

## Time to throw away the old economic development playbook.

### ***Question to the reader: What is economic development?***

If you ask a dozen individuals the answer to this question, you are likely to get back two dozen responses. The responses may range from a simple blank expression to detailed technical answers. Some of the technical answers that are offered may even include the type of answer found when doing a quick google search: *“Economic development is the growth of the standard of living of a nations’ people from a low-income (poor) economy to a high-income (rich) economy. When the local quality of life is improved, there is more economic development.”*<sup>1</sup>

What I have often found perplexing is how loosely community leaders, business leaders and politicians throw this term around. And how, too often, this term is seen as the effort to attract businesses to a community and the creation of new jobs. If this in fact is your interpretation of what is economic development, then the following question is also probably worth considering.

### ***Hypothetically, is there a finish line, which when crossed, a community collectively can claim that they have achieved their economic development goal?***

What would this finish line look like? How would a community define this finish line? Perhaps we state that the goal of economic development is the creation of new and perhaps good-paying jobs that equal or are in excess of the local unemployment number. If you agree with this, then let us test one final question.

### ***If a community of 10,000 working-age residents has 50 unemployed and 100 underemployed individuals, then would creating or attracting 200-300 new “good paying” jobs be sufficient? Can a community now claim economic development victory?***

I began by posing these questions because, across the country, we continue to see this very pattern emerge. We see communities that have ample “good” jobs available, yet continue to push incentives and tax breaks to attract new businesses. I would like to challenge this fundamental assumption that community and economic leaders often make.

### ***Another point of reference:***

Let me highlight a few simple facts to contextualize where America stands in the great global economic development race.

- Global GDP in 2020: \$83 Trillion
- US GDP in 2020: \$21 Trillion

The United States’ Gross Domestic Product (GDP) is approximately 25% of the world GDP, and we are by far winning the economic growth war. It is also worth noting two other reference points: (1) China’s GDP is \$15 Trillion and (2) US Population at 331 Million is approximately 4.25% of the global population (whereas China’s is 1.4BB).

How can America be so far ahead of the rest of the world from an economic productivity perspective and still face deep and dark economic woes at a local community level (inequity, homelessness, adult and child poverty, etc.) in every community across the country from the Silicon Valley to Springfield, Missouri?

Myopic economic development vs. pursuing a wholistic community ownership agenda.

Let me challenge the fundamental assumption that what is broken in communities is not the lack of jobs and lack of businesses. Let me challenge the very core assumption that the path to economic prosperity is simply the creation of “better jobs.”

Instead, I would like to propose the following: what is broken in communities isn't the access to employment and jobs, rather the enablement of every local citizen to be able to create a path toward prosperity that enables personal and communal prosperity. I believe that what humans need isn't a fishing job on the trawler, rather the ability to learn how to fish so they can apply their own creativity to pursue the opportunities of their own making.

Let me take my case one step further. What makes humans the most unique creature on this planet? Is it our opposing thumbs? Is it our communication and language skills? Yes to both, but I would begin by stating that what makes humans most unique is that unlike any other creature on this planet, we humans have the ability to decide who we are going to be, every single day of our life. Dogs, cows and horses have very limited ability to fundamentally shift their capabilities. Within very finite constraints, other animals can excel in a particular domain. Perhaps a horse can learn how to run faster, a dog can learn a new trick or two. But only humans have the ability to learn professional skills that can span from laying brick to transplanting a live human heart.

Community leaders must recognize this very basic fact and begin to develop a pathway that enables local citizens to achieve their greatest and highest potential. Leaders must begin to take a broader view of their whole community. Rather than seeing their citizens as just consumers and workers, they must view the community as an enabler of packets of economic energy that is often lying dormant and underutilized. To tap into this potential requires a fundamental shift in thinking as to how we integrate the various elements of our talent and economic supply chain together.

### **What is the path forward for communities? Where can communities begin their journey?**

Over the last 5 years, I have had an opportunity to work on a program called Growth In The Rural Ozarks (GRO). This program was design in conjunction with Rural USDA and The Community Foundation of the Ozarks. The core premise behind this program was to evaluate whether small rural communities in the Ozarks could inflect the direction of their local communities and economies. Over the course of the last few years, we have stumbled much and we have also learned a tremendous amount about what it takes for communities to progress forward.

