

STATE OF LOCAL ECONOMIC DEVELOPMENT: ATTITUDES AND  
APPROACHES TO DEVELOPMENT PLANS

By

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To my parents, Dudley and Carolyn Wade, who have always supported my endeavors  
and encouraged me to strive for my goals

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Economic development policy has been a part of state and local planning for 30 years. More than 15,000 organizations in the United States are devoted to promoting local and state economic development; all have different approaches, attitudes, and definitions of economic development. The field of economic development is in a constant state of evolution. It has generally been perceived as “smokestack chasing,” as communities tried to attract industries in the name of economic growth. However, a distinction has arisen between economic growth and economic development.

Economic developers increasingly find that growth for the sake of growth does not always work for communities. On the other hand, while development does not necessarily seek to minimize growth or to see an increase in economic indicators, it does seek to raise the standards of living and quality of life.

Formal economic development plans are a way to plan for both development and growth. My study examined approaches and attitudes toward formal economic

development plans: who has them, how they are used, and how they are generally perceived. An internet survey was emailed to members of the Economic Development Division (EDD) of the American Planning Association (APA). Most of the respondents have formal economic development plans (most of them viewed favorably). Respondents without formal economic development plans thought that the existence of a formal plan would be useful; that economic development decisions could be made more easily in the framework of a formal explicit plan. Having strategic plans is strongly related to the ease of decision making within those plans.

Survey analysis showed that economic development plans are unique for each community; no regional relationships found. However, greater integration and collaboration among sectors would make economic development plans more effective. Overall, formal economic development plans give economic development planners a useful tool for making decisions and directing the course of action for their communities.

## CHAPTER 1 INTRODUCTION

In general, there are two broad approaches to economic development: the sales approach and the rational approach. The sales approach emphasizes marketing an area and pitching its virtues to prospective businesses and industries. The role of the economic developer is often seen as a salesman for the community. The rational approach entails a guided course of action that involves establishing a general plan for the direction of the community and asks the question: Where does the community want to go and how can it get there?

Economic development programs and strategies are a part of both approaches. Programs and strategies can involve establishing business incubators, job training centers, tax benefits for business relocation, and a variety of other measures. Many studies have examined the effectiveness of various programs and whether such programs work. However, economic development *plans* are different than economic development *programs*. Formal explicit written plans are akin to the comprehensive plan that many communities have. They may contain programs as a means to accomplish certain goals and objectives, but are not in and of themselves programs.

Few studies have examined actual formal economic development plans. Guidelines show how to create a plan, and models outline the general steps (from data gathering to implementation). My study examined the approaches and attitudes of economic development practitioners toward economic development plans.

A survey was conducted to examine the research topic. An internet survey was emailed to selected members of the EDD. The results were analyzed using descriptive and correlational research methods.

## CHAPTER 2 REVIEW OF THE LITERATURE

### **What is Economic Development?**

More than 15,000 organizations in the United States are devoted to promoting local and state economic development. Most of these organizations operate at the local level: city, county, town, or neighborhood. The term “economic development” means different things to different people. To economists, it means more economic growth. To business leaders, it can mean applying public policy that will increase competitiveness. To environmentalists, economic development should be sustainable. To public officials, the term embodies the range of job-creation programs. The former American Economic Development Council was the largest membership organization representing practicing economic developers in the United States; it merged with another association and is now the International Economic Development Council. For years, their standard definition of economic development was “The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. The economic developer’s role is to influence the process for the benefit of the community through expanding job opportunities and the tax base” (AEDC 1984:18).

According to the standard paradigm, communities have several motives for pursuing economic development: one is employment. Another motive is property tax relief. Economic growth is generally thought to benefit various sectors of the business community: real estate brokers benefit from an increased number of transactions,

property owners benefit from increased demand for land and structure, and retailers benefit from increased sales resulting from increased personal income (Levy 1997:232).

Generally, a community can do 3 things to facilitate economic growth (and these overlap somewhat): sales and promotion, subsidization, and making sites and buildings available (Levy 1997:232).

Generally, economic development is perceived as a numbers game; the main goal of “creating new jobs for local residents and providing a net tax increase to the local treasury” (Krumholz 1991:292). Growth is the typical mindset for many. However, a distinction has emerged between economic *development* and economic *growth*. Rather than more of everything, economic development can be defined as raising the standards of living and improving the quality of life (Fitzgerald & Leigh 2002:27). Practitioners are beginning to ask what kind of jobs they want to create (Lyons & Hamlin 2001), and communities and practitioners are coming to understand that they can envision the economic environment they want to create. Qualitative value is becoming the focus, along with quantitative measurements.

Fitzgerald and Leigh (2000:27) formulated three principles to provide a framework for incorporating equity and sustainability into economic development.

- Economic development should increase standards of living
- Economic development should reduce inequality
- Economic development should promote and encourage sustainable resource use and production

The turn to qualitative concerns emerged for many reasons. One reason is the question of whether economic development programs work. As Krumholz (1991:291)

said, “The effectiveness of local economic development in terms of net new jobs or taxes—its essential public purpose—is largely unknown.”

Despite billions of dollars and an ongoing controversy, practitioners and academics have generated surprisingly little empirical evidence regarding the effectiveness of economic development incentives or subsidies in promoting economic growth. Some have argued that they are an essential tool that stimulates local economic development, while others have argued that they are little more than a windfall subsidy for investment and would have occurred anyway (Marlin 1990:15).

Economic development policy has been a part of state and local planning for 30 years. However, integration of economic development into wider planning functions is still limited, and the field continues to address controversy (Peters & Fisher 2004:27).

“The textbook model of local economic development seems also to be deeply flawed in practice...practitioners spend most of their time on public relations, marketing, advertising and sales—not on research and analysis” (Krumholz 1991:292).

Economic development practitioners face an uncertain environment regarding strategy because it is difficult to predict what the future will hold or if their decisions will affect their local economies (Rubin 1988:237). Practitioners are often in the role of a quasi-public administrator and are so jostled between private and public entities that many people are confused about what economic developers do. Economic development planners perform a variety of tasks, depending on where they practice. Those who work in smaller towns define their jobs almost exclusively as marketing and attracting industry. Those working in larger cities have a wider range of responsibilities including small business development, industrial retention, negotiation of tax-increment financing, export promotion, commercial revitalization, and workforce development (Fitzgerald & Leigh 2002:33). “Essentially, most economic development planners market, make deals, implement programs, or all three” (Fitzgerald & Leigh 2002:33).

## **Rationale and History of Economic Development**

Economic development is treated as the murky combination of business and planning. Its role is often confusing as communities integrate the free market with their vision of a specific future. Economic development has a relatively brief history, but is becoming increasingly intertwined in everyday planning practice. Also the rationale for its existence is changing from marketing and attracting industry to a rational planning approach that meets the needs of individual communities.

Historically, several ideas explain the underlying rationale for economic development ([Blakely and Hoch 2000:287](#)). Free market economies rely on the notion of unplanned and unrestrained competition. To compete, virtually every community or firm would need equal information and equal access to supplies, markets, and resources. However, access to information and other resources is never equal. According to Edward Blakely and C. Hoch, “economic development planning attempts to intervene in markets to equalize the structure and enhance the competitive position of disadvantaged firms or population groups” (2000:287). There are generally perceived to be four dimensions of economic development: employment creation, resource mobilization, location asset assessment and reorganization, and knowledge or information resource capture for a high-tech economic development concept.

Locally based economic development emphasizes “endogenous development” strategies that use local human, institutional, and physical resources ([Blakely & Hoch 2000:286](#)). Effective local economic development planning stimulates the formation of industries that are the natural outgrowth of local resources, improves local firms’ ability to produce better products, identifies new markets for local products, transfers knowledge to the least advantaged local workers, and nurtures new firms and enterprises within the

region ([Blakely & Hoch 2000:286](#)). Although such strategies may now seem obvious, they developed only after years of experimentation and struggle.

In the past, planners' involvement in economic development was primarily in the regulatory sphere. In many cases, unabridged development had stripped communities of important resources ranging from wildlife to public safety ([Blakely & Hoch 2000:286](#)). Planners, as instruments of the local political process, stepped in to protect civic interests through regulation. However, the emphasis on regulation came at the expense of broader economic goals. For example, unless the consequences of regulation were assessed and understood, regulatory activities could restrict employment ([Eisenger 1989](#)).

Before 1960, concern for economic development was largely confined to the development nations of the third world. John F. Kennedy's campaign raised national awareness of urban and rural poverty in the United States. The Great Society programs that followed were designed to eliminate "pockets of poverty" in center-city ghettos, declining rural areas, and depressed regions. The U.S. Government established the Economic Development Administration (EDA) to attack poverty and unemployment. Through planning and technical assistance, grants to localities, and loan programs, the EDA promoted local economic development in areas on a worst-first basis ([Malizia & Feser 1999:5](#)).

Fitzgerald and Leigh term this time period as the phase of "state industrial recruitment" ([2002](#)). States and municipalities tried to create a better business environment through such measures as tax abatements, loan packaging, infrastructure, land development and other efforts to reduce the cost of production for firms. In other words, industrial recruitment was the primary goal of economic developers.

Throughout the 1970s, the practice of economic development increasingly became a local activity. Attempts were made to forge links among federal employment, social services, small business development, and economic development programs to increase their local effectiveness (Malizia & Feser 1999:5). States and localities took concrete steps to address the related problems of economic adjustment and fiscal stress. Every state developed industrial recruitment and promotional programs to bid for the investments of U.S.-based and foreign corporations. Many localities had been encouraging job creation and economic revitalization for some time. To provide resources needed for community development, business and neighborhood organizations supported local economic growth and development. “Every jurisdiction appeared to be concerned with local economic development whether its economic base was growing, declining, stagnant, or experiencing readjustment problems” (Malizia & Feser 1995:5).

Also during this time, the focus of economic development analysis shifted from examining how to implement various techniques and strategies to who was paying for, and who was benefiting from the practice. This phase is referred to as “political critiques of economic development activity,” by Fitzgerald and Leigh (2002:10). Industrial development still dominated the practice, but questions began to emerge as to who was benefiting from actual economic development practices.

During the 1980s, concern for local economic development remained pervasive, but the approach changed dramatically. At the federal level, the main threat was no longer poverty or domestic social unrest but competitive pressures from the international economy (Malizia & Feser 1999:6). “The goal shifted from elimination of regional

disparities and urban and rural poverty to enhancement of productivity, economic growth, and global market share” (1996:6).

This is the “entrepreneurial and equity strategies” phase (Fitzgerald & Leigh 2002:14). Two shifts brought on the change to this stage. The first was a shift from the supply-side industrial attraction focus to a more entrepreneurial focus, which occurred in both state and local economic development practice (Eisenger 1988). These “second wave” strategies shifted the emphasis of economic development to promoting the development of new businesses and industries (Fitzgerald & Leigh 2002). The second movement advocated a set of alternative place-based strategies that focused on issues of equity and redistribution, which would become known as equity planning.

