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Getting Creative: New Avenues for Fundraising

IEDC Annual Conference

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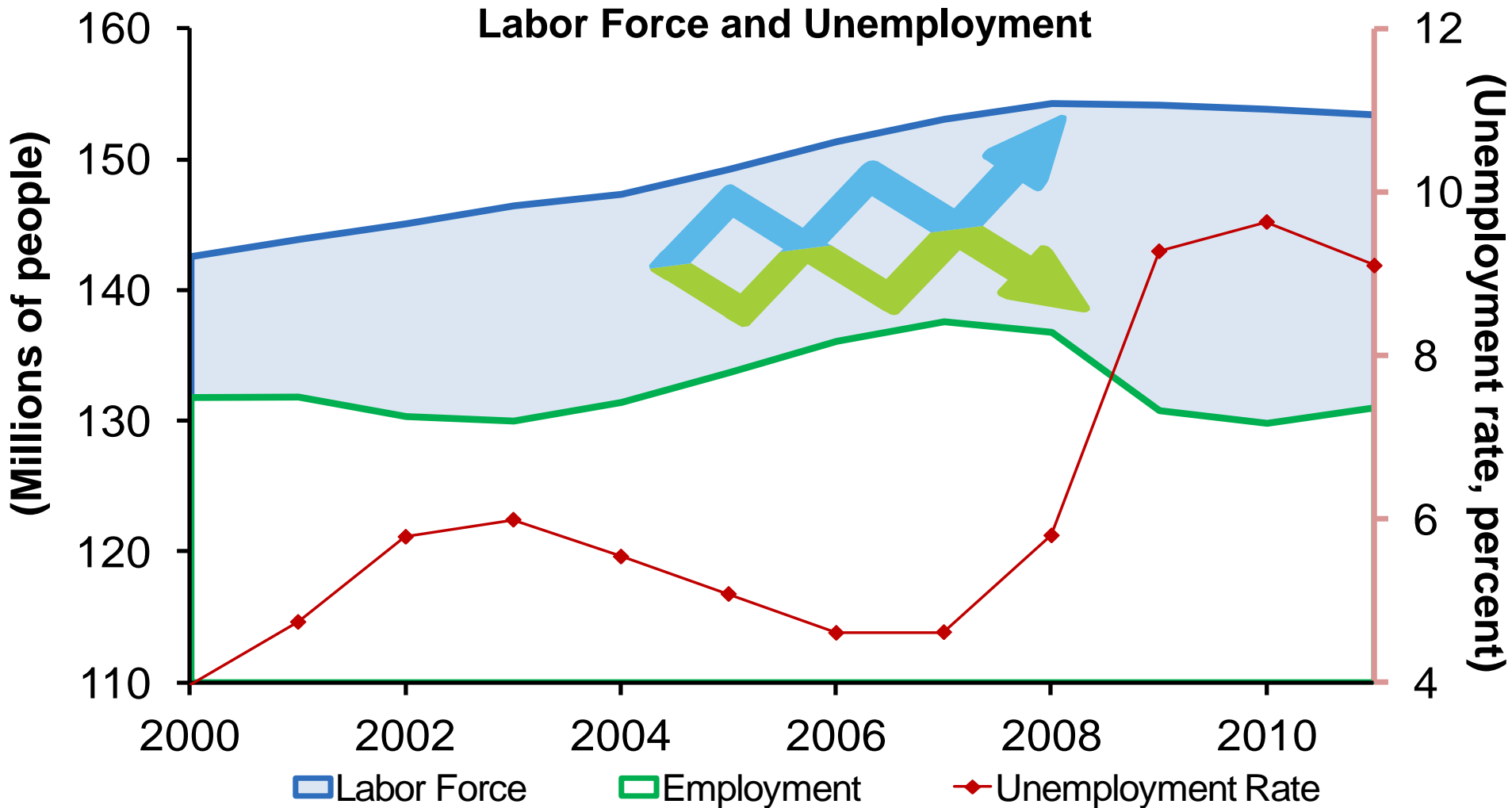


