

IEDC State of the Industry Report

- January 2018 -



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www.iedconline.org

Methodology

Results of the
IEDC Survey on
the Economic
Development
Industry in 2017



Tidbits on Survey Respondents

Over 96% are IEDC
members

15% have been in
the industry for 1-5
years

28% are from
communities with less
than 50,000 people

Over 37% have been
in the industry for 20
or more years

Most respondents are from the US & Canada, but also Mexico, the Caribbean, Asia, Australia & New Zealand

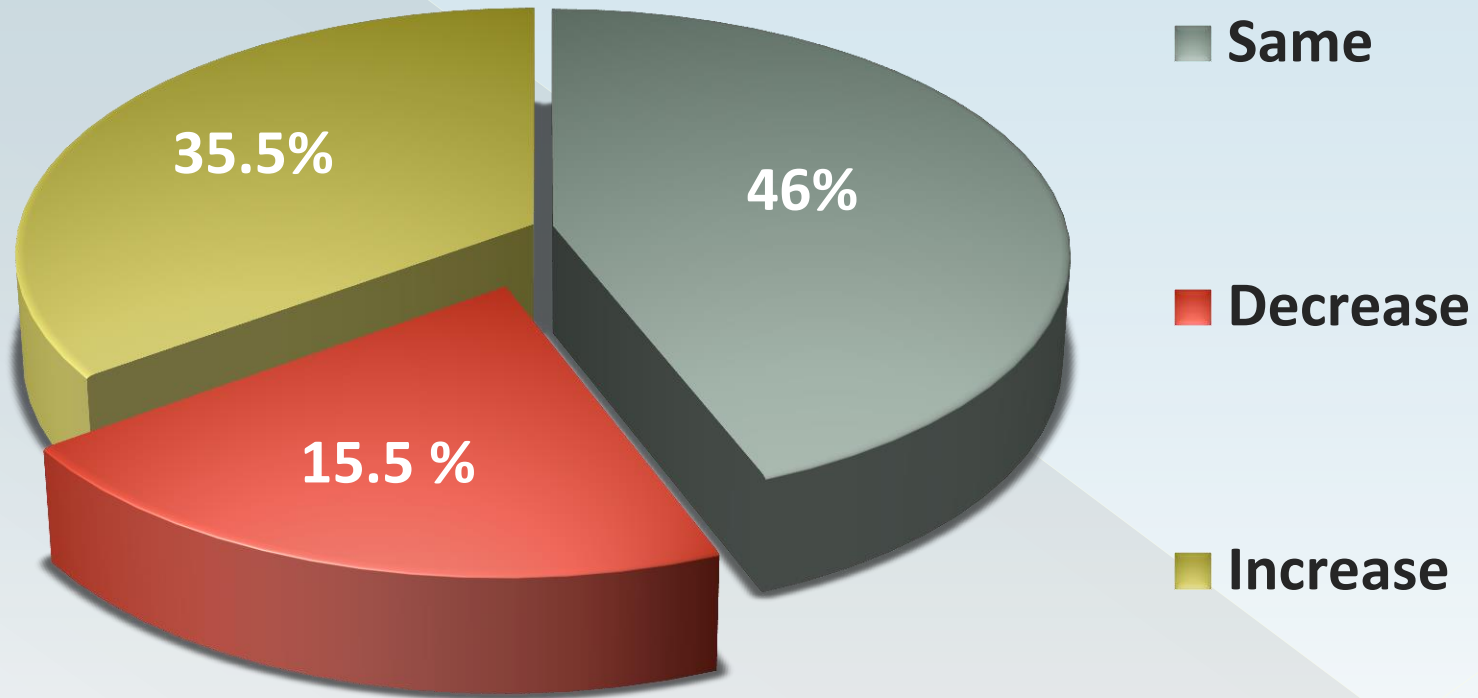


The IEDC Annual Survey
results include a review of
EDO priorities &
challenges in 2017

Let's have a look



In comparison to 2016, how has your EDO's operating budget shifted over the past year?



N/A 3%

In 2010 - when IEDC asked
about EDO operating budgets
over the previous year - only
8% reported an increase in
funding

Other 2017 EDO increases:

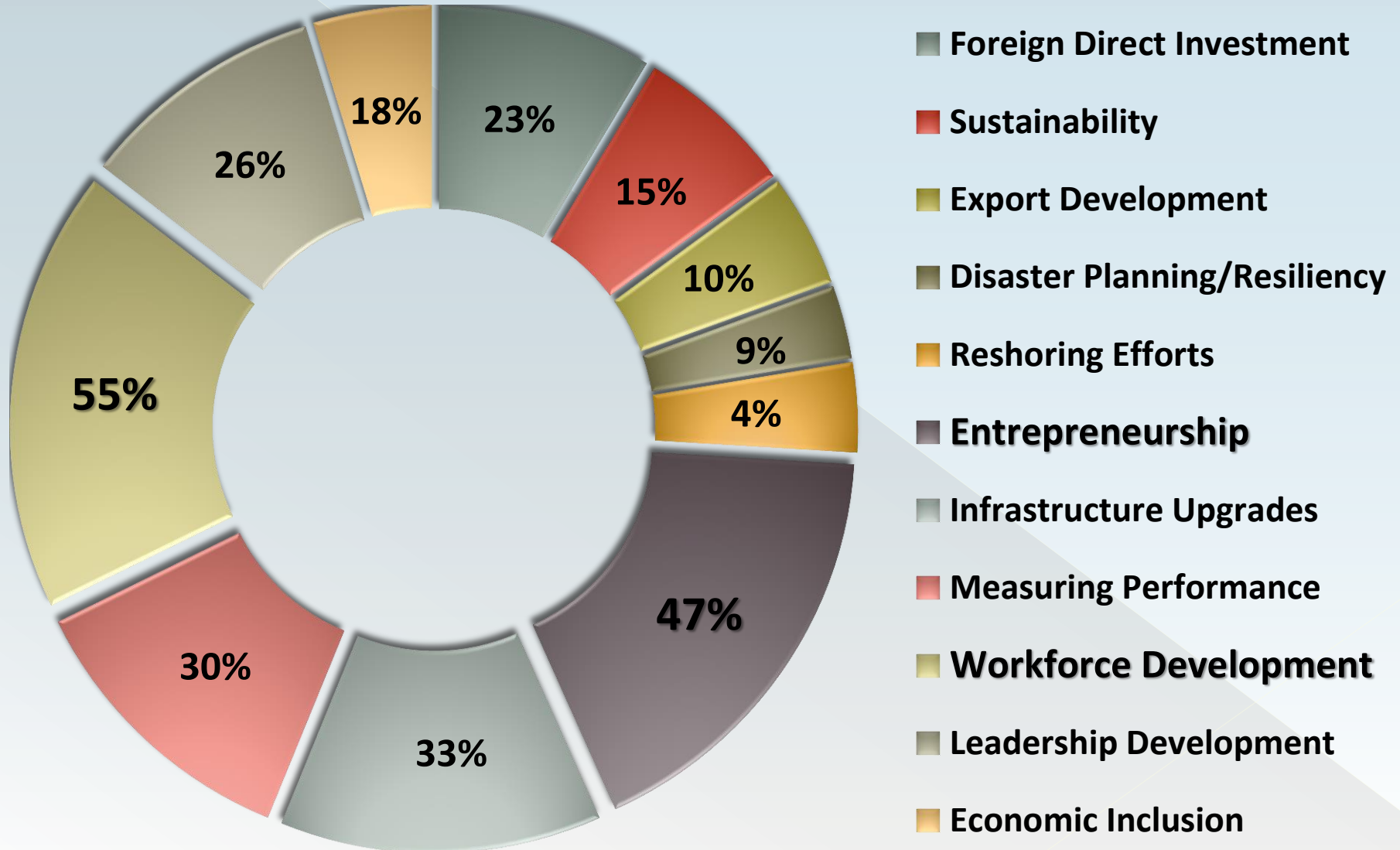
36% hired staff

**35% increased staff pay or
benefits**

**37% increased program
spending**

- **Program spending decreased by 3% in 2017, as compared to 2016, but**
 - **For 2011, only 21% of EDOs were able to increase program spending**

