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A Comprehensive Analysis of the Current and Future Talent Needs for the TALENT 2025 Region

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2011

An Assessment of EDA's Partnership Planning Program

W.E. Upjohn Institute for Employment Research

In partnership with:

Center for Public Management, Maxine Levin Goodman College of Urban Affairs, Cleveland State University

Mohr Partners

TeamNEO (Research Assistants)

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W.E. UPJOHN INSTITUTE
for Employment Research

An Assessment of EDA's Partnership Planning Program

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Executive Summary

All levels of government—federal, state, and local—are facing a serious challenge: How to create an innovative, strategic, and locally-driven response to an ever-changing and highly competitive world economy while at the same time facing severe resource constraints. For regions to succeed in a time of severe resource limitations, local interests must give way to innovative regional approaches, and local stakeholders must collaborate and leverage both private and public resources in initiatives that can have a significant economic impact. This is not a task that can be carried out by one government agency or the private sector; however, the Economic Development Administration (EDA) can provide the coordination, leadership, and, in some instances, the financial resources to impact true regional change.

This report examines EDA's Partnership Planning Program, which consists of Economic Development Districts (EDDs) and the Comprehensive Economic Development Strategies (CEDS) they are required to create, and provides recommendations as to how the program could be improved to lead effective regional development strategic efforts.

All findings are derived from the following major research initiatives that make up the project: a survey of the EDDs, an analysis of a sample of CEDS documents, a survey of non-EDD economic development organizations, focus groups conducted with members of economic development membership groups NADO and IEDC, and site visits to 11 EDDs.

Findings Relevant to the Overall Partnership Planning Program

- A majority of EDDs expressed overall satisfaction with the way EDA's current system operates.
- EDA activities are more recognized in rural areas than in urban areas, and EDDs play a more dominant role overall in rural areas.
- Communication is extremely important for successful economic development. A desire was expressed for more feedback on the CEDS and on funding applications.
- Physical infrastructure developments remain popular, and most EDDs are regularly engaged in some sort of EDA-funded project.
- The recognition of EDA's Partnership Planning Program activities is mixed. Just under half (47.5 percent) of regional non-EDA funded economic development organizations partner with an EDD, but only about 11 percent specifically list the CEDS as a recognized regional strategy in their area. On a positive note, there is a clear trend toward more and stronger partnerships with EDDs.
- There is a desire for greater financial support for EDA-related activities; however, similarly large numbers of regional stakeholders also indicated that procedural improvements could be equally beneficial, particularly increasing flexibility in the CEDS requirements and receiving more feedback and assistance from EDA.

Findings on the Nature and Success of Economic Development Districts

- The majority of EDDs are part of organizations that engage in many other activities besides EDA programs or regional economic development efforts. The organizations have longevity, and the staffs are well educated and experienced in the field. Securing funds to meet the EDA match requirements is one of the most challenging tasks that EDDs face. Despite a push for more private investment, the most likely source for matching dollars is other government agencies, usually local entities such as a city or county.

Findings on the CEDS

- Strengths found in the current CEDS document include the description and history of the region, the basic economic analysis, the discussion of the region's strengths and weaknesses, and the overall presentation of strategy.
- Areas of concern that arose during the CEDS document review included the lack of global perspective, missing performance indicators, and weak ties between planned activities, strategy, and the project list.
- The development and updating of the CEDS is a major activity of EDDs. Nearly all EDDs complete their own CEDS and find the process to be valuable; however, some expressed a desire for more feedback and assistance with regional data collection and analysis.
- The CEDS is appreciated by regional development stakeholders and has strong potential; however, clarity and flexibility improvements were desired and the length and content of the current document format discourages wider use and recognition.

Summary of Recommendations

The following summarizes the report's three categorical recommendations. The recommendations are detailed in the report that follows.

1. **Efforts should be made to increase the capacity of EDDs to lead regional initiatives and play a role beyond economic development planning.** EDA's current interest in clusters, innovation, and entrepreneurship should be transformed into funding and planning programs that can incentivize EDD activities in these areas. Also, EDDs already play a data-provider role through the creation of the CEDS; this should be increased through better partnerships with EDA University Centers to allow the EDDs to provide more comprehensive regional data and serve as a stronger resource for government and nonprofit agencies in the region.

2. **The effectiveness of the CEDS can be enhanced by reducing the size of the document, making it an annual activity, and conducting better outreach to increase awareness and use of the strategy.** Because much of the benefit of the CEDS occurs in the process of getting stakeholders to collaborate and not in writing a lengthy document, it seems reasonable that a short, focused 10- to 15- page document could adequately relay all of the key information necessary to support the strategy, while more detailed regional data could be presented in a separate report. A short document could also be updated on

an annual basis, which would also reflect its status as a "living" document that changes with the strategic needs of the community. Awareness of the CEDS should also be increased, possibly though staff presentations, media coverage, and electronic media.

3. **EDA can enhance its relationship with EDDs by providing more feedback, by changing the way funding applications are handled at the federal level, and by promoting formal inter-regional collaborations that allow EDDs to combine forces for projects with other agencies.** There was vocal support among EDDs for more communication with EDA, such as constructive feedback on the CEDS and notification of opportunities that could fit with regional goals. A simple application form for all federally-funded projects, regardless of agency, and clear information on grant application evaluation processes were also cited as desirable. Finally, encouraging EDDs to form multi-regional collaborative groups could also allow the organizations to be relevant players in other areas of development and could help regions to take advantage of larger-scale funding opportunities through other agencies.

Introduction

Regional economic development is widely accepted as an essential part of maintaining a prosperous and globally competitive nation; however, the nature of regional economic development has changed substantially in recent years. As global competition has increased, the needs of business have broadened to include more than just resource access or low tax rates, as skilled workforce, an environment of innovation, and open, collaborative leadership between the public and private sectors have all come to play a greater role in supporting business growth. Currently, economic development is conducted by a wide variety of public, quasi-public, and private organizations that are widely disbursed both in terms of their geographic coverage and their mission. One of the few nationwide efforts to bring these entities together and to promote widespread, comprehensive, and collaborative development efforts is the Economic Development Administration (EDA) Partnership Planning Program, which is the focus of this study.

At the same time, governmental resources are extremely limited and should be allocated to only those activities that have a strong probability of impacting real change on the regional level. Understanding the effectiveness of EDA's activities and meeting the evolving needs of regional businesses and economic stakeholders is crucial at this time. Federal-level involvement in economic development efforts is in the public interest only when it provides the missing component to a locally-driven, strategically planned economic development program, which when implemented adds value to the region and, thereby, to the nation as a whole.

This report contains the results of an analysis of the EDA Economic Development Districts (EDDs) and the Comprehensive Economic Development Strategy (CEDS). These two activities represent the primary venues through which EDA works to promote regional economic development, as well as serving as the conduit for most of EDA's funding initiatives, such as public works investment funding and economic adjustment assistance. The EDDs are self-formed, multicounty regions that are responsible for planning economic development for the region (the EDA-funded CEDS planning activity), coordinating regional development partnerships, and providing technical and other forms of assistance to their service areas. The CEDS is a formal economic development strategy; however, it is not just a document but a process for bringing together regional partners and understanding regional needs, as well as a venue for identifying projects that are potentially eligible for financial assistance from EDA.

The EDA periodically works with outside researchers to conduct a thorough assessment of the agency's program activities. In 2009, a team of researchers from the W.E. Upjohn Institute for Employment Research, the Center for Public Management of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University, and the economic development organization TeamNEO were awarded financial support by EDA to conduct assessment and training activities on EDA's EDD and CEDS programs. This report contains a detailed overview of the methods employed in this effort, as well as the findings and recommendations that arose from the research.

The report is structured around the following major initiatives that combine to create an overall understanding of the strengths and weaknesses of the current approach of the EDD and CEDS activities:

- A theoretical framework of regional economic development. Because EDA's approach focuses on regional activities instead of national- or state-level initiatives, it is essential to review the theory behind regionalism and successful economic development in general. This section of the report contains an overview of the underlying theory of economic development employed by EDA, as well as some current research and thought on the practice and theory of effective regional economic development.
- An external and internal assessment of the EDDs. The largest section of the report focuses on what the EDDs do and how both internal and external stakeholders view the activities of the EDDs.
- Analysis of the CEDS. The primary output of EDA's planning program is the CEDS. To assess the quality of documents being produced, a large sample of CEDS were reviewed by the research team with the goal of determining the degree to which the documents revealed practices that are in line with both EDA's guidelines and theory-based expectations of the steps necessary to develop an effective regional strategy. Review criteria looked both at factors related to creating a useful strategy document and at factors that could be indicative of engagement in an effective process of collaboration and strategy development.
- Stakeholder and collaborator views of the EDDs and the CEDS. Economic development does not occur in a vacuum; therefore, attempts were also made to engage members of the broader economic development community in discussion about the effectiveness of EDA's program activities. This section relays the results of focus group sessions held both with EDD "insiders" during the National Association of Development Organizations (NADO) annual meeting and with "outsiders" from the economic development industry during a meeting of the International Economic Development Council (IEDC).
- A study of best practices among Economic Development Districts. Finally, site visits were conducted to regions recommended by EDA staff and NADO as representing some of the most effective EDDs in the country. These visits were conducted to identify possible "best practices" that could be promoted at the national level by EDA.

The results of these research initiatives are summarized in a set of comprehensive findings and recommendations in the following section. The more detailed methodological information and research findings are then presented in later chapters, which individually cover each of the aforementioned major research activities.

Recommendations

The EDA-funded Economic Development Districts play an important role in their individual regions' economic development delivery system. First, they bring experience, regional knowledge, institutional knowledge, and leadership to the region's overall economic development effort. We found that, on average, EDD leadership positions were staffed by the same individual for more than 15 years. The EDD executive leaders have more than two decades of experience, on average, in economic development fields. Second, we found that 77 percent of the EDDs surveyed have developed strong partnerships with the other regional economic development organizations—private and public.

The types of roles the EDDs play vary greatly depending upon whether the EDD is in a rural environment, where they are the only economic development planning agencies, or in an urban setting, where there can be a crowded field of economic development organizations, including both private and public ones. In addition, their roles also depend upon the fiscal stability and the economic development strategy of their state governments. More and more states are cutting back on their economic development activities, which in some instances leaves EDA's EDDs as one of the few economic development organizations still standing within their region. In this changing environment, the stability of the EDD staff and their established connections with their region's economic development stakeholders is a strong asset that could enable them to take on greater leadership roles in guiding the region's economic development efforts.

It is beyond the scope of this report to make policy recommendations that address the local and state environments of the individual EDDs. Instead, we are providing recommendations that we believe could increase an EDD's role in guiding and managing its region's economic development efforts. We make these recommendations cautiously, however, because we have found the current flexibility of EDA funding, which allows for the EDDs to respond to the unique needs of their regions, to be very valuable. In other words, in making these recommendations, we do not want to infringe upon the flexibility and independence of the EDDs.[1]

The recommendations are categorized by their focus on one of the three main aspects of the EDD system

- Increasing the EDDs' ability to guide their regions' economic development efforts;
- Enhancing the effectiveness of the CEDS; and
- Advancing the EDA's relationship with the EDDs.

[1] This section builds upon the recommendations of the Council on Competitiveness in its report *National Prosperity/Regional Leadership* (Washington, DC: Council on Competitiveness, 2010), http://www.wm-alliance.org/documents/publications/National_Prosperity_Regional_Leadership_Report.pdf.

Increasing the EDDs' Ability to Guide Regional Economic Development Efforts

1. **Encourage the EDDs to focus on looking forward to new opportunities and creating strategies**. EDDs will need to be proactive if they are to meet the changing economic development needs of their regions as the global, national, and regional economic environments evolve. This will require making a continuous scan of the region's economic landscape, establishing strong information networks across the region, forming new partnerships, pulling in outside resources when necessary, and, most importantly, taking educated risks.[2] The regions' strategies and opportunities are as unique as the regions themselves, but at the same time, these strategies should be based on the strengths, assets, and talents of the regions.

   We found that some EDDs exhaust their resources in responding to the wants of their governmental and economic development stakeholders. Many EDDs have become the "go-to place" for assistance in grant writing, obtaining regional economic and census data, and in applying for EDA infrastructure grants. This is an important role, especially in rural areas. However, EDDs can quickly lose sight of the forest for the trees, as the demands from individual government units regarding specific economic and community development projects can cause an EDD's activities to be scattered and unfocused. In this environment, a comprehensive approach to economic development can be extremely difficult to maintain.

   Fortunately, EDDs' responsibilities as the regional data centers have been lessened by the Internet. Data are readily available from the websites of most all federal and state agencies. We recommend that the EDDs work to redesign their regional role from a data or resource center to a regional convener of economic development stakeholders. One step could be to offer training sessions for the regions' governmental and nonprofit organizations in finding economic and demographic information on the Internet, if it is available. Second, the EDDs should organize and facilitate economic development strategic planning sessions for the region's economic development stakeholders. Most importantly, in doing so the EDD should make clear its new leadership role in the region as a convener.

2. **Promote EDD leadership that can express a clear, unified vision based on the region's strengths that can be supported across political lines to serve the best interests of the region.** For the EDDs to become proactive requires that they take on a leadership role that:[3]
   a. Champions—promotes a vision and mission for the region (see below);
   b. Catalyzes—mobilizes efforts that cut across existing silos and geographic interests. The partnerships that the EDDs have already developed could serve as a strong base for this activity; and

[2] Ibid., p. 67.

[3] Berkeley Policy Associates, *The Power of Partnership: American Regions Collaborating for Economic Competitiveness*, (Oakland, CA: Berkeley Policy Associates, 2009).

c. Integrates—creates programs that build on and leverage local assets. Again, the EDDs' wealth of regional knowledge and experience puts them in a position to play this role.

It is unlikely that that the existing EDD staff alone could effectively take on all three of these roles. The CEDS committee should also be expected to take on a proactive leadership role. Its members represent the region's major economic development stakeholders, who are in excellent positions to respond to new strategic opportunities. Additionally, the CEDS committee needs to be supportive and willing to take educated risks and offer innovative solutions on behalf of the region.

EDA should consider offering leadership training courses for their EDDs to assist them in being successful in redesigning their roles in their regional economic development communities. In fact, the authors of this report will incorporate a leadership skill component in the accompanying training program/webinar series that is part of this research initiative.

3. **The EDDs need to generate a clear vision of what their regions are and what they can be.** While leadership is required for the EDD to take on a proactive role, a vision for the region is required to set the course. All efforts should have the end in mind. The vision should be inclusive and build upon the strengths of the region's other regional organizations**.** Again, this task requires the EDDs to become effective conveners of the economic development stakeholders of their regions. The development of a regional vision cannot be done by the EDD in isolation; it requires active involvement and commitment from the region's public and private economic development stakeholders. A facilitator from a state university could be brought in to conduct the meetings. In some regions, a vision statement may already be in place; if this is the case and, if the EDDs CEDS' committee members can accept this vision statement, it should be adopted and incorporated in the CEDS.

4. **Encourage the EDDs to identify and develop clusters, as well as to seek out new growth opportunities driven by innovation and entrepreneurship**. In today's highly competitive world, innovation has become a requirement for successful initiatives in all industries from manufacturing to services to agribusiness. In addition, entrepreneurship is a key element in the development of innovation. Entrepreneurs can be found on the shop floor, in nonprofits or governmental agencies, or as the owners of new firms. Again, the region's strategy to promote innovation and entrepreneurship should be adapted to the uniqueness of the region. It could include an incubator (with or without walls), networking places, increasing broadband coverage, or other activities.

5. **EDDs should be promoted as a source of economic knowledge and project resources for all stakeholders in the region.** The EDD should fully utilize the resources made available by EDA and inform the region's economic stakeholders about current findings in regional economic research and practice. These resources include the EDA University Centers and the wealth of EDA economic development research. In short, the EDD should work to expose regional stakeholders to new ideas and initiatives that are being conducted around the country.

Enhancing the Effectiveness of the CEDS

1. **The CEDS should become the annual economic development work plan for the region.** Ideally, the CEDS should become a succinct 10-to-15 page annual economic development work plan that states the region's economic development strategy and identifies a limited number of *key* priorities and related projects. The CEDS should move away from being a complex, lengthy document by discouraging some of the sections on topics such as regional history and soil use that are sometimes currently included. EDA guidelines should focus on limiting content and promoting concise documentation of regional strengths and weaknesses, vision, and economic development strategy. Additionally, requiring annual reports could help the CEDS to become a "living" document that can be regularly referenced by the region's economic development stakeholders as they move forward. The CEDS should reflect new opportunities and report on the success or challenges faced by the prior year's implementation plan. Lengthy "wish lists" of projects can be curtailed if funding requirements focus on the strategic fit of proposed economic development projects. For many EDDs this will prove to be a difficult task because as governmental resources become severely limited, it is a common strategy for regions to list everything in hopes that something will be funded.

2. **The EDDs should partner with their EDA University Centers to generate annual statistical and data reports for their region.** These statistical reports would be a separate report from the CEDS, which could provide the necessary data to support the region's strategy. In addition, these reports could be very useful for other agencies and nonprofits in the region that are seeking grants or developing their own internal work plans. The creation of a current statistical report for these regions would leverage existing resources (i.e., the University Centers and the EDD offices) to provide an additional benefit to the region.

3. **The five-year CEDS updating schedule should be discontinued.** The current, comprehensive five-year CEDS should no longer be required if a simple new CEDS format is developed that allows for annual updating. This change reflects the rapidity of economic change and the number of continuously evolving opportunities in many EDD regions. Instead of being a large project conducted every five years, the CEDS would evolve into a shorter but more current process of revisiting strategy and conditions in the region. As a process, an annual CEDS would also serve as a conduit for building more frequent interaction between regional economic development stakeholders. The burden of annual CEDS updates should be more than offset by the simplification of the guidelines and the benefits derived from creating a more useful and collaborative strategic process.

4. **More can be done to increase awareness of the EDD organizations and the CEDS.** The purpose of the initiative is to assure that regional stakeholders and the general public understand the EDD's leadership role in regional economic development. One approach could be a brochure that highlights the EDD's mission, strategic plan, key components of the plan, list of partners, and past accomplishments. All EDDs should also have a website that clearly presents regional information. Another improvement could be a centralized public website maintained by EDA that would make available the CEDS documents and basic information for all of the EDDs in the country, which could be beneficial to site selection

professionals and independent economic development organizations seeking more information on an area. Whatever the approach, EDDs should set a goal of becoming more widely known and understood within their regions.

Advancing EDA's Relationship with the EDDs

1. **The EDDs need to receive timely feedback on the CEDS**. Our research found that EDDs want more feedback from EDA on the quality of their CEDS and the direction of their strategy. Interaction between the EDDs and EDA—at either the regional or national level—would help assure that the CEDS works as a living strategy and work plan, and not merely a document that is required to receive funding. In addition, it is important for EDA to be very specific to the EDDs about what information it requires for effective oversight. In short, we recommend a clearer and more regular channel of communication between the EDDs and EDA so that the EDDs can use their resources more effectively in meeting the requirements of EDA.

2. **EDA funding can be used as an incentive for EDDs to submit projects that are clearly tied to an established regional strategy.** EDA should focus its public infrastructure funds only on projects that are clearly part of a well-considered regional strategy. Many EDDs feel that infrastructure grants are awarded on a project-by-project basis that does not properly consider the regional framework set forth in their CEDS. If this is the case, EDDs are likely to continue to submit individual projects that are not connected to a broader regional economic development strategy.

3. **EDDs should be encouraged to consider establishing larger regional working groups or councils that could work together on large projects.** It is very likely that key industrial clusters can often have a larger footprint than the boundaries of a single EDD. As such, regional economic development opportunities often cross EDD lines, and grant opportunities from other federal agencies increasingly present opportunities for large regions that cross state boundaries to work together. Regional councils that bring together multiple EDDs could be a productive and low-cost venue for bringing groups together to seek out opportunities and work together on these new and larger projects. This is an effort that could be coordinated by NADO as well as EDA.

4. **Work to develop a common application form and inclusive strategy for federal grant-based programs.** The fact that a number of different federal agencies, such as Housing and Urban Development, the Department of Agriculture, the Tennessee Valley Authority, the Department of Labor, and the Department of Transportation, all require their own unique forms and documents can make the application process burdensome to regions. Possible opportunities could include accepting a common form of regional strategy document or developing a common grant application form that can be used and reused across agencies.

Theory of Regionalism

This section of the report provides an overview of what current research literature can say about regionalism and economic development. Outlining a "theory" of regionalism is a first step in developing a framework for identifying where EDA's efforts fit into the broader spectrum of regional development and economic development practice. Following the introduction, this section addresses the following primary themes:

- Cluster Theory – Focusing on the development of inter-related business activity in a region.
- Product Cycles and Innovation – How new and old industries play a role in regional economies.
- Partnerships and Networks – The way individuals work together in the marketplace.
- Regionalism – The development of regional networks and formal boundaries.
- Entrepreneurship and Human Capital Development – Talent as a key component of business activity.
- Leadership – The ability of a small number of leaders to drive development.
- Challenges to Rural Areas – Aspects of development unique to rural areas, which are often a focus for EDA.

Introduction

In today's harsh environment of global competition and federal and state fiscal constraints, successful regions must have a vision, outstanding leadership, the ability to build partnerships, and a willingness to be innovative. Each of these factors is dependent upon the strengths of the region's physical and social assets and the trust built amongst its major stakeholders. Indeed, gone are the days when rural areas could rely solely on low wages and the work ethic of their workers and when urban areas could count on large state tax incentives to attract new employers. As a response to the changing nature of development presented here, we suggest that EDA EDDs can play key roles in the economic development of their regions if they assume a more proactive role by: 1) building more and stronger partnerships with area economic development stakeholders, 2) thinking beyond physical capital improvements, and, most importantly, 3) taking a leadership role. This statement is based on what we believe are the new fundamentals of economic development, based on the literature reviewed in this section.

In a transition that was first identified by Eisinger back in 1988, regions must move beyond "supply-side" strategies and tackle "demand-supply" strategies. In fact, Eisinger clearly states government's different roles in these two strategies. In the traditional supply-side environment, "government's role is to follow and support private-sector decisions about where to invest, what businesses will be profitable and what products will sell." In sharp comparison, in the demand-side world, "government's role is to help identify investment opportunities that the private sector

may either have overlooked or be reluctant to pursue, including opportunities in new markets, new products, and new industries." [4]

The traditional approach focused solely on the firm's and not the region's assets. Firms looking for a new location would be targeted with economic development incentives and provided with only general information about the area's workforce, wages, the availability of land, and, of course, the region's excellent quality of life. The economic development incentives would include tax breaks, training subsidies, and/or infrastructure improvements. In the current era of regional competitiveness, strategies have refocused on identifying a region's competitive advantages and prioritizing investment in such a manner as to exploit those advantages.

> Rather than emphasizing incentives, subsidies and low-cost, low-skill labor, the *new* race is won by regions with the capacity to innovate and with the brainpower—education and skills—needed to create and sustain a competitive advantage over the long run. Successful regions build on their own unique qualities and advantages. [5]

Alternatively, many regions focus their efforts on retaining their existing industries; however, this can be a losing strategy if the industries have lost their competitive edge. Again, instead of reacting solely to the concerns of their legacy firms, regional economic development efforts need to build on their changing assets. They need to build efficient supply chains for their healthy clusters, develop networks that allow for the interchange of ideas and practices, and create private and social value through the integration of public infrastructure into the private production functions of the region's emerging and competitive base industries.

Cluster Theory

Since the publication of Michael Porter's groundbreaking book *The Competitive Advantage of Nations*,[6] many economic development strategies have focused on the importance of industry clusters and the factors that determine their vitality. Indeed, the focus on industrial clusters brought regionalism to the forefront of economic development. Rosenfeld defines a cluster as "a geographically bounded concentration of similar, related or complementary businesses, with active channels for business transactions, communications and dialogue that share specialized infrastructure, labor markets and services, and that are faced with common opportunities and threats."[7] Before clustering, as mentioned above, economic developers were highly focused on the firm—attracting what they could or keeping what they had. Economic developers only cared about ubiquitous regional issues such as wage rates, quality of life, and overall quality of the labor force.

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[4] Peter K. Eisinger, *The Rise of the Entrepreneurial State*, (Madison, WI: University of Wisconsin Press, 1988), 10.

[5] Center for Regional Development, Purdue University, et al., *Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy*, (Washington, DC: U.S. Economic Development Administration), 14. http://www.statsamerica.org/innovation/reports/crossing_regional_frontier_full_report.pdf.

[6] Michael E. Porter, *The Competitive Advantage of Nations* (New York: Free Press, New York, 1990).

[7] Stuart Rosenfeld, *A Governor's Guide to Cluster-Based Economic Development* (Washington, DC: National Governors Association, 2002), 9.

Porter identified four key factors necessary for an industry cluster to remain healthy: demanding customers, strong suppliers, high-quality resources, and strong rivals.[8] In addition, Porter, in a later work, argued that clusters improve productivity because firms have ready, efficient access to specialized suppliers, skills, information, training, and technology in a demanding, competitive environment. In addition, clusters foster innovation by increasing the ability of companies to perceive opportunities for new products and new processes and to meet new needs due to the sheer concentration of entities in the field. Finally, clusters facilitate the commercialization of innovation by lowering the barriers to entry of new firms by way of start-ups, spin-offs, and new business lines of established firms.[9]

Unfortunately, many economic development strategies have neglected to remember that Porter argued that clusters are more than a single industry; in fact, they often span multiple industrial categories. Second, while Porter carefully outlined the characteristics and factors required for a regional cluster to survive, many economic development studies simply focused on their industrial concentration. Unfortunately, there are unhealthy clusters that have lost their place in the global setting. Moreover, focusing on existing clusters can limit the region's economic development vision. As Drabenstott observes, "cluster analysis . . . sees only the existing use, not other promising uses."[10] We would extend Drabenstott's concerns to include the fact that few economic development efforts evaluate the *health* of their existing cluster. History is full of unhealthy clusters and unsuccessful efforts to try to save them, such as steel in the Pittsburgh-Youngstown region, autos in the Detroit-Flint region, and residential furniture in North Carolina.

Product Cycles and Innovation

In many respects, the success of a regional cluster depends upon the products/services being produced. Ann Markusen stressed the importance of product cycles in regional development, claiming that a region's economic future rides on the strengths of its firms' products and their resulting profits. "Regional shifts in production and employment are not simply the product of changing factor endowments or shifting consumer demands but of disparate strategies undertaken by corporations experiencing different moments of longer-term profitability cycles," she writes.[11] Markusen identified five stages in a firm's profit cycle:

1. Zero profit—birth and design stage.
2. Super profit—temporary monopoly and innovative stage.
3. Normal profit—saturated markets and increased competition.
4. Normal—plus or minus commodity production with market power or not.
5. Negative profits—obsolescence.[12]

[8] Porter, *The Competitive Advantage of Nations*, 133.

[9] Michael Porter, Christian Ketels, Kaia Miller, and Richard Bryden, *Competitiveness in Rural U.S. Regions: Learning and Research Agenda*, Institute for Strategy and Competitiveness, Harvard Business School, http://www.isc.hbs.edu/pdf/EDA_RuralReport_20040621.pdf.

[10] Mark Drabenstott, "An Effective Overhaul of Federal Economic Development Policy," *Economic Development Quarterly* 22, no. 2 (2008): 98.

[11] Ann Markusen, *Profit Cycles, Oligopoly, and Regional Development.* (Cambridge, MA: MIT Press, 1985), 1.

[12] Ibid., 28–42.

Huggins and Izushi clearly make the connection between clusters and product cycles: "Just as products have life cycles, so do clusters."[13] The health of a region's cluster depends on the diversity of its products, both in terms of markets and age. "Risk-wise product life cycles may have an overarching effect on a cluster as a whole, particularly if the product range of the cluster is limited or over-concentrated in one area of economic activity."[14]

In short, regional firms in a healthy cluster must be continuously exploring new markets with new products and/or services. Once the firms in the cluster become overly dependent upon one product or one service or one market, their profits will decline and they will likely move to low-cost, offshore regions. Thus, while innovation should be encouraged in all regional industries, for regions that are dominated by one or two industrial clusters, innovation becomes key to the region's very survival.

Most researchers would agree that talent is highly associated with innovation. It is unclear, however, whether talent is attracted to innovative regions, or whether it is the region's talent that generates innovation. Moreover, researchers have found that there are regional factors besides talent that promote innovation. First, the region's innovative culture matters. Fischer points out "the innovation process emphasizes the tacit and noncodifiable nature of technology, the importance of learning-by-doing and learning-by-using, and the cumulative nature of learning."[15] If learning is a central element in the process of innovation, then the region's institutions and organizations that support a learning culture play a crucial role. It is a role that can be within reach of the region's EDD, which can act as an intermediary to bring together stakeholders as well as to disseminate information about regional needs and capabilities.

Second, the regional business and social environment is also key for successful innovation. In their examination of Scotland, Danson and Whittam found that trust and cooperation are essential to construct the networks and working relationships necessary for innovation to occur. They found that it simply takes time to build the working relationships "between organizations and between individuals" to create an innovative environment.[16] Echeverri-Carroll and Brennen conclude that "the picture emerging from numerous studies of innovation in firms is one of continuous interactive learning which occurs in the context of formal and informal relationships between firms."[17] Moreover, the cost of transmitting information grows with distance, indicating that location matters in the development of new innovation. Again, the region's EDD can become the conduit that enables interactive learning to take place between businesses and institutions in their regions.

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[13] Robert Huggins and Hiro Izushi, *Competing for Knowledge: Creating, Connecting, and Growing* (London: Routledge, 2007), 67.

[14] Ibid., 68.

[15] Manfred M. Fischer, "The Innovation Process and Network Activity of Manufacturing Firms," in *Innovation, Networks, and Localities*, ed. Manfred M. Fischer, Luis Suarez-Villa, and Michael Steiner, 15 (New York: Springer, 1999).

[16] Mike Danson and Geoff Whittam, "Clustering, Innovations, and Trust: The Essentials of a Clustering Strategy for Scotland," in *Innovation, Networks, and Localities*, ed. Manfred M. Fischer, Luis Suarez-Villa, and Michael Steiner, 81 (New York: Springer, 1999).

[17] Elsie L. Echeverri-Carroll and William Brennen, "Are Innovation Networks Bounded by Promixity?" in *Innovation, Networks, and Localities*, ed. Manfred M. Fischer, Luis Suarez-Villa, and Michael Steiner, 28 (New York: Springer, 1999).

