

Perspectives on Economic Development From Sound Bites to Real Needs

Pacific NW Economic Development Council

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Topics

- What's the point?
- Rhetoric versus reality
- The importance of cooperation
- Key demographic factors
- Thoughts from Mark Twain

The point is to create wealth, wisely

Economic development is defined as improvements in economic statistics like unemployment, literacy, per capita income, and gross product (PNEDC.org).

Economic development is... improving the economic well being and quality of life in a community (IEDC).

In short, it is wealth creation – *and yes, distribution matters.*

Key thoughts for today:

- a) we need to remember that scarcity matters
- b) being arrogant isn't enough

The point is to be smart

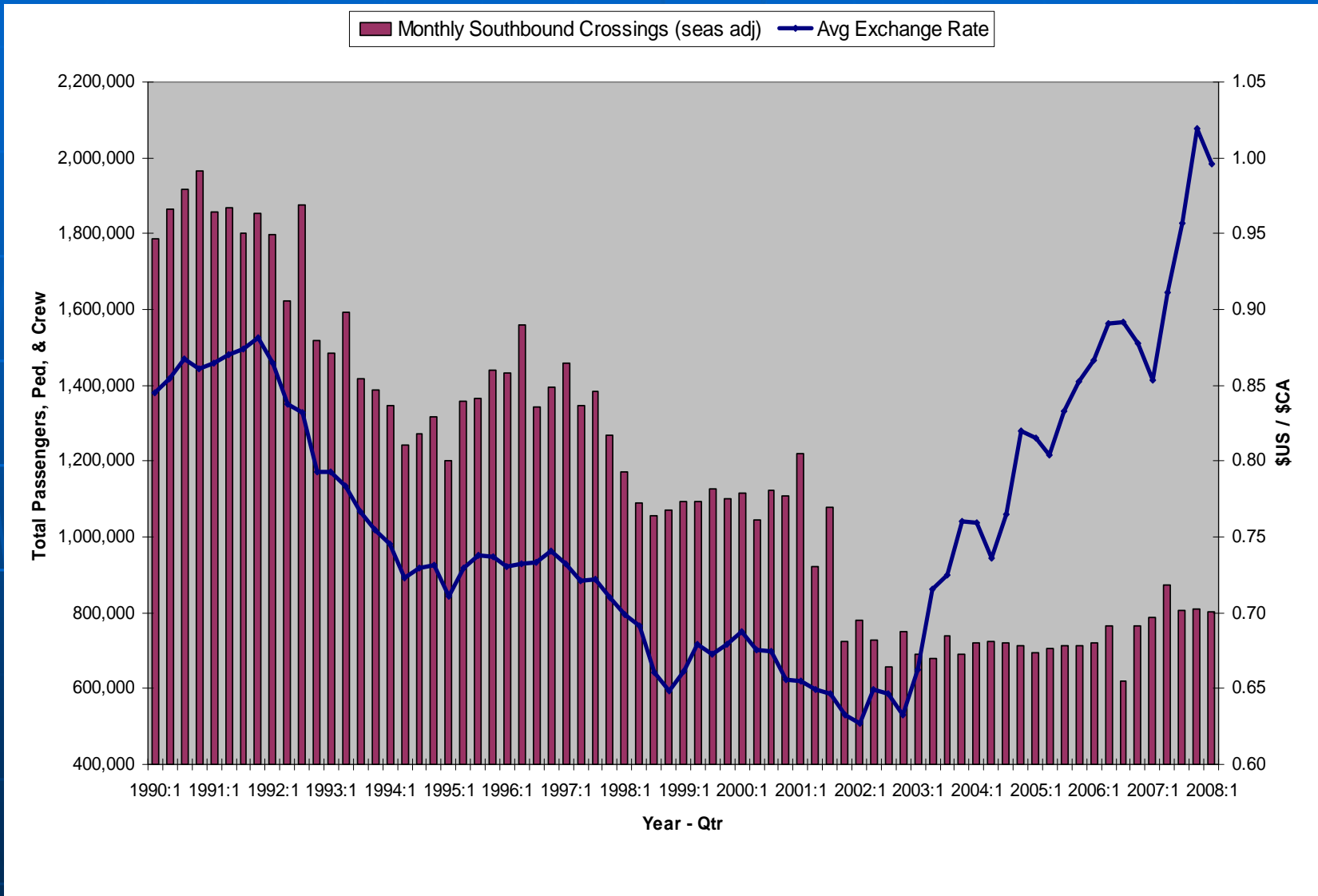
From the Watermen of Chesapeake Bay to the Loggers and millworkers of Vancouver Island – economies are changing. What to do next is a difficult question.