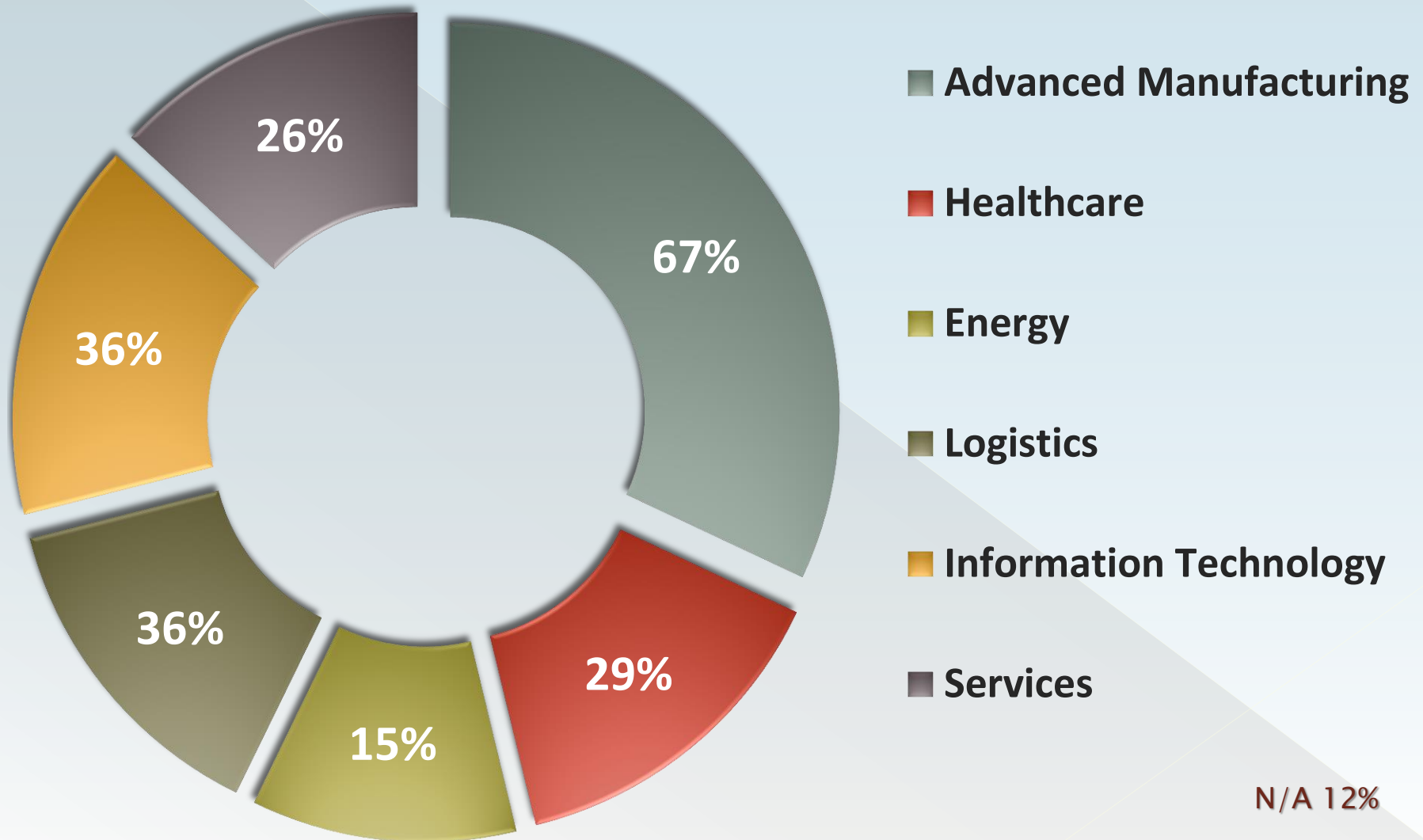
In 2017 did your organization increase efforts in the following areas:



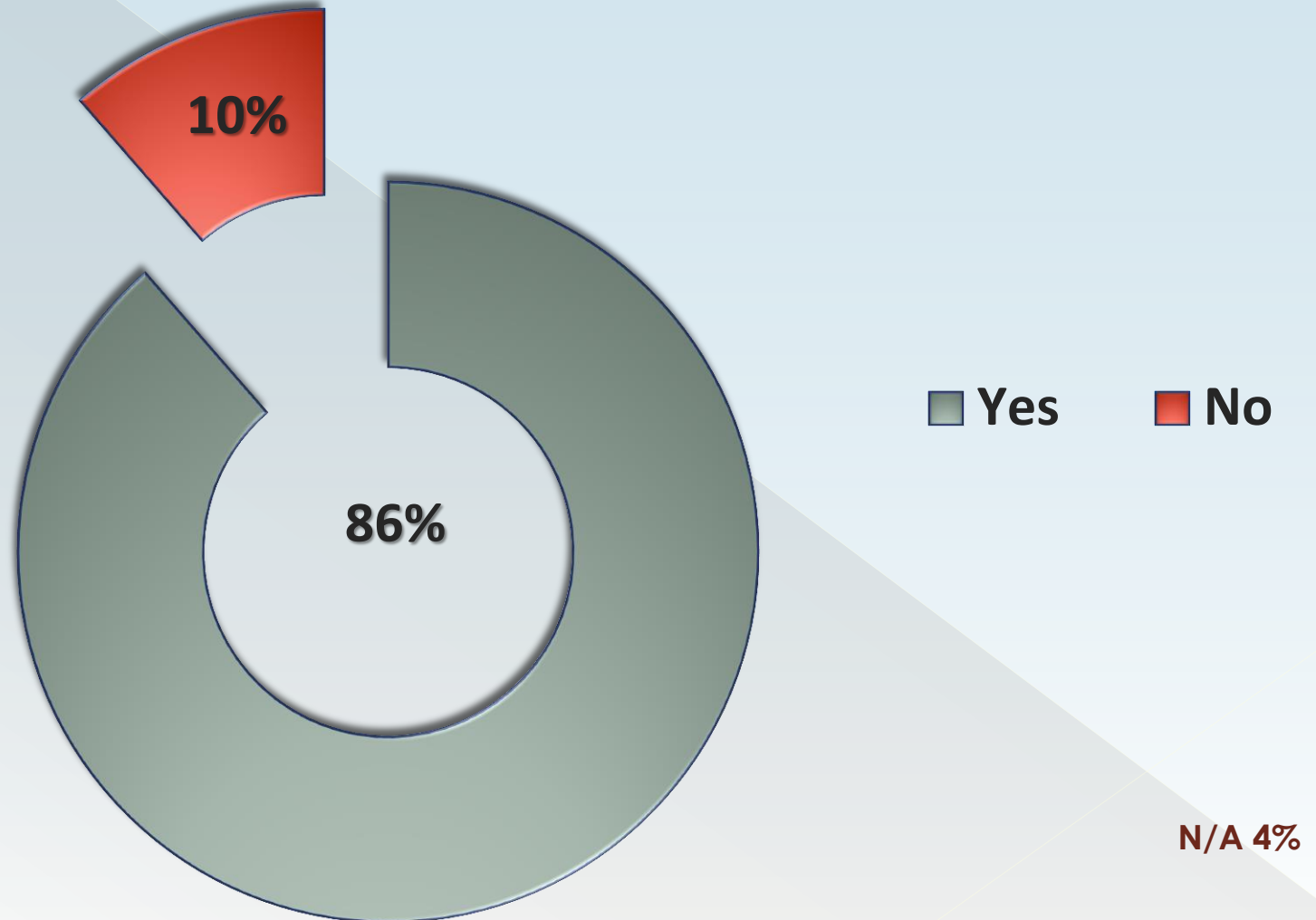
As compared to last year's survey:

- WFD & Entrepreneurship maintain the top two places
- Reshoring is down by 4%
- Infrastructure upgrades down by 6%
- Disaster planning down by 2%

In 2017, which industries did your community primarily focus its business recruitment efforts?



