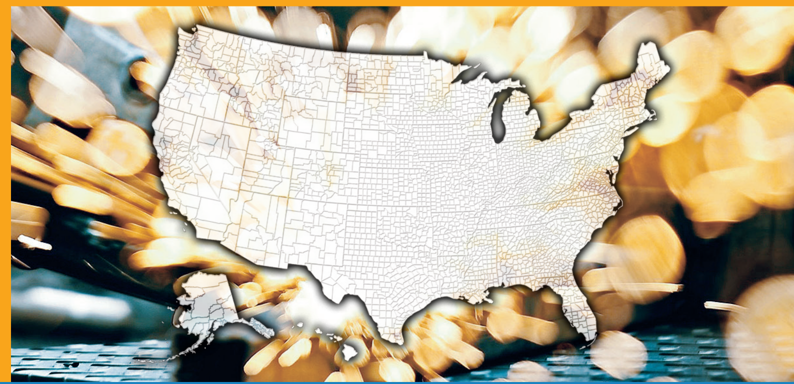
STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



NACo WHY COUNTIES MATTER PAPER SERIES • ISSUE 1 • JULY 2014 • www.naco.org

EXECUTIVE SUMMARY

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Counties are responsible for providing core services, such as human services, criminal justice, public welfare and infrastructure, to communities of all sizes across America. To ensure the delivery of these essential services, support job growth and maintain a healthy revenue base, counties invest in economic development activities in a number of ways. An examination of county involvement, challenges and solutions in economic development across the 3,069 counties shows that:

1 **COUNTIES ARE SPONSORS OF LOCAL ECONOMIC DEVELOPMENT INITIATIVES.** Funding — often from general funds — is the most common county contribution to economic development partnerships. More than 90 percent of county governments engage in economic development initiatives, but only 57 percent of counties have a county department managing economic development initiatives. Counties most typically focus on workforce training, business attraction and retention and regional marketing in their economic development partnerships. Additionally, counties collaborate with other stakeholders to promote broader resiliency goals.

Counties are sponsors of local economic development initiatives.

93% OF COUNTIES — PARTICIPATE IN ECONOMIC DEVELOPMENT INITIATIVES

57% OF COUNTIES — HAVE A COUNTY DEPARTMENT MANAGING ECONOMIC DEVELOPMENT

81% OF COUNTIES — CONTRIBUTE FUNDING TO ECONOMIC DEVELOPMENT PARTNERSHIPS

Ethanol production equipment owned by Grass Roots Energy, a participant in the Agricultural Technology Business Incubator in Ottawa County, Mich.

For the full report, the companion interactive data tool and the text of the case studies, see the ***Strong Economies interactive*** at ***www.naco.org/StrongEconomies***

COUNTIES FUTURES LAB NACo

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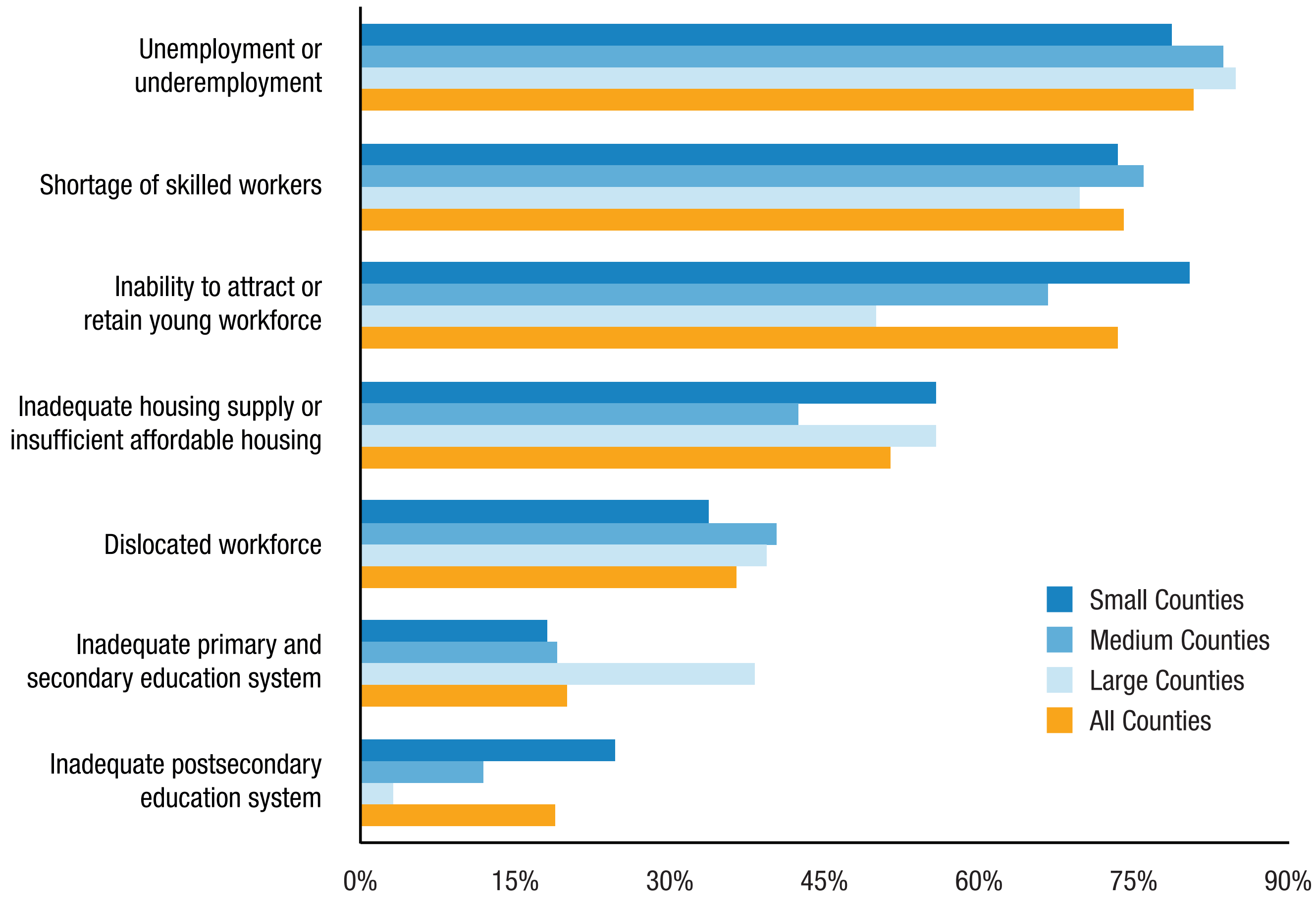
2 **WORKFORCE CHALLENGES ARE AT THE TOP OF THE COUNTY ECONOMIC DEVELOPMENT AGENDA.** Unemployment or underemployment is the most common challenge across counties (more than 80 percent of responding counties), followed closely by shortage of skilled workers (74 percent of responding counties) and the inability to attract and retain a young workforce (73 percent of responding counties). Maintaining a resilient economy with a diversified and competitive business environment is also a significant concern for counties. As major owners of infrastructure, counties deal directly with infrastructure challenges that affect the development and competitiveness of their local economies.

