New Brookings report outlines five principles for remaking economic development

Washington, D.C. – Top-line economic growth does not ensure bottom-line prosperity. Yet, too often, traditional economic development practices are focused on the former and not the latter. A report released today by the Brookings Metropolitan Policy Program presents a framework for how metropolitan and regional leaders can adopt better approaches to grow strong, inclusive economies over the long run.

“Remaking economic development: The markets and civics of continuous growth and prosperity,” is the first report from Amy Liu in her new role as director of the Metropolitan Policy Program. The report furthers the Metro Program’s mission to deliver research and solutions that help cities and metropolitan regions build an advanced economy for all.

The report calls for an expansion of the purpose and impact of economic development to better reflect how regional economies grow and provide opportunity.

“Adopting a broader vision of economic development is an economic and fiscal imperative,” said Liu. “Public- and private-sector leaders in metro areas have a responsibility to shed wasteful strategies and embrace those that can create better jobs and opportunities for the wider community.”

“Remaking economic development” summarizes the market dynamics and civic capacities needed to create income and value in the economy in ways that benefit workers, industries, and communities. It offers examples of smart regional and state practices that stand out in a field that still prizes short-term, subsidy-driven transactions. Innovative leaders are forging new strategies and partnerships to help their core industries innovate and sell products abroad. They are investing in industry-relevant skills of workers.

A framework for remaking economic development includes five action principles:

1. **Set the right goals** – expand the scope of economic development to both grow the economy and provide more opportunity.
2. **Grow from within** – prioritize established and emerging firms and industries.
3. **Boost trade** – facilitate export growth and trade with U.S. and global markets to deepen specialization and attract investment.
4. **Invest in people and skills** – incorporate skills development of workers as a priority for economic development and employers.
5. **Connect place** – catalyze place making and connect regional communities to jobs, housing, and opportunity.

“Resolving disparities by race and place should be part of regional economic agendas around the country, not as a moral imperative but as a competitive proposition. Regions who adapt and innovate can generate deep prosperity; those who fail to make the shift risk their communities falling behind,” Liu said.

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