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



Most popular entities that EDOs partnered with in 2017



**Chambers of
Commerce 48%**

**University/College/
School 46%**

**Regional EDO
39%**

**Local or State
Govt 39%**

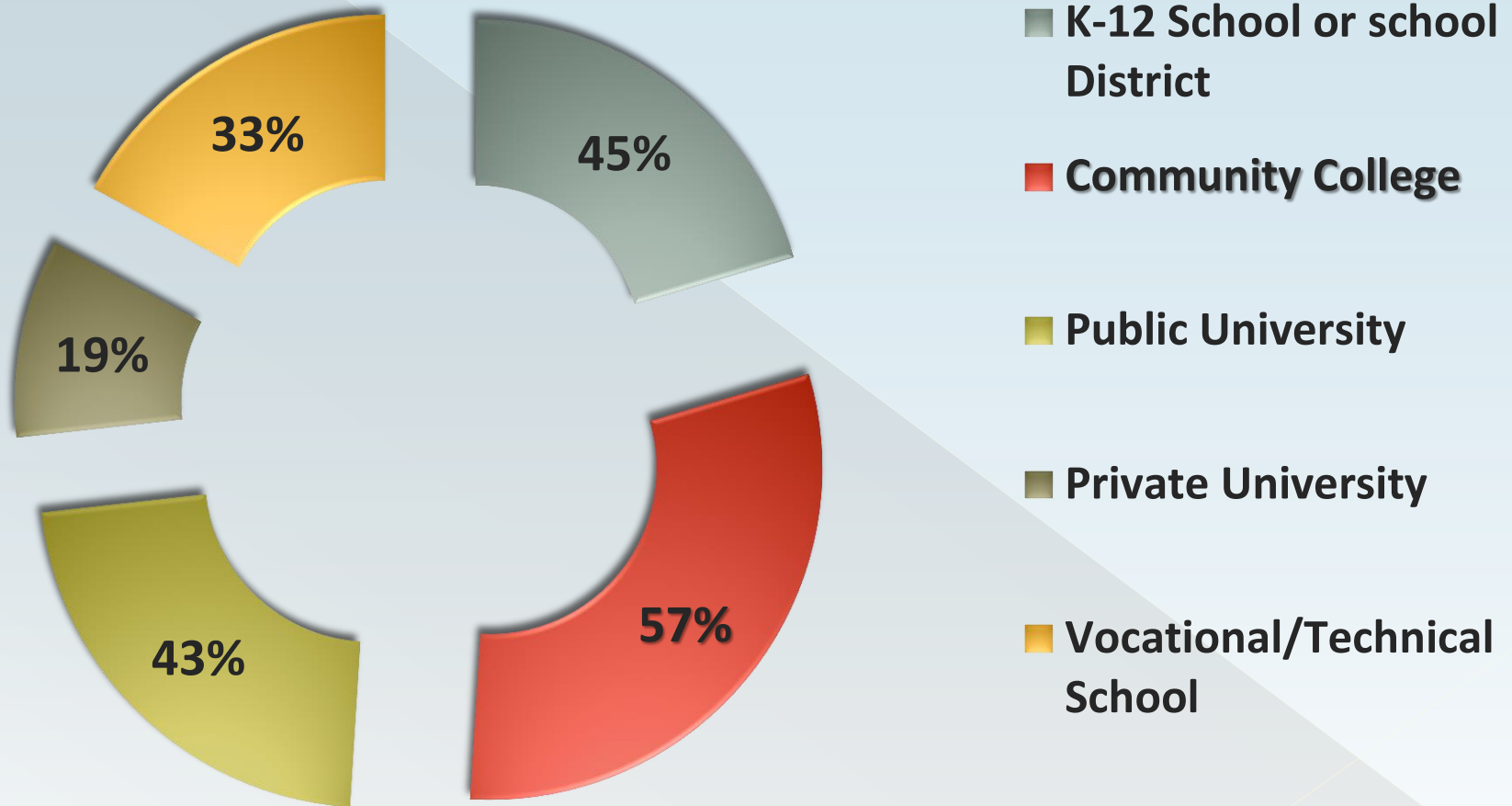
State EDO 31%

**Private Sector
36%**

**Other Local EDO
35%**

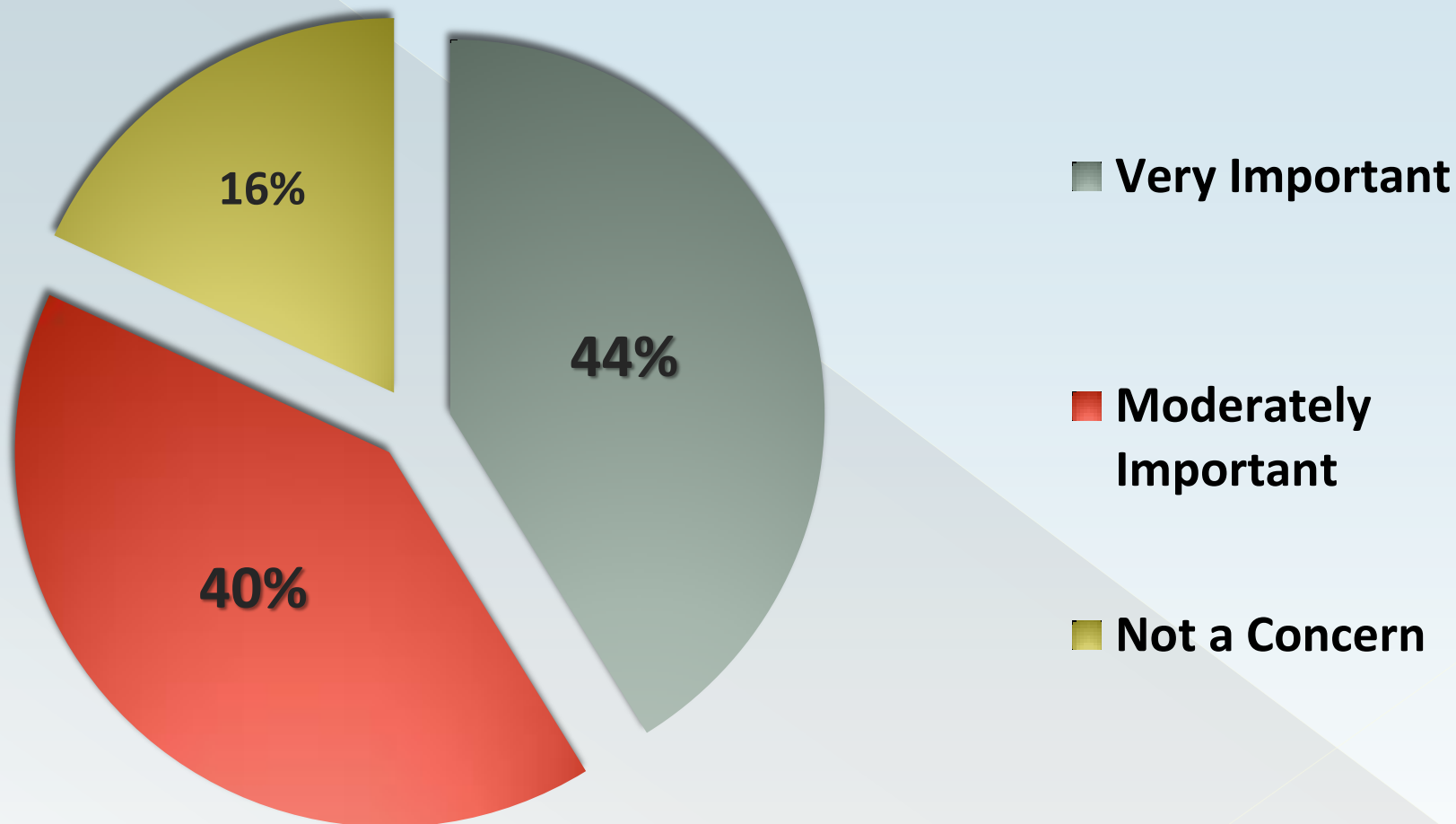
WIB 29%

Educational institutions that EDOs partnered with in 2017



N/A 16%

To what degree are equity & economic opportunity a concern for your EDO?



What were the 3 greatest challenges to your EDO's efforts in the past year?

3 greatest challenges of 2017

Lack of Skilled Labor 55%

Inadequate Infrastructure 30%

City/County/State Budget Cuts 27%



3 greatest challenges of 2011

- **City/County/State Budget Cuts 52%**
- **Lack of access to capital/financing 51%**
- **Declines in real estate development 41%**

ALARMING STATS



“Lack of Skilled Labor” is increasing as a concern to EDOs

- In 2010, it was a challenge impacting 14% of EDOS
 - It jumped to 31% in 2012 and then 50% in 2014
- This year it is now concerning 7% more EDOs than 2016

Other issues of high concern to ED professionals:

“Debate Over Incentives” → 26%

“Lack of Political Support for ED” → 22%

Lack of affordable housing is emerging as key concern

- *The debate over incentives increased by 2% this year*

In the past year, how have you altered your organization's strategy?