Challenges Today

CREATING JOBS & STAYING COMPETITIVE

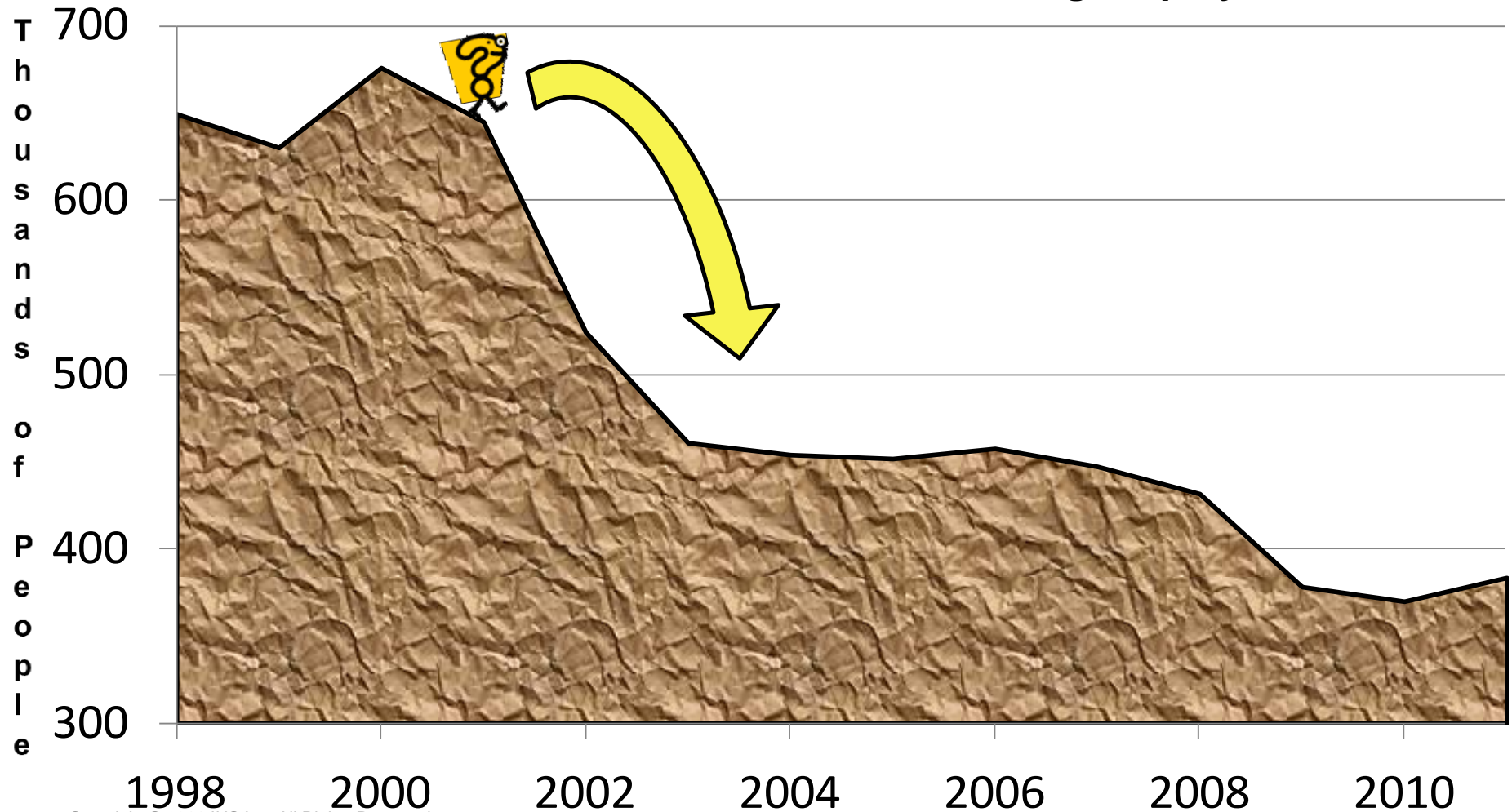


More People and Fewer Jobs

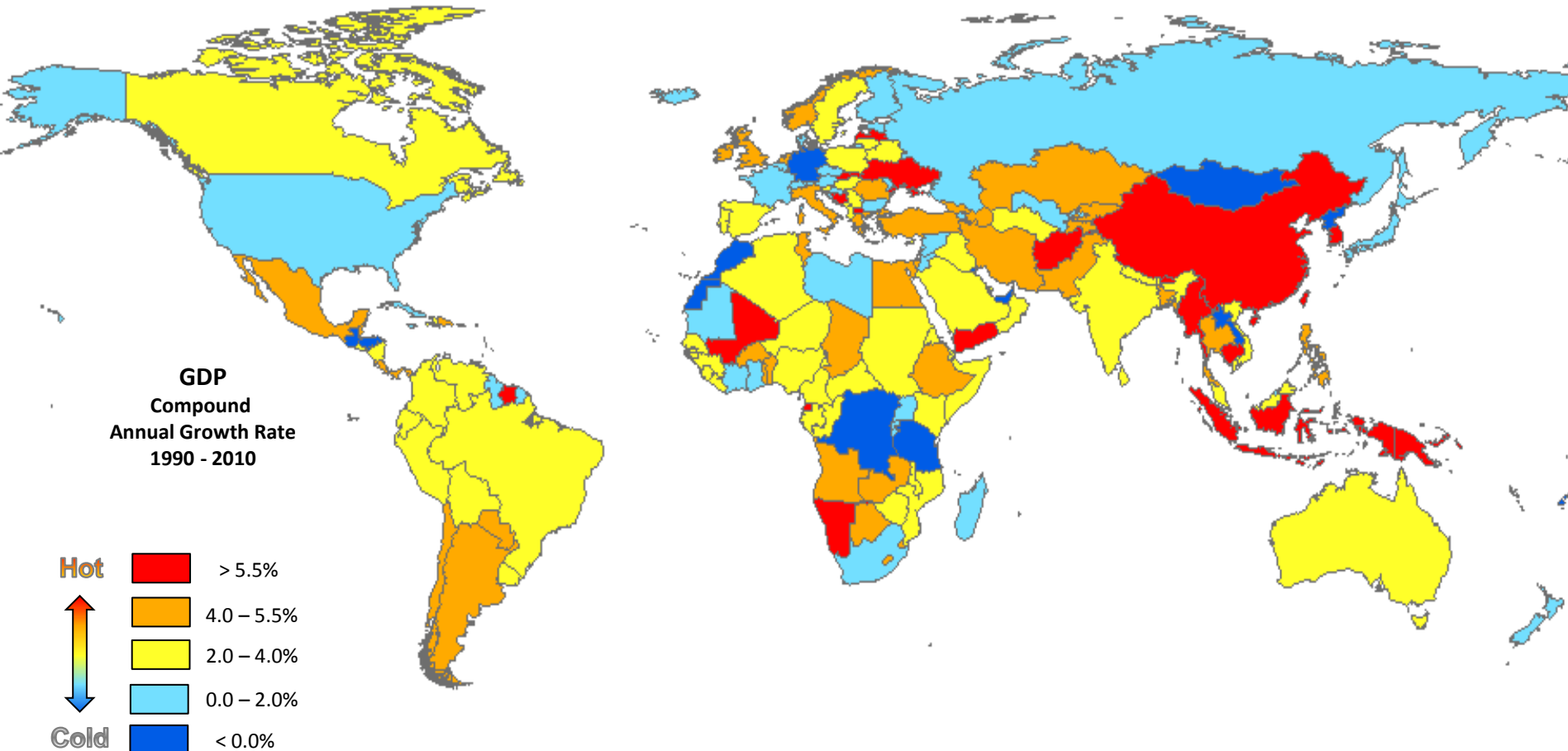


We Have Lost Key Industries

Semiconductor and Electronic Manufacturing Employment



International Regions Are Growing Faster...

