

*Look closely . . . is the community  
really prepared to initiate an economic  
development project?*

# Is Your Community Ready for Economic Development?



Dear Community Leader:

I hope the information I have collected will help you and your community groups prepare yourselves for success!

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Information for this guide was collected from the University of Wisconsin—Extension, Dodge County, 1992.

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A critical step to initiating or facilitating an effective economic development project is to determine if the community is actually prepared to take on such a difficult task. The difficult question is, “How should the community be prepared and how do you measure if it is prepared to do some kind of economic development project?”

Some ideas on determining community preparedness include measuring the degree of interest; organization; knowledge, information, or data; and strategies, plans, or actions. After all of these have been carefully examined and indicate a “prepared” community, only then should a community proceed with their economic development project plans.

This guide should be used to help determine how “prepared” a community really is. This will help prevent spending countless amounts of time and effort on an economic development project which may not be ready to be implemented because:

- The issue involved is common only to a small group and not the community as a whole, or the community cannot agree on the issue at hand.
- The group is not organized and has not identified existing organizations that could help.
- The group does not have sufficient and accurate data about the local economy and surrounding economies.
- The group has not identified all possible strategies and alternatives.

When these concerns and the other questions asked in the guide can be answered satisfactorily, then the community is really prepared and can proceed with an action plan.

In addition to these questions, this guide also provides some ideas that can be used to help prepare the community for their economic development project. It is important to realize that every community is unique and there are some factors that cannot be generalized for all situations. For example, cultural differences and other demographic issues should be considered on an individual basis.

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# Interest

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The capacity of a community to pursue economic development efforts is often limited as much by a lack of communication, cooperation, goal-setting, and consensus as by a lack of dollars.

“Prepared” communities have thought about their future and understand how economic development fits into the type of community they want to be. They know what their economic development goals are.

It should *never* be assumed that there is interest.

## Questions

1. Is the community interested in economic development?
2. What is the basis of this interest?
  - There has been a loss of jobs in the community.
  - Not enough new jobs are being created for present or new residents.
  - Incomes in the community are low or aren't growing fast enough.
  - People don't spend enough money in the community.
  - There aren't enough consumer goods and services offered.
  - The tax base is not large enough to provide needed services at a low cost.
  - The community's downtown or retail sector is declining.
  - There is too much fluctuation in employment and income.
  - The community is too dependent on one or two large businesses.
  - The community is too dependent on one or two types of industries.
  - The local economy is healthy, and we would like to keep it that way.

3. Is there a consensus in the community about the need for economic development, about how the community should grow, about the major issues and problems in the community (priorities for how limited community resources are to be used)?
4. Does the community know, and agree on, where it wants to be?

### **What the community can do to clarify interest, set goals, and identify problems**

1. Community surveys.
  - Consensus surveys.
  - Needs assessment surveys.
  - Value identification—what is important to the residents?
  - Future vision—where does the community want to be?
2. Town meetings.
3. Focus groups.
4. Conflict resolution programs—to manage divisive issues.
5. Long-Range Extension Planning Program.
6. Discovery Tours.
7. Networking.

# Organization

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Some suggest the overriding problem in most community-based efforts is a lack of managerial or organizational capacity to pursue development. Research shows that organized communities seem to be more successful.

“Prepared” communities have some form of organization devoted to promoting the achievement of the community’s economic development goals. The organization is vital, active, representative, and effective. The organization(s) and their leadership have the capacity to identify, collect, and direct the resources available for pursuing the community’s economic development goals.

## Questions

1. Are there formal organizations that are dedicated to promoting economic development in the community?
2. Are these organizations active?
3. Do these organizations have clear “home-grown” mission statements, goals, and plans and the organizational structure and leadership required to be effective?
4. Are these organizations representative of the community?
5. Can these organizations influence the allocation of resources in the community?
6. If there is more than one organization, do they coordinate their activities?
7. Do the organizations communicate their plans and activities to the rest of the community?

## What the community can do to improve its organizational capacity

1. Identify key people to involve in the organization.
2. Encourage recent residents to participate.
3. Start an organization if one is not present.
4. Revitalize or reorganize the present organization if it is not effective.
5. Reassess the organization’s mission, goals, plans, and structure every year.
6. Hold joint planning sessions involving all organizations.

