

Preparing the Next Generation of Economic Development Leaders

By Louise Anderson

As in many industries, baby boomers comprise the core leaders in the field of economic development today. What are the prospects for the generation who will succeed them? What drives them, and how can EDOs ensure that they will have access to the talent they need when they need it?

“We see workforce issues with our companies, and economic development is no different,” said Robin Roberts, executive vice president of the Greater Oklahoma City Chamber of Commerce and IEDC’s incoming board chair. “Are we grooming our 30-somethings for management? I think so,” said Roberts. “I hope so!”

Squeezed at the top

According to Dave Smith, executive vice president and economic development sector leader with the search firm DHR International, various studies project that over the next decade, nonprofit organizations will need to attract and develop 640,000 new senior managers – the equivalent of almost two and a half times the number currently employed. “Organizations really need to pay a lot of attention to professional development and succession planning,” said Smith.

Both the talent recruiters and economic developers interviewed for this article noted that many senior-level positions are available even today. “I can tell you without a doubt that the senior level is aging and I don’t see the next generation,” said Joan Jorgenson, president and CEO of executive search firm Jorgenson Consulting. “It’s going to be very interesting – phenomenal jobs will open up for young people who are in the field now. The folks running top organizations – they are really good, they know their stuff, they stay cutting-edge, they are into incredible programs...and I wonder if they are grooming their successors.”

“It’s hard to find the up-and-comers,” agreed Eric Canada, a partner in the marketing and business retention firm Blane, Canada Ltd.. “When I look around the room during training session, I see a lot of old gray-haired guys like me.”

That’s due to a number of factors, the most significant being demographics – there simply aren’t the same numbers of workers in their 30s and 40s to replace the impending wave of boomer retirees. Today’s younger workers also have a much wider variety of jobs to choose from, and as always, people with skills in fields such as marketing, technology or real estate can go into the private sector and make significantly more money.

Finally, it’s getting harder and harder to convince people to move, noted Jorgenson. Boomers are settled, and younger workers are pickier about where they will live. “Back 15 years ago, people were much more mobile. They would willingly pick up the family and

move to another state,” Jorgenson said. “They won’t anymore. They will work from their home, or get a job in another field.”

An aggravating factor is that the competition for talent has gone global, Smith notes. “People are being recruited from the U.S. to go overseas, and [we are] also looking at bringing some talent from overseas into the U.S.,” he said. He added that new EDOs are coming on-line all the time, further expanding the need for talent.

Different drivers

The post-boom generations – Generation X (born approximately 1965-1980) and Millennials (born 1981-1999) – have different priorities than their predecessors, no surprise there. They are more likely to choose where they want to live first, then find a job, rather than moving to a city for a specific job.

They also don’t want to stay at the office until 7:00 or later each night. They want a high quality of life – time to spend with family or on hobbies, and a community that offers cultural and recreational amenities. There isn’t the pressure that previous generations experienced to be chained to a job.

“There is a different type of desired atmosphere in a working environment for my age group,” said 31-year-old Amber Egnor, a senior business development manager with the Greater Oklahoma City Chamber of Commerce and the mother of a four-month-old baby. “I think it goes around flexibility and that’s [another reason] why this field is a great opportunity. There’s a lot of flexibility in how you can work it – being on the road, or in a different office or a different location, and still being able to do your work – not tied to a desk.”

Younger workers also expect opportunities to learn continuously, to be creative, and for many, the chance to make a difference. “Many of them are really driven by the desire to do the ‘correct’ thing, in a very broad sense – ecologically or whatever,” said Smith. “A lot more of them are focused on values-driven decision-making.”

Passion for the work is where EDOs may benefit in the future. In markets where technology jobs are available and the cost of living is high, anyone who wants to go into public service work has to have a passion for it. In markets that are more challenging – places where, as one person noted, it’s “like missionary work” – people have to want to move back there and make a difference.