Engaging more in strategic partnerships 40%

Collaborating More on a Regional Basis 35%

Concentrating more on business retention 38%

More in Entrepreneurship & Sm. Business Dvpt. 35%

Investing more in Workforce Training and Education 33%

Using Social Networking more as Mktg. & Comm. tool 30%

Concentrating more on Local Quality of Life Issues 28%

Concentrating more on economic diversification 24%

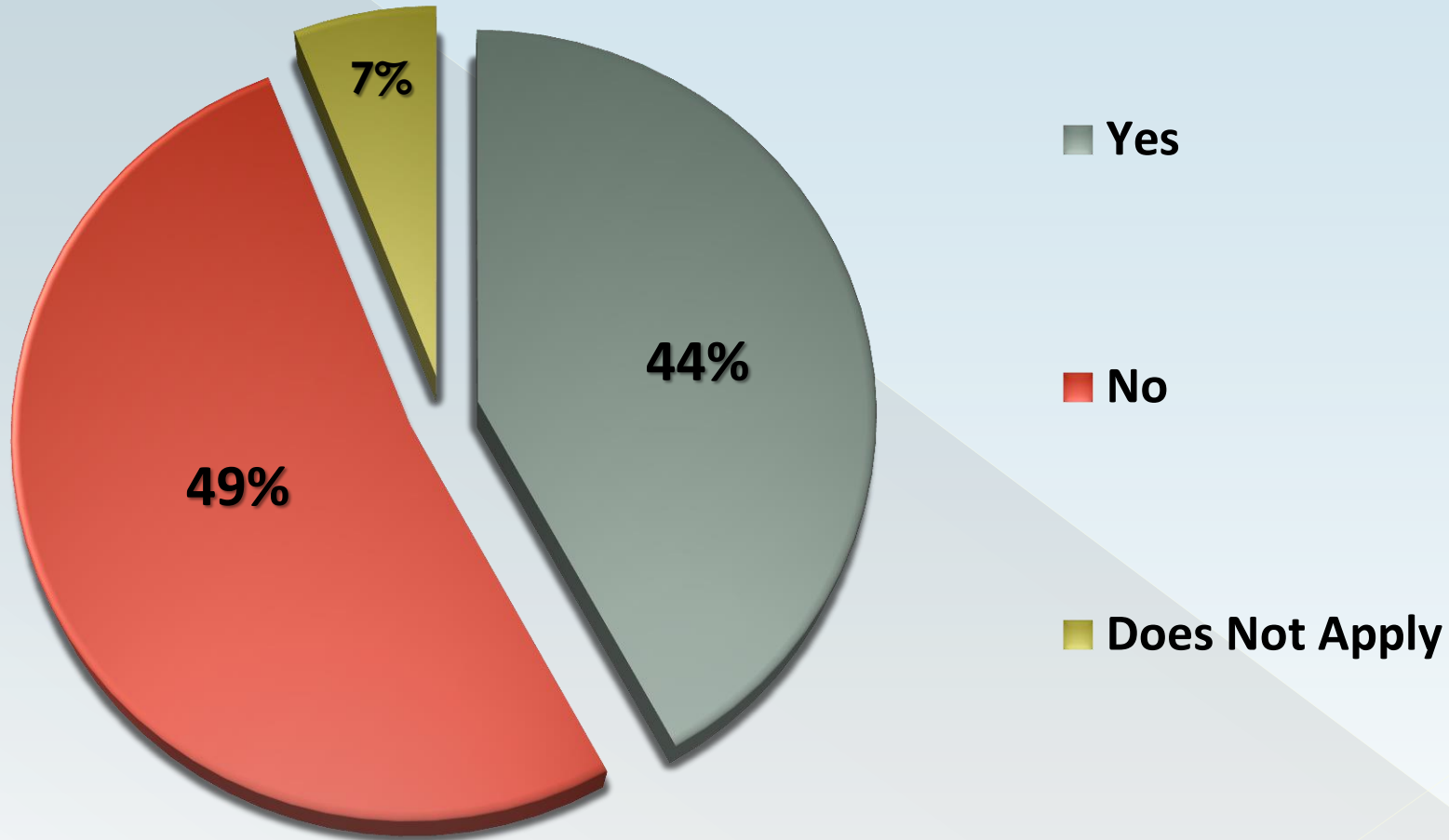
Not altered strategy 12%

22% of EDOS were focusing on WFD in 2009

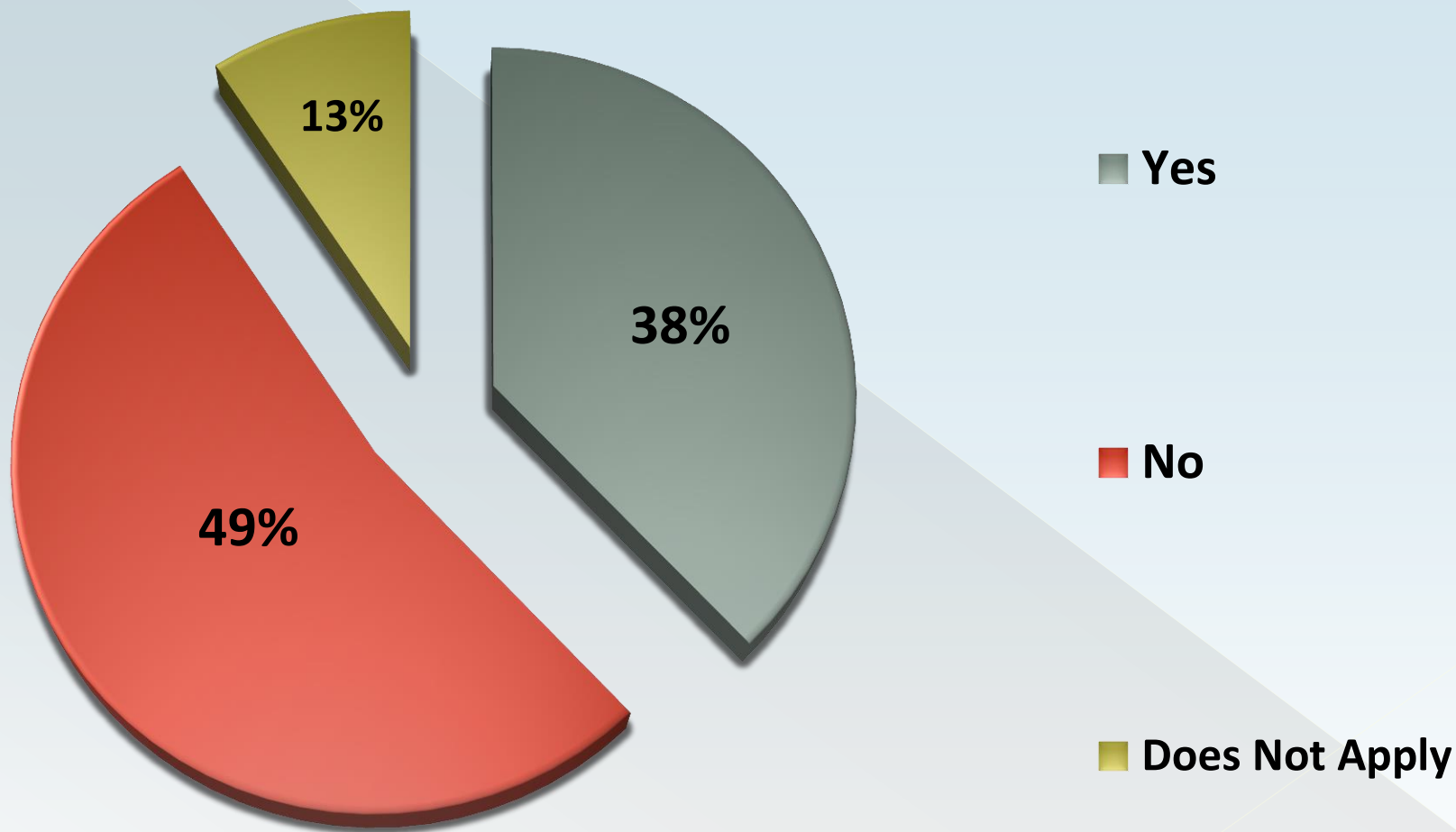
In 2010 social marketing was not even
among top replies

