CEDS 101 or: How I Learned to Stop Worrying and Love the CEDS

PRE-HUD SCI CONVENING WORKSHOP
WASHINGTON, DC
DECEMBER 2, 2014
CEDS 101 or: How I Learned to Stop Worrying and Love the CEDS

1. Using new EDA guidelines as opportunity to rethink and improve your CEDS

2. Leveraging new requirement of economic resilience as opportunity to reengage key stakeholders on long-term issues

3. Reviewing & practicing SMART goals
Agree or Disagree:
The value of planning is the process, not the product.
CEDS Content Requirements

- Summary background
- SWOT analysis
- Strategic direction/action plan
- Evaluation framework

New:
- Economic resilience
The new CEDS Content Guidelines (Guidelines) are intended to help regional planning organizations craft more impactful CEDS. The intent is to release the new Guidelines in conjunction with EDA’s new regulations (currently targeted for publication in Fall 2014).

The Guidelines are intended to replace the current two-pager (“CEDS Summary of Requirements”) which was often criticized for simply repeating theregs while not providing enough information on what EDA would like to see in the CEDS.
CEDS Content Guidelines: What’s New

- Looks more like the 2000 and 2002 CEDS Guidelines ("Brown Book" and "Green Book").

- Developed with input of EDA regional office staff and stakeholders.

- Offers suggestions on what should be included in each of the required sections (per the regs), and recommends tools, resources and examples to help in the development of the CEDS document ("Recommended Resource").

- Focused almost exclusively on content (versus process).

- Provides practical suggestions about formatting – look and feel.
CEDS Content Guidelines: Formatting Recommendations

1. Keep your audience in mind
   - Target page length
   - Executive summary
   - Use appendices

2. Communicate creatively
   - Appealing look-and-feel
   - Alternate formats

3. Think beyond the document
   - Consider stakeholder engagement
CEDS Content Guidelines: Content Recommendations

1. Linking the sections to improve CEDS focus and measurable impact

2. Emphasizing measurable goals/strategies rather than a stand-alone list of projects

3. Infusing economic resiliency into the CEDS document
What makes a good CEDS?

- Vision Statement
- Call to Action
- SMART Goals
- Strategies
- Actions

Why

What

How

Summary background & SWOT analysis

Evaluation framework

Strategic direction & action plan
SMART Goals

- Specific
- Measurable
- Achievable
- Relevant
- Time-bound

Every goal in your CEDS should meet these criteria.

How will CEDS implementation improve your region—what “needles” will you move?
CEDS Hedging Hall of Fame

- “Foster the development of...”
- “Encourage the growth of...”
- “Support the creation of...”
- “Coordinate the XX of...”
- “Facilitate the XX of...”
INTRODUCTION

Call to Action

Average earnings for workers, adjusted for inflation, were lower in 2011 than they were in 1970.

Per capita income nearly doubled between 1970 and 2011, but much of that growth was from rents, investments, and transfer payments, not wages.

In short, low wages, rising cost of living, and limited job opportunities are creating a disconnect between Southeastern Vermont’s perceived sense of economic security today and a future that looks anything but secured, especially for younger residents. Failure to address that disconnect will result in many Southeastern Vermonters continuing to search for economic opportunity elsewhere.

**Call to Action**

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**SeVEDS Mission Statement**
SeVEDS exists to reverse the economic decline of the Southeastern Vermont region.

**SeVEDS Vision Statement**
Southeastern Vermont will have an economy that generates long-term growth and prosperity and that improves quality of life and sustains our quality of place.

Today, SeVEDS is led by a twenty-member board of directors representing public, private, and non-profit organizations from across the region.