By 1990, most counties and cities had accepted economic development as an important function of local government. Some vested responsibility for economic development in a public agency; others turned responsibility over to nonprofit development organizations. As separate local development commissions or as part of local Chambers of Commerce or neighborhood associations, these public agencies and nonprofit organizations had a mandate to promote local economic development in the face of diminishing resources and complex economic problems (Malizia & Feser 1996). In the 1990s, the escalation of social tensions, the reduction of economic security, and the continued physical and economic deterioration of many urban areas have returned distributional issues to the economic development arena. “Yet, given the politics of fiscal austerity and the economics of increasing global competition, redistributive strategies have had little broad appeal” (Malizia & Feser 1999:8). Promoting economic growth and

development for the entire community was the preferred objective, but increasing competitiveness remained the preferred strategy.

### **Strategy and Culture**

A broad examination of the current literature ([Reese & Rosenfeld 2002:373](#)) on local economic development suggests a series of reasonably shared assumptions or truths about local policy and process:

- Economic development policy is largely about economics and, perhaps, politics.
- Fiscal and economic stress forces cities to approve costly incentives for private businesses.
- Cities employing a broad array of economic development techniques or most incentives allowed by state law are “shooting everything that flies” and lack rational focus in their development efforts ([Rubin 1988](#)).
- Local government structure matters in determining policy processes and resultant policies, even in the face of economic constraints.
- In addition to government structure, the composition of local governing regimes largely determines policy.
- Cities with similar governing regimes will have similar approaches to economic development.
- Businesses are a critical part of most local economic development regimes, and therefore development regimes will be most prevalent.
- Businesses will always push for incentives to lower their costs of production.

“It is the assumption that external competition and fiscal stress will produce an almost desperate attempt to try all possible economic development techniques in the hopes that something will rejuvenate the local economy” ([Reese & Rosenfeld 2002:374](#)).

Fiscal health has generally been the focus of economic development efforts. Some research suggests that more prosperous cities use economic development incentives to a greater degree than less prosperous ones.

Simply attracting existing firms away from other localities, regardless of how they fit into the local economic picture, does little to build economic strength. Endogenous development depends instead on nurturing and attracting the firms, people, and institutions that can best use local resources. The key to global competitiveness is to organize and harness institutional and human resources to shape and meet new markets at home and abroad (Blakely & Hoch 2000:304).

Good local economic development relies on institutional development to bind the means and the ends. For example, it is not enough to target jobs: employment objectives need to be framed in relation to the needs of organizations, firms, and other stakeholders that have an interest in increasing specific types of jobs at the same time and place (Blakely & Hoch 2000:304).

Further, there are distinct local factors that shape the environment of economic development decision making (Reese & Rosenfeld 2002:3). Different cultures will produce different types of economic development policies, and the local civic culture will affect the whole array of local policies. The administrative make-up of a city or region will affect the types of economic development policies instituted.

Leicht and Jenkins (1994:264) postulate that there are regional differences in political culture and industrial composition that shape economic development policies. They studied state economic development and argue that there are three strategies of economic development: entrepreneurial, industrial recruitment, and deregulation approaches. “The major difference lies in the assumptions about the nature of economic growth and the role of the state” (Leicht & Jenkins 1994:257).

Entrepreneurial strategies rely on the idea that state government is an active partner in economic development, launching new enterprises and developing new technology and products. The core programs emphasize the creation of new high-technology enterprises, technical assistance centers, venture capital programs, small business incubator, R&D tax credits, and high-technology research parks (Leicht & Jenkins 1994:257). The industrial recruitment strategy uses tax incentives, capital subsidies, and labor retraining to lure out-of-state enterprises and promote the expansion of existing firms. The state contributes directly to economic growth through favorable tax and financial measures. This shares with the deregulation approach the idea that the “key to economic growth is holding production factor costs down” (Leicht & Jenkins 1994:257). However, the difference is that the deregulation approach also seeks to reduce the role of state government in private enterprise, enhancing the autonomy of the private market.

A study was conducted to explore the relationship between the different regions of the country (using the nine region codes of the U.S. Census) and strategy to determine if a type of strategy was more prevalent in some regions. The authors of the study, Leicht and Jenkins (1994:265), found that the entrepreneurial strategy is pursued in the east north central states and avoided in the mountain and south central states. The industrial recruitment strategy is avoided in the mountain, west north central and south Atlantic states. The deregulation strategy is strongly linked within the southeastern United States.

Generally, these results present a picture of entrepreneurial and industrial recruitment policies spreading throughout the nation. The entrepreneurial policies were initially centered in the Northeast and spread across the country as states attempted to spur high-tech development. Industrial recruitment was centered in the Middle Atlantic but spread to surrounding manufacturing states. Deregulation has been regionally more stable, except that it has spread to the mountain states. The two least distinctive regions are the west north central and Pacific, which are

among the more economically diverse regions of the country and have adopted a mixture of these programs (Leicht & Jenkins 1991:265).

A central question of economic development strategy is whether or not the strategies actually contribute to economic growth. It has been argued that “overall, economic development strategies have relatively little impact on economic growth” (Leicht & Jenkins 2002:266). Local economic development planners are supposed to be rational and systematic making the best decisions for the community based on studies. However, it is argued that many planners strive for adequate solutions within the timeframe they have available and that the extensive data necessary to support best choices cannot be obtained (Krumholz 1991). Further, many economic development practitioners become “an arm of the private developer; the success of the latter is a measure of the effectiveness of the former” (Krumholz 1991:293). Oftentimes the economic development strategy gets skewed towards the favor of private interests, which can lead to inequity and little impact on actual growth. Because of this, it has been argued that greater evaluation of economic development programs is needed in order for the programs to thrive (Bartik 1994).

### **The Planning Process**

Local economic development planning is a central feature of the planning process today. “An economic development plan, or economic development component of a comprehensive plan, reminds the community where it wants to go and even tells it how to get there” (Kelly & Becker 2000:400). As the economy has globalized, the planner’s role has become less regulatory and more entrepreneurial (Blakely & Hoch 2000:286). Rather than only responding to proposals from business or industry, planners are also forging new relationships and developing new resources.

“Communities of all sizes need to understand that no matter how depressed or wealthy they are, local government, community institutions, and the private sector are essential partners in the economic development process” (Blakely & Hoch 2000:286). Blakely and Hoch term this as “civic entrepreneurialism” and explains that there are two distinct and sometimes antagonistic approaches. In corporate-centered economic development, government provides resources, land and money and they get out of the way. The process centers on business improvement and relies on the real estate mechanisms to lower the costs of land for private developers to build new real estate assets. In community based economic development, government takes the lead in ensuring that economic growth benefits the least-advantaged segments of the population. “Any successful economic development effort must borrow from both approaches, balancing community needs with the needs of small firms, large corporations, and individual neighborhoods” (Blakely & Hoch 2000:286).

The expression “look before you leap” affirms the commonsense view that it is better to plan first, then act. But the reality of trying to plan with and for communities often defies this maxim. One reason is that planning an individual course is always inherently easier than planning for a community, with its diverse values and interests (Blakely & Hoch 2000). However, the need for economic development planning seems clear based on the prior section’s research findings. A formalized economic development plan which has had public input could be valuable for a community. A plan would hold economic development planners accountable for their actions and there would be a clear vision of the direction of the community. A plan would also help to abate some of the conflict that can arise politically and between the private and public sectors.

An economic development plan has its roots in the comprehensive plan, which has its roots in the City Beautiful movement and the governmental reform of the early twentieth century (Kelly & Becker 2000:46). “The comprehensive plan is a tangible representation of what a community wants to be in the future” (Kelly & Becker 2000:43). It is a way for a community to guide its physical growth and development. There are three factors that make a plan comprehensive: geographical coverage, subject matter, and time horizon. There are usually “elements” in plans which refer to a specific subject, such as parks or transportation. In some plans the elements are chapters of the larger report, the comprehensive plan. However, in some communities elements are separate reports and some become separate plans in themselves (Kelly & Becker 2000: 48). Some state laws are very specific about which elements a comprehensive plan must contain, and some states leave that decision to the local government. Some elements that a comprehensive plan may contain are economic development, population, natural resources, cultural resources, community facilities, housing, or land-use (Kelly & Becker 2000).

Dr. Earl Starnes of the University of Florida formulated a state planning matrix in 2002 which showed the states that had some means of local growth or development control (i.e. comprehensive plan at the local level or similar mechanism). The following states have some means of local growth or development control: Alaska, Arizona, California, Delaware, Florida, Georgia, Hawaii, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Mississippi, Nebraska, New Jersey, Oregon, Ohio, Tennessee, Vermont, Washington, Wisconsin, and Wyoming. No information was given

for Iowa, Indiana, Louisiana, Montana, North Dakota, Oklahoma, South Dakota, or West Virginia.

There are steps common to all forms of planning and plan making: data gathering, data analysis, policy making, implementation, and monitoring (Kelly & Becker 2000, Levy 1997). An economic development plan involves these basic steps as well. Avrom Benadvid-Val formulated an idealized concept of a local economic development planning process. “It is idealized because it represents the steps in the process in a strictly sequential order” (Bendavid-Val 1980:3). There are 8 steps in the model, according to Bendavid-Val. However, as a practical manner the sequence is not adhered to quite so strictly in practice.

[One] should not assume that all communities approach economic development in this systematic manner. In many cases, for a variety of political reasons, communities jump into economic development programs without much planning and the program largely amounts to a matter of shooting at targets of opportunity (Levy 1997:239).

**Step 1:** Data collection and analysis. This step contains several key elements.

Information of the local socioeconomic situation must be collected and analyzed. Useful data include: the education and skills of the work force; unemployment rates; availability of natural resource inputs; accessibility to different types of transportation; availability of existing buildings; and availability of land (Kelly & Becker 2000:394).

**Step 2:** Formulation of goals. Specific purposes of economic development for the area must be given. The goals are expressions of intent and are “derived from the wishes of the residents and institutions of the area. These wishes are considered in light of quantitative data and analysis, technical expertise, and experiential knowledge in an effort to formulate achievable goals for local economic development” (Bendavid-Val 1980:3). An example of a goal for a community might be to become a regional high-tech

or computer center or to target a specific employer. Goals should be established in consideration of the community's strengths and weaknesses (Kelly & Becker 2000:394).

**Step 3:** Formulation of objectives or performance targets. Objectives describe specific things or quantities, to be achieved by specific times within the immediate planning cycle and beyond, that can directly contribute to fulfillment of goals. Each goal is normally expressed in terms of one or more objectives. The objectives are clearly defined benchmarks of progress, and they constitute performance criteria essential to the evaluation of planning and implementation efforts, project performance, and even goal formulation.

**Step 4:** Identification of alternatives for development strategies and projects. This step uses input from all sources: quantitative data and analysis, special studies, and area residents and institutions. As the process of identification of alternatives continues, a manageable array of potential projects that could be undertaken or initiated throughout the local area in the near term and another set of potential candidates for future action. When compared against available resources, the number of realistic current project options that must be comparatively assessed will be limited.

