The Long and Winding Road to Economic Recovery
NADO Webinar
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Today’s Talk

• Our Current Dilemma: What Does Recovery Look Like?
• What Do We Know about Economic Resilience and Recovery?
• A Success Formula? T + I + E + BRE = R
• Final Thoughts and Reactions
What Does Recovery Look Like?

- **Z-Shaped Recovery**
  - Pre-Corona baseline

- **V-Shaped Recovery**
  - Pre-Corona baseline

- **U-Shaped Recovery**
  - Pre-Corona baseline

- **Nike Swoosh-Styled Recovery**
  - Pre-Corona baseline

- **W-Shaped Recovery**
  - Pre-Corona baseline

- **L-Shaped Recovery**
  - Pre-Corona baseline
New Thinking on Resilience

• Assessed all US Metros between 1978 and 2004
  • 1500 Economic Shocks
• Nature of shocks can matter greatly—e.g. regional vs. national downturn
• Community recovery patterns can vary greatly
• 47% of regions "shrug off" distress

• 36% recover
• Avg. Time: 2.9 years

• 17% of regions stagnate
Community Responses: What Works for Revitalization?

- **Short-Term**: Limited options beyond marketing and promotion
  - Big Infrastructure Projects can help
- **Medium-Term**: Help firms start, innovate and diversify
  - Worker training and technical assistance to business
- **Long-Term**: Build and attract talent
  - Develop world-class infrastructure
Other Lessons

**Short-Term: Can Shocks be Avoided?**
- Can’t avoid shocks—no region is able to avoid economic shocks
- ED Programs have little short-term impact on avoiding crisis or in quick recovery

**Long Term: How to Help?**
- Resilient regions are:
  - More talent rich
  - Have diverse export sectors
  - Viewed as “business-friendly”
- ED programs have large long-term effects
  - Build talent
  - Develop amenities
  - Improve competitiveness
T + I + E + BRE = R
T = TALENT

• Talent was Number 1 Economic Development Issue before COVID
• It will be Number 1 Issue post-COVID, too!
• Future Considerations
  • New Ways of Working
    • Digital Competencies and Skills
  • New Ways of Learning
    • Reduced role for Traditional Higher Ed
    • Increased role for On-the-Job Training and Upskilling
  • New Places for Work
    • Growing importance of Third Places
  • A New Local Safety Net?
    • Increased links between economic development and social safety net provision
I = INFRASTRUCTURE

• Job 1: Broadband
• Job 2: Broadband
• Job 3: Broadband
• Job 4: Build Infrastructure to Attract/Retain Talent
  • Housing
  • Amenities
  • Great Schools
  • Third Places
    • (37% of jobs can be done at home)
E = ENTREPRENEURS

Step 1: Ease the Transition
- Cash Flow/Liquidity vs. Job Preservation

Step 2: Help Others Get in the Game
- Startup rates rise after crises

Step 3: Capture New Opportunities
- Supply Chain Shifts
- Ghost Kitchens
- Buy Local
- All Things Digital
BRE = Business Retention & Expansion

• Effective economic development is a contact sport.
• Reach out to local business—Business Triage
  • Clear the Wreckage—soft landings for those most hurt
  • Heal the Wounded—Help ailing firms
    • Buy Local Campaigns
    • Business Succession Strategies
  • Nurture the Survivors—Develop new capacities and new markets
    • Digital skills
    • Market Intelligence
    • Supply Chain Connections
R = Recovery

• Embrace Recovery and Rethinking!

• **RECOVER: Critical Role for Federal Programs**
  - Grants, not Loans
  - Maximum Flexibility
  - Think Bigger! Major investment to state/local governments is needed!
  - Think Broader!

• **RETHINK: What Does a Just Economy Look Like?**
  - Build a Community that Works For Everyone
  - Invest in:
    - Child Care
    - Transportation
    - Community Amenities
    - Main Street Revitalization
New Missions for Economic Developers?

• Who’s Our Customer?
  • Employers or People?

• What’s Our Job?
  • Job Creation or Community Building?

• What’s Our Legacy?
  • Supporting Prosperity for All
Questions?

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