

# Economic Development 101: Changing Perspectives on Economic Development for Economic Success

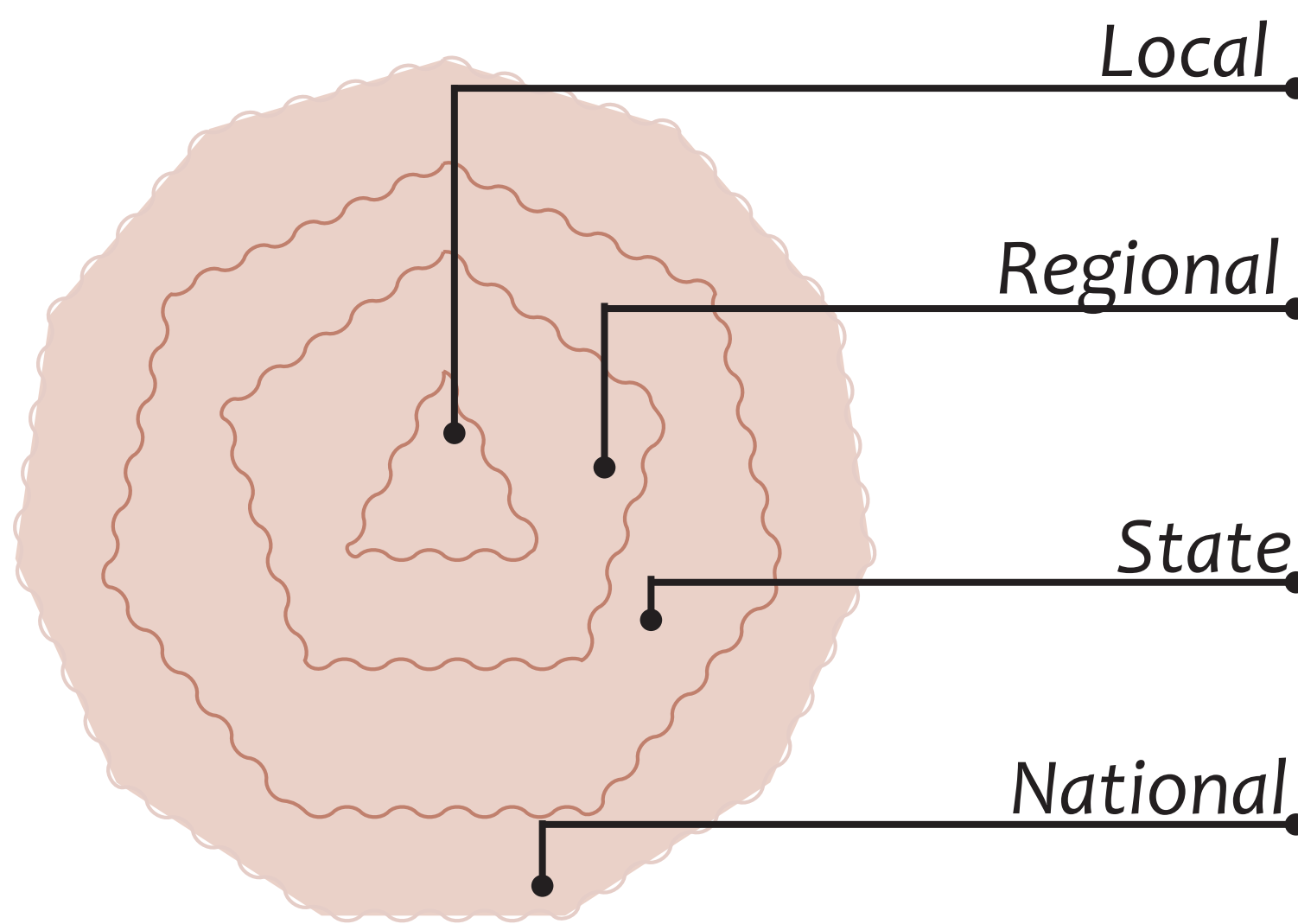
## RURAL OUTREACH IMPACTS THE NATION

Competition for jobs, people and prosperity is stiff in the 21st century. The rules of economic development have changed, and the global economy is more complex and interconnected than ever before.

