



CORONAVIRUS

10 IMPACTS ON THE ECONOMIC DEVELOPMENT PROFESSION



INTRODUCTION

With volatile stock markets, daily announcements of travel restrictions and quarantines, the global economic impact of the novel coronavirus (also known as COVID 19) is the subject of much anxiety and speculation. Clearly, the first concern for everyone's safety is that the crisis passes quickly and that lives are protected. However, the projected spread of the disease and its associated impacts on economic development are still in flux and many are seeking guidance on how the profession can responsibly manage its response in the midst of this crisis.

While public health, public policy, and businesses are working to respond to the impact of this novel coronavirus, so too must the profession of economic development. There are specific impacts and responses that economic developers can take to adapt to what appears to be by all accounts a challenging environment for the profession.

Some action must be taken immediately by economic developers to address the urgent crisis facing the most at-risk local businesses and workers. These are discussed first. There are also economic development strategies to implement which address the more enduring operational challenges coronavirus creates for economic development organizations (EDOs). New strategies and programs can mitigate these problems as well as make economic development organizations more resilient today, coming out of the coronavirus pandemic, and into the long-term future.

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VULNERABLE PEOPLE AND BUSINESSES ARE AT THE GREATEST RISK

Devastating impacts to families from a short gap in income must be emphasized. This is not a small segment of society. According to the 2019 American Payroll Association survey, [over 74 percent of US employees would experience difficulty meeting their current financial obligations](#) if their paychecks were delayed for a week. Also, [28 percent of U.S. adults have no emergency savings](#), according to Bankrate's latest Financial Security Index.

Specific segments of society are at the greatest economic risk as a result of the coronavirus global pandemic. In some cases, the risk is economic, health, or both. In general, these groups of at-risk workers are already economically disadvantaged being in jobs that have some combination of less pay, security, opportunity, and flexibility.

HOURLY WORKERS

Hourly workers are frequently some of the lowest paid workers in society and they may quickly have their hours cut back or eliminated as a result of declining business. They are at a high risk of not being able to cover necessities such as food and shelter. In addition, they typically have jobs that require a physical presence at work resulting in additional risk of exposure from interaction with others.

ONLY AT WORK WORKERS

Not every employee has the option to work from home. Many types of work require physical contact and interaction. In addition, these workers' income is made possible by customers physically visiting them at work. Barbers, physical therapists, athletic trainers, and manicurists all work in close physical proximity to their customers and coworkers. So do retail salespeople, concierges, restaurant servers, and cashiers. Actors, dancers, and other performers not only have close physical interaction with colleagues but perform in large group settings. Airline workers are in extremely tight physical contact with colleagues and customers. All of these types of workers are not only at increased risk of getting infected simply by doing their jobs but if customers stop frequenting their workplaces, the revenue that pays their wages will decline or end.

GIG ECONOMY WORKERS

"Gig" workers, which are independent contractors, on-call workers, and temporary workers. These include the labor people outsource while they are at their place of employment such as dog walking, house cleaning, and on-demand labor. Like hourly workers, gig workers may not have protections such as healthcare that comes from full-time work. This may make them even more susceptible to trying to continue working in contact with others, even if they are infected out of a necessity to continue getting income. This fear of being in close proximity to strangers and the surfaces touched by many people has impacted ride sharing gig workers such as Uber and Lyft drivers especially hard. People aren't going out as much and don't want to be in a car many people may sit in and contaminated.

WORKERS WITHOUT SICK-LEAVE

Hourly, contract, and gig workers may lack any sick leave at all. [One quarter of the US work force are not currently entitled to sick pay](#). As Marissa Baker, Assistant professor at the University of Washington Environmental and Occupational Health Sciences department described, [these workers may be put in situations in which they have to face tough decisions](#). "Do I stay home if I feel ill, or go into work so I can have a paycheck? What do I do if my child's school is closed, and I can't afford to stay off work?"