**Step 5:** Comparative assessment of alternative strategies and projects. This must "systematically account for the likely impacts and requirements of each proposed project" (Bendavid-Val 1980:4). This may involve a considerable amount of technical analysis, and also familiarity with the needs, desires, and capabilities of those who will be most directly and personally affected by a proposed project. This step is aimed at establishing a tentative framework of preferred and apparently feasible economic development undertakings.

**Step 6:** Implementation planning. This can proceed once a framework of potential project activity has been formulated. Since resources available for implementation should have been a factor in the assessment of alternatives, this step should in theory be little more than a scheduling problem. In practice it does not work quite so neatly, and the process of final project selection continues in this step.

**Step 7:** Implementation. This should be a matter of management and administration, if implementation planning has been done carefully. “In addition to coordinating it with the comprehensive plan, communities use a variety of strategies to implement an economic development plan” (Kelly & Becker 2000:395). Some of these strategies include

- Marketing strategies
- Technical studies
- Property tax breaks
- Free land
- Development assistance
- Job training
- Major financial incentives
- Cultivation of existing industry
- Small business support

**Step 8:** Evaluation of performance. This is undertaken in order to assess staff performance, individual project performance, and the performance of the economic development effort as a whole. The information resulting from this step becomes a critical component of the data collection and analysis effort that launches the succeeding planning cycle.

Further, the fullest amount of public participation in the local economic development planning process is to be encouraged, not only on ethical grounds, but for technical and political reasons as well (Bendavid-Val 1980:5). There are likely to be

competing interests among those participating in any planning endeavor. A local economic development planning process can help people to see the tradeoffs necessary in the best long-term interest of the community. With full participation, it can serve as a means for giving order and focus to what would otherwise be a chaos of competing interests, ideas, and views of what is “best,” according to Bendavid-Val (1980).

The published plan should reflect the local economic development planning process in the sequential idealized manner described above (Bendavid-Val 1980). As the document is read, the analysis should clearly support the choice of goals; objectives should clearly relate to the goals; strategies and projects to be undertaken should clearly provide means for achieving objectives; and the implementation plan should clearly suggest achievement of performance targets for the plan period (Bendavid-Val 1980:5).

As a practical matter, however, work will proceed on many of the planning steps simultaneously. For example, data collection and analysis go on throughout the planning cycle, although their nature and intensity may vary at different points in the cycle. In practice, the formulation of goals, identification of alternatives, and comparative assessment of alternatives go on more or less simultaneously (Bendavid-Val 1980:5). These activities feed back to each other and accommodate the fact that on occasion thought processes may tend to leap ahead to inspired strategies or projects and then reflect back to see if they make sense. Comparative assessment of specific project alternatives may bring to light new ideas for potential projects, and these are likely to cause a reconsideration of alternative strategies. Objectives and goals formulated are then likely to be affected by the process of identification and comparative assessment of alternative strategies and projects. Thus, these four steps proceed in a fashion that entails

continuous adjustment and calibration. Eventually, however, goals, objectives, strategies, and projects are completed in sequence.

Design of the implementation plan begins as the preceding four steps approach completion. Implementation actually continues uninterrupted since projects do not necessarily begin and end within a given planning cycle, but each planning cycle will bring with it new implementation activity.

Evaluation of performance takes place near the end of the cycle. As a component of data collection and analysis, it provides essential information to the other steps of the planning process. Therefore, “it must be designed and executed so that information answering the needs of the various steps in the planning process will be produced in a timely manner” (Bendavid-Val 1980:5).

The review of the literature has contributed to the formulation of the research question and methodology to be used in this study. The research has found that what is needed is an exploration of whether or not economic development planning is being conducted and if it is effective. A survey of economic development practitioners would serve to determine the extent to which formalized economic development plans are in place and to gauge the attitude toward them. There is a plethora of literature on economic development programs, but a scant amount on actual economic development plans other than how to proceed in establishing a plan. An exploration of formal economic development plan effectiveness would help determine further research on formal economic development plans would be useful.

## CHAPTER 3 METHODOLOGY

The available research indicates that there is a lack of information regarding formal economic development plans. My study will explore who has formal economic development plans, how they are perceived, how they are implemented, and how success is determined through survey methodology. A survey allows the researcher to question a greater number of people than would be possible through interview or case study research, thus being able to assess the state of local economic development planning and to draw conclusions based upon survey results. Descriptive and correlational research will be used to analyze the results.

Descriptive research is a form of social science research and “attempts to describe systematically a situation, problem, phenomenon, service or program,...provides information about...or describes attitudes toward an issue” (Kumar 1999:9).

Correlational research seeks to “discover or establish the existence of a relationship/association/interdependence between two or more aspects of a situation (Kumar 1999:9).

A survey provides the data to accomplish my study. “Surveys are frequently conducted for the purpose of making descriptive assertions about some population” (Babbie 1973:57). A survey is a written list of questions to which respondents answer. A survey, or questionnaire as some call it, can be administered in different ways. It can be mailed, done through collective administration, or administration in a public space

(Kumar 1999:113). The survey for my study was done via e-mail, which can be likened to mail surveys for purposes of literature.

Generally, there are advantages and disadvantages to administering a survey as a method of obtaining information about a study group, according to Kumar (1999). Some advantages are that it is generally less expensive, compared to interviewing, and the survey method allows greater anonymity. One of the disadvantages is that there is a chance of self-selecting bias in that not everyone who receives a questionnaire returns it; those who return the questionnaire may have attitudes or motivations that are different than those who do not return it and so the results may not be representative of the total study population. Other disadvantages are the lack of opportunity to clarify issues if there are misperceptions about the wording of questions, spontaneous responses are not allowed for, and it is possible to consult others which could lead to an alteration of the answer (Kumar 1999:114).

In a survey, questions may be formulated as either closed-ended or open-ended. In closed-ended questions the possible responses are given and the respondent can choose one or more than one specific response. In open-ended questions the respondent writes down his/her own words as an answer. The choice of closed- or open-ended questions dictates the type of analysis that can be used for the survey. “As a rule, closed-ended questions are extremely useful for eliciting factual information and open-ended questions for seeking opinions, attitudes and perceptions” (Kumar 1999:118). Closed-ended questions lend themselves to easier statistical analysis, whereas open-ended questions can utilize descriptive analysis of the answers.

For closed-ended questions there are many statistical options to analyze the results. The type of statistical analysis for this type of research is considered non-parametric. “Nonparametric statistics is a collective term given to the methods of hypothesis testing and estimation that are valid under less restrictive assumptions than classical techniques” (Gibbons 1993:1). Nonparametric statistics can apply to frequency and to data measured on a nominal or ordinal scale.

Frequencies within each variable can be calculated to draw conclusions for one variable, or cross tabulations between variables can be calculated to determine how one variable affects another. However, simply looking at a cross tabulation table is not always the most useful way to analyze results. Rather, it is useful to determine if a relationship or association exists and if it does, then to what degree. The chi-square test was chosen for this survey due to the size of the data set. This test is appropriate for almost any kind of data, and is one of the more common tests to determine a relationship between two variables ([http://www.georgetown.edu/faculty/ballc/webtools/web\\_chi\\_tut.html](http://www.georgetown.edu/faculty/ballc/webtools/web_chi_tut.html)). Chi-square is useful for nominal data. From this test a value and an approximate significance number is calculated. This value tells the researcher if there is an association, and if so then the strength, between the tested variables. For this test the level of significance is 0.05. An approximate significance of less than 0.05 indicates that the test is significant to a 95.0% confidence level and that a relationship exists. If a relationship does exist, then the Cramer’s V value will indicate the strength of the association (Table 3-1) (<http://web.dcp.ufl.edu/paul/courses/urp-6231/index.html>):

### **Research Question**

The survey has been conducted to answer the research question: What are local approaches and attitudes to formal written economic development plans? Through the

descriptive research method, the survey results will be analyzed to determine who has formal plans, how they are implemented, how they are integrated, and how success is measured. This research question emerged from a general interest in economic development planning and its integration into overall comprehensive planning.

### **Survey Methodology**

A survey was e-mailed via Zoomerang<sup>®1</sup> Survey Software to 580 members of the Economic Development Division (EDD) of the American Planning Association (APA). The EDD gave the researcher and the Center for Building Better Communities (CBBC) at the University of Florida permission to use their database of email addresses (Appendix B survey approach statement). The researcher works for the CBBC as a graduate research center and therefore the survey was delivered to respondents under the researcher's and CBBC's name. The byline of the email that EDD members received referenced the EDD, and the letter indicated that the EDD and the CBBC desired to gain information on local economic development plans and programs. Further, the initial letter leading into the survey complied with IRB standards (Appendix A IRB approval letter).

A pre-test of the survey with two economic development professionals prompted minor modifications of the survey (sequence of questions and clarification) before being emailed to the EDD members. The survey was e-mailed to members three times from December 2004 to February 2005. The survey software did not issue the survey to those who had already responded. There were 119 completed surveys returned overall giving a 20.5% response rate. The respondents' positions ([Table 3-2](#)) show that 38.7% (n=46) were department director or CEO/President of a company; 23.5% (n=28) were senior or

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<sup>1</sup> Zoomerang<sup>®</sup> is an online survey software tool. It allows customers to design and send surveys and analyze results. The customer can view results online or download in spreadsheet format.

principle planners, or project managers; 16.0% (n=19) indicated they were city planners or associate planners; and 21.8% (n=26) indicated they were coordinators, or administrators (Table 3-2).

The survey consisted of 35 total questions. The first 9 questions pertained to general demographics and characteristics of the respondents. Question 9 asks “Does a formal (written) economic development plan exist for your community?” If respondents answered “yes” to this question, then they were automatically directed to question number 10. However, if respondents answered “no” to this question, then they were directed to another set of questions which is marked as number 29 (Appendix C Survey Questions).

Survey questions were designed to gauge the nature of the economic development departments regarding the location, position of the respondent, and focus of the department. The survey then asked questions pertaining to the perception of the economic development plan according to the respondent. The survey consisted of both open-ended and closed-ended questions. The responses were collected in the Zoomerang<sup>®</sup> Survey Software and downloaded into an Excel spreadsheet. The spreadsheet was then imported into SPSS software for analysis by the researcher.

Statistical and descriptive methods were used to analyze the data. The open-ended questions required descriptive analysis. When possible, cross tabulations and the chi-square test were used to determine if a relationship existed between two variables. The descriptive analysis of selected variables are presented in tabular format or figures and analyzed on the basis of that variable. For the cross tabulations a research and null hypothesis were formulated accordingly:

- Research hypothesis: A relationship exists.
- Null hypothesis: No relationship exists.

For each test it is the null hypothesis that is tested, and either accepted or rejected.

### **Survey Limitations**

Limitations exist with this survey, as with any survey. The survey sample is biased in its perspective. The EDD is only one of a myriad of organizations for economic developers, and it is small in comparison to some such as the International Economic Development Council which has a couple of thousand members. However, the scope of my study could not accommodate a larger survey sample. Further, the survey sample selected allowed for the planning perspective of economic development plans and it is biased toward the planning aspect of economic development. Those participating in this survey were primarily planners, rather than business leaders or chamber of commerce members who would have a different approach to economic development planning.