Partnerships and Networks

As discussed above, research suggests that innovative regions maintain dynamic partnerships and trusted networks. In fact, partnerships have been called the "third wave" of economic development,[18] following the two which were stated by Eisinger above: the first wave was industrial attraction efforts—so-called supply-side efforts—while the second wave was focused more on entrepreneurial policies that attempted to create markets. Partnership development expands the region's abilities to address new opportunities by effectively pooling existing resources and expertise into a common strategy.

Networks—formal and informal—are key components in the development of a strong entrepreneurial environment. The development of ideas depends upon the fostering of trusted, inter- and intra-industry relationships. "The dialogue must be open and transparent, assuring and reminding all parties that the goal is to grow the economy of the region, not advantage one partner over another."[19] These relationships and associations can have very short lives, requiring the regions to be able to generate an environment that nurtures new associations and, at the same time, rekindles old associations (if possible). "Although more stable networks reduce the transaction cost of information and knowledge exchange, it is likely that such information and knowledge will become increasingly homogenous and therefore less useful across the network members." [20] This reflects the real possibility of an inverse relationship between the stability of networks and their capability to transfer knowledge that has a relatively high value for network members. Finally, these networks could reach outside of the region and include the state's universities.

In short, while local sources of knowledge are key in driving the success of new product and process development, it is the region's ability to generate and regenerate dynamic networks of information flow that is most important. This may require a trusted intermediary, which is a role that is not out of reach for the region's EDDs. For example, EDDs can act as a central repository of regional information and a neutral party that can cross political and social boundaries for the good of a larger development strategy. Unlike municipalities or private economic development organizations, EDDs do not face the same incentives to "compete" and win business for one area, but can instead work in a more neutral way to benefit the entire region.

Regionalism

In addition to clusters, a considerable amount of economic development literature has focused on regionalism and regional collaboration. The one issue that plagues regionalism is inconsistent boundary definition. In practice, the definition of a region may rest upon anything from simply sharing borders to commonalities such as the presence of specific industries, resources, or commuting patterns. Historically, regions have been defined on the basis of political boundaries

[18] Julie Cencula Olberding, "Diving into the 'Third Waves' of Regional Governance and Economic Development Strategies: A Study of Regional Partnerships for Economic Development in U.S. Metropolitan Areas," *Economic Development Quarterly* 16, no. 3 (2002): 251–272.

[19] Center for Regional Development, Purdue University, et al., *Crossing the Next Regional Frontier*, 30.

[20] Huggins, and Izushi, *Competing for Knowledge*, 54.

that often cut across economic regions. However, Erickcek et al. and others state that an economic region should not be defined by political or municipal areas; rather, it should be defined on the basis of economic factors, particularly industrial clusters and workforce characteristics. Furthermore, because economic regions are defined by economic factors that change over time, economic regions should be thought of as dynamic entities.[21]

The fact that political boundaries often do not reflect a region's economic boundaries can lead politicians and economic development practitioners into a zero-sum game of development, with few clear winners and many losers.[22] Implementing economic development initiatives on the local level, as opposed to regionally, can also lead to fragmentation and insularity, since "fragmentation arises when individuals and organizations pursue their own agenda of individual projects disconnected from a broader regional strategy. Insularity arises when leaders pursue old strategies of recruitment and incentive shopping."[23] Because economic regions can spill across county lines and even state lines, local leaders must often reach across jurisdictional borders to link assets and competitive advantages.

Effective regional economic development also depends upon strong local government cooperation.[24] The potential barriers are substantial and can include the lack of interest in cooperation of the part of public officials and the public at large, the lack of a common vision among communities, harmful "cold-war" economic development competition between neighboring areas, lack of organizational ability, and finally a general mistrust.

There are growing examples of successful government cooperation; however, most have been outside the realm of economic development. Emergency services, solid waste plans, recreation, and criminal justice issues are among the most common areas where agreement has been reached.[25] In general, new services are easier to cooperate on than the sharing (i.e., relinquishing control) of existing services.

In developing successful government cooperation, research shows that three factors are key: 1) having established relationships, 2) building on past success (unfortunately, past failures can be remembered for many years) and, most importantly, 3) having a "spark plug" leader.

Unfortunately, elected officials often cannot fulfill this role for an extended period because the clock runs out on their tenure with term limits or election losses. Added to that, an increase in the number of governmental units involved lowers the probability of success. Therefore,

[21] George Erickcek, Jason Preuss, Brad Watts, Kevin O'Brien, Claudette Robey, James Robey, Daila Shimek, and Jacob Duritsky, *Comprehensive Study on Regionalism: Tools for Comparison and Evaluation* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2007).

[22] Linda McCarthy, *Competitive Regionalism: Beyond Individual Competition* (Toledo, OH: University of Toledo, 2000), http://www.eda.gov/PDF/mccarthy.pdf.

[23] Center for Regional Development, Purdue University, et al., *Crossing the Next Regional Frontier*, 24.

[24] Steven Lackey, David Freshwater, and Anil Rupasingha, "Factors Influencing Local Government Cooperation in Rural Areas: Evidence From The Tennessee Valley," *Economic Development Quarterly* 16, no. 2 (2002): 138–154.

[25] Ibid., 146.

associations and regional agencies such as an EDD can serve as the third party that can support the networks required for local officials to discuss collaborations.[26]

The work of the Center for Regional Development, Purdue University, et al., suggests that the regional collaboration process has three phases. In the first phase, the regional assets are mapped so that participants are knowledgeable about the region's resources. The second phase requires a trusted environment where participants are engaged in meaningful discussion that leads to the identification of promising opportunities. In the final phase, partners agree on an implementation plan that will "link and leverage their assets, set joint investment priorities, and establish decision-making protocols."[27] Again, this is a role that the EDD can clearly play. In many regions, EDDs are the only organizations that have the capability to prepare an asset map—a critical function of their CEDS. Moreover, they can offer a trusted environment for the sharing of ideas and serve as the facilitator to help lead stakeholders in the development of an implementation plan.

Entrepreneurship and Human Capital Development

The loss of major manufacturers due to global competition and the push to encourage innovation among a region's smaller firms have pushed entrepreneurship to the forefront on many economic development agendas. Not all entrepreneurs are the same, however; Dabson separates a region's entrepreneurs into five types, with only two—"growth" and "serial"—having the potential to generate a major impact on the region's growth. Growth entrepreneurs are focused on expanding their operations into new markets through the introduction of new products and services. "Serial entrepreneurs" are individuals who have started many successful ventures but are not interested in the day-to-day operations of these successful companies. They tend to sell the companies, only to start again on a new project. [28]

The objective of two of the remaining types of entrepreneurs—"lifestyle and survival entrepreneurs"—is only to generate sufficient personal income for the owners. The last type of entrepreneur—"aspiring"—only has a vision of running his or her own business. [29]

It is now widely understood that training and mentoring programs can increase the number of entrepreneurs in a region and improve their likelihood for success. Dabson calls for the creation of Entrepreneurship Development Systems (EDS) that "would coordinate a range of programs and products that can help would-be and existing entrepreneurs in the region" and that "should require providers to collaborate rather than operate independently or in isolation." [30] An EDS could offer peer support groups for entrepreneurs, provide coaches for entrepreneurs, and foster support for entrepreneurs in the banking and general community. Finally, Henderson et al. once

[26] Ibid., 149.

[27] Center for Regional Development, Purdue University, *Crossing the Next Regional Frontier*, 31.

[28] Brian Dabson, "Entrepreneurship as Rural Economic Development Policy: A Changing Paradigm," in *Entrepreneurship and Local Economic Development*, ed. Norman Walzer, (New York: Lexington Books, 2007), 23.

[29] Ibid, 23.

[30] Brian Dabson, "Fostering Entrepreneurship Development Systems in Rural America: First Review of the Results of the Request for Proposals" (Washington, DC: Corporation for Enterprise Development; Columbia, MO: Rural Policy Research Institute, 2005), 3.

again return to the importance of developing networks and partnerships to boost the region's entrepreneurs, based on their work in Appalachian Ohio. [31]

It is clearly within the mission of EDDs to house an EDS or partner with the regional small business assistance centers to create an EDS for the region's entrepreneurs.

With regard to human capital development, Markusen and Glasmeier argue that in the past EDA has focused too heavily on physical infrastructure at the expense of human capital, or what they refer to as "soft" infrastructure, "meaning organizational know-how and networking." [32] They suggest that federal programs should encourage higher educational institutions to become more involved in local economic development. They also cite the opportunity for local economic development organizations to make use of existing networks.

The key questions are: 1) "What works in job training?" and 2) "What role could the EDA-funded EDDs play in promoting effective job training and human development programs?" Bernick identifies several key factors necessary for a regional training initiative to address the needs of the region's employers, capitalize on the region's training resources, and meet the needs of the region's low-skilled and/or unemployed workers. [33] These key factors include the following:

- Identifying occupations where actual job openings exist. Long-term occupational forecasts are seldom accurate; it is more beneficial to work with the region's major employers to identify occupations in the region that show promising growth. The EDD can partner with the region's community colleges and workforce development agencies to identify these occupations and make that process part of its preparation of the region's CEDS.
- Identifying occupations that offer good career ladders for the working poor. Career ladders can exist in the firm—e.g., an entry-level counterperson moving up to a manager's position. They can also exist between firms, as when a machine operator moves from a low-wage firm to a higher-wage firm. Again, the EDDs, through their established relationship with the region's business community, can assist the region's other workforce development agencies in identifying these careers.
- Obtaining strong business participation, both in identifying high-growth occupations with strong career ladders and in developing the training curriculum. Again, this activity would fall within the EDD's facilitating role for the region.

Of course, workforce development is much more than training. As Sutton points out, it includes collaborating with other nonprofit service providers and employers, recruiting job seekers,

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[31] Jason Henderson, Sarah A. Low, and Stephen Weiler, "The Drivers of Regional Entrepreneurship in Rural and Metro Areas," in *Entrepreneurship and Local Economic Development*, ed. Norman Walzer, 98 (New York: Lexington Books, 2007).

Ann Markusen and Amy Glasmeier, "Overhauling and Revitalizing Federal Economic Development Programs," *Economic Development Quarterly* 22, no. 2 (2008): 83.

[32] Ann Markusen and Amy Glasmeier, "Overhauling and Revitalizing Federal Economic Development Programs," *Economic Development Quarterly* 22, no. 2 (2008): 83.

[33] Michael S. Bernick, *Job Training That Gets Results: Ten Principles of Effective Employment Programs* (Kalamazoo, MI: W.E. Upjohn Institute, 2005).

effectively matching the job seekers to available employment opportunities, mentoring, addressing retention issues, and evaluation.[34]

Leadership

Leadership is a difficult concept to define. There are many types of leaders. They can be "spark plugs," top-down commanders, listeners, "spear catchers," or hundreds of other things. Leaders share the following attributes, according to many researchers. They are knowledgeable about their regions and have a desire to push the region forward. They work in teams: "True region-wide partnerships emerge when regional leaders painstakingly build new habits of collaboration within the unique institutional landscape of a given region."[35] Some researchers have found that "leadership does not fall to any one person."[36] As a community or project moves forward, new challenges call for different skills and capabilities, requiring new stakeholders to take the lead position. The same is true in business; the founder of a company may not be the right person to grow the company.

In their examination of successful economic development projects funded by EDA, Watts et al. found that successful EDA projects shared the following eight characteristics:[37]

1. *Staff stability*—The stability of the economic development staff aids in the building of long-term relationships that have proven, in many cases, to be an important factor in building trusted environments and effective collaborations.
2. *Long-term planning*—Good projects are an integrated part of a larger economic development plan; they are seldom done in isolation. As part of a larger plan, the individual project becomes a vital piece, completing a long-term puzzle for the economic development potential of the region.
3. *Strong private investment*—All participants should have "skin in the game." Without strong private commitment to the project, it can become underutilized. For example, the nation is littered with weed-filled industrial parks that stand idle because private partners were never identified or fully committed to the project.
4. *Regional approach*—As discussed above, the importance of regional thinking cannot be overestimated. It is key that economic development efforts are implemented in a regional approach so that the impact of one project has a greater potential to generate further economic impact on others.
5. *EDA is a partner, not the sole funder*—This finding is strongly connected to the previous point that the private sector must be included for the project to be effective.
6. *Strong reputation of the lead organization.*
7. *Local funding is diverse and stable.*

[34] Stacey A. Sutton, "Corporate-Community Workforce Development Collaborations," in *Communities and Workforce Development*, ed. Edwin Melendez, (Kalamazoo, MI: W.E. Upjohn Institute, 2004), 439–471.

[35] Center for Regional Development, Purdue University, et al., *Crossing the Next Regional Frontier*, 26.

[36] Ibid, 27.

[37] Brad Watts, George Erickcek, Jacob Duritsky, Kevin O'Brien, Claudette Robey, and James Robey, "What Should EDA Fund? Developing a Model for Preassessment of Economic Development Investments," *Economic Development Quarterly* 25, no. 1 (2011): 74.

8. *The necessary groundwork is in place*—The local economic development stakeholders should have all local zoning and state regulations in place before the project is undertaken.

Challenges to Rural Areas

In the era of increasing global competition, many rural regions are struggling to maintain their economic vitality and viability. By most economic benchmarks, rural regions are lagging behind metropolitan regions, and in many cases the gap is widening. Porter found that rural regions account for a small and slowly decreasing share of employment. Wages on average in rural regions are 32 percent lower than in metropolitan regions, and the wage gap is increasing. [38] He also found that poverty rates are higher and educational attainment is lower in rural regions. This disparity exists despite significant efforts to boost rural regions through a variety of policies, and billions of dollars of investment and subsidy.

As mentioned previously, a region's human capital and ability to innovate drives firm location decisions and are key indicators of a region's competitive potential. In terms of innovation measures, nearly 94 percent of all patents issued in the United States in 2001 were issued in metropolitan regions. In metropolitan regions, 8.30 patents were issued per 10,000 employees, as opposed to 2.92 patents issued per 10,000 employees in rural regions. [39]

Henderson found that rural firms tend to adopt mature technologies and that most rural patent activity is restricted to the generation of process patents, not patents for new products. The large geographic size and the remoteness of rural places raise the cost of knowledge sharing and information transfer, which in turn limits "radical" product development innovation. Still, Henderson believes that "creating networks that support the transfer and adoption of new technologies may lay a foundation for revitalizing many rural communities."[40]

Summary

The evolution of economic development thought from traditional incentive-driven, smokestack-chasing activities to developing asset-based partnerships and knowledge networks creates a significant opportunity for EDA-funded Economic Development Districts. The literature instead describes elements of a new approach, which is more focused on development of key regional assets and a more highly-networked and strategic regional environment. The following points represent a summary of the key findings of the literature review:

- Effective regional economic development requires a shared economic vision and agenda for the region that coordinates activities across existing silos. For example, it is possible

[38] Michael E. Porter, Christian H.M. Ketels, Kaia Miller, and Richard T. Bryden, *Competitiveness in Rural U.S. Regions: Learning and Research Agenda* (Cambridge, MA: Institute for Strategy and Competitiveness, Harvard Business School, 2004), 11, http://www.isc.hbs.edu/pdf/EDA_RuralReport_20040621.pdf http://www.isc.hbs.edu/pdf/EDA_RuralReport_20040621.pdf.

[39] Ibid., 11.

[40] Jason Henderson, "The Power of Technological Innovation in Rural America," Federal Reserve Bank of Kansas City's *Main Street Economist* 2, no. 4 (2007): 1–5.

that networks and partnerships are missing between the region's small business development efforts and its workforce development programs. Bridging these types of lingering divides should be an important part of regionalism.

- The economic landscape is ever-changing; as such, leaders should be brought together to discuss regional opportunities.
- A strong fact-based strategic analysis may be necessary to counter entrenched opinions and biases that could hinder a regional outlook. Any strategic analysis could provide the first steps in implementing a shared regional strategy, since economic development is no longer categorized by the practice of simply trying to attempt any and all new business, but is instead more strategic in nature.
- Development requires broad-based networks of the region's entrepreneurs and service providers. These networks may be short-lived, so it is important for the EDD to look for opportunities to establish new ones when the opportunity presents itself.
- Rural development may be hampered by multiple barriers. Efforts in rural regions may need to focus on using whatever strengths the area possesses to adapt to new technologies and processes in existing firms instead of expecting major attraction or start-up efforts to lead the way.

In summary, theory suggests that the EDD could strive to become the organizational structure that coordinates public-private economic development activities in the region, which is a far cry from being just an organization to turn to for assistance in obtaining an infrastructure grant.

Assessment of EDA's Economic Development Districts

This section examines EDA's EDDs from several possible angles. First, external data sources are used to paint a general picture of the characteristics of EDD regions, what EDDs do, and how they are related by common factors that define thematic traits and issues within the regions. Second, internal measures consisting of data collected from individual EDDs are examined to determine how EDDs view themselves and EDA's programs. Finally, a key stakeholder group—economic development organizations that are not EDDs—was queried regarding its perspective on EDDs, including collaboration levels and stakeholder recognition of the EDDs and the CEDS process. In examining the EDDs from these three angles, we explore areas where their activities and capacities can be enlarged to allow them to take a strong leadership role in economic development within their regions.

External Data and Factors of EDD Performance

A first step in assessing the EDDs is to develop an understanding of the common social and economic conditions that the regions face. In order to assess the broad economic elements that are common to EDDs, data on major demographic and economic indicators were assembled for all 382 EDDs in the nation. (A complete list of data and sources is available in the appendix.) This section presents the results of both a general descriptive analysis of social and economic conditions in the EDDs and a factor analysis, which groups together the EDDs based on common traits. The factor analysis process was ultimately used to ensure that a representative sample of EDDs are selected for the CEDS analysis.

EDD Descriptive Statistics

On the next page, Table 1 presents basic summary statistics on the major demographic and economic aspects of the EDDs as a group. All data, unless otherwise noted, are from the 2000 Census, which although somewhat dated was the only source that could provide data on most indicators for all of the counties necessary to assemble the EDD regions. In more current data sets, rural counties with low populations (less than 65,000) are generally excluded because of sample-size issues. Future analysis of rural communities will be aided by the release of the Census Bureau's American Community Survey five-year estimates; however, these data were not released in time for inclusion in this report.

As the data show, compared to the nation as a whole, the average EDD is poorer, has slower-growing employment, and houses a population that is less diverse and less educated. This is not at all surprising given that the EDD program was originally designed with the intent of fostering economic development in disadvantaged sections of the country; however, it does illustrate the issues that EDD regions face when attempting to compete in the national and global economy.

Table 1 Basic Statistics on EDD Regions

Variable	EDD regions	U.S.
Population size	368,178	n.a.
Percent population by race		
Black	8.5	12.1
White	81.1	69.1
Hispanic	6.3	12.5
Native American	1.9	0.7
Asian	0.9	3.6
Other	1.4	2.0
Poverty		
Percent below poverty	14.2	12.4
Percent children living in poverty	18.5	16.1
Income		
Per capita income	17,712	21,587
Household income	35,408	41,994
Employment		
Labor force participation (pct. age 16+)	61.7	63.9
Unemployment rate (2000)	6.1	3.7
Percent growth 2001–07	7.9	8.7
Percent age 25+ by education		
Less than high school	21.2	19.6
H.S. diploma	33.4	28.6
Some college	21.2	21.0
Associate's degree	6.2	6.3
Bachelor's degree	11.9	15.5
Graduate or professional degree	6.2	8.9
International migration		
Percent foreign-born, naturalized	1.4	4.5
Percent foreign-born, noncitizen	2.3	6.6
Dependency of population		
Pct. not working-age (<18 or >64)	39.6	38.1
Pct. households receiving social security	29.5	25.7
Pct. of households earning wages	74.0	80.5
Pct. households on public assistance	3.6	3.4
Urban and rural composition		
Pct. population in urbanized areas	26.6	68.3
Pct. population in urban clusters	25.3	10.7
Density (pop./sq. mi.)	103.0	n.a.
Pct. population on rural farms	3.3	n.a.
Pct. of land in farms	47.8	n.a.

n.a. = not applicable
SOURCE: U.S. Census Bureau, 2000 Census File SF-3; Bureau of Economic Analysis, Regional Economic Information System.

EDD Activities Summary

In addition to operating in unique, sometimes challenging, regional environments, EDDs also function within a variety of operating environments. Some EDDs operate as stand-alone operations that focus only on fulfilling the primary EDD functions supported by EDA; however,

most EDDs function as one part of a larger regional agency, such as a council of governments (COG) or a regional planning authority. Additionally, the organizations that house EDDs vary in the diversity of program activities they offer. While stand-alone EDDs usually focus on the CEDS and engagement with EDA-supported development projects, other EDD organizations engage in multiple program activities, such as managing loan funds and providing technical support, that further leverage the programs offered by EDA.

The best synopsis of the composition and activities of the EDD organizations may be provided by the National Association of Development Organizations (NADO), which counts as members nearly all of the EDDs in the country.[41] NADO recently collected extensive data on the EDDs through the 2010 Regional Development Organizations Data Project, which was a cooperative effort with EDA to collect data on all U.S. regional development organizations, including EDDs. Table 2 presents a summary of data on the activities of 350 active and funded EDDs that were included in the NADO report.

In addition to operating an EDA EDD, it is clear that EDD organizations are involved in a wide variety of other activities related to regional development, including lending and technical assistance, and workforce development. As illustrated in Table 2, the most prevalent additional activities—conducted by more than one-third of EDD organizations—are serving as a Census Bureau affiliate, managing an EDA revolving loan fund, housing a workforce investment board (WIB), operating an agency on aging, performing rural transportation planning, and offering GIS mapping services. Of the 350 EDDs that reported to NADO, only 14, or 4.0 percent, indicated that they did not perform any of the activities listed in Table 2 and were primarily stand-alone EDDs. On average, organizations that house an EDD engage in six activities in addition to the basic role of operating an EDA EDD.

The data confirm that EDD organizations typically play multiple roles in the region, which can be both a strength and a weakness for the promotion of EDA's development goals. A weakness is that these roles can force the EDDs' limited resources to be spread too thinly across unrelated activities, hindering their potential to lead economic development initiatives. In addition, as will be discussed later in this section, the dynamic nature of EDD organizations often means that EDA funding plays a relatively minor role in the organizational budget, which could lead to a lower prioritization for EDA's development agenda. On the other hand, because the EDD is usually part of a larger organization, the opportunities for resource leveraging are much greater, which ultimately benefits the region. By housing multiple programs, these large multientity organizations can potentially offer multiple services, hold down administrative costs, and ensure a broader recognition, which should allow for stronger outreach and collaboration development. The implication is fairly clear that the EDD should adopt a strong coordination role to ensure that its agency's activities are aligned and move in the same direction that is supportive of the region's economic development goals.

[41] At the time of writing, EDA reported recognition of 366 EDDs. Data was summarized from the NADO report for the 350 active and funded EDDs that responded to the membership organization's survey.

Table 2 Summary of NADO Information for EDDs

Description	Number of EDDs	Percent of covered EDDs
Total funded EDA EDDs covered	350	
Other RDO activities		
2008 EDA disaster fund	43	12.3
ARC local development district	59	16.9
DRA local development district	39	11.1
Census affiliate	207	59.1
MEP affiliate	6	1.7
Lending and technical assistance activities		
EDA revolving loan fund	180	51.4
USDA intermediary relending program	98	28.0
USDA rural business enterprise grant	74	21.1
SBA microlender	28	8.0
SBA 7(a) lending program	19	5.4
SBA 504 certified development co.	49	14.0
Community development financial institutions	7	2.0
Workforce development activities		
Workforce investment board (WIB)	134	38.3
WIB fiscal agent	73	20.9
WIB as EDS CEDS committee	37	10.6
RDO offers job training through WIB	90	25.7
Operate one-stop center or job link	73	20.9
Role in WIB policymaking	80	22.9
RDO sits on WIB	86	24.6
Other workforce	68	19.4
Coverage of WIB		
Regional	203	58.0
County	3	0.9
Statewide	12	3.4
No response	132	37.7
Other activities and capabilities		
HUD home consortium	34	9.7
Community housing development org.	16	4.6
Area agency on aging	119	34.0
GIS capacity	229	65.4
EPA brownfields grantee	21	6.0
Rural transportation planning	162	46.3
Metropolitan planning org.	71	20.3

SOURCE: National Association of Development Organizations Research Foundation. *2010 Regional Development Organizations Data Project* (Washington, DC: NADO).

Factor Analysis

The EDDs were also "clustered" based on similar socioeconomic characteristics through a process called factor analysis. Factor analysis is a statistical technique that allows the identification of groupings of indicator variables that have a similar or corollary relationship, which can be then used as themes for classifying groups of observations, in this case regions,

based on their ranking in terms of these factor-based themes. The sole purpose of the factor analysis process was to ensure that the selected sample of CEDS documents for review would be representative of the full spectrum of EDD environments, as determined by common resources or similar challenges. Because the factor analysis process was used for determining the sample and does not provide additional data on regional performance or activities, it is not detailed here; however, a full explanation of the factor analysis process and the results is available in Appendix A.

Appendix B lists all of the CEDS documents that were ultimately reviewed by the team, listed by district name. In total, 56 districts were selected for the CEDS review by using the factor analysis process. Additional documents were chosen using random selection. In total, the team was able to obtain and review 95 CEDS documents for the assessment process, which is detailed in a later chapter of this report.

Internal Measures of EDD Performance

This section examines the internal measures of EDD process performance, and how the size, nature, and focus of the individual organizations that are operating EDDs contribute to overall regional economic development performance. Data was collected using an electronic survey that was provided to all EDD organizations through a mailing list provided by EDA. To help encourage participation the EDA sent multiple e-mails to the EDD regions prior to our contact, informing them of the nature of the survey and requesting their participation.

An initial invitation to participate in the survey was sent via e-mail in August to 355 EDD active organizations for which EDA was able to provide contact information. A second follow-up email was sent in September to all organizations that had not completed the survey. In total, 185 of the 355 EDDs contacted filled out the survey and returned it, for a response rate of 52.1 percent.

The survey was designed to gather several major types of data on the organizations that operate EDDs across the country. The first part of this section discusses the staffing and general characteristics of EDDs and the regions they serve, which provides some insight on the environment where EDA is putting forth a development effort. Next, partnerships are analyzed, with a goal of illustrating to what degree the organizations that operate EDDs are engaging other businesses, organizations, and governmental agencies. Successful engagement in partnerships can be considered one of the essential processes of developing a strong regional environment. Subsequent sections look more directly at the operational structure of EDDS, as well as how these organizations engage in and benefit from their primary activities: CEDS planning and development, and implementation of strategy and development projects.

Staffing and Characteristics of EDDs

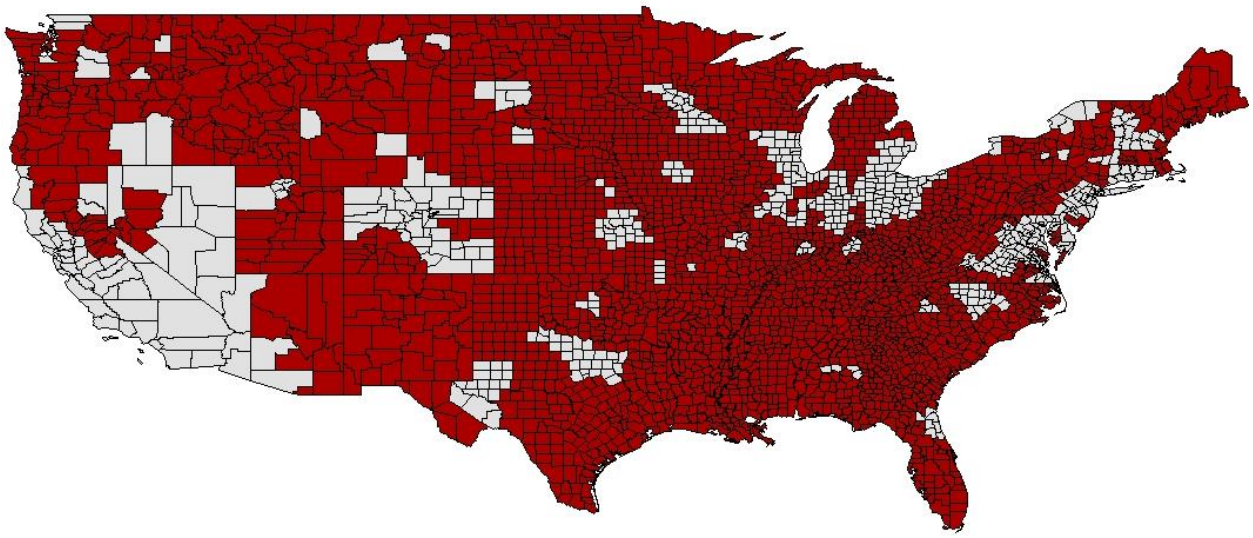
Respondents were asked to identify the geographic description that they felt best represented the region served by their organization. As shown in Table 3, most EDDs see themselves as being part of either small-town rural communities or as a rural area that otherwise blended with suburban areas. Only one respondent viewed his region as being predominantly urban.