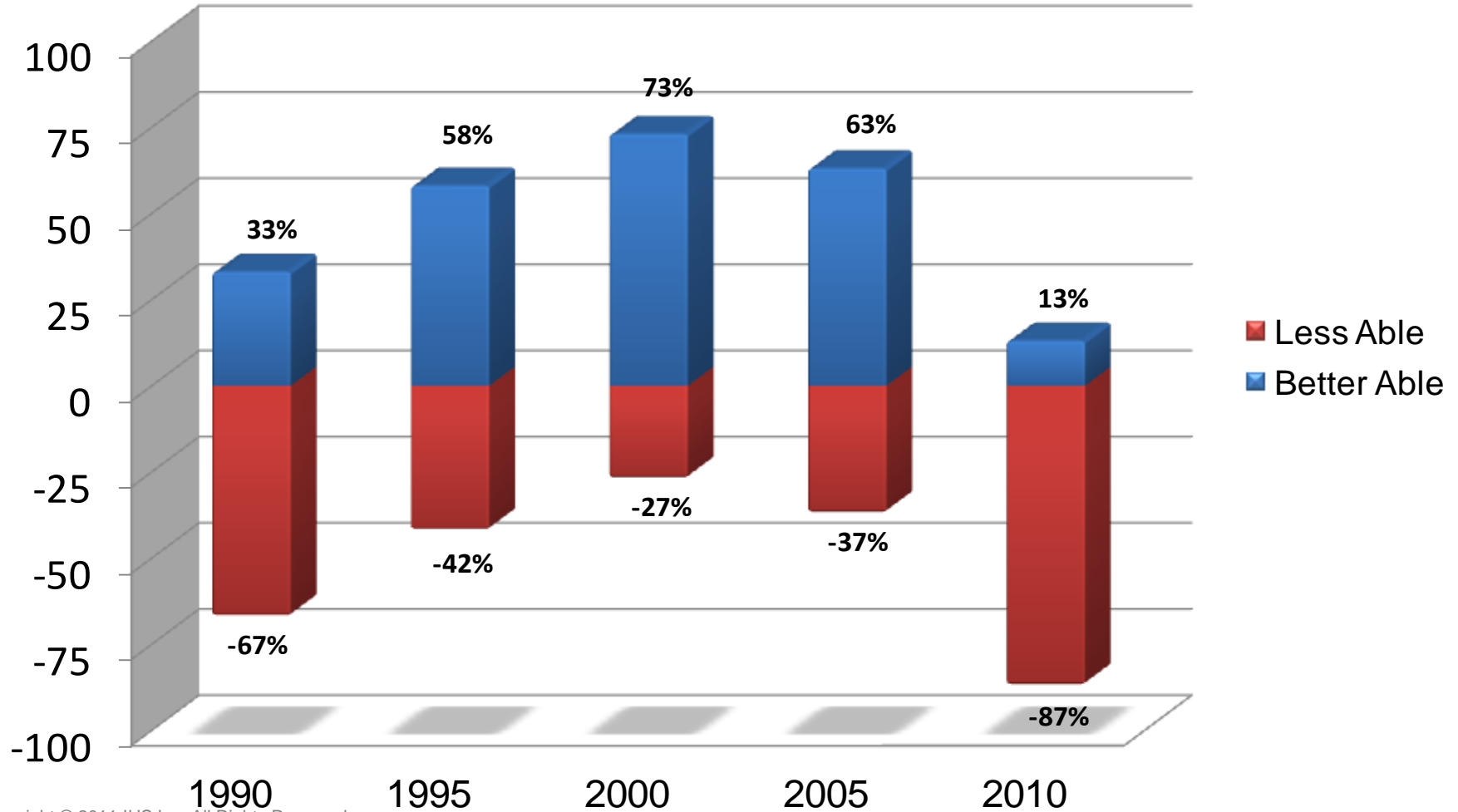


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Public Budgets Are Shrinking

(Percent of Cities “Better Able/Less Able” to Meet Financial Needs)