Business attraction was top concern in 2011

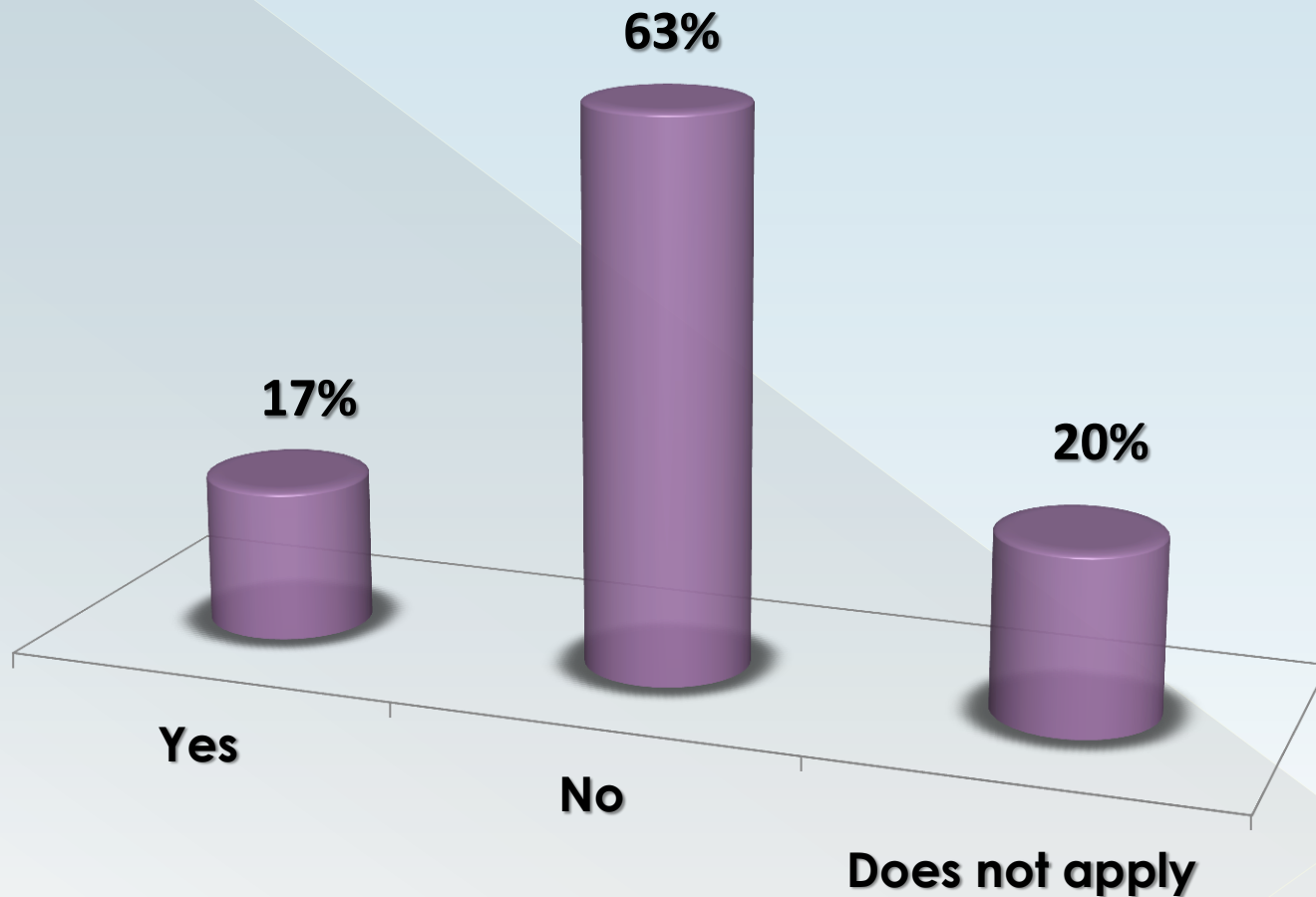
Does your organization plan to revamp its strategic ED plan in 2017?



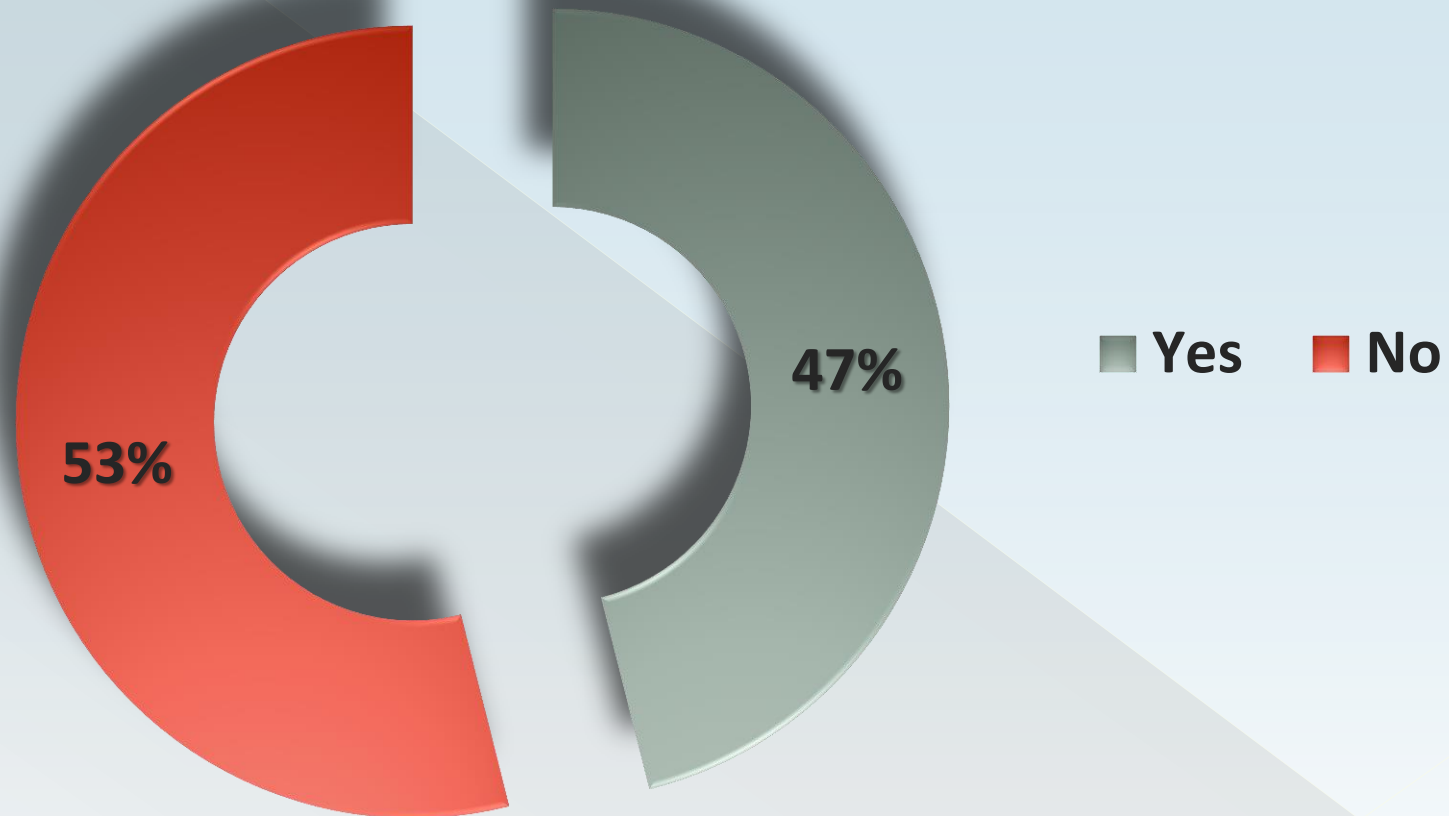
Were there any situations in 2017 where local politics interfered with an incentive deal promoted by your EDO?