Table 3 Geographic Coverage of EDD

Original Survey Responses	Percent
No answer (refused or skipped)	3.2
Primarily rural, farming main activity	17.8
Primarily rural, mfg. main activity	11.9
Primarily rural, tourism main activity	6.5
A rural region that contains one or more small cities	33.0
Primarily an exurban region near an urban region	2.7
Mixed, a combination of rural, exurban, suburban	24.3
Predominantly urban	0.5
Summation	
Rural	72.4
Mixed	27.0
Urban	0.5

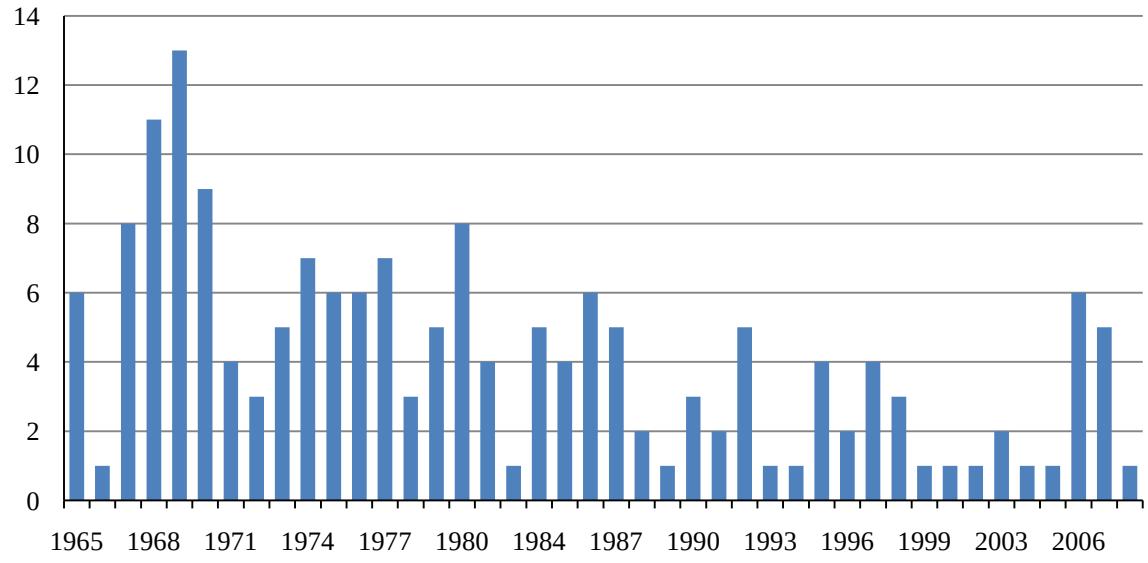
Counties that are designated as being part of an EDD region cover most of the nation's geographic area (Figure 1). However, most of the largest metropolitan areas—for example, New York City, Los Angeles, and Chicago—are not part of EDDs. Additionally, several broad areas that are home to many other medium and large cities—such as the East and West Coasts, as well as many parts of the Upper Midwest—are also excluded from EDD coverage. There are a variety of reasons for the pattern of EDD coverage that has arisen, though the most important may be the eligibility requirements set forth by EDA, which targets funds toward economically disadvantaged populations. Urban areas tend to be wealthier and have additional resources that may exclude them from EDD eligibility under current guidelines.

Figure 1 Map of Continental U.S. EDD Coverage by County



Most of the surveyed EDDs have significant experience as regional economic development organizations. The average EDD has been operating since 1981, although some organizations began operating prior to being granted EDD status by EDA. As shown in Figure 2, most EDDs were chartered in the 1960s and 1970s, whereas the creation of new EDDs has been relatively rare over the past decade.

Figure 2 Year Organization First Received EDA Funding



The experience of these organizations is also reflected in the staff of the EDDs. Although staffing levels vary dramatically across EDDs, the level of staff experience and education reported was high overall. On average, EDD leadership positions have been staffed by the same individual for more than 15 years, while all other major categories of staff had average tenures of

at least eight years (Table 4). Additionally, average reported levels of field experience for EDD staff were even higher: for example, executive leaders have more than two decades of experience, on average, in the economic development field.

Table 4 Tenure, Experience, and Credentials of EDD Staff

Type of position in EDD	Average years on job	Percent with a four-year degree	Average years of field experience	Percent with economic development credentials
Executive leadership (exec. dir., president, CEO)	15.3	87.6	20.3	25.7
Assistant directors and other management	16.7	83.9	17.3	32.3
Economic development staff	9.5	93.1	12.2	27.8
Planners and planning department staff	8.3	91.7	8.6	18.1
Community development staff	8.9	95.5	10.3	22.7
Administrative staff and other office positions	14.0	19.0	14.0	0.0
Other technical and professional staff	9.2	74.7	10.2	15.7

Approximately one-quarter of EDD executive leaders and nearly one-third of those in other management positions also have formal economic development credentials (such as being a certified economic developer). Most EDD staff members also hold bachelor's degrees, with the exception of those in administrative support positions (Table 4).

The background of EDD organizational leadership was varied, although by far the largest share reported a background in either economic development or public administration (Table 5). A background in planning was a distant third choice, with just under 10 percent of leaders having a background in the field. Only a small portion of EDD leadership comes from the private sector, civil engineering, or other fields such as workforce development or academic social sciences.

Table 5 Leadership Background

Field	Percent
Economic development	40.7
Public administration	39.5
Planning	9.9
Private sector	6.4
Other	2.9
Civil engineering	0.6

It should also be noted that leadership in EDD organizations has generally been very steady. Nearly half of respondents indicate that there has been only one executive leader for the organization during the past 10 years (Table 6). Fewer than 13 percent of EDD organizations have seen turnover of three or more individuals in the executive leadership role over the past decade.

Table 6 10-Year Turnover

No. of exec. leaders	Percent of response
1	50.3
2	36.0
3	10.3
4	2.3
5	0.6
6	0.6

Overall, EDD organizations reported that their key staff members were, as a whole, an experienced and well-educated group. EDD leadership appears to be particularly stable and experienced in economic development and governmental leadership roles. Additionally, staffing at all levels of the EDD organization appears to be quite steady over time, as illustrated below in Table 7.

Table 7 Staff Size by Category and Status

Year	Status	Management	Planning / technical	Research	Outreach	Client services	Other
2006	FT	2.49	3.97	0.35	0.83	3.70	1.15
	PT	0.22	0.36	0.15	0.17	0.49	0.42
2007	FT	2.46	3.88	0.36	0.80	3.69	1.19
	PT	0.21	0.36	0.14	0.18	0.55	0.46
2008	FT	2.50	3.88	0.33	0.84	3.77	1.18
	PT	0.22	0.38	0.15	0.16	0.56	0.46
2009	FT	2.55	4.01	0.41	0.88	3.77	1.22
	PT	0.22	0.38	0.17	0.18	0.59	0.58
2010	FT	2.57	4.02	0.42	0.87	3.87	1.19
	PT	0.23	0.44	0.19	0.18	0.82	0.44

Primarily full-time employees staff organizations housing EDDs, and staffing levels have remained relatively constant over the past five years. Surprisingly, even during the recession, average employment levels were mostly unchanged, and there did not appear to be any shifts from full-time to part-time employment in any staffing category (Table 7).

Survey respondents were also asked to identify the activities that their organization performed in addition to operating an EDD. The most frequently cited activity was regional planning, which was listed as an activity by nearly 90 percent of EDD organizations (Table 8). This finding was not surprising given that the EDD program is essentially a form of regional economic development planning, and therefore likely meshes well with other regional planning activities. Of greater interest is that EDD organizations reported performing many other activities. More than half of all EDD organizations also reported involvement with housing grants (Community Development Block Grants), transportation planning, data center activities, GIS mapping services, and emergency planning. In total, 97.2 percent of all EDDs indicated that their organization is involved in two or more of the major activities that were listed in the survey in addition to operating an EDD. This statistic clearly indicates that most EDDs are not usually operated as stand-alone operations, but are usually one component of larger multiservice regional agencies.

Table 8 Percent of EDDs Engaged in Select Development Activities

Activity	Percent
Regional planning	89.2
Community development block grants	78.9
Transportation planning	69.7
Operating a data center or providing regional data/analysis	68.1
GIS mapping	67.6
Emergency planning	57.8
Environmental studies	55.1
Housing programs	43.2
Other (filled in response)	42.2
Workforce development services	32.4

Respondents were also provided the option of filling in additional activities that were not already listed on the survey; this option was selected by 42.2 percent of respondents (Table 8). The most popular additional response—listed by 27.8 percent of respondents who chose to fill in an activity—consisted of activities related to senior services or being an "agency on aging" for the region. The second most popular category of filled-in responses was related to providing business financing or operating revolving-loan funds; this was listed by 20.6 percent of EDDs who provided an additional alternate response.

Given the diversity of activities that EDD organizations perform in addition to operating the EDD, it is not surprising that EDA funding is not a dominant source of operational funding. As shown in Table 9, on average EDA funding represents only about 11.5 percent of the total budget for organizations that operate EDDs. More dominant sources of budgetary support are funds for workforce development activities (WIA funds) and funds collected for "other" activities that respondents reported in addition to the listed survey responses.

Table 9 Average Funding as a Share of Average Total

Funding source	Percent
Other	24.9
WIB	11.9
EDA	**11.5**
County	7.3
State Dept. of Transportation	6.4
HUD and CDBG	6.3
State Dept. of Commerce	4.7
US Dept. of Transportation	3.0
City	2.6
State planning agency	2.5
MPO	1.6
US Dept. of Agriculture	1.6
US Small Business Administration	1.4
State Environmental Agency	1.3
State Dept. of Natural Resources	1.1
Federal commissions	0.9
Homeland Security	0.8
EPA	0.8
State Emergency Management	0.8
FEMA	0.4
U.S. Dept. of Defense Procurement Ctr.	0.4
State Dept. of Tourism	0.2
U.S. Dept. of Natural Resources	0.2

Among the other sources of budget support listed by respondents, the most popular category was fee-for-service income and revenue generated through the provision of administrative or other services, which was listed by roughly a quarter of those who provided responses in the "other" category. Other frequently listed sources of support were activities related to senior services, such as operating an Agency on Aging, and activities related to health and human services.

Partnerships

This section examines the partnerships that are formed through participation with EDD activities, such as EDA-funded projects, the creation and updating of the CEDS, and other regional development activities that may be coordinated or otherwise organized through the regional EDD structure. In theory, fostering partnerships is one way EDA resources can be leveraged to promote economic development efforts that exceed the scale of what would otherwise result from the same level of funding. It is hoped that by bringing together governmental units, private businesses, and nonprofit development organizations through a regional program, new connections will be made that will spur future cooperation, resource sharing, planning, and coordination of development efforts.

One measure of partnering activity is the frequency of communication that takes place between different types of organizations in a region. The survey of EDDs addressed this by querying regions with whom they communicate and how frequently the communications take place. On the regional level, it can be reasonably expected that most EDD organizations have relationships

with multiple economic developers, local governmental agencies, and business organizations, which constitute the primary actors in the regional development and planning community. Additionally, EDDs may also have relationships of varying degrees with larger organizations and agencies that provide support on a broader level, such as state and federal agencies or other organizations that operate outside the region.

Respondents were asked to list the major regional economic development organizations, municipal economic development offices, and chambers that serve their region, and to rate the level of communication with each. A summary of these responses is shown in Table 10. Overall, the vast majority of EDDs reported having regular, monthly contact with both the private local economic development organizations and the government-run economic development agencies in their regions. The level of communication between EDDs and regional chambers of commerce was not as strong; however, slightly more than half of the surveyed EDD organizations still indicated that regular, monthly communications were taking place.

Table 10 Level of Communication with Regional Partners Reported by the EDD

Percent for each category of regional organization	Have not communicated in more than a year	Have been in occasional communication over the past year	Have regular communications (at least once a month)
Local & regional ED organizations	3.1	19.9	77.0
Municipal or county ED departments	2.6	20.7	76.7
Chambers of commerce	7.2	40.4	52.4

An option was also provided for survey respondents to write in other types of local organizations and to rate the level of communication that they have with the respondent's EDD. Although these results likely demonstrate a strong, positive ratings bias (as respondents are unlikely to think of and write in organizations with which they have little communication), they still provide some insight into the other types of local entities that communicate and partner with EDDs. Indeed, as shown in Table 11, the majority of EDDs report regular communications with nearly all of the organizations that they listed.

Table 11 Write-In Responses and Level of Communication

Other types of organizations listed	Have not communicated in more than a year	Have been in occasional communication over the past year	Have regular communications (at least once a month)
Other city and local government	0.0	9.5	90.5
Tourism organizations	0.0	20.0	80.0
Workforce development	0.0	13.3	86.7
Colleges	0.0	8.0	92.0
Transportation	0.0	0.0	100.0
Business and tech groups/councils	0.0	25.0	75.0
Tribal organizations	28.6	42.9	28.6
Other development organizations	3.3	53.3	43.3
Planning organizations	0.0	0.0	100.0
Other organizations	0.8	27.8	71.4

The types of organizations that EDDs most frequently listed on the open portion of the question were other development organizations, colleges, and other types of city and local government entities. Not surprisingly, a large majority of respondents also indicated that they have regular monthly communications with these types of organizations, and none of the respondents indicated that it had been a year or more since the last communication. The only type of organization that EDDs listed, but that they appeared to have significantly weak levels of communication with was tribal organizations.

The level of communication that EDDs have with broad-based outside organizations, such as state or federal agencies, was not anticipated to be as strong as the level reported with local and regional entities. Still, communication with these larger organizations can illustrate the types of relationships that regions foster to assist them in seeking resources and other forms of support. Table 12 displays the ratings that the survey respondents provided regarding the level of communication that their organization has had with other common types of state, national, and regional organizations. The "n.a." column shows the percentage of respondents indicating that the listed type of organization does not operate in their region. The "service provider" column indicates the percentage of respondents who identified that their EDD organization provides the type of services listed.

Table 12 Level of Communication with Other Agencies (Percent of Respondents)

		Level of communications reported				
Type of Organization	No answer	Have had none	Occasional	Regular	n.a.	Service provider
Reservation	31.4	7.6	11.4	10.3	39.5	0.0
US Small Business Admin	10.3	11.4	45.4	19.5	6.5	7.0
Mfg Extension Partnership	15.1	26.5	17.8	7.6	31.4	1.6
US Department of Agriculture	10.8	6.5	24.3	50.8	1.6	5.9
US EPA	11.4	15.7	44.3	19.5	5.9	3.2
US Dept of Transportation	10.3	21.6	30.8	26.5	6.5	4.3
FEMA	10.8	21.6	39.5	22.7	2.7	2.7
Other DHS Agency	18.4	28.1	21.1	14.6	15.1	2.7
Federal Commissions	14.1	26.5	4.3	18.4	30.3	6.5
An EDA-funded University Center	10.3	17.3	30.3	29.7	12.4	0.0
An EDA-funded Trade Adjustment Ctr	14.6	31.9	17.3	5.4	29.7	1.1
Another EDA-funded EDD	9.2	1.6	11.4	73.0	2.2	2.7
US Dept of Labor	11.9	30.3	31.4	16.8	7.0	2.7
State Dept of Agriculture	11.9	21.6	33.5	24.9	5.9	2.2
Workforce Development Agency	11.4	7.6	29.2	42.7	1.1	8.1
State Dept of Labor	11.9	21.1	36.8	23.8	4.3	2.2
State Dept of Natural Resources	11.9	9.2	28.6	44.3	3.8	2.2
State Dept of Transportation	9.7	5.4	14.6	57.3	2.2	10.8
State Dept of Commerce or Econ Dev	10.3	1.1	11.9	69.2	1.1	6.5
State Emergency Mgmt Agency	10.8	19.5	27.0	36.8	2.2	3.8
State Tourism Bureau	11.4	16.8	50.3	16.2	4.9	0.5
Regional WIRED Initiative	15.1	21.1	22.7	10.3	26.5	4.3

Communication was the strongest between EDDs and other EDA-funded EDDs: 73 percent of respondents indicated that their organization had regular communications with another EDD. High levels of communication were also reported between EDDs and state economic development offices or departments of commerce, as well as with the U.S. Department of Agriculture and the state-level departments of transportation. EDDs reported having the lowest levels of communication with manufacturing extension partnerships, trade adjustment centers, and the U.S. Department of Labor. Overall, the level of communication that EDDs reported having with the listed state and local agencies and departments was, as expected, less regular than the level of communications that EDDs reported having with other local organizations.

Another way that EDDs can develop partnerships and collaborations is by engaging the region's business, government, and economic development leaders in direct participation in the activities of the EDD, such as development of the strategic plan (the CEDS) and the organization's governance. In the next section, factors related to the governing structure, such as board composition and recruitment, are discussed. Additionally, the results of survey items that addressed the CEDS are also covered, since this is a major component of the activities and collaborative process for most EDDs.

Governance and Planning

In most EDDs, at least two levels of governance, if not more, oversee activities related to the operation of the EDD. The organization that houses an EDD is typically governed by a board, which is responsible for the overall direction and management of the organization and all of its activities. A separate layer of governance may be specifically responsible for the operation of the EDD, and a similar structure or structures may also be in place for the other sub-units of the organization, such as planning or operating an Agency on Aging, for example. Finally, a separate CEDS committee that may or may not overlap with the EDD governance or organizational board may also oversee the creation of the Comprehensive Economic Development Strategy (CEDS), one of the main activities of most EDDs.

The results of the survey indicate that most EDDs, 81.1 percent, have leadership that is separate from the board that governs the organization where the EDD is housed. This finding reflects the fact that EDA planning funds are too limited to support an entire organizational structure on their own. Instead, EDA funds may often serve as a means of providing one or two dedicated staff members that operate as part of a larger planning or governmental organization.

Respondents were also queried about the process for selecting the EDD leadership board, since the guidelines or rules for membership may have an impact on the type of representation that exists. Because multiple guidelines might apply to the board selection process, respondents were asked to select all criteria that apply to their specific EDD.

The dominant selection guideline or rule for EDD boards is the organization's charter, which was selected by nearly half of respondents (Table 13). Local political processes, other funding sources (besides EDA), and state laws were also frequently cited as influencing board appointments. Free, unrestricted recruitment of board members was relatively rare and was reported as a selection method by only 5.9 percent of EDDs.

Table 13 Board Selection Process

EDD board criteria used by organization	Percent of total respondents
Representation is predetermined by organizational charter	48.6
Members are appointed through a political process	40.0
Representation is determined or restricted by one or more funding sources	34.6
Representation on board is prescribed by state laws or guidelines	34.1
Representation varies, members are freely recruited	5.9
Other	2.2

The committee that oversees the development and updating of each EDD's CEDS is a possible venue for greater regional representation and outreach. EDA guidelines for the CEDS state that the private sector must be represented on the committee, and it is recommended that representation be obtained from public officials, community leaders, workforce development, higher education, minority groups, organized labor, and the general public.[42]

Although private businesses are the only group required to serve as representatives on CEDS committees, the survey results show that, on average, local government organizations make up the largest portion of these committees (Table 14). Small businesses and economic development organizations also appear to be well represented, while finance and manufacturing businesses typically have one or more members on the CEDS committee. Organized labor, research organizations, educational institutions, and businesses in the medical and service industries do not appear to be very well represented, however, based on the small average number of representatives present on the committees of the surveyed EDDs.

Table 14 CEDS Committee Membership

Type of organization	Average number
Local government	7.1
Small business	3.8
Economic development	2.7
Manufacturers	1.6
Education	1.4
Finance	1.2
Workforce development	1.0
Economically disadvantaged populations	1.0
Other services	0.8
Other	0.7
State government	0.4
Research organizations	0.4
Medical	0.3
Organized labor	0.2

Recruitment of the CEDS committee tends to be far less restricted than recruitment of the boards governing the EDD organizations or the EDD entities themselves. EDA's guidelines for CEDS membership are not restrictive and instead primarily focus on encouraging regions to involve

[42] For more information, see *CEDS Summary Requirements*, available from the U.S. Department of Commerce, EDA, at http://www.eda.gov/PDF/CEDSFlyer081706.pdf.

representatives from a wide range of organizations in the planning process. EDDs are generally free to develop their own procedures for both creating the CEDS and recruiting a CEDS committee, based on the needs of the region.

Most CEDS committee members are recruited by the EDD organization's staff: 38.4 percent of respondents indicated that both staff and board members were involved in committee recruitment, and 18.9 percent indicated that only EDD staff performs recruitment (Table 15). Just over one-quarter of EDDs did not have a separate CEDS committee; the EDD or organization board serves as the CEDS committee. Other approaches to creating a CEDS committee are relatively rare.

Table 15 Recruitment of CEDS Committee Members

Recruitment technique	Percent
Committee members are recruited by both organizational staff and board members	38.4
The organization's board serves in whole or part as the CEDS committee	27.0
Committee members are recruited by staff from the organization	18.9
Committee members are recruited by members of the organization's governing board	6.0
No answer	4.9
Other	4.3
An outside party or organization nominates or appoints the CEDS committee	0.5

The CEDS is an important activity for EDDs, since nearly all regions are required to complete a CEDS, and minor updates occur on an annual basis. As Table 16 shows, over 90 percent of respondents indicated that they had completed a new CEDS between 2005 and 2010. Of the remaining EDDs, more than half did not provide an answer, which left only around four percent who indicated that they had not completed a new CEDS on the typical five-year schedule.

Table 16 Last Completed CEDS

Year	Percent
(no answer)	5.4
2000	0.5
2001	0.5
2002	1.6
2003	0.5
2004	1.1
2005	6.0
2006	7.6
2007	23.2
2008	16.8
2009	16.2
2010	20.5

The creation of the CEDS is a planning and strategizing process that can take many different forms depending on the size, resources, and level of collaboration within any given region. It is not surprising that most EDDs complete their own CEDS without utilizing outside help, given the customized nature of the process. For some EDDS, the CEDS may be one of the organization's main activities and a process through which regional stakeholders can be brought together. As illustrated in Table 17, the vast majority of EDDs, 82.2 percent, complete the CEDS entirely in-house, with EDD staff taking responsibility for all aspects of creating the

strategy document. Fewer than 10 percent of EDDs get some degree of assistance from an outside consultant.

Table 17 Party Responsible for Creating the CEDS Document

How was the CEDS completed?	Percent
Totally in-house by agency staff	82.2
Mostly by staff, with a consultant providing some assistance	6.5
No answer	4.9
Other	3.8
Roughly 50-50 by staff and consultant	1.6
Mostly by a consultant, with a staff report	1.1
Completely prepared by a consultant	0.0

Because EDDs are usually involved with the creation of their region's CEDS, they are also keenly aware of what activities are or could be helpful to the creation of a better overall regional strategy. The survey asked EDD organizations about five general approaches and the degree to which they are helpful (or not helpful) in creating a high-quality CEDS. These activities or approaches were selected because they are most likely already occurring to some degree and could potentially be supported or encouraged by EDA without incurring major costs or programmatic changes.

A majority of survey respondents rated all of the approaches or activities listed in the survey as being "helpful" or "very helpful" (Table 18). In general, EDDs indicated that they would welcome better economic analysis, as well as more involvement from the business community and local elected officials to assist in the creation of the CEDS. Not all interventions would necessarily be welcomed, however: additional public involvement or the implementation of regional planning sessions was viewed as a negative by around one-fifth of all respondents.

Table 18 Opinion on Helpfulness of Select Actions to Improve the CEDS

	Percent answering				
Type of assistance or approach	No answer	Unhelpful	Helpful	Very helpful	Not used
More active involvement by region's business community in the development of the report's economic development strategy and recommendations	5.4	4.3	60.0	29.2	1.1
The incorporation of a more sophisticated economic analysis of the region's strengths and weaknesses	5.4	8.1	52.4	33.0	1.1
More active involvement of local elected officials	5.9	10.3	56.8	27.0	—
More active public involvement in the development of the recommendations and strategy	7.0	20.5	50.8	20.0	1.6
Holding a region-wide strategic planning session	5.4	20.0	48.1	23.2	3.2

Survey respondents were also provided with an opportunity to make an open-ended statement about the one thing that contributed most to the success of the CEDS and whether anything was missing from the CEDS report process as it is currently designed by EDA. For analysis purposes, these responses were reviewed and categorized in order to determine whether any major CEDS strengths or weakness could be consistently identified from otherwise unprompted

statements from the responding EDDs. The categorized results from the question addressing the one thing that most contributed to the usefulness of the CEDS is presented in Table 19, and the categorized results from the question addressing whether there is anything missing from the CEDS process that could improve the usefulness of the resulting document is presented on the next page in Table 20.

Table 19 Contributed Most to Usefulness of the CEDS

Category of response	Percent
Outreach, local knowledge, stakeholders, involvement in the strategy development	38.0
Data and analysis: type of data/analysis, assistance with data/analysis, etc.	12.9
Committee selection, process, involvement	11.7
Identification of issues, needs, problems, strengths of the region	11.7
Projects, project list	5.5
Other	20.2

When questioned about what contributed most to the usefulness of the region's CEDS document, the largest share of EDDs who chose to respond, 38 percent, offered an explanation that entailed the involvement of other organizations and regional stakeholders in the strategy development process (Table 19). The forms of outside involvement took a variety of forms, ranging from holding "meetings throughout the region to secure widespread input" to more specific approaches to changing actual participation, such as adding "transportation, housing and land use reps to the table" through direct involvement in the creation of the document. Some respondents simply indicated that "public input" or "input from stakeholders" was important, without detailing the methods used for conducting outreach.

It is interesting to note that community and stakeholder outreach did not receive universally high marks from respondents in other parts of the survey. When respondents were asked about activities or approaches that could help improve the quality of the CEDS, the activities described by the following two phrases in quotations—1) "more active public involvement in the development of the recommendations and strategy" and 2) "holding a region-wide planning session"—were ranked low compared to the other options presented in the question (Table 18). Although a majority of EDDs did find both of the aforementioned activities to be helpful in the creation of the CEDS, a sizable minority went so far as to describe each activity as unhelpful: approximately 20 percent of the responses viewed it this way, as shown in Table 18. This suggests that adding more guidelines for stakeholder or community interactions may not be a universally effective strategy for improving the CEDS, since only some EDDs indicate that they gain benefits, while others actually have reported negative experiences.

When asked if anything was missing that could be added or increased to improve the quality of the CEDS, over half of all respondents indicated that the CEDS is fine as it currently stands and that no changes are needed (Table 20). The next most popular response category concerned an improvement in the data used to create the strategy and/or the quality of analysis used by or available to the EDD. Some respondents expressed a hope that data or technical training might

be made available by EDA, while other respondents simply indicated that data and data analysis were major drivers of the strategy and could use improvement.

Table 20 Things Missing That Could Improve the CEDS

Category of response	Percent
No changes needed or don't know of anything needing changes	51.4
Better data and/or analysis capabilities	15.0
Other	12.1
Be more strategic in nature, better ties with other strategies	6.4
Reduce size, complexity, requirements	5.0
Linkages with other topics, e.g., planning, transportation, agriculture, health care	5.0
More public or stakeholder input	3.6
Get more input, feedback, or guidance from EDA	1.4

Other responses were quite diverse. A full 12.1 percent of responses were classified as "other" simply because they occurred at levels that represented a minute fraction of overall responses (Table 20). Five other categories of responses were identified, however, with each representing between 1.4 and 6.4 percent of all things mentioned by EDDs as missing or in need of improvement to boost the quality of the CEDS. These responses represent a much smaller share of the total but are still worth considering as possible areas of improvement, since they indicate that multiple EDDs identified the same factors without being prompted by the survey instrument. It should also be noted that stakeholders discussed these issues during the focus groups and site visits.

Finally, the surveyed EDDs were asked about the distribution and promotion of the final CEDS product. As shown in Table 21, the most popular methods for distributing and promoting the CEDS document are traditional printed copies and posting the CEDS on a Web site. Most EDDs use multiple methods of distribution and promotion, as is demonstrated by the four marketing techniques that are utilized by more than half of respondents. The least popular method of promotion is through traditional media such as television and radio, which is not surprising given the cost factor. However, the use of newer social networking techniques also remains relatively rare despite a very low monetary cost structure.

Table 21 Percent Using Technique for Promotion

Marketing technique	Percent
Printed copies of the CEDS	80.5
Web site	76.8
E-mail with stakeholders	59.5
Newsletter or direct mail	55.7
Promotion in local print media	20.0
Social media	7.6
Other	7.6
Promoted on TV or in radio news	2.2

Implementation

The final section of the survey focused on the activities of EDDs and the challenges they face in developing and implementing regional economic development strategies. Information gathered in this section provides insight into both the major activities that EDDs are concerned with and the issues and challenges they face.

In addition to creating a strategic plan through the CEDS process, most EDDs are primarily engaged in traditional economic development activities, such as infrastructure improvement projects and supporting the construction and operation of physical assets such as industrial parks or business incubators.

Table 22 shows the percentage of EDDs engaged in 19 select activities. Respondents were encouraged to select all activities in which their organization engaged; therefore, the total percentages add up to more than 100 percent. Only one activity, engagement in basic infrastructure improvements, was selected by a majority of respondents: 60.5 percent. This statistic certainly reflects the fact that public infrastructure improvement funding is a major type of project funding available from EDA. Other popular activities also tended to involve either strategic planning and collaboration or other types of physical capital improvements such as industrial parks and building construction.

Table 22 Percent of EDDs Reporting Engagement in Activity

Project type	Percent
Basic infrastructure improvement	60.5
Collaborative regional innovation	38.9
Development of an industrial or commerce park	26.5
Economic development strategy (other than CEDS)	23.2
Building construction	20.0
Business incubator	17.8
Technical assistance	17.8
Land improvement	17.3
Supporting worker training	16.8
Green investment	15.7
Commercialization	13.5
Building rehab	11.9
Downtown business district development	11.4
Broadband	10.8
Land acquisition	9.2
Economic analysis	7.0
Promoting export/foreign direct investment	6.5
Environmental abatement	5.9
Technical assistance to incubators	4.9

The type of activity that EDDs are engaged in appears to be related to the types of development tools and funding that are available from EDA. At the time of the survey, nearly 58 percent of EDDs were actively engaged in a project that was receiving at least some funding from an EDA program, such as a public works investment (Table 23).

Table 23 Outcome of Current or Most Recent EDA-Funded Project

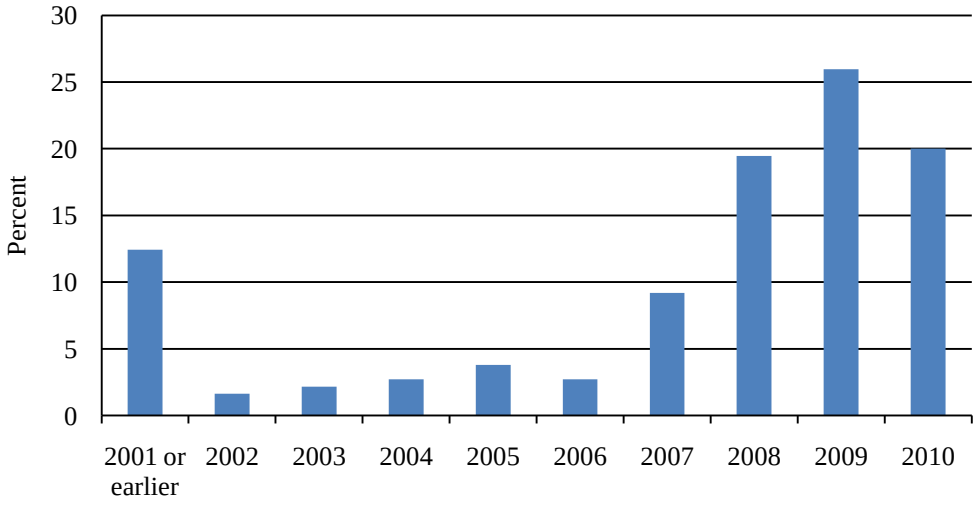
Status of last project	Percent
The project is still ongoing	57.9
The project was successfully completed and the planned outcome was achieved	23.0
No answer	9.3
The project was completed; however, there were challenges that impacted the outcome	4.4
Other	3.3
The status or final outcome of the project is unknown	2.2
Work stopped before completion	0.0

The survey results shown in Table 23 suggest that EDDs remain regularly engaged in EDA-funded projects. A majority of EDDs reported being currently engaged in an economic development project that was supported, at least in part, by EDA funds. Assuming that the time frame during which this survey was conducted did not systematically vary from other time periods, the findings indicate that a majority of regions are actively engaged in an EDA-supported project at any given time. This regularity also suggests that EDA plays a regular and influential role in both supporting and directing regional development activities.

