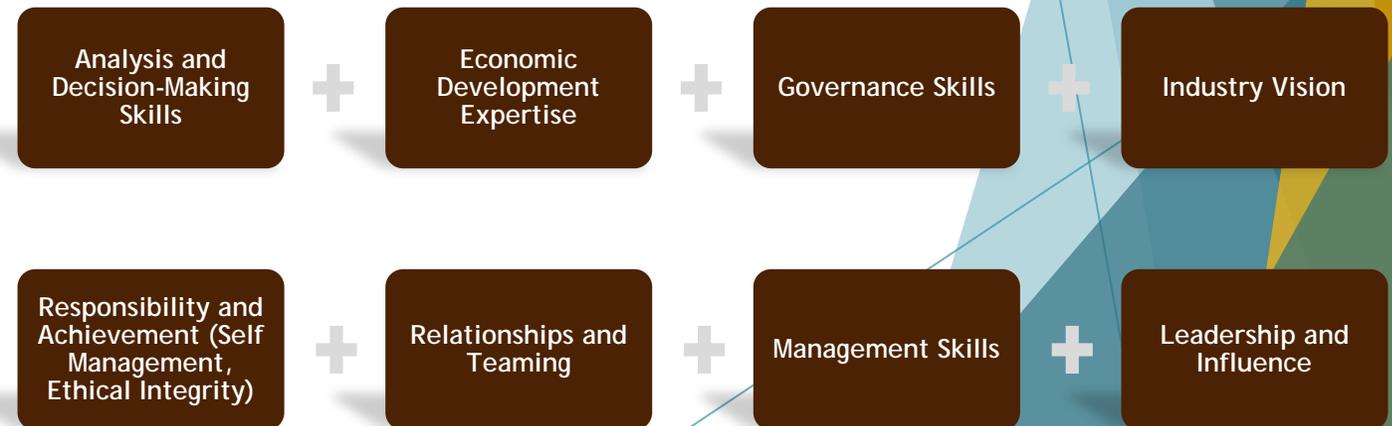
- Certified Economic Developer (CEcD) credential is the most widely held certification of industry professionals. People who have this designation earn the highest salaries in the profession.
- The average base salaries for professionals with associate's, bachelor's and master's degrees are \$69,500, \$86,400 and \$96,000 respectively. For CEcD's it is over \$100K.
- Consulting firms pay the most, followed by utilities, and then educational institutions



# Leadership Study

IEDC undertook a behavioral competency leadership study with Somerville Partners

- The result is a report “*A Behavioral Leadership Model for Top Performing Economic Development Executives*”
- Available online at [www.iedconline.org](http://www.iedconline.org)

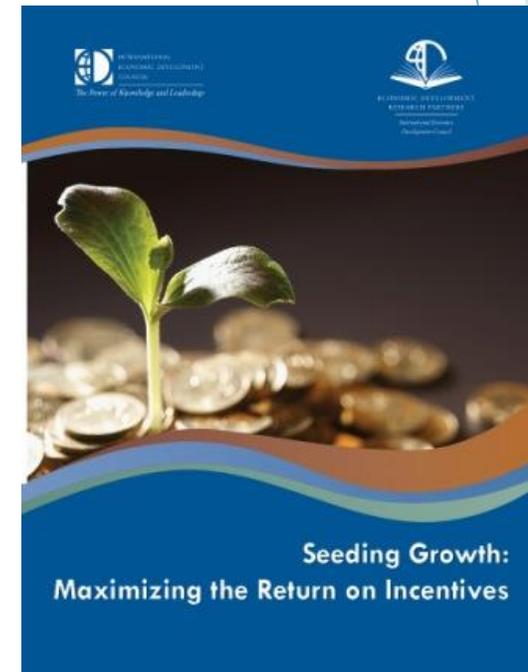


# Economic Development Research Partners program

- ▶ Think tank of 60 of the country's top economic developers
- ▶ Each year they meet to discuss the most challenging ED issues
- ▶ Research topics for 2015-2016
  - Incentives
  - Infrastructure
  - Divested corridors
  - Equity
  - Data standards for site selection
  - Regionalism in economic development



ECONOMIC DEVELOPMENT  
RESEARCH PARTNERS



# 10 key trends

- Economic developers need the support of local elected leaders
- Workforce development is a top concern
- EDOs are increasingly moving towards blended funding models
- We're partnering regionally for marketing, particularly to foreign investors
- We're engaging more with community partners to foster entrepreneurial and small business development programs
- Infrastructure development is essential for competitiveness
- We're using green/clean tech in real estate and infrastructure projects
- The changing energy landscape is affecting the U.S. economy in a major way
- Economic resiliency and disaster recovery a growing concern
- Equity and income equality are a major issue economic developers are seeking answers to