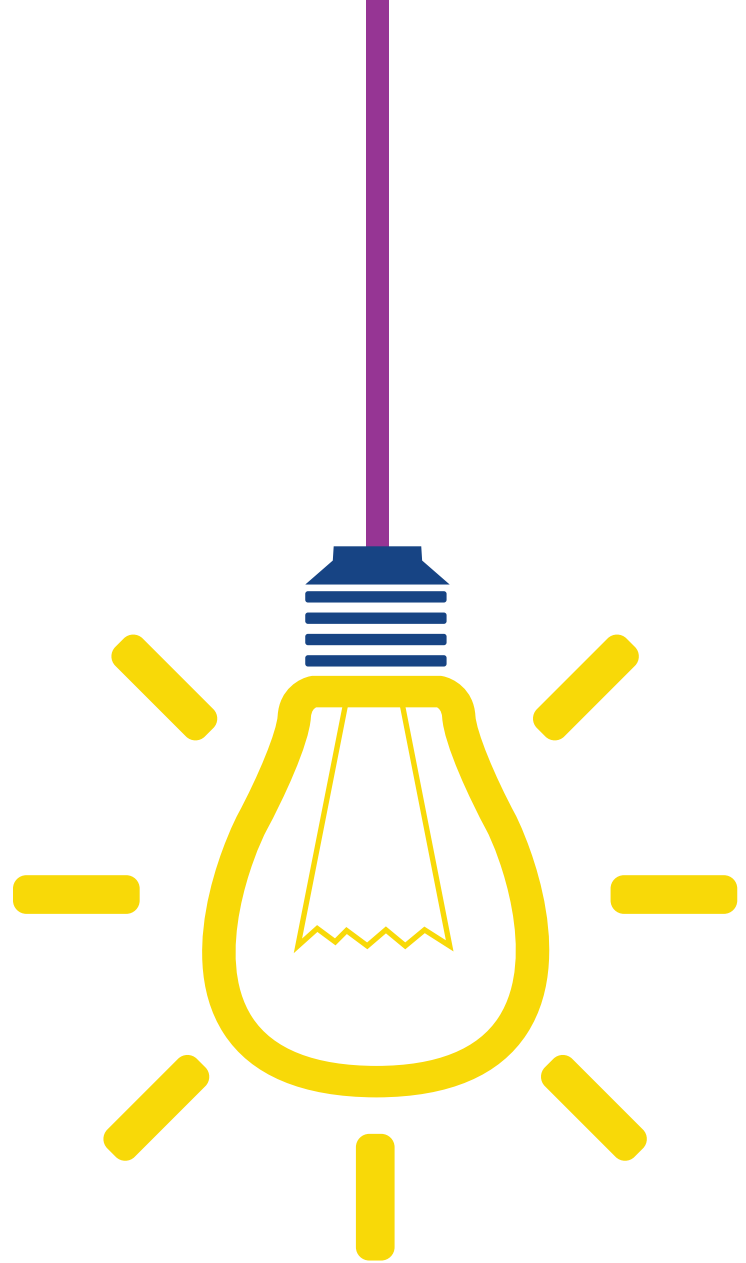


PUBLIC TRANSPORTATION COMMUTERS

While public transportation is shared by all economic classes in many urban areas, lower income workers may not have an option of an alternate way to get to work to avoid the large groups of people that ride public transit. In suburban or low-density communities, it is often low-income people who use public transit while wealthier residents drive their personal cars. To make a living, these lower income people are putting themselves and their families at greater exposure to infection out of economic necessity.

SMALL BUSINESSES AND THEIR EMPLOYEES

The small businesses in your local community are more likely to be undercapitalized compared to big businesses and may not have the financial reserves to sustain a prolonged period of reduced revenue. Yet small businesses typically represent 99% of all businesses and half of all jobs in a community. As daily routines are shut down, customers will disappear from small businesses. According to a March 2020 survey from the National Federation of Independent Business, [42% of small businesses reported seeing slower sales, while 39% were experiencing supply-chain disruptions.](#) In Seattle, [60% of small businesses are considering wage cuts and staffing cutbacks, while 35% said they may have to close.](#) Keeping small businesses in business now is essential for the long-term economic viability of every community's economic development.



Solutions to help mitigate the negative economic impacts on the most vulnerable segments of society are challenging, but they do exist. Economic developers need to come up with innovative solutions to help those in need.

The following is a list of ways economic developers can act right away to help mitigate the negative impact on these at-risk populations which are facing immediate crisis:

UNEMPLOYMENT COMPENSATION FOR THE EMPLOYED

Negative economic impacts may not be as extreme as a worker immediately losing her job. Instead it may come as a cut in total hours of work or a decrease in income for an entrepreneur. In this case she isn't unemployed to qualify for unemployment benefits, but her economic situation is distressed and needs assistance. In New Mexico, [people who have had their wages cut due to coronavirus-related circumstances can apply for unemployment compensation even though they are still working reduced hours.](#)

TRANSITION WORK

As people work remotely, schools close, and people diligently implementing social distancing, it is destroying demand for Uber rides and the income gig economy Uber drivers receive to take people around. But people staying home can create new jobs to which these ride-share workers can immediately transition. For example, they can serve emerging market demands such as becoming delivery people. Grocery delivery drivers are experiencing booming business. Becoming a restaurant delivery driver can help the ride share worker keep income coming in and also keep local businesses open and employing their workers. Public policy and education must be implemented so that these drivers are meticulous in their own hygiene and cleaning so that they don't enable the spread of the coronavirus. As another example, a 5-star, fine-dining caterer in Richmond, California was negatively impacted from corporate cancellations, so [they reinvented their offerings to provide drive-through farm-to-table artisan pizza and salad.](#) They are also willing to deliver the pizza or rent out their private chefs to peoples' homes. Economic developers need to work with the entrepreneurs and businesses in their community to identify how the type of work they are doing may be able to be transitioned into some other type of work.

EMERGENCY LINES OF CREDIT

Businesses in your community are having emergencies as a loss of revenue may make it difficult or impossible for them to make payroll, pay vendors, or pay the lease. State and large-city economic development organizations may have the budget to provide emergency lines of credit to businesses to help them bridge a difficult time of cashflow. [New Mexico is at the forefront of policies and programs supporting small businesses and offer emergency loans and lines of credit to cover needed expenses to keep their businesses running.](#)

Whether a state or local economic development organization, this is an opportune time to partner with your local community banks which, by definition and mission, are committed to the success of your community. Community banks are already engaged locally and have core expertise providing business credit.