It turns out that there is a lot that communities can do to help unshackle their potential. Much of the work is not intellectually complicated, however, communities often need help getting themselves organized so that they can align behind a common set of priorities. Often, community leaders desperately seek to change the trajectory of their community but lack the tools to move forward. While there is much that can be discussed on the topic of where to begin, we would summarize our learnings into the following critical buckets.

Here are our top 5 lessons learned on where communities that are interested in taking greater ownership of their community can begin their journey.

- (1) **Strong and a credible convening leader:** The most critical element of the effort is to have a strong leader who can help initiate the process. The desired characteristics of this individual are as follows:
  - **Community first:** The individual has a strong orientation to helping improve the lives of local citizens.

- **Checking the ego at the door:** The individual works well in a team because they know how to compromise and find the middle ground. They recognize that sometimes the best ideas will not be their own, and they are willing to make decisions that sometimes may counter their own beliefs.
- **Listening more and speaking less:** We like to think of this as the words to value ratio. We want individuals who can use as few words as possible to convey their thoughts.
- **An orientation towards learning:** The individual recognizes that the realm of economic and community development can sometimes be a very complicated space. As such, individuals that come to the discussion with a spirit of learning will do quite well in their position. Part of this attribute also involves having the ability to reflect on what has been done and be willing to have a healthy degree of critique, so that learnings can be garnered, and improvements implemented.
- **Time commitment:** While the amount of time needed to commit to the efforts will vary, the leaders should estimate approximately 2-5 hours a week of time commitment. There will be more time required in the first 6 months and then the efforts should stabilize a bit after this initial period.

(2) **A non-local Sherpa:** While this point may seem self-serving, the basic reality is that communities where individuals have long histories and longer memories sometimes carry a lot of baggage that prevents conversations from sequentially progressing forward. The other challenge that communities that are looking to self-organize will face is that they may not have an individual who is able to challenge the basic assumptions that a community may have made around what is and is not feasible. Long-time residents often begin to take for granted that certain aspects of the community cannot be adjusted. In one community where we have been working, there happens to be a manufacturing plant that creates unpleasant odors at certain times of the day. The first time I came across the phenomenon, I was truly shocked. But when I brought this up to the community, they seem completely at ease with the situation. After all, it had been like this in the community for over a decade, and as such, was not even seen as a pressing issue. Communities need a fresh pair of trained eyes to help them navigate their own inexperience and blind spots.

(3) **A team of diverse doers:** For communities that are striving to take control of their destiny, they must ensure that a handful of critical partners are part of the effort. **The five most critical organizations will be the following:** City Hall, the School District, the Chamber of Commerce or Local Economic Development organization, philanthropic leaders, and a handful of key business leaders. Across these entities, a large swath of community resources are embedded. As a community looks to drive more outcomes, these entities can help bring personnel and resources to ensure that the work gets done. These entities are also typically involved extensively with the residents of the community, which makes gathering voices from various pockets of the community much easier.

One final point to add here would be the importance of finding diverse demographics of stakeholders. While rural communities tend to not be very ethno-racially diverse, it still helps to have diversity of individuals with varying backgrounds (socio-economic, age and gender) at the table. Diversity of experiences in the leaders selected to support the community and economic development efforts is helpful. This diversity helps bring distinct voices and innovative energy that may get missed if the group is too monolithic. For communities that strive toward creating greater local citizen ownership over the future of their town, it helps to have varied voices who sometimes get left out of such communal discussions.

- (4) **Importance of investing in the process:** Data, objectivity, team building. The next area of focus for the community should be to develop on the 'how' we will work together. What are the facts? What is actually broken? What is fact and what is fiction? How will we make decisions? What behaviors are acceptable and which are not? Laying some basic groundwork helps the group develop a more stable foundation upon which they can build longer lasting programs.
- (5) **Generating and communicating wins:** Too often, communities are not able to get past the planning and conversation phase. It is crucially important for communities to think about what goals they are going to set for themselves, how will they communicate these goals to the broader community, how will they recruit more leaders and resources to join the movement. Communities too often do much heavy lifting, but then are unable to inform and engage the community succinctly and repetitively. This effort is of critical importance if the work is to gain long-term traction in the community. For further reference, we encourage you to visit our GRO portal and learn how the GRO communicates monitor their progress. ([www.GrowOzarks.org](http://www.GrowOzarks.org))

In conclusion, the future of economic development is no longer a discrete function. The system does not need to 'create jobs.' Instead, communities need to take ownership of their community and ensure that economic access is available to all members of their community. The future of community and economic development is fluid and it must help unleash the collective power of its citizens.

Is your community ready?