**Executive Committee**
- Chair Jenna Pugliese (Stratton Mountain)
- Vice Chair Patrick Moreland (Town of Brattleboro)
- Treasurer Drew Richards (Richards Group)
- Secretary Adam Grinold (Mount Snow Valley Chamber of Commerce)

**Standing Committees**
- Post YY committee chair Stephan Morse (Retired, Windham Foundation)
- Windham Region Young Professionals committee chair Jenna Pugliese (Stratton Mountain)
- Communications committee chair Julia Sorensen (Brattleboro Retreat)
- Redevelopment Robin Sweetapple (BDCC Staff)
- Workforce Development Patricia Moulton Powden (BDCC Staff)

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**What is SeVEDS?**
SeVEDS started in 2007 as a small group of people from across the region looking to improve broadband and cell service. After many meetings and input from stakeholders it became clear that lack of broadband and unreliable cell service were symptoms of a larger and more concerning problem: lack of economic development. In order to respond, SeVEDS incorporated as a non-profit organization and established a legal affiliation with the Brattleboro Development Credit Corporation.
Communicating Goals

In addition, SeVEDS has established a CEDS advisory committee to augment the SeVEDS leadership with even broader community representation during the process of creating and implementing the economic development strategy.

Gail Nunziata (Latchis Arts)
William Anton (The Dover School)
Rachel Selsky (Camoin Associates)
Connie Snow (Windham Windsor Housing Trust)
Tapp Bowman (Community College of Vermont)
Chris Moore (Attorney at law)

What will SeVEDS accomplish?

In 2010, SeVEDS began to uncover and understand the underlying regional economic and demographic trends impacting the region’s performance. This work, in concert with input collected from business owners, workers, and residents, resulted in SeVEDS deciding to focus on four core themes for improving the region’s economy:

- Reversing population decline.
- Increasing the number of well paying jobs.
- Improving the quality of the workforce.
- Raising household income relative to surrounding areas.

In 2011, SeVEDS adopted five objectives to guide the organization’s activities:

- Create an operational and fiscal sustainability plan for SeVEDS by December 2011.
- Improve wage parity with the surrounding labor shed.
- Increase the size and quality of the workforce.
SMART Goals

Using the data that SeVEDS has outlined, this section will state four core goals and the six objectives that will help us reach those goals. Under each objective there are a series of strategies intended to directly incorporate the region’s challenges and opportunities and which provide themes for improving the region’s economy. These goals, objectives and strategies are the metrics by which SeVEDS will measure success in the coming years and the intention is that they will be updated in 2018.

Goal 1: Reverse population decline
- Increase population from 2011 baseline of 44,266 (estimated) to 46,266 by 2018.
- Increasing proportion of 25-44 year-olds from 21% to 25% of total population by 2018.
- Double the percentage of foreign-born residents in the region from 3.5% to 7% of total population by 2018.

Objective 1: Act regionally.

Strategy 1.1 Implement a regional, asset-based S.M.A.R.T. CEDS and ecosystem, which expands public, private and non-profit collaboration with a common strategic vision that is annually updated.


Action Plan 1.1.B Institutionalize a culture of collaboration across boundaries by formalizing a Technical Working Group (TWG) as a regional Subject Matter Expert (SME) of economic and workforce development professionals and educators drawn from across the region in collaboration with BDCC and Windham Regional Planning Commission (WRC) staff. The TWG will bring together community, workforce development and planning practitioners in the region to share knowledge and opportunities to advance the pace of regional and local economic development.

Action Plan 1.1.C The Southeastern Vermont region will achieve a good to excellent rating for best practices in regional CEDS and collaboration by end of 2018.

Strategy 1.2 Maintain a regional economic development planning organization, including funding, to update and guide implementation of the CEDS.

Action Plan 1.2.A Prepare and maintain 3-year budgets for operations and initiatives.

Action Plan 1.2.B Develop and implement a private fundraising campaign with a goal of raising $150,000 in 2015 from the private sector.

Action Plan 1.2.C Commit public sector partners to multi-year investment commitment.

Action Plan 1.2.D In conjunction with WRC and BDCC, support towns incorporating the CEDS strategies as appropriate in their economic development planning.

Objective 2: Increase the number of well-paying jobs
- 1,054 new jobs at $46,340 and 702 new jobs at $42,130 by 2018.
- (new regional average wage goal)
- Increase wages of 4,650 jobs by $5,000 per year.
- Increase median annual income for associates/some college from $27,869 to $32,328.
- Increase median annual income for bachelor’s degree from $34,155 to $40,597.