The flavor of the month might be trying to develop “strategic clusters” or to leverage tourism and technology. Maybe it is “thinking local first.”

Lessons in Love, by Way of Economics (by Ben Stein)

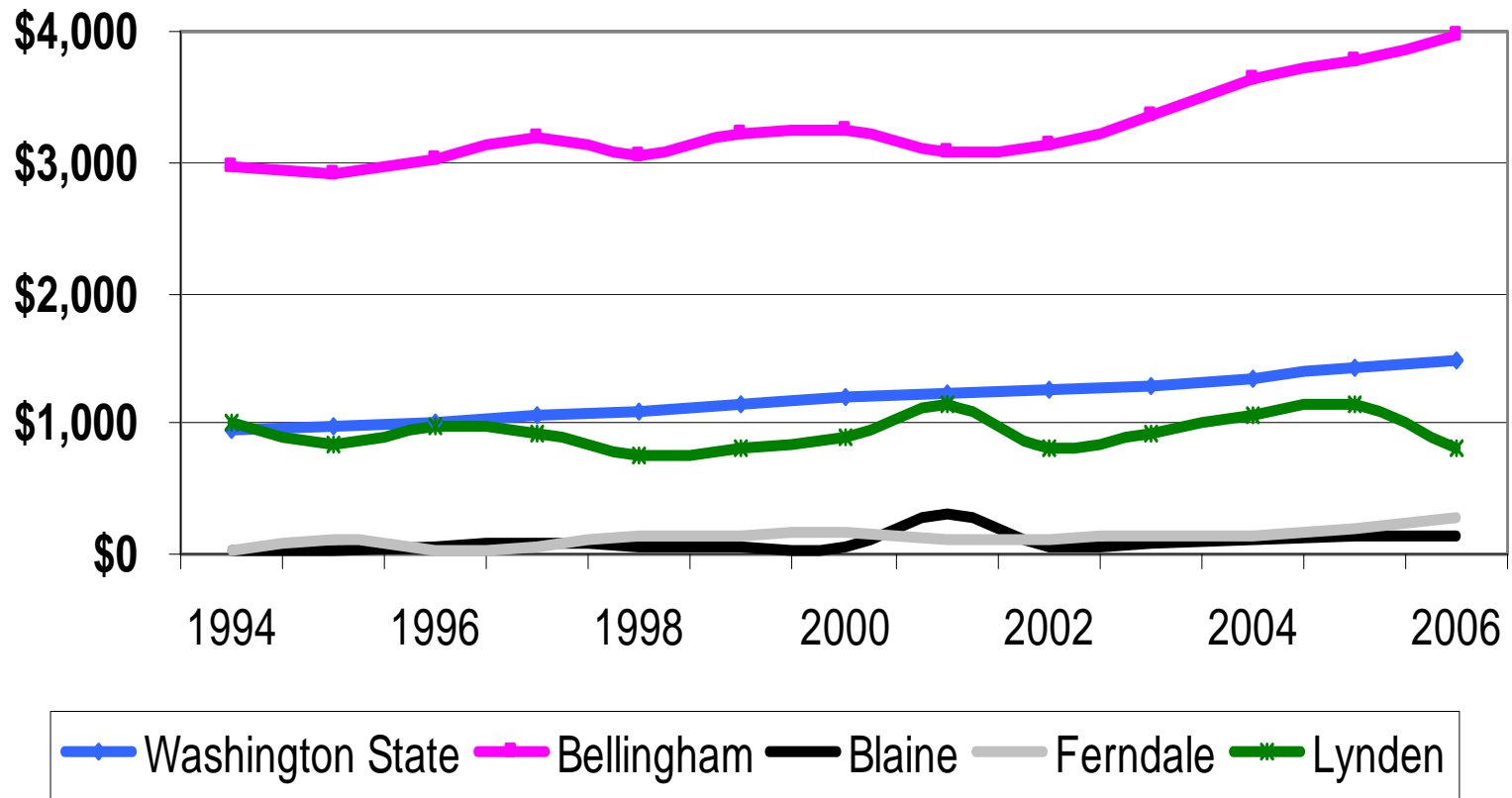
“Research pays off. The most appealing and seductive (that word again) exterior can hide the most danger and chance of loss. For most of us, diversification in love, at least beyond a very small number, is impossible, so it’s necessary to do a lot of research on the choice you make. It is a rare man or woman who can resist the outward and the surface. But exteriors can hide far too much.”