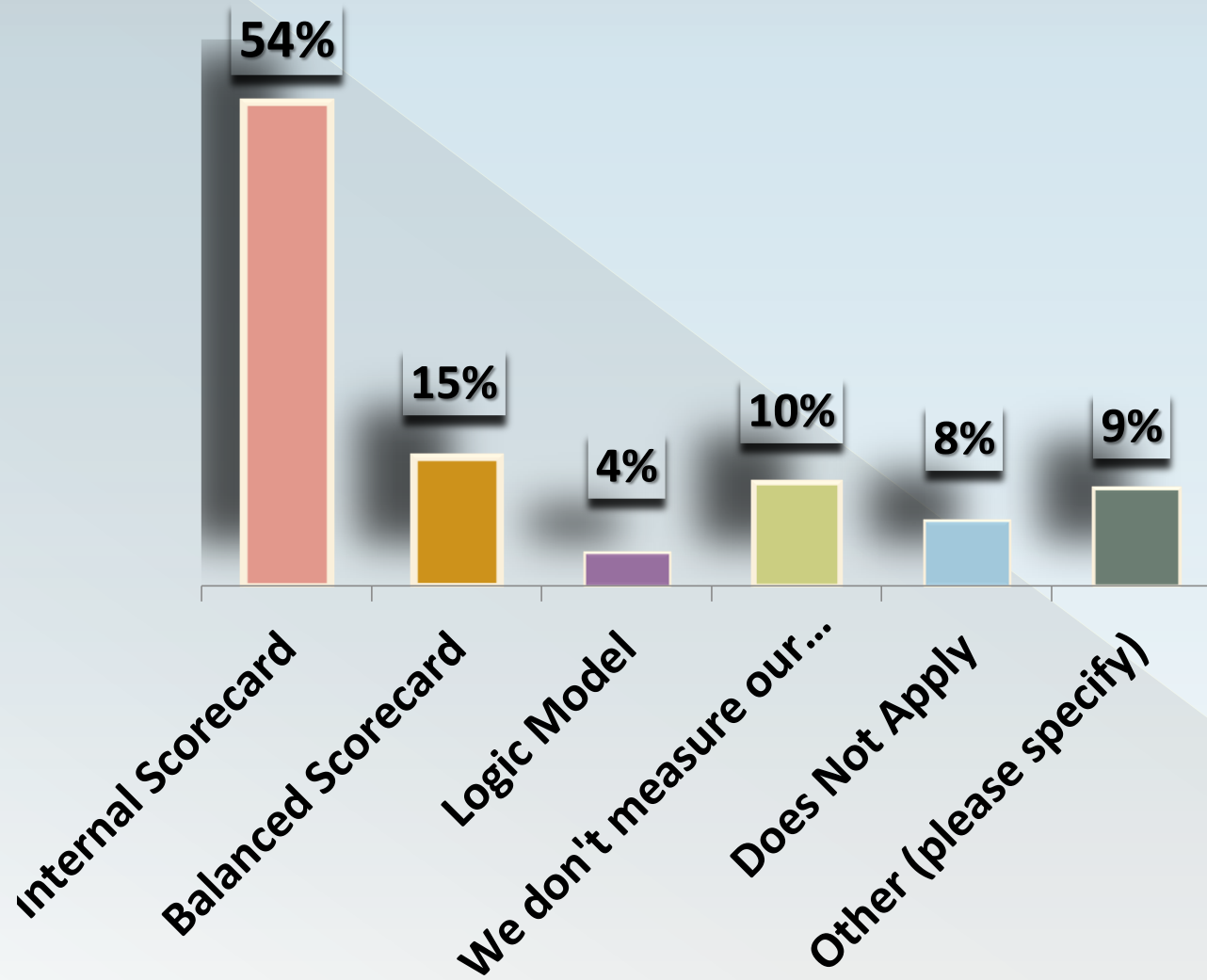
Do you plan on launching a strategic fundraising campaign in 2018?



Is staff diversity (ethnic, age, or gender) a priority for your organization?



How do you measure your EDOs performance?



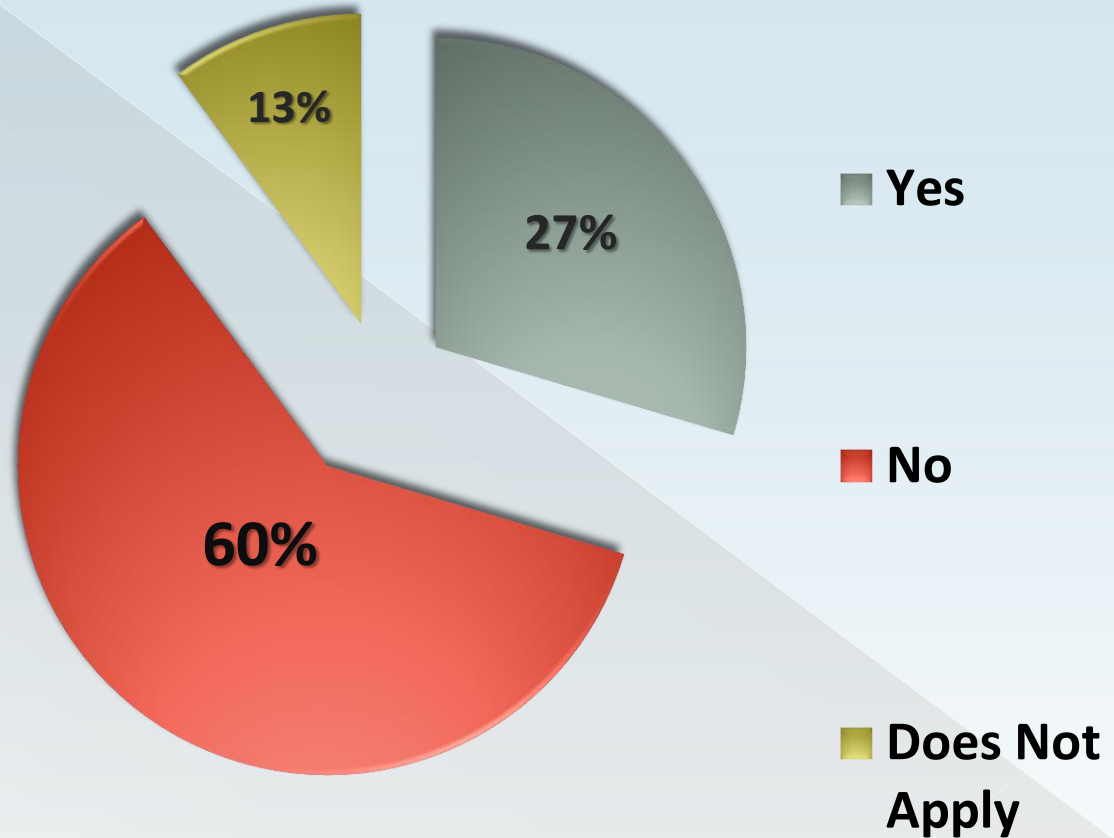
Other Ways of Measuring Performance

The majority of those who chose “other” as a response reiterated that they used an “internal scorecard” or “internal metrics” to measure EDO performance

Does your EDO
have a succession
plan in place?



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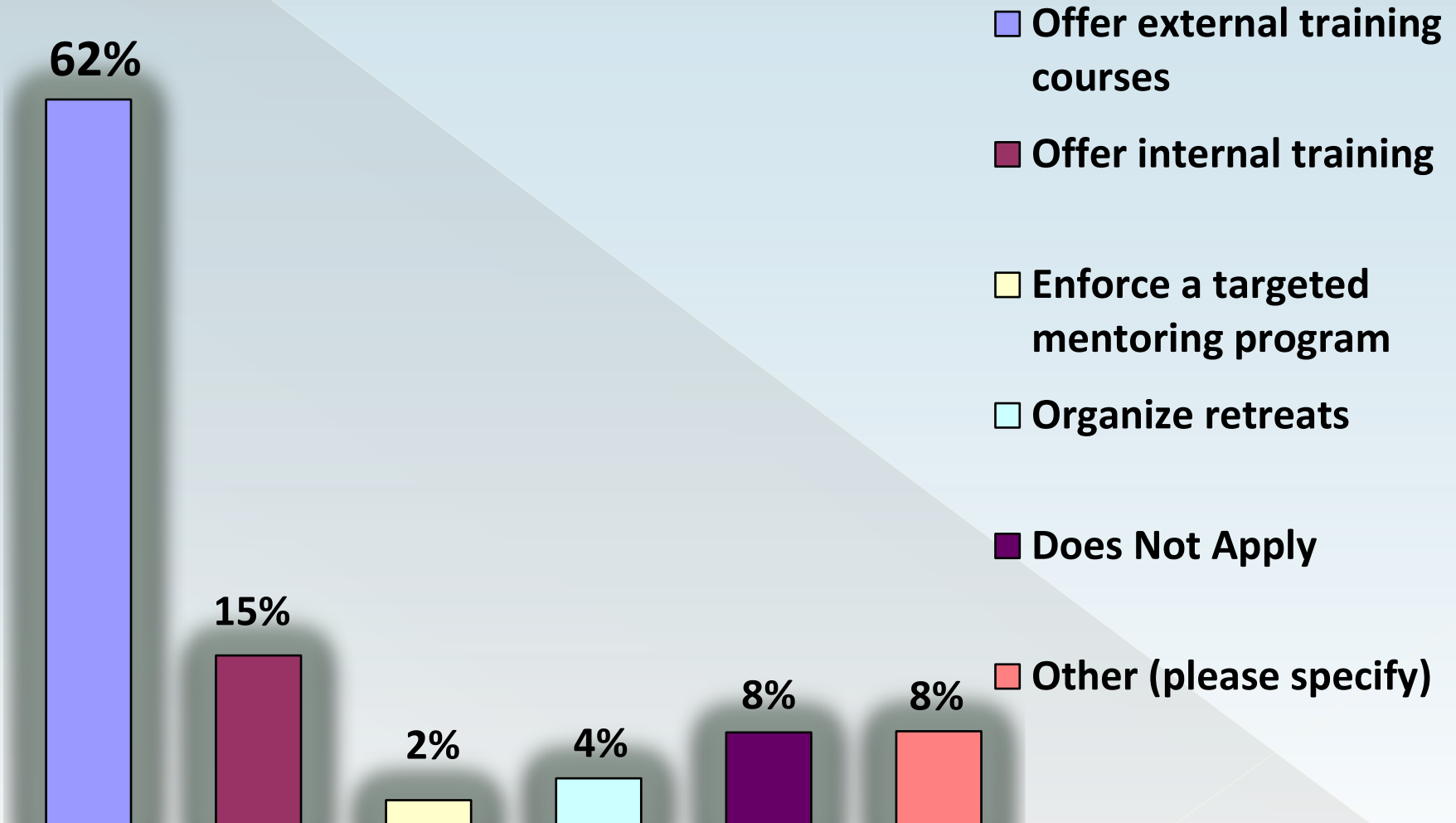


