

BUILD STRONG
CITIES

10

Things to Know
ABOUT

ECONOMIC

Development



Economic development is about elevating potential.

We could summarize this e-book in one sentence: Economic development is about elevating potential. At Build Strong Cities (BSC) we believe that economic development is effective when it is inclusive, collaborative, sustainable, when it elevates potential, lifts people out of poverty, and creates prosperity.

We exist to support this. More importantly, we exists to instigate better economic development by creating programs and content that allow people to express themselves and improve their community.

We recently surveyed 65 of our economic development colleagues across North America to find out the biggest challenge they faced in economic development. Everyone we spoke with told us that their biggest challenge was getting people to understand the meaning and purpose of economic development.

That's significant when you are trying to rally support for an important investment, or introduce a long-term economic development strategy.

To help our colleagues, Build Strong Cities put together the *10 Things to Know About Economic Development* as a tool to help clear up some commonly held misconceptions of what economic development is all about.

If you are working in economic development, reference 10 Things when you need to help other understand the work you do.

If you're a civic or community group, use it as a guide to start your planning.

If you're an engaged citizen just trying to make a difference, I hope 10 Things inspires you to get involved with the awesome process of planning and contributing to your community's prosperity.



1 It's more than just economic growth.

Economic development is about improving an overall way of life.

It seeks to improve literacy, education, health and life expectancy, or more broadly, the human condition.

Economic growth is the increase in the production and consumption of goods and services, and it is measured using the Gross Domestic Product/Gross National Product (GDP/GNP) price index.

Economic growth refers to an economy that is getting bigger, *not necessarily better*.

Economic development is about improving quality of life within an economy, not just improving the GDP/GNP.

Economic growth deals in numbers. Economic development is about quality of life.



2

Don't confuse it with development economics.

Development economics aims to transform poor countries into prosperous ones. Economic development does too, but it seeks to deliver prosperity in as many ways as possible.

Both economic development and development economics share the common goal of improving the human condition by creating a social and political environment where individuals and the forces of market exchange realise their potential and create growth. Build Strong Cities exists to support this process.



3

Money isn't everything.

While campaigning for president in U.S.A. in 1968 Robert F. Kenney said, "the gross national product does not allow for the health of our children, the quality of their education, or the joy of their play."

Individual happiness and wellbeing are fundamental goals of economic development and are core values of Build Strong Cities.

Because Economic Developers focus on individual and community well-being, we've created ways to measure it. The [Legatum Prosperity Index](#), the [UNDP Development Index](#) and [Richard Florida's Creativity Index](#) are some indicators of the human condition.

Economic development works on the theory that progressive change in people leads to progressive change in social and economic outputs.



4

It's more than just jobs.

Economic development works to create jobs

More jobs created within a local economy should theoretically convert to economic growth. However, new jobs don't contribute to economic development unless the wages cover the cost of living.

Economic development works to create better jobs that lead to an increased standard of living for people, and to improve the infrastructure of the community where they live.



5 Economic Developers are NOT Economists.

Economic
Developers
are the
visionaries
and
strategists

Economists are the technical experts. They take care of the structure of the economy. Economists study how resources should be distributed to produce goods and services. They monitor banks, develop economic forecasts, analyse economic data and predict market trends. They are the ultimate balancers of supply and demand.

Economic Developers are the visionaries and strategists who ask:

Where are we now?

Where do we want to be?

Why aren't we there now?

What has to happen to get us to where we want to be?

Who will do it?

How?

And when?



6

It starts local.

Let's face it. Nation states are comparatively young in the grand scheme of social and economic development.

In ancient times, local nomadic hunter-gatherer groups settled down, cultivated land and domesticated wildlife. Farmers and merchants began to trade. Cities were formed. Cities became places for social, political, and economic development.

Ultimately, what happens locally combines to influence national growth and development. Seems obvious right? Perhaps state and federal politicians would do better to remember this during budget season!



7 It's global.

Wait. Isn't that the opposite of what I just said? Yes, but it's also true.

Whether we like it or not, we all live and operate in a worldwide economy.

Worldwide commerce demands that local governments and businesses must operate, and cooperate, with governments and businesses around the world. Global supply chains and international trade policy, like NATO, influence how we develop locally.



8

Is dynamic.

Economic development works best when all levels of associations and governments talk, decide, act, and work well with one another.

Economic development is happening all around us, all the time. It's happening in the civic neighbourhood association and it's happening in the multi-national Organization for Economic Cooperation and Development.

Neighbourhoods, cities, regions, metropolitan areas, provinces, states, nations, and international associations all work to promote economic development. But is it a coordinated effort? The answer is: sometimes.

Economic development works best when all levels of associations and governments talk, decide, act, and work well with one another. Build Strong Cities (BSC) facilitates collaboration so communities can thrive.



9 It's a team effort.

The citizen is the most important agent of change in economic development.

There are many agencies working hard on economic development. These include;

- local government
- local economic development organizations
- chambers of commerce
- not-for-profit community groups
- development agencies
- real estate agents
- private enterprise consultants
- national and state governments.

All citizens help shape the economic development of their community. At BSC, however, we believe that the citizen is the most important agent of change in economic development.



10 People are the purpose of economic development.

We build strong communities, cities, and countries so people can thrive.

As we have said: the goal of economic development is to improve the human condition, or enhance people's wellbeing. Economic Developers do that by putting in place infrastructure and programs that help people thrive. We also do it by inspiring citizens to express pride and compassion in their communities.

When someone starts a civic group or neighbourhood association, they are taking an active role. And this encourages others to act to change their community for the better.

Acclaimed American Anthropologist Margaret Mead said, "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

We build strong communities, cities, and countries so people can thrive. We do it well when we recognize that the people we serve have the greatest potential to instigate better economic development.



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Contact us for more information on how to work with Build Strong Cities.

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