Egnor fits a number of these descriptors. She didn’t enter college or her first job intent on a career in economic development. After graduating with an advertising degree and her first job out of school, she wanted to return to Oklahoma. She took a position with a small-town chamber in the state and now has been in the field for nine years. She likes the variety of her

work and the reward of contributing to her community. “It’s by no means monotonous, and it lends itself to individuals who want to feel like they are making a difference,” said Egnor.

Grooming your own

Given the characteristics and preferences of younger workers, and changes in technology and the economic development field, what will tomorrow’s leaders look like? They’ll certainly need to be more tech-savvy, but they’ll also need to be better generalists – not necessarily knowing how to execute a real estate deal themselves, for example, just how to get it done. They’ll need good people skills, able to hold an organization together and build outside collaborations. They’ll expect better pay and better growth opportunities, and it’s likely that they may cycle in and out of economic development and other related fields.

When it comes to succession planning, the Oklahoma City chamber is taking a number of steps. To fill a couple of positions that were open over the last year, Roberts said, the late 40s talent just wasn’t there, “so we jumped down 10 years.” The chamber hired two talented people in their 30s (Egnor is one) from the state department of commerce and gave them high levels of responsibility and training.

The chamber also hires freshly minted college graduates for three- to six-month internships, some of whom plan to go to graduate school and others who are exploring their options. Those interns eventually turn into full-time chamber employees or move on to other economic development organizations in the region. To inspire the interest of other young people in Oklahoma City in general, the chamber holds a program for all interns in the city each summer, where they can learn more about the city in five half-day sessions.

Roberts also noted that in terms of voluntary leadership, Xers and Millennials may want to engage with chambers or associations in different ways than Boomers have – for example, by running a blog instead of participating on a committee. “How do we stay relevant to post-boomers, who have different drivers? We need to be agile, constantly evolving as our membership changes and the way they want to engage changes,” Roberts said.

Ron Kitchens, CEcD, President and CEO of Southwest Michigan First in Kalamazoo, is surprised that he doesn’t see more young people in the economic development business. “Of the dozen or so people we’ve hired in the two and a half years, none came from economic development,” said Kitchens. “For us to be an aggressive, top organization, I need the best people I can get.”

His solution has been to take what he calls a “talent-driven” approach to staffing his organization, based on hiring for certain characteristics and then teaching new hires the skills needed in economic development. He uses a consulting firm to develop a test that identifies the characteristics needed for a particular position. Everyone at the organization, including Kitchens, has had to take the test, and he has built a team around this approach.

For example, “if I need someone to run a venture fund, there aren’t a lot of economic developers around who can do that anyway, so I’ll find the most talented person I can and teach them how to do it,” Kitchens said. “We’ve hired people that no one would have ever picked as an economic developer because they didn’t have the right college degree, resume or internship.” He sees his organization as building talent not just for itself, but for all the growth organizations in his community – expecting his current employees eventually to take positions as head of the arts council, the chamber, etc., in 10 years. Everyone in his organization is under the age of 40 except for Kitchens, 44.

“I’d like to say we’re doing this because we’re innovative and on the cutting edge, but if we want to be relevant in the future, this is what we have to do,” said Kitchens.

As highlighted in the current issue of ICMA’s *Public Management* magazine, employees of the city of Durham, N.C., convened an interdepartmental team to identify resources for leadership development. The resulting document, “Blueprint for the Leadership Pipeline,” outlines how employees can take charge of their own professional development and gives management a practical tool for building the leadership pipeline. The document outlines seven approaches:

- Engage leaders at all levels;
- Get people in the right places;
- Provide development programs and training;
- Get the right experience;
- Own your own development;
- Supplement the pipeline; and
- Engage in strategic talent management.

Specifically, this includes programs such as City College, a cross-departmental orientation program to familiarize employees with city services; a management academy to prepare middle-tier managers to assume higher-level positions; strengths assessments; an executive leadership institute to provide training and development to the highest tier of current managers; “developmental assignments” that allow employees to experience a temporary job in another department; and, in the works, an informal mentoring pilot program and a “35 under 35” group, to create opportunities for networking and development for young professionals.

