

Ten Top Reasons Your Job Creation Efforts Are Going to Fail

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1. Flying Blind Without a Real Plan

Do you have a real plan? Everyone thinks they do. It is mind boggling how few of those, whose self described political or professional mission is "Job Creation", can answer any of the tough questions about what it will take. Most communities have no idea how many new economic base jobs they need every year. Most don't even use economic base jobs as a primary metric. The few that do can't tell you how many they are creating or loosing over time. As a result you have no plan - at least not a real one. And without one you are destined to go through the next decade critically underfunded, understaffed and unfocused.

2. Increasing Attrition

Have you factored into your plan how many economic base jobs you are going to loose every year? Automation, digital networks and globalization are accelerating the destruction of jobs and shortening the life cycle of your economic base employers. Which means you will have to create way more new jobs this decade before you can make any progress on your unemployment gap or population growth ambitions.

3. Zero Sum Labor

Are you going to have enough qualified workers to staff the new jobs you have to create? For most communities now, the lack of qualified workers is the single greatest obstacle to job creation. The cause: Boomers are the first generation in human history not to have enough kids to replace themselves. And they failed to educate enough of the ones they did have with the skills they need work in the 21st Century. If you aren't developing and retaining a surplus of qualified talent and your community isn't one of the advantaged places that attracts talent from outside the region, then you are at risk of being starved of the talent needed to sustain your local economy.

4. The Phantom Workforce

Are your qualified workers actually there? Probably not. Your labor statistics may suggest they are, but widening skill gaps and the cliff effects of poorly calibrated government income support programs is keeping many of your working age residents out of the market. When you reach full employment of your qualified workers, you are technically out of the job creation business.

5. The Reversal of Chi and New Site Selection Physics

Have you adjusted for the reversal of chi in the economic game? Employers used to be able to put their operations where they got the best deal. Now they have to locate operations where their future employees want to live. It used to be that communities able to field a competent marketing and sales team and lower the cost of production enough for the employers could literally grow their economic base at will. Qualified workers would move into the community, new homes and businesses would be built, the tax base would grow, and you would be able to improve the schools and fix up downtown. Now, because there aren't enough qualified workers to go around, you need to improve the schools, fix up downtown, prove to employers that you are growing your own talent, and that you are an attractive enough place to steal talent from competitors - and not have them stolen back. This is a fundamentally different game and requires integration of job creation, workforce and community development strategies.

6. Speed and Inertia

Have you adjusted your planning time horizon? Are you agile enough to deal with the accelerating pace of change? For planning and management purposes, 5 years is the new 20. Changes are closer than they appear. Failure to adjust your event horizon and ability to pivot dooms your chances of making the right adjustments in time. You used to have a generation or two to gauge a new systemic change and restructure accordingly. Now you must look further out over the horizon and be prepared to react within years or months.

7. Falling ROI with Rising Costs

Have you calculated how much more it will cost to run a successful job creation program in this new era? Have you thought about how hard it is going to be to convince the community to fund it every year? Communities could have to invest between \$10 and \$20 per capita each year if they want to stay in the game, which is two or three times more than what they had to spend in the past. Higher attrition means you will have to close more deals. Which means finding and working a larger pipeline of prospect cases every year. Getting sponsors to invest more every year for diminishing returns is a very tough sell. Miscalculating the scale, cost and fundraising challenges practically guarantees that you will be chronically underfunded, understaffed and underperforming.

8. Increasing Accountability and Transparency

Is your organization prepared to be more accountable and transparent about your planning, decision making and results over time? Resource starved economic development efforts are loathe to divert resources to planning and accountability for lots of reasons - but you need to start now. There is virtually no practical way to secure and sustain the elevated levels of investment you need if you can't prove what you are actually producing.

9. The Shift from W2 to Solowork

Are you ignoring the fastest growing source of new footloose economic base jobs? Solowork is a new economic base sector focused on work that can be done remotely and independently without a W2 or having to report to a bricks and mortar facility. A recent study predicts that half the workforce will be engaged in freelance, gig economy, and independent work by 2020. If your community's job creation efforts are focused exclusively on bricks and mortar W2 employer projects, and most are, you will miss your job creation goals by a mile.

10. The Leadership Vacuum

Does your leadership know that they will have to spend significantly more time, energy and money on their job creation agenda? Can you get to where you need to be as fast as you need to with your current mix of leaders? Do you have a leadership succession plan? Do you have a balance of mission driven millennials involved in planning and governance? The development of sentient committed leadership and the recruiting of mission driven staff is still the most important factor for success and probably the biggest obstacle for most communities today.