Additionally, it should be noted that in those instances where the project had been finished and a new project was not yet underway, the EDDs also typically reported that the outcome was a successful completion (Table 23). Although the respondents to the survey may have some vested interest in reporting positive project outcomes, the finding still suggests that EDDs are satisfied with the outcomes of EDA-funded project activities.

Most EDDs—approximately three-fourths—began their most recent EDA-funded project within the previous four years (Figure 3). Among the remaining EDDs, most had started a project within the past 10 years; however, roughly 12 percent of those surveyed had not started a project since 2001 or earlier. This finding provides further evidence of the regularity of EDD participation in EDA-supported development projects beyond the strategic planning function.

Figure 3 Start Year of Last EDA Project



Of course, projects that EDDs engage in with EDA support usually also involve a substantial leveraging of resources from other sources. This is by design, with the goal of having EDA funds act as a catalyst for development that is broad-reaching in both support and impact. At a minimum, the typical EDA-supported project—one that does not involve a special situation such as a tribal development or a very-low-income region—is required to get at least 50 percent of its funding from other sources besides EDA. In reality, EDA funding usually makes up only a small share of the funding of the economic development projects of most EDDs.

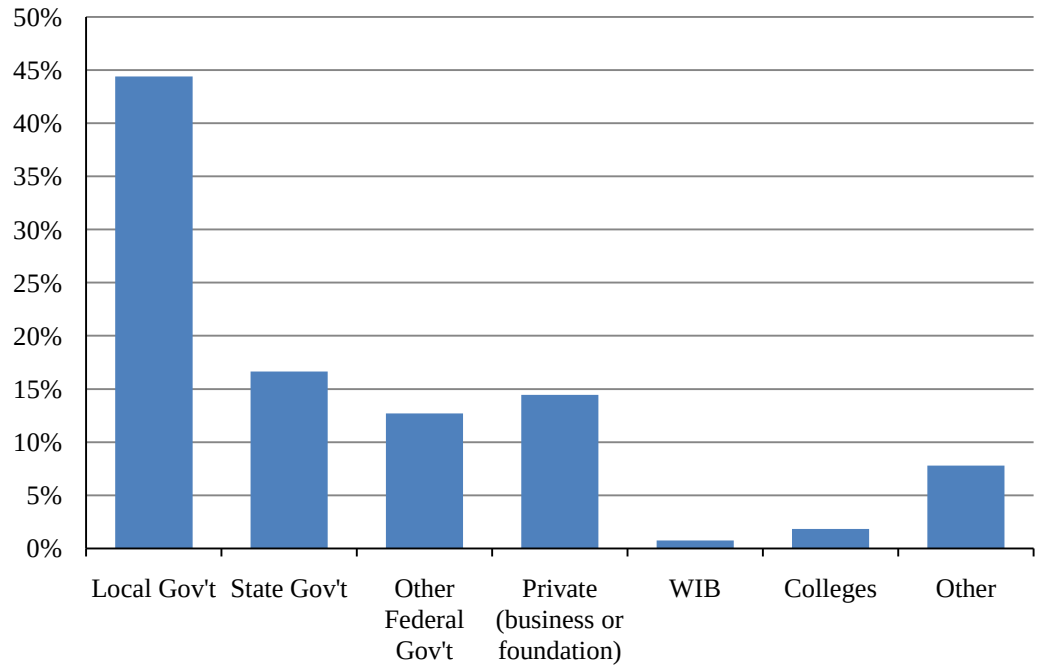
When asked about the sources of funding utilized for their last economic development project, nearly 65 percent of EDDs indicated that federal EDA funds represented 50 percent or less of the total (Table 24). Although a sizable minority of roughly 28 percent of EDDs did rely on EDA funds for more than half the budget of their last project, most still involved significant funding from other sources. Only 4.3 percent of EDDs received 85 percent or more of the funding from EDA for the last project, which reflects both EDA rules regarding leveraging and the ability of EDDs to attract financial support from a variety of regional sources.

Table 24 Share of Project Funding from EDA

Category	Percent
0 to 25%	22.2
26 to 50%	42.7
51 to 75%	19.5
76 to 85%	4.3
More than 85%	4.3
No answer	7.0

An analysis of funding sources used for the last economic development project indicates that other governmental entities usually provide the bulk of non-EDA funds used by EDDs (Fig. 4). The average share of the financial match provided by local government—a category that includes entities such as county and municipal agencies—is 44.4 percent, which is more than twice that provided by the next largest source, state government. The private category, which includes businesses, banks, trade groups, and foundations, was the next largest contributor of funds and represents, on average, 14.4 percent of non-EDA funding. Other federal government agency grants apart from EDA also made up a major share, with an average contribution of 12.7 percent of all the leveraged project funds. The least likely contributors of matching funds were workforce investment boards (WIBs) and other workforce agencies, as well as colleges and universities. Additionally, other sources contributed an average of 7.8 percent of all non-EDA funding.

Figure 4 Average Share of Outside Funds Leveraged for Project by Type of Source



Finding additional sources of funding from non-EDA sources to support project activities is not necessarily an easy task for EDDs. Indeed, finding sufficient matching financial support from non-EDA sources was rated by survey respondents as being the most challenging issue out of the 11 activities and issues that they were asked to rate (Table 25). A full 34.1 percent indicated that finding such funds is "extremely challenging," and 33.0 percent rated it "very challenging."

Only 2.2 percent of EDDs responded that finding non-EDA funds is "not a challenge," which highlights how widespread fundraising challenges may be for the EDD community.

Table 25 Rating of Degree that Select Issues are a Challenge to the EDD

Activity or issue	Percent responding				
	No answer	Not a challenge	Challenging	Very challenging	Extremely challenging
Identifying the region's economic development priorities	5.4	45.9	41.6	5.9	1.1
Building consensus on planned activities with local and regional partners	5.9	29.7	42.2	20.0	2.2
Finding sufficient matching financial support from non-EDA agencies including the private sector	4.9	2.2	25.9	33.0	34.1
Navigating government regulatory environment	5.4	9.2	48.6	24.3	12.4
Working within the requirements of EDA or other federal grant processes	5.4	13.5	50.3	19.5	11.4
Developing local and regional leadership to direct activities	5.4	20.5	43.2	24.3	6.5
Developing support for economic development at the state level	6.5	37.3	30.3	17.8	8.1
Conflicting priorities among local economic development entities	5.9	29.7	43.2	14.6	6.5
Lack of support for key local organizations for the economic development process	7.0	35.1	43.8	8.6	5.4
Lack of activity due to sluggish local economic conditions	5.4	10.3	33.0	31.4	20.0
Experiencing staff turnover or not having enough staff devoted to economic development	5.4	43.2	31.4	13.0	7.0

Another issue that was rated as being "extremely challenging" by a large portion of EDDs is the general economic environment. Approximately one out of every five EDDs indicated that a lack of economic activity due to economic conditions is a major challenge to their organization (Table 25). This result probably reflects both the difficult business environment that resulted from the 2007–2009 recession and the fact that EDDs are generally composed of geographic regions that have been more economically depressed than other parts of the country. It is also worth noting that the effect of a down economy has not only reduced the number of business expansions and other project opportunities, but also has negatively impacted the environment for developing sources of financial support as well.

Some of the least challenging activities for EDDs are related to core operations and organizational staffing. The task of "identifying the region's economic priorities," which is a key part of developing a CEDS, was rated as "not a challenge" by 45.9 percent of respondents (Table 25). Issues with staff turnover were also generally not problematic for EDDs: 43.2 percent rated the issue as "not a challenge." Development of relationships with other organizations and agencies at the state and local levels was also generally not reported as being too burdensome to most EDDs. Finding support at the state level was "not a challenge" to 37.3 percent of EDDs, and 35.14 percent of respondents said that a lack of support from other local organizations was also "not a challenge."

The final question of the survey of EDDs asked respondents, "If you could modify one aspect of EDA's EDD planning program, what would it be?" Survey takers were provided with space to provide an open-ended response. In total, 145 responses were provided, which were then categorized into major themes to allow for easier analysis.

Table 26 Categories of Responses Regarding One Aspect of EDD to Modify

Main theme of response	Percent
More funding for planning/staff/activities	22.8
Increase CEDS flexibility / change CEDS committee or process	20.0
Make process of working with EDA or applying for projects faster or easier	16.6
Change way projects are selected for funding by EDA / change match requirements	12.4
Other	12.4
Provide more technical assistance or training	6.2
Don't change program / program is excellent as is	5.5
More local control	2.1
Not sure	2.1

Not surprisingly, funding was high on the wish list of EDDs: nearly 23 percent indicated that an increase in EDA support for staff and planning ideas would be the one most important change to the current program (Table 26). A relatively high percentage of respondents, 20 percent, also indicated that changes to the CEDS process would be beneficial. Most of the responses involving changes to the CEDS asked in general terms for more flexibility in the components of the final document. There was also an interest expressed in greater leniency on the composition of the CEDS committee; for example, one respondent stated that EDA should "eliminate the requirement that the majority of the committee be private sector" and another described the requirements as being "too strict for our rural constituents."

Only two other major categories of response were identified for double-digit portions of the survey responses: making the process of working with EDA faster or easier and changing the way EDA selects projects for funding (Table 26). EDDs that asked for an easier or faster process of working with EDA usually focused on either reducing the paperwork and requirements for applying for project funding or getting better feedback and assistance from EDA when putting together economic development projects. For example, one respondent asked simply for a "shortened response time to requests," while another wanted "more input from the regional offices and a quicker reply to grant applications." Among those EDDs who wished for changes

in the way EDA selects projects to fund, almost all of the responses were critical of the 50/50 matching funds requirement.

Internal Measures: Conclusions from the Survey of EDDs

The survey of EDDs that was covered in this chapter has helped to reveal important perspectives on the mechanisms through which EDA enacts its regional economic development efforts. Organizations that operate the EDDs have historically been responsible for implementing the CEDS planning process for their regions, as well as for selecting and submitting project proposals for funding support. As a group, these EDD organizations have collectively indicated that they see both strengths and weaknesses in how EDA's current regional economic development system operates:

- The majority of EDDs are part of organizations that engage in many other activities besides EDA programs or regional economic development. Although they demonstrate stable staffing levels, worries about financial support and economic conditions are widespread. Still, being housed in a larger agency provides the opportunity for the EDD to construct a more comprehensive approach to economic development planning, leveraging internal resources. This will be become an even more important ingredient to an effective EDD, if resources become even more restricted. Transportation and land-use planning, for example, are important components of a coordinated economic development planning approach.
- The development and updating of the CEDS is a major activity of EDDs. Nearly all EDDs complete their own CEDS and find the process to be valuable; however, some expressed a desire for more feedback and assistance with regional data collection and analysis. There are good reasons for the EDDs to complete their own CEDS instead of having it done by outside consultants: First, the agency gains a stronger sense of ownership of the report. More importantly, EDDs that prepare their own CEDS are in a better position to redesign the CEDS process to involve a greater number of the region's economic development stakeholders.
- Physical infrastructure developments are popular, and most EDDs are regularly engaged in some sort of EDA-funded project.
- Securing funds to meet the EDA match requirements is one of the most challenging tasks that EDDs face. Despite a push for more private investment, the most likely source for matching dollars is other government agencies, usually local entities such as a city or county. In the current era of limited government resources, this will likely become an even greater challenge, and clearly calls for the EDDs to develop stronger partnerships with private interests such as the region's financial communities and foundations.
- EDDs expressed a desire for greater financial support; however, similarly large numbers of respondents also mentioned procedural improvements as being beneficial, particularly increasing flexibility in the CEDS requirements and receiving more feedback and assistance from EDA. Better communication between the EDA regional offices and the EDDs can be a cost-effective avenue to improve the performance of the EDDs.
- A majority of EDDs expressed overall satisfaction with the way EDA's current system operates. While this finding is comforting, it may reflect "path dependency" in that some EDDs are satisfied because it is stable and known. This possible level of complacency

may make some EDDs unprepared to address opportunities that arise in the ever-changing economic development landscape.

External Measures: A Survey of Economic Development Organizations

In order to gain an external perspective on the EDDs, a survey of regional economic development organizations was conducted. In large part, the effectiveness of EDDs depends on their ability to partner with other local economic development organizations. In order to get an unbiased understanding of the role of these EDDs in their overall economic development efforts, the survey was "blinded" so that our research interest in the activities of EDA and the EDDs, as well as the CEDS, was not directly mentioned. For example, we did not state that the survey was a part of an EDA research effort; we merely said that it was a survey on the importance of partnerships and planning in local economic development efforts. This approach was taken to avoid creating a bias in the responses of economic development organizations that could occur if they knew that the survey was funded by EDA.

In August 2010, the Upjohn Institute surveyed the active members of the International Economic Development Council (IEDC) regarding the importance of partnerships in local economic development efforts. The IEDC membership was selected as the survey population because it is a large and nationally representative group of economic development organizations. The survey was conducted through the mail with the option to respond on the Web if requested. To maximize the response rate, two mailings were sent out: an initial survey request, followed by a reminder letter with a second copy of the survey form that was sent out approximately three weeks later. In all, 917 completed surveys were returned from the 4,913 contacts provided by the IEDC, for a response rate of 18.7 percent (after excluding EDD organizations and any non-U.S. respondents). A copy of the survey instrument is provided in the appendix.

The survey was designed with the intention of addressing three major research questions of interest to the larger effort of assessing the EDD and CEDS programs of EDA.

- *To what degree do economic developers partner with organizations, and is this behavior changing?* Given the difficult fiscal environment most economic development efforts are currently facing, it will be imperative for organizations to work together and make the most of limited resources through partnerships and collaborations.
- *Do economic development organizations widely recognize and participate in EDA-funded programs?* The surveyed organizations were asked about partnerships with numerous organizations, including EDDs. Additionally, respondents were asked about the presence of regional economic development strategies, which could include their region's CEDS.
- *Is there variation across different types of economic development organizations and their recognition of EDA's efforts?* The survey also included questions about geographic service area and organizational activities.

The next section provides a summary of the primary findings of the survey as they relate to these main research questions. Information on the specific results is included in the following section, including detailed response data.

Economic Development Organization Survey Results

This section reports the detailed findings of the survey of economic development organizations. Because the focus of this research is on EDA's EDDs, an attempt was made to limit the sample only to those organizations that were located in an EDD region and thus able to at least potentially recognize or have a relationship with the EDD. First, zip codes were used to identify respondents whose location fell outside the boundaries of an established EDD region; however, because an organization with a physical office location outside the boundaries of an established EDD could still have all or part of an EDD within its service area, only those who also indicated "n/a" regarding a relationship with an EDD organization were excluded. It should also be noted that organizations that identified themselves as being an EDD organization were excluded from the survey sample, since their answers would be biased by their existing relationship with EDA. As such, the sample analyzed in this report is somewhat smaller than the overall total of valid responses received for the survey.

As shown in Table 27, the survey respondents represent a wide range of economic development organizations. Approximately 42 percent are private nonprofit organizations serving one or more counties. Another 40 percent are public agencies funded, at least in part, by a local government unit. Less than 2 percent of the surveyed organizations described themselves as being a federally funded program.

Table 27 Geographic Service Area of Surveyed Organizations

Q: Which of the following best describes your economic development organization?

Response	Percent
Private nonprofit economic development organization serving single county or city	26.8
Municipal economic development office	21.3
Economic development agency funded by the county or another local government entity	18.0
Private nonprofit economic development organization serving a multicounty region	15.2
State-funded economic development organization (i.e., economic development plus workforce development in one agency)	6.4
Part of an organization with multiple roles (i.e., economic development plus workforce development in one agency)	6.1
Economic development effort run by a utility company or other private business	4.3
Regional economic development effort mostly or completely funded by the federal government (e.g., an EDA Economic Development District)	1.9

These organizations engage in many activities that are associated with economic development, as shown in Table 28. Not surprisingly, more than 90 percent are involved in business attraction, expansion, and retention efforts, which represent the "bread and butter" activities of most economic development organizations. Almost 85 percent prepare marketing documents, and 72 percent are involved in small business development. Additionally, more than 50 percent are involved in economic development planning activities, and a similar percentage are involved in workforce development.

Table 28 Organizational Activities

Q: Please mark all of the following activities that your organization performs	
Response	Percent
Business retention and expansion	92.4
Business attraction	90.8
Marketing (brochures & websites)	85.0
Small business development	72.1
Regional economic planning	52.9
Workforce development	51.3
Economic gardening	47.1
Downtown development	45.6
Small business incubator	33.1
Export development	31.6
Transportation planning	30.7
Workforce training	29.9
Tourism	28.2
Neighborhood development	25.3

Next, Table 29 illustrates the results of a question about partnering activities. As expected, more local economic development organizations are partnering with other organizations and agencies today than they were five years ago. More than 50 percent of the responding firms are partnering much more than they did five years ago. In all, more than 70 percent of the surveyed economic development organizations increased their partnership activity during the past five years.

Table 29 Organizational Partnering

Q: Compared to five years ago, how often does your organization partner with other organizations on economic development projects and/or planning?	
Response	Percent
Much more today than five years ago	51.5
Slightly more today than five years ago	22.7
Our partnerships have remained about the same	21.2
We are partnering less today than five years ago	2.8
Unsure	1.8

Partnering is a topic of great relevance to EDA, since a major role of the EDDs and the CEDS process is fostering cooperative strategy planning and economic development projects. The increase in organizational partnering reported by economic development organizations supports the presence of increased partnering in economic development, which is a trend that should create opportunities to increase the role of EDDs as facilitators of increased partnering activities on a regional level.

Of course a major role of EDDs is planning, as EDA funds regional EDD planning activities that it hopes will prove helpful to the efforts of organizations throughout the region. To address this

topic, several questions related to economic development planning were posed to survey respondents. The first question asked whether the responding organization has a formal economic development plan.

Not surprisingly, most did, with more than 80 percent of the surveyed organizations indicating that they have prepared their own economic development plan (Table 30). However, an affirmative answer to this question does not indicate that the surveyed economic development organization uses the CEDS or otherwise engages in regional economic development planning; instead, it is an indicator of the level of acceptance planning activities have across the broad spectrum of economic development organizations.

Table 30 Presence of a Formal Plan for the Organization

Q: Does your organization have a formal economic development plan?	
Response	Percent
Yes	80.5
No	17.5
Unsure	2.0

To address the issue of whether the planning activities of economic development organizations extend outside their own limited service area boundaries, respondents were also asked about the presence of other economic development plans and strategies in the region. Although the CEDS is not yet specifically addressed by the question, the simple responses offered by respondents provide a gauge as to the level of awareness of these organizations to planning efforts outside their own. As shown in Table 31, a majority of economic development organizations are aware of other plans and strategies in the region; just over 78 percent of respondents answered yes to the question.

Table 31 Awareness of Other Plans

Q: Are you aware of any other economic development plans or strategies in your region?	
Response	Percent
Yes	78.0
No	22.0

The importance of this question for EDA is that affirmative answers could include an awareness of a CEDS for their region. In a follow-up question, respondents who answered yes were asked to list any plans of which they were aware; of these, 11.5 percent wrote "CEDS" or similar text, indicating familiarity with their region's EDA-funded comprehensive economic development strategy. Although this was somewhat low, it should be noted that the figure is certainly an undercount, since some respondents did not respond to this item, while others may have indicated a formal plan title or other name that could not be identified as referring to a CEDS. Additionally, some economic development organizations may be aware of the CEDS but instead choose to list another plan in the limited space provided, such as a state-level strategy or other plan.

Relationship with EDA-funded EDDs

Later in the survey, respondents were asked to describe the strength of their relationship with other economic development organizations in the area, a list that included EDDs. The purpose of the question was to gauge what types of organizations economic developers have the closest relationships with and to find out where EDA's EDDs fall on the spectrum in terms of having a strong working relationship with regional economic development organizations. As shown in Table 32, the surveyed economic development organizations reported having the strongest relationships with chambers of commerce, city economic development offices, and state economic development organizations. More than 50 percent of the surveyed organizations indicated that they had a strong relationship with these organizations. The weakest working relationship reported by respondents was with agricultural extension services; more than 60 percent reported having little or no relationship with these types of organizations.

Table 32 Degree of Current Relationship by Organization Type

Q: Please select the best description of your relationship to the following organizations in carrying out your economic development activity.

	Percent				
Response	Strong	Regular	Little	None	n.a.
Agriculture extension service	8.3	16.3	34.6	25.4	15.4
Business association (ex., chambers)	26.2	38.1	20.6	4.1	11.0
Chambers of commerce (local)	53.3	35.6	9.6	0.7	0.8
City economic development	51.6	18.6	4.8	0.8	24.2
Community college	44.6	31.2	15.5	4.1	4.7
County economic development	41.1	19.6	8.0	2.4	28.8
Downtown development authority	25.7	26.4	16.6	5.6	25.6
Economic development organizations	47.9	24.5	5.3	1.9	20.4
EDA ED districts	19.3	28.2	27.8	11.8	12.9
Manufacturing extension partner	12.8	27.7	27.3	12.0	20.1
State Economic Development Agency	55.8	30.3	9.8	2.1	2.0
Small business development centers	35.7	34.0	24.2	4.0	2.1
Tourist board or association	21.6	31.9	30.0	9.9	6.6
Workforce development boards	36.7	31.5	22.4	6.9	2.5
University or four-year college	40.6	31.9	17.0	5.1	5.5
Other organizations	66.4	12.6	5.9	1.7	13.5

Unfortunately, many survey respondents also indicated that they did not have strong working relationships with an EDD. Less than 20 percent of the surveyed economic development organizations indicated that they had a strong relationship with an EDA EDD, which was a smaller share than all other types of organizations, with the exception of agricultural extension services and manufacturing extension partnerships. In total, 11.8 percent of respondents reported that they had no relationship with an EDD, and 27.8 percent indicated that they had "little" relationship with the EDD. More strikingly, 12.9 percent indicated that it was "not applicable,"

despite being in a location that their zip code indicated should be part of an established EDD region, which suggests a lack of awareness of the activities of their local EDD organization.

On the positive side, there were also signs that the relationship between economic development organizations and EDDs has been improving. The next survey question asked respondents to rate how the relationship between their economic development organization and the same list of organizations has changed over the past five years. As Table 33 shows, nearly 25 percent of the responding organizations indicated that their relationship with an EDA EDD has increased over the past five years.

Table 33 Change in Working Relationship

Q: How has your relationship with the following organizations changed in the past five years?

	Percent				
Response	More	Same	Less	None	n.a.
Agriculture extension service	14.0	44.6	5.2	19.3	17.0
Business association (ex. chambers)	23.5	58.2	4.1	2.9	11.2
Chambers of commerce (local)	37.5	54.4	6.0	0.1	2.0
City economic development	33.4	39.7	2.6	0.7	23.7
Community college	42.2	45.8	3.5	3.4	5.1
County economic development	30.0	37.8	3.2	1.5	27.5
Downtown development authority	24.0	42.9	5.8	3.5	23.9
Economic development organizations	33.6	42.8	2.8	1.1	19.7
EDA EDD districts	24.2	48.5	5.6	7.3	14.5
Manufacturing extension partner	19.5	45.0	5.9	8.4	21.2
State economic development agency	41.1	49.4	4.9	1.7	2.9
Small business development centers	38.2	49.7	6.2	2.0	3.9
Tourist board or association	25.1	54.4	6.3	6.4	7.9
Workforce development boards	39.6	45.9	5.4	5.3	3.8
University or four-year college	42.3	44.9	2.5	4.1	6.2
Other organizations	60.4	18.0	3.6	0.9	17.1

The types of organizations that respondents more frequently indicated that they have "more" of a relationship with today than five years ago, tend to reflect the growing importance of workforce development. High percentages of respondents indicated an increase in their working relationships with universities, community colleges, and workforce development boards (Table 33). Agricultural extension service organizations surfaced once again at the opposite end of the spectrum, with nearly one in five respondents reporting no relationship at all.

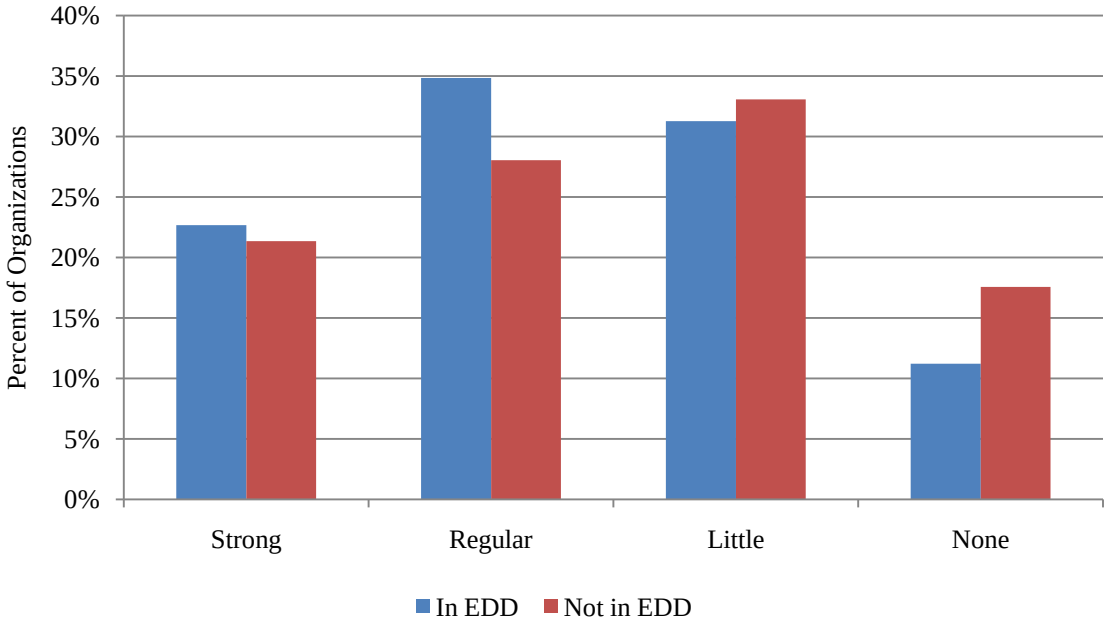
Overall, however, respondents indicated that relationships were mostly stable or improving during the previous five-year period. The percentage of respondents reporting having "less" of a relationship today than five years earlier with any type of organization ranged from a low of 2.5 percent to a high of only 6.3 percent (Table 33).

Geographic Differences

The geographic location of economic development organizations should have a major impact on the types of partnerships and relationships that it forms with other organizations in the vicinity. In general, a survey participant that is physically located outside of an EDD region—such as is the case in many major urban areas that are not part of an EDA-designated EDD—would not be expected to have a working relationship with a local EDD organization or to be as familiar with EDA activities such as the CEDS. However, it is also known that multi-regional and cross-regional partnerships are growing, which suggests that economic development organizations are likely to be looking further outside of their traditional geographic boundaries for project partners. To address the perceptions of economic developers outside of EDD regional borders, an analysis was also conducted looking at the full sample of survey respondents, broken down by EDD or non-EDD location. The results of this analysis, shown on the next two charts, suggest that while relationships are not as strong with EDDs for economic development organizations outside of EDD geographic regions, there are still opportunities for these organizations to reach across borders.

As shown in Figure 5, of the organizations that are located inside an EDD, 23 percent reported a strong relationship with an EDD, while 21 percent of the organizations outside of an EDD also reported a strong relationship. Not surprisingly, the portion of respondents outside of an EDD that reported no relationship was much higher than for the group of respondents located inside an EDD; however, the differences were not as stark as expected.

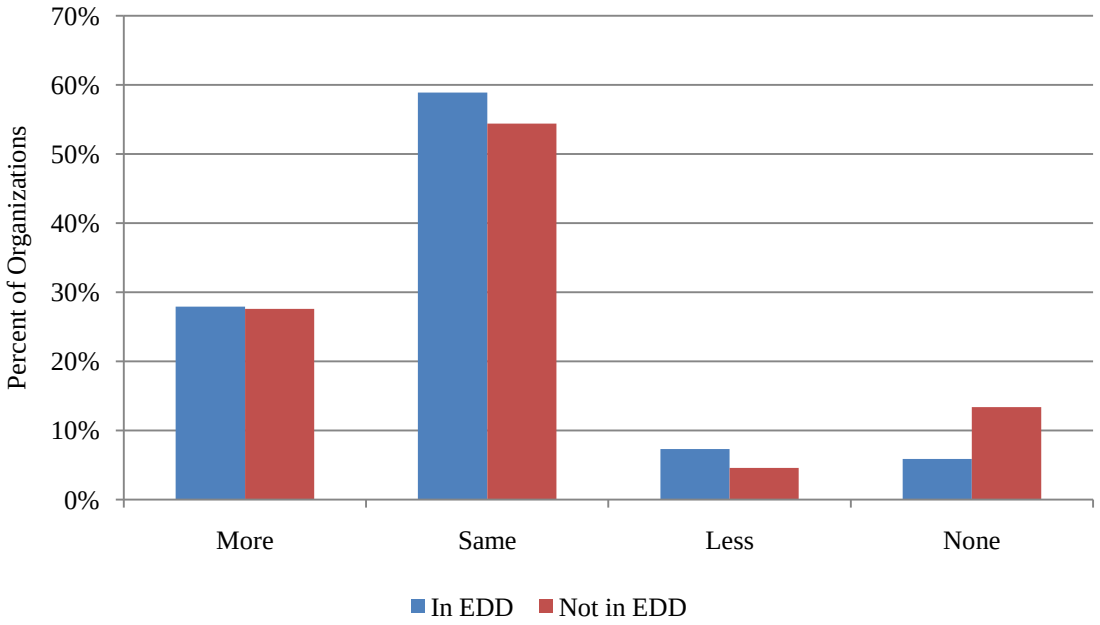
Figure 5 Partnership Relations by Respondent Location



The trend of increasing relationships between economic development organizations and EDDs also remains true regardless of the location of the respondent. Regardless of whether their offices were inside or outside of the official boundaries of an EDD, a nearly identical percentage—approximately 28 percent—reported having more of a relationship with the local

EDD now than five years earlier (Figure 6). Not surprisingly, however, a much higher share of respondents located outside of an EDD region indicated they have no relationship with an EDD organization than did respondents located within an EDD's borders. The percentage of respondents that reported having less of a relationship with the EDD compared to five years earlier was slightly higher for those within an EDD region than among those outside an EDD region; however, the levels that indicated having less of a relationship were low overall.