The University of Illinois Extension provides resources and support to Illinois' small towns and rural counties. Community & Economic Development educators partner with communities as they work towards development by giving presentations, facilitating programs, and sharing resources.

"Economic Development 101" is a curriculum for Extension educators that provides:

1. historical context regarding economic development goals and strategies
2. a data-driven snapshot of the Illinois economy
3. an overview of trends, strategies and resources for economic development in Illinois
4. case studies that provide examples of innovative economic development initiatives, strategies, and approaches in and around the state



This guide is a practical resource for local and county leaders, but has implications for the state of Illinois and the national economy as well.

If small towns and counties are unable to sustain local economies and provide services and resources for residents, quality of life decreases and economic displacement is likely.

## COMMUNITY CAPITALS FRAMEWORK

Developed by Flora & Flora, the Community Capitals Framework conceptualizes community assets as seven different types of capital. The "Economic Development 101" curriculum explains the goals of each capital, how each relates to economic development efforts, and tips for analysis.

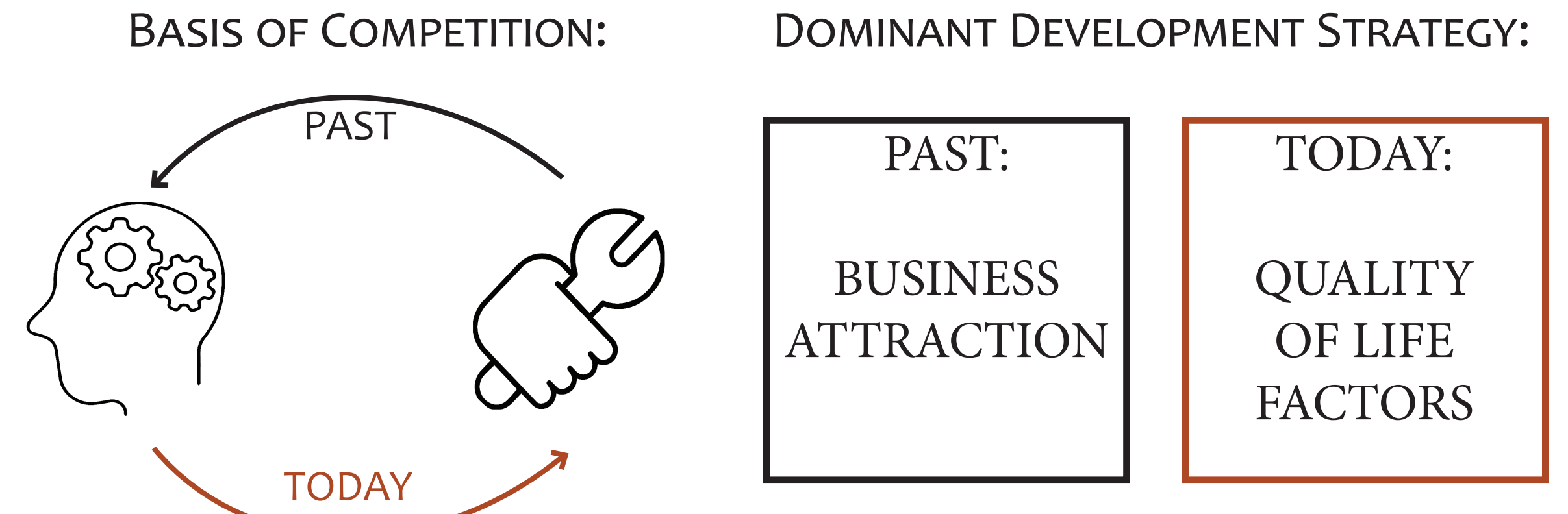
- NATURAL CAPITAL**  
refers to the natural environment—it's quality, uniqueness, and potential resourcefulness.  
EXs: water, land, minerals, fertile soil.
- CULTURAL CAPITAL**  
is based on the sociology of a place—the values, beliefs and traditions inherited from family, school, and the community.
- HUMAN CAPITAL**  
the contributions an individual can make to the economy that earns them a living—education, creativity, connections.
- SOCIAL CAPITAL**  
social connections to people within and outside of a community—even non-professional social ties are often how things get done.
- POLITICAL CAPITAL**  
the ability to influence and enforce rules, regulations, and standards. EXs: elected officials, influential community members, and business owners.
- FINANCIAL CAPITAL**  
the potential for investment through institutions and organizations within the community.
- BUILT CAPITAL**  
includes the built environment—the facilities, services and physical structures in a community. EXs: municipal utilities, roads, hospitals, housing stock, and communications infrastructure such as broadband and cellular towers.