### **Criteria for Interpreting the Findings**

In order to interpret the descriptive analysis findings, research from the literature review and the researcher's observations will be utilized. For correlational tests, interpretation of cross tabulations will be based on the strength of associations found according to the chi-square and Cramer's V value. A relationship exists when the significance value of the test is less than 0.05. If a relationship does exist, then the Cramer's V value gauges the strength of the relationship. When strong associations exist, there will be further analysis of the cross tabulations. [Table 3-3](#) provides a summary of the tests.

Table 3-1. Strength of association

Association	Cramer's V value
None	0.00
Weak	+/- 0.01 to 0.09
Moderate	+/- 0.10 to 0.29
Strong	+/- 0.30 to 0.99
Perfect	+/- 1.00

Table 3-2. Hierarchy of respondents

Position	Frequency	Percentage
Director of department or CEO/President of company	46	38.7
Senior or principle planner/project manager	28	23.5
City planner or associate planner	19	16.0
Coordinator/administrator	26	21.8
TOTAL	119	100.0

Table 3-3. Summary of tests

Region of organization – states represented
Type of organizations
Function of respondent's agency/department
Requirement of comprehensive plan and economic development elements
Existence of formal economic development plan
Hypothesis testing: characteristics of survey respondents
Relationship between region and <i>requirement</i> to have economic development elements
Relationship between region and <i>having</i> a formal economic development plan
Relationship between <i>requirement</i> to have comprehensive plan and <i>requirement</i> to have economic development elements
Relationship between <i>having</i> formal economic development plan and the <i>requirement</i> to have economic development elements
Respondents with a formal economic development plan
Format of the plan
Factors leading to the development of the plan
Perception of the plan
Public participation in the creation of the plan
Perceived effectiveness of the plan
Economic development decisions made within framework of plan
Integration of the plan
Extent to which plans are implemented
Measuring success
Hypothesis testing: respondents with a formal economic development plan
Relationship between region and plan format
Relationship between plan format and decisions made within framework of plan
Relationship between plan format and integration
Respondents without a formal economic development plan
If respondent thinks economic development components should be required
If there is an interest in developing a formal economic development plan
If respondent thinks decision making would be easier within framework of plan
Measuring success

## CHAPTER 4 SURVEY RESULTS AND ANALYSIS

Using the survey method, the researcher gathered responses to the research question: What are the attitudes and approaches to local formal written economic development plans? This research seeks to determine the pervasiveness of formal written economic development plans, which are defined by the researcher as explicit written plans for the future of economic development activities. The plan may follow a number of formats including strategic, marketing, integration with community development, or redevelopment plan.

First, characteristics of the survey respondents will be discussed including the location of the respondents and their states' requirements for comprehensive and economic development plans. Within this section there will be descriptive analyses of selected variables as well as cross tabulations between variables to determine relationships. Second, variables pertaining to respondents who indicated that they have a formal written economic development plan will be explored and analyzed through descriptive analysis and cross tabulations. Last, responses from those respondents who indicated that they do not have a formal written economic development plan will be explored and analyzed.

### **Survey Results**

Each respondent was asked the location of their organization. Respondents were from 35 states ([Table 4-1](#)). Texas had the most respondents (12), Florida was second (9 respondents), and California and Illinois each had 6 respondents.

Of the states represented, 80.1% (n=21) had respondents say that a comprehensive plan was required at the local level and 42.8% (n=15) of the respondents said that economic development elements/components were required in the comprehensive plan. The results of this question contradict some of the results from the state planning matrix information given in Chapter 2. Further research should be done in order to determine exactly the state requirements for comprehensive planning.

When the states are separated into the nine region codes of the U.S. Census, regional variations are noticed (Table 4-2). The South Atlantic had the most respondents with 23.5% (n=28). However, this region also has the most states (which may account for its high percentage). The Pacific region had the next highest amount of respondents with 18.5% (n=22), and the East North Central region had 16.8% (n=20). It is interesting to note that the remaining central states and New England did not have high response rates either due to a lack of members in the Economic Development Division or a lack of interest in participating in the survey.

### **Type of Organizations**

The respondents represent a wide variety of organizations and agencies which pertain to economic development (Table 4-3). Forty-two percent (n=50) represent cities, while 68.9% (n=82) of respondents represent the public sector from city to federal level. Those from other organizations such as private, non-profit, university, or Native American tribe indicated that they performed work for local or regional agencies. Thus the survey respondents do represent local economic development planning and the plans that they have would represent local approaches.

### **Function of Department**

This question allowed the respondent to choose from a list of typical economic development functions to answer the question: “What do you think is the most important function of your department/agency?” An option for “other” was also provided as an open-ended response to allow respondents to answer if the function of their department was not represented. There were 188 total responses for this question indicating that many respondents consider more than one function as the “most important,” (Table 4-4). “Other” was selected the most with 33.6% (n=63). Comprehensive planning was considered the next most important function with 20.7% (n=39), and working with other agencies was chosen by 13.8% (n=26).

The literature gave the impression that publicizing the area (marketing) would be considered an important function, but that option received only 9.4%. It would seem that the respondents to this survey do not place a priority on marketing, but rather on comprehensive planning and other functions which are described below. This could be due in part to the respondents belonging to a planning organization rather than a more business oriented organization.

Respondents specified what the “other” function was in this open-ended question and the following answers were the more common ones given:

- Real estate development
- Development plan review
- Redevelopment
- Providing start up assistance to create new jobs
- Education and advocacy
- Maintaining existing businesses

### **Requirement of Comprehensive Plan and Economic Development Elements**

Seventy-seven of the 115 respondents answering this question, or 67.0%, were required to have a comprehensive plan at the local government level, 33.0% were not. These percentages are less than those for the state responses previously mentioned because this is for all of the respondents, not the 35 represented states. However, this shows that a majority of the states in the survey require a comprehensive plan at the local level (Table 4-5). Of the 109 respondents replying to the question of whether an economic development element or component was required, 47.7% (n=52) said that it was a requirement (Table 4-6).

Surprisingly, 60% of the respondents answering this question did have an economic development plan (Table 4-7), indicating that formal economic development plans exist regardless of the requirement to have elements in the comprehensive plan. One possible explanation for the presence of the majority having a formal plan is that perhaps those respondents who would join the Economic Development Division of the APA would have a strong inclination towards planning for economic development. The high percentage of respondents having economic development plans is indicative of the move toward a more rational, planned approach rather than “shooting anything that flies” (Rubin 1988:238).

### **Hypothesis Testing: Characteristics of Survey Respondents**

This next section tests for relationships among the variables (Table 4-8). The null hypothesis (there is no relationship) was tested in each case. An acceptance of the null means that the significance value was above 0.05 and therefore no relationship exists; the null is accepted. If there is a relationship, then the Cramer’s V value indicates the strength of the association.

### **Region and requirement of economic development components/elements**

- **Research hypothesis:** There is a relationship between region and if economic development components are required.
- **Null hypothesis:** There is no relationship.

First, the region variable had to be reconfigured in order to apply the chi-square test. The chi-square test is valid for cell counts of five or more, and some of the nine regions had too few within the cross tabulation. Therefore, the nine regions were condensed into four regions. East North Central, West North Central, and West South Central were coded as “Central”; Mid Atlantic and New England were coded as “East; East South Central and South Atlantic were coded as “South” and Mountain and Pacific were coded as “Mountain/Pacific.”

When the chi-square and Cramer’s V were calculated, the Cramer’s V value for this test was .264 with an approximate significance of .107. This latter value is greater than .05 and therefore there is no relationship between the variables of region and if economic development components are required. This indicates that states and their municipalities act alone, rather than in a cluster as a region, when deciding whether or not to have economic development components/elements in their comprehensive plans. There is not a regional association of significance for determining if economic development elements are required. The null hypothesis is accepted. There is no relationship

### **Region and having a formal economic development plan**

- **Research hypothesis:** There is a relationship between region and having a formal economic development plan.
- **Null hypothesis:** There is no relationship.

The significance number for this test is .556, indicating there is no relationship between the variables. Regional affiliation does not determine the existence of a formal economic development plan. The null hypothesis is accepted.

**The requirement to have a comprehensive plan and the requirement to have economic development elements/components in the comprehensive plan**

- **Research hypothesis:** There is a relationship between the requirement to have a comprehensive plan and the requirement to have economic development elements/components in the comprehensive plan.
- **Null hypothesis:** There is no relationship.

This test revealed a strong association between the variables of having the requirement of a comprehensive plan and the requirement to have economic development elements in the comprehensive plan. The significance number was 0.00 which indicates that a relationship does exist (it is less than 0.05). The Cramer's V value was .426 which indicated a strong relationship.

When the cross tabulation was explored, it was found that 61.3% (n=46) were required to have a comprehensive plan. Of those, 90.2% were required to have economic development elements/components in their comprehensive plan. This indicates that having a comprehensive plan is a valuable tool to facilitate economic development planning. Communities that are inclined to have a comprehensive plan, whether or not it is required, are forced to prepare for their future. "Planning is a rational way of preparing for the future" (Kelly & Becker 2000:17). Economic development planning is increasingly viewed as paramount to the future of many communities because it is often the public-private interchange that can drive the future development.

The goals of the comprehensive plan usually "readily fit within the rubric of the phrase, health, safety, and public welfare" (Levy 1997:102). Including economic

development elements or components in the comprehensive plan generally furthers the public welfare.

### **Having an economic development plan and requirement to have economic development elements**

- **Research hypothesis:** There is a relationship between respondents having an economic development plan and the requirement to have economic development elements or components within the comprehensive plan.
- **Null hypothesis:** There is no relationship.

The significance value for this test is .556, indicating no relationship between the variables. This implies that respondents with an economic development plan have one because their community chose to have one, not because it was a requirement. The null hypothesis is accepted.

## **Analysis of Plans**

### **Respondents with a Formal Economic Development Plan**

This section will explore the responses given by those who do have a formal economic development plan and will analyze the following: format of the plan, factors leading to development of the plan, perception of the plan, perceived effectiveness of the plan, decision making within the framework of a plan, integration of the economic development plan, implementation, the measurement of success, and testing relationships between these variables.

#### **Format of the plan**

There were 63 respondents who said they did have a formal written economic development plan. These respondents were then directed to questions numbered 10-28 which asked questions pertaining to the nature of the economic development plan. One of these questions concerned the format of the implemented plan. The respondents were

asked to choose from a list of specific formats: strategic planning; marketing; integrated with community development; redevelopment plan; or element of comprehensive plan. They were also given the option of choosing the open-ended “other” to describe the format of their plan.

There were 107 responses to this question, indicating that some respondents had more than one format for their economic development plan. Not surprisingly, “strategic planning” was the most frequently cited with 33.6% (n=36) having this type of format (Table 4-9). Strategic planning is the type of planning based on a model; there are usually certain goals and objectives for the community. “Element of comprehensive plan” had 23.4% (n=25) of the total implying that it is important to have the plan correspond to the comprehensive plan. Indeed, for most comprehensive plans it is important that elements within them be concurrent with the overall plan. The economic development plan could not contradict the comprehensive plan, even if it is a separate plan.