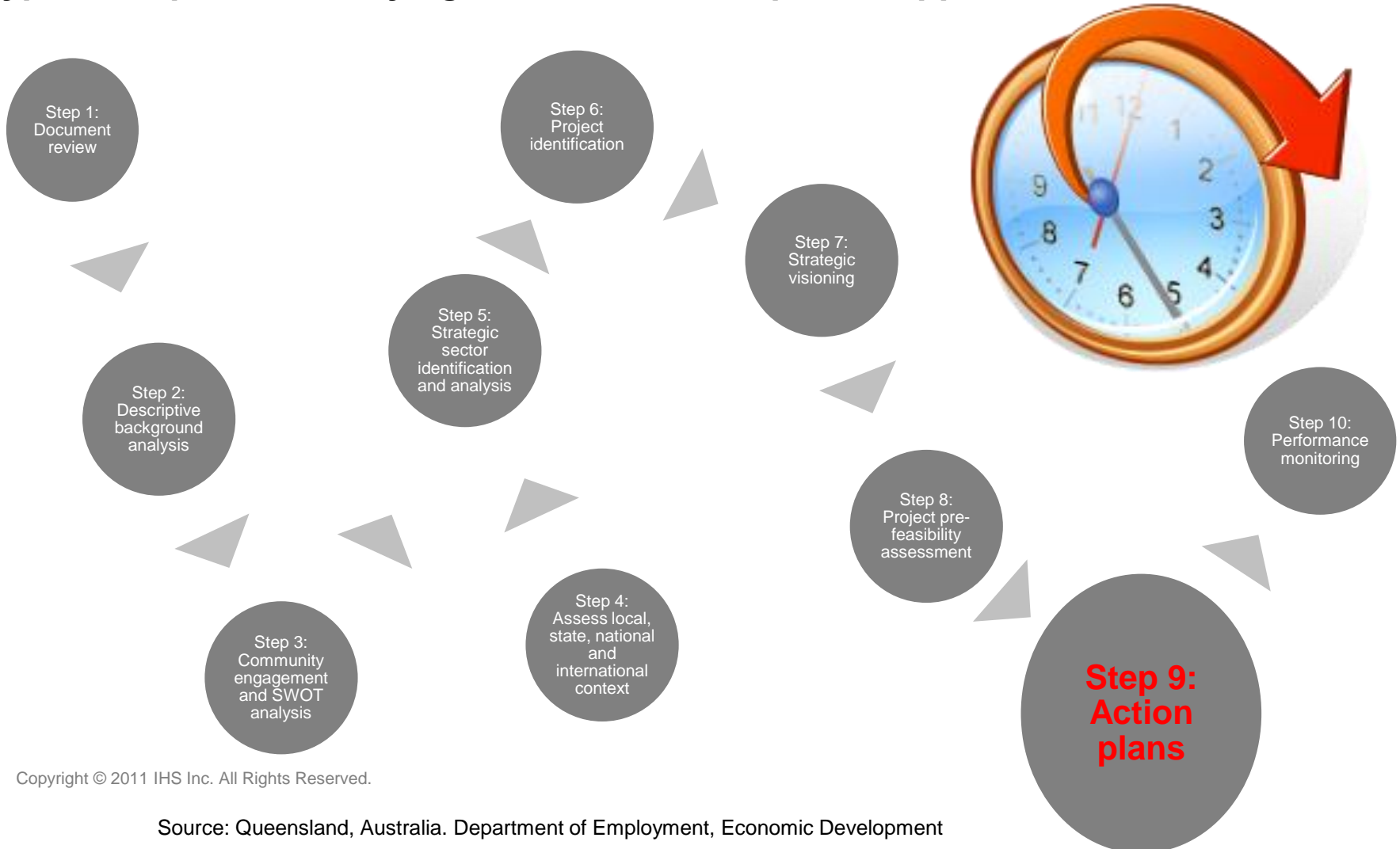


Economic Development Today

HOW IS ECONOMIC DEVELOPMENT PERCEIVED?

A Slow-Moving Process

“Typical Steps for Identifying Economic Development Opportunities”





Wasteful Public Spending

“A dollar of deficit-financed spending costs the economy a present value of \$3.40.” – Harold Uhlig, University of Chicago

GAO Report:

- U.S. EDA money spent at Trade Adjustment Assistance centers:
 - Administrative and operational costs – **61%**
 - Technical assistance & firm support – 39%
- “Every \$1 that the government extracts from the economy to pay for programs destroys more than \$1 of private sector economic activity.”

Retreads the Same Strategies





Economic Development of the Future

IT'S TIME FOR A CHANGE

Buffett to Congress: Don't “coddle” me

I have worked with investors for 60 years and I have yet to see anyone shy away from a sensible investment because of the tax rate on the capital gain. People invest to make money...”



Howard Schultz' Call to Action for the Private Sector

“The only way to get the country’s economic circulatory system flowing again is to start pumping lifeblood through it...Our companies are going to hire. We are going to accelerate growth, employment, and investment in jobs.”