## TARGET AUDIENCE: County Elected Officials

### TARGET OUTCOMES:

- better educated officials regarding ED strategies
- greater variety of ED strategies employed; more innovation in ED
- more regional partnership & coordination
- officials are better equipped to perform analyses for ED
- improved quality of life in rural areas
- improved access to relevant workforce training programs

## SO, WHAT'S CHANGED IN ECONOMIC DEVELOPMENT?



### THE FUTURE OF ECONOMIC DEVELOPMENT STRATEGY:

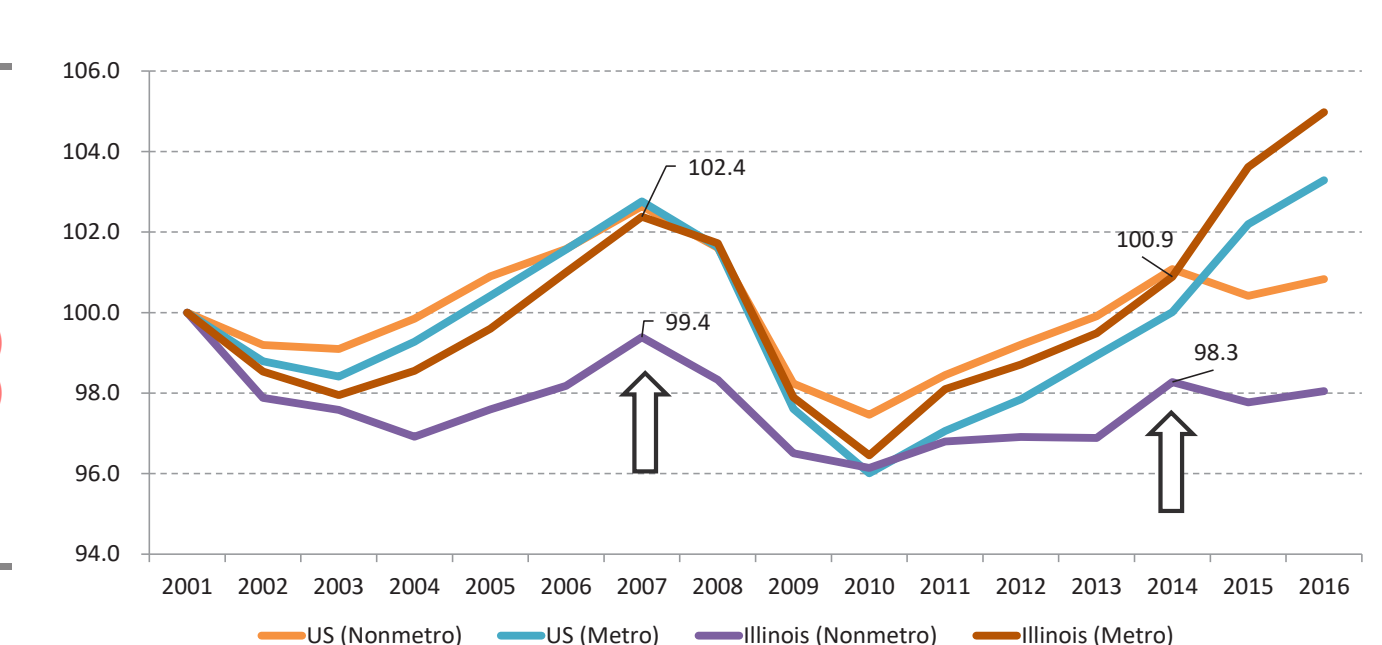