### **Factors leading to development of the plan**

One of the survey questions asked respondents to express any factors that led to the development of the economic development plan. Of the 57 respondents who replied to this open-ended question, 10.5% (n=6) said their plan was developed because it was required. The remaining respondents indicated various reasons for the development of their specific plan which principally revolved around the need to redevelop, attract businesses, broaden the tax base, revive the economy, or gain focus for the direction of the community. In most of the cases there was the desire to plan a specific envisioned future whether it was increasing the “numbers,” or “just good community planning,” as one respondent phrased it. Most of the respondents mentioned specific community needs, which implies that they need a specific economic development plan to address those

needs. Some of the specific factors leading to the development of the economic development plans are listed below:

- Realization that it was a necessary element/Required by the state
- The community has need to broaden its sales tax base
- Desire to focus on certain types of development in particular areas
- The redevelopment of our main commercial corridor
- Retention of young people, attraction of high paying jobs
- We have grown out of the existing plan and the market demands have changed development
- Common vision for the future
- Our region is distressed
- Need to strengthen sales tax base
- Prior to the plan there was a very fragmented approach to economic development in the City/County
- The need to build consensus around economic development issues
- Lack of focused efforts

### **Perception of the plan**

Regarding perception of the plan, 41.6% (n=27) indicated that they perceived the economic development plan to be “specific” (Table 4-10). This observation is consistent with the previous section that specific plans would be needed to address specific problems, and this variable indicates that indeed communities do have specific economic development plans. The next highest category was “general” with 32.3% (n=21). The specific plans are assumed to have definitive goals and objectives which can be measured, while the general plans probably lack some focus regarding the types of programs to implement.

### **Public participation in creation of plan**

Level of public participation in the creation of the plan is a way to determine if the economic development planning process took into account public opinion. “The fullest possible public participation in the goals formulation process is desirable if not essential for successful economic development planning” (Bendavid-Val 1980:13).

Sixty-six respondents answered this question which means that 55.5% of those surveyed who have economic development plans did have public participation in the development of the plan (Table 4-11). Forty percent of respondents indicated that they had a moderate level of public participation. A little over a quarter of the respondents, 26% had a high level of public participation. When the public is involved, the community’s views and visions can be expressed in the plan through goals and objectives. The fullest amount of public participation in the local economic development process should be encouraged for ethical, technical, and political reasons. Increased public participation can “serve as a means for giving order and focus to what would otherwise be a chaos of competing interests, ideas, and views of what is best” (Bendavid-Val 1980:5).

### **Perceived effectiveness of plan**

Even if there is plan, the plan may not be effective but may serve to fulfill a requirement and sit on a shelf. So, how did the respondents rank the effectiveness of their plan? One way to gauge the effectiveness of a plan is to determine if the desired outcomes were achieved; if goals and objectives were met. The majority, 79% (n=49), indicated that they thought their plan had moderate or high level of desired outcomes achieved (Table 4-12). A low level of effectiveness was cited by 16.2% (n=10), while 4.8% (n=3) felt that there were no desired outcomes achieved.

Any type of plan can always be more effective. There were 54 responses to the open-ended question of “what would make the plan more effective?” The answers repeatedly expressed the following:

- Balance between vision and pragmatism
- More depth and accountability
- More collaboration between multiple public, nonprofit and private agencies and more public involvement
- Additional funding and staffing resources
- Using correct performance measurements and making it more goal and timeline oriented

Many of the suggestions revolve around the fact that economic development does not take place in a vacuum. “Economic change is community change” ([Bendavid-Val 1980:30](#)). The effectiveness of the plan can be enhanced by making it a workable product for the community. It is wonderful to have grand visions, but the visions need to be able to work for the actual community based on technical studies and community desires. Furthering integration between different groups ensures that all parties are participating in the plan together, or at least know about it. Establishing performance measurements indicates that the community knows when it has succeeded in meeting its goals. An economic development plan is not static document, but one that changes with the needs of the community.

### **Decisions made within framework of plan**

Whether or not an economic development plan is actually consulted before making decisions is a crucial way to determine if the plan is useful. Of the 57 respondents answering this question, 80.7% (n=46) do make decisions within the framework of the

plan (Table 4-13). This indicates that these respondents have plans with clearly definable goals and objectives which can be consulted when a decision needs to be made.

### **Integration of economic development plan**

How is the economic development plan integrated into other elements and activities? Economic development is a dynamic process in any organization and cannot be a stand alone process. Respondents' perceptions about how the economic development plan is integrated with other planning factors is a means to gauge how much the plan can cross over into other sectors and is a sign of a robust plan.

Respondents indicated a fairly favorable impression of how their economic development plan was integrated with such factors as comprehensive planning, redevelopment efforts, and other sectors (Tables 4-14, 4-15, 4-16). Integration with other sectors, such as private or small business development programs need the most improvement with 12.7% (n=8) of respondents indicating "poor" integration compared to the low percentage of 3.1% (n=2) for integration with comprehensive planning. Integration with redevelopment efforts scored a little lower than integration with comprehensive planning as well with 7.9% (n=5) of respondents reports poor integration and a slightly lower percentages for good with 41.3% (n=26) and excellent, 19.0% (n=12), for integration with redevelopment efforts.

That integration needs to be improved with other sectors is consistent with other survey responses regarding what would make the economic development plan more effective. Increasing collaboration between departments and the private sector seems to be a factor that could be improved. Further, economic development planning efforts could be integrated with other planning functions to a greater degree as well. The survey results seem to indicate that the economic development plan works best in its own

department or under the aegis of comprehensive planning, which is closely related if the economic development plan is a requirement.

### **Implementation**

To what extent are plans actually being implemented? An economic development plan, or any plan, can be a wonderful tool to guide the direction of policy. The extent to which the plans are actually implemented is indicative of how well that plan is working for its community. Forty percent of respondents said that plans are actually implemented 51%-75% (n=24) of the time. The majority of respondents, 73.4% (n=38), indicated that plans are implemented 51%-100% (Table 4-17). This suggests that respondents are representing plans that are working for their communities; that time and thought went into making an economic development plan with goals and objectives that the economic development practitioners want to put into place. “Implementation planning is the ultimate test of what has gone before in the planning process” (Bendavid-Val 1980:26).

[Implementation] is the ultimate test of what has gone before in the planning process. It is the place where high priority, desirable, and practicable economic development projects and action proposals are fit into a working framework, constrained by both the direct and indirect resources available for administering the plan. If the work that has gone before has been executed carefully, and if the decisions and judgments have not exceeded what is warranted on the basis of available information, the implementation planning will be a relatively simple matter (Bendavid Val 1980:26).

There are always means to make plan implementation easier. There were many responses to the open-ended question of what would make plan implementation easier, and some of the more common answers were

- More effective way to address changes
- Additional funding and staffing resources
- More education
- A strategic action plan with an implementation checklist
- Clarity

- More relevant goals and objectives
- Removal of politics in the decision making

As a whole, respondents seemed very excited about the results from the implementation of their economic development plans. Of the 56 respondents who answered the open-ended question: “Have there been any significant results from implementation of the economic development plan? Please explain,” most had favorable results. Five respondents indicated they have not had any results, and seven respondents indicated they have had “so so” results or that the plan is too new to yet know of any results. The following are some of the positive results from plan implementation:

- We have worked together as a community to vest them in the concept. Private-public partnerships were spurred by this action.
- The new economic development plan has resulted in new mixed-use development in our industrial area and downtown has experienced reinvestment after years of disinvestment.
- We have specifically worked on the marketing portion and building relationships with commercial real estate professionals. Our organization has also increased the county exposure through various websites as well as our own website.
- Several significant redevelopment projects undertaken and completed.
- Some business relocations to the community.
- The plan has been used as a backup document in grant applications to show prioritization of projects for the community and region.
- Extremely high amount of interest and property value escalation.
- We have approved a 120 acre commercial development site, a 40 acre redevelopment site, and a 100 manufacturing business park.
- Building better relationships with local commercial real estate professionals, providing more opportunities for the county to be highlighted as a choice location.
- New methods of business analysis have been developed and telecommunications upgrades are planned.

## Measuring success

How is success measured for those who have formal economic development plans?

Success is a hard to define term, meaning different things to different people or organizations. In terms of economic development, how the respondent defines success is a measure of how they approach economic development. Respondents valuing quantitative measure, such as number counting regarding jobs, tax revenues, etc. will gauge success by the increasing of numbers. Those who measure success by checking against benchmarks in an economic development plan (goals or objectives achieved) or quality issues, such as types of jobs more than actual number of jobs, perhaps demonstrate a more evolving definition of the term success. Some of the benchmarks they check against may involve specific number oriented goals, but it is important that they are trying to accomplish a specific target.

Of the respondents who have a formal economic development plan: 32.1% (n=17) said they measure success by checking against benchmarks in the plan or quality issues, 64.1% (n=34) use traditional quantitative measures to gauge success, and 3.8% (n=2) do not measure success at all (Table 4-18).

## Hypothesis testing: respondents with formal economic development plans

There were five hypotheses tested among the variables of the respondents with formal economic development plans (Table 4-19). Each test either accepted or rejected the null hypothesis (no relationship exists). If the significance value was less than 0.05, then there was a relationship and the Cramer's V value provided a measure of the strength of the relationship. The relationships which were found are as follows:

- Strong relationship between having a strategic format and whether or not decisions are made within the framework of the plan

- Weak relationship between integration with redevelopment efforts and the format of the plan being an element of the comprehensive plan

### **Region and format of plan**

- **Research hypothesis:** There is a relationship between region and the type of format chosen for economic development plan.
- **Null hypothesis:** There is no relationship.

The null hypothesis was accepted for all of the tests within this hypothesis. Region was cross tabulated with each of the formats and there were not any significant relationships. This indicates that plans and policies are implemented at the local level and even if an economic development plan is required, there are not regional distinctions to guide the direction of the plan format with this survey. Leicht and Jenkins (1994:264) postulated that there were regional differences in political culture and industrial composition that shape economic development policies. While policies may have regional similarities due to the nature of industries based on resources or the type of cohesive work force available in some regions, actual formal plans do not appear to be determined by region.

### **Format of plan and decisions made within framework of plan**

- **Research hypothesis:** There is a relationship between the format of the plan and whether or not decisions are made within the framework of the plan.
- **Null hypothesis:** There is no relationship.

The only relationship between format of the plan and whether or not decisions are made within the framework of the plan is with the format of strategic planning (Table 4-21). Strategic formats involve strategy, which is planning and directing a course of action. This course of action may involve increasing the number of jobs, or generating more tax revenues. It may also involve improving the quality of life, which can be harder

to gauge. However, within a formal economic development plan there is a strategy which can be identified and decisions can be based upon the goals and objectives in the plan. A strategic plan may be easier to make decisions within, because there would be specific criteria on which to base decisions. The null hypothesis was rejected for the relationship between strategic format of the plan and if decisions are made within the context of the plan.

The remaining formats did not have a strong association between the format and decision making. This does not mean that the plan is not consulted when decisions are made, just that there is not a strong association indicated in this survey.

