

## CHAPTER VIII: ECONOMY

The economy directly affects a community's growth and prosperity. The state of the local economy i.e. how well it creates and maintains employment opportunities, handles production, and distributes goods and services greatly influences population, housing, transportation, and land use. Therefore, a clear understanding of the local economy is a vital factor for community growth and development as well as a sustainable comprehensive planning effort. The City of Sylacauga desires to grow and prosper in economic development, drawing in new small businesses while maintaining and expanding present business establishments.

This chapter of the comprehensive plan examines the following economy related characteristics: educational attainment, income, commuting patterns, labor force participation and unemployment, occupational status, industrial composition, and poverty. These characteristics for the city shall be compared to those of the county, state, and nation in order to establish a foundation for comparison. Economic information for this chapter has been obtained entirely from the 2009-2013 and 2013-2017 American Community Survey, which has been used to provide economic trend information and analysis.<sup>1</sup> The previous chapter on population introduces and discusses the American Community Survey—that is how and when data is collected and its uses for the plan. The chapter also reports results from a business owners survey, which was sent to and collected from business owners in the city and gives guidance for sustainable economic development for businesses and for the community as a whole. An analytical summary of economic information is included at the end of this chapter.

### Education

Education is a vital factor for initiating community growth and economic development. A high quality education system prepares and empowers individuals within the community to be productive, successful leaders in their respective fields of training and expertise. This, in turn, qualifies individuals for greater earning potential, allowing more money to be reinvested into the community, building the local economy.