Goal 3: Improving workforce quality
Increase associate degrees/some college and technical certificates among 18-24 year old age bracket by 2018.

Goal 4: Raising household income relative to surrounding areas
- $174M in new wages and $470M in new GDP.
- Reach regional GDP of $3.07B.
- Improve the ratio of net earned income to total income from .566 to .65.

Action Plan 1.3.A Research legal options for the creation of a SeVEDS redevelopment authority unrestricted by town or village boundaries.

Action Plan 1.3.B Conduct an inventory and assemble a database of distressed and/or vacant properties with redevelopment/re-use potential.

Action Plan 1.3.C Conduct a market possibilities assessment for commercial and industrial real estate.

Action Plan 1.3.D In 2015, set goals for number of properties to be redeveloped and capital investment attraction.

Greater Portland COG (Portland, ME)

**Sense of Urgency**

- **Our Challenges**
  - We have the highest median age in the nation
  - We are the least diverse state in the nation
  - We are the most oil-dependent state in the nation
  - Our university system is not graduating students in science, technology, and engineering fields sufficient to meet the needs of our knowledge-based economy
  - Our region is divided by an urban versus rural dichotomy that creates silos and inefficiencies
  - Our businesses find it increasingly difficult to recruit qualified applicants and to expand
Our Regional Goals

"To really move the economy forward as a region, we must set goals that are ambitious, measurable, and realistic."
Ed Suslovc, GPCOG President

**Standard Indicators**

- **Attract 10,000** people to sustain region's historic population growth rate
- **Increase the pool of available workers by 1%**
- **Increase rate of participation in the labor force by 1%**
- **Create 8,000** new jobs
- **Increase regional Gross Domestic Product by 7%**
- **Increase average wage per job to $52,000**
- **Increase the region's total wages by 27%**
- **Increase per capita income by 17%**
- **Increase attainment of Bachelor's Degrees to 45% of the adult population**
- **Increase access to high speed Internet to 100% coverage**

**Region Indicators**

- **Attract 5,000** people aged 25-44 from outside the region
- **Triple** the number of adults with an Associate's Degree
- **Decrease the region's commercial vacancy rate to 7.5%**
- **Increase annual number of new business starts by 1,000**
- **Decrease the time it takes to permit a commercial project**
- **Reduce the region's dependence on foreign oil**
- **Increase access of small businesses to the right resources at the right time**
- **Decrease the rent-to-income ratio to the national average**
- **Increase transit ridership by 1 million**

>30%
The region's most serious housing problem is cost burden: 37% of homeowners and 52% of renters pay more than 30% of their income for housing.

By 2030, seniors age 55 and over will comprise 38% of the region's population, compared to 28% in 2010.

$100,000
While the average salary in the biotechnology sector is $100,000, less than 30 students per year graduate from the University of Southern Maine with a degree in Biology, Chemistry or Biochemistry.

$136,000,000,000
Transportation is responsible for almost half of the $1.36 billion spent on energy in Cumberland County.

91.6%
While the percentage of minorities has doubled since 2000, non-Hispanic Whites account for over 90% of Cumberland County's population.
Building a bottom-up/data-driven CEDS

- Regional analysis—identify key issues
  - RDO research of economic conditions
  - SWOT stakeholder engagement
- Develop call(s) to action—engage & focus
- Goal formation—suggest 3 to 5 goals
  - Decide on key issues your work will impact
  - Estimate improvement from baseline
  - Create SMART goal
- Implementation—strategies & actions
Economic Resilience: Defining & Measuring
Economic Resilience: CEDS Content Guidelines

• Economic resilience = An area’s ability to withstand, prevent, or quickly recover from major disruptions (i.e., ‘shocks’) to its underlying economic base.

• CEDS serves as a critical mechanism to help regions identify vulnerabilities and prevent or respond to disruptions.