### **Format of plan and integration**

This series of tests will indicate if the format of the plan is integrated with various other planning elements to determine if certain formats are more readily able to be integrated into wider planning functions.

- Research hypothesis: There is a relationship between the format of the economic development plan and integration within overall comprehensive planning.
- Null hypothesis: There is no relationship.

For this series of tests the variable regarding integration levels had to be reconfigured to make it a valid test, making “poor” integration a missing variable due to the lack of responses in that category. When the test was run, there were no relationships found between the variables of plan format and integration levels within the overall comprehensive plan (Table 4-22). When the cross tabulation was explored, most respondents indicated a “moderate” integration within overall comprehensive planning for each of the formats, but no strong relationship could be discerned.

The lack of a relationship further supports the need for economic development planning to further integrate with other sectors and within comprehensive planning. The survey results further the claim of Peters and Fisher (2004:27) that the integration of economic development into wider planning functions is still limited. The null hypothesis was accepted for all tests.

- **Research hypothesis:** There is a relationship between the format of the economic development plan and integration with redevelopment efforts such as downtown or commercial corridor revitalization.
- **Null hypothesis:** There is no relationship.

This series of tests showed that there is a weak relationship between integration with redevelopment efforts and the format of the economic development plan being a part of the comprehensive plan (Table 2-23). When the cross tabulation was explored it was found that the percentages between the levels of integration were fairly consistent with no majority in any category. The association between integration with redevelopment efforts and the format of the economic development plan being an element of the comprehensive plan could be due to redevelopment efforts being addressed elsewhere in the respondent's comprehensive plan other than in the economic development component or plan.

The null hypothesis was accepted for all but the relationship between integration within overall comprehensive planning and the format of "element of comprehensive plan."

- **Research hypothesis:** There is a relationship between the format of the economic development plan and integration with private and other sectors, such as small business development programs, marketing, etc.
- **Null hypothesis:** There is no relationship.

No relationships were found in this series of test (Table 4-24). The survey results indicated that the format of the plan was not connected with integration with other sectors. The null hypothesis was accepted for all tests. There is no relationship.

### **Respondents without an Economic Development Plan**

This section will explore the responses by those who indicated they did not have a formal economic development plan and will include the following: assessing the need for an economic development plan and measurement of success.

#### **Assessing need for economic development plan**

Respondents who did not have a formal economic development plan were asked a series of questions regarding their opinions on formal plans and how they practice economic development planning without one; 90.2% (n=37) of respondents answering felt that economic development components should be required in the comprehensive plan (Table 4-25), and 97.4% (n=38) of the respondents think that economic development decision making would be easier within the context of a formal economic development plan (Table 4-26).

However, despite the high percentages of respondents thinking a formal economic development plan would be beneficial, only 54.3% (n=19) said that there was interest in their communities in developing a formal economic development plan (Table 4-27). There was also some ambivalence indicated with 28.6% (n=10), or nearly a third, saying they were “not sure” of the interest. Perhaps these communities are smaller and do not have a well defined economic development department, or that there are many entities involved with economic development and it would be hard to establish a consensus about what kind of plan to adopt.

When asked how decisions are made without a plan respondents gave a wide variety of responses. Some of the more consistent answers are as follows:

- Take them as they come
- Town Council sets priorities/driven by local officials
- Hot opportunities
- Undertake surveys, focus groups, etc.

The majority of answers revolved around decisions being dictated by political motivations and whims. A formal economic development plan would establish a clear direction and goals for these communities and may alleviate some of the political pressures, which can change with each election.

### **Measuring success**

Not surprisingly, the predominant means of measuring success is through quantitative measures, or number counting, with 70% (n=21) of respondents without formal economic development plans citing these factors as how they measure success (Table 4-28). This is slightly higher than the 64.1% of respondents who do have plans and use quantitative measurements to determine the success of their plans or programs. However, there is a bigger difference in those who do not measure anything and also between those who use quality of life issues as means of measurement. Out of the respondents with economic development plans, 32.1% said they check against benchmarks in the plan and quality issues when determining success. This can be compared with the 20% (n=6) of respondents without plans using these factors for measurement. There is an even greater difference in the lack of measurement: 10% of those without plans do not measure or gauge success compared with 3.8% of those with plans who do not measure success.

Following are some of the responses of the respondents without economic development plans regarding how they measure success:

- Only through economic indicators, since no formal plan exists
- By our mission statement and goals established every year
- We are in the process of developing a set of community indicators

The results of this survey demonstrate that overall there are favorable attitudes toward formal economic development plans. Communities do seem to act alone in ascertaining the direction of their individual plan, even if there are regional similarities in other areas. The strongest relationship found during this analysis was the relationship between respondents' requirement to have a comprehensive plan and the requirement to have economic development elements/components. This seems to imply that economic development planning is becoming increasingly integrated into overall planning, at least within the group used for this survey.

Strategic planning is the most prevalent format of economic development planning, which is consistent with the economic development model outlined in the review of the literature. Specific community needs determined the need for strategic planning. There were certain factors in each community which led to the formulation of its specific plan. Further, the majority of the plans were "specific" or "general and specific," indicating that clear goals and objectives were established.

However, having a specific plan is not enough if the desired outcomes are not achieved. Fortunately, the majority of survey respondents indicated a moderate or high level of desired outcomes achieved. Hopefully respondents will continue to refine their goal and objective making practice in order to have an even higher percentage of "high level of desired outcomes achieved." Another measure of plan effectiveness is the extent

to which plans are actually implemented, and this survey indicates that plans are implemented a majority of the time. There was generally a favorable impression of the integration of the economic development plan with other planning activities, but there is room for improvement in this area.

Success is measured a little differently between those with formal economic development plans and those without formal economic development plans. Quality of life issues and benchmarks in the plan play a more important role to the respondents with formal plans. Quality of life is a difficult to integrate into an economic development plan. It is often in the miscellaneous category, but is an important variable in economic development and business location (Lyons & Hamlin 2001:35). However, different businesses may desire different types of “qualities,” and so a list of the community’s amenities is helpful (Lyons & Hamlin 2001).

In general, there were not many associations found between the variables that were statistically significant. There was a strong relationship between the strategic plan format and decisions being made within the plan. This is consistent with the other findings of the strategic plan being the most popular and the necessity for specific outcomes, which would warrant a strategic plan. Another association, although weak, was between the plan being an element of the comprehensive plan and integration with redevelopment efforts. This relationship seems to indicate that when economic development is used as a component of a comprehensive plan, it is more likely to be related to redevelopment efforts.

Some of the strongest implications for the state of economic development planning came from the respondents without formalized economic development plans. The vast

majority of them (90.2%) thought that economic development components should be required in the comprehensive plan and 97.4% thought that decision making would be easier within the framework of a formal plan. However, these high percentages could be a result of the respondents being associated with American Planning Association with its emphasis on the value of planning and plans in general. However, regardless of the affiliation of the survey respondents, the state of economic development plans can be assessed because it is probably within “planning” that economic development plans would be formalized. There has not been much research pertaining to actual economic development plans, and this survey has shown that more research could be done in this area in order to refine the economic development planning process.

Table 4-1. State representation

State	Frequency	Comprehensive plan required	Economic development element required
Alabama	1	No	No
Alaska	3	Yes	No
Arkansas	1	No	No
California	6	Yes	Yes
Connecticut	1	Yes	Yes
Florida	9	Yes	No
Georgia	5	Yes	Yes
Idaho	1	Yes	Yes
Illinois	6	Yes	No
Indiana	1	No	No
Iowa	3	No	No
Maryland	3	No	No
Massachusetts	2	No	No
Michigan	3	No	No
Minnesota	4	Yes	Yes
Missouri	2	No	No
Nebraska	2	Yes	Yes
New Hampshire	2	No	No
New Jersey	3	Yes	No
New Mexico	3	Yes	Yes
New York	3	No	No
North Carolina	3	No	No
Ohio	5	No	No
Oregon	3	Yes	Yes
Pennsylvania	1	No	No
South Carolina	2	Yes	Yes
Tennessee	1	Yes	No
Texas	12	No	No
Utah	1	Yes	Yes
Vermont	1	Yes	Yes
Virginia	5	Yes	No
Washington	9	Yes	Yes
West Virginia	1	Yes	Yes
Wisconsin	5	Yes	Yes
Wyoming	1	Yes	No
Various locations (private)	5		
<b>TOTAL</b>	<b>119</b>		

Table 4-2. Respondent regions

Region	Frequency	Percentage
East North Central	20	16.8
East South Central	2	1.7
Mid Atlantic	8	6.7
Mountain	6	5.0
New England	6	5.0
Pacific	22	18.5
South Atlantic	28	23.5
West North Central	9	7.6
West South Central	13	10.9
Various locations	5	4.3
<b>TOTAL</b>	<b>119</b>	<b>100.0</b>

Region codes: New England=ME, VT, NH, MA, CT, RI; Mid Atlantic=NY, PA, NJ; South Atlantic=De, MD, WV, VA, NC, SC, GA, FL; East South Central=AL, MS, TN, KY; West South Central=OK, AR, LA, TX; West North Central=ND, SD, MN, IA, NE, KS, MO; East North Central=WI, MI, IL, IN, OH; Mountain=ID, MT, WY, NV, CO, AZ, NM; Pacific=AK, HI, WA, CA (U.S. Census)

Table 4-3. Type of agency/department represented

Type	Frequency	Percentage
City	50	42.0
County	14	11.8
Federal	2	1.7
Native American Tribe	3	2.5
Non-profit	10	8.4
Private	22	18.5
Regional	9	7.6
State	3	2.5
Town/Village	4	3.3
University	2	1.7
<b>TOTAL</b>	<b>119</b>	<b>100.0</b>

Table 4-4. Function of department

Function	Frequency	Percentage
Publicizing area	17	9.4
Identifying sites	20	10.6
Financing	12	6.4
Obtaining grants	11	5.9
Working with other agencies	26	13.8
Comprehensive planning	39	20.7
Other, please specify	63	33.6
<b>TOTAL</b>	<b>188</b>	<b>100.0</b>

Table 4-5. Comprehensive plan requirement

Is comprehensive plan required?	Frequency	Percentage
Yes	77	67.0
No	38	33.0
Total	115	100.0

Table 4-6. Economic development element requirements

Are economic development elements required?	Frequency	Percentage
Yes	52	47.7
No	57	52.3
TOTAL	109	100.0

Table 4-7. Existence of economic development plan

Do you have a formal economic development plan	Frequency	Percentage
Yes	63	60.0
No	42	40.0
TOTAL	105	100.0

Table 4-8. Hypothesis testing: characteristics of survey respondents

Hypothesis	Approximate significance	Accepted or rejected	Strength of relationship
There is no relationship between region and if economic development elements or components are required in the comprehensive plan.	.107	Accept	None
There is no relationship between region and having a formal economic development plan.	.556	Accept	None
There is no relationship between respondents with a <i>requirement</i> to have a comprehensive plan and the <i>requirement</i> to have economic development elements/components.	.000	Reject	Strong
There is no relationship between respondents <i>having</i> a formal economic development plan and the <i>requirement</i> to have economic development elements in the comprehensive plan.	.264	Accept	None