FEDERAL SMALL BUSINESS LOANS

The US Small Business Administration is offering small businesses up to \$2 million to help cover losses in revenue due to coronavirus. The SBA is working with state governors to provide these [low-interest disaster recovery loans for small businesses.](#) The SBA will issue loans under an Economic Injury Disaster Loan declaration if requested by the governors. Economic developers should quickly coordinate to make sure their governor implements this loan program immediately to take advantage of these federal funds. [In Canada, Finance Minister Bill Morneau announced the federal government would pump \\$10 billion into credit for small and medium sized Canadian businesses](#) hit by the coronavirus.

DEFER SMALL BUSINESS FEES

Recognizing that small businesses are experiencing a revenue slowdown due to coronavirus and a ban on large public gatherings, the [City of San Francisco implemented policy that defers all business taxes and licensing fees as well as providing a relief fund in grants.](#) San Francisco doesn't want these businesses' employees to be laid off, so they are creating a safety net by deferring any costs they create for the businesses. Taxes can be deferred for a year without interest, fees, or fines.



ENGAGE PROPERTY OWNERS

Property owners may want their business tenants to pay their rent on time and the banks that have mortgages on small business owned-properties may also want their regular payment. However, if that small business goes out of business the property owner is not going to get paid. Property owners, banks, and small businesses need to see their interconnected success or failure. Economic developers need to help facilitate these difficult conversations and motivate all parties to accept a shared sacrifice, so every business is able to survive. It doesn't have to be an all-or-nothing conversation but in the short-term people may need to pay what they can as best as they can. Los Angeles Mayor Eric Garcetti is already exploring suspending commercial evictions for up to 30 days. In addition to businesses, workers who have lost income may be unable to pay rent or mortgages. Hourly, contract, and gig workers are especially at risk. [Seattle, San Francisco, and New York State have temporarily suspended evictions to support residents who have been impacted by coronavirus and can't pay rent.](#) Industry organizations can be an important partner; as an example, the Real Estate Board of New York pledged not to execute any eviction warrants for 90 days. Halting evictions is a way to support people bearing the brunt of the economic impact.

PROMOTE LOCAL SMALL BUSINESSES

There are direct tactics EDOs can encourage their small businesses and local residents to take to help your local businesses survive the coronavirus effect. [CNN suggests:](#)

- 1) Buy gift cards.** This puts cash immediately into the business.
- 2) Shop local.** If residents want local services after this crisis, they need to spend with local businesses today.
- 3) Offer discounts.** As an example, food and beverage stores can offer 20% discounts for take-out.
- 4) Order in.** Get your small businesses listed on delivery platforms like [Grub-hub](#), [Doordash](#), and [Uber Eats](#).
- 5) Tip more than usual.** If you can afford to be a bit more charitable, this is a time small business need it.

GET BUSINESSES ONLINE

Business is going digital. Commerce expands through e-commerce. If your EDO has been working to get your local businesses to have a website and to sell online, now is a time when they are focused and open to creating resiliency in their businesses. This will benefit them in the short and long-term.

BE A POLICY MAKER

Economic developers tend to work on projects or directly with businesses. But, as professionals, they also need to be policymakers because public policy has a material impact on the workers, entrepreneurs, and businesses in their communities. Legislative advocacy will be necessary to create policies to help distressed workers and businesses and [elected officials want input from economic developers](#). In the 2008 economic crisis, a \$750 billion federal bailout was made available for banks. Government legislation for funds will be needed to support workers and businesses to prevent concerns of an economic collapse.

PRACTICE EMPATHY

As economic developers we sometimes work on businesses and the concept of a business can be an abstraction. But the reality is that businesses are made up of people who may be emotional, worried, and fearful in uncertain times. Entrepreneurs may have all of their savings in their business. Workers may be dependent on their next paycheck to feed their children. Economic developers may be exceptional technical professionals. However, in times like this, we must also bring comfort.



CASE STUDY

TRANSITION WORK

Kim Bavington is the owner and lead instructor of the Las Vegas, Nevada-based company, [Art Classes for Kids](#). Her company, and therefore her, income comes from art lessons that kids attend after school, during vacation weeks, and during summer art camps. Due to Coronavirus she had to cancel her weekly classes and spring break art camps. She also is nervous about being able to have her summer art camps because of the risk of ongoing coronavirus limitations. These summer camps represent about half of her company's annual revenue.

To make the market even worse, restaurants and casinos are closing in Southern Nevada where, according to Dr. Stephen Miller, director of the Center for Business and Economic Research at UNLV, [gaming and hospitality represent more than 70 percent of the total economy](#). When the businesses that represent over 70 percent of the economy turn off, that impacts her market of customers who now have less in their wallets to pay for her services.

Anticipating a risky future with the possible disappearance of the income from her summer peak season, Ms. Bavington immediately pivoted out of necessity to find new



revenue opportunities by transitioning her work from face-to-face instruction to online education.