Perceptions about Canada are often wrong

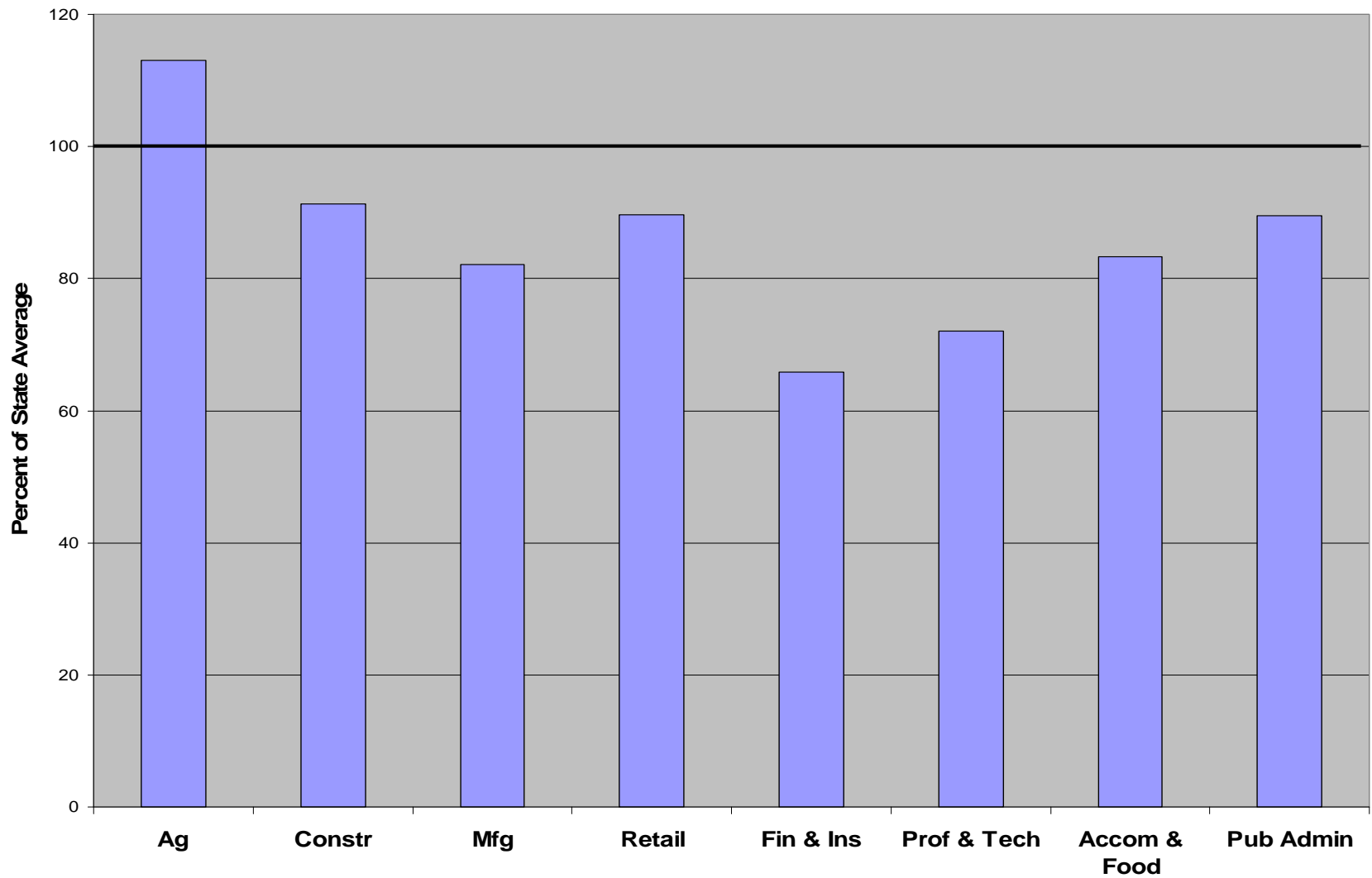


The need for cooperation *in* a region

Gen. Merch. Stores Taxable Retail Sales Per Capita



Wages in the NW Region



Cost of Living (ACCRA Index, 2007)

	Overall	Grocery	Housing	Health Care
B'ham	110	108	127	113
Seattle	121	113	153	124
Olympia	105	109	99	122
Spokane	96	98	84	103

Cooperation

The obvious:

The rest of the world sees Seattle and Vancouver in the same basic market area. Those of us living in the region need to act as though we live in a common region...