## TAKEAWAYS FROM THE STATUS QUO

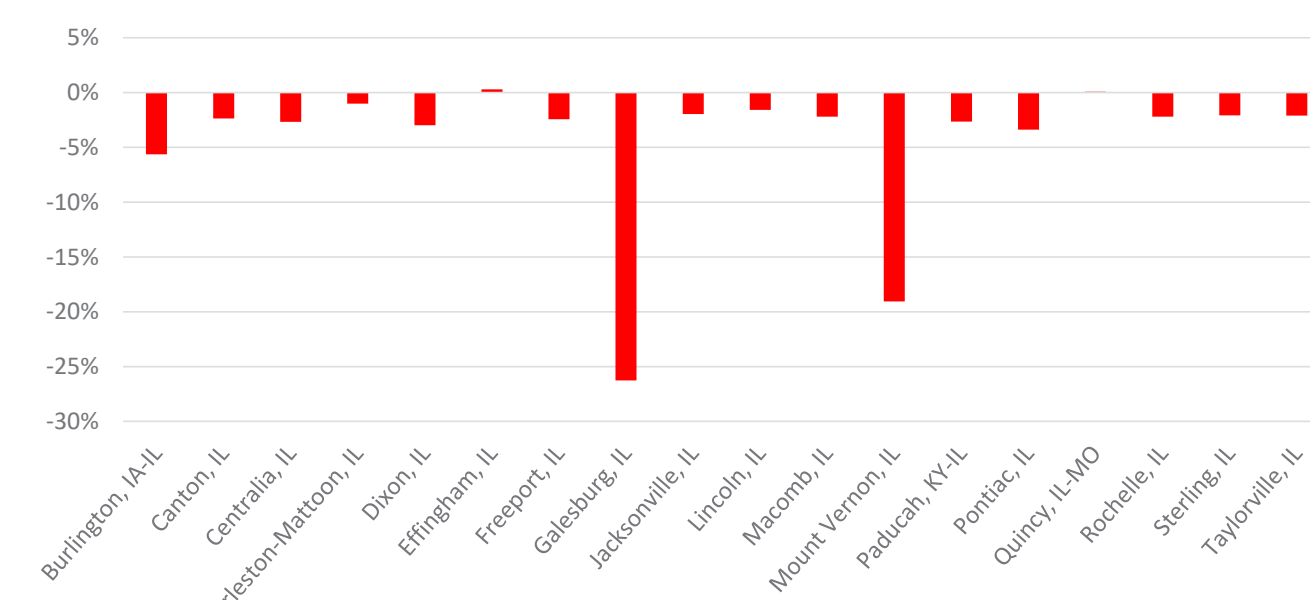
Net Job Creation in Illinois, 2004-2013

	0-4 year Firms	5+ year Firms	All Firms
2004	100,825	(39,623)	61,202
2005	104,586	(64,655)	39,931
2006	125,537	17,088	142,625
2007	89,867	(57,457)	32,410
2008	72,335	49,380	121,715
2009	35,038	(343,135)	(308,097)
2010	56,399	(185,730)	(129,331)
2011	78,703	1,792	80,495
2012	70,345	4,958	75,303
2013	79,141	52,846	131,987
<b>TOTAL</b>	<b>812,776</b>	<b>(564,536)</b>	<b>248,240</b>