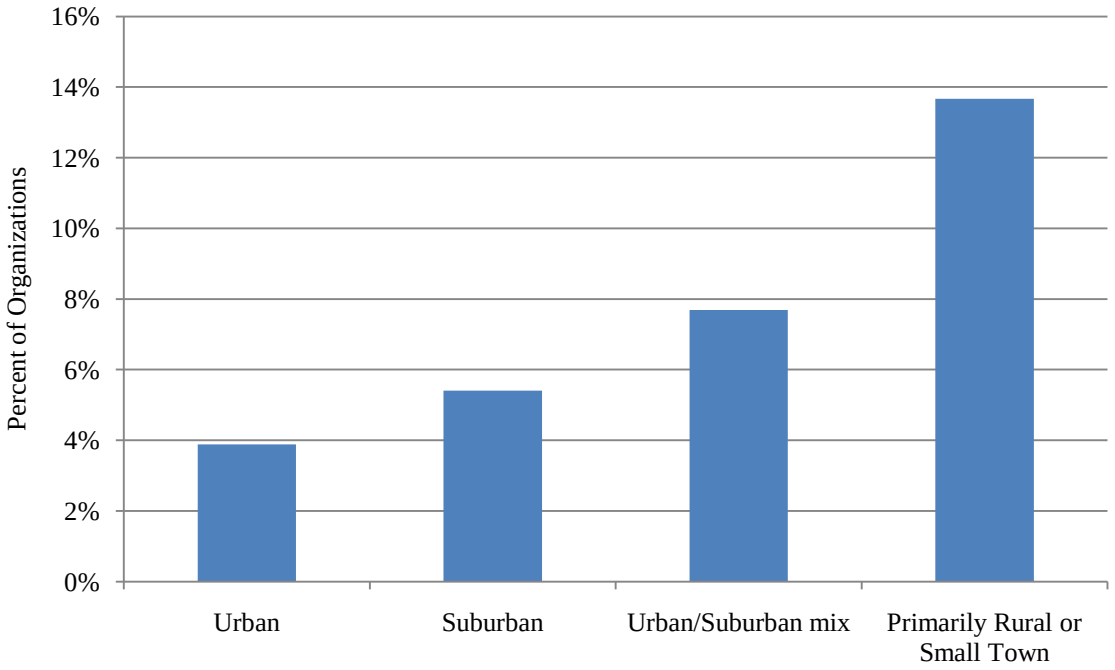
Figure 6 Change in EDD Relationship by Respondent Location



As mentioned previously, 80 percent of the responding economic development organizations have their own economic development plan or strategy, and 78 percent were aware of other economic development plans in their service area (Tables 30 and 31). In a follow-up question, we asked the respondents to name the other plans or strategies that existed in their region. If they mentioned EDA, CEDS, or a regional comprehensive plan in their answer, the response was recorded as a reference to an EDA Comprehensive Economic Development Strategy. As discussed earlier, only 11.5 percent of all those who answered affirmatively to an awareness of other economic development plans clearly indicated an awareness of a CEDS plan.

A final factor examined using the economic development organization survey data was the difference between rural and nonrural environments. As mentioned elsewhere in this report, EDDs have been found to play a bigger role in rural areas than in urban areas. Following this trend, survey respondents displayed a greater CEDS awareness if they were located in rural areas. As shown in Figure 7, nearly 14 percent of those serving primarily a rural or small-town region were aware of a CEDS, compared to fewer than four percent of respondents serving an urban area.

Figure 7 Recognition of Other Plan, by Geography



Survey Findings

The following are the major findings from the survey of economic development organizations:

- **Local economic development organizations are partnering with others more today than they were five years ago.** More than 50 percent of the survey respondents said that they are "much more" active in partnerships now than five years ago. Of the responding economic development organizations that are located in an EDD, 23 percent reported having a strong relationship with the EDD. This was only slightly higher than the 21 percent of responding organizations reporting such a relationship that are outside of an EDD. Although there is still plenty of room for growth and improvement in EDD partnerships, the increase in partnering over recent years corresponds with a broadening recognition of the importance of collaboration and regionalism for economic development.
- **Economic developers are involved in planning but may not widely recognize the CEDS.** More than 80 percent of the surveyed organizations have their own comprehensive economic development strategy and 78 percent were aware of other economic plans or strategies that have been completed in their region. However, only

11.5 percent cited one of those plans as being an EDD's CEDS. This suggests there is great potential for EDA to play a greater role in strategic planning if economic development organizations are already on-board with the concept, but simply unaware of the planning activities of the EDDs. At least, the EDD should incorporate these existing economic development comprehensive strategies into its CEDS; at best, the EDD should work to coordinate the existing plans so that these plans are directing resources in the same direction, if possible.

- **EDA's programs were more recognized by rural organizations.** The differences seen between urban and rural economic developers may reflect the relative importance of federal planning dollars to small areas due to the lack of local funds for economic development activities. It also illustrates EDA's role in filling a gap in economic development for economically disadvantaged communities, since the rural areas of the U.S. trail urban areas in terms of overall prosperity.

Overall, local economic development organizations report only moderate levels of partnering activity with EDDs compared to other types of organizations. Moreover, only a small percentage recognized their EDD's CEDS as a region-wide strategy. Still, overall partnering activity is increasing across all types of economic development organizations, including EDDs, with approximately one-quarter of respondents indicating that they currently had more of a relationship with EDDs than what was present five years ago.

In short, although the situation is improving as partnering activities with EDDs increase, the results of this survey suggest that the broad field of economic development organizations do not fully recognize or take advantage of the regional development resources supported by EDA. For example, only a small portion of local economic development organizations cite the CEDS as being their region's strategic plan, and a majority have formed their own development strategies, which may or may not align with a larger regional strategy. To gain the maximum benefit from the CEDS as a planning and strategy document, local economic development organizations may need to be brought more into the process of developing the CEDS. As discussed earlier in this report in the section on CEDS quality, some regions still treat the CEDS as more of a project list or historical document than as part of a regional planning and strategy development process, which is an aspect that could be improved upon.

On the plus side, nearly a quarter of the surveyed economic development organizations reported having strong relationships with the EDD organization in their region, which suggests that the EDD organizations are playing an important role in regional economic development even if the CEDS is not as widely recognized as a guiding strategic plan. Additionally, the survey results also suggest that partnerships and regional cooperation on development projects is increasing, which supports the importance of EDDs as a regional coordinator of the multiple development players and stakeholders that exist in most regions. This effect is particularly strong in rural regions, where limited resources sometimes make the EDD the agency available to bridge gaps in economic development services and coordinate disparate agencies and organizations that should be active stakeholders in the region's economic development.

Comparison with Earlier Research on the EDDs

In 2002, Wayne State University released a similar study of EDA's Economic Development District program, which also included a survey of EDDs. Although the methodologies of the two studies do vary—the Wayne State study separately surveyed EDD staff and CEDS committee members, while the surveys conducted for this study focused on EDD staff and economic development organizations in the EDD regions—both studies address many of the same topics, and both frequently reached similar conclusions. In this section, the findings of the review of the CEDS are compared and contrasted with the findings on CEDS as published in the Wayne State University study, and by authors Reese and Fasenfest in *Economic Development Quarterly*.

The following major findings represent areas of strong agreement between this study and the earlier study conducted by Wayne State University:

- **EDD staff are educated and experienced.** As discussed earlier in this section of the report, the average tenure of staff ranges from 8 to nearly 17 years, most staff have college degrees, and EDD leadership turnover is low. The Wayne State study reached a similar conclusion, stating, "the leadership of the EDDs is very experienced and highly educated."[43]
- **The EDDs need feedback from EDA.** In 2002, Fasenfest and Reese concluded, "there appears to be insufficient feedback on the part of EDA regional offices to EDD plans and activities."[44] Not only the results of the EDD survey discussed in this chapter but also the focus group sessions and the site visits to EDDs suggest that feedback from EDA remains desirable.
- **The CEDS is a major activity of the EDDs and is well supported.** As stated earlier, the CEDS was identified as being valuable by the EDDs, and in most regions it is a primary planning activity for the organization. Although more resources are always welcomed by EDDs, many of the respondents suggested that few changes were needed to improve the strategy planning process. Reese and Fasenfest also concluded, "the resources supporting the CEDS process are strong."[45]
- **EDDs are often not recognized by outside stakeholders.** Reese and Fasenfest found that "the community beyond EDD staff and CEDS participants is largely unaware of or uncertain about EDD activities."[46] As discussed earlier, the survey of economic development organizations suggests that nearly 40 percent have little or no relationship with an EDD (Table 32), which represents the familiarity level of a major stakeholder group. Additionally, although a large majority of the surveyed economic development organizations were aware of other economic development strategies in their region (Figure 7), only a little over one in ten affirmatively identified the CEDS. Although the level of partnering shows signs of improvement, the survey conducted for this study

[43] David Fasenfest and Laura A. Reese, *Evaluation of EDA's Planning Program: Economic Development Districts* (Washington, DC: Economic Development Administration, 2002), 55.

[44] Ibid., 58.

[45] Laura A. Reese, and David Fasenfest. "Planning for Development: An Assessment of the Economic Development District Planning Process," *Economic Development Quarterly* 17, no. 3 (2003): 276.

[46] Ibid.

generally reports the earlier finding that EDDs and the CEDS could benefit from greater marketing toward outside stakeholders in the community.

On the following finding, the current study produced slightly different results compared to the 2002 Wayne State study:

- **Primary activities of the EDD.** This survey found that traditional infrastructure projects were the most common activity reported by EDDs, followed by collaboration projects, industrial parks, and planning activities. The mix differs slightly from that reported by Reese and Fasenfest, who indicated that technical assistance was a top activity of the EDDs.[47] It is possible that the focus of EDDs has shifted slightly over the past decade, or that the finding may simply reflect methodological survey differences, since the two studies utilized different questions to measure EDD activity. Overall, the difference in the mix of activities identified by the two studies is minor.

[47] Ibid.

Findings from the Review of CEDS Documents

The CEDS is a key activity for most EDDs and represents a major part of EDA's efforts to promote regional planning through the Partnership Planning Program. A well-formed development strategy should, in theory, benefit regions by providing a clear statement of what the region desires to be and how existing resources can be brought together to achieve strategic goals. Additionally, the process of creating a CEDS document should ideally be one venue for bringing together the leadership and vision that current theory on regionalism suggests is important to successful economic development.

One way of assessing the quality of CEDS being created is to review a sample, using both economic development theory and EDA's current CEDS guidelines as measures of performance. To conduct this analysis, a sample of 102 CEDS documents was selected from all the EDDs in the country for review. To ensure a comprehensive review process, the Upjohn/CSU/TeamNeo team developed a seven-part review matrix that covers areas that include the stated requirements of EDA for CEDS documents, the stated goals and objectives of EDA, and also areas viewed by the team as being related to broader theories of economic development success. In total, readers from the team were able to review and provide assessments on 95 out of the 102 randomly selected CEDS documents; the remaining seven were either incomplete, unavailable, or were otherwise not able to be obtained and read in time for inclusion in this report. Additionally, to help minimize variance between raters, all CEDS documents were read and assessed by two members of the team to create an average rating for each item.

The following sections provide a summation of the group average ratings for each item on the review matrix, as well as the average distribution of rating responses across the two reviewers for each item examined on the 95 reviewed documents. With the exception of issues that required either a numeric count or a simple "yes" or "no" response, individual aspects of the CEDS document were rated by the reviewer using the following four-point numeric scale:

- **0**—Indicates that there was no evidence of the review item or activity in the CEDS or that there was evidence that it was not done by the region.
- **1**—Indicates that there was evidence of the activity being done or that the aspect of interest was present in the document; however, the quality was deemed low or the evidence was minimal.
- **2**—Indicates that there was evidence the activity was done to a typical level or that the aspect of interest was present in the document at an expected, typical, or average level.
- **3**—Indicates that there was evidence the activity was done or that the aspect of interest was present, and that the quality was above standard or the evidence went beyond what was expected by the reviewer.

Detail from the CEDS Content Review

The importance of stakeholder participation is both supported by existing research on regionalism and by EDA's own guidelines, which promote wide participation in the EDDs by stakeholders representing key groups, particularly the private sector. Although documentation of stakeholder participation is not specifically required by CEDS guidelines, qualitative evidence of stakeholder participation (such as discussion of outreach, meetings, and project involvement involving different groups) would suggest strong stakeholder participation both in the CEDS process and in the region.

In general, the reviewed CEDS documents offered little evidence of broad stakeholder outreach or participation in the CEDS process. As shown in Table 34, at least a plurality—and on one measure a majority—of the documents contained no evidence of the four aspects of participation that the reviewers were instructed to rate and received a rating of zero from the readers. Although just over 60 percent of the documents did provide evidence of some sort of public outreach, specific information on community meetings or participants was rare. Additionally, the majority of regions did not report showing any sort of summary data or strategy report to stakeholders during the creation of the CEDS.

Table 34 Evidence of Stakeholder Participation

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Was any public outreach conducted (meetings, mailings, Web site, media, etc.)?	1.14	**38.6**	20.1	30.1	11.1
2	Was a summary data report prepared for stakeholders?	0.68	**59.8**	15.9	20.6	3.7
3	Were community meetings held?	0.96	**48.2**	18.5	22.7	10.6
4	Were the region's economic development stakeholders involved in the preparation of the report?	1.03	**42.9**	20.6	27.5	9.0

NOTE: Bold numbers indicate dominant rating.

Despite the lack of evidence on stakeholder participation found in the CEDS documents, it should not be concluded that regions are not making an effort to involve important stakeholders from the region in the planning and strategy process. Both the site visits and the results of the survey of EDDs showed that most regions actively work to engage a mix of the key players necessary to conduct economic development activities in their own areas. Many simply do not include discussion of outreach efforts or stakeholder participation in the CEDS, since it is not required by EDA and is not considered a primary purpose of the document.

In short, the lack of formal evidence of participation in the document should not be interpreted as a clear sign that outreach and widespread stakeholder participation are lacking in EDD regions, since the data from the analysis provides a very conservative estimate of how many EDDs are conducting outreach. Still, because outreach is a necessary activity for stakeholder involvement and collaboration, along with the relatively low level of EDD recognition expressed by the surveyed economic development organizations, it is important to recognize that there are signs that at least some regions may benefit from an increase in outreach efforts.

The CEDS Committee

The next set of criteria reviewed by the team was related to the structure and size of the CEDS committee. The CEDS committee is the governing group that oversees the creation of the CEDS for the region. Typically, the development and writing of the CEDS is completed by professional staff members that are employed by the EDD, with the CEDS committee serving as an oversight and review board. In some cases, the CEDS committee is composed of the members of another group or level of governance within the organization, such as the board that oversees the EDD region, while in other cases the CEDS committee is an independent group of experts or stakeholders whose sole job is to review and approve the final strategy for the region.

Regardless of the way the group is selected, the size and composition of the CEDS committee are seen as key to the creation of a useful and representative strategy, which is reflected in the fact that EDA has created guidelines for its composition. Additionally, because the CEDS committee helps direct both the data-content of the document, as well as the strategy for the region, theory indicates that, much in the same manner that stakeholder participation is important, the committee would be best served by a diverse and broadly representative group of individuals.

Table 35 Quality of the CEDS Committee

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Was the CEDS committee assembled to include a diverse representation of regional interests?	1.16	**32.3**	**30.1**	28.6	9.0
2	How many members are on the CEDS committee total?	24.96				
3	How many members of the CEDS committee are from government?	6.35				
4	How many members of the CEDS committee represent private business?	7.14				
5	How many members of the CEDS committee represent economic development?	2.41				
6	How many members of the CEDS committee represent other interests (e.g., chambers, nonprofits, education)?	5.57				
7	How many CEDS committee members represent unknown interests or have no affiliation listed?	3.31				
8	Did the selection process focus on the inclusion of all stakeholders?	0.81	**47.6**	29.4	17.6	5.3
9	Is there evidence that regular committee meetings were held?	1.04	**42.0**	23.4	25.5	9.0

NOTE: Bold numbers indicate dominant rating.

The average CEDS committee size is approximately 25 members (Table 35). Not surprisingly, representatives from private businesses compose the largest share of CEDS committees on average, which reflects the EDA requirement that private-sector interests must make up a majority of membership. Still, the survey showed that local governmental entities were also generally well represented and had the next-highest average level of committee membership. At the other end of the spectrum, the number of committee members from the economic

development community was relatively low at 2.14; however, it should be noted that in many rural communities, either chambers of commerce or economic development agencies within municipal and county government offices represent economic development interests.

In reviewing the documents for information on the process of assembling a CEDS committee, it was found that most documents provided some indication that effort was put into creating a diverse CEDS committee, as indicated by the fact that 67.7 percent of documents received a rating of "1" or higher (Table 35). However, there was typically less evidence provided regarding the selection process or the specifics of attendance and how often committee meetings were held. Although over half of the reviewed CEDS documents did mention holding meetings, the details were often very unspecific and simply referred to a quarterly or "regular" schedule of meetings. Information as to whether attempts were made to ensure that the committee was composed of representative interests was also lacking in nearly half of the reviewed documents.

Economic Analysis

Economic data can provide a key framework for the development of economic development strategy. The economic analysis section of the CEDS can provide useful evidence for stakeholders regarding conditions, industry trends, and areas of economic need (such as high unemployment or worker shortages) that can be used to support decisions on regional strategy.

All of the reviewed CEDS documents contained a section on the regional economy, and the vast majority did a good job of providing adequate-or-better coverage of the basics of the regional economy. As Table 36 illustrates, in 12 of the 16 criteria the majority of CEDS documents provided some appropriate evidence, although there were several noteworthy exceptions.

Table 36 Economic Analysis

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Is a global perspective provided to identify macro trends that can impact the region's overall economy?	0.57	**56.6**	30.7	11.1	1.6
2	Are national/state trends that can impact the region's overall economy identified?	1.27	20.1	**39.7**	33.8	6.3
3	Is economic data analyzed and discussed or is it a mere listing of basic statistic tables?	1.64	3.2	**41.8**	**42.9**	12.2
4	Does the analysis identify the region's core or base industries?	1.84	4.8	24.9	**52.9**	17.4
5	Does it identify global factors that can impact the core activities of the region's economy?	0.64	**52.4**	32.8	13.2	1.6
6	Does it examine the competitiveness of the region's core activities?	1.05	**36.5**	31.3	23.8	8.4
7	Were key representatives of the region's core industries interviewed?	0.17	**88.4**	7.4	2.6	1.6
8	Was an industrial analysis completed?	1.29	22.2	**36.5**	31.2	10.0
9	Was an economic cluster analysis completed?	1.22	**39.7**	16.9	25.4	18.0
10	Is there an analysis of the region's skill/talent base?	0.97	**36.5**	**36.0**	21.7	5.8
11	Were the key occupations for the region's base industries identified?	1.04	**35.9**	30.2	27.0	6.9
12	Were the region's education/training institutions discussed?	1.34	18.0	**37.1**	**38.6**	6.3
13	Does the plan explore possible linkages between the region's schools and training institutions?	0.98	**37.0**	32.3	25.9	4.7
14	Are current employer needs discussed?	0.81	**39.6**	**41.8**	15.9	2.6
15	Is an assessment of the region's entrepreneurial environment presented?	0.65	**59.8**	21.2	13.2	5.8
16	Are possible emerging industries identified?	1.34	18.7	**36.9**	**35.3**	9.1

NOTE: Bold numbers indicate dominant rating.

The majority of EDDs presented basic economic statistics, provided a contextual analysis, and identified core local industries and national trends that could affect local development needs. Workforce development was a focus for the regions, as local training and educational resources were frequently identified and in many cases discussed at great length. Additionally, the majority of regions identified possible emerging industries that could be possible sources of growth or targets of future development projects. Overall, the economic analysis portion of the CEDS was one of the most consistently strong sections.

One aspect lacking in many CEDS documents, however, was a broader global perspective of trends that could impact the region. The review process looked for evidence that regions understood how global economic trends might have an impact either on the macroeconomy or on the region's own core industries and found that more than half made no mention at all of issues or trends outside of the country. While many regions may not view broad global trends as being relevant to the development of a strategy for a small, multicounty region, the growing interconnectedness of the world could provide opportunities for new industries and trade that

might not otherwise have been identified. As shown in Table 36, 52.4 percent of the CEDS documents made no mention of global economic factors that could affect the region.

Additionally, the specific occupations that could be associated with key local industries and the needs of employers in key and growth industries were widely absent. One reason for this is likely the limitations of publicly available occupational data, although it should also be noted that the review found that employers are very rarely interviewed or otherwise involved when regions analyze their economic environment.

Finally, the document review process also found that despite EDA's stated interest in promoting entrepreneurship, more than half of the reviewed CEDS documents made no mention at all of entrepreneurship or the entrepreneurial environment (Table 36). Although fostering entrepreneurial development is a stated goal of EDA, it is not part of the agency's guidelines for the CEDS, and in general the agency's funded grant programs are not specifically targeted toward fostering regional projects in entrepreneurship. The lack of focus on entrepreneurship in the CEDS documents created by regions suggests that further efforts are needed at the national level if EDA wishes to encourage a stronger focus on entrepreneurial activities in future regional development strategies.

Strategy and Planning

The strongest aspect of the reviewed sample of CEDS documents was the coverage of regional planning and strategy. As shown in Table 37, on most criteria related to strategies and planning, the document review revealed that a majority of regions presented a strong discussion of the area's strengths, weaknesses, opportunities, and threats, even though only just under 40 percent actually provided a formal SWOT analysis structure. Additionally, the majority of ratings on criteria related to the discussion and presentation of strengths, weaknesses, opportunities, and threats were at the "2" or "3" level, which indicates a strong performance as judged by the team's raters.

Ratings were also high for the specificity of regional goals and objectives, as well as for evidence of long-term strategy and the recognition of other strategic plans (such as a state-level economic development strategy or the strategy of a neighboring region). Over 90 percent of regions listed a specific list of goals and objectives in the CEDS, and the majority received a rating of "2" or higher by the reviewers (Table 37). The numbers were similar on the issue of length of term, which is to say that just below 90 percent made it clear that the region was focused on a set of long-term objectives rather than merely listing short-term goals tied to current projects or the immediate needs of a few local firms. Additionally, nearly 80 percent in some way acknowledged larger regional or state-level issues and how these issues affect the strategic approach being undertaken by the region.

Not surprisingly, most regions also devote a large share of space in the CEDS to project listings, which are required by EDA guidelines. The average CEDS provided a list of 79 projects, of which approximately 17 were considered to be "high" or "top" priority (Table 37). More than one-third of the CEDS did not list the criteria for determining high-priority projects; however,

the reviewers found the methodology to be sound among the majority that did list their project-ranking criteria.

Table 37 Strategies and Planning

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Were regional strengths assessed?	**1.66**	14.3	20.6	**50.3**	14.8
2	Were the region's weaknesses assessed?	1.64	12.7	23.8	**50.2**	13.2
3	Were possible opportunities to the region assessed?	1.56	19.6	18.5	**48.1**	13.8
4	Were possible threats to the region assessed?	1.42	25.4	20.7	**41.2**	12.7
5	Was a formal SWOT analysis conducted including all 4 components (or were the above just discussed informally)? Mark Y or N.	39.4% Yes				
6	Does the strategy list a specific set of goals and objectives?	1.97	6.9	12.2	**58.5**	22.3
7	Does the strategy consider global and international issues?	0.62	**52.4**	32.8	14.8	0.0
8	Does the strategy consider important regional/state issues that are outside of the EDD's borders?	1.36	20.7	30.4	**40.9**	8.0
9	How inclusive is the plan incorporating other state and regional economic development strategies or plans?	1.09	**38.2**	24.0	28.7	9.0
10	Does the plan identify specific private or public investment commitments?	0.93	**45.0**	23.3	24.9	6.9
11	Does the strategy extend beyond the immediate term and/or identify a long-term goal or vision?	1.61	11.2	25.1	**55.2**	8.5
12	How many economic development projects are listed in the strategy?	79.09				
13	How many economic development projects are listed as "vital" or "top" or "high" priority?	17.39				
14	Is the methodology used in setting the priority of the future projects explained?	0.84	**54.0**	16.9	20.1	9.0
15	Is the plan's investment priority setting consistent with the strategy?	1.15	**36.2**	19.7	**36.1**	8.0

Although strategy and planning was generally a strong area in most CEDS documents, there were a few problem areas. As was shown in Table 37, only just over half listed specific public or private investment sources that could be used to move projects forward, which would seem to be a necessity for obtaining the required match for EDA funding. Also, most regions did not acknowledge global economic issues that could affect the region—a theme that was clearly illustrated in the previous section—nor did they tie their strategy to other state and regional economic development plans.

Performance Measures

The inclusion of performance measures was found to be a weakness in many CEDS, despite the fact that EDA guidelines specifically require the inclusion of indicators of job creation, investment generation, and overall economic progress in the region. As shown in Table 38, on the eight measures used in the review it was found that, roughly, between 40 and 50 percent of documents provided no evidence that performance measures had been identified or used to assess regional progress.

Table 38 Performance Measures

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Does the plan provide clear expected outcomes for each investment initiative?	1.01	**39.2**	28.0	24.9	7.9
2	Will the EDD take steps to track the number of jobs created by planned investments?	0.99	**41.8**	25.4	24.3	8.5
3	Will the EDD take steps to track the number of jobs retained by planned investments?	0.88	**46.0**	25.4	22.2	6.3
4	Will the EDD measure the amount of private investment generated?	0.87	**46.6**	24.4	23.8	5.3
5	Does the region track the number of investments and type of investments made in the region?	0.92	**46.0**	20.6	28.6	4.8
6	Is there a plan to track broad changes in the region's economy?	0.82	**49.2**	23.8	22.7	4.2
7	Does the plan include performance measures that monitor the strategy's overall impact?	1.00	**39.2**	28.1	25.9	6.9
8	Is the progress of previous activities assessed?	0.92	**46.3**	21.3	27.1	5.3

NOTE: Bold numbers indicate dominant rating.

It was somewhat surprising to find that many regions have not been measuring their own performance. In addition to meeting agency guidelines, performance assessment could also be beneficial to understanding the long-term performance of the region. As EDA's own guidelines state, "Most Planning Organizations developing a CEDS will benefit from developing additional quantitative and qualitative measures that will allow them to evaluate progress toward achieving the goals identified as important in their regions."[48] Unfortunately, it appears that developing and using performance measures may be a challenge for some regions; therefore, further incentives or technical assistance may be beneficial to improve this aspect of the CEDS process for a large share of EDDs.

Plan Targeting and Resource Identification

The topic of economically distressed populations was examined to see how focused regions were on identifying and helping workers in line with EDA's own focus on promoting wage growth and employment opportunities for displaced workers, hard-to-serve populations, and the unemployed. Many of the reviewed CEDS documents did address the topic through a discussion of the region's unemployment situation and industries that had struggled and laid off workers.

[48] See footnote 1, found on p. 3.

However, few went so far as to identify any specific type of regional resident or worker that could be helped by any of the proposed strategic initiatives.

Reviewers also looked in each CEDS for evidence that the region had identified financial institutions or other local sources of loans and capital that could help support the broad objectives developed as part of the regional strategy. As shown in Table 39, the majority of regions—60.9 percent—did not provide a discussion of possible financing sources in the CEDS. Part of the reason for this omission is certainly the fact that it is not required by EDA guidelines. However, identifying financing sources is an indicator that the region is fully committed to the strategy laid out in the CEDS and could suggest a larger commitment to finding a way to finance projects and move forward in regional development efforts with sources of support other than EDA grant funding.

Table 39 Economically Distressed Populations and Local Financial Support

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Does the plan identify or discuss the region's economically distressed populations?	0.95	**36.0**	**38.1**	21.7	4.2
2	Does the plan discuss the type of resident and worker targeted by the plan?	0.69	**51.3**	30.7	15.3	2.6
3	Is the capacity of financial services/assets discussed—e.g., banks, venture capital funds, etc.?	0.63	**60.9**	20.1	14.3	4.8

NOTE: Bold numbers indicate dominant rating.

Implementation

The final aspect of the CEDS examined in the review process was implementation, which covers the ways regions plan to do the actual work necessary to follow the strategy and meet the objectives laid out in the overall plan. As Figure 40 shows, the ratings generated by the review process provide a mixed picture of how successful regions are in clearly planning and articulating how to implement a regional economic development strategy. Overall, a large majority of regions did a good job of identifying necessary steps for implementation and connecting these steps to broader improvements in areas that are important to EDA.

Most CEDS documents addressed some major issues of importance to regional development: transportation access, environmental issues, workforce development, and technological innovation (Table 40). A smaller majority also listed organizations that would support or engage in implementation and identified specific tasks they would complete as part of the region's larger strategic approach.

On the downside, the majority of CEDS documents failed to provide specifics on resource commitments from local organizations, which was somewhat surprising given that a far larger share of regions do identify specific partners and implementation activities. Part of the issue may be uncertainty regarding costs for projects that are only in the initial stages of planning. Most CEDS documents also did not discuss how the activities listed in the implementation plan might correspond with the objectives of a larger state economic development plan. The lack of consideration for making a connection with the state's economic development plan was not too surprising, though, given that it appears that most regions do not reference or give strong

consideration to these plans when crafting their own strategy, as was discussed earlier in this chapter.

Table 40 Implementation Plan

		Average	Pct 0	Pct 1	Pct 2	Pct 3
1	Are the required steps for implementation of the plan's strategy outlined in the plan?	1.18	23.3	**41.8**	28.6	6.3
2	Will the activities foster effective transportation access?	1.50	12.2	31.2	**50.8**	5.8
3	Is there a plan in place to enhance or protect the environment?	1.29	21.2	32.8	**41.8**	4.2
4	Does the plan address workforce issues?	1.37	15.4	**36.5**	**43.9**	4.2
5	Does the plan discuss the use of any new technology?	1.12	28.0	**36.0**	32.3	3.7
6	Are organizations or agencies identified in the plan as having specific responsibilities for implementation?	1.01	**38.6**	28.1	27.0	6.3
7	Are specific resource commitments from organizations or agencies detailed?	0.75	**52.9**	24.3	17.5	5.3
8	Does the plan discuss how to integrate activities with the state economic development plan?	0.72	**56.1**	21.7	16.4	5.8
9	Is an implementation timeline included in the plan?	0.79	**46.5**	31.8	17.5	4.2

NOTE: Bold numbers indicate dominant rating.

