

# BENEFITS OF ECONOMIC DEVELOPMENT

## THERE ARE MANY WAYS THAT ECONOMIC DEVELOPMENT HELPS A COMMUNITY:

- **Job development.** Economic development can provide better wages, benefits and opportunities for advancement. And high-paying base jobs—jobs in companies that add value to a product or service and ‘export’ it outside the local market—spawn the creation of secondary support jobs throughout the local economy from the money ‘imported’ back into the community.
- **Retaining existing jobs.** The top priority of economic development is the retention of existing base employers. When the people owning and/or managing businesses feel appreciated by the community, they are more likely to stay when facility decisions are being made. The community benefits from the financial investment of these companies in many respects, especially the jobs they provide for area residents.
- **Increased tax base.** Additional in-flowing revenue generated through economic development supports, maintains and improves local infrastructure, such as roads, parks, libraries, schools and community centers through taxes paid to local governments, special taxing districts and the public school district.
- **Stable tax base.** Over-dependence on a few key companies or one industry sector makes a community susceptible to the economic vagaries attendant to that company or sector. Conversely, a diverse business base means more economic stability and resilience with less fluctuation of tax revenues and unemployment.
- **Economic diversification.** As noted above, a diversified economic base means stability by helping the community weather economic downturns, the loss of a single company or the even contraction of an entire business sector. It also means more opportunities for innovation and cross-sector synergies.
- **Self-sufficiency.** A stronger, more diverse economic base means a higher level of community self-sufficiency to meet the needs of citizens. The more we produce locally the less we have to import from elsewhere.
- **Productive and appropriate use of land.** A property used for its “highest and best use” maximizes the value of that property and its benefit to the community.
- **Enhanced quality of life.** More income flowing into the community means more local tax dollars for public amenities, jobs for residents and availability of goods and services.
- **Improved standard of living.** Good paying jobs mean an overall higher standard of living for residents.
- **Community pride and reputation.** Having Anheuser-Busch, Hewlett-Packard, Intel, Odell Brewing, Otterbox, Woodward and other key employers here accrues a measure of status to the community. Inversely, losing such companies is a blow to the community’s self-esteem and external reputation.
- **Vibrant economies attract new businesses organically.** Jim Collins refers to the flywheel effect, whereby hard-earned momentum creates new breakthroughs. In the case of local economies, thriving places can create their own momentum and do so without much direct influence or resources from the public sector.

While **JOBS LEAD THE LIST** as the most obvious byproduct of economic development, there are many ways that **ECONOMIC DEVELOPMENT HELPS A COMMUNITY...**