• Integrating resilience into the CEDS can take multiple forms (need to identify assets and vulnerabilities regardless)
Economic Resilience: CEDS Content Guidelines

• **Steady-state initiatives**: longer-term efforts that seek to bolster the community’s ability to withstand or prevent a shock

• **Responsive initiatives**: establishing capabilities that allow an organization/region to be responsive to region’s recovery needs following an incident

• As a baseline, EDA suggests regions undertake a **two-pronged approach** to help identify and counter the vulnerabilities:
  1) Implement **specific goals or actions** to bolster the long-term economic durability of the region (steady-state)
     • *What resilience-building goal, measurable objective, and/or project in the action plan addresses key vulnerabilities?*
  2) Establish **information networks** among the various stakeholders in the region to facilitate active and regular communications between the public, private, education and non-profit sectors to collaborate on existing and potential future challenges (responsive).
     • *How does the region serves as a repository/access-point for information to deal with challenges and as a convener of stakeholders to gather data and encourage collaboration post-disruption?*
Benchmarking (Trajectory)  

May 2014

Unemployment Rate (May)

<table>
<thead>
<tr>
<th>Location</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlotte</td>
<td>5.9%</td>
</tr>
<tr>
<td>Collier</td>
<td>5.4%</td>
</tr>
<tr>
<td>Glades</td>
<td>7.7%</td>
</tr>
<tr>
<td>Hendry</td>
<td>9.4%</td>
</tr>
<tr>
<td>Lee</td>
<td>5.8%</td>
</tr>
<tr>
<td>Sarasota</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Benchmarking (Income/Wealth)

Per Capita Income in SWFRPC Counties, % of US

Source: Bureau of Economic Analysis
## How are living standards maintained?

### Total Income by Source, 2012

<table>
<thead>
<tr>
<th></th>
<th>Work Earnings</th>
<th>Dividends, Int, Rent</th>
<th>Transfer Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SWFRPC Region</strong></td>
<td>38%</td>
<td>43%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Florida</strong></td>
<td>53%</td>
<td>27%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>65%</td>
<td>18%</td>
<td>17%</td>
</tr>
</tbody>
</table>

### Total Income by Source, 2001

<table>
<thead>
<tr>
<th></th>
<th>Work Earnings</th>
<th>Dividends, Int, Rent</th>
<th>Transfer Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SWFRPC Region</strong></td>
<td>45%</td>
<td>40%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Florida</strong></td>
<td>59%</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>68%</td>
<td>18%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis. Totals may not sum to 100 due to rounding.
## Workforce Availability

### Share of Total Population, 2013

<table>
<thead>
<tr>
<th></th>
<th>Young Adult 25-44</th>
<th>Older Adult 45-64</th>
<th>Older 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SWFRPC Region</strong></td>
<td>20%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Florida</strong></td>
<td>25%</td>
<td>27%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>26%</td>
<td>26%</td>
<td>14%</td>
</tr>
</tbody>
</table>

### Share of Total Population, 1990

<table>
<thead>
<tr>
<th></th>
<th>Young Adult 25-44</th>
<th>Older Adult 45-64</th>
<th>Older 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SWFRPC Region</strong></td>
<td>25%</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Florida</strong></td>
<td>30%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>33%</td>
<td>19%</td>
<td>13%</td>
</tr>
</tbody>
</table>

### % Population Primary Working Age, 2013

- US: 53%
- Florida: 52%
- SWFRPC: 47%
- Charlotte: 44%
- Collier: 46%
- Glades: 50%
- Hendry: 49%
- Lee: 48%
- Sarasota: 45%

Source: Bureau of Economic Analysis. Totals may not sum to 100 due to rounding.
Welcome Message from Professor Michael Porter

welcome

Welcome to the U.S. Cluster Mapping website, a national initiative that provides open data on regional clusters and economies to support U.S. business, innovation and policy. Here users will find interactive, robust data and tools to understand clusters and regional business environments, improve institutions, and locate appropriate partners across the country.

Click here for a walkthrough demonstration of the site, presented to members of SelectUSA on October 2, 2014.
Economic Diversification

Economic Diversity in Appalachia
A Research Report and Economic Development Tool

Industry Diversity
Function Diversity
Occupation Diversity

The map shows the level of industry diversity for counties. Industry diversity measures the number of industry types in a region and the evenness of employment across a maximum of 1,110 industry types that employ a region's residents. More info...