Table 4-9. Format of economic development pan

Format	Frequency	Percentage
Strategic planning	36	33.6
Marketing	16	15.0
Integrated with community development	18	16.8
Redevelopment plan	12	11.2
Element of comprehensive plan	25	23.4
TOTAL	107	100.0

Table 4-10. Perception of the plan

Perception of plan	Frequency	Percentage
Vague	11	16.9
General	21	32.3
Specific	27	41.6
General and specific	6	9.2
TOTAL	65	100.0

Table 4-11. Level of public participation

Level of public participation	Frequency	Percentage
None	3	4.5
Low level	19	28.9
Moderate level	27	41.0
High level	17	25.6
TOTAL	66	100.0

Table 4-12. Perceived effectiveness of economic development plan

Desired outcomes achieved	Frequency	Percentage
None	3	4.8
Low level	10	16.2
Moderate level	31	50.0
High level	18	29.0
TOTAL	62	100.0

Table 4-13. Decisions made within framework of plan

Are decisions made within framework of plan?	Frequency	Percentage
Yes	46	80.7
No	11	19.3
TOTAL	57	100.0

Table 4-14. Integration with comprehensive planning

	Frequency	Percentage
Poor	2	3.1
Fair	18	28.1
Good	28	43.8
Excellent	16	25.0
TOTAL	64	100.0

Table 4-15. Integration with redevelopment efforts

	Frequency	Percentage
Poor	5	7.9
Fair	20	31.8
Good	26	41.3
Excellent	12	19.0
TOTAL	63	100.0

Table 4-16. Integration with other sectors

	Frequency	Percentage
Poor	8	12.7
Fair	22	34.9
Good	22	34.9
Excellent	11	17.5
TOTAL	63	100.0

Table 4-17. Plan implementation

Degree to which plans are implemented	Frequency	Percentage
0%-25% of the time	3	5.0
26%-50% of the time	19	31.7
51%-75% of the time	24	40.0
76%-100% of the time	14	23.3
TOTAL	60	100.0

Table 4-18. Measuring success

Measuring of success	Frequency	Percentage
Traditional quantitative measures	34	64.1
Checking against benchmarks in the plan and quality issues	17	32.1
No measurement	2	3.8
TOTAL	53	100.0

Table 4-19. Hypothesis testing – respondents with formal plans

Hypothesis	Approximate significance	Accepted or rejected	Strength of relationship
There is no relationship between region and type of plan format:			
Strategic	.478	Accept	None
Marketing	.783	Accept	None
Community dev.	.119	Accept	None
Redevelopment plan	.111	Accept	None
Element of comp plan	.691	Accept	None
There is no relationship between format of plan and decisions made within framework of plan:			
Strategic	.007	Reject	Strong
Marketing	.185	Accept	None
Community Dev.	.948	Accept	None
Redevelopment	.412	Accept	None
Element of comp plan	.191	Accept	None
There is no relationship between format of plan and integration with redevelopment efforts:			
Strategic	.100	Accept	None
Marketing	.949	Accept	None
Community dev.	.640	Accept	None
Redevelopment	.199	Accept	None
Element of comp plan	.044	Reject	Weak
There is no relationship between format of the plan and integration with comp planning:			
Strategic	.348	Accept	None
Marketing	.176	Accept	None
Community dev.	.973	Accept	None
Redevelopment	.341	Accept	None
Element of comp plan	.176	Accept	None
There is no relationship between format of the plan and integration with other sectors			
Strategic	.550	Accept	None
Marketing	.347	Accept	None
Community dev	.400	Accept	None
Redevelopment	.737	Accept	None
Element of comp plan	.573	Accept	None

Table 4-20. Region and type of plan format

Format	Significance	Accepted or rejected	Relationship
Strategic	.478	Accept	None
Marketing	.783	Accept	None
Integrated with community development	.119	Accept	None
Redevelopment plan	.111	Accept	None
Element of comp plan	.691	Accept	None

Table 4-21. Plan format and decision making

Format	Cramer's V value	Approx. sig.	Association
Strategic	.355	.007	Moderately strong
Marketing	.176	.175	None
Community development	.009	.948	None
Redevelopment	.109	.412	None
Element of comp plan	.173	.191	None

Table 4-22. Format and integration within overall comprehensive planning

Format	Cramer's V value	Approx. sig.	Association
Strategic	.175	.348	None
Marketing	.237	.176	None
Community development	.030	.913	None
Redevelopment	.186	.341	None
Element of comp plan	.237	.176	None

Table 4-23. Format and integration with redevelopment efforts

Format	Cramer's V value	Approx. sig.	Association
Strategic	.282	.100	None
Marketing	.042	.949	None
Community development	.124	.640	None
Redevelopment	.236	.199	None
Element of comp plan	.328	.044	Weak

Table 4-24. Format and integration with other sectors

Format	Cramer's V value	Approx. sig.	Association
Strategic	.147	.550	None
Marketing	.196	.347	None
Community development	.183	.400	None
Redevelopment	.105	.737	None
Element of comp plan	.142	.537	None

Table 4-25. Should economic development components be required?

Should economic development components be required?	Frequency	Percentage
Yes	37	90.2
No	4	9.8
TOTAL	41	100.0

Table 4-26. Would decision making be easier with a plan?

Would decision making be easier with a plan?	Frequency	Percentage
Yes	38	97.4
No	1	2.6
TOTAL	39	100.0

Table 4-27. Interest in developing a formal economic development plan

Is there interest in development a formal plan?	Frequency	Percentage
Yes	19	54.3
No	6	17.1
Not sure	10	28.6
TOTAL	35	100.0

Table 4-28. Measuring success without an economic development plan

	Frequency	Percentage
Quantitative measures	21	70.0
Guided by programs, benchmarks, quality issues	6	20.0
No measurement	3	10.0
TOTAL	30	100.0

## CHAPTER 5 POLICY RECOMMENDATIONS AND CONCLUSION

Economic development planning practice in the formal sense has had a relatively short history. Today's economic development planning practice emerged after years of experimentation beginning with industrial attraction and was viewed in economic terms such as "competitive advantage." The practice of economic development has steadily evolved as the mechanics of governments and the intersection of the public and private sectors has become increasingly more complex. The practice of economic development is made more complex because of its many different interpretations. Some see the role of the economic developer as a marketer for his/her community; trying to "sell" the product of the municipality to attract businesses. Others see the economic developer as the liaison between the public and private sectors, or as the person who can aid developers in their permitting and site analysis process. Others are beginning to see the economic developer as a planner; as a facilitator in the larger planning context who can aid the community in establishing a framework of goals and strategies to plan for the future.

Communities are increasingly realizing the value of the rational planning approach, in which steps are taken in accordance with, or similar to, the model presented in Chapter 2. While there is an abundance of literature on the evaluation of economic development *programs*, there is a lack of literature on the evaluation of economic development *plans*. My study set out to determine local economic development approaches and attitudes towards formal economic development plans; if they exist and how they are perceived.

Formal economic development plans are offshoots of the comprehensive plan in many regards. They essentially follow the same planning process: data gathering, data analysis, policy making, implementation. The three basic elements of public plans usually include three distinct sub-elements: goals, objectives, and policies. Goals are the general aims of the community. Objectives are more specific, and usually provide measurable strategies. Policies are operational actions, usually with the purpose of building a relatively short-term implementation. Another way to view these elements is “goals, strategies, actions” (Kelly & Becker 2000:20). The respondents in the survey for this research were not asked to describe the specifics of their plan format, or if they followed a certain model in writing the plan. However, given the nature of many of the respondents’ answers it seems highly likely that many of the plans did contain goals and objectives.

Economic development happens regardless of the existence of a formal economic development plan. However, a formal plan can provide benchmarks for a community to determine if it is indeed “succeeding.” Further, a formal plan can help to alleviate some of the political pressures regarding decision making. If decisions must be made in accordance with a plan, then there is not as much room for playing “favorites” or trading-off in the political field.

### Summary of Findings

Table 5-1. Research findings

66.9% required to have a comprehensive plan
47.7% required to have economic development elements in the comprehensive plan
60% had formal economic development plans – indicates communities have them whether or not it is a requirement
No relationship between region and requirement to have comprehensive plan or economic development element

Table 5-1 Continued

No relationship between having an economic development plan and the requirement to have one
Strong relationship between requirement to have comprehensive plan and requirement to have economic development elements
Strategic planning format is most common for plan
41.6% view their plans as “specific” – goal oriented
41% had moderate level of public participation in development of plan; 66.6% had moderate or high level of public participation
50% viewed a moderate level of desired outcomes achieved from plan; 79% had moderate or high levels.
80.7% of decisions are made within the framework of the plan – indicates plans are specific and easy to work with
“Good” level of integration with other sectors – but room for improvement
40% of plans are implemented 51%-75% of the time; 63.3% are implemented the majority of the time – indicating the formal plans contain useful plans that are able to be utilized for the community
A higher percentage of respondents with plans use benchmarking and quality issue to measure success. A higher percentage of those without plans do not measure success at all.
No relationship between region and plan format – plans are unique to the individual communities
Strong relationship between the strategic plan format and if decisions are made within the framework of the plan – indicating strategic plans are useful to check against for plan specifics
Weak relationship between having economic development as an element of the comprehensive plan and redevelopment efforts – indicating that when economic development is not a stand alone plan it is more likely to be tied with redevelopment efforts
90.2% of respondents without a formal plan think that economic development components should be required
97.4% of respondents without a formal plan think that decision making would be easier with a plan

### **Recommendations for Economic Development Plan Approaches**

Formal economic development plans can be a powerful tool for communities who want to develop rather than simply grow. Plans are also useful for communities who need to change the direction of their growth or revitalization, or who need to recover from decline. Formalized economic development plans provide an outline for the course of action a community needs to take in order to achieve the vision it has of itself. A formal

plan is based on the analysis of existing conditions and resources, utilizes public input, and establishes goals and strategies based on what the community can realistically accomplish given its circumstances.

The practice of implementing formal economic plans will continue to evolve if they continue to be considered beneficial. The survey resulted in very useful information regarding the approaches and attitudes toward economic development plans. However, plans can usually always be improved. Out of the survey analysis come the following recommendations that could make plans more effective:

### **Increase Integration and Collaboration with other Sectors**

Survey results indicated that integration with comprehensive planning was the most favorable with 43.8% of respondents claiming a “good” level of integration. A quarter of the respondents (25%) viewed integration with comprehensive “excellent”, while 28.1% viewed it as “fair.” Integration with redevelopment efforts was viewed less favorably, but 41.3% did view integration as “good” while a lesser percentage (19%) viewed integration as “excellent.” Integration with other sectors, such as private or chambers of commerce was viewed even less favorably.

That integration with comprehensive planning is viewed at the most integrated is not surprising given the findings in this research that the existence of economic development plans are closely linked with the requirement for comprehensive plans. However, further integration with other sectors would facilitate the development of a more robust plan that is truly responsive to the needs of the community.