60% of EDOs do **not** have succession plan
in place

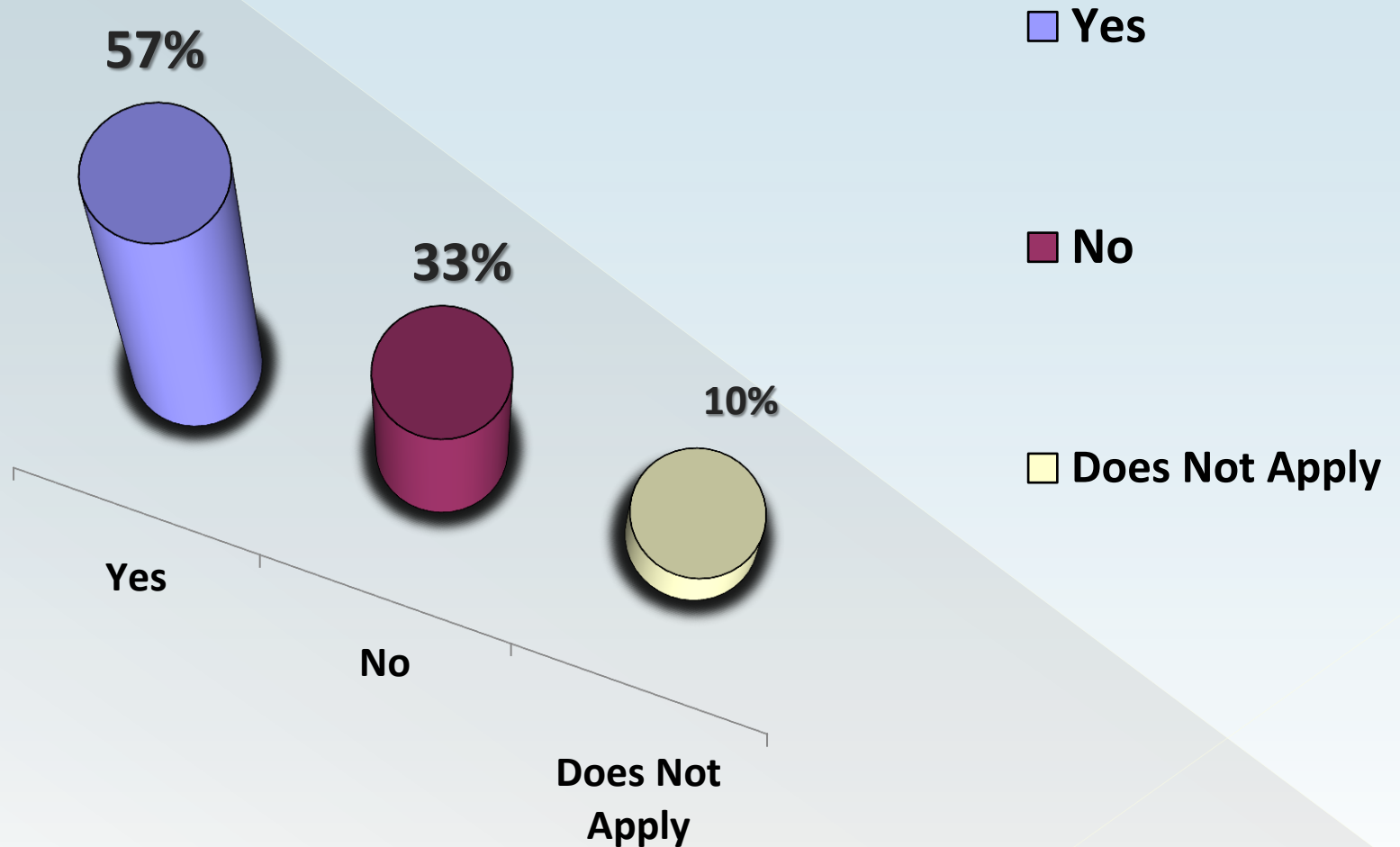


As senior members of the team
begin to retire, where does
that leave the operational
structure of the EDO?

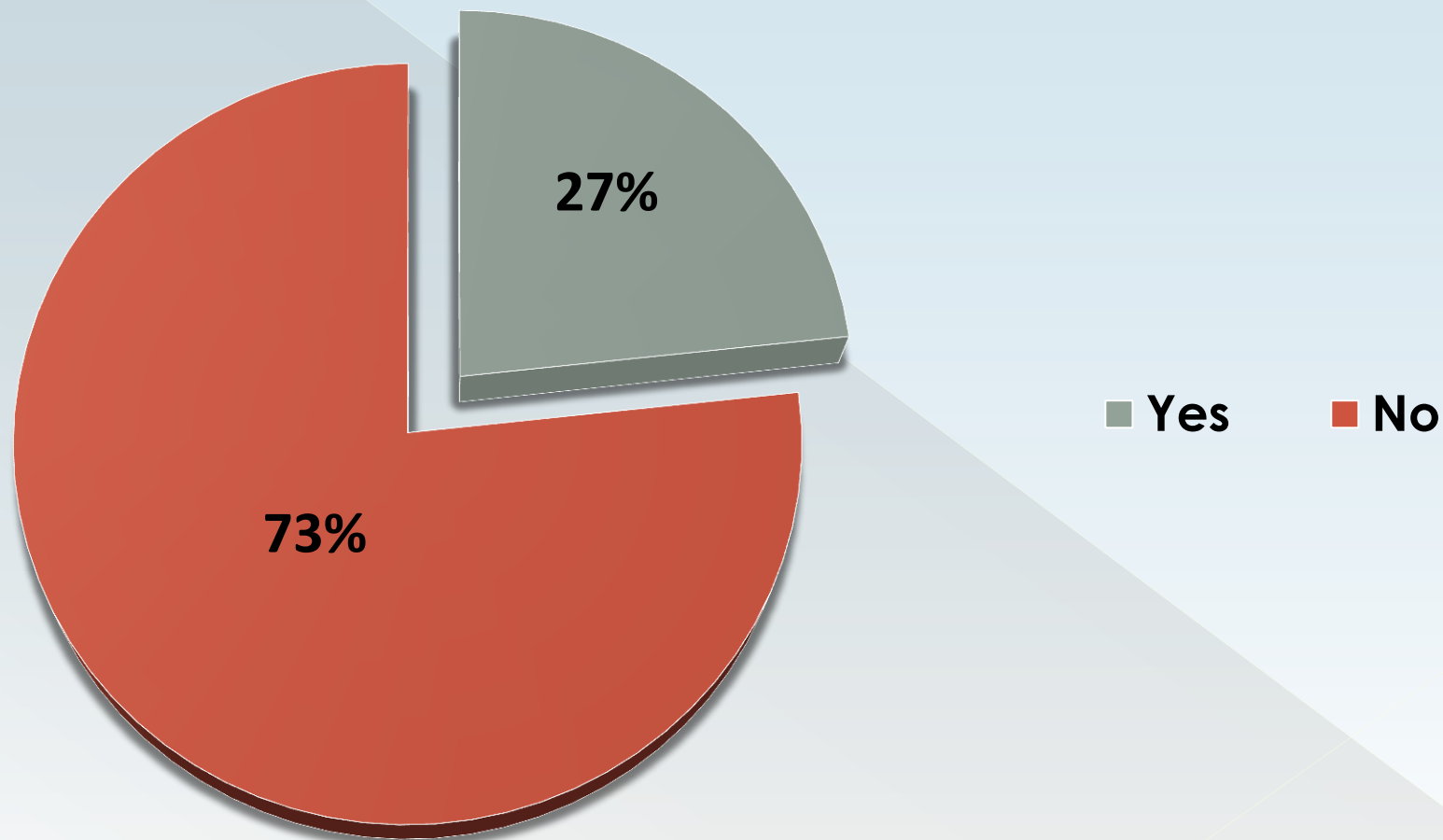
How do you develop leadership skills in your organization?



