

# Economic Development

## ED 101/201

Prepared for  
2008 Governor's Rural and Regional Development Conference  
September 24, 2008  
Carefree, Arizona

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# Definition

- *Economic development* refers to the process in which governments or community-based (neighborhood) organizations engage to stimulate or maintain business activity and/or employment. The principal goal of economic development is to stimulate employment opportunities in sectors that improve the region or community using existing human, natural, and institutional resources.

- Comparative Advantages,
- Competitive Advantages, and
- Barriers

# Development Professionals Know the Difference...

- Growth and Development or
- Growth vs. Development

# Why Do Economic Development?

- Create Entry Level Jobs
- Expand Tax Base
- Create Better Paying Jobs
- Integrate Minorities into Mainstream

# Efficient Development Organizations Build Their Programs On

- Formal Understandings of How Regional Systems Work including:
  - Regional Comparative Advantages
  - Barriers to Growth & Development
- Strategic Intelligence on Local, National, & Global Trends
  - Economic
  - Social
  - Political
  - Demographic
- Detailed Knowledge of Industry Requirements

# Economic Development Programs Help Regions Adjust To

- Globalization
- Shifts from Old Economy to New Economy
- Emerging Knowledge-based Industries

# Development Trends & Population Profiles

MSA = Metropolitan Statistical Area

2007 Population Estimates		
Flagstaff MSA =	134,898	2.08%
Coconino County = 134,898		
Lake Havasu City – Kingman MSA =	204,122	3.14%
Mohave County = 204,122		
Phoenix, Mesa, Scottsdale MSA =	4,235,162	65.15%
Maricopa County = 3,907,492		
Pinal County = 327,670		
Prescott MSA =	223,934	3.45%
Yavapai County = 223,934		
Tucson MSA =	1,003,235	15.43%
Pima County = 1,003,235		
Yuma MSA	201,298	3.10%
Yuma County = 201,298		
Total Metropolitan =	6,002,649	92.35%

Source: U.S. Bureau of the Census/ DES

% = % of State Total

# Development Trends & Population Profiles

Micropolitan SA = Micropolitan Statistical Area

	Population 2007
Nogales, AZ Micropolitan SA =	46,907
Santa Cruz County = 46,907	
Payson, AZ Micropolitan SA =	56,885
Gila County 56,885	
Safford, AZ Micropolitan SA =	45,732
Graham County = 37,338	
Greenlee County = 8,394	
Show Low, AZ Micropolitan SA =	113,796
Navajo County = 113,796	
Sierra Vista-Douglas Micropolitan SA =	137,200
Cochise County = 137,200	
Total Micropolitan =	400,520

# Development Trends & Population Profiles

## Arizona's Population 2007

Arizona Metropolitan Portion =	6,002,649	92.35%
Arizona Non-Metropolitan but Micropolitan Portion =	400,520	6.16%
Arizona Non-Metropolitan & Non-Micropolitan Portion =	97,025	1.49%
Total	6,500,194	100.00%

# Economic Development Programs Focus on

- Attraction of New Firms
- Retention & Expansion of Existing Firms
- New Business Development
  - Incubation of Innovations
  - Small Business Formation
- Research to Better Understand Regions & Industries

# Attraction of New Firms

- Site Selection Service
- Marketing Material Development
- New Client Service
- Market Development (Prospecting)
- Participation in Cluster Related Activities
- Newsletter
- Website Development
- Support Training (EDC, EDI)
- Trade Shows
- Involvement in Regional & National Networks, e.g. AAED, IEDC

# Retention & Expansion of Existing Firms

- Website Development
- Newsletter
- Support Training (EDC, EDI, etc.)
- Export Assistance
- Local Employer Visits
- Involvement in Local Networks, e.g. Chamber
- Involvement in Regional & Nation Networks, e.g. AAED, IEDC
- Participation in Cluster Related Activities

# New Business Development

- Basics = Business Plans & Record Keeping
- Advanced Management & Operations Assistance
- Incubator Operation
- Tech Transfer

# Basic Research Including Data Assembly

- Data Base of Industrial Parks/Areas
- Business Costs & Climate Information
- Business Facts/Quality of Life
- Demographic Information
- Labor Data

# Basic Research Including Data Assembly (Cont.)

- Training Needs
- Annual Salary Rates
- Research Products
  - Site Selection Data
  - County Profiles
  - Community Profiles
  - Wage & Labor Data

# Advanced Research & Modeling

- Technical & Business Research Assistance
- Economic Trends
- Regional Forecasts
- Regional & Economic Modeling
- “State-of-the-Region” Analyses
- Impact Assessments
- Target Industry Studies
- Cluster Identification & Description

# Programs also Address Barriers to Economic Development

- Infrastructure
- Lack of Vision, Cohesion, Point of Contact
- Image
- Job Training Capabilities
- Skilled Workforce
- Available Housing
- Available Industrial Sites
- Speculative Buildings
- Access
  - Interstate
  - Air
  - Rail

# Effective Development Organizations

- Build Partnerships
- Leverage Resources
- Work with Allies
- Improve Efficiency by Using Research

# Development Organizations Build Stronger Regions Which Have

- Export Oriented Clusters Driven by Engine Industries & Are Supported by Well Developed Foundations Including
  - Responsive Labor Markets
  - Functioning Physical Infrastructure
  - Transportation & Communication Networks
  - Effective Education & Training Capabilities
  - Attractive Quality of Life

# 2009 Arizona Economic Development Course

Tucson, Arizona  
January 25 – 29, 2009

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