

U.S. Economic Development Administration

ETA Region 3 – Business Services Summit

Economic Development

Bridging Relationships to Prosperity

May 8-10, 2013 – Atlanta, Georgia

EDA Mission

- To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.
 - Establish a foundation for sustainable job growth and the building of durable regional economies.
 - Innovation
 - Regional Collaboration

Programs of EDA

- **Construction**

- Public Works
- Economic Adjustment

- **Non-Construction**

- Planning
- Technical Assistance
- Economic Adjustment
- University Centers
- National Initiatives - i6 Challenge, Jobs Accelerator

Investment Priorities

- Collaborative Regional Innovation
- Public/Private Partnerships
- National Strategic Priorities
- Global Competitiveness
- Environmentally Sustainable Development
- Economically Distressed Communities

Eligible Applicants

- States and units of local government
- Indian Tribes
- Economic Development Districts
- Colleges and Universities
- Public and Private non-profit organizations

Competitive Projects

- **JOBS AND PRIVATE INVESTMENT**
 - Low cost-per-job
 - High private investment
 - Addresses EDA Investment Priorities
 - Cash Match
 - Economically Distressed Community

EDA University Centers

- Auburn University's Auburn Technical Assistance Center (ATAC)
- Leverages the resources of the university to help foster economic development, innovation and process improvement with Alabama businesses.
- Program focus:
 - Advancing high growth entrepreneurship and regional commercialization
 - Cultivating Innovation
 - High Skilled Regional Workforce in Targeted Clusters
 - Dissemination of information

University of Florida's I-HUB



Georgia Tech and Gwinnett Tech

- EDA's Jobs Acceleration Initiative
- Funding from EDA, ETA and SBA
- Advance Health Information Technology (HIT) Cluster
 - Career Development (HIT curriculum at Gwinnet Tech)
 - Proof of Concept Center to support and test new HIT products through a new Interoperability Lab (IOL).
 - IOL provides services to SBA 7(j) firms, in addition to being a commercialization pathway.
 - HIT Innovations from IOL expected to create new businesses, jobs and regional competitiveness.

21st Century Economic Development

- Innovation
- Entrepreneurship
- Bringing innovations to the marketplace
- Focus on global competitiveness
- Utilization of regional assets
- Developing new partnerships with common goals
- Enhanced public/private partnerships
- Balancing limited resources

Regional Initiatives – FY13

- Make it in America
- i6 Challenge Series – 4th Round
- Investing in Manufacturing Communities Partnership (IMCP)

Make It In America Challenge

- Proposals to make targeted investments that
 - Bring jobs back to America
 - Encourage expansion and retention of American jobs
 - Promote Foreign Direct Investment in US
- Publication of FFO in early 2013
- EDA – ETA – NIST/MEP funding collaboration
- Competitive projects must encourage insourcing (on-shoring, increased FDI, or incentivizing businesses to keep jobs in America, and train local workers to meet the needs of those businesses.

16 Challenge Series

- GOAL: Promote innovation-based, high-growth entrepreneurship in pursuit of job creation and economic growth.

I6 Challenge (FY12)

Tampa Bay WaVE

- Collaborative regional partnership that includes the University of South Florida, Tampa Bay WaVE, the Tampa Bay Technology Forum, the City of Tampa, Hillsborough County, and the University of Tampa and a broad array of corporate, university, business service providers, and investment firm partners.
- Catalyst to jumpstart innovation-based economic development in the region.
- Based in its 5-year BUILD-LAUNCH-GROW framework supporting startup companies to secure early-stage/angel funding and to further help them grow into viable tech companies and find the venture capital they need.

SC2 (FY12)

- GOAL: to support new solutions to **Strategic Economic Transition (SET)** planning.
- Selected city creates a two-phased competition for **prize money** to best submissions.
 - Entrants submit SET proposals for review and “invite”
 - Finalists will expand proposals for determination of a single winning submission that creates a comprehensive, regional strategy with actionable implementation items.

Strong Cities, Strong Communities

- City of Greensboro, NC
- Two prize competitions with end result being:
 - Creation of overarching economic strategy
 - Considers previous strategic plans/initiatives
 - Leveraging of partnerships and universities
 - Focus on University District among others

Advanced Manufacturing (FY12)

- GOAL: to enhance the competitive position of U.S. manufacturers . . . And deliver targeted solutions to accelerate innovation by strengthening . . . Industrial cluster capabilities for advanced manufacturing.
- EDA – NIST/MEP – DOE – SBA – DOL/ETA
- Winning Partnership – Tech 2020 (EDA), University of Tennessee (NIST) , Oak Ridge National Laboratory & Tech 2020 (DOE), Pellissippi State Community College (ETA) and Tech 2020 (SBA)

AMP! – Advanced Manufacturing & Prototype Center

- 20 county region
- Connecting resources and encouraging collaboration
- Developing a workforce to drive innovation and expand entrepreneurship, and
- Innovating and improving processes and technologies.
- Enhance the ecosystem to enhance, expand and accelerate innovation, business formation and new job creation within the advanced manufacturing cluster.