Moving Forward

IMPLICATIONS FOR FUNDRAISING

Economic Development Organizations need to Diversify Funding

- Private

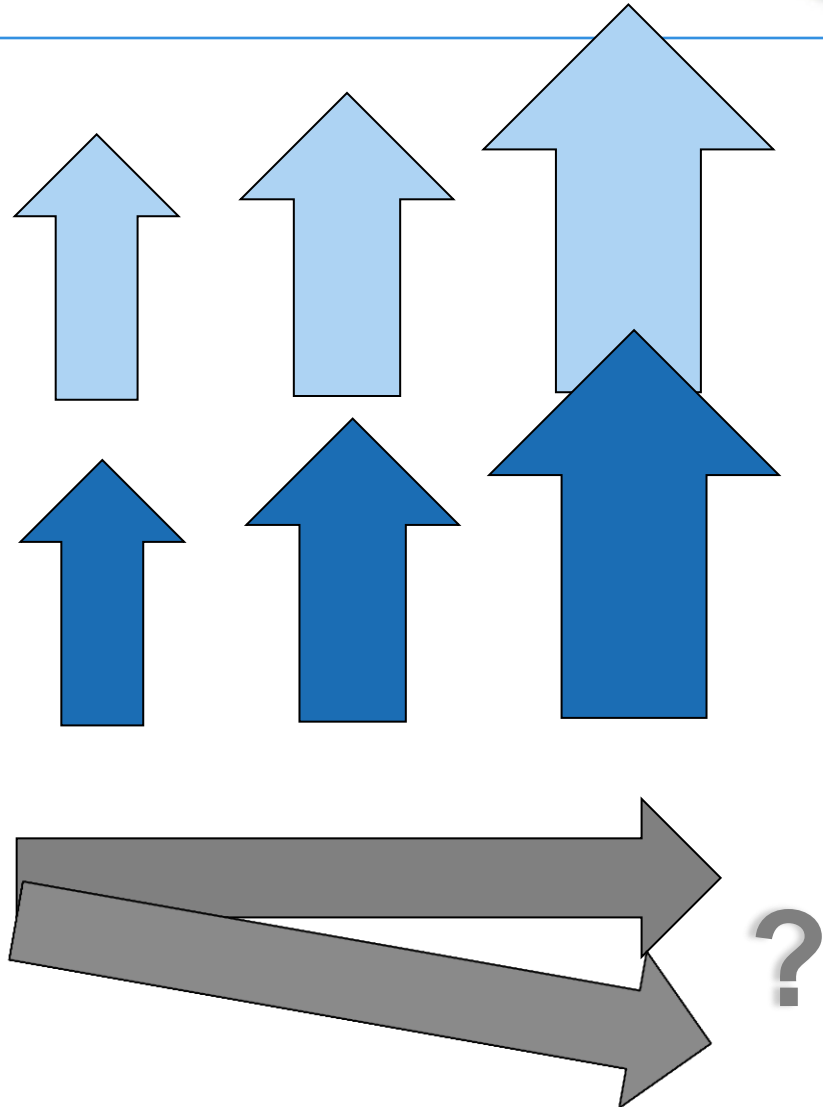
- Chambers of Commerce
- Corporations/ Local businesses
- Trade associations