On March 16 [she hosted her first YouTube live art class teaching how to draw Van Gogh's sunflowers](#). The number of attendees was so encouraging that she plans to continue these free art classes for children, many of which are home while their schools are closed and need activities to do during the day. She is growing her audience base and as it grows so can her income because she receives a share of the sale of the art supplies she uses in her lessons, which viewers can purchase through her ART CLASSES FOR KIDS website at www.artclassesforkids.com.

Within hours of her first day live streaming her art class, her company and the online class made the local news on the Las Vegas NBC affiliate.

Transitioning her business to the Internet expands her market from just the people living in the Las Vegas metro area into a global audience of parents who want their kids to learn how to create and learn about art as well as keep them engaged with an educational and fun activity for FREE as they are out of school and stuck at home.

MORE INFORMATION: www.artclassesforkids.com and www.youtube.com/artclassesforkids

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CORPORATE SITE SELECTION VISITS DECLINE OR DISAPPEAR

Like everyone else, corporate real estate, executives, and site selection consultants must minimize their travel and exposure, which is increasingly preventing them from visiting communities to evaluate locations for expansions and relocations. This will slow the timing of projects happening or delay the start of new corporate real estate expansions.

How to mitigate this risk

Businesses still want to grow and evaluate expansions into new communities. What they need is a way to get as much of the site selection analysis completed without a physical visit or face-to-face meetings.

Economic development organizations (EDOs) can facilitate this by providing online site selection assistance so that companies and their site selection advisors can make progress moving through the phases of site selection. EDOs that provide this with [the most effective, interactive online site selection analysis tools using GIS Planning](#) will expand their advantage over EDOs that do not. (www.GISplanning.com)

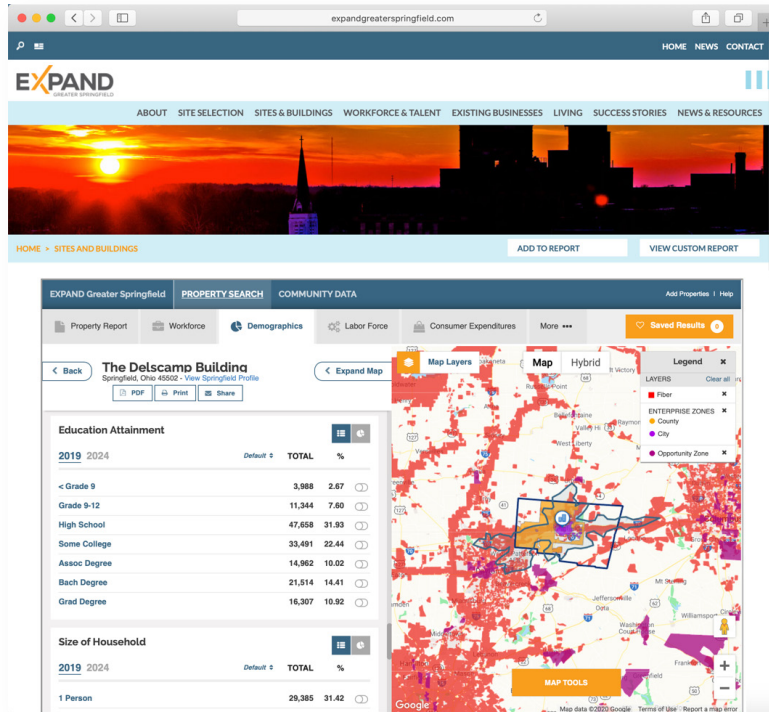


CORPORATE SITE SELECTION VISITS DECLINE OR DISAPPEAR

SPRINGFIELD, OH – Like most economic development organizations, Expand Greater Springfield, responsible for economic development in Clark County, Ohio, has an online strategy to respond to the new reality facing every economic development organization out there. This includes the cancellations of industry events, government limitations on travel, and the inability of corporate real estate professionals to personally visit their community.

Horton Hobbs, Vice President of Economic Development at the Chamber of Greater Springfield, recognized several years ago that virtual site selection analysis was a growing trend to better serve corporate real estate professionals and site selection consultants. His investment in implementing GIS Planning's ZoomProspector software created an important solution to deliver online site selection analysis virtually.

“By providing businesses with interactive and customized geospatial site selection analysis on our website using GIS Planning software, we are able to deliver the types of information that site selectors need and that they can ac-



cess from the safety of their home computers. Businesses and corporate location advisors can search sites and buildings directly from our website (www.ExpandGreaterSpringfield.com), as well as access interactive, location-specific demographic reports, industry analysis, labor force information, employment wages, and talent pipeline information customized for their exact needs,” said Hobbs.

“We recognize that eventually, the companies will come to visit us to perform their physical due diligence. However, we are going to help them through all of the initial stages of online site selection analysis from the comfort of their home offices using our website software until the COVID 19 pandemic subsides. We’re going to be ready to emerge from this crisis by delivering high-quality online services all the way through it.”