Low Diversity
- Implies employment concentrated in only a few industries.

High Diversity
- Implies employment distributed relatively evenly across many industries.

Choose Your Map
- Appalachia
- Pick a State

Appalachian Region Statistics

Key Facts
Geography:
- 420 counties and 8 independent cities in 13 states

Population
2012 Estimate:
- 25,362,995

Annual Growth (2009–2012):
- Appalachian Region: 0.5%
CEDS Template Outline
I. Executive Summary

   a. Vision Statement

   b. What is [EDD]?

   c. What is a CEDS?

   d. Why are you doing this?—the “call to action”
      - Economic Conditions/SWOT Finding #1
      - Economic Conditions/SWOT Finding #2
      - Economic Conditions/SWOT Finding #3

   e. What will you accomplish?
      - SMART Goal #1
      - SMART Goal #2
      - SMART Goal #3

   f. How will you do it?
      - SMART Goal #1 – Strategy or Project
      - SMART Goal #2 – Strategy or Project
      - SMART Goal #3 – Strategy or Project
II. Summary Background (Economic Conditions)

a. Brief introduction of region—location, component counties/cities, population, etc.

b. Recent timeline of major economic events (providing context)

c. Key industries or clusters (with company features)

d. Key regional trends—demographic, economic, social (tied to SWOT)

e. Assets providing competitive advantage

III. SWOT Analysis

a. Strengths

b. Weaknesses

c. Opportunities

d. Threats
IV. The Plan: SMART Goals, Objectives, Strategies, Actions

a. SMART Goal #1

   i. Strategy 1.1

      1. Action 1.1.1
      2. Action 1.1.2
      3. Action 1.1.3

   ii. Strategy 1.2

      1. Action 1.2.1
      2. Action 1.2.2
      3. Action 1.2.3

   iii. Strategy 1.3

      1. Action 1.3.1
      2. Action 1.3.2
      3. Action 1.3.3
V. Evaluation Framework

SMART goals are your performance measures. Hypothetical example: “Increase the primary working age population of Region X by 10% by 2019.” Make sure you have at least one SMART goal that tracks private investment and jobs created/retained to satisfy EDA’s GPRA reporting requirements.

VI. Strategic Projects

Include at least one project of “regional significance” that corresponds to each SMART goal. You know your boards, communities, and stakeholders best so what you do with the longer “project list” is up to you. If you decide to list all projects here, make sure you do it in a format that doesn’t look like a laundry list—i.e. organize them under SMART goals so they at least fit the format of the plan.
EDA may accept as a CEDS any locally, state, or regionally prepared plan, or a plan prepared under any Federally supported program if:

- plan is current (i.e., developed or updated within the past year)
- plan preparation and contents address EDA’s regulations (13 C.F.R. § 303.7)
- plan is consistent with the Content Guidelines.

...it must, at a minimum, contain a summary background, analysis, strategic direction/action plan, and an evaluation framework. In addition, alternate plans should clearly define the area that the plan will serve and provide evidence of a robust participatory process (i.e., broad-based and inclusive community engagement).

When crafting a regional plan that will also serve as a CEDS alternative or equivalent that covers a geographic area already covered (in part) by one or more CEDS, those previously approved CEDS should be folded into the new plan by leveraging the existing action/implementation plans and evaluation frameworks to effectively inform the newer plan. By “nesting” key elements of the previously approved CEDS into the newer plan, the previously developed priorities can be incorporated to highlight more localized needs and requirements that serve the greater, “super-regional” primacies.

EDA does not formally “approve” these alternate/equivalent plans; EDA will accept or deny them as part of the community or region’s pursuit of an EDA-funded project.
SMART Goal?

“Hold four small business workshops.”
SMART Goal?

“Maintain the region’s quality of life.”
What challenge is your region facing?

What data would you need to create a compelling call to action?

Create one SMART goal and one strategy to address challenge.
Agree or Disagree:
The value of planning is the process, not the product.