

# Community (and Economic) Development

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**Economic Development  
Golden Triangle:  
Recruitment,  
Retention/Expansion,  
and  
New Business Start-Ups**

# Recruitment

- Movement of new companies into the community from outside the area
- Typically the most well-known and heralded activity in economic development
  - Often generates more local excitement than addition of more jobs by a local firm or a new start-up
- Site selection is a multi-phased elimination then selection approach; any aspect of a community could be critical

# Business Retention and Expansion

- BR&E and new business start-ups account for 70% or more of job creation in communities
- Cost effective - Less expensive to assist a local firm to expand than to recruit new ones

# Small Businesses And Start-ups

- Playing a more important and active role in the local and national economies, especially technology-based development
- Small businesses create the majority of new jobs

# What Facilitates Economic Development?

- Having a “development ready” community
  - Creating a skilled workforce
  - Developing physical infrastructure
  - Improving the business environment
  - Developing suitable sites and buildings
  - Improving local education
  - Creating a livable community with desired amenities
  - Overall, making the community a great place to live, work and play
- But Isn't This Community Development?
- Having a good economic development program to sell the “product”



# **Community Development**

# What is Community Development?

## *An Outcome and a Process*

- *Outcome:*
  - Taking collective action
  - The result of that action for improvement in a community in any and all realms: physical, environmental, cultural, social, political, economic, etc.
- *Process: Developing the ability to act collectively*

Phillips and Pittman, 2015, *Introduction to Community Development*, Routledge



# What Facilitates Community Development?

## Social Capital (or Capacity):

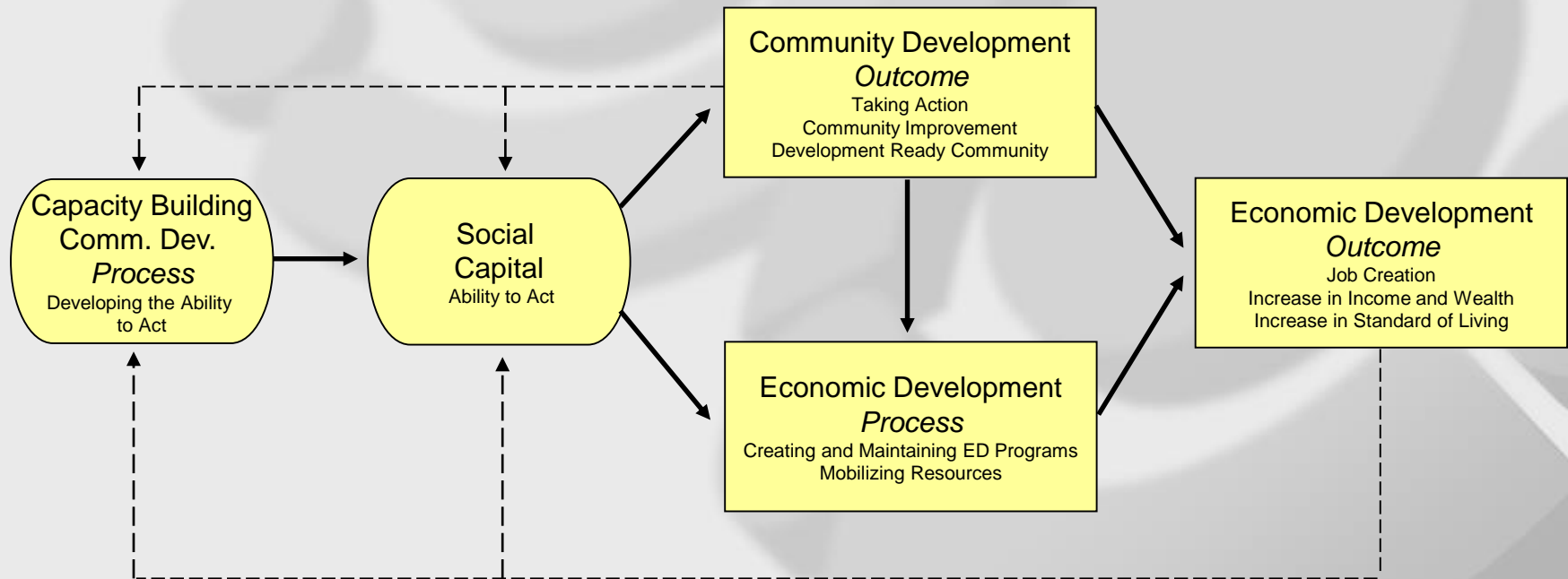
- The abilities of residents to organize and mobilize their resources for the accomplishment of consensual defined goals.
  
- Simply put, the extent to which members of a community can work together effectively, including the ability to:
  - Develop and sustain strong relationships
  - Solve problems and make group decisions
  - Collaborate effectively to identify goals, plan collectively and get work done

# How Do You Build Social Capital?

## Capacity Building

- Any set of activities pursued by a community to **develop the ability to act**:
  - Building social networks within the community
  - Developing group and individual problem solving skills
- Example: Leadership development

# Community and Economic Development Chain



Phillips and Pittman, 2015, *Introduction to Community Development*, Routledge



# Case Studies:

Tupelo, Mississippi

Osceola, Arkansas

# Tupelo, Mississippi Ten Reasons for Success

1. One economic development agency for Tupelo/Lee County(Community Development Foundation); no competing ED organizations
2. Working together and presenting a united front under Community Development Foundation
3. Strong leadership program
  - 3 leadership programs for young adults
  - Welcome all newcomers, including executives from “Up North”
4. Belief that community development precedes economic development: must be “development ready”
5. Recognize importance of regionalism in economic development: CREATE Foundation for NE Mississippi

# Tupelo, Mississippi Ten Reasons for Success

6. Positive media coverage on economic development
  - Newspaper publisher/owner George McClane ED leader; set up CREATE Foundation
7. Positive labor climate and race relations
8. Strategic planning with regular updates
9. Strong public/private partnerships
  - Economic development
  - Education: private funding to supplement public education
10. Patience – a realization that community and economic development takes time and they must “stay the course”

---Lewis Whitfield, Community Leader