MORE INFORMATION: www.expandgreater.springfield.com/sites-and-buildings

3

LOCAL BUSINESS IS THE HIGHEST PRIORITY

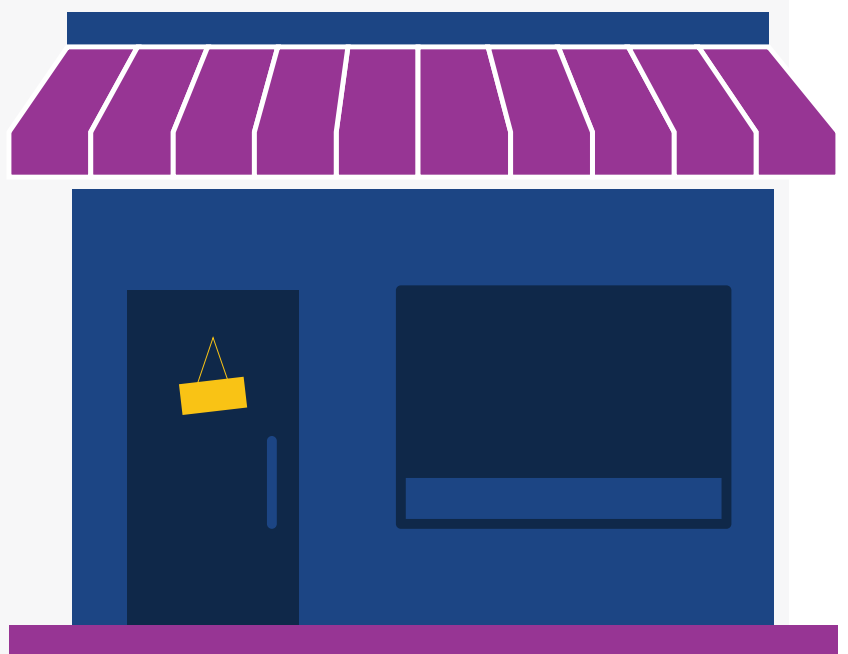
With big out-of-town business attraction projects drying up, the remaining opportunity for economic growth is local businesses from startups and expansions. Local and [small businesses have always been the primary driver of economic growth, including the vast majority of new job creation](#). This is even more important in the current economic climate. Yet local entrepreneurs and businesses also want to minimize risk of contracting coronavirus through physical contact and meetings with EDOs. This means that EDOs need online business assistance services that reduce or eliminate physical interaction.

How to mitigate this risk

Local businesses still want help from economic developers. What they need is a way to get assistance without a physical visit or face-to-face meetings that happens with traditional initiatives such as BRE surveys and meetings with business.

An alternative to these, and a long term complement, is providing online business assistance services on an EDOs website such as [individualized market research and business intelligence using SizeUp](#) and [online video business tutorials from edX](#). (www.SizeUp.com and www.EdX.org)

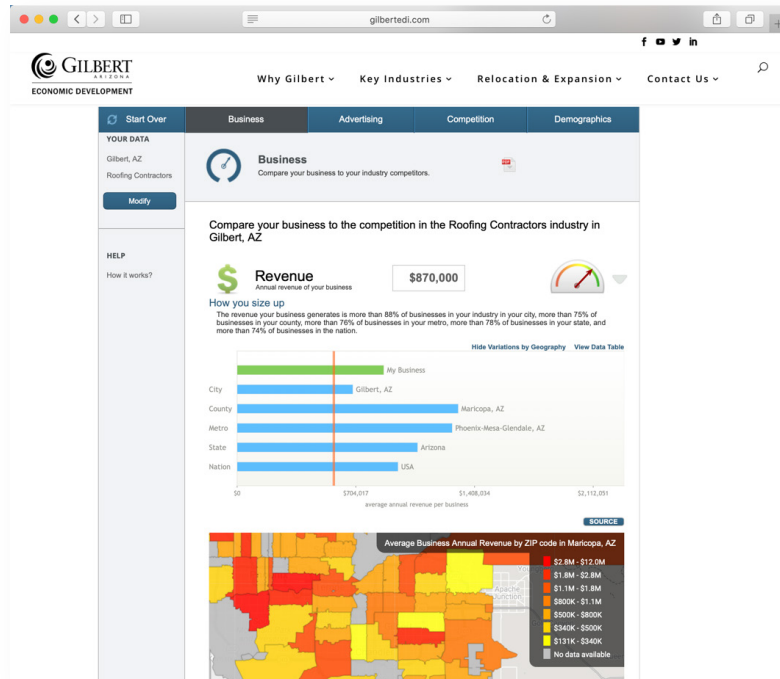
In addition, now is an opportune time to highlight your EDO's commitment to local business growth when local businesses are feeling insecure about their future.



LOCAL BUSINESS IS THE HIGHEST PRIORITY

GILBERT, ARIZONA - In response to the coronavirus pandemic, governments around the country are making the difficult decision to ask certain businesses to shut their doors for what could be an extended period of time and requiring residents to remain at home except for essential needs. This will leave business owners at home thinking about how they can improve business and gain back lost revenues once things get back to normal. With no ability to go and sit down with any business advice experts because of travel restrictions, online resources will be the only option for most local business owners.

