



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

Preparing a Successful EDA Application

**Building Federal support for
capacity building through public
and public-private projects**

Defining Economic Development

- Economic Development is the expansion of capacities that contribute to the advancement of society through the realization of individual, firm and community potential.
- Economic Development is a sustained increase in prosperity and quality of life through innovation, lowered transaction costs, and the utilization of capabilities towards the responsible production and diffusion of goods and services.
- Economic development requires effective institutions grounded in norms of openness, tolerance for risk, appreciation for diversity, and confidence in the realization of mutual gain for the public and the private sector.
- Economic development is essential to creating the conditions for economic growth and ensuring our economic future.

Setting the Stage for Long-Term Prosperity



EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

EDA's strategic investments enhance the competitiveness of America's communities, spur innovation, and create jobs.

EDA's flexible programs leverage private-public investments, support "bottom-up" strategies, and build 21st century infrastructure.

Congressional Intent for Economic Development

EDA's mission is derived from three goals outlined by Congress in the agency's authorizing statute:

“(3) the goal of Federal economic development programs is to raise the standard of living for all citizens and increase the wealth and overall rate of growth of the economy by encouraging communities to develop a more competitive and diversified economic base by—

(A) creating an environment that promotes economic activity by improving and expanding public infrastructure;

(B) promoting job creation through increased innovation, productivity, and entrepreneurship; and

(C) empowering local and regional communities experiencing chronic high unemployment and low per capita income to develop private sector business and attract increased private-sector capital investment;”

Anatomy of an Economic Ecosystem



Successful Venture Capital Framework

Assets: “Hardware”

Capital

Talent

Policy

Culture: “Software”

Network

Trust

Role Models

Motivations

generate
social friction

dissipate
social friction

Supporting Economic Ecosystems Where Private Sector Can Flourish

- Significant empirical evidence shows that regional innovation strategies are the most effective framework to meet the needs of and further advance regional economic ecosystems.
- EDA works directly with local officials and targets its competitive, merit-based investments to:
 - ✓ Support bottom-up, regionally-owned economic development initiatives.
 - ✓ Serve as strategic, catalytic seed investments.
 - ✓ Attract and leverage private capital investment.
 - ✓ Emphasize innovation, entrepreneurship, and regional competitiveness.

EDA initiatives lead directly to job creation and economic growth.

Setting the Stage for Long-Term Prosperity



- Support development of technology-driven economic ecosystems
- Support place-based, locally driven initiatives
- Convene stakeholders
- Make strategic hard and soft infrastructure investments
- Promote a regional development and global competitiveness based on leveraging cluster assets
- Promote knowledge sharing across centers of excellence in economic development

Clusters and Economic Development

- Clusters provide a framework for understanding regional competitiveness and drivers of private investment and job creation—not a top-down formula.
- Clusters can help identify and prioritize opportunities for public investment—not a litmus test for qualifying or strictly characterizing “good” or “bad” projects.
- Clusters enhance knowledge transfer (spillovers)— but, are not a prescription for all public investments.

Make the Case: An Application is not the Project

- Answer the FFO
- Bolster evaluation metrics:
 - ✓ Community beneficiaries
 - ✓ Private Investment and Job Creation/Job Retention
 - ✓ Activities (outputs) and Impact (outcomes)
- Convey an understanding of how the proposed project will result in a measurable solution
- Document local and governmental support
- Explain the pressing or special need
- Firm up financial support

Competitive EDA applications demonstrate initiatives that lead directly to job creation and economic growth.



US Department of Commerce
Economic Development Administration

EDA Regions



EDA Regional Offices/University Centers

Atlanta Austin Chicago Denver Philadelphia Seattle

REGIONAL INNOVATION STRATEGIES: SMART INVESTMENTS TO ACCELERATE JOB AND ECONOMIC GROWTH





Chicago Regional Office
U.S. Economic Development Administration
U.S. Department of Commerce

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