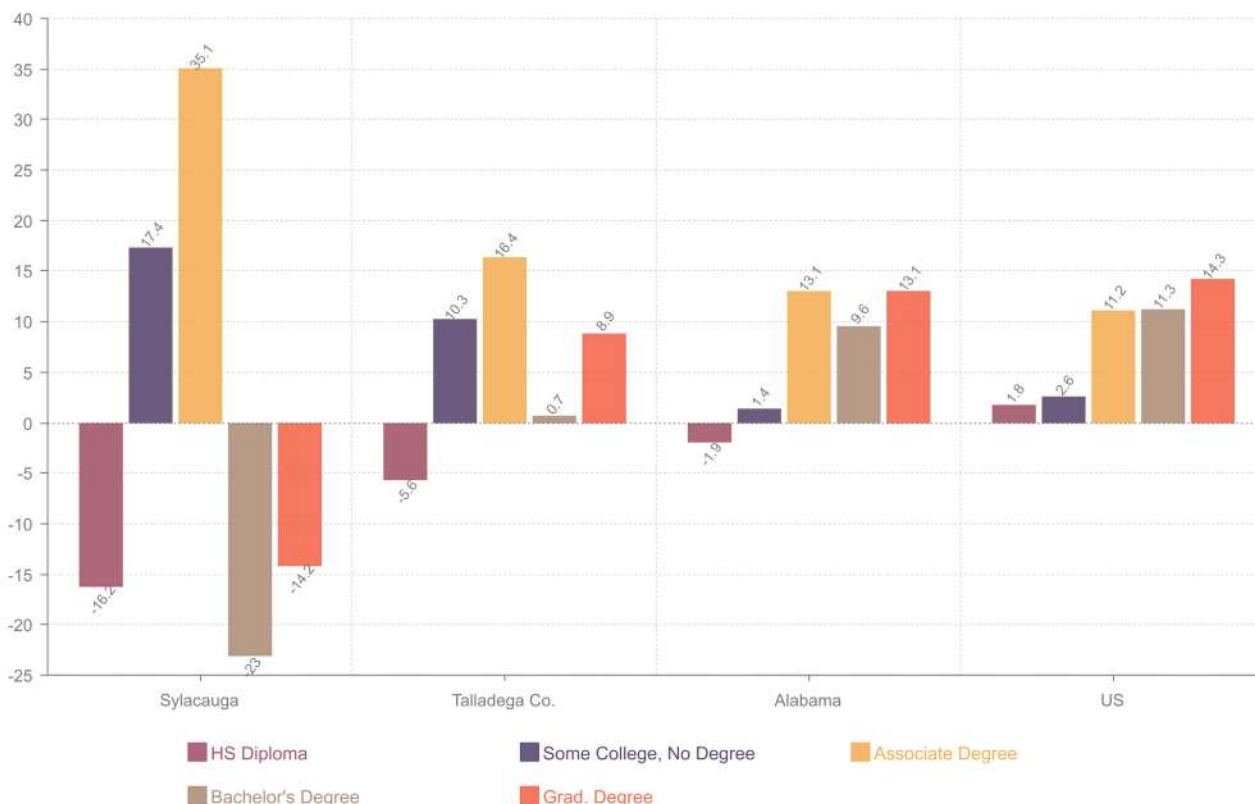
#### Educational Attainment

Sylacauga showed fairly low educational attainment compared to Talladega County but ranked considerably lower than Alabama and the US. Between 2013 and 2017, the city decreased in recipients of either a bachelor's degree or a graduate/professional degree by a combined 37.2%, while the county reported 9.6%, the state 22.6%, and the nation 25.6%. Also, during this time, the city decreased in the portion of residents having received either a bachelor's degree or a graduate/professional degree from 19% to 17% while the county recorded 13% and 13.5%, respectively, indicating that the portion of county residents holding higher educational attainment outranked the city. In 2017, both Alabama at 24% and the US at 30% reported higher attainment than Sylacauga and Talladega County.

While Sylacauga showed somewhat significant growth in recipients of higher attainment degrees, the city also reported a slight decline in residents with lower attainment such as those receiving high school diploma or some college experience without a college degree with a combined drop of 1%. Meanwhile Talladega County increased in residents having received a high school diploma or college experience, but no degree by 5% as Alabama reported 16% and the US 12%. Figure E-1 illustrates educational attainment for Sylacauga, Talladega County, Alabama, and the US in 2017. Notice in the chart that the city showed slightly higher attainment than the county, but lower attainment than the

1. All the economic information and job statistics obtained in this chapter is based on 2017 ACS estimate. The current figures are comparatively good. Please contact the City for the latest figures.

E-1: Education Attainment Sylacauga, AL 2017



state and nation. Trends from this information indicate a decline in persons having received lower educational attainment, such as recipients of a high school diploma only or some college experience but no degree, and an increase in recipients of higher attainment such as a bachelor’s degree or higher, suggesting that many people with lower attainment could be leaving the community to find employment elsewhere while people with higher attainment may be moving in to find work. As a planning consideration, local businesses should work with schools and regional colleges to assure that when students graduate they have employment opportunities in the community and can be placed in jobs immediately after graduation.

## Income

Monetary income is a primary factor in determining a community’s wealth and prosperity. Higher incomes promote a higher standard of living and more return investment into the community, while lower incomes suggest lower standards and less investment. Therefore, a comprehensive economic study requires a thorough understanding of community income.