At the same time, workers who have been temporarily out of work or have been laid off due to companies closing because of the coronavirus, will also be home thinking about what they can do once the crisis has passed. For some of the more entrepreneurial-minded workers they may want to begin planning to start their new business out of necessity, because they have become unemployed, or because opening a business is something they've always dreamed of. These entrepreneurs will also need online resources for them to research and plan for their new business.



The coronavirus forcing people to stay home has simply heightened the need for economic development organizations to provide online services.

“The Town of Gilbert, Arizona recognizes that the small businesses and entrepreneurs in our community benefit from online business assistance in good times and bad. We are committed to the success of our local businesses and an important way we can assist them is by [delivering industry-specific and hyper-local market research and business intelligence on our website using SizeUp LBI software technology](#),” said Dan Henderson, Director of Economic Development for the Town of Gilbert. “For the business owners stranded at home, we provide them with free access to powerful research that can help them make smarter decisions about their business based on high quality data. Entrepreneurs that are planning to open a business can use [SizeUp LBI](#) to prepare a business plan and use the data to validate if their assumptions are in line with industry benchmarks. We want our local businesspeople and future entrepreneurs to be able to use this time at home to strategize, research, and equip themselves to emerge from this crisis prepared.”

MORE INFORMATION: www.gilbertedi.com/sizeup

4

FINDING PROSPECTS THROUGH TRADE SHOWS IS NO LONGER VIABLE

One of the first signs of the escalating coronavirus pandemic was the postponement or cancellation of the major industry conferences that economic developers rely on to fill their pipeline of contacts for potential investments in their community have been postponed or cancelled. Core conferences EDOs attend such as MIPIM, Hanover Meese, Mobile World Congress, AIM, Geneva Auto Show, TNW, and SXSW have been postponed or cancelled. More cancellations are certain to come. Conference attendees and the communities hosting these conferences have medical concerns about the risk of people coming from all over the world (which will certainly involve people from countries with outbreaks) joining together in close proximity.

How to mitigate this risk

Alternative methods of lead generation that do not involve face-to-face interaction and physical travel are already available to EDOs that can reallocate budgets to expand these solutions. These include [lead generation and FDI databases](#), which become more important during these times, and online marketing and lead generation consulting services from companies such as [Research Consultants International FDI](#), [Wavteq](#), and [OCO Global](#). (www.fdiIntelligence.com, www.ResearchFDI.com, www.Wavteq.com, www.OCGlobal.com).

Bruce Takefman, President of Research Consultants International FDI explains, “Stay-at-home government policies to limit the spread of COVID 19 have made CEOs easier to reach than we’ve ever experienced. These CEOs now have time to take calls at home from economic developers.”

In addition, as few face-to-face meetings are occurring, economic developers should move to virtual lead generation technology to have web meetings with business prospects such as Zoom, GoToMeeting, and WebEx. (www.Zoom.com, www.GoToMeeting.com, www.WebEx.com)



5

ONSHORING AND NEARSHORING BECOME MORE IMPORTANT

The novel coronavirus pandemic is causing global supply chain chaos and delays as businesses and consumers cannot reliably receive shipments from international vendors. This puts your local businesses at risk because they may not be able to build or sell items necessary for them to do business or stay in business. If their supply chain was more diversified and available from locations outside of highly infected regions, their business would have less risk. Wavteq predicts that there will be a shift away from global strategies and toward regional sourcing and value chains.

How to mitigate this risk

EDOs can help their local businesses identify strategies for risk reduction through a diversified supply chain of vendors. The other opportunity is for new or existing businesses in your community to be the onshore or nearshore suppliers to companies that want to reduce their risk from global supply chains.

[Economic Gardening](#) programs and online [economic development software](#) on EDO websites help local businesses identify new vendors and customers. (www.NationalCenterEG.org)



6

TECHNOLOGY BECOMES A GREATER COMPETITIVE ADVANTAGE

A recurring trend in positioning an EDO to be successful in an era of the current novel coronavirus pandemic and future infectious diseases is that technology offers a powerful alternative and competitive advantage to facilitate economic development. It is an advantage whether it is the only option or if it is a compliment to in-person strategies. Whether it is online software for [site selection analysis](#), [local business assistance](#), [databases for business prospecting like fDi Markets](#), or web conferencing, using the highest quality technology is an advantage for EDOs just like it is for all businesses. (www.fDiIntelligence.com)

How to mitigate this risk

Modern EDOs that want to be effective invest to use the best technology solutions to achieve their goals. It's not enough to have a checklist of software services your EDO provides. [Technology-adoption and the use of superior technology separate the winners from the losers in economic development](#). A specific example of technology use to achieve the experience of personal interaction without the risks of direct physical contact is the [use of virtual reality for meetings and location tours, which is being implemented by Golden Shovel Agency](#). (www.GoldenShovelAgency.com)



7

FOREIGN DIRECT INVESTMENT BECOMES MORE DIFFICULT

Global foreign direct investment (FDI) projects declined overall in 2019. (Source: [Financial Times fDi Markets](#)). The impact of coronavirus has accelerated this decline in 2020 according to Dr. Henry Lowendahl, CEO of [Wavteq](#), with greenfield FDI estimated to be down by 15% YTD (Source: Wavteq/Financial Times). EDOs and IPAs are confronted with fewer leads as the number of current companies with FDI plans has declined by 25% compared to the last half of 2019. Tourism, entertainment, retail, luxury goods, aviation, real estate, and coal/oil/gas sectors have all seen significant declines in FDI.