While organizations must look at professional development opportunities and how to meet individuals’ need to grow, the issue of compensation can’t be neglected. “Because the talent pool is shrinking and becoming more competitive, EDOs need to take a look at their compensation structure and become very creative in offering more competitive salaries, performance components and potentially longevity components,” Smith recommended.

Thinking ahead

Finding, training and keeping the best people is a challenge under the best of circumstances. A creative, proactive and foresighted strategy will ensure a leadership pipeline that works for both potential leaders and organizations.

Federal Update

Budget Update

For the most recent updates and analysis on the status of appropriations bills moving through Congress, visit the [IEDC Legislative Affairs page](#).

SBA Announces New Inner City Entrepreneurship Initiative

As part of its strategy to advance entrepreneurship in underserved markets, the Small Business Administration (SBA) announced a new initiative intended to boost entrepreneurship in 10 American inner cities. SBA will partner with the Initiative for a Competitive Inner City to develop a program to support the financial and developmental needs of emerging inner city companies, according to an SBA news release. The design and selection of cities will begin soon and implementation is expected in early 2008.

SBA also recently unveiled Rural Lender Advantage, a new loan approval process designed to spur growth in rural communities by encouraging small, rural lenders to partner with SBA in order to decrease paperwork, offer online services and provide greater lending support. Rural Lender Advantage is part of the agency's 7(a) program.

More information on these programs can be found at www.sba.gov.

Bush Encounters First Veto Override

President Bush recently encountered the first veto override after seven years in office. Congress enacted a \$23 billion water resources bill on November 8, easily exceeding the two-thirds majority needed in both chambers: 79-14 in the Senate and 361-51 in the House. The measure includes funding for hundreds of Army Corps of Engineers projects, such as dams and sewage plants, and for the hurricane-hit Gulf Coast and Florida Everglades restoration projects.

2008 Federal Forum: The Innovative and Entrepreneurial Environment

Building on the recommendations contained in the [IEDC Innovation Agenda: A Policy Statement on American Competitiveness](#) (PDF), the 2008 Federal Forum will advance the agenda's goals of supporting a new generation of American innovation and entrepreneurship through partnerships and workforce development. Produced earlier this year as a result of the 2007 Federal Forum, the Innovation Agenda outlines the steps economic developers can take, and the resources available, to make their communities more competitive.

The 2008 Federal Forum takes these issues to the next level with different tracks on attaining a competitive environment: Driving Innovation and Expanding Entrepreneurship, and Human Capital: Building, Attracting and Retaining a Talented Workforce.

In addition to the focus on creating an innovative and entrepreneurial environment, the forum will take a fresh look at what to expect from a new presidential administration. With no incumbent president or vice president running for the presidency in 2008, the opportunity arises for a new dialogue of ideas, especially in the area of economic development. Insiders and experts will talk about what to expect with transitioning administrations and how it will affect the economic development community.

Economic Development News

Analysis & Impacts

[“Blueprint for American Prosperity”](#)

Brookings Institution, Nov. 2007 (pdf, 20 pp.)

The Brookings Institution has launched a multi-year initiative aimed at changing federal policies toward metropolitan areas. The “Blueprint for American Prosperity” intends to promote a policy agenda and specific federal reforms that give cities, suburbs, and metro areas the tools they need to leverage their economic strengths, grow in environmentally sensitive ways, and create opportunities to build a strong and diverse middle class.

[Climate control at the local level is not an easy charge](#)

Los Angeles Times, Nov. 4 (registration required)

The Nov. 5 ED Now featured an article on cities' efforts to encourage green building. As of last week, 728 mayors have signed what amounts to a Kyoto Protocol for U.S. municipalities. But despite their enthusiasm, many cities are finding it both hard to calculate their greenhouse gas levels, much less control them.