Cities within a given province or county should not waste resources competing with each other...

And the not so obvious:

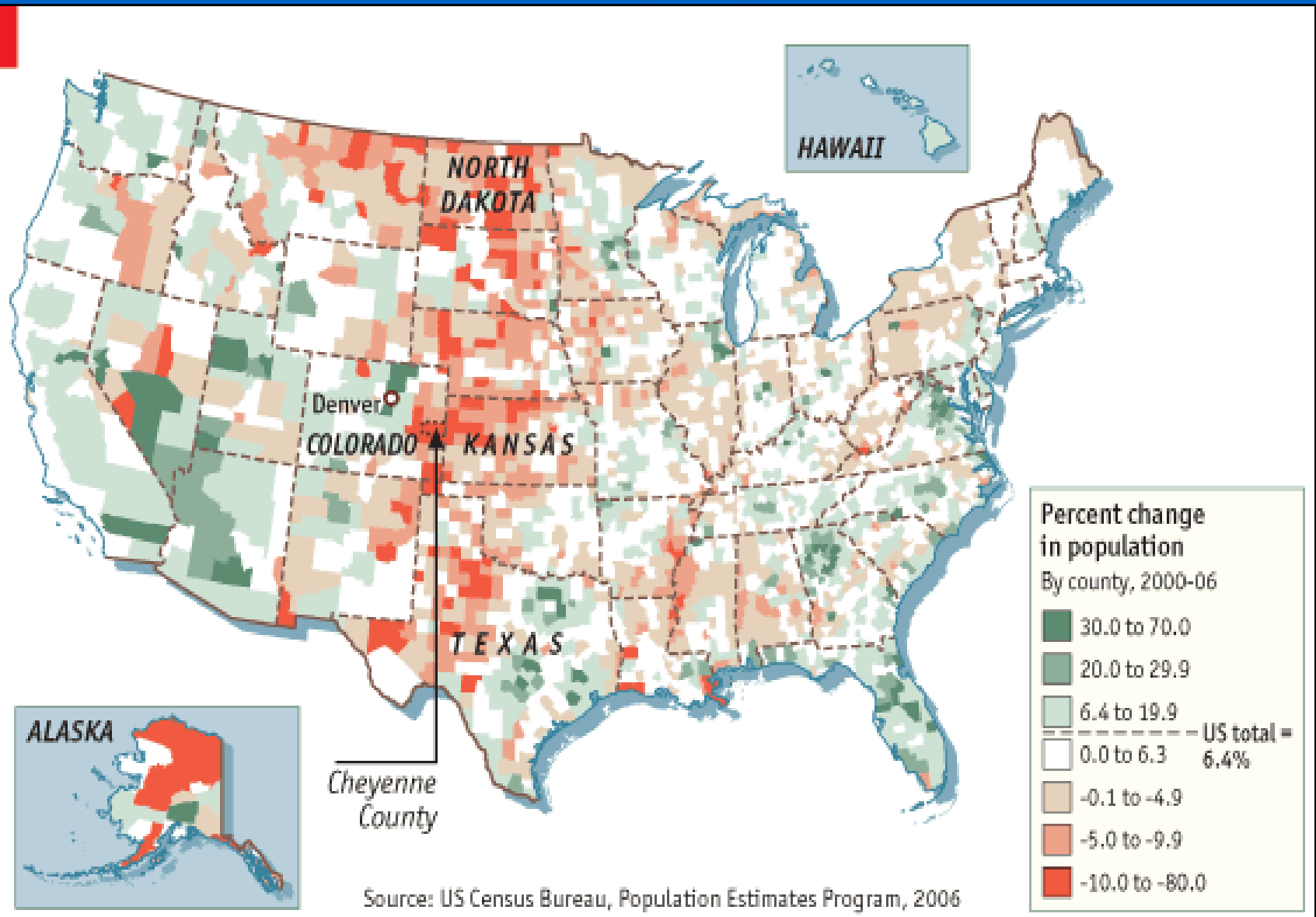
Economic development is not whatever you want it to be. And good ideas are not just those that endorse what you like.