> Counties of all sizes need more and better trade infrastructure, from ports and roads to transshipment facilities.

WORKFORCE CHALLENGES FOR COUNTIES, PERCENT OF RESPONDING COUNTIES BY COUNTY POPULATION SIZE, 2013



Notes: Large counties have more than 500,000 residents. Medium-sized counties have between 50,000 and 500,000 residents. Small counties are counties with less than 50,000 residents.

Sources: NACo survey, October 2013; 2012 population data-U.S. Census Bureau, Population Estimates, 2013

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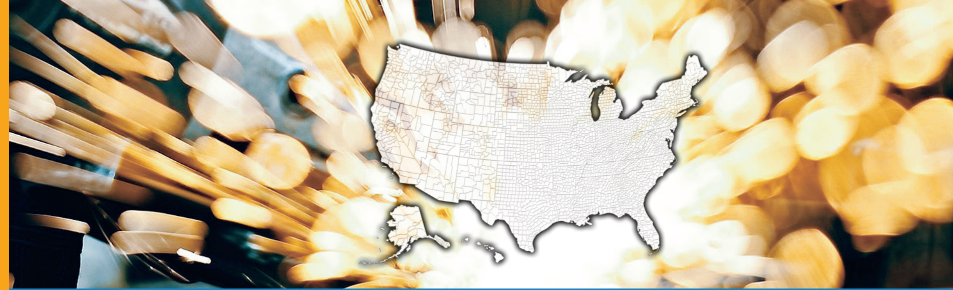
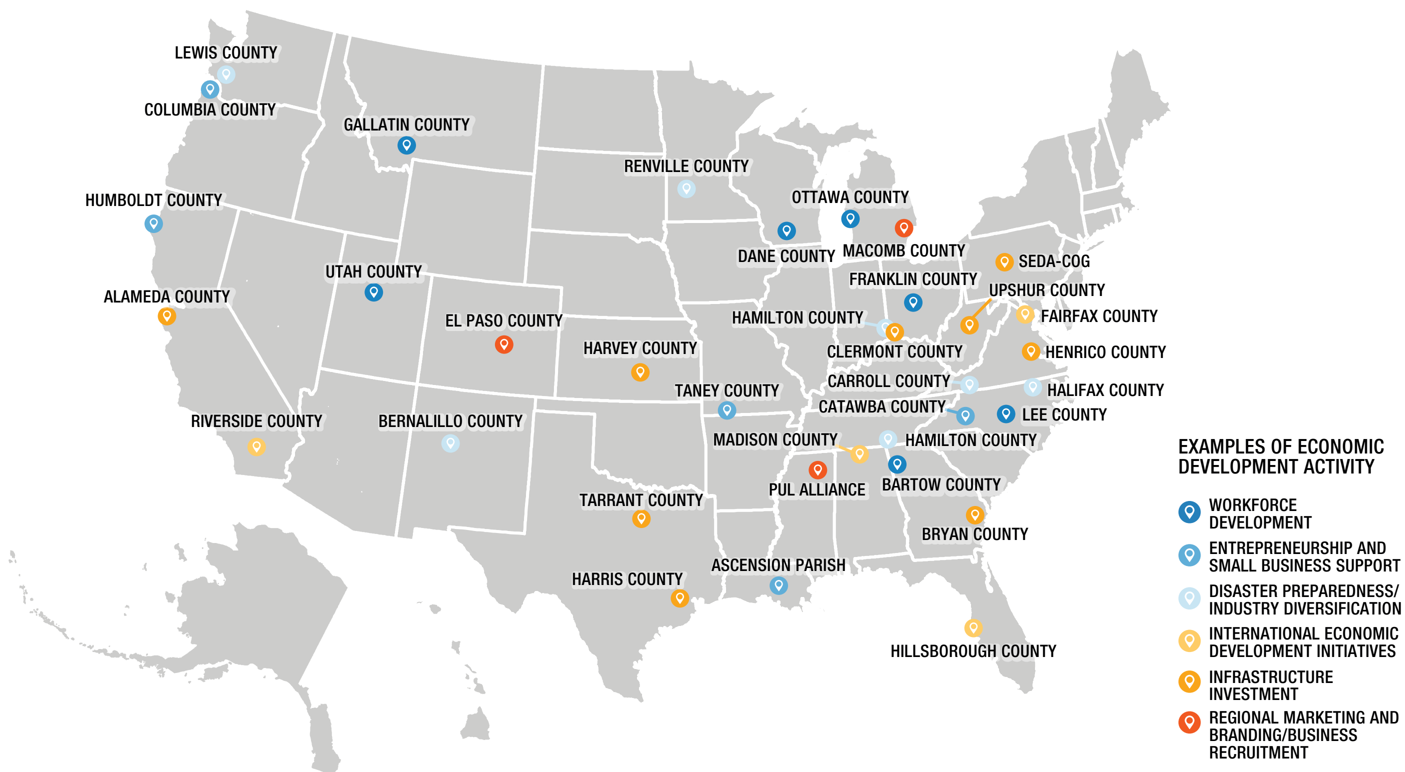


