Strong Economies, Resilient Counties: The Role of Counties in Economic Development

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Orleans Parish, LA
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Overview

• Joint project by NACo & LBJ School of Public Affairs at University of Texas at Austin
• Methodology: survey (Sept-Oct 2013) and case study research (Jan-Mar 2014)
• 480 counties responded to survey (16%)
• 35 case studies (125 interviews)
Purpose

• Understand how counties are engaging in economic development
• Identify opportunities and challenges that are facing county elected officials
• Highlight county innovations to encourage peer learning & promote county role
Survey

Note: Percentages may not sum to 100 due to rounding. Response rate to survey was 16%.
## Case Studies

<table>
<thead>
<tr>
<th>County Population</th>
<th># of Counties in Case Studies</th>
<th>Share ofFeat. Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large (500k+)</td>
<td>13</td>
<td>28%</td>
</tr>
<tr>
<td>Medium (50k-500k)</td>
<td>19</td>
<td>40%</td>
</tr>
<tr>
<td>Small (&lt; 50k)</td>
<td>15</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Note: 35 case studies include a total of 47 counties (33 counties and two regional planning organizations with 12 member counties.)
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
Key Findings

• Counties are important sponsors of local economic development initiatives
• Workforce challenges are at top of county economic development agenda
• Collaboration is key to county economic development initiatives
90%+ of counties engage in economic development but only 57% have a dedicated county department.

Sources: NACo survey, October 2013
## Partnerships

<table>
<thead>
<tr>
<th>Most Mentioned County Partners in Economic Dev Initiatives</th>
<th>Small (%)</th>
<th>Med (%)</th>
<th>Large (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Chamber/business association</td>
<td>81.6</td>
<td>85.9</td>
<td>85.3</td>
<td>83.5</td>
</tr>
<tr>
<td>2. Regional econ dev organization</td>
<td>84.6</td>
<td>84.0</td>
<td>73.5</td>
<td>83.5</td>
</tr>
<tr>
<td>3. Cities in the county</td>
<td>76.1</td>
<td>90.4</td>
<td>97.1</td>
<td>83.0</td>
</tr>
<tr>
<td>4. State government</td>
<td>77.4</td>
<td>83.3</td>
<td>91.2</td>
<td>80.7</td>
</tr>
<tr>
<td>5. Other counties in the region</td>
<td>71.4</td>
<td>61.5</td>
<td>47.1</td>
<td>65.8</td>
</tr>
</tbody>
</table>
Counties invest $25.6 billion annually in econ dev and $106.3 billion in building infrastructure and maintaining and operating public works.

82% of counties fund econ dev w/ general revenue.
Workforce Development

**Workforce Challenges**
- Under/unemployment: 80%
- Skilled worker shortage: 74%
- Attract/retain young WF: 73%

*Figure 2: Top Five Economic Activities for County Partnerships, 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.

FIGURE 6: TOP FIVE MOST USED PERFORMANCE MEASURES FOR COUNTY ECONOMIC DEVELOPMENT INITIATIVES, PERCENT OF RESPONDING COUNTIES, 2013

- Job creation or retention: 89%
- Increase in county tax revenue: 68%
- Reduction in unemployment rate: 51%
- Growth of capital investment: 42%
- Growth in tourism spending: 36%

Sources: NACo survey, October 2013
### International (Trade/FDI)

<table>
<thead>
<tr>
<th></th>
<th>Export Promotion</th>
<th>FDI Attraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>Medium</td>
<td>31%</td>
<td>31%</td>
</tr>
<tr>
<td>Small</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23%</strong></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>

Economic development opportunity: 95% of world consumers live outside US; foreign direct investment (FDI) added **$193 billion** to US economy in 2013
Trade Infrastructure

Counties of all sizes need more and better trade infrastructure, from ports and roads to transshipment facilities.
Promoting international trade as an economic diversification strategy to leverage federally-funded programs in defense industries.

Providing critical technical expertise to entrepreneurs, as well as existing businesses of all sizes.

Partnering with local university to measure economic impact & gauge industry needs on ongoing basis.
International (Trade/FDI) Case Study

Office of Foreign Trade established in 2009 by Board of Supervisors.

Four foreign trade zones (FTZ) and a fifth FTZ underway—500+ workers & $1 billion in good shipments.

FDI from 35 countries created 11,800 jobs w/ annual payroll $800M (2013).

Negotiated trade agreements with Japan, Canada, & Croatia in 2013 & currently pursuing one with China.

Partnering with local universities & colleges to educate and train small businesses on exporting.
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