Think about cooperation as really listening to views that make you uncomfortable and that challenge you to see the world in a new way.

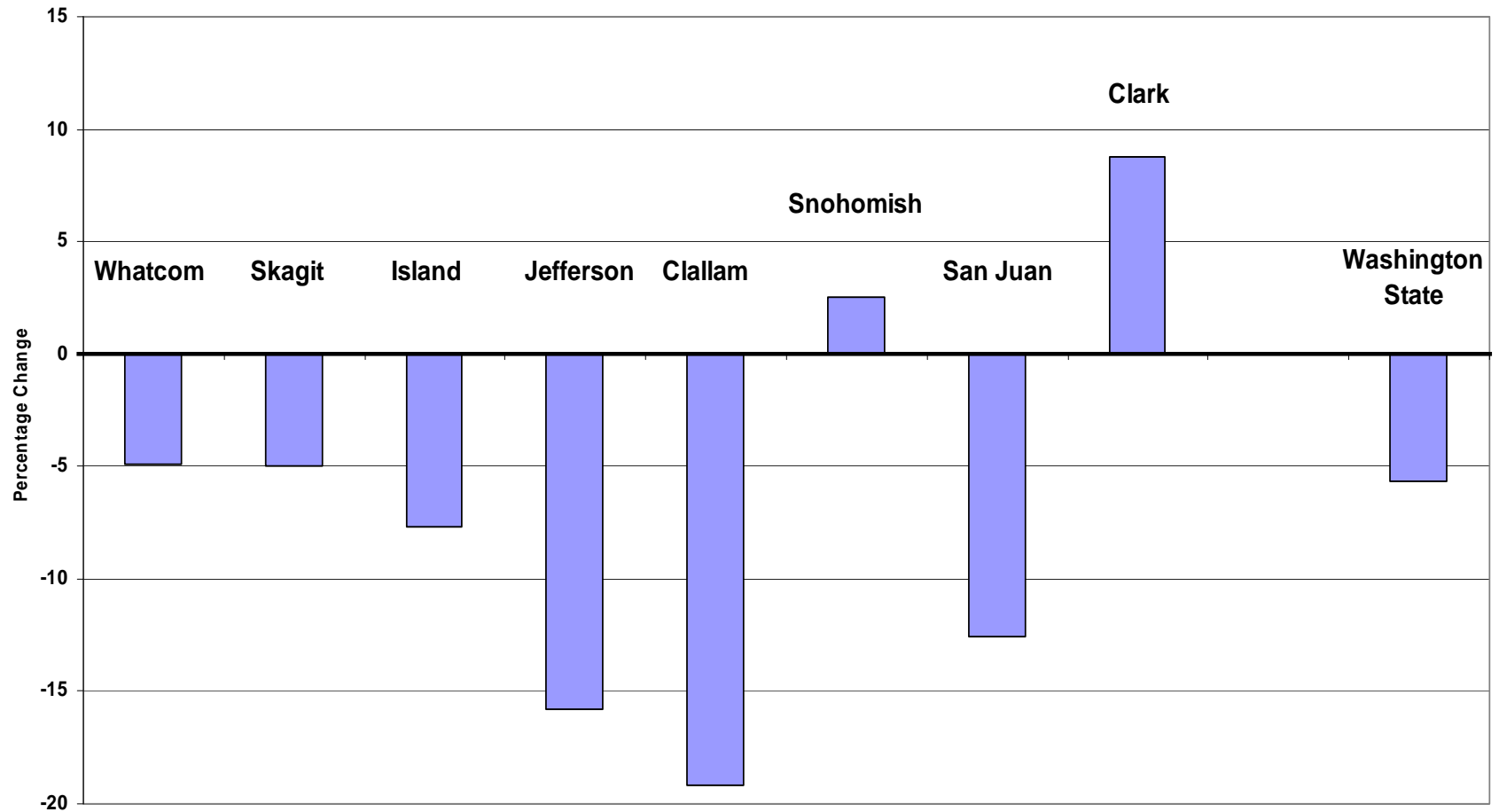
Economic Dev't & Demographics

- Problems and perspectives differ dramatically across regions
- Needs are changing with
 - An aging population
 - The redistribution of people
 - The recognition of externalities
- Business as usual isn't OK and we can't just copy what community X has done. But that doesn't mean we can reinvent economics...

