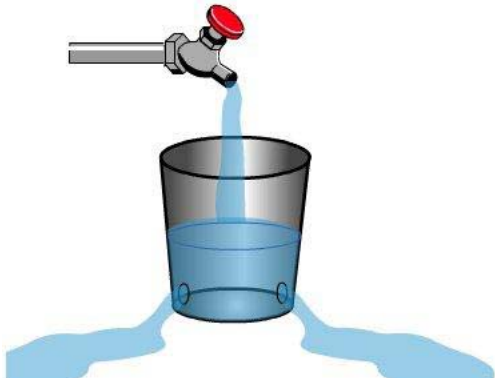


GOOD MODELS OF 21ST CENTURY ECONOMIC DEVELOPMENT

Invest in Resource Productivity by “plugging the leaks”

(from *Grappling with Growth: What to Do When You Want a Strong Economy and a Great Place to Live*, Rocky Mountain Institute, August 2001)



A local economy might be compared to a bucket that the community would like to keep full. Business recruitment and community expansion are attempts to pour more money into the bucket. While these strategies may have succeeded in the past, today they often fail or generate more costs than benefits to the community. Focusing entirely on more ways to fill the bucket ignores vast opportunities for “plugging leaks.” Economic buckets invariably have holes through which dollars leak every time local

resources are used inefficiently. Smart communities seek profitable ways to keep the bucket full by plugging unnecessary leaks through one of more of the techniques listed below. As a result their economies are more resilient and less vulnerable to the influences of the global economy.

LITTLETON, CO PRACTICES ENLIGHTENED ECONOMIC DEVELOPMENT

Littleton has practiced “Economic Gardening” since 1989 – taking care of existing, local businesses rather than engaging in unproductive bidding wars to recruit outside firms. **The program created jobs at six times the rate of its earlier recruitment efforts** by offering such services as problem research, competitor analysis, industry

YEAR 2000 DATA	COLORADO SPRINGS	LITTLETON
Unemployment	3.2%	2.1%
Per Capita Income	\$22,000	\$28,150
Median Income	\$42,445	\$53,930
Below Poverty Line	6.1%	3.9%

trend monitoring, video conferencing, training, and market mapping. These are results!

For more information:

www.littletongov.org/bia/economicgardening

OREGON MARKETPLACE GENERATED 100 NEW JOBS/\$2.5 MILLION IN FIRST YEAR

Local sourcing links local-business buyers with local suppliers. Eugene, OR started a program linking local suppliers with local buyers, called “Oregon Marketplace.” In its first year the program generated \$2.5 million in new local contracts and 100 new jobs – just by identifying the items purchased out-of-state that could be obtained locally.

89+ JURISDICTIONS ATTACH JOB QUALITY STANDARDS TO DEVELOPMENT SUBSIDIES

Since 2000 this number has increased by 6 states, 16 cities, and 1 county

Study: Standards Do Not Harm Development Efforts www.goodjobsfirst.org/jobqualityrelease.htm

NEVADA REQUIRES RECIPIENTS OF TAX ABATEMENTS TO PAY AT LEAST THE STATEWIDE AVERAGE HOURLY WAGE OF \$15.89, IN ADDITION TO PROVIDING HEALTH BENEFITS.

NEW JERSEY ENCOURAGES SMART GROWTH PRACTICES BY PROVIDING LARGER SUBSIDIES TO COMPANIES THAT LOCATE NEAR PUBLIC TRANSIT.

SACRAMENTO CREATED 880 DIRECT JOBS/INCREASED REGIONAL INCOME \$124 MILLION

Energy efficiency programs create local jobs and save millions of dollars in any community. Sacramento, CA invested \$59 million to save electricity. This enabled utility customers to save nearly that same amount. The program created 880 direct jobs, and increased regional income by \$124 million.

GOOD MODELS OF 21ST CENTURY ECONOMIC DEVELOPMENT

(continued)

LOCALLY BOTTLED WATER IN TROPIC, UT, REPLACED IMPORTS/ESTABLISHED NEW BUSINESS.

Import substitution replaces “imports” with local products and services. Community supported agriculture: CSAs are local farms that increase productivity, reduce costs, and sell specialty crops direct to consumers and restaurants.

SOUTH ORANGE, NJ’S MUNICIPAL CREDIT CARD FUNDS DOWNTOWN REVITALIZATION

Community cash flow can be captured through such community enterprise as locally based credit cards, debit cards and phone service.

ITHACA, NY’S CURRENCY ACCEPTED BY 1,200 BUSINESS/CAN’T BE SPENT OUT OF TOWN

Local currency

ReMaDe IN ESSEX, ENGLAND IS CREATING NEW MARKETS/SECONDARY USES FOR RECYCLED MATERIALS

Waste matching: Computer networks can make virtual industrial ecosystems by matching waste with potential buyers.

SOUTHERN CALIFORNIA GAS SAVED \$3.2 MILLION OR 30% OF CONSTRUCTION COSTS

Building salvage: Rather than demolish a building, dismantle and reuse its components. The finished building was 80% made of recycled materials, keeping 350 tons of material out of the landfill.

Flexible business networks: Several small businesses partner on contracts too big for any one of them, not unlike coyotes who usually hunt on their own, but run in packs when seeking larger game.

PIKES PEAK INDEPENDENT BUSINESS ASSOCIATION’S BUY LOCAL CAMPAIGN DESERVES MORE COMMUNITY SUPPORT

Local ownership: increases the wealth-creating power of each local transaction. www.ppiba.org/localbiz

RESOURCES:

Economic Renewal Guide: A Collaborative Process for Sustainable Community Development.

by Michael Kinsley

This field-tested manual describes how a few energetic people can help steer their community toward development that’s sensitive to local values and the environment. www.rmi.org

Taking Sustainable Cities Seriously: Economic Development, the Environment, and Quality of Life in American Cities by Kent E Portney, 284 pages, MIT Press, Cambridge MA

Communities by Choice: An Introduction to Sustainable Community Development

by Mountain Association for Community Economic Development, Berea KY

Going Local: Creating Self-Reliant Communities in a Global Age

by Michael Shuman

Details how dozens of communities are gaining control over their economies by investing in locally, replacing imports, and by working to eliminate many subsidies and changing tax and trade laws that disempower communities. Free Press

Good Jobs First – website with many reports on more accountable economic development approaches www.goodjobsfirst.org