How to mitigate this risk

Not all industries have been as negatively impacted for FDI in the short term. Digital technology, eCommerce, cybersecurity, biotechnology, healthcare, and renewable energy are all experiencing growth aided because they provide solutions to mitigate the coronavirus context. [In a webinar about the impacts of corona virus on FDI, Wavteq recommends that EDOs](#)

- 1) Focus on FDI professional development.
- 2) Update your investment promotion strategy so it is diversified geographically and by industry, business retention and expansion is prioritized, and virtual lead generation is strengthened.
- 3) Digital marketing through websites, VR, online services, CRM, and conferencing becomes much more important.
- 4) Strategic targeting be done with corporate intelligence from databases. (www.Wavteq.com)



8

TRAVEL AND TOURISM IMPACT IS MAGNIFIED

Many EDOs don't make tourism a focus of their efforts. The coronavirus pandemic will shine a light on just how important tourism is for many communities' economies. [Travel and tourism account for 10.4% of global GDP \(\\$8.8T USD\), 1 out of every 10 jobs \(319M\), and 1 out of every 5 jobs created from 2014-2019.](#) (Source: World Travel and Tourism Council) This sector has grown faster than the whole economy. If your local businesses (such as restaurants, stores, hotels, and convention centers) are frequented by customers outside of your region, you have an airport in your area, or you are a tourist destination, you are going to be negatively impacted by the coronavirus. Airlines and travel-related hospitality have been punished the fastest among industries as airline travel has plummeted.

How to mitigate this risk

Companies are eliminating non-essential travel, consumers are drastically reducing their travel, and many governments are banning travel or closing borders. But you can help your local businesses and [the low-income workers that may have their hours cut or jobs eliminated if the virus has a prolonged impact](#) on the economy.

For businesses, your EDO can help them with policies that will help customers feel safe visiting their businesses (e.g. hand sanitizers at the door), social distancing strategies, and marketing promotions to incentivize customer activity. However, new public health policies may result in customers only being able to go to certain types of businesses or just being able to pick up items and leave. Should this trend continue, it will be even more important for local businesses to have online means for customers to make orders and adjust their operations for easy pick up.

EDOs also need to work with their local workforce development agencies to identify how recently laid-off employees can find new work in, what was a low-unemployment economy going into this pandemic but may be a high-unemployment economy during and coming out of the crisis.



9

CAPITAL STILL NEEDS TO BE INVESTED

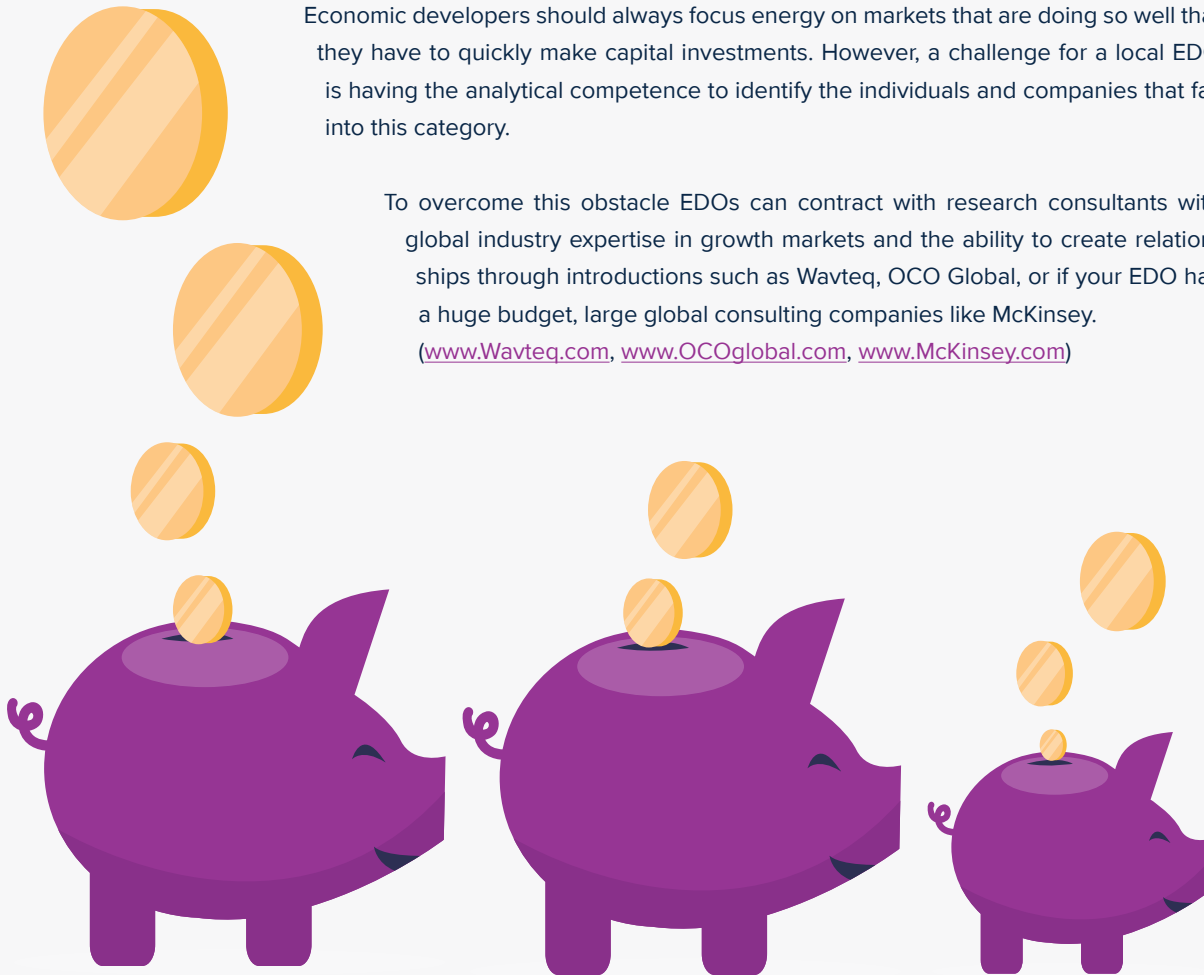
There is significant global capital that companies and individuals need to invest. The impact on financial markets is that it is shrinking the amount of that capital and it may cause a pause in investments. However, there are going to be opportunistic investors. As the saying goes, “When there is blood in the streets, buy real estate.” Identifying these investors and how they can benefit your local economic development can be your opportunity in a crisis. Also, some companies and market segments are making so much money quickly that they have no choice but to continue to invest their capital.