7. Organize an inter-organization coordinating committee.
8. Use news media, newsletters, or other methods to communicate with the rest of the community.
9. Identify human and “in-kind” resources in the community.



# Knowledge, Information, and Data

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To effectively pursue economic development, a community must have a sound base of knowledge and information.

In “prepared” communities, key people have a basic understanding of community economic development principles, their local economy (strengths and weaknesses), and the resources available to them. Also, they have on hand current and accurate information about their community.

## Questions

1. Do the people in the community who are responsible for promoting economic development have a basic understanding of community economic development principles and strategies, as well as how to “grow” themselves into their determined desired outcomes through partnership?
2. Is there an understanding of state, national, and global economic trends that affect the local economy?
3. Is there a good understanding of and sufficient data about the local economy?
  - The labor force.
  - Employment.
  - Business sites.
  - Local markets.
  - Local attractiveness and quality of life.
  - Local resources for economic development.
  - Strengths and weaknesses of local economy.
4. Is there current and accurate data about the community available to anyone interested in the community? (More than just a community profile?)
5. Has the community identified all the resources available to it for nourishing economic development?
  - Federal and state programs.
  - Programs local governments can implement.
  - Programs local development organizations can implement.
  - Available technical resources.
  - Assets that can be built on.

- In-kind cooperative programs with businesses, with other organizations, with other communities, with state or federal government.

## **What the community can do to build its information resources**

1. Get training assistance and educational materials from the Texas Agricultural Extension Service, other state agencies, utility companies, etc.
2. Collect data about the economic status of the community.
  - Where are we now?
  - Where have we been (trends)?
  - How do we compare with others?
  - What is our economic potential?
3. Inventory all of the community's assets and liabilities.
  - Infrastructure.
  - Government.
  - Schools.
  - Housing.
  - Space.
  - Labor force.
  - Trade area.
  - Natural resources.
  - Unique attractions.
  - Quality of life.
4. Identify external resources available to the community.
  - The Texas Agricultural Extension Service.
  - County government.
  - Other state agencies.
  - Utility companies.
5. Create a file on community characteristics, business sites, assistance programs, and local contacts, and update it regularly.
6. Develop information packets, brochures, and profiles.
7. Develop a community contact or information response team.

# Strategies, Plans, and Actions

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How a community decides to pursue its economic development goals should be well thought-out and documented.

A “prepared” community has adopted and is implementing community development strategies, policies, and plans appropriate for their goals and situation. The strategies, policies, and plans are well documented and are communicated to the whole community.

Assessment is necessary for a community to determine where it is compared to where it wants to be, what it should do to get where it wants to be, and what is feasible.

## Questions

1. Have all alternative strategies for community economic development been identified and assessed?
2. Has community involvement and input been encouraged during the formulation of the strategies, plans, and actions?
3. Has a community economic development plan been developed?
  - The plan is based on accurate and current information.
  - The plan reflects community input.
  - The plan identifies local and external resources to be used.
  - The plan identifies who will do what when (manageable tasks).
  - The plan makes provisions for review and changes.
  - The plan identifies projects that are feasible and possible.
4. Has the local government adopted policies regarding its role in promoting economic development?

## What the community can do to achieve its development goals

1. Assess the community's internal strengths and weaknesses and pursue overcoming those weaknesses or constraints.
2. Assess the external threats and opportunities facing the community.
3. Identify possible general strategies.
4. Identify the capacity of the community to implement these strategies.
5. Identify the tactics (projects) that are most feasible.
6. Assess the impact and risks.
  - Be honest now—will it really make a difference?
  - What is the risk? Usually the greater the pay-off, the greater the risk.
7. Develop action plans to implement each tactic.
  - Make sure the tasks and responsibilities are clear.
  - Make sure they are do-able.
8. Implement.
9. Monitor.
10. Modify.
11. Celebrate!



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Produced by AgriLife Communications and Marketing, The Texas A&M University System

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Issued in furtherance of Cooperative Extension Work in Agriculture and Home Economics, Acts of Congress of May 8, 1914, as amended, and June 30, 1914, in cooperation with the United States Department of Agriculture. Zerle L. Carpenter, Director, Texas Agricultural Extension Service, The Texas A&M University System.