3 **COLLABORATION IS THE KEY TO COUNTY ECONOMIC DEVELOPMENT INITIATIVES.** County economic development initiatives capitalize on the networks of public, nonprofit and private partners necessary for successful local economic development. This research developed 35 case studies of county economic development initiatives from around the country, featuring a wide range of activities from workforce training, regional marketing and business recruitment and retention to infrastructure financing, small business support, business incubators, disaster preparedness, industry diversification and international economic development. While each initiative solves an economic development problem within the framework of specific local resources and constraints, these case studies highlight some of the current county practices in economic development worthy of replication.

Together with partners, counties find solutions to the most pressing economic development problems facing their communities.

CASE STUDIES OF COUNTY ECONOMIC DEVELOPMENT INITIATIVES



Note: The PUL Alliance in Mississippi is a regional economic development alliance among Pontotoc County, Union County and Lee County, part of the Three Rivers Planning and Development District. Susquehanna Economic Development Association - Council of Governments (SEDA-COG) is s a regional multi-county development agency serving 11 Central Pennsylvania counties. For ease of visualization, this research identifies one of the economic development initiatives featured in each case study. Most often, the case studies feature more than one initiative.

For the full range of the economic development initiatives profiled in each case study, see the Strong Economies interactive at <u>www.naco.org/StrongEconomies</u>

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As both global and local challenges arise, counties are poised to lead, convene and participate in economic development efforts.

Worker completing infrastructure maintenance on a roadway on the Harris County Toll Road Authority system in Harris County, Texas.

Counties of all sizes across the country are problem-solvers, able to adjust their initiatives and programs to match local assets and needs. Drawing upon the answers of 480 counties responding to the 2013 NACo survey and the 35 case studies developed for this research, this study finds that counties have a distinct ability to mobilize and coordinate resources for economic development. Local economic development challenges often require a regional solution. Counties are best positioned to be conveners for such initiatives due to the legitimacy and accountability they have as formal governments covering both incorporated and unincorporated areas in a region.

Strong local economies enable counties to improve the quality of life for their residents, create the right environment for local businesses to flourish and reduce county costs with public welfare and criminal justice, while supporting the county tax base. Counties understand that strategic planning together with their public and private partners is necessary to build strong economies and in the process make their communities more resilient to unexpected events ranging from natural disasters and factory closures to long term declines in specific industries. As both global and local challenges arise, counties are poised to lead, convene and participate in economic development efforts.

FOR MORE INFORMATION, CONTACT

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The National Association of Counties (NACo) developed this research in partnership with the Lyndon B. Johnson (LBJ) School of Public Affairs at the University of Texas at Austin. The study draws on the results of a NACo survey of the 3,069 counties conducted between September and October 2013 and 35 case studies of counties or regional economic development organizations with county government involvement.

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