[Muni wi-fi reborn with a different approach](#)

The San Francisco Chronicle, Oct. 23

This article provides a bird's-eye view of municipal wi-fi adoption. It contends that the movement is slowing down, but progressing with clearer goals and a more logical approach.

[OECD Science, Technology and Industry Scoreboard 2007](#)

Organization for Economic Cooperation and Development, October 2007

Published every two years, the OECD scoreboard brings together over 200 internationally comparable quality indicators to explore the progress of national innovation strategies and recent developments in science, technology and industry. Among the major findings in 2007: Public policies that seek to foster innovation are being progressively reoriented, from subsidies and procurement to R&D tax relief and reinforcement of industry-science linkages.

Business Attraction & Marketing

[Successful at business attraction, without even trying](#)

Deseret Morning News, Nov. 7

Without doing any outside recruiting, Utah still has gained many corporate relocations in recent years. An official attributes the state's success to a handful of expansion projects that have created interest from other firms in similar industries; Utah also offers relatively inexpensive operating costs.

[How the Indy Partnership landed Medco](#)

The Indianapolis Star, Nov. 13

The Indy Partnership has a new leader, just at the time when the group has closed a deal with New Jersey-based pharmacy benefits company Medco to bring 1,300 high-paying jobs to the region. Many in the state see the way the Medco deal played out as a model for economic development in central Indiana.

Entrepreneurship & Small Business Development

[Columbus chamber develops Web portal for minority, women-owned businesses](#)

Business First of Columbus, Nov. 9

A Web portal, diversitybridge.com, is being put together by a coalition of partners in the Columbus region to aid minority companies in various stages of the business cycle. It will

provide access to information and capital, as well as an application to help businesses certify they are owned by minorities or women – a vital step in vying for government and private-sector contracts.

Finance

[Missouri needs to catch up on capital formation](#)

St. Louis Post-Dispatch, Nov. 4

Missouri lags neighboring states in spending for research and commercialization of new technology. In response, a group of leaders has developed the “Grow Me State” initiative, a five-year strategy that would provide \$17 million in state funds annually to spur new high-tech companies.

[Progressive state investments for job creation](#)

Progressive States Network, Nov. 5

The author of this article doesn't think much of states offering big tax incentives to lure new businesses. Instead, he recommends a variety of other actions states can take to grow jobs, including venture capital funds, university tech transfer, strengthening clusters, and investing in communities and people.

Incentives

[Report examines manufacturing distribution and the effect of incentives](#)

Center for Economic Studies (pdf, 41 pp.)

This paper quantifies the role of plant relocations in the geographic redistribution of manufacturing employment and examines the effectiveness of state development policy. It finds a relatively small role for relocation in explaining the disparity of manufacturing employment growth rates across states, and evidence of very weak effects of incentive programs on relocations.

[S.C.'s “aggressive” incentives could lure Freightliner from Portland](#)

Portland Business Journal, Nov. 9

Freightliner is moving several hundred sales and marketing jobs from Portland to a South Carolina suburb of Charlotte. The company says it has no immediate plans to move its headquarters from Oregon to the east coast, but it could reap more than \$100 million in economic incentives if it did relocate to South Carolina.

[Monitor those incentives!](#)

Pa. Auditor General, Oct. 31

An evaluation of the Pennsylvania Department of Community and Economic Development's Opportunity Grant Program by the state's auditor general contends that the agency doesn't do enough to monitor the grants it gives to businesses. The report recommends enhanced goals and performance measures to improve the program.

Organizational, Strategy and Governance Issues

[Leveraging anchor institutions for urban success](#)

CEOs for Cities, Sept. 2007 (pdf, 28 pp.)

Universities, community colleges, museums, libraries, municipal enterprises, hospitals, parks, performing arts centers and sports arenas are all included in the array of institutions that can contribute to the culture, economy and vitality of cities. This report discusses how various institutions can stimulate citywide collaboration toward unified ends.