How to mitigate this risk

Economic developers should always focus energy on markets that are doing so well that they have to quickly make capital investments. However, a challenge for a local EDO is having the analytical competence to identify the individuals and companies that fall into this category.

To overcome this obstacle EDOs can contract with research consultants with global industry expertise in growth markets and the ability to create relationships through introductions such as Wavteq, OCO Global, or if your EDO has a huge budget, large global consulting companies like McKinsey.

(www.Wavteq.com, www.OCOglobal.com, www.McKinsey.com)



10

NON-PHYSICAL CONTACT IS ESSENTIAL

The novel coronavirus pandemic is impacting relationships differently depending on where you live, but in metro areas people are already starting to alter their interpersonal behavior. In some metro area people are starting to not shake hands as a greeting at all, which results in some offended looks from those offering a hand that is rejected. People are coming up with alternatives such as bumping elbows. As the virus becomes more prevalent, non-physical contact is going to be the norm.

How to mitigate this risk

Economic development as a profession has been built on a foundation of relationships. But as we have learned in the age of Facebook and smartphones, not all relationships have to be face-to-face. Technology has created new ways to create and sustain relationships.

For economic developers, the services they provide on their website (e.g. [local business assistance](#) and [site selection analysis](#)) and the ways they leverage technology for communication (e.g. web meetings and [virtual reality](#)) will become more important.



Recalibrating for the Long-term

A lot of things that used to be a once-in-a-century occurrence such as extreme weather disasters, financial meltdowns, and public health pandemics appear to be becoming more frequent. In addition, this situation may force companies and EDOs to push forward with new ways of working which business organizations may have been experimenting with into normalized ways of working. Remote work, communication through teleconferencing, online communication and collaboration software (Slack, Trello, Google G Suite, etc.) and virtual reality that may be used as an interim solution may become long-term ways of continuing to do business.

“We’re about to conduct a grand experiment in the United States. We’re going to figure out exactly every task that’s part of work that can be done remotely,”

Joe Brusuelas, chief economist at RSM, an auditing and consulting firm.

Learning from these crises can make your EDO stronger today and tomorrow by implementing economic development programs and services which are more resilient in unpredictable times. It also requires educating your constituencies, including the elected officials, board or directors, and the residents your EDO serves so they have realistic expectations about what your EDO will be able to deliver during unexpected shocks to the local, regional, or global economy.

Crisis is Danger and Opportunity Implementing Forward

This novel coronavirus pandemic is a danger to public health all over the world. For economic developers, it is also a danger to the health of your local economy. But it is also an opportunity to have better economic results than the EDOs that do not react strategically to this danger. This can only happen through economic developers like you taking action now.

Difficult economic times do not always mean only bad things. Successful companies have been created during difficult economic times. [Uber, Airbnb, WhatsApp, Square, Pinterest, Slack, and Twilio were all started in 2008 and 2009.](#)

For most economic developers, there has never been a time in our professional careers that there has ever been as many challenges and as much work that we need to do to support the workers and businesses in our community than now. This is the type of event that will require the best execution of all the training and preparation of our entire professional lives. We have never been more in need than now.

As economic developers, we are community leaders. As leaders, we do not have the convenience of waiting it out. We must lead and be part of the solution to help our communities through these turbulent times by using all of the resources we have to make things better.



Note: Information about novel coronavirus (COVID 19) pandemic is highly fluid and global and regional conditions are changing rapidly. This information is based on analysis available as of March 19, 2020.