Integration and collaboration with other sectors could be increased by holding forums and meetings with other departments, groups, and political officials. Because so many groups are involved with economic development, trade-offs are inevitable in the

plan making process. When more groups are involved, then more issues can be raised with the implementation of the economic development plan. While it is a cumbersome process, integration and collaboration would allow for a greater realization of goals for the community.

### **Increase Awareness of Benefits of Formal Economic Development Plans**

Those surveyed in this research are probably more inclined to realize the benefits of having a formal economic development plan. However, the research also indicated that of those who do not have economic development plans, the political process is often the decisive factor in economic development decision making. These communities are probably smaller and do not have very structured economic development departments, or they view economic development as only happening in the market and that they have no control. The awareness needs to be raised that formal economic development plans could be useful for communities of all sizes, and that when consensus is built and a plan established decisions are easier to make.

### **Increase Public Participation**

The majority of respondents (65.6%) indicated a moderate or high level of public participation in the creation of the economic development plan. However, there were 28.9% who ranked the level of public participation as “low.” “Planning is undertaken in order to give practical expression to the public’s self-perceived interest” (Bendavid-Val 1980:5). The self-perceived interest is more fully expressed with a greater amount of public participation in the development of an economic development plan.

Public participation is often hard to attain, even if events are well publicized and community leaders make the effort to attain input. A greater amount of public

participation may just take time; a culture of its necessity needs to be built around the benefits of it in the community.

### **Focus on Development rather than Growth in Creating Benchmarks for Plan Success**

Respondents with a formal plan indicated a greater inclination towards using benchmarks and quality issues to measure plan success. Economic indicators and counting numbers is not always an effective way to measure success, and can actually overlook the reality of what is actually happening in a community. “The economic development planning process does a great disservice to the community if it considers the implications of economic development projects and actions only in terms of economic indicators” ([Bendavid-Val 1980:30](#)).

The project that brings about change that is apparently favorable in terms of those indicators may or may not bring about favorable community change. For example, successfully attracting a major new employer to a rural community might have a dramatically favorable effect on local employment, income, retail sales, and tax revenue statistics. But the character of the town might change from that of a mixed rural economy to that of a town dominated by a single, large, manufacturing firm. The consequence of this on the local political, institutional, social, natural, and business environments would also be dramatic ([Bendavid-Val 1980:30](#)).

The formal economic development plan process helps the community to establish a vision of its future direction. The actual plan, whether it involves specific industry attraction or downtown revitalization, would help establish specific benchmarks and objectives in reaching its goals.

### **Increase Research of Plans and Determine Effective Means to Evaluate Effectiveness of Plans**

Further research on a wider selection of economic developers would further the plan evaluation process. This research has indicated a favorable outlook on economic development plans, but it is a relatively new field and some practitioners seem at a loss as

to how to make a plan very effective. Quality of life issues are difficult to benchmark and tools to evaluate this amorphous term would help to further the rational planning process.

### **Opportunities for Future Research**

This research has shown that there is a wide array of opportunities for future research regarding formal economic development plans. More research could be done regarding how plans are actually implemented in communities with a wide variety of economic development practitioners. This survey has demonstrated that there seems to be a favorable outlook towards formal economic development plans, but that there is room for improvement concerning integration between different actors in the economic development process. There has been much research on program evaluation, much of which has implied that strategies do not always achieve what they set out to do. Further research on plan evaluation could be done in a similar fashion in which actual plans and their components are analyzed and conclusion drawn regarding specific factors within various plans deemed “successful.”

Also, including qualifiers for the responses with rankings would be beneficial in future research in order to further normalize survey responses. Rather than having a scale from “poor” to “excellent” for respondents to select from, examples of what “poor” or “excellent” mean could be given. Each respondent could have a different perspective on what “poor” effectiveness, for example, means for his/her community and adding a qualifier would assist in greater accuracy for measuring responses. Further, it would be beneficial to determine the state requirements for comprehensive planning at the local level, including the required elements or components.

## **Conclusion**

The lack of literature available on economic development plans signifies the need for additional research in formal economic development plan approaches and attitudes. This thesis has addressed the attitudes and approaches of a relatively small group of practitioners compared to the thousands of practitioners that exist in the field. The group surveyed did express positive attitudes toward formal economic development plans from both those with formal plans and those without formal plans. Further, decision making was perceived as easier within the framework of an economic development plan and research which included increasing the level of qualifiers as discussed above would help to gain a greater understanding of the decision making process.

Through the analysis of the research it was found that the majority of those surveyed do have formal economic development plans and that they exist regardless of the requirement to have economic development components within the comprehensive plan. This indicates that there is an increasing amount of rational planning approaches toward economic development, rather than “shooting anything that flies.” Economic indicators are still the primary means of evaluating success, but there does seem to be increasing efforts to use quality measures. Integration and collaboration could only serve to better the efforts of local economic developers.

Local economic development has the power to transform a community in a positive manner. The discipline brings together the public and private sectors, and when the public is involved in voicing their concerns and desired powerful transformations can take place.

APPENDIX A  
INSTITUTIONAL REVIEW BOARD APPROVAL LETTER

DATE: 14-Dec-2004

TO: Leslie Wade

FROM: University of Florida  
Institutional Review Board

SUBJECT: Approval of Protocol #2004-U-1003

TITLE: Innovative Economic Development Programs

I am please to advise you that the University of Florida Institutional Review Board has recommended approval of this protocol. Based on its review, the UFIRB determined that this research presents no more than minimal risk to participants, and based on 45 CFR 46.117(c), authorizes you to administer the informed consent process as specified in the protocol.

If you wish to make any changes to this protocol, including the need to increase the number of participants authorized, you must disclose plans before you implement them so that the Board can assess their impact on your protocol. In addition, you must report to the Board any unexpected complications that affect your participants.

If you have not completed this protocol by 2-Dec-2005, please telephone our office (392-0433), and we will discuss the renewal process with you.

It is important that you keep your Department Chair informed about the status of this research protocol.

ISF:dl/tf

APPENDIX B  
SURVEY APPROACH STATEMENT

Dear EDD Member,

The Economic Development Division of the American Planning Association needs your input. With the Center for Building Better Communities at the University of Florida, we are gauging the “State of the Art in Economic Development Plans” to look at the existence of formal plans and their impacts on economic development planning activities. Please take a moment to participate in the survey – we need info on types of innovative/successful e.d. plans and programs you are familiar with, and how integrated economic development is with overall planning activities in your area.

You will be asked to answer a short survey which should take approximately 10 minutes. There are no anticipated risks, compensation or other direct benefits to you as a participant in this survey. Participation is voluntary. You are free to withdraw your consent to participate and may discontinue your participation in the survey at any time without consequence. Your identity will be kept confidential to the extent provide by law.

If you have any questions about this research protocol, please contact me at (352) 392-0997 x462 or leslie75@ufl.edu. Questions or concerns about your rights as a research participant may be directed to the UFIRB office, University of Florida, Box 112250, Gainesville, FL 32611; ph (352) 392-0433.

By reading this letter and completing the following survey, you give me permission to report your responses anonymously in my final report.

Thank you for your participation.

Sincerely,  
Leslie Wade  
Research Associate  
Center for Building Better Communities  
Department of Urban and Regional Planning  
University of Florida

APPENDIX C  
SURVEY QUESTIONS

1. What is the name and location of your organization?
2. What type of agency/department do you represent? (ie. state, county, city, non-profit, private, etc.)?
3. What is your position?
4. How many people are employed in your department?
5. Is the major focus of your department economic development? If not, please describe your major focus.
6. What do you think is the most important function of your department/agency?
  - Publicizing/marketing the area
  - Identifying or providing sites
  - Financing
  - Obtaining grants
  - Working with redevelopment or other agencies
  - Comprehensive planning
  - Other, please specify
7. Does your state require a comprehensive plan at the local government level?
  - Yes
  - No
8. Are economic development elements/components required in the comprehensive plan?
  - Yes
  - No
9. Does a formal (written) economic development plan exist for your community?

**If respondents answered “yes” to question nine, then they were directed to question 10. If they answered “no,” then they were directed to what was question 10 for them on the internet survey, but is displayed here as question 29.**

10. Briefly describe the economic development plan and include the year it was adopted or implementation began.

11. What time frame does the economic development plan encompass?

12. What is your perception of the economic development plan? (ie. vague, general, specific). Please explain.

13. What general format does the economic development plan follow?

- Strategic planning
- Marketing
- Integrated with community development
- Redevelopment plan
- Element or component of comprehensive plan
- Other, please specify

14. Are there any specific factors/attributes/needs of your community that led to the development of the plan?

15. How was the plan created? (ie. staff, consultant, etc.)

16. Was the public involved with the creation of the economic development plan? If yes, what was the level of public participation?

- No participation
- Low level of participation
- Moderate level of participation
- High level of participation

17. How would you rank the effectiveness of the plan?

- No desired outcomes achieved
- Low level of desired outcomes achieved
- Moderate level of desired outcomes achieved
- High level of desired outcomes achieved

18. What would make the plan more effective?

19. Integration with overall comprehensive planning and community development activities:

Poor  
Fair  
Good  
Excellent

20. Integration with redevelopment efforts, such as downtown or commercial corridor revitalization:

Poor  
Fair  
Good  
Excellent

21. Integration with private and other sectors, such as small business development programs, marketing, etc.:

Poor  
Fair  
Good  
Excellent

22. Have there been any significant results from implementation of the economic development plan? Please explain.

23. When economic development decisions are made in your area, are they within the framework of the plan?

24. To what extent are plan actually being implemented?

0%-25% of the time  
25%-50% of the time  
51%-75% of the time  
76%-100% of the time

25. In your opinion, what would make plan implementation easier?

26. Are there other economic development activities in your area in which you participate? Please explain.

27. How do you measure economic development success?

28. Do you know of any innovative or highly effective economic development planning activities? If so, please provide a brief description and contact information.

**This next set of questions are for those without formal economic development plans.**

29. Do you think economic development components should be required in the comprehensive plan?
30. Is there interest in developing a formal (written) economic development plan in your area?
31. What type of economic development planning activities exist in your area?
32. How do you decide which economic development planning activities to pursue?
33. Do you think economic development decision making would be easier within the framework of a formal economic development plan?
34. How do you measure success?
35. Do you know of any innovative or highly effective economic development planning activities? If so, please provide a brief description and contact information.

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## BIOGRAPHICAL SKETCH

I am a native Floridian, having been born and raised in Waldo. I completed my undergraduate studies at Emory University and received a Bachelor of Arts degree in economics. I then explored the west and ski culture in Telluride, Colorado before deciding to return to Gainesville to pursue my master's degree at the University of Florida.

During my studies in Urban and Regional Planning, I took a wide variety of classes, focusing primarily on community and economic development and historic preservation. I attended the Preservation Institute: Nantucket, during the summer of 2005, and received the historic preservation certificate. I was a graduate research assistant for the Center for Building Better Communities, and interned in the economic development department for the North Central Florida Regional Planning Council. I look forward to beginning my career and am interested in economic development and historic preservation.