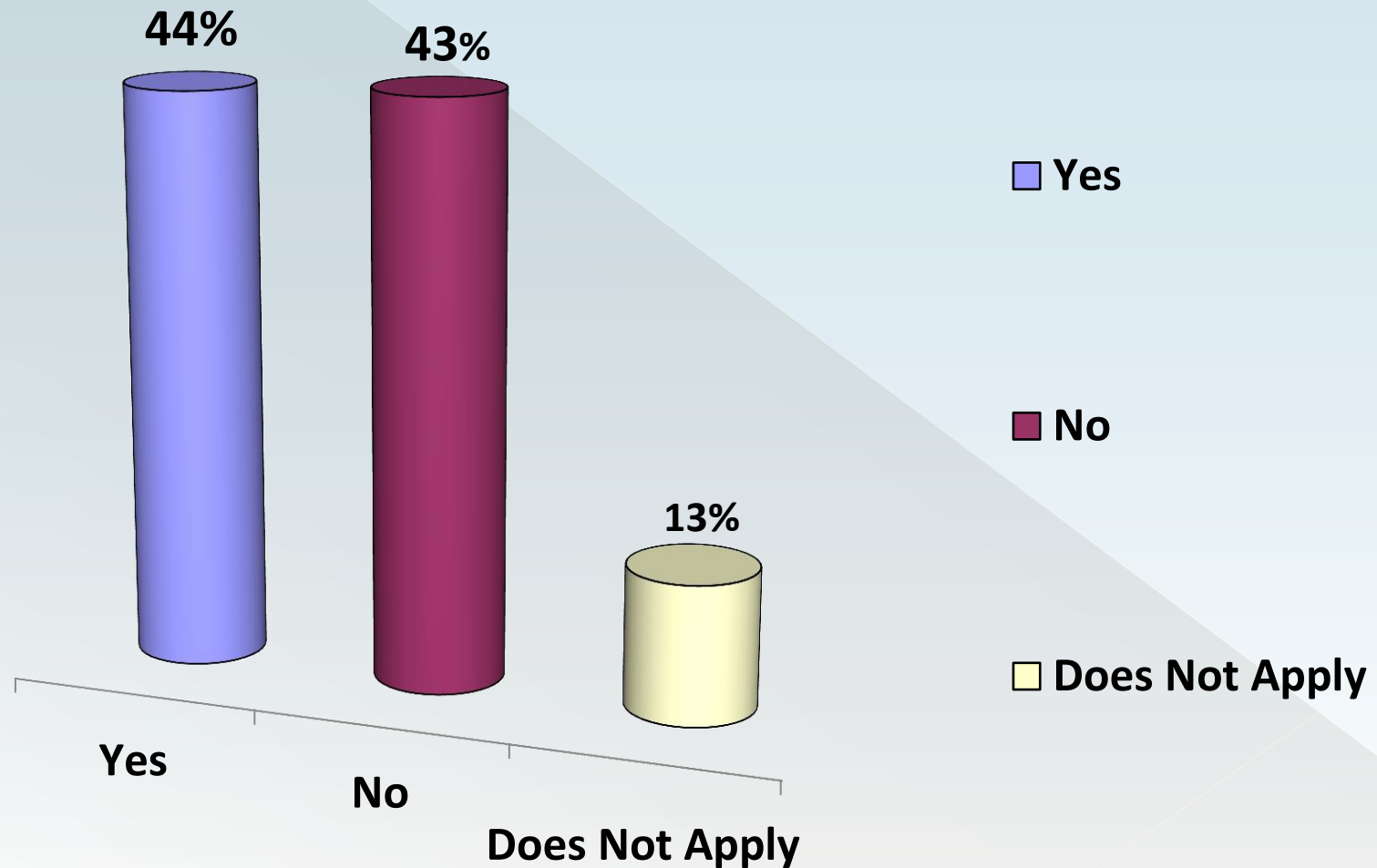
Does your EDO encourage staff to become certified (CEcD)?



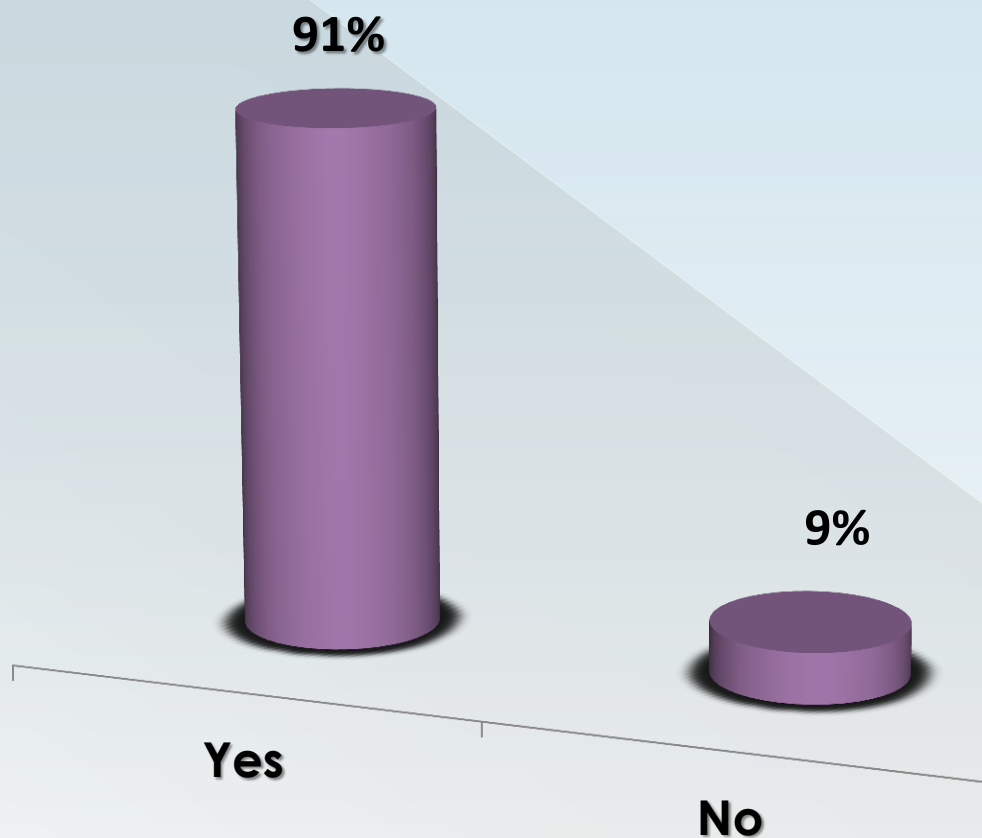
Does your EDO desire to achieve AEDO (Accredited Economic Development Organization) status?



Does your EDO offer board members & local elected officials economic development training?



If an option, would you encourage elected officials & leadership in your community to engage in economic development training?



How would you rate your organization's outlook for ED activity for 2018?



Better than 2017: 62%

About the same as 2017: 34%

Worse than 2017: 4%

Key Take Aways



Lack of skilled labor remains a primary challenge to EDOs

60% of EDOs do not have a succession plan in place!

WFD & Entrepreneurship remain top priorities for EDOs

Lack of affordable housing is emerging as key concern

91% of EDOs would want training for local leadership if available

Community Colleges remain top EDO educational partner

Practitioners are mostly optimistic
about the future



Thank You!

Questions?

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