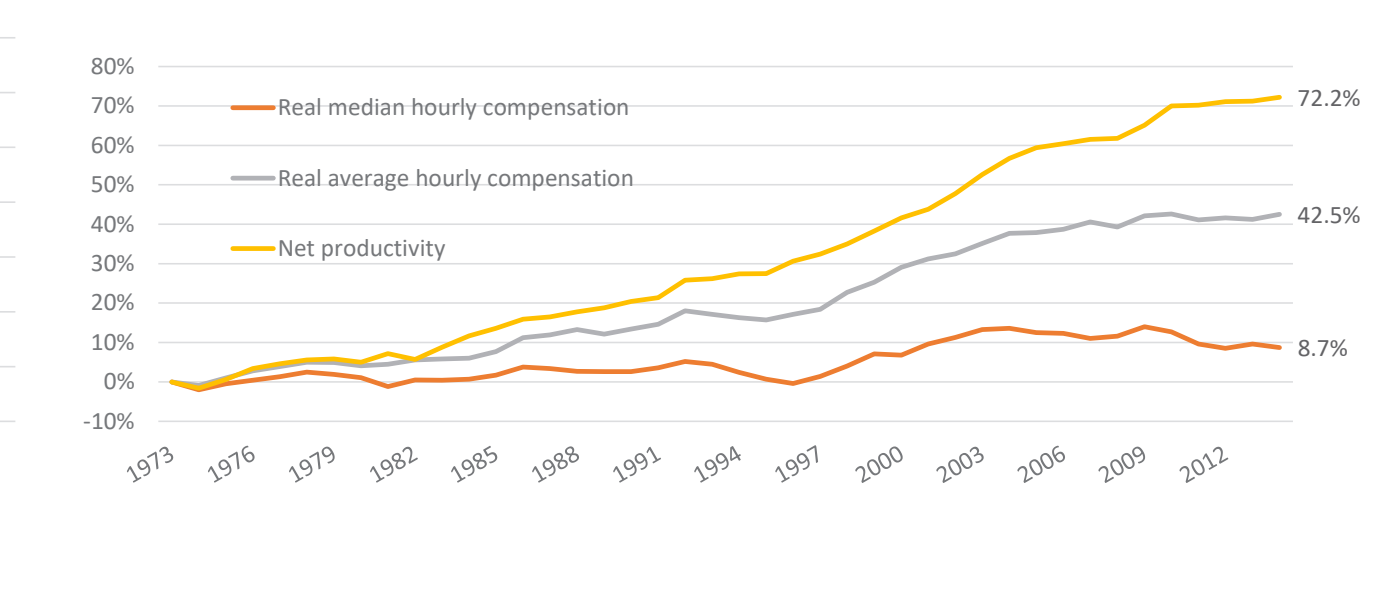
Jobs Index Adjusted for Population Changes (2001=100)