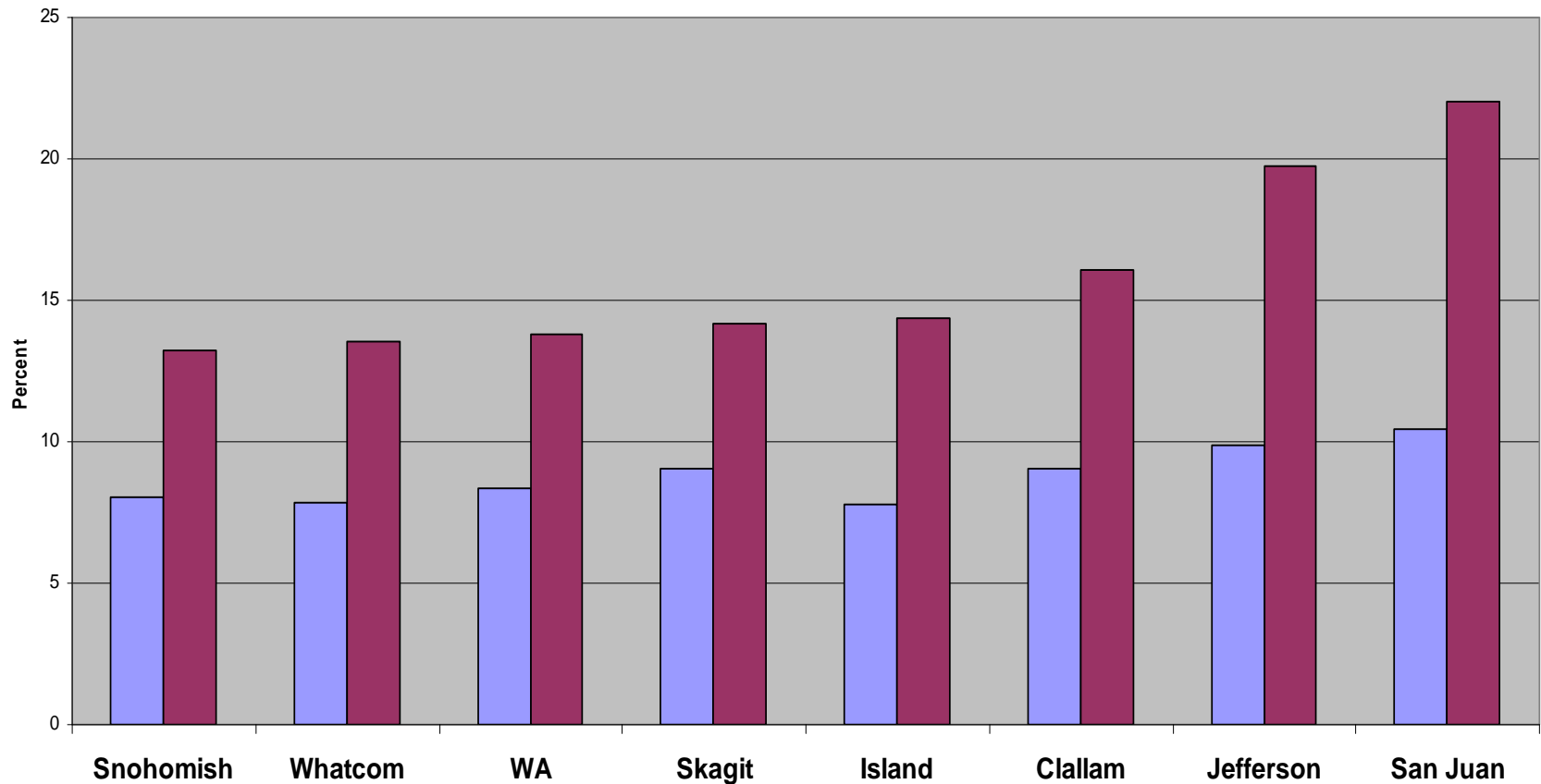
Growth along the Coasts



People age 30-39 (change from 97-07)



Percent of Pop 50-59 (1990 – 2007)