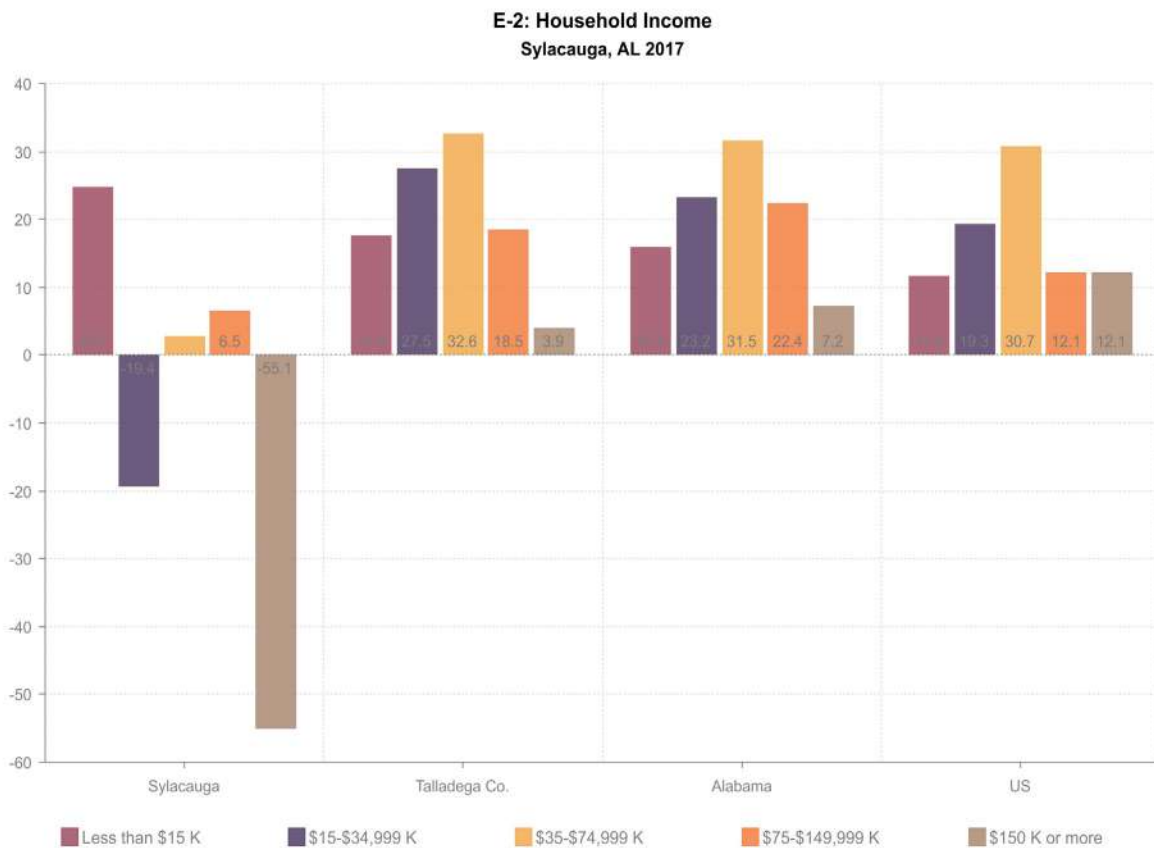
### Household Income

Household income (HHI) is the most basic and generalized variable in measuring income. A household is considered a dwelling unit in which one or more individuals live. Therefore, the household income is the accumulation of all income generated within a specified household. Median household income (MHI), which is characterized as the exact middle (median) point monetary amount of household incomes collected and has been examined as the primary focal point.

Sylacauga, with regards to household income, ranked slightly low compared to Talladega County and considerably low contrasted to Alabama and the US. Between 2013 and 2017, the city decreased in

households earning between \$15 K and \$34,999 K by a somewhat significant -19% while the county fell by only -6.3% in this category, the state declined by a slight -4%, and the nation decreased by -5.9%. Sylacauga also increased somewhat in households earning less than \$15 K by 0.3%, as Talladega County (-12%), Alabama (-7%), and the US (-6%) all declined in this group. This information indicates that while the county, state, and nation were declining in lower income households the city was increasing.

In 2013 and 2017, the city showed the slight majority of households at 51% and 50% earning less than \$35 K per year respectively, while the county reported 50% in 2013 and 45% in 2017. Meanwhile, the state showed 42% earning less than \$35 K in 2013 and 39% in 2017 as the nation reported 34% and 31%, respectively. Conversely, in 2017, both Sylacauga and Talladega County reported smaller portions of households in higher earning brackets compared to Alabama and the US with the both the city and county recording 21% of households earning \$75 K or more while the state showed 30% and the nation 24% in this category. Figure E-2 displays household income for Sylacauga, Talladega County, Alabama, and the US in 2017. Notice from the chart that the city held a significantly higher portion of low income households compared to the county, state, and nation.



Furthermore, median household income reflects Sylacauga households with slightly lower income compared to Talladega County, but considerably lower than the US. Between 2013 and 2017 Sylacauga median household income increased from \$33,415 to \$35,568 as did Talladega County, from \$35,439 to \$39,219. Meanwhile, Alabama increased in median household income from \$43,253 to \$64,476 and the US reported a climb from \$53,046 to \$57,652. As a planning consideration and as a means of increasing income, Sylacauga should strive to attract high tech businesses and training schools by marketing its high bandwidth infrastructure to such companies and institutions, which would, in turn bring in high-paying jobs and grow the local economy. Additionally, the city holds significant potential for

high tech firms with its location with convenient access to major roadways and reasonable proximity to major cities such as Montgomery and metro areas such as Birmingham, Anniston, and Auburn/Opelika