Planning, Smart Growth & Transportation

[Seattle aims to be a leader in bike use](#)

Seattle Times, Nov. 6

Seattle has approved a 10-year Bicycle Master Plan that calls for 118 miles of new bike lanes and 19 miles of trails, as well as lane markings and signs, in an aggressive attempt to increase the popularity of cycling. Mayor Greg Nickels hopes it will triple the city's number of bike commuters.

[Kentlands: New urbanism really does foster a sense of community](#)

The Washington Post, Nov. 3 (registration required)

Maryland's Kentlands, one of the country's earliest new urbanist developments, is now nearly 20 years old. Interviews with residents reveal a sense of connection that the writer attributes to the proximity encouraged by Kentlands' design.

Real Estate

[Portland has plan to tax less-green developments](#)

The Oregonian, Nov. 8

Portland city officials are considering a plan that would charge builders hundreds of dollars for each new home that is not extremely energy efficient, and pay cash rewards to developers who significantly exceed code requirements for energy efficiency. The plan will go before Portland residents, in hearings, in January.

[San Jose debates whether to require private development to be green](#)

San Jose Mercury News, Nov. 8

San Jose has rigorous environmental standards for new city buildings, and the city council is now considering whether to extend those standards to private developments such as offices and apartments. Opponents of new regulation would like standards to be voluntary, but the mayor is encouraging the city to get ahead of inevitable mandates from higher up.

[Are the Sonics Oklahoma-bound over Seattle arena impasse?](#)

The Seattle Post-Intelligencer, Nov. 2

Seattle Sonics' chairman says he intends to relocate the team to Oklahoma City as soon as it can get out of its KeyArena lease. The team has been angling for a new arena in Seattle for a while now, and appears to be hoping the city comes up with a plan and funding mechanism for a new facility before the relocation process concludes.

[More on preserving industrial land](#)

California Planning & Development Report, Oct. 29

Cities across California are concerned that too much industrial land is getting consumed by uses that do not generate jobs. What makes the subject challenging is the fact that not all industrial land is equal in value, and neither are all conversions. A further complication is many people's assumption that industrial property is unnecessary in today's economy.

Rural Development

[Arts employment grows in rural areas](#)

Amber Waves (USDA Economic Research Service), Nov. 2007

Increasingly, the arts are concentrating in less populated areas throughout the country, including small, rural counties. Development strategies to promote rural arts and related tourism are increasing in number, but the single characteristic most strongly associated with rural arts magnets in 1990 and 2000 was the ability to retain college-educated workers.

[Grounded air service will hurt this W.V. community's economy](#)

Bluefield Daily Telegraph, Nov. 13 (opinion)

Air service at the Mercer County Airport in central West Virginia has been grounded, largely due to the loss of a federal subsidy that assisted air carriers willing to serve rural areas. This editorial notes that while the region has several promising economic development projects in the planning stages, additional development clearly will be threatened by the lack of commercial air service.

Technology-Led Economic Development

[Report assesses the economic impact of broadband deployment in Kentucky](#)

Federal Reserve Bank of St. Louis, Nov. 2007

In 2004, Kentucky launched a statewide broadband initiative, ConnectKentucky, to extend high-speed Internet service to underserved communities. This study examines the effect that the increased availability of broadband has had on county economies and finds a significant positive impact on the levels and nature of employment in a number of different ways.

[Toronto gauges health of the region's innovation system](#)

Toronto Regional Research Alliance, Nov. 2007 (pdf, 42 pp.)

A new report, the 2007 Innovation Gauge, examines the health of the Toronto region's innovation system and compares its performance to other jurisdictions. The report organizes indicators into three categories – innovation inputs, innovation processes and innovation outputs – and concludes that the region is not achieving its potential in terms of economic impact, even though it contains the fundamental ingredients for success.