Finally, only just over half of the reviewed CEDS documents contained an implementation timeline (Table 40). Additionally, most of those that did have a timeline received a low rating from the reviewers because the timeline was vague, and usually only presented a range of several years or a classification of activities as being long-, medium-, or short-term in nature. An implementation timeline is not specifically required by official EDA guidelines, however, it was considered to be an expected component since the strategy and planning process by its very nature requires some conceptualization of when activities should occur in order to make progress toward the development objectives.

Summary of CEDS Review Findings

Drawing a conclusion on the quality of CEDS documents created by EDA's Economic Development Districts depends greatly on one's perspective. When viewed in the context of EDA's own guidelines for the development of the CEDS, most regions do quite well. The vast majority of reviewed documents provided ample coverage of the region's economic history, conducted a nice discussion of strengths, weaknesses, opportunities, and threats and how they impact strategy, and provided a long project list with some basic information as to how the activities might be implemented and how each ties to broader regional objectives. Only one exception stood out—performance measures, which were omitted or weak in a large portion of the reviewed CEDS documents. If EDA seeks improvement based only on ensuring that regions adhere to existing guidelines when drafting the CEDS, then incentives or technical assistance related to the identification and use of performance measures could be beneficial.

Another perspective on the CEDS is that it should ideally serve as not just a tool for working with EDA, but as a broader process that encourages regionalism, collaboration, and strategizing that could provide benefits beyond meeting the requirements for collecting federal grant dollars. In other words, if the CEDS is viewed as a process for encouraging regions to better understand regional needs and successfully collaborate on development outside the realm of EDA-funded projects, then there may be additional avenues for improvement. Some opportunities can be identified through the CEDS document analysis, which sought the presence of information that was not always required by EDA guidelines but could otherwise be associated with successful regional engagement. For example, conducting strong outreach to stakeholders, assembling a strong leadership team, measuring project performance, and considering factors from outside one's region that could impact future needs are all activities that should, in theory, lead to more successful development outcomes, but which are not necessarily required under current guidelines.

It should also be noted that the quality of a region's CEDS and the performance of the EDD organization are difficult to tie together. In theory, a high-quality CEDS document should provide direction for the region and indicate that there is cohesion amongst area stakeholders, who were able to agree on a strategic course. However, as discussed in the earlier section on the assessment of EDD activities, successful regions are complex and can be highly influenced by organizational leadership. A review of CEDS documents mostly captures indications of the process of strategy creation and not the ability of the region to actually implement the identified strategy.

Of course, it cannot be stated too often that the importance of these activities is not that evidence is provided in the CEDS document but in actually *performing* the activity. Indeed, many of the CEDS documents that were reviewed by the team may not have contained evidence of the activity only because it was considered unnecessary or even burdensome to document. As is shown in other sections of this report, such as the survey of EDDs, regions have in fact frequently cited the importance of these activities on their own, even if they do not list the activities in the CEDS. Due diligence should be given to ensuring that the focus is on promoting regional engagement in activities that will encourage economic development and not on requiring further formal documentation of activities.

Comparison with Earlier Research on the CEDS

In 2002, Wayne State University released a similar study of EDA's Economic Development District program, which also includes a review of the CEDS. In this section, the findings of the review of the CEDS are compared and contrasted with the findings on CEDS as published in the Wayne State University study and by authors Reese and Fasenfest (2003) in *Economic Development Quarterly*.

Although there are differences between the methodology of this study and the study conducted for EDA by Wayne State University, both research approaches employed a review of the content of a sample of CEDS documents. The methodology for collecting the CEDS documents differed slightly, however, as this study selected the CEDS documents for review by using both factor analysis and a random sample approach, while Reese and Fasenfest used CEDS documents

returned by EDDs that had participated in a survey. Both methodologies produced a large sample of CEDS documents for review. Additionally, the methods and approach to content review also likely varied considerably. Still, the two studies both agree on several major points regarding the CEDS documents:

- **The CEDS is strong on strategy.** As stated earlier in this chapter, this study found the planning and strategy aspect of the CEDS document to be its strongest overall feature, with the majority of reviewed documents scoring high on the review measures. Reese and Fasenfest also found that "in 63 percent strategies were very detailed; 28 percent were somewhat detailed. Strategies were not detailed well at all in only 9percent."[49]
- **The composition of the CEDS committee is not always representative of all stakeholders.** Reese and Fasenfest found in their survey of committee members that "CEDS committee members were more likely to indicate that some important local groups were not well represented in the process (32 percent) and that some groups disproportionately controlled the CEDS process (25 percent)."[50] This study's content analysis of CEDS documents arrived at a similar finding, as illustrated by the low review ratings on stakeholder diversity and recruitment, as well as the relatively small share of representation economic developers have on most CEDS committees.
- **The CEDS is detailed in its description of the region.** Reese and Fasenfest state that "most of the EDDs provided very detailed descriptions of their areas in the CEDS; 45 percent had very detailed descriptions and another 35 percent had somewhat detailed descriptions."[51] Our review of CEDS documents agrees with this statement to the extent that most regions provided a detailed text description, which often included a regional history and basic economic data on the region. However, a lengthy or detailed description is not the same as a regional description that covers all of the appropriate topics necessary for a strategy document. As documented earlier in this chapter, many CEDS documents lacked information on the region's occupations, the needs of major employers, emerging industries, and the region's ties to a globally competitive economy, which received low ratings in the review process.

On some factors, however, the findings on the quality and content of the CEDS documents differed between the two studies. The following are the major points of disagreement between the two studies on the topic of CEDS quality:

- **The connection between needs, strengths, and weaknesses and the goals of the region.** The Wayne State study draws a split conclusion on the relationship made in CEDS documents between the listed goals and the supporting evidence provided by the regions. As one of their key findings indicates, "there is a high level of correspondence between the needs described in the CEDS and the goals identified."[52] However, the authors later state that "there is some disjuncture between what the CEDS identifies as the EDD's greatest weaknesses and the policies that are actually pursued." We agree more strongly with the latter statement. Although the analysis in this report shows that

[49] Reese and Fasenfest, *Economic Development Quarterly*: 272.
[50] Ibid., 270.
[51] Ibid., 271.
[52] Fasenfest and Reese, "Evaluation of EDA's Planning Program: Economic Development Districts," 56.

regions do a good job of creating cohesive, long-term, and evidence-based strategies, it is also evident that the majority of CEDS do not fully explain the connection between regional attributes, strategic goals, and implementation plans. As shown earlier in this chapter, most of the reviewed documents scored quite low on factors such as identification of stakeholder groups targeted by the plan (Table 39), methodology for project prioritization (Table 37), and inclusion of performance measures (Table 38); these could ideally be more directly tied to the findings of the SWOT analysis and economic analysis.

- **The consistency and quality of the CEDS documents as a group.** According to the findings in the Wayne State study, there was "no significant regional variation in the quality or currency of CEDS documents. Overall, the CEDS documents appear to be high-quality planning documents."[53] The analysis in this report differs and indicates that there is a fairly high level of variance between individual CEDS documents. Many of the CEDS documents reviewed by the team received high marks; however, a substantial portion received low ratings in several important categories, most notably performance measures (which are required to be included according to EDA guidelines), implementation, and project lists.

[53] Ibid.

Results of the Focus Group Sessions

This section of the report summarizes the outcomes resulting from discussions with economic development stakeholders as to the effectiveness of the EDA-funded EDDs and the CEDS. The purpose of the facilitated sessions was to gather input from two major economic development stakeholder perspectives on the CEDS process and the effectiveness of the EDDs in promoting regional development.

The focus groups were conducted during the annual meetings of two national conferences that were populated by two different stakeholder groups. The National Association of Development Organizations (NADO) is made up primarily of EDDs and the staff attending these focus groups represented an "inside" perspective on EDA's current EDD and CEDS programs. The second focus groups took place at the International Economic Development Council's (IEDC) annual meeting and were populated by representatives from the types of economic development organizations that may work with EDDs on regional development efforts, as well as potentially use or participate in the development of the CEDS. Together, the perspective of participants from these two groups can be taken to represent a composite "economic development stakeholder" perspective on EDA's current programs.

Setting for the Focus Group Sessions

NADO Focus Groups

The focus groups conducted with members of NADO occurred at the organization's annual meeting, held August 28-31, 2010, in San Diego, California. NADO's membership is made up of 520 regional planning and development organizations across the United States; most EDA-funded EDDs are NADO members.

Participation in the focus groups was open to all conference attendees and the focus group sessions were publicized to NADO members in a pre-conference email and in printed materials handed out during conference registration. The research team led each focus group through a two-hour session, addressing one question per hour. Tables of eight participants were allowed time to discuss each question and then report responses to the entire group. Individual and small-group sessions were scheduled for the second and third days of the conference for those participants wanting more time to interact and share their thoughts with the project team.

While the town hall session was advertised to members in advance, the results may be affected by a self-selection bias. It is possible that participants chose to attend because of a greater interest in or experience with the topic when compared to other attendees of the annual meeting. There was also a wide scope in geographic coverage among the town hall participants, but the research team was not able to ensure equal representation based on any participant variables such as geography, region, size of EDD, or urban/rural/other in composition. Participation in the town hall meeting was also affected by competing annual-meeting activities.

IEDC Focus Groups

Members of the research team facilitated focus group discussions at the IEDC annual meeting, which was held in Columbus, Ohio on September 26–28, 2010. IEDC membership is composed of more than 4,500 economic development professionals from across the United States and from other nations. Many IEDC members partner with EDA-funded EDDs to accomplish economic development initiatives.

The purpose of these focus groups was to gather perceptions on the role(s) of EDDs with regard to economic development and the usefulness of the CEDS in guiding regional economic development activity. A total of four one-hour sessions were conducted, two concurrent morning sessions and two concurrent afternoon sessions. Focus group participants were limited to only non-EDD organizations with an EDD located within their organization's service area. The observations of the focus group participants should not be perceived as representative of all IEDC members, but rather representative of only the focus group participants. Still, the participant responses suggest several programmatic priorities for consideration by EDA.

It should be noted that, as with the NADO town hall meeting, the focus group results may be affected by a self-selection bias in that participants may have had a greater interest in or experience with the topic when compared with other annual meeting attendees. Furthermore, it appears that the participants were representative of a wide geographic scope; however, the research team was not able to control the representativeness of the participant sample based any participant variables such as geography, region, size of organization, or urban/rural/other in composition. Participation in the focus groups also may have been affected by competing activities and available choices for alternative use of time during the focus groups.

Observations from the Focus Group Sessions

The following bullets summarize the main themes discussed during all of the focus group sessions, followed by specific examples or observations provided by participants.

General Observations on the Programs and on EDA

- **Regions desire timely and transparent decision making on submitted requests for the funding of public infrastructure projects.** Economic development projects are often time sensitive, and long application process times can have a negative impact on the success of the project. Moreover, several EDD representatives commented that the decision-making process was inconsistent, so it was hard for them to know which projects were likely to receive funding. On a side note, the requirement that a business has to be identified limits the number of projects for which EDA funding can be used. Overall, there is a fear that EDA's Washington, DC, office is trying to control the decision making, which should remain at the regional level. This is tied to the second area of concern: that there is a disconnect between Washington and the EDDs where "the rubber hits the road."

- **Politics are a concern.** Stakeholders stated that the regional, state, and national politics interfere with the funding process and the priority of funding projects. Participants also indicated that projects should be funded based on merit, not political priority, and stated that this is why they "back away" from accessing the EDDs for funding assistance. Others noted that the "speed of business" has changed and that the response time for project funding should keep pace.

- **Some felt a need for improved communications with EDA.** Several representatives commented that the EDA does not have a clear vision of its overall mission. This hinders the effectiveness of the EDDs. Several believe that there should be greater recognition from the national office on what is happening in the local communities. Others point to the need for better "customer services" toward the EDDs by EDA. These include commitments by EDA regional offices to 1) return phone calls and e-mails within 24 hours, 2) provide a backup field representative, and 3) offer training and program-related workshops and feedback. Finally, some EDDs are frustrated because they do not know what their future role will be with EDA.

  There was great concern voiced that the EDDs will no longer be the gatekeepers on applying for EDA funding. In the past, the EDD was the "soldier in the field," whereas the CEDS committees represented the region's economic development stakeholders. But with the application process change that was introduced last October 1, applications can come from anyone and go directly to the regional office. Some fear that the partnership between EDA and the EDD has been seriously damaged by this change.

- **There is a perceived rural vs. urban divide.** Representatives from rural EDDs believe that they are at a disadvantage when it comes EDA funding. Several stakeholders requested that a set amount of funding be set aside for rural development projects. Urban areas, they argue, have more resources available to fund the local match on infrastructure grants. In addition, rural areas are at a disadvantage because in many rural settings the existing planning grant is too small to run an effective stand-alone program. Other stakeholders noted that the EDDs might need to redefine their boundaries and consider the urban/rural dichotomy. Some were concerned that the EDD boundaries are static and "don't match realities" of today's economic development environment.

- **Greater flexibility in EDA regulations is always welcome.** Stakeholders requested that EDA allow greater flexibility for match requirements and lower the local match requirement, as well. It is argued that EDA should focus on the quality of the project instead of the availability of a local match.

Observations on the Role of the EDD

- **Independent economic development organizations and EDDs do not always have strong relationships.** The participants revealed instances where the counties and the EDDs did not have any relationship with each other or work together on projects, and where some EDDs and county economic development organizations were "butting heads." One respondent commented that, because of the lack of any economic development organizations in this particular region, the EDD gradually assumed this role;

however, as the counties began to form their own organizations, the EDD was reluctant to give up this role. One economic development organization stated that it did not have a relationship with any of its EDDs because there were three EDDs within its region, thus making it difficult to utilize them for funding. Other participants stated that there seemed to be no coordination between the EDDs and broader economic development efforts. The participants indicated that the EDDs did not partner with larger economic development units and were reluctant to bring economic development practitioners into the process, yet were somewhat helpful in obtaining EDA funding. One participant, however, stated that his EDD was very successful in obtaining EDA grants for more than 20 years and that the local area's relationship with the EDD was strong.

- **The function and role of the EDDs is not always clear to all in the region.** Some participants stated that they were unclear as to the role(s) of EDDs, noting that the missions of some EDDs contributed to this because they lacked clarity in defining their function. The fact that EDDs are often housed in organizations with multiple roles may also compound the problem. For example, EDDs were sometimes viewed by economic developers as organizations more focused on planning than economic development activities; as such, the EDDs can suffer from a perception that they are not well-qualified economic development professionals.

- **The staffing at EDDs is both important and challenging.** Stakeholders believe that most EDDs are too understaffed. One participant said that he goes directly to the EDA regional office with grant applications rather than working with his local EDD. Focus group participants suggested that the EDDs have limited ability to interact with their constituents and provide capacity for economic development activities because of limited staffing or funding for these types of activities.

Observations on the Role of the CEDS

- **Concerns about the CEDS are varied.** Most stakeholders expressed some form of concern about the CEDS; however, the ideas for improvements were highly varied. For example, some suggested that EDA mandate a uniform template for the CEDS document, while at the same time others indicated that the CEDS should be locally made and it was asserted that a cookie-cutter approach would be wrong. Others commented that a major problem with the CEDS is that it is "empty-handed" as an implementation plan if EDA is not a key funder of economic development projects. In the past EDA was a major funding source; now it is used primarily for project gap financing and furthermore, applicants may now technically apply for funding without going through an EDD.

  Several suggested reducing the CEDS to a summary, 10-page document rather than a statistical document for the region. Some recommended that the CEDS should become a continually updated process throughout the year and include all projects that are important to the individual district. Many agreed that EDA could provide a better definition of how to use the CEDS and how to coordinate it with other agency plans for a more comprehensive approach. Overall, the theme here was that any changes to the CEDS should focus on encouraging simplicity, flexibility, and usefulness to a broad range of regional stakeholders.

- **The CEDS is not used enough.** It was the general consensus of the focus group participants that the CEDS is not used often enough as a comprehensive planning document for economic development and that the CEDS document is not taken seriously enough as an economic development plan. Some even stated that the CEDS in its current form was useful only for EDA funding and that it should be a meaningful document for participation, with benefits accruing to all involved. A few participants stated that the only time they would refer to the CEDS was to make sure that the grant application project was on the CEDS project list. Among stakeholders from outside the EDD, there were even participants that indicated they did not know of a CEDS or how to obtain one. Still, others observed that the CEDS process is more consumed with data collection than with strategy and how the document could be effective.

  However, there were participants who stated that the CEDS was especially significant in rural areas and could be a document of value if properly composed. A frequent suggestion was that the CEDS document should serve as the primary document for conducting economic development and that this could be achieved by collaborating, planning, and strategizing with EDO partners. Another recommendation of the participants was to include private-sector stakeholders as primary participants in the CEDS process. The participants also recommended that the EDDs should become central information centers for communities and keep up-to-date on economic trends and conditions within their regions.

- **Economic development practitioners need to understand the CEDS.** The stakeholders indicated that the CEDS was not well understood or valued within some practitioner communities. Even among those participants who stated that they participate in the CEDS process, some viewed the process as more of a wish list of projects and not as a strategy. Also, in some regions, it was observed that the CEDS process didn't appear to be inclusive of practitioners. For example, many of the stakeholders who are economic development professionals noted that they were not involved in the creation of the CEDS for their respective regions. One participant mentioned that she asked her EDD if it would incorporate her organization's strategy into the CEDS, but was told that the EDD wouldn't recognize nor incorporate it into the CEDS.

Summary of Stakeholder Focus Group Findings

Focus group participants from both the NADO and IEDC groups had much to say about their perceptions of and experiences with EDA's Partnership Planning Program, as was presented throughout this chapter. In this section, the most important and most frequently discussed issues are highlighted. The findings should not be construed as an assessment of the EDDs or the CEDS, but should be taken as representative of the perspectives of two major stakeholder groups that both depend upon and work with EDA.

- **Stakeholders agree that the most effective EDDs are well funded, well staffed, and represent wide regional interests.** Some stakeholders from both groups expressed concerns that current funding levels challenge the effectiveness of EDDs; however, they

were mostly realistic about the prospects for funding increases. Stakeholders from the economic development community suggested that no-cost or low-cost changes, such as redefining regional boundaries, increasing private sector involvement, and staff training, could be beneficial to the EDDs. To put it another way, while everyone recognizes that the federal budget will probably not allow for increased EDD funding anytime soon, changes and improvements to the program are still anticipated by stakeholders in the form of modifications to guidelines and processes.

- **EDDs and independent economic development organizations don't always work well together.** Economic developers sometimes disagree on regional priorities and can be competitive. Some economic development organizations don't view EDDs as "real" economic developers because they don't engage in the same types of retention and attraction activities. Still, economic development organizations do recognize the benefits of EDDs and EDA funding, and many have long-standing collaborative relationships.
- **The stakeholders agree that the CEDS should become a shorter, more current document that is truly used to guide regional strategy.** Most stakeholders agreed that the value of the CEDS could be increased by making it a current source of regional data and as a tool for bringing regional parties together to collaborate. Concerns about the current document being "unclear" in purpose and suggested that more guidance from EDA would be helpful, as long as it did not result in a constrictive or "cookie cutter" approach. The CEDS can be both a collaboration-building process for stakeholders to come together to envision economic strategy, as well as a guiding document for action; anything that increases the conciseness, directness, usability, and flexibility of the CEDS would be viewed as improvements by the stakeholder groups.
- **Communication is very important to success.** Stakeholders indicated that they desire more and faster feedback on their activities. Economic developers expressed concern that businesses need faster decisions on projects submitted for funding. EDD stakeholders indicated that feedback on their planning activities and on submissions for project funding help improve their efforts.

Case Studies of EDD Best Practices

This section provides an overview of the approach used to conduct small-scale case studies of EDDs and a summary of findings synthesized from the overall site visit experience. Detailed information on each of the individual site visits is provided in Appendix F.

Case Study Methodology

Twelve economic development districts were selected as being among the most effective in the nation and within their EDA regions, based on recommendations from NADO and EDA staff. Based on the NADO and EDA recommendations, the project team selected 12 EDDs for case study visits with the goal of identifying best practices that could be transferrable to other regions across the nation. It is EDA's intent to promote these best practices nationally to all EDDs. The EDDs visited by the project team are listed in Table 41, below.

Table 41 List of Site Visit EDDs

EDA Region	EDD	EDD Director
Atlanta	Three Rivers Planning & Development District, Pontotoc, MS	Randy Kelley
Atlanta	Land-of-Sky Regional Council, Asheville, NC	Joe McKinney
Atlanta	Treasure Coast Regional Planning Council, Stuart, FL	Michael J. Busha
Austin	Mid-Region Council of Governments, Albuquerque, NM	Dewey Cave
Austin	Capital Area Council of Governments	Betty Voights
Chicago	Western Upper Peninsula Planning & Development, Houghton, MI	Kim Stoker
Chicago	Northwest Regional Planning Commission, Spooner, WI	Myron Schuster
Denver	Boonslick Regional Planning Commission, Warrenton, MO	Steve Etcher
Denver	Bear Paw Development Corporation, Havre, MT	Paul Tuss
Philadelphia	North Country Council, Bethlehem, NH	Michael King
Philadelphia	Eastern Maine Development Corporation, Bangor, ME	Michael Aube
Seattle	Mid-Columbia Economic Development District, The Dalles, OR	Amanda Hoey

Project team members visited 11 of the 12 best-practice EDDs to learn how each is effective and successful within its region.[54] The EDDs were asked to host a one- or two-day site visit that would include interviews with selected stakeholders representing instrumental economic development organizations within the EDDs' geography (such as private sector, economic development community, chambers of commerce, two- and four-year colleges and universities, legislative aides or representatives, and workforce development organizations). Interviews were conducted at the EDDs, and the same questions were asked of all those interviewed and at all locations. Questions were sent in advance to the EDDs for distribution to the interview candidates. The protocol for the interviews can be found in Appendix E.

Unlike other research activities undertaken for this study, these case studies do not attempt to assess the performance of the EDDs. Instead, the 12 regions selected were assumed to be top performers based on the recommendations received from NADO and from EDA staff in the regions and in Washington, DC. Therefore, the research conducted during the site visits was designed to explore what common traits these high-performing regions share that can be

[54] At the request of the Western Upper Peninsula Planning and Development Region in Houghton, Michigan, we conducted a telephone interview with that organization.

connected to successful regional economic development outcomes. Ideally, these findings represent "lessons learned" that can potentially be adopted by other EDDs.

Summary of Site Visit Findings

From our discussions with the 12 Economic Development Districts, one resounding theme rang clear:

Economic development is a team sport—leave your ego at the door.

The successes of the best-practice EDDs emanate from the strength of their partnerships. These EDDs are nonparochial in economic development initiatives, capable of leading in efforts to foster and build symbiotic relationships between all stakeholders, whether public or private. They are consistent yet flexible in their strategies, often transcending the environments of changing elected leaders. Their executive leadership and staff are well respected, trusted, responsive, and knowledgeable, and willing to take educated risks on new ventures. These EDDs are viewed as the conveners of programmatic activities, and as the pivotal entities for bringing people together and projects to fruition. Their comprehensive economic development strategies (CEDS) are not merely documents outlining action plans and wish lists, but practices that are underway within their communities, such that they would continue even if they were not written.

There were five characteristics inherent among all 12 regions that support this overarching theme:

1. **Consistent vision:** The EDDs have well-placed, strategic leaders who have followed a vision over the history of the EDD that has transcended political economic climates and changing elected leadership. The EDDs are able to create and implement a vision over time that may, in fact, be responsive to changing economic conditions while continuing to stay focused on a relatively constant path. The leadership of the EDDs is consistent and stable, having had relatively low turnover in this position throughout the history of the EDD.

2. **Entrepreneurial leadership**: The executive leadership (directors, board members) is willing to be conceptually entrepreneurial and is not averse to taking educated risks relative to new ventures or programs. Both the leadership and the staff are regionally respected, connected, and well networked, and are responsive to their constituents and stakeholders. Because of their nonparochial philosophies, these EDDs are trusted to act regionally by their communities.

3. **Central and pivotal:** The EDDs are seen as the focal point or the convener within their communities. Whether the roles they serve are those of fiscal agents or administrators, as central points for data information services and research, or as the "go to" people for those without resources, the EDDs are the central point in the network. These EDDs recognize and convene the appropriate people within their communities—the key

stakeholders—to get things done. In most cases, the EDDs under review have fulfilled most or all of the aforementioned roles.

4. **CEDS is a living document**: For each of these best-practice EDDs, the comprehensive economic development strategies are well-formalized, well-constructed documents that are regularly revised, regularly referenced, and used as a standard or measure across the region. The CEDS is regionally utilized and is implemented and derived by regional consensus: some have been public sector led, some public/private-sector led, and some private sector led, but all have been regionally contrived. The EDD and the CEDS have been accountable as to what is contained within the document and implemented within the region. Some EDDs have qualified the projects contained within their CEDS, in that these projects were "shovel ready" when funding was received. It has been evident that all involved in the CEDS received equal treatment, whether rural, exurban, suburban, or urban—the thought being that if the project was good for the region, then it was good for the surrounding communities and counties. The constituency involved in the CEDS is spatially broad based, ethnically diverse, and has included both public and private participation.

5. **Programmatically innovative**: The entrepreneurial leadership of these EDDs has guided them to setup and implement systems and programs that were innovatively responsive to the needs of their regional markets. Knowing their communities and partners so well, each of these EDDs was able to create and innovate programs that addressed dire needs within their regions. For example, Northwest Regional Planning Commission (Spooner, WI) invested in a series of incubators and created a venture capital fund and equity firm in response to market demand to help businesses develop and grow. At Three Rivers Planning and Development District (Pontotoc, MS), the EDD had the visions to develop innovative programs to meet community needs with regard to garbage collection, landfill operations, home health care services for the elderly, providing utility billing and accounting services, and Internet services to local governments.

Appendix Contents

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This appendix section describes the results of a factor analysis conducted using a series of demographic and economic variables that could be collected for the EDDs from public data sources. The purpose of this analysis technique is twofold. First, factor analysis allows the categorization of observations (in this case EDD regions) based on statistically similar traits. The grouping of EDDs into factor groupings is beneficial because it helps ensure that a sample representative of all different environments can be drawn for the analysis of CEDS documents. Second, factor analysis can group many individual variables into related groups based on the level of correlation, which provides some insight into what factors are common or not common across groups of regions. In short, factor analysis was used to help identify CEDS to review that would be representative of not only geographic regional diversity, but also the full range of socioeconomic issues that regions face, as well as the full range of resources that they might possess.

The factor analysis was conducted using 28 variables that are available for all 382 EDDs. Factor analysis identifies a small number of common factors from a larger set of variables; in essence it seeks to discover if the observed variables can be explained largely or entirely in terms of a much smaller number of variables. In this case, the analysis collapsed 28 variables into 8 independent factors, as detailed in Table A1. It is important to point out that these factors are not absolute and others factors may be equally valid; therefore, we do not claim that our list of factors is a complete description of the economic development environment for each of the EDDs. Rather, we submit that after several iterations of analysis, these factors appear to be the ones that best summarize the large set of variables associated with unique regional economic environments.

The factors and their "factor loadings" are shown in Table A1. In order to determine which variables should be included with each factor, we look across the row for each variable and determine which factor loading has the highest absolute value (positive or negative). We assign the variable with the largest value to that particular factor (i.e., column). The column headings represent general terms selected by the research team to describe the common nature tying together the variables that have similar factor loadings.

Following Table A1, a brief description of each factor is provided, along with a listing of regions that have high loadings on the identified factor. Together, these EDD regions combine to form the list of representative regions from which the team collected CEDS documents for review. A full list of the actual CEDS reviewed is included in Appendix B.

Table A1 Factor Analysis Results for EDD Regions

Variable	Poverty	Hispanic	Educate	Earn	Urban	Rural	Race	Native Am.
Percent below poverty	-0.940	0.160	0.044	-0.075	-0.032	-0.021	0.205	0.113
Percent children living in poverty	-0.882	0.175	-0.065	-0.181	0.006	-0.064	0.284	0.141
Household income	0.837	0.162	0.158	0.320	0.189	-0.200	0.038	0.021
Per capita income	0.796	0.081	0.328	0.080	0.285	-0.231	0.087	-0.075
Percent less than high school	-0.747	0.164	-0.391	-0.066	0.095	-0.123	0.205	-0.235
Labor force participation	0.701	-0.040	0.139	0.558	0.017	0.311	-0.065	0.025
Unemployment rate	-0.629	0.218	-0.038	-0.071	-0.132	-0.406	0.094	0.352
Some college	0.559	0.061	0.159	-0.054	-0.068	0.092	-0.122	0.356
Percent on public assistance	-0.535	0.272	-0.121	-0.053	-0.111	-0.240	-0.106	0.428
Percent foreign-born, naturalized	-0.014	0.907	0.122	0.102	0.132	-0.042	-0.007	-0.060
Percent Hispanic	-0.273	0.896	0.019	0.123	-0.070	0.082	-0.067	-0.020
Foreign-born, noncitizen	0.088	0.868	0.145	-0.026	0.195	-0.152	-0.013	0.026
Percent with a high school diploma	0.043	-0.520	-0.518	-0.219	-0.092	0.036	-0.273	-0.225
Percent with doctorate degree	0.004	0.036	0.816	0.255	0.042	-0.081	-0.099	-0.131
Percent with master's degree	0.279	0.156	0.776	0.204	0.192	-0.232	0.024	-0.025
Percent with bachelor's degree	0.523	0.160	0.680	0.256	0.132	0.104	0.085	0.152
Percent with professional degree	0.381	0.282	0.665	0.031	0.283	-0.100	0.091	-0.013
Percent receiving Social Security	-0.192	-0.184	-0.258	0.872	-0.093	0.102	-0.136	-0.111
Percent of households earning wages	0.456	0.164	0.152	0.829	0.113	0.039	0.116	-0.007
Dependent population	0.013	0.213	-0.417	-0.520	-0.215	0.449	0.015	0.256
Urbanized cluster	-0.061	-0.005	-0.101	-0.125	-0.824	0.160	-0.052	0.023
Urban cluster	0.200	0.327	0.290	0.203	0.746	-0.110	0.159	-0.044
Density	0.303	0.266	0.209	-0.044	0.488	-0.225	0.121	-0.120
Rural farm	0.076	-0.190	-0.189	-0.174	-0.257	0.721	-0.229	0.036
Percent of land in farms	0.008	0.030	-0.140	0.127	-0.220	0.668	-0.104	-0.014
Percent black	-0.244	-0.120	0.009	0.110	0.120	-0.127	0.916	-0.144
Percent white	0.396	-0.579	-0.044	-0.217	-0.045	0.056	-0.614	-0.164
Native American	-0.120	-0.057	-0.022	0.078	-0.034	0.042	-0.086	0.887

Highlighted values indicate loading values of variables that compose each factor.