## Commuting Patterns

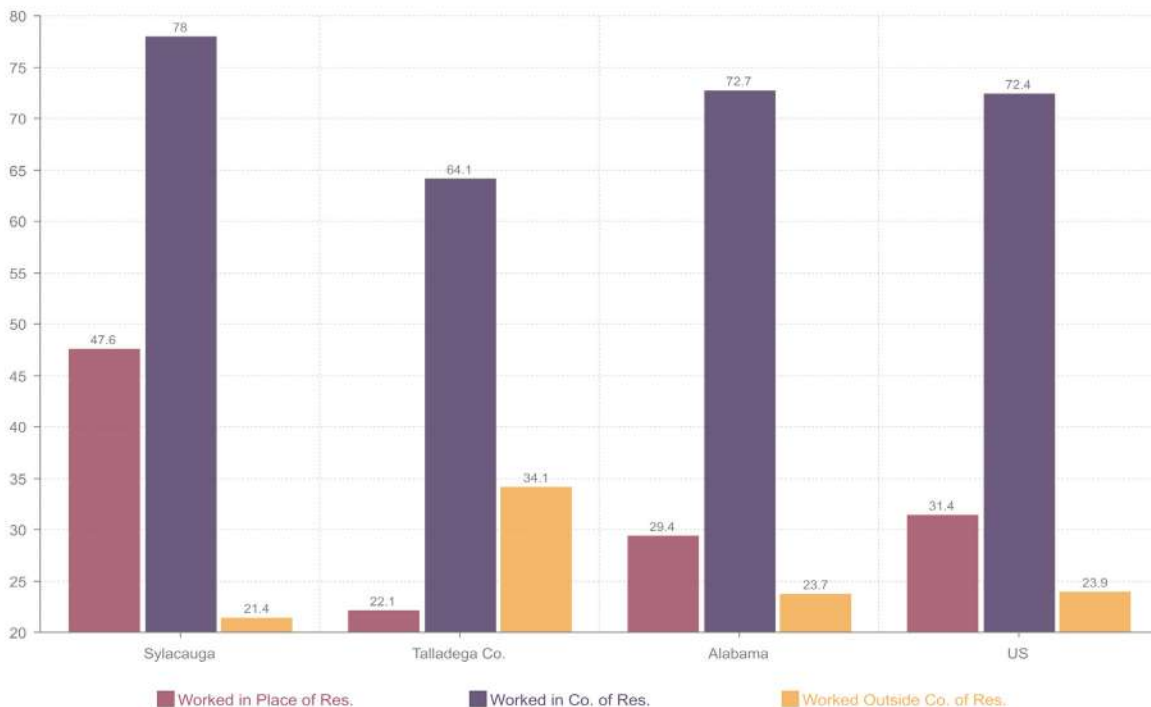
Commuting patterns can be used to gauge how far away people in a community live from their place of work and how much time was spent in transition to and from home and the workplace. These patterns are useful in recognizing places for job development and retention as well as alleviating long commuting time and travel distances in the city and its surrounding municipalities, thus advancing the local economy. This section of the economy chapter will examine such commuting information as place of work, commuting travel time, and means of transportation to give a complete picture of commuting within the City of Sylacauga and provide suggestions for improving travel to and from work.

### Place of Work

Place of work was the major component in understanding commuting patterns with the two variables examined being those residents (workers 16 and older) who live in their place of residence (town) and work in their respective town along with those who live in the town, but commute outside the town to work, whether their work is in the same county or outside the county.

In terms of commuting patterns, Sylacauga rated considerably better in comparison to Talladega County, and slightly better than Alabama, and the US. Between 2013 and 2017 Sylacauga declined slightly in commuters living and working in the city from 48% to 47%, however, in 2017, the city showed a significantly larger portion of commuters working in their place of residence compared to the county at 22% and a slightly larger portion compared to the state (30%) and nation (32%).

E-3: Commuting Patterns  
Sylacauga, AL (2017)



Additionally, Sylacauga showed a substantially larger portion (77%) of commuters who live and work in the city or in Talladega County in contrast to those who live in somewhere else in the county and work and live in their respective community or somewhere else in the same county at 64%. Both Alabama at 73% and the US at 72% reported similar county commuting trends to Sylacauga in 2017. This information indicates that proportionately more commuters in Talladega County seek employment opportunities out-of-county than those in Sylacauga, Alabama, and the US and that the city has been adequately providing jobs for resident workers. Figure E-3 displays commuting patterns in the form of work in place of residence for Sylacauga, Talladega County, Alabama, and the US in 2013 and 2017. Notice from the chart the city holding a substantially higher portion (78%) of commuters working in their place of residence compared to the county at 64%. The county reported 34% of commuters traveling outside the county to work while the city (22%), state (23%), and nation (24%) showed less commuters working outside their respective counties.