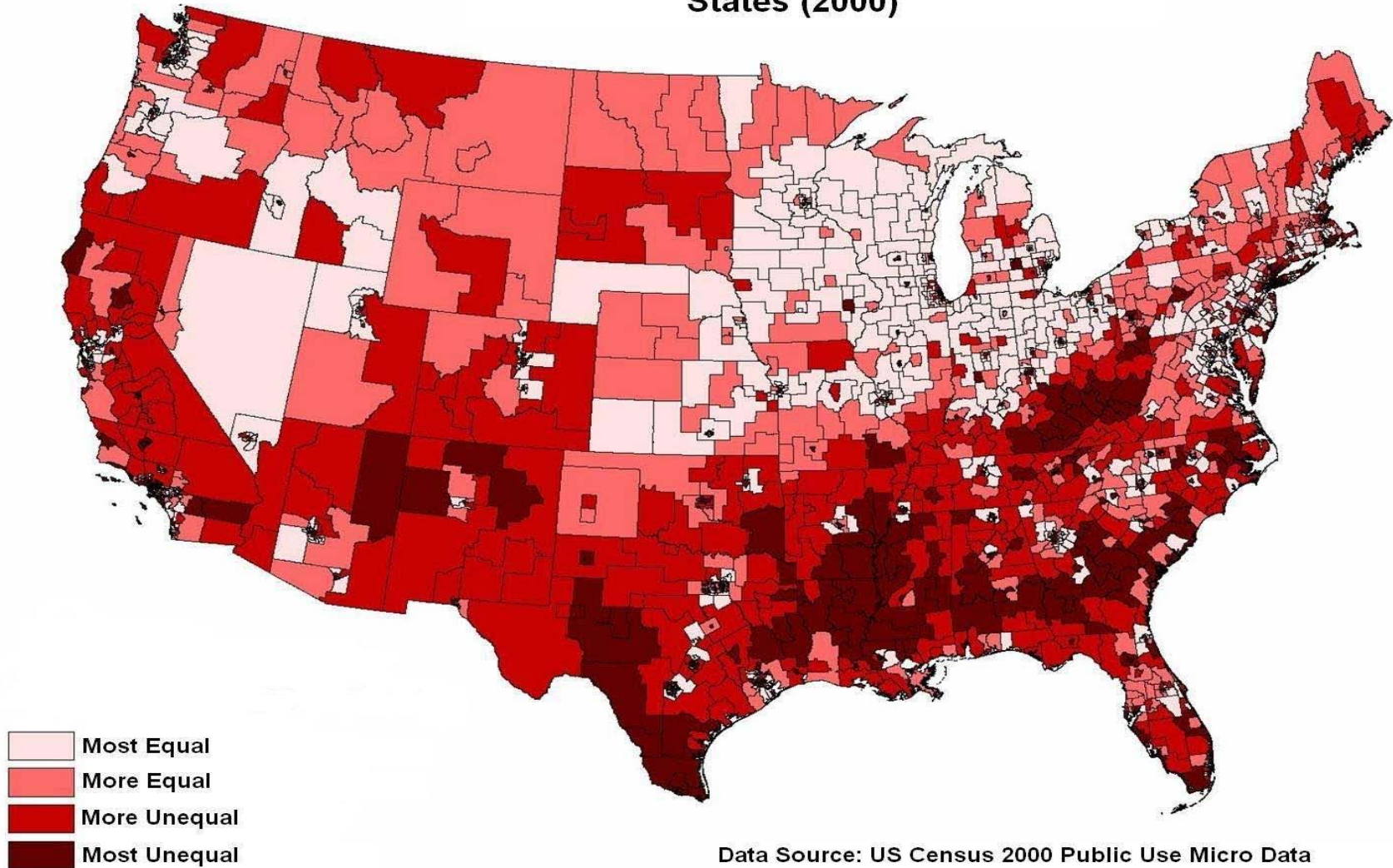


Workforce and Demographics

- Health care for “grey workers”... And very frequent job changes for “millennials” present new types of problems for employers
- How might employers work with schools and workforce development agencies?

Income Inequality...

