

Economic Development...Nevada Style

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Economic development is broadly defined as the development of economic wealth of countries, regions or communities for the wellbeing of their inhabitants.

Over the past 5 years, it has evolved to become part of the political arena and is policy-driven, which has led to distorted perspectives and much misunderstanding.

Lawmakers and elected officials typically define it through initiatives that seek to improve the economic wellbeing and quality of life by creating and/or retaining jobs and supporting or growing incomes and the tax base, for current and future generations.

“The Silver State has regained its place as one of the top job-creating states in the U.S.”

It is important to note that while economic growth and economic development are used interchangeably, there are significant differences between the two terms.

“Economic growth” refers to the increase or growth of a specific measure, such as gross domestic product (GDP) or per capita income. Economists consider a nation’s rising GDP as economic growth.

“Economic development,” meanwhile, indicates much more, and usually refers to improvements in a variety of indicators, such as median household incomes, literacy rates, life expectancy and poverty rates.

In contrast, GDP is a specific measure of economic welfare that does not take into account important aspects, such as leisure time, environmental quality or freedom. Therefore, economic growth of any specific measure is not considered an adequate definition of economic development.



*The Silver State's economic development system is unique and forward-thinking when compared to other states.
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ECONOMIC DEVELOPMENT: THE TYPICAL APPROACH

In general, economic development encompasses three components.

First, there are policies that governments adopt to meet broad economic objectives, such as price stability, high employment, expanded tax base and sustainable growth. These efforts often include monetary and fiscal policies, regulation of financial institutions, trade and tax policies.

The second component is the policies and programs to provide infrastructure and services, such as highways, parks, obtainable housing, crime prevention and educational programs and projects.

Finally, there are the policies and programs explicitly directed at job creation and retention through specific initiatives.

These often are efforts focused on business finance and access to capital, tax incentives, marketing, neighborhood development, small business start-up and development, business retention and expansion, technology innovation and transfer, workforce development and training, and real estate development. This third component is typically the focus of economic development professionals.

Most often, economic development is approached from a regional perspective, with region-specific efforts focused on the recruitment of business operations to the target area, assisting the expansion or retention of business operations within the region, and supporting new business startups.

*Legislative progress in Carson City has helped Nevada's economic development system grow.
Courtesy: Wikipedia Commons*



BY THE NUMBERS

\$1.4 billion

What NNDA has generated in economic impact for the Sierra Region

100

Number of companies NNDA has assisted with expansion or relocation

26%

Percent decrease (down to just 3%) in industrial vacancy rates thanks to NNDA endeavors

Source: NNDA – figures are as of 2010

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Courtesy: Getty Images*

The total efforts of economic development also include, and are not limited to, support of: workforce development, education, health care, acquisition of capital, development of place and critical infrastructure, an improved regulatory environment, advocacy for business needs, and the increasing of median household income.

ECONOMIC DEVELOPMENT: THE NEVADA WAY

The Silver State's economic development system is unique and forward-thinking when compared to other states.

Nevada's system was established by Governor Richard Bryan in the 1980s, and considered quite innovative since it utilized public-private partnerships long before they became popular. By allowing nonprofit organizations to be the connector, this leveled the playing field, giving all stakeholders at the table a voice in the process. This system was further refined by Governors Bob Miller, Kenny Guinn and Jim Gibbons, who added features and benefits that led to many successful achievements.



The most significant step forward happened during the 2011 session of the Nevada Legislature with the passage of Assembly Bill 449 (AB449). Governor Brian Sandoval, with the overwhelming support of the Legislature, officially established the Governor's Office of Economic Development (GOED), and the State's economic development operations were moved directly into the Governor's office. This has given visibility, focus and support to economic development efforts rarely found in other states.

As a result of AB449, the breadth, depth and impact of economic development within Nevada have expanded significantly.

The legislation also authorized Regional Development Authorities (RDAs) to be designated by the GOED Executive Director. GOED then contracts with them to represent GOED in all matters pertaining to economic development within their assigned regions.

In a joint effort among GOED the RDAs, our counties and local governments, and with tremendous support by our local business communities and the Nevada Legislature, Nevada's economy has been diversified, and our economic health has been tremendously improved. The Silver State has regained its place as one of the top job-creating states in the U.S.

Because it is policy-driven, economic development will always have its place in the political arena. While there will be attempts to persuade Nevadans otherwise, Nevada's economic development system is working. It is strong, robust and effective; the players are dedicated; and the leadership is beyond compare.

ECONOMIC DEVELOPMENT: AN RDA IN ACTION

Northern Nevada Development Authority (NNDA) is the state-designated RDA for the Sierra Region of Nevada: Carson City (state capital), Douglas County, Lyon County and Storey County.

Established in 1981, the organization is a Nevada domestic nonprofit corporation and

the first RDA established in the state. NNDA helps to grow and strengthen the region's economic ecosystem, and facilitates business-to-business resources to support existing businesses.

It serves as the connector and problem solver between the many sectors of its assigned region's business community and the state, county and local governments and many federal agencies for the purpose of economic development.

Since 2010, NNDA has generated over \$1.4 billion in economic impact for the Sierra Region, assisted 100 companies with expansion or relocation, and reduced industrial vacancy rates from 26% down to 3%.

ECONOMIC DEVELOPMENT: NEVER ENDING & INEVITABLE

Economic development facilitates the general improvement in living standards through the creation of jobs, the support of innovation and new ideas, the creation of higher wealth, and the creation of an overall better quality of life.

Since it is equally about building a solid foundation for the future, its efforts are continuous and always needed, no matter the current economic cycle. This allows economic upticks to be leveraged and maximized, so downturns can be minimized and mitigated, resulting in a vibrant and resilient economic ecosystem. ■

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