Poverty: The variables associated with poverty or low-income earning potential loaded negatively onto this factor—percentage below poverty, percentage of children living in poverty, percentage with less than a high school degree, unemployment rate, and percentage receiving

public assistance. The remaining variables loaded positively. Statistically, this factor is significantly related to population growth in the region. Table A2 shows the EDD regions that were selected based on their negative score on this factor, i.e., the represented low-income regions.

Table A2 Poverty Factor

EDA region	Name of EDD	Factor score
Austin	South Texas Development Council	-3.713
Austin	Lower Rio Grande Valley Development Council	-3.614
Atlanta	Kentucky River Area Development District	-3.593
Atlanta	Cumberland Valley Area Development District	-3.222
Atlanta	Big Sandy Area Development District	-2.990
Austin	Middle Rio Grande Development Council	-2.622
Austin	Northwest New Mexico Council of Governments	-2.415
Atlanta	South Delta Planning and Development District	-2.316
Austin	South Central New Mexico Council of Governments	-2.220
Austin	Brazos Valley Council of Governments	-2.173
Atlanta	Lake Cumberland Area Development District	-2.119
Atlanta	Alabama-Tombigbee River	-2.064
Atlanta	North Central Mississippi Planning and Development District	-1.995
Atlanta	Gateway Area Development District	-1.966
Philadelphia	Region II Planning and Development Council	-1.900

Hispanic: This factor is positively correlated with employment, income, and population growth. Although the factor has been labeled "Hispanic," the data also includes foreign-born (noncitizens and naturalized) as well. The following are the top 15 EDDs according to this factor (Table A3). Since there is significant overlap between this group and the poverty group, only three new, non-duplicated EDDs were added to the sample as a result of this factor.

Table A3 Hispanic Factor

EDA region	Name of EDD	Factor score
Austin	South Texas Development Council	6.612
Austin	Lower Rio Grande Valley Development Council	5.992
Atlanta	South Florida Regional Planning Council	5.530
Austin	Middle Rio Grande Development Council	5.505
Austin	West Texas Economic Development District	5.472
Austin	South Central New Mexico Council of Governments	3.345
Seattle	SouthEastern Arizona Governments Organization	2.922
Austin	Southwest New Mexico Council of Governments	2.761
Seattle	Big Bend Economic Development Council	2.660
Seattle	Yuba-Sutter Economic Development Corporation	2.588

Education: This factor, which includes variables related to educational attainment and professional occupations, is significantly related to income, employment, and population growth. Table A4 shows the top 10 EDDs according to their education factor score.

Table A4 Education Factor

EDA region	Name of EDD	Factor score
Seattle	Palouse Economic Development Council	4.761
Chicago	East Central Illinois Economic Development District	3.895
Denver	Northern Rocky Mountain Economic Development District	3.594
Philadelphia	Metropolitan Area Planning Council	3.460
Philadelphia	New River Valley Planning District Commission	3.418
Austin	North Central New Mexico Economic Development District	2.926
Austin	Brazos Valley Council of Governments	2.740
Atlanta	Apalachee Regional Planning Council	2.530
Atlanta	North Central Florida Regional Planning Council	2.420
Denver	Bitter Root Economic Development District	2.303

Earnings**:** The factor titled "earnings" in Table A1 was composed of the percentage of persons who receive Social Security, the percentage of households with wage earnings, and the percentage of persons who are younger than 18 or older than 65. The relationship between these variables was not strong nor easily defined; therefore, this factor was not used in the process of selecting EDDs from which to draw the CEDS sample.

Urban and Rural: EDDs in urban and rural environments face their own unique economic development opportunities and challenges. Statistically, both rural and urban measures have a significant relationship with population growth; however, the direction of the relationship varies. Urban environments are positively associated with population growth, which is a fact well supported by research literature on industrial clustering and on the "creative class" that typically inhabits more urban locations. Conversely, rural areas unfortunately are associated with

population decline. We included all 30 of the listed EDDs shown in Table A5 in the CEDS review sample.

Table A5 **Urban and Rural Factor**

EDA region	Name of EDD	Factor score
	Urban Regions	
Philadelphia	Southeastern Regional Planning & EDD	2.653
Philadelphia	Merrimack Valley Planning Commission	2.141
Atlanta	Treasure Coast Regional Planning Council	2.121
Atlanta	Tampa Bay Regional Planning Council	2.112
Atlanta	Southwest Florida Regional Planning Council	1.939
Atlanta	South Florida Regional Planning Council	1.899
Philadelphia	Metropolitan Area Planning Council	1.881
Austin	Southeast Louisiana Economic Development District	1.854
Philadelphia	BCKP Regional Intergovernmental Council (Region 3)	1.735
Philadelphia	Old Colony Planning Council	1.728
Atlanta	Northern Kentucky Area Development District	1.725
Atlanta	East Central Florida Regional Planning Council	1.648
Chicago	Northeast Ohio Four County Regional Planning & Dev. Org.	1.630
Atlanta	Western Piedmont Council of Governments	1.581
Philadelphia	Montachusett Regional Planning Commission	1.580
	Rural Regions	
Denver	Central Nebraska Economic Development District	3.800
Denver	Planning & Development District III	2.729
Denver	Snowy Mountain Development Corporation	2.650
Denver	Eastern Plains Economic Development Corporation	2.524
Denver	Great Northern Development Corporation	2.382
Chicago	Southwest Regional Development Commission	2.244
Denver	Roosevelt-Custer Regional Council	2.243
Denver	South Central Dakota Regional Council	2.225
Denver	Northeast Council of Governments	2.182
Denver	Upper Explorerland Regional Planning Commission	2.148
Denver	First District Association of Local Governments	2.090
Denver	Northeast Nebraska Economic Development District	2.028
Denver	Region XII Council of Governments	2.026
Denver	Northwest Kansas Planning and Development Commission	2.015
Chicago	Upper Minnesota Valley Regional Development Commission	2.007

Race and Native American: These two factors, previously illustrated in Table A1, contain few variables and do not show a clear relationship with issues of strong importance to an analysis of economic development issues, such as employment or population growth. Both factors address the issue of diversity and the issue of working with unique tribal needs, which are relevant to the operation of EDDs; however, neither was used in the CEDS sample selection process.

CEDS documents from the following regions were reviewed by the research team.

- Alabama-Tombigbee River
- Apalachee Regional Planning Council
- Arrowhead Regional Development Commission
- BCKP Regional Intergovernmental Council (Region 3)
- Beartooth Resource Conservation and Development Area Inc.
- Bel-O-Mar Regional Council
- Big Sandy Area Development District
- Bitter Root Economic Development District
- Brazos Valley Council of Governments
- Central Florida Regional Planning Council
- Central Mississippi Planning and Development District
- Central Oklahoma Economic Development District
- Central Savannah River Regional Development Center
- Coordinating & Development Corporation
- Cumberland Plateau Planning District Commission
- Cumberland Valley Area Development District
- East Alabama Regional Planning and Development Commission
- East Central Florida Regional Planning Council
- East Central Illinois Economic Development District
- Eastern Indiana Development District, New Castle
- Eastern Maine Development Corporation
- Eastern Plains Economic Development Corporation
- Eastern Upper Peninsula Regional Planning and Development Commission
- First District Association of Local Governments
- First Tennessee Development District
- FIVCO Area Development District
- Five County Association of Governments
- Gateway Area Development District
- Golden Crescent Regional Planning Commission
- Great Northern Development Corporation
- High Country Council of Governments
- Indian Nation Council of Governments
- Kentucky River Area Development District
- Lake Cumberland Area Development District
- Low Country Council of Governments
- Lower Rio Grande Valley Development Council
- Lower Savannah Council of Governments
- Mark Twain Regional Council of Governments
- Merrimack Valley Planning Commission
- Metropolitan Area Planning Council
- Mid-Minnesota Development Commission
- Mississippi River Regional Planning Commission

- Montachusett Regional Planning Commission
- New River Valley Planning District Commission
- North Central Florida Regional Planning Council
- North Central Illinois Council of Governments
- North Central Mississippi Planning and Development District
- North Central New Mexico Economic Development District
- North Central Wisconsin Regional Planning Commission
- Northeast Council of Governments
- Northeast Nebraska Economic Development District
- Northeast Ohio Four County Regional Planning and Development Organization
- Northern Kentucky Area Development District
- Northern Rocky Mountain Economic Development District
- Northwest Kansas Planning and Development Commission
- Northwest New Mexico Council of Governments
- Northwest Tennessee Development District
- Old Colony Planning Council
- Palouse Economic Development Council
- Panhandle Area Council
- Planning and Development District III
- Region 10 League for Economic Assistance and Planning
- Region I Planning and Development Council
- Region II Planning and Development Council
- Region XII Council of Governments
- Roosevelt-Custer Regional Council
- Snowy Mountain Development Corporation
- South Central Dakota Regional Council
- South Central New Mexico Council of Governments
- South Central Oregon Economic Development District
- South Delta Planning and Development District
- South Florida Regional Planning Council
- South Texas Development Council
- Southeast Alabama Regional Planning and Development Commission
- Southeast Iowa Regional Planning Commission
- Southeast Louisiana Economic Development District
- SouthEastern Arizona Governments Organization
- Southeastern Economic Development Commission
- Southeastern Regional Planning and Economic Development District
- Southern Alleghenies Planning and Development Commission
- Southwest Florida Regional Planning Council
- Southwest Iowa Planning Council, Atlantic
- Southwest Regional Development Commission
- Southwestern Illinois Metropolitan and Regional Planning Council
- Southwestern Wisconsin Regional Planning Commission
- Tampa Bay Regional Planning Council

- Treasure Coast Regional Planning Council
- Upper Explorerland Regional Planning Commission
- Upper Minnesota Valley Regional Development Commission
- West Alabama Regional Commission
- West Central Indiana Economic Development District
- West Michigan Regional Planning Commission
- Western Piedmont Council of Governments
- Withlacochee Regional Planning Council
- Yuba-Sutter Economic Development Corporation

The following data variables were taken from the U.S. Census Bureau, 2000 Census, using electronic access at americanfactfinder.com.

- Total population
- Population by race and Hispanic or non-Hispanic origin
- Poverty (persons in poverty / universe for which poverty status is determined)
- Children in poverty (persons age 0–17 in poverty / persons age 0–17 for whom poverty status is determined)
- Labor force participation (civilian labor force / population aged 16+)
- Unemployment rate (unemployed / civilian labor force)
- Per capita income (total income / population)
- Household income
- Educational attainment for persons aged 25+
- Percentage foreign-born (naturalized citizens and resident noncitizens)
- Percentage nonworking age (population under age 18 and over age 64 / total population)
- Percent of households receiving Social Security income
- Percentage of households receiving public assistance income
- Population by urban and rural (urban area and urban cluster population / total population)

The following data variables were taken from the U.S. Census Bureau, 2000 Census, via the Census Bureau Statistical Abstract.

- Population density (persons per square mile)
- Population on farms
- Percentage of land area in farms

The following data were taken from the Bureau of Economic Analysis, REIS.

- Employment (growth calculated for period 2001–2007)

An Activity of the W.E. Upjohn Unemployment Trustee Corporation

W.E. Upjohn Institute for Employment Research

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Survey of Economic Development Organizations

This survey is part of a study being conducted by the W.E. Upjohn Institute for Employment Research to examine partnerships and planning in regional economic development. Many believe that regional partnerships in economic development have become a necessary building block for an effective economic development effort, especially as recent budget shortfalls force state and local governments to cut back on economic development spending. However, are regional partnerships indeed gaining increased importance?

Please take a few moments to complete this confidential survey. If you wish, you can complete the survey online at *http:// TBA.* If you have any questions about the survey please email George Erickcek, Senior Regional Analyst, at erickcek@upjohn.org. For more information on the W.E. Upjohn Institute, please visit our website at www.upjohn.org.

Please return the survey by September 3, 2010.

1. Which of the following best describes your economic development organization (select only one)?

_____ Private non-profit economic development organization serving a multi-county region
_____ Private non-profit economic development organization serving a single county or city
_____ Municipal economic development office
_____ Economic development agency funded by the county or another local government entity
_____ State-funded economic development organization
_____ Part of an organization with multiple roles (i.e. economic development plus workforce development in one agency)
_____ Economic development effort run by a utility company or other private business
_____ Regional economic development effort mostly or completely funded by the Federal government (e.g. an EDA Economic Development District)

2. Compared to five years ago, how often does your organization partner with other organizations on economic development projects and/or planning?

_____ Much more today than five years ago
_____ Slightly more today than five years ago
_____ Our partnerships have remained about the same
_____ We are partnering less today than five years ago
_____ Unsure

3. Please select the best description of your relationship to the following organizations in carrying out your economic development activity. If a listed organization does not exist in your service area, mark "does not apply."

	Strong, active working relationship	Regular relationship, occasional project collaboration	Little relationship, only occasional communication	No relationship	Does not apply
Agricultural Extension Service					
Business Association (excluding Chambers)					
Chambers of Commerce (local)					
City Economic Development					
Community College					
County Economic Development					
Downtown Development Authority					
Economic Development Organizations (local)					
EDA Economic Development Districts					
Manufacturing Extension Partner					
State Economic Development Agency					
Small Business Development Centers					
Tourist Board or Association					
Workforce Development Boards					
University or 4-year college					
Other organization (please specify: _____)					

4. How has your relationship with the following organizations changed in the past five years?

	More active	About the same	Less active	No relationship	Does not apply
Agricultural Extension Service					
Business Association (excluding Chambers)					
Chambers of Commerce (local)					
City Economic Development					
Community College					
County Economic Development					
Downtown Development Authority					
Economic Development Organizations (local)					
EDA Economic Development Districts					
Manufacturing Extension Partner					
State Economic Development Agency					
Small Business Development Centers					
Tourist Board or Association					
Workforce Development Boards					
University or 4-year college					
Other organization (please specify: _____)					

5. Does your organization have a formal economic development plan?
   Yes No Unsure

6. Are you aware of any other economic development plans or strategies in your region?

   Yes No
   If yes, please list the organization and the name or type of plan:
   Organization Name/Type of Plan
   _____ _____
   _____ _____

7. What is your geographic service area (select one)?

   ____ Municipality
   ____ County
   ____ Regional (multi-county or MSA)
   ____ Statewide
   ____ Other (please specify_____)

8. How would you describe your region?
   ____ Urban
   ____ Suburban
   ____ Urban/Suburban mix
   ____ Primarily Rural or Small Town

9. Please mark all of the following activities that your organization performs.

Activity	Check if yes	Activity	Check if yes
Business attraction		Small business development	
Business retention and expansion		Small business incubator	
Downtown development		Regional economic planning	
Export development		Transportation planning	
Economic gardening		Tourism	
Neighborhood development		Workforce development	
Marketing (brochures & websites)		Workforce training	

10. If you want a copy of the summary tables from the survey, please provide your e-mail address.
    E-mail address: _____

    THANK YOU!

Please note that this represents only a sample layout of the survey. Slight modifications were made for printing, as well as to modify the date and introductory wording for the first and second mailings.

This appendix contains the site visit protocol information and questions used with interviewees during the visits. However, please note that the formatting is changed slightly from the original letter that was provided to the regions prior to each visit.

Protocol: Site Visits of Model Economic Development Districts

Format

Schedule one day of key informant interviews
Schedule 5 or 6 people individually for 45 to 60 minutes each
Schedule an interview with the leadership of the EDD (CEO, Director, Board President, and/or others of your choosing)
Same questions are asked for ALL interviews
Interviews are to be held at the EDD
Interview candidates can be taken from the EDD's Board of Directors or its CEDS Committee
Interview candidates should be representative of those who are instrumental in economic development within the EDD's geography (e.g., private sector, economic development community, chambers of commerce, colleges or universities, technical or community colleges, legislative aides and/or representatives, workforce development)
Interview questions will be sent in advance to the EDD for distribution to interview candidates

Questions

The Economic Development Administration (EDA) seeks to gain a better understanding of the challenges and opportunities facing its funded Economic Development Districts (EDD) as they plan for and help facilitate economic development strategies. The EDA has contracted the project team of the W.E. Upjohn Institute, Cleveland State University, and Team NEO to conduct an assessment on the effectiveness of the EDA-funded EDDs and an assessment on the quality of the comprehensive economic development strategies (CEDS) documents produced by the EDDs. The results will be used to help EDA enhance its future regional economic development efforts.
If you have any questions or concerns regarding this project, please contact Hillary Sherman-Zelenka, Program Analyst, U.S. Department of Commerce Economic Development Administration, 1401 Constitution Avenue, NW HCHB 7009 Washington, DC 20230, 202.482.3357, hsherman@eda.doc.gov.

This economic development district was chosen as one of the most effective in the nation and as one of the most effective within your EDA region. We're here today to learn from you as to how this EDD has become so successful and ranked as a model among its peers. We'd first like to get a sense of your involvement with the EDD.

Q1: What is your role and in what way are you involved with the EDD? With the CEDS? How long have you been involved with the EDD and its activities? With the CEDS?

Q2: How does this EDD engage the public and CEDS committee members? What was your experience in the CEDS development process? What do you feel the region gained from the process?
Q3: What do you feel are the EDD's significant accomplishments/strengths and why do you see them as such?

Q4: Please discuss how economic development is accomplished within this region – partners, strategy, attraction, retention, and so forth (tell us about the economic development structure of your region).

Q5: What *role* does this EDD play with regard to economic development for this region?

Q6: How is the EDD and the CEDS a factor in economic development within your region? How does the EDD engage the region's economic development community in the dialogue of priorities? What is it about the EDD's role in economic development that makes its efforts successful?

Q7: When the EDD sets its priorities, how does it think about meeting workforce needs if these priority projects come to fruition? Also, does the EDD think about how these priority projects are integrated into the regional economy? If so, how?

Q8: What can other EDDs learn from this EDD that could make them as successful?

Q9: If the EDD had more resources (e.g., funding, staff, and so forth), what additional activities or partnerships would you think the EDD should pursue and why?

Individual Site Visit Report

Name of District: Bear Paw Development Corporation

Type of Region: Five counties, two Indian reservations, rural region

Date of Visit: March 23, 2011

EDD Contact: Paul Tuss, Executive Director

Region Overview

Bear Paw Development Corporation in Havre, MT serves a rural area comprised of five counties and two Indian Reservations. The nine-person organization has been operating since 1968 and focuses its activities into the following three major areas:

- Havre Small Business Development Center. Bear Paw provides services to small businesses in the area, which include assistance in writing business plans, assistance with marketing research, and training in all areas of business management and referral to business professionals as needed.
- Housing and Community Development. Bear Paw continuously utilizes resources to improve public facilities located within the district through infrastructure projects that include both public and private investments. The EDD also provides management for the city of Harve's housing programs. These programs include housing rehabilitation and finance assistance for first time homebuyers.
- Assist in the development of value-added agricultural projects. Bear Paw works to provide agricultural producers with new tools to increase the success of their operations. The EDD provides grant assistance, feasibility studies, nutritional analysis, and trade show assistance.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Being a resource, a central repository, and capacity building matters

Bear Paw Development Corporation is the EDD for a relatively rural region in Montana. This EDD is critically important to communities in its service delivery area. For example, most of its communities don't have the capacity, expertise, or staff to write grants. Bear Paw is very good at filling such gaps and meeting the needs of these communities. Access to the data and staff at Bear Paw is essential to keep their communities alive and sustainable—Bear Paw fills the need for centralized data and processes.

Through innovative use of data and financing tools, such as technical assistance, revolving loan funds (RLF), and micro lending, the EDD is able to help the region focus on it development needs, essentially retention and expansion of existing business. In support of those efforts and through grant writing and administration, Bear Paw has been essential in obtaining most, if not all, grants for infrastructure investment.

While its technical and data knowledge is critical, it also is "on the ground" knowledge that is essential to its efficiency and success. According to respondents, Bear Paw appears to have its "pulse on the region" and a sense of what is going on across the region. Its staff is excellent at pulling together resources with the public sector and others to compile a complete development package.

Its CEDS is a living document and so it matters

While early CEDs were a direct document, the current and more recent CEDs are a more refined document. As it is developed, Bear Paw and its Board regularly seek input, at public meetings and other events, to hear the evolving needs and challenges faced by the region. During our site visit, we traveled about 90 miles one evening (in a snow storm) to attend a community meeting of stakeholders that were setting priorities for their community. About 20 people were in attendance, and the range of discussion was the need for housing to parks and recreation to community centers. We, with Bear Paw's executive director, were the last to leave the meeting.

Bear Paw staff regularly meet with communities and conduct frequent outreach. The Tribal Councils use Bear Paw in their planning activities, and use the CEDs and its content within their planning document. With a regionally-based Board, Bear Paw is able to flesh out priorities within the system that reflect the region's need and issues. The document is used across the region and is regularly referenced in speeches and planning activities. The CEDs committee itself is comprised not only of elected representation, but also of strong representation from private sector interests. In the end, anything of importance going on in the region is reflected within the CEDS.

Leadership, management, and outreach matters

When a project surfaces within the region, Bear Paw is the first partner called. On other issues around development, the EDD is also the first call; it takes a team approach to working with clients and communities, and has employed and developed specialists in a number of critical areas, including planning, SBDC services, loan services, infrastructure planning and investment, grant writing, and value-added agriculture.

It was clear throughout the site visit that both the executive director, Paul Tuss, and Bear Paw staff are held in high regard as the driver for economic development in not only the EDD region, but also across the state. Paul sits on boards and committees across the state. In these relationships and networks, he is helping to elevate economic development practices within Montana.

As noted earlier, the EDD does have an RLF and does microlending, but it is also involved with managing grants for communities that do maintain such capacity. The EDD is effective at finding matching dollars for projects and is a responsible agent for managing flows of funds.

Regional strategies and approaches matter

This EDD is focused mostly on retention. Due to its location, it is a place with difficult transportation issues. One of the regional goals is to work on valued-added processing, as much of the agricultural product leaves the region and state. Its efforts are focused on sustainable jobs and expanding existing business across its regional footprint.

Many of the people interviewed had returned to the Bear Paw region for the quality of life offered in north central Montana. There is a commonly held belief, at least among those met during the site visit, that if they want to "make it a region that can survive, it takes all of them to do it." Respondents indicated that they need to develop new businesses and products such as biodiesel to close the gap; they "can't just rely on agriculture and government." Bear Paw is essential as it supports the entire footprint, and is the "go to" team that starts at the beginning of a project and stays involved as long as necessary. While counties in the Bear Paw region do compete, they do it with cooperation and act regionally.

Staff matters

In every site visit to a high performance EDD, staff clearly mattered and is essential to the success of the EDD. But at Bear Paw, the respondents' level of praise for the staff was extraordinary. It was regularly commented by people on the site visit that staffers were "efficient and dedicated," "that they were accessible and had dedication to service," and that they had a "can do attitude." Additionally, they were perceived to be accessible and flexible as opportunities and challenges change. And when engaged, they were "always willing to listen to issues and problems…they came back prepared to respond." Finally, there was a perception in the region that no project was too large or too small to be addressed by Bear Paw staffers.

The Board matters

The site visit team spent a significant time with a large portion of the Board of Bear Paw Development. It is a diverse board that reflects the complexity of the region. It was clear that board members had trust and faith in leadership and staff. Such trust and faith has allowed the Board to become willing to take some risk to promote development--the EDD runs an RLF and a microlending program. With careful lending procedures and processes, Bear Paw has few issues with its loans, but is the recommended source of capital within the region when the loan is too small or perceived to be too risky for traditional sources such as banks.

Individual Site Visit Report

Name of District: Capital Area Council of Governments (CAPCOG)

Type of Region: Ten counties; urban, suburban, and rural

Date of Visit: February 3, 2011

EDD Contact: Betty Voights, Executive Director

Region Overview

The Capital Area Council of Governments (CAPCOG) is an economic development district with a staff of 56 that serves an urban, suburban, and rural 10-county area in central Texas. The EDD has been operating since 1970 and focuses its activities in the following three major areas:

- Make the region entrepreneur-friendly. CAPCOG works to help entrepreneurs by ensuring that entrepreneurs and small businesses have access to the resources they need to start and grow. It serves as a liaison with local communities and economic development organizations when necessary.
- Provide assistance to local communities. CAPCOG assists local communities in grant funding applications and data needs for economic development. CAPCOG maintains a centralized information distribution system for its region. It publishes annual reports, newsletters, brochures, and other publication as needed. CAPCOG also maintains data and maps for the region.
- Promote regionalism. CAPCOG coordinates regional efforts and serves as the lead organization on projects. It works with various regional partners, including chambers of commerce, workforce development boards, school districts, and higher education institutions.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Regions need an impartial convener

As with other many other metro areas, the Austin region ranges from the very urban to suburban and then to rural, and from large communities to small. In such a case, the Austin region and its local governments and not-for-profits deal with both complexity in structure, and in local needs and access to resources. Interviews at the Capital Area Council of Governments (CAPCOG) indicated that the EDD plays an essential role within the region in bridging asset and access gaps by being a convener,

providing training and institutional knowledge, providing data and technical assistance, and helping the region deal with "phenomena that don't recognize political boundaries."

In a region such as Austin, there are many groups and interests in the economic development arena. CAPCOG serves the region as a whole and its communities in a one-on-one way with technical services, and data and information. According to respondents, there has been a marked shift from thinking locally to thinking about projects and benefits on a more regional scope: Mayors are working together and acting regionally. As a convener, CAPCOG pays attention to the entire region rather than just the components. As one respondent stated, "the value of the organization goes beyond metrics, it is about convening, planning and staffing…"

Staff and leadership are critical components

CAPCOG has a very engaged Board. The churn of staff and leadership at CAPCOG tends to be low. They are, therefore, the source of institutional knowledge within the region, and as we have found with other successful EDDs, often bridge the knowledge gap of newly-elected officials by providing training, data, and information.

The staff and their activities are particularly important as "Texas is highly decentralized, which makes the planning process even more important... there is no 'Czar' of anything." Staff and leadership offer a regional perspective that when combined with being a convener, they are able to better plan, including economic development planning, and view benefits and outcomes across political boundaries.

Some things are best thought of as "phenomena that don't' recognize political boundaries"

Planning for transportation, solid waste, infrastructure and criminal justice issues all transcend political boundaries. Economic development, at least the site selection/business decision part and process, doesn't generally recognize political boundaries. CAPGOC is able to help drive policy, in general, and economic development policy, specifically, with data and information across the region. It also provides regional inclusion and thinking "outside the box." Staff tends to be on the "cutting edge" of economic development thought and practice, and then is able to communicate this to their constituents within the region. Among those interviewed, staff and assets were perceived to be equally available across the region, with robust quality data and excellent technical assistance that is well integrated into the community—"a credible source and repository of data and information."

Individual Site Visit Report

Name of District: Land-of-Sky Regional Council (LOSRC), Ashville, NC

Type of Region: Four counties, rural and suburban

Date of Visit: February 23, 2011

EDD Contact: Joe McKinney, Executive Director

Region Overview

The LOSRC is an economic development district that serves a rural and suburban four-county area in North Carolina along the French Broad River. The EDD has a staff of 44, has been operating since 1966, and focuses its activities in the following three major areas:

- Transportation and Air Quality Initiative. This initiative focuses on continuing to meet and exceed air quality standards to ensure the protection of public health and the environment. The LOSRC will continue to take the lead on many transportation plans and projects.
- Provide services for local governments. The LOSRC works to improve housing and community development by promoting financial incentives for affordable housing. The LOSRC works with the state and with local governments to obtain brownfields agreements and create sites that are ready for development.
- Area Agency on Aging. The LOSRC is the designated regional organization to meet the needs of persons over age 60. The EDD helps to operate community programs that help the aging population and provides information to families of this population.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Multiple approaches to consensus building work

The Land of Sky (LOS) region is diverse, with both urban and rural communities within a large geography. In a diverse environment such as the LOS region, and with diverse issues, a single approach to identifying issues, gaining consensus, and setting priorities is unlikely to be effective: It can sometimes be difficult to engage the public and set programmatic priorities, both within the CEDS and around other issues. The EDD has adopted multiple approaches to consensus building that works well within this type of environment. At the very qualitative end, LOS staff engage key informants and offer local conversations to build recommendations and identify emerging issues. On the other end of the spectrum, Survey Monkey (an online survey tool) was used to get regional input on issues.

As the use of technology and its applications increases, it is likely that new means of outreach, such as web pages, Twitter, Facebook, and Survey Monkey will be essential as one component of a communications strategy. However, the EDD recognizes that not everyone is connected or wants to communicate in this way—town hall meetings and interviews will continue to also be essential as part of its communication and data collection strategy.

The CEDS is the focus of the organization

The CEDS is the work plan for the organization: It is a way to bring issues of the day to be considered regionally, not just locally. For LOS, the CEDS is used as a road map of activities, and targets smaller projects that are more likely to have increased levels of success. The CEDS creates an outline of goals and activities that departments within LOS and partners across the region can follow.

The CEDS updates are developed using technology such as Survey Monkey to provide a broader base of input. The ability to engage in such outreach also allows for more continuity in the dialogue—it becomes ongoing rather than a new start at the beginning of each process. Finally, the CEDS is not a singular process; it allows LOS to be more or less engaged in a project, based on need and appropriateness.

Simplify the things you are working on

LOS provides a complex array of services, but it tries to stay within the fundamentals of organizational priorities and not over commit. In interviews with multiple people at the EDD in Asheville, two primary themes resonated to describe the philosophies of LOS:

1. Engage in transparency and trust with all parties, but particularly the local communities and their representatives
2. Find staff with a passion for the EDD's mission -- let them do their jobs and allow them to exhibit their passions. Developing people takes time and trust.

Pass on the credit

Economic development is a long-run game often with many political players. LOS is good at staying neutral in regional discussions, and is a gathering place for leaders and decision makers to "learn, talk and collaborate." In this role of neutrality, LOS is able to take a bigger picture and more regional approach to its activities and service to the region, as it tries not to "get in the middle and [need] to play politics." Staff are considered "creative and humble, they don't pretend to know it all…this empowers people" to be successful.