Estimated Population Loss in Non-Metropolitan Illinois, 2010-15

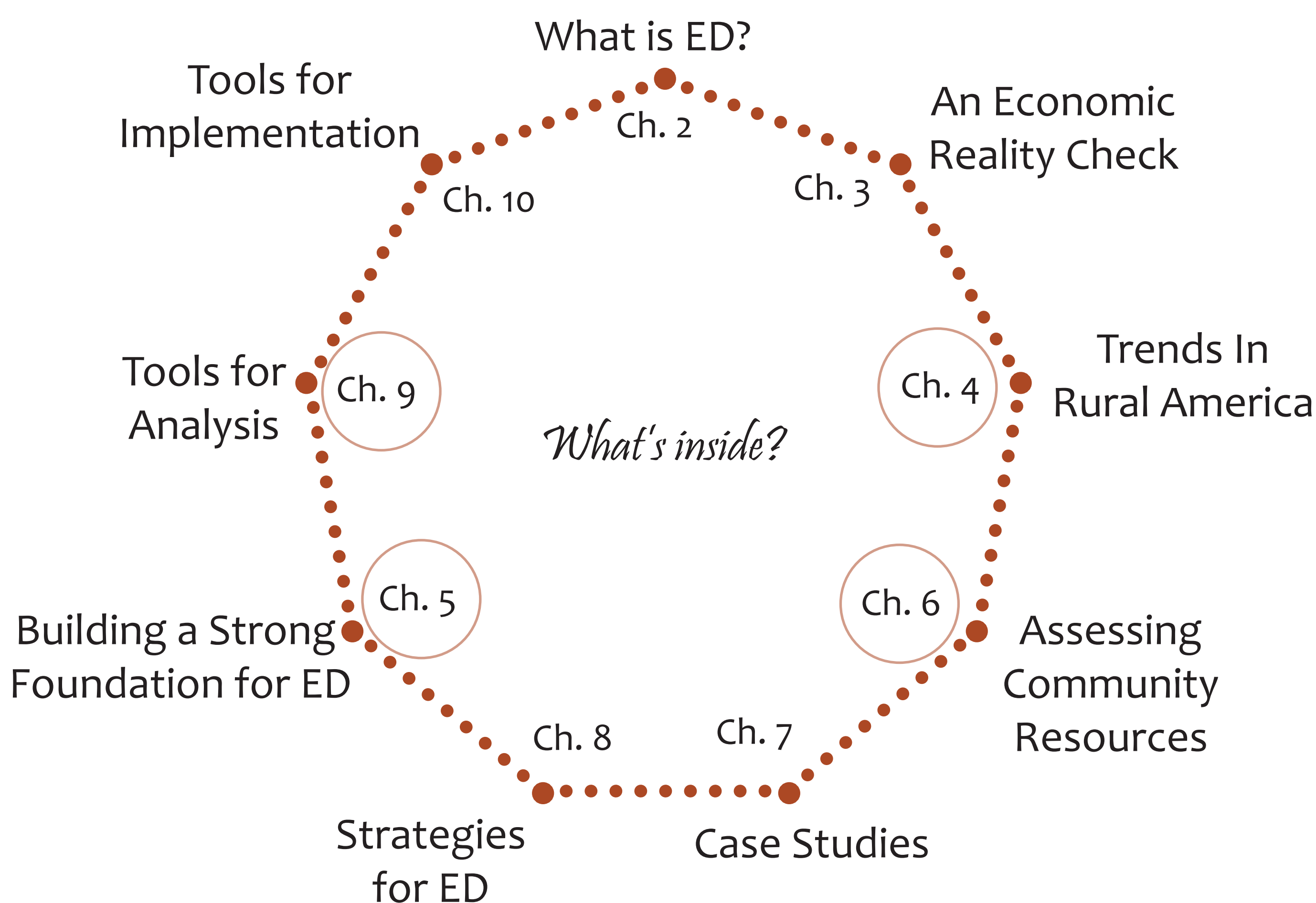


Growth of Real Median Income, Real Average Compensation, and Productivity, 1973-2014



- Non-metro areas are struggling to keep pace with Metros and the US economy, indicating a need for new strategies and new ideas in small and rural communities
- Start-ups show promise in job creation, even among Non-metro areas, but small and rural communities need to ensure they have (or build) Community Capitals to support start-ups and entrepreneurship
- Industry competition has improved productivity, but kept wages stagnant—workers in small towns and rural areas need opportunities for advancement and (re)training to maintain relevant skills and marketability

## "Economic Development 101" Guide -- A Look Inside



**4.1 A Changing Workforce in the Midwest--Human Capital**  
 4.1.1 A Retiring Workforce  
 4.1.2 Changes in Dominant Industries--Automation & Artificial Intelligence  
**4.2 Outdated & Inappropriate Infrastructure--Built Capital**  
 4.2.1 Facility Mismatches  
 4.2.2 "Shovel-ready" Sites  
 4.2.3 Aging utility infrastructure  
 4.2.4 The Role of Broadband in Rural Areas  
**4.3 Working & Winning as a Region**  
 4.3.1 Tax Incentives

**9.1 RUPRI--Readiness For Change**  
**9.2 Assets Analysis for Community Economic Development**  
 9.2.1 Demographics Analysis  
 9.2.2 Local & Regional Economic Analysis  
 9.2.3 Community Capitals Analysis  
**9.3 Development Impact Analysis Methods**  
 9.3.1 Fiscal Impact Assessment (FIA)  
 9.3.2 Environmental Impact Assessment (EIA)

**5.1 Identify Motivations for Economic Development**  
 5.1.1 How did we get here?  
 5.1.2 Community Identity & Community Buy-In  
**5.2 Strategic and Community Planning**  
 5.2.1 Why Create a Strategic Plan for ED?  
 5.2.2 Budgeting for ED  
**5.3 Discovering Your Competition/Peers**  
**5.4 Ethics for Economic Developers**

**6.1 Workforce**  
**6.2 Culture & Social Networks**  
**6.3 Financial Capital**  
**6.4 Built Environment**  
**6.5 Built Environment**  
**6.6 Natural Resources & Amenities**  
**6.7 Asset-Mapping Exercises**