[D.C. region gets new investment firm for Web and wireless startups](#)

The Washington Post, Nov. 15 (registration required)

Several leaders of Washington's technology community are creating an investment firm, LaunchBox Digital, which will provide up to \$30,000 in seed money to Web and wireless start-ups. The group also will offer advice and guidance from a roster of prominent advisers from local technology and media companies.

Trade, Globalization & International Economic Development

[“A New Nexus Between Foreign Direct Investment, Industrial and Innovation Policies”](#)

United Nations University, 2007 (pdf, 40 pp.)

This paper aims to redefine the nexus between foreign direct investment (FDI) and the industrial and innovation policies of host developing economies. It argues that host country governments should concentrate on enhancing the innovativeness and development of existing foreign-owned affiliates, instead of striving to attract higher volumes of FDI inflows.

[“Innovation Shift’ to the Emerging Economies: Cases from IT and Heavy Industries”](#)

Sloan Industry Studies, 2007 (pdf, 20 pp.)

High-end (rather than adaptive) technology development work by multinationals is increasingly being carried out in emerging economies like India, China, Brazil and Mexico. Now, companies from the U.S., Japan and Europe are finding themselves competing against new technology-based companies from the emerging economies.

[Report looks at biotech’s potential to grow African economies](#)

AllAfrica.com, Nov. 13

A new report outlines measures to advance development, quality of life and environmental sustainability in Africa using biotechnology. Among its recommendations: Countries should work together to promote development through “regional innovation communities” and “local innovation areas,” defined by clusters of expertise, knowledge-sharing, personnel, and collaboration on specific projects.

Workforce Development

[Relating ethnicity and innovation](#)

Harvard Business School, Nov. 5

The foreign-born account for just over 10 percent of the U.S. working population, yet they represent 25 percent of the U.S. science and engineering workforce and nearly 50 percent of those with science and engineering doctorates. New research based on patent and trademark data further identifies the probable ethnic composition of U.S. inventors, the industries they influence, and the geographies they work in.

[Workforce Readiness Initiative report released](#)

The Conference Board (note: registration is required to download the full report)

This report summarizes the key issues and action points that emerged from a stakeholder meeting of representatives from Fortune 100 companies, public school teachers, community education/service organizations and local and federal government officials. It provides strategies and tactics that business leaders can employ to improve workforce readiness through education.

Member Update

Charles Gulotta has been named Director of the **Memphis and Shelby County (Tenn.) Office of Economic Development** and will assume his new duties December 10.

Joann Knight, former Vice President of the **Dodge City/Ford County (Kan.) Development Corp.**, has been promoted to Executive Director.

Stephen Heavener, CEcD, has been appointed as Executive Director of the **Capital Regional Development Council** in Concord, New Hampshire. He formerly was with Green River Futures in Wyoming.

Terry Dickey has left the **Cincinnati USA Regional Chamber** to take a position as the Marketing Director (Ohio) for the law firm of **Frost Brown Todd, LLC**.

After 10 years at the **Ohio Department of Development**, **Christopher M. Chung** has accepted a new position as the inaugural CEO of the Missouri Partnership.

R. Neil Irwin and **Michael Bidwill** have been announced as the new chair and vice chair of the **Greater Phoenix Economic Council**.

The **Brunswick County (N.C.) Economic Development Commission** welcomes **James N. Bradshaw** as its new Director of Economic Development.

Job Center

» [Visit the Job Center](#) for details on each listing.

November 19

- Director of Marketing/Public Relations (Martinsville, VA)
- Economic Development Specialist (Urbana, IL)
- Executive Director (DeKalb County, IL)
- Executive Director (Logan County, KY)
- Executive Director (Yankton, SD)
- President/CEO (Athens, TX)
- Project Manager (Phoenix, AZ)

November 5

- Assistant Director for Economic Development (Jamestown, ND)
- Business Development Manager (Union County, OH)
- Director of Planning & Development (San Antonio, TX)
- Economic Development Coordinator (Des Moines, IA)
- Economic Development Director (Derry, NH)
- President (Fort Wayne, IN)
- President (Wichita, KS)