"By remaining neutral, and while educating and empowering leadership, while being passionate [it is essential] to pass ownership and credit." In the political world of commissioners, governors, mayors, council people—also often funders of EDDs, credit for outcomes is the currency of the day.

Individual Site Visit Report

Name of District: Mid-Columbia Economic Development District (MCEDD)

Type of Region: Five-county rural region

Date of Visit: February 14–15, 2011

EDD Contact: Amanda Hoey, Executive Director

Region Overview

The MCEDD is a small organization that serves a mostly rural five-county area centered around the Columbia River gorge in mid-northern Oregon. The EDD has been operating since 1970 and focuses its activities on the following three areas:

- Provision of technical assistance to area businesses. These activities include grant writing, helping nonprofits with business plans, and providing some financial services for area agencies, which is a source of fee revenue for the organization.
- Business assistance loans. The EDD administers several revolving loan funds that are designed to help businesses obtain low-cost capital for expansions or start-ups that create jobs in the region. Additionally, they offer assistance to businesses seeking funding from sources such as the SBA or other private loan and grant sources.
- Coordinating regional planning and development efforts. This category includes the organization's EDA-funded strategic planning efforts, as well as coordination of other activities across the region including regional transit projects, the development of economic clusters, telecommunications strategy, and the coordination of advisory councils for topics such as "green," the gorge national scenic area, and a regional technology council.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

The EDD fills a void in the region

Unlike in some more urban areas, there is no privately funded regional economic development organization in the Mid-Columbia region. EDA-funding helps support a flexible organization that plays multiple roles, which is necessary in a resource-strapped rural environment.

Leadership makes a difference

The stakeholders interviewed during the site visit were very positive about the director and staff of the MCEDD. Specifically, interviewees lauded the ability of the region to bring together diverse interests and to focus on having "one voice" as a region when going after projects. Additional leadership traits mentioned included a long-term orientation and an openness to trying innovative projects or ideas that might be risky.

The ability to identify and capitalize on regional assets

Although the Mid-Columbia region faces difficulties that are common to many rural areas—such as the closing of major employers, a low-skill workforce, and limited infrastructure—the region has also been successful at both identifying assets and capitalizing on them. One activity frequently mentioned as a success during the site visit was the region's use of cluster analysis to identify a niche tech industry emerging out of a growing defense company in the region. Assets such as a surplus of low-cost energy following the closure of aluminum factory and an outdoors lifestyle available in the nearby gorge and mountains have also been helpful in retaining and attracting jobs, including a Google server farm that was recently opened in the region.

Individual Site Visit Report

Name of District: Mid-Region Council of Governments (MRCOG), New Mexico

Type of Region: Four counties, urban and rural

Date of Visit: February 8, 2011

EDD Contact: Dewey Cave, Executive Director

Region Overview

The MRCOG is an organization that serves an urban and rural four-county area in central New Mexico. The EDD has been operating since 1969 and focuses its activities on the following three major areas:

- Provides member governments with data. The MRCOG provides economic models, maps, data, population trends, and planning assistance to governments within the region.
- Workforce and education investments. The MRCOG is the administrative entity and fiscal agent for the Workforce Connection of Central New Mexico, Business and Career Centers. Career development programs help area workers enhance their skills and provide local businesses with a skilled workforce.
- Coordinates regional planning and development efforts. The MRCOG develops the local water plan and the local agriculture plan to help preserve local resources. The MRCOG is the MPO for the Albuquerque Metropolitan Planning Area. The MRCOG is also the agent for the New Mexico Department of Transportation commuter rail project.

Lessons Learned

During the site-visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Leadership and staff make a difference

Within the region, the EDD is a Council of Governments (COG), and, as such, leadership and staff tend to be the region's institutional memory. It helps to keep the region focused on goals and objectives, particularly in light of the changing landscape of elected officials. As individual elected officials change, such as city mayors or county commissioners, the staff at the COG are able to remain focused on regional priorities, and their leadership in managing five-year plans becomes critical.

Additionally staff is imbedded in relationships across the region. The COG is able to maintain key partnerships, as all the players and stakeholders are familiar with each other and know each other well. Each player within the COG and region knows his or her role, and this allows problems and issues to be solved more easily, often with a phone call between stakeholders.

Process makes a difference

As the EDD, the COG engages the region in regular and frequent meetings and dialogues about issues and needs. The council works regularly on sharing data and information. While the city of Albuquerque is relatively self-sufficient in the practice of economic development, it is still involved with the EDD/COG, and it is clear that other communities and counties rely on MRCOG for resources in the economic development process. Although one respondent indicated some historical dissatisfaction with the EDD/COG, she did indicate that the current executive director and staff were becoming more regional and so more helpful to the furthest outlying areas.

The outcomes of the meetings and dialogues appear to be to steering the region, by using the CEDS, into areas such as high tech, health care, and benefiting from the tech transfer coming out of the Sandia Labs. The CEDS is also perceived to be potentially useful in refocusing the WIA/WIB dollars into a "business-driven system."

As part of the process, stakeholders are surveyed; furthermore, the COG/EDD is always seeking comments and feedback and holding workshops on issues. As one respondent put it, "It isn't pretty, but it works."

Regionalism makes a difference

Twenty-five elected officials from across the region sign a "hold harmless" letter that allows governments within the region to work together to package deals. Regionalism is created by these governments having "skin in the game"—Warren Buffett's term for having one's own money invested—and so a reason to work together.

The role of the EDD/COG is to deal with common sets of issues across the region, such as transportation planning. MRCOG is also important to many cities and counties across the region as a source of data and information. Many of the rural areas are small and can't afford to house internally the content provided by MRCOG. That said, the EDD/COG takes on the role of being a forum for discussion while being complementary, rather than competing with public and private economic development organizations in the region.

The CEDS is used to define regional priorities

The CEDS helps align projects within a set of regional priorities. The CEDS process allows a single entity to collect data and information and become a key resource across the region. The process allows the EDD/GOC/MPO/RPO to create economies of scale and disseminate content to municipalities and others that would normally be beyond the reach of the locals.

However, some raised the issue of the goals of the CEDS. One person commented, "It is important to listen to people doing ED, (but) most CEDS's are built for EDA. Need to set a path based on the way ED is done." In areas with urban to rural composition, a number of diverse federal agencies, such as HUD, USDA, DOL, and the departments of Energy and Education, may require similar but variant planning documents such as the CEDS. It would be helpful to have a single planning document that meets most or all of the combined criteria, or to set criteria for planning that meets the needs of the varied departments.

Individual Site Visit Report

Name of District: North Country Council, New Hampshire (NCC)

Type of Region: Three counties, rural region

Date of Visit: November 18, 2010

EDD Contact: Michael King, Executive Director
Jeff Hayes, Assistant Executive Director

Region Overview

The NCC is a 10-person organization that serves a rural, three-county region in northern New Hampshire. The EDD has been operating since 1973 and concentrates its activities in the following three major areas:

- Assists in transportation planning: The NCC transportation advisory committee works with the state of New Hampshire to help develop the state's Ten Year Transportation Improvement Plan. Transportation projects are evaluated and ranked by the committee before being submitted to the state.
- Local Technical Assistance Program: The NCC provides assistance to leaders in the public and nonprofit sectors of distressed areas. It provides information to help the leaders make optimal decisions on local economic development issues.
- Public Works Program: The NCC manages the program to help distressed communities improve their infrastructure. The goal is to help attract new industries and encourage current businesses to expand.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

The EDD fills a void in the region

This EDD supports northern New Hampshire, a largely rural area with limited roads and other types of infrastructure and a dispersed population base. While there are other economic development organizations in the region, NCC is able to identify and prioritize economic development projects that have EDA-based funding as a target, as well as other projects that are based in a diverse geography. Some projects are wholly contained within a county, some are a blend of counties, and some work

across multiple states such as the North Forest Planning Initiative, with stakeholders from Maine, New Hampshire, Vermont, and New York.

Leadership makes a difference

The CEDS committee meets regularly—bimonthly in between major CEDS activities, but more often while preparing the document. As the EDD is composed of public entities, there is significant public participation in the ongoing process, but some key informants thought that additional private-sector involvement would be beneficial. There was not a clear consensus on the ideal level of participation, but demands on private-sector participants, both from managing their own businesses and from extensive "civic" demands, likely prevent regional business interests from more active participation. Longevity is a key factor in the building of successful relationships with regional partners. Both the executive director of the EDD and the director of economic development have significant tenure with the organization. This allows the EDD to plan, participate, implement, follow up, and administer projects, as well as coordinate disparate organizations across the region.

The CEDS is a living document

The EDD has a very limited number of projects on its priority list. A screening document is utilized to be sure that any project making it to the priority list is essentially "shovel ready." Projects having planning, funding, and consensus in place have allowed the region to respond to opportunities such as ARRA funding and to enjoy significant levels of success in bringing funding into the region.

- The CEDS is tied to every planning activity and is referred to as a standard to which any project or economic development project is measured or valued.
- Workforce conditions and availability are part of the discussion in moving a project to the priority list. If the region can't support the workforce needs for a project, it isn't adopted.
- The CEDS keeps stakeholders at the table: "If a project isn't included, it is either an oversight or doesn't belong. Inclusion is based on either mutual interest or enlightened self-interest. No one has enough resources."
- The CEDS process provides a forum in which all interests can be at the table without being hung up on agendas. Also, the state looks to the EDD for planning and the CEDS committee to support and confirm validity of projects.
- Finally, the CEDS includes language that is specific enough to be meaningful, but not so specific that it is exclusionary.

Individual Site Visit Report

Name of District: Northwest Regional Planning Commission (NWRPC)

Type of Region: Ten counties, rural region

Date of Visit: March 15, 2011

EDD Contact: Myron Schuster, Executive Director

Region Overview

The NWRPC is an economic development district with a staff of 19 that serves a rural 10-county area in Northwest Wisconsin. The NWRPC has been operating since 1959 and focuses its activities in the following three major areas:

- Northwest Wisconsin Business Development Corporation. The staff for the NWBDC manages three revolving loan funds and a technology seed fund.
- Wisconsin Business Innovation Corporation. Technical assistance is provided directly to small- and medium-size businesses. The WIBC operates two revolving loan funds and has helped to set up incubators in partnership with local communities.
- Assist in the development of affordable housing. Services provided include the development of affordable housing subdivisions and providing financing for community related housing activities and needs.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

When you don't have deep institutional resources, such as large corporations and community foundations, you have to innovate your way to success and take risks to enable firms to retain and create jobs. This is what NWRPC has done and continues to do.

NWRPC is able to fill the gap with the right toolbox

Due to a lack of large corporations and community foundations with deep pockets, and having a banking sector that is necessarily risk averse, NWRPC has taken significant levels of risk and created a number entities to provide service and funding to their constituents to meet the needs of both start ups/entrepreneurs and existing companies. With a Board that is clearly not risk averse and is willing to think outside of the normal economic development frameworks, NWRPC has created the following:

- Northwest Wisconsin Regional Economic Development Fund. This a revolving loan fund (RLF) that "provides low-cost financing of up to $250,000, for businesses seeking to either start or expand operations in Northwest Wisconsin. Focus is placed on high technology businesses, manufacturing, timber, secondary wood products, and the tourism industry."
- Wisconsin Business Innovation Corporation (WBIC) that provides business-related technical assistance to firms in the NWRPC service delivery area. It is able to help business owners think through issues of staffing, location, cash flow, and growth in size and sales. One respondent commented they are "insightful—offering help before it was asked for."
- The WBIC created a local venture capital fund, the Wisconsin Rural Enterprise Fund (WREF), "the first 'community-based' venture capital fund corporation in the Region. At present, the market value of WREF investments is approximately $3-million." This is a "for-profit" and community-based equity fund.
- Northwest Business Development Corporation is a group that has five loan fund programs in to fill the gap that often exists between the company's equity position and the amount the bank and other financial institutions are willing to lend. It is filling an essential need in today's economy with much needed gap financing, as well as "financial packaging and long term low-interest financing for businesses that are creating employment in the region." (from the 2010 CEDs)
- A series of business incubators through its Enterprise Center Network. The Network consists of 170,000 square feet of industrial and office space in six locations. In some cases the buildings have been retrofitted and in other cases the incubator space is new construction. The intent of the incubators has been purposeful and market driven—with the intent to help local entrepreneurs and business people develop and expand their businesses.

The CEDS is a living document

The CEDS is used across the region in a number of ways. First, it is used to communicate regional goals and plans to newly-elected officials and their staff. It is also used as a data resource for applying grants and other funding applications. Further, it is used as a marketing tool for partners, relying on it not only for data, but also for the vision presented in the document.

The CEDS process is inclusive; the EDD publishes public notices about publicly-held meetings and invite participation. It includes the public, elected, workforce, and training audiences by holding meetings in each of the counties within its service delivery area

The staff is responsive to constituents

To businesses**:** Staff is able to be a resource to businesses in the area. The NWRPC has adopted an "economic gardening" approach, in that business and associated job creation is more likely to come from retention and expansion as well as startups, rather than recruiting and attracting a number of large employers.

During our interview time and process, we met with the clients of NWRPC separately—a food manufacturer, a machining company, and a company that started by producing biodegradable lubricants and now also produces food-grade oils for the health industry. All three firm owners

indicated that NWRPC was essential to their success by providing support in the way of incubator space, infrastructure investment, and various types of funding, as well as technical assistance to help them operate their businesses.

To the communities: Many of the smaller communities rely on NWRPC for its services. In some communities and counties, the staff provides the economic development function for the entity. It is clear, that whether for business or for communities that all respondents looked to NWRPC as risk takers—that it was "willing to take a chance on issues and to stick their necks out." As its approach is economic gardening, it has a longer-run view to its time line and has the ability to be patient, but also be creative.

Individual Site Visit Report

Name of District: Three Rivers Planning & Development District (TRPDD), Mississippi

Type of Region: Eight counties, mostly rural

Date of Visit: January 20, 2011

EDD Contact: Randy Kelley, Executive Director

Region Overview

The TRPDD serves a mostly rural eight-county area in Northeastern Mississippi. The EDD has been operating since 1971 and focuses its activities into the following three major areas:

- Economic Development Small Business Loan Programs. There are several programs available for small business. The programs are Revolving Loan Fund, Intermediary Relending Program, Small Business Assistance Program, Minority Business Loan Fund, Micro-Minority Business Loan Fund, and Certified Development Company 504 Loan Program. Many of these programs are funded by the state.
- Local Government Planning and Administration. The TRPDD provides assistance to local governments in seeking grants and loan funds through USDA Rural Development, Community Development Block Grant Program, Delta Regional Authority, Appalachian Regional Commission, and Economic Development Administration.
- Assisting in the Area Agency on Aging. The TRPDD helps administer the programs for the Older Americans Act Programs and Social Security Block Grant Programs. It also offers community outreach to assist the aging population.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Management matters

First and foremost, this EDD has a "customer first" attitude and approach. The Executive Director Randy Kelly is one of the most creative and innovative economic development people we have encountered. Through his leadership and management style, he brings credibility and authority to any group or project he is working with or on.

This EDD is able to wisely use political and social capital to get the job done. Interview respondents commented on Randy's ability to assess projects by passing his "sniff test." His long tenure as the

executive director has allowed him to listen to customer needs, including public and private customers, while seeking and developing creative and cutting edge solutions and programs. His approach, for himself and for his staff, is a very "hands on" approach to interaction and problem solving.

Finally, respondents used the analogy that the management team at Three Rivers is "a football team with a good coach that has recruited well." Strong staffing patterns are coupled with tight financial control and oversight, an insight that was spoken of many times as "good management with accountability."

Being opportunistic matters

The executive director has found ways to create fund balances for the organization through identifying non-traditional roles and functions for the EDD. In many cases, opportunities were identified by providing unmet and needed services such diverse activities as garbage collection, landfill operation, and providing home health care services for aged. In other cases, it was providing low-cost real estate leasebacks to public entities and nonprofits. In another example, it was providing utility billing and accounting services to local governments. In all the cases discussed by respondents, it was about filling a need for the region that was unable to be met by either the public or the private sector.

In a particularly interesting example of seeing opportunity, Three Rivers coordinated resources from three counties, including its bonding/lending authority to secure options on 1,500 contiguous acres of land, all within one county. The intent was to develop a "shovel ready" site to attract a major manufacturing center. The other counties lent their support, as they believed they would benefit from both indirect and induced impacts from the project. In the end, the PUL Alliance (named for Pontotoc, Union and Lee Counties), a membership group of cities, counties, chambers, and Three Rivers, was able to attract a $1.2 billion Toyota final assembly plant, called the Wellspring Project (www.wellspringproject.com).

Functional relationships matter

Three Rivers is the regional intermediary; it is the go-between for the locals and the state and federal systems. As it focuses on projects, the EDD is sought to help provide and facilitate access to financing and resources. When involved in projects, Randy and his team confirm that all project hurdles have been met, including issues of land assembly, infrastructure planning and investment, and finding qualified workers and training. The executive director and his staff are the institutional memory for the region. When the elected officials and their staff take office or come on board, Three Rivers brings them up to speed on projects and pathways for the region. When business people have needs or issues, they reach out to Three Rivers to facilitate fixes with the public sector at the local, county, state, and federal levels. As an example, when working to site the Toyota plant in their district, one impediment was the lack of an Interstate designation for the four-lane highway providing access to the site. As Toyota had always sited its facilities on Interstates, Three Rivers worked successfully to obtain future Interstate status for the adjacent state highway.

Process matters

The leadership and staff of Three Rivers are exceptionally "hands on." They get out of their offices and are on the ground with the public and private sectors. They work as transparently as possible and

keep people informed. The staff works to develop a "big picture" for the region, while working to deliver what is promised; accountability matters to the EDD. Finally, in working with all levels of government, plus the private sector, they are able to pull the process and the projects together.

The CEDS matters

The CEDS committee meets regularly. The CEDS document is circulated among other agencies and stakeholders. It is used as a guideline and plan, including a long-term plan for the region. Finally, the CEDS is regional in nature. From our interviews, it is clear that mutual benefit from projects and activities is a priority within the region; that if it works for somewhere in the region, it is likely good for the entire region.

Regionalism matters

Within this EDD, counties are responsible for their own economic development activities, including financing and managing projects. Three Rivers works across county boundaries and on multi-county activities. This allows partnerships to be formed that work not on the principle of "I," but rather "we." The stakeholders (including Three Rivers) within the region utilize a philosophy not to be selfish, employing the concept "if it is good for one county, it may be good for another." As an example, four fairly large (multi-county) community college districts work together to not provide redundant offerings, be complementary in their offerings, and to share faculty and technology to enhance workforce training and economic development potential.

Individual Site Visit Report

Name of District: Treasure Coast Regional Planning Council

Type of Region: Four counties: urban, exurban, suburban, and rural

Date of Visit: January 18, 2011

EDD Contact: Michael J. Busha, Executive Director

Region Overview

The Treasure Coast Regional Planning Council (TCRPC) operates with a staff of 14 and serves a suburban and rural four-county area in Western Florida along the Atlantic coast. The EDD has been operating since 1998 and focuses its activities into the following three major areas:

- Encourage innovation, human capital and creative capital. The TCRPC encourages an entrepreneurial culture that welcomes and supports the creation of new firms. The focus is on traded clusters that generate new and sustainable wealth for its communities. The TCRPC has established the Treasure Coast Enterprise Fund, Inc., which provides small and microbusinesses loans of up to $35,000.
- Revitalize brownfields. The TCRPC helps redevelop brownfields by helping with funding and locating grants for the clean-up processes.
- Regional planning. The TCRPC is working with local economic development professionals and governments to develop a regional marketing strategy. The TCRPC works to promote regional planning efforts, and has a goal to be a one-stop place for information related to federal economic programs.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Codify a process and set of measures that makes the CEDS a living document

Treasure Coast has worked with partners within its region to develop a CEDS process that is understandable and predictable—participants understand that regular contact leads to a transparent process in which priority setting and regional impacts are well defined. Through our discussions with the respondents identified by the EDD, we've gleaned what we feel to be a best practice for development activities within a complex regional environment.

In a complex environment that may include a combination of urban, suburban, exurban, and rural interests and entities, it is necessary to have partners involved regularly and often, and in meaningful ways. Some of the issues to be addressed include, but are not limited to:

1. Regular interaction around the CEDS process is essential. In some cases, other regular interactions around economic development workshops, informational sessions such as state of the world and economy, strategic planning, and charettes can help to gain cohesiveness among regional players.

2. As cohesiveness develops, it is easier to be transparent and provide equal footing and services to members and constituents of the EDD. This allows for less silos and stovepipes when each county (and organization) has unique assets, challenges, and needs. With more regular communication, it is easier to provide feedback between the constituents and the EDD.

3. A regionally acceptable vetting of projects can lead to a few projects becoming priorities. The vetting begins with a common intake form that includes the following criteria (from the TCRPC CEDs submission document):
    a. *Be market based and results driven*
    b. *Have strong organizational leadership*
    c. *Advance productivity, innovation, and entrepreneurship*
    d. *Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy*.
    e. *Demonstrate a high degree of local commitment*

4. Set priorities that identify projects having a regional impact. The process should focus on a regional return on investment, have regional buy in, and should be shovel ready. The number of projects should be limited to a relatively small number and be targeted to regional priorities. There should be a clear set of evaluative criteria that should meet at least one of the following "core criteria" (from the TCRPC CEDS submission document):

    a. *Investments in support of long-term, coordinated and collaborative regional economic development approaches*:
        • Exhibit demonstrable, committed multi-jurisdictional support from leaders across all sectors
        • Make a persuasive case that the project would not have occurred "but for" EDA's investment assistance (e.g., a project in which EDA's assistance represents a substantial share of the total public infrastructure investment and which are unlikely to attract public investment absent specific and discrete EDA involvement)

    b. *Investments that support innovation and competitiveness*
        • Develop and enhance the functioning and competitiveness of leading and emerging industry clusters in an economic region
        • Advance technology transfer from research institutions to the commercial marketplace

- Bolster critical infrastructure (e.g., transportation, communications, specialized training) to prepare economic regions to compete in the world-wide marketplace
- Leverage local partnerships and other federal programs (e.g., Economic Development District Organizations, Trade Adjustment Assistance Centers, Small Business Development Centers, federally authorized regional economic development commissions, University Centers, the U.S. Department of Labor's Workforce Innovation in Regional Economic Development (WIRED) initiative) that increase the project's probability of success, as well as its probability of bringing substantial benefits to the distressed community in which it is located

c. *Investments that encourage entrepreneurship*
- Cultivate a favorable entrepreneurial environment consistent with regional strategies
- Enable economic regions to identify innovative opportunities, including use of business incubators, to promote growth-oriented small and medium-size enterprises
- Promote community and faith-based entrepreneurship programs aimed at improving economic performance in an economic region
- Link the economic benefits of the project to the distressed community in which it is located

d. *Investments that support strategies that link regional economies with the global marketplace*
- Enable businesses and local governments to understand that ninety-five (95) percent of our potential customers do not live in the United States
- Enable businesses, local governments and key institutions (e.g., institutions of higher education) to understand and take advantage of the numerous free trade agreements
- Enable economic development professionals to develop and implement strategies that reflect the competitive environment of the 21st Century global marketplace

Individual Site Visit Report

Name of District: Western Upper Peninsula Planning & Development Region

Type of Region: Six-county rural region

Date of Visit: March 4, 2011 (phone call only)

EDD Contact: Kim Stoker, director

Region Overview

The Western Upper Peninsula Planning and Development Region (WUPPDR) serves a six-county area in the far west corner of Michigan's upper peninsula. The local economy was historically dependent on resource extraction industries; however, the region has had some success luring new businesses to the region in industries such as aerospace and automotive engineering. A major asset in the region is Michigan Tech, a public four-year university that helps draw and create workforce talent to the region, along with the smaller private college Finlandia University. Both institutions of higher education are involved in operating incubator facilities in conjunction with WUPPDR.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Experience and regional knowledge are important to the success of the EDD

The director has been with the organization for 33 years and the economic development director has been on staff for 15 years. In a small region, it is important to know who to call and to have established relationships. Also, although the region is rural, leadership indicated that the organization is successful at both recruiting and keeping knowledgeable staff and acknowledged that the presence of Michigan Tech is a large draw for talented workers.

Local ideas and inventiveness are required in a rural region

Many of the region's economic development successes have come as the result of finding solutions to problems that are unique to the area. For example, the Superior Suppliers Network was created as a way to help the region's small fabrication shops band together to bid on projects that would be too small for one firm to handle on its own. The network also created a shared sales rep to help find work for members.

The region takes advantage of its unique resources

The presence of a state-run tech university is an asset that most rural areas do not have, which has been a major part of the region's success.

Individual Site Visit Report

Name of District: Eastern Maine Development Corporation (EMDC)

Type of Region: Six counties, mostly rural

Date of Visit: December 8, 2010

EDD Contact: Michael Aube, President/CEO: 207.942.6389

Region Overview

The EMDC serves a mostly rural six-county area in eastern Maine. The EDMC has 65 staff members. It has been operating since 1967 and focuses its activities in the following three major areas:

- Business Resources. The EMDC helps businesses develop and expand. It provides access to loans for small business, and works to diversify the regional economy by being more proactive in the strategic planning and development of the business environment.
- Regional Leadership and Collaboration. The EMDC is working to promote greater collaboration to help lower costs and provide more efficient ways to deliver services within the region. The EMDC is also promoting greater regional planning to avoid duplication and improve economic development efforts.
- Education and Workforce Development. The EMDC encourages lifelong learning and the methods to address this through transferability of courses, encouragement by business to advance skills, access to courses, and affordability. The EMDC sees education as a way of maintaining a strong workforce.

Lessons Learned

During the site visit interviews, stakeholders from the region shared their views on what has made the EDD successful. The following are the key lessons about EDD performance gathered during the site visit.

Economic Development is about job creation and businesses create jobs: Economic Development is a three-legged stool

In some cases, that stool is defined as "business advocacy (chamber), business attraction, and retention." In another case, it is defined as access to capital from a revolving loan fund, workforce development, and technical assistance. In looking at the activities of Mobilize Maine, the EDD offers one of the unique perspectives in economic development: that of a business focus, both as a source of input as well as a target of activities. With a business focus in place, both long-term and short-term goals need to be attainable and doable. Business wants planning and priorities to not just be done within a long-term horizon 10 to 15 years out. Goals should be short run and doable, which allows the private sector to see immediate results.

The CEDS process is essential to setting regional priorities

Relatively recent changes in staff, and associated approaches to planning and setting of goals and priorities has occurred in Maine. The EDDs are formally part of the statewide economic development efforts. When engaging stakeholders, a good cross-section of participants is engaged, including the public and private sectors. It appears that Mobilize Maine, the state's economic development strategy initiated originally with EMDC and now coordinated with the assistance of EMDC and other EDDs, has been relatively successful at engaging the private sector, something that other EDDs occasionally struggle with. With a better cross-section of stakeholders, the EDD is better able to develop a "shared vision" for the region, and all projects that placed on the priority list are in accord with this shares vision.

Workforce issues and solutions are a recognized critical path

This EDD is tied strongly to the Workforce Investment Board (WIB) and the region recognizes that workforce is a primary issue. One issue is around retraining paper mill workers for new jobs due to a declining industry. A second issue is finding and training workforce for targeted industries. Part of the CEDS process surrounds looking at available assets, including buildings and workforce, and how these could be successful in helping with the "economic development three-legged stool." In all cases, workforce is recognized as part of, and essential to, the bigger economic picture and success of the region.

Individual Site Visit Report

Name of District: Boonslick Regional Planning Commission (BPRC)

Type of Region: Three counties, rural

Date of Visit: March 7, 2011

EDD Contact: Steve Etcher, Executive Director, 636.456.3473

Region Overview

The BPRC is an economic development district with a staff of 21 professionals that serves a mostly rural three-county area in the east-central part of Missouri. The BPRC is centered on Interstate 70 and lies immediately west of the St. Louis metropolitan area. The region is known for its agricultural-minded work ethic. Manufacturing is also strong within the region—the manufacturing of auto parts and parts for Boeing, and the tool and die industries form its economic base. The EDD has been operating since 1968 and focuses on improving the quality of life within its region, developing economic prosperity, and delivery of state and federal programs. Initiatives include:

- Promoting regional prosperity. The BPRC is working to increase diversity in the economic base by attracting new businesses and helping entrepreneurs. This is being done through expanded financial tools, increased partnerships, and workforce training.
- Administering the local Missouri Career Center. The BPRC provides resources for job seekers, as well as businesses in need of employees. The Center is a part of the Missouri Division of Workforce Development.
- Planning for regional development. The EDD is the Rural Planning Organization (RPO) for its region, and works to coordinate community and economic development, and transportation planning for its communities. BPRC initiatives also include housing projects as these relate to community development, neighborhood stabilization, business financial services, solid waste planning, and environmental planning.
- Grant writing and administration**.** Through this expertise, BRPC helps to obtain homeland security funds to purchase equipment for its communities and funds for predisaster planning.

Lessons Learned

Direct and hands-on efforts matter.

Create ownership of CEDs through Participation

When the initial CEDS was released, notices were put in the paper seeking local input—and a fair amount was received. Iterations of the document were available online and responding online was one avenue of providing input. During the CEDS process, meetings were held in communities over several

nights, where elected, education and training, and others were able to come and discuss the plan and provide input.

With high levels of input, both cross-sectional among interests as well as across the region, the region had ownership of the document and the plan. In the end, participants were consensus builders and collaborators, which led to an open and transparent process with regional buy-in. Meetings often "have 40-60 people who attend to discuss the CEDS. They hash out problems while people are at the table."

Two key things: Relationships and credibility are essential

The executive director and his staff are all well regarded and looked at as "go to" people. They are looked at as people who will get things done for the region, not by using email, but by taking a hands-on approach to providing services. They tend to "focus on the person…walk people through the process…with the right people doing the right stuff."

One aspect of being credible is based in having an engaged Board and a strong executive director, but also in retaining qualified staff. As one respondent commented "they are proven" with a positive persona among the EDD's constituents." Stability means a lot in building trust with community leaders. "The ability to execute and to get things done speaks volumes" about the EDD.

This element of trust with the EDD and its communities is further evidenced in its success to relocate cities from flood plains to higher acreage. The EDD is in the process of relocating its third community from a flood plain to higher ground due to frequent flooding. With funding assistance from Community Development Block Grants (CDBG), social services, FEMA, and other resources, the EDD has pooled together $10 million to relocate these citizens. The EDD's strong base of partnerships and its relationship with the county and other jurisdictions have made this relocation and the two others possible.