- Philanthropic

- Community Foundations
- Corporate Giving

- Public

- Governor's Office
- County/ City/ Mayor's Office
- EDA



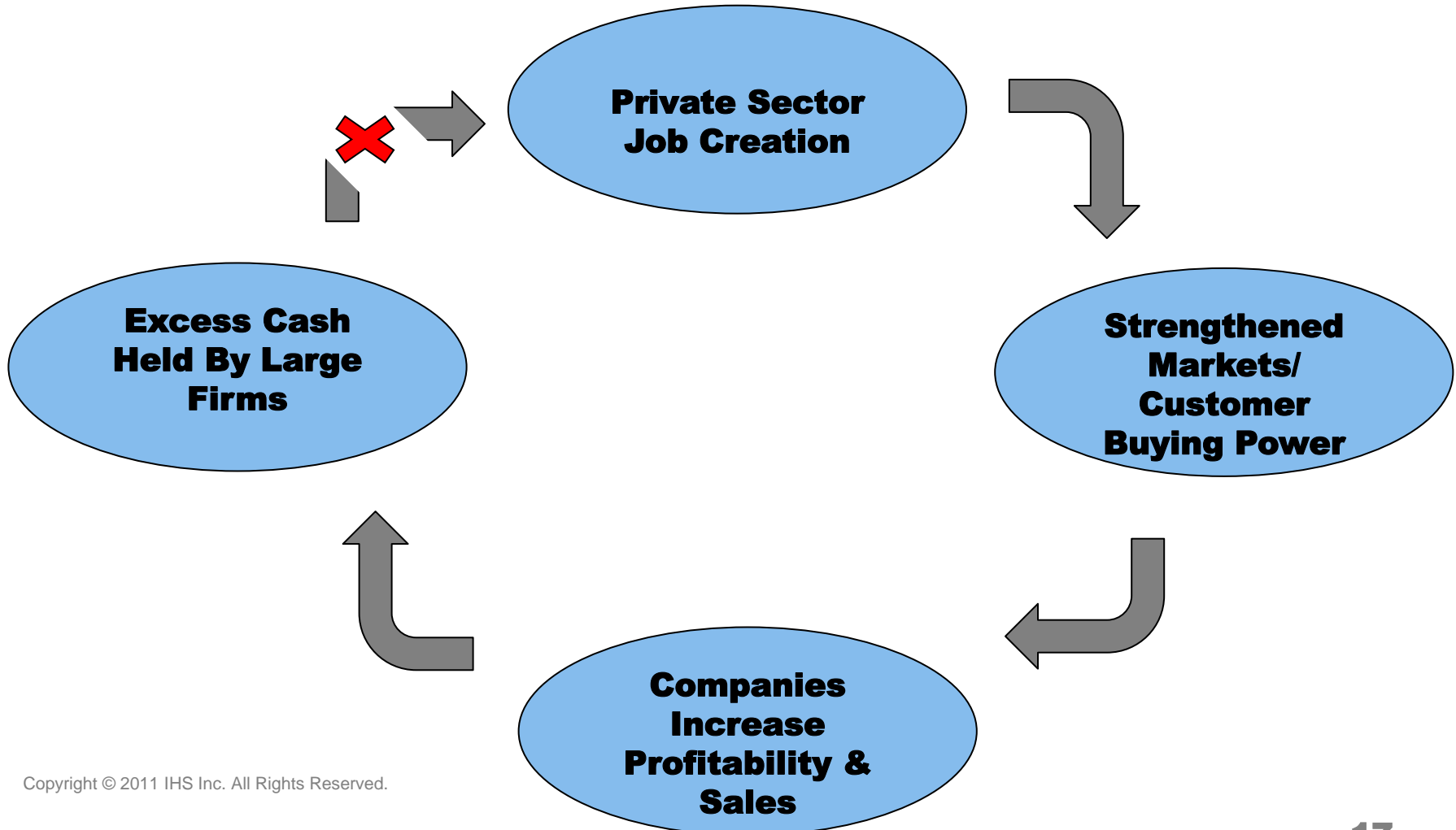
Next Steps for EDOs

1. Acknowledge new economic realities
2. Engage relevant stakeholders to design a new way forward
3. Execute with direct and concrete actions
4. Demonstrate stakeholder ROI
5. Assess major trends in changing markets