Investing in Manufacturing Communities Partnership (IMCP)

- Focus is on manufacturing competitiveness.
- In interagency multi-year program.
- Helping communities adopt best practices to cultivate ecosystems.
- Develop and coordinate an array of “public goods.”
- Specialized workforce training, research institutions, transportations and energy networks (examples).
- Utilize local assets to attract private investment.
- In long run – foster conditions for growth, expansion, jobs. An effective ecosystem.

IMCP

- Regions will pursue three basic actions:
 - Take stock of comparative advantages and develop implementation-ready strategies.
 - Invest in public goods through public/private funding, and,
 - Advance sustainable growth by incentivizing interaction among all stakeholders.

See IMCP information at www.commerce.gov

IMCP

- How it Works:
 - 6-8 listening sessions around country (TBD)
 - Charlotte, NC – April 30
 - Atlanta, GA – May 20
 - FY13 funding of “Implementation Strategies”
 - Based on FY14 proposed budget, support 5-6 communities each receiving up to \$25 million (EDA) and supplemental funding from other government agencies.
 - Interagency effort to align economic development programs across government: workforce training, technical assistance, specialized research and commercialization centers, infrastructure, and energy efficiency.

The Future of Manufacturing

- The Situation
 - Between 2001 and 2009: 42,400 factories lost, including 36% that employ >1,000, and 38% that employ 500 to 999.
 - Not dead, moving upscale: US remains by far the world's leading manufacturer by value of goods produced. Record \$1.6 trillion in 2007, double the \$811 billion of 1987. Aircraft, missiles and space-related, autos, energy products, high tech stuff. Consumer goods imported – shoes, Radio Flyer wagons, iPod.
 - Quality: American assembled autos competitive
 - Innovation: Bringing on a third industrial revolution – going digital/robotic – technology changes the way, speed and efficiency of work.

The Future of Manufacturing

- Optimism, Options and Opportunities
 - Foreign cost advantages eroding – low cost labor, rapid developing domestic market, artificially low currency, government incentives.
 - Manufacturing is becoming “sexy.”
 - Cooperation and innovation lead the way.
 - Three-dimensional (3D) printing – as cheap to produce a single item as thousands – undermines economies of scale.
 - Emerging economy of Personal Fabrication – Home scale 3D printers, laser cutters and programmable machines combined with electronic design blueprint – mini factories.

The Future of Manufacturing

- Emerging manufacturing technologies – industrial “evolution” that combines the best of mass and artisan production models.
- The question of “reinvention”: “Do we follow the US into a more postindustrial economy or can we follow Germany into high-end manufacturing . . . But we should not be trying to compete with China in mass production.”
- Manufacturing – Knowledge work

The Future of Manufacturing

- Skills, Talent, and Education
 - Factors that would improve manufacturing in the next 5 years: highly skilled and flexible workforce topped list, ahead of product innovation, increasing market share, low-cost producer status, and even supply chain integration. (Deloitte, The Manufacturing Institute, 2011)
 - The manufacturing jobs that pay best today look more like knowledge work than traditional factory work.
 - The rewards for being skilled grow and the opportunities for unskilled diminish.
 - Technical skills that are portable through national credential systems and “stackable” credentials critical.

Competitiveness At A Crossroads

- Harvard Business School's 2012 Survey
 - Michael E. Porter
 - Jan W. Rivkin
 - Rosabeth Moss Kanter
- Published February 2013

Competitiveness At A Crossroads

- The challenge facing America's competitiveness:
 - Competitive location to the extent that firms in US can succeed in the global marketplace while raising the living standards of the average American.
 - Can cut wages to be more competitive, BUT, the inability to support good wages is actually a sign of the lack of competitiveness.

Competitiveness at a Crossroads

- Competitive locations allow firms both to win in global markets AND to support high and rising wages.
- Competitive economies do so by being highly productive locations for creating innovative, high-quality products and producing them efficiently.
- High productivity allows firms to compete successfully with rivals while paying employees well.

Improving Competitiveness

- Suggested Business Actions (selected)
 - Initiatives to improve competitiveness of regional clusters.
 - Improvement of general business environment in region.
 - Internal training programs
 - Formal apprenticeship programs
 - Partner with community college, technical school, or university to meet business needs, hire graduates
 - Mentor local suppliers
 - Participate in research collaboratives to build technologies and products of the future.
 - Invest in or incubate promising startups related to business.

If you remember nothing else

- Technology reduces mass
- The internet eliminates intermediaries
- He who rejects change is the architect of decay. The only human institution which rejects progress is the cemetery.