Household Income Inequality in the United States (2000)



Smooth Transition Slide

Doing Economics,

by Mark Twain

Things to Remember

- 1986 Space Shuttle Challenger
 - Avoiding the comfort of “group think”
- 1999 Mars Probe Crash
 - The importance of communication

Sample Research Findings

- “Buying Local”
 - Bottled water
 - Reducing food miles
 - Big box stores, sprawl, and congestion
- Compact urban villages (smart growth)
- Preserving farm land
- Fair trade coffee

Grab a bottle of water

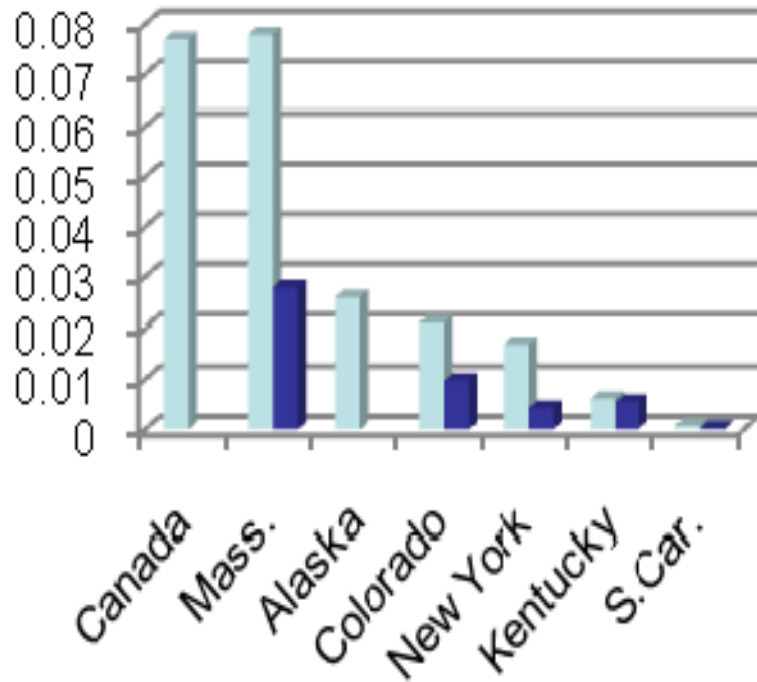
- Producing a 25 gram plastic bottle (capacity to hold one liter of water):
 - Water used: 3-4 Liters
 - Oil Used: 27.7 grams
- Transportation costs for one liter bottle of Talking Rain water
 - CO₂: 196.3 grams
 - Oil used: 61.3 grams
- Transportation costs for one liter bottle of Fiji Water
 - CO₂: 153.2 grams
 - Oil used: 47.9 grams

Compact Urban Village in Old Town

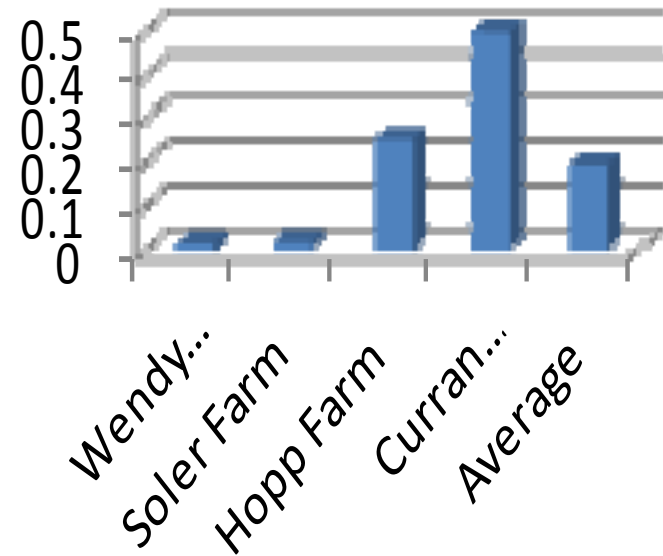
- 980 new condo units (1, 2 & 3 bedroom); pedestrian focus; 1/3 of residents with no car;...
 - IRS data on spending on food
- Population would support a store ~1/3 the size of the Co-op (if it offered a full range of products)

Protecting farm land

WTP Per Acre Per Household



Cost Per Acre Per Household



Class Discussion Topics

- Green Power
 - Let green = reducing GHG emissions
 - Buy power where you get the most benefit per dollar spent
- Food Miles
 - Production impacts are much greater than transportation impacts... so be careful focusing on a simple indicator
- Sustainability

Thoughts to Ponder

- Mark Twain

“It ain’t what you don’t know that’s a problem; it’s what you know for sure that just ain’t so.”

- Focusing too much on your own message or interests and “group think” cause problems...

Discussion...



Thank You