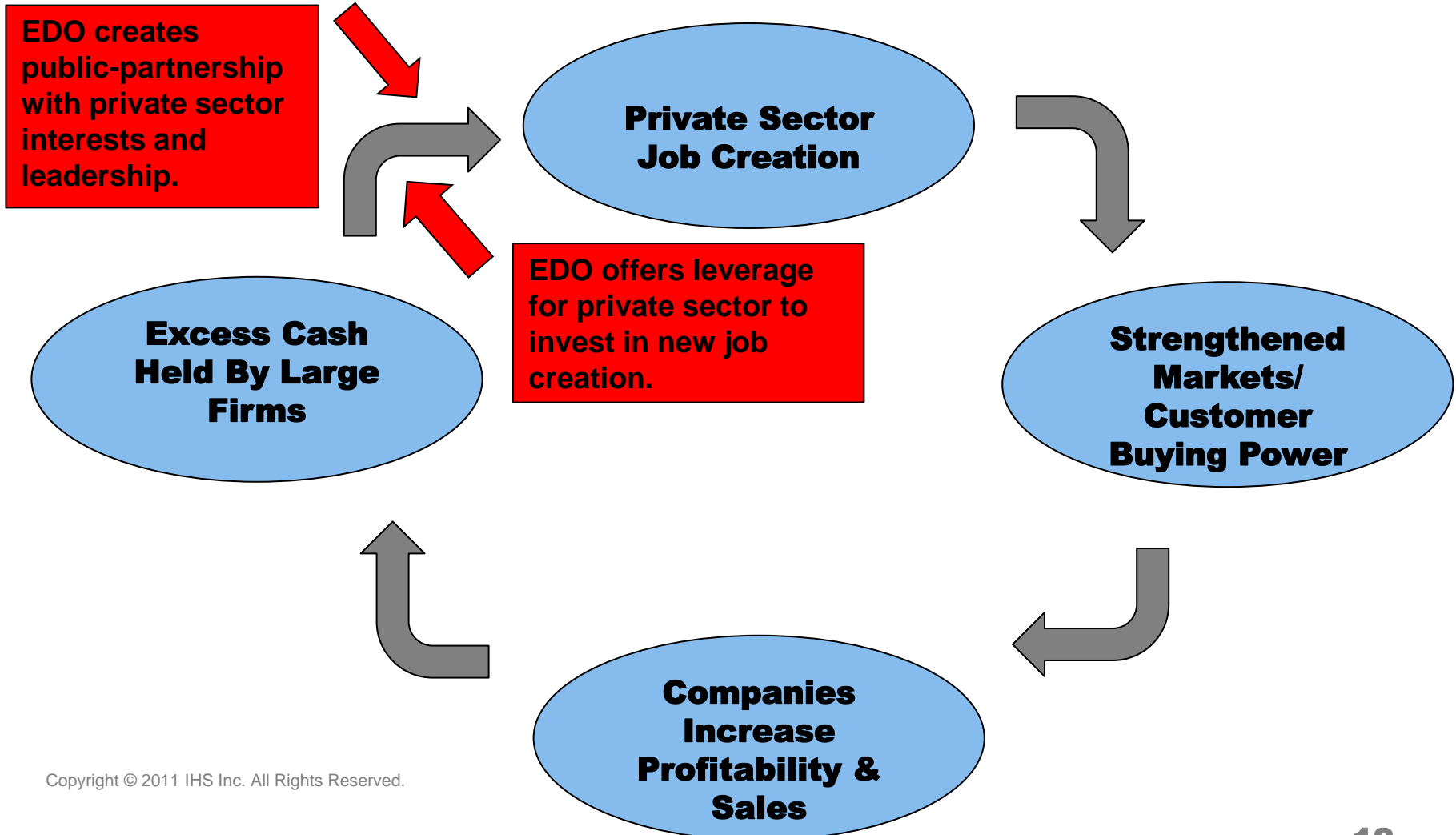
1) Acknowledge new economic realities

The Vicious Cycle - Job Creation & Regional Competitiveness



2) Engage relevant stakeholders to design a new way forward

Convert from a *Vicious Cycle* to a *Vital Cycle*





3) **Execute** - fact-based with direct and concrete actions to increase jobs and competitiveness

Old

- From Slow.....
- From Publicly Funded.....
- From “Economic Development”...
- From Mitigating Unemployment....
- From Prescriptive Government Programs.....
- From Target Industry studies....



New

- To Speed of Business
- To Shared Financing
- To Industry Vitality
- To Creating Growth Companies & Jobs
- To Flexible, Fluid Public-Private Partnerships
- To forward-looking market analysis



4) **Demonstrate** stakeholder ROI

- EDOs need to show how companies that create more jobs or local investment leads to:
 - Brand/Reputation improvement (new markets, new customers)
 - Talented workers (attracted by region's Quality of Life)
 - Goodwill (license to operate with new political leaders or ability to get concerns on the table with new leadership, i.e. Mayor or City Council)
 - U.S Leadership (in increasingly globally competitive world)
- Measure and communicate **fact-based, visible** gains.



5) **Assess** major trends in changing markets &...

Execute again!



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THANK YOU

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