## Travel Time to Work

Travel time to work is an important factor in determining commuting patterns. The amount of time a typical driver spends on the road gives some indication of access to employment opportunities from any given community. In alignment with place of work information Sylacauga commuters reported slightly lower commute times compared to Talladega County, Alabama, and the US. Mean travel time to work information for Sylacauga, between 2013 and 2017, records average travel time decreasing from 24.4 minutes to 22.3 minutes while Talladega County remained the same at 24.6 and Alabama a slight climb from 24.2 to 24.6. The US reported a minor increase from 25.2 minutes to 26.4 for comparison. This information further indicates slightly shorter distances traveled for city commuters than for the average commuter in the county, state, and nation. As a planning consideration, Sylacauga should continue to promote and encourage new small businesses to locate in the community, and expand existing, in order to spur economic development and provide commuters with more opportunities to live and work in the city, thus strengthening the local economy.

## Labor Force Participation and Unemployment

Labor force participation is based on how many individuals ages 16 and over are a part of the labor force, and if they are employed or unemployed as civilian or armed forces. Businesses desiring to relocate or expand search for communities with a strong labor force in which to draw qualified employment. To do this they must estimate approximately how many candidates are available to fill positions required to perform necessary company operations. Therefore, a proper understanding of a community's labor force is critical to a comprehensive planning effort.

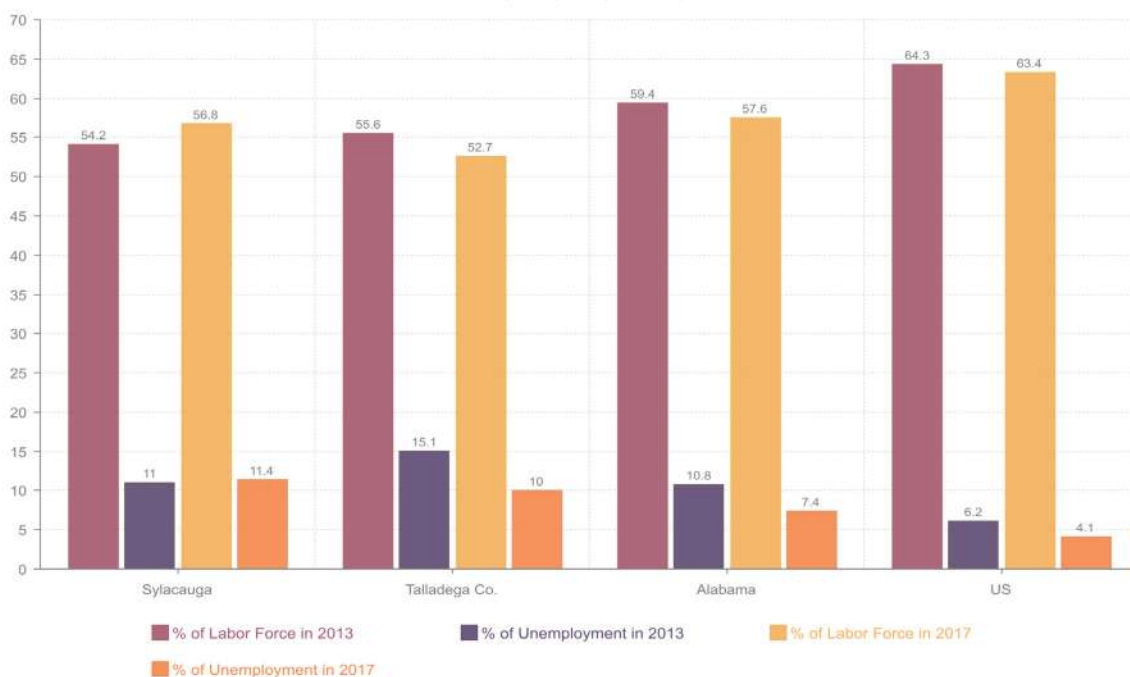
While labor force participation examines the total number of people aged 16 and older who are available in the workforce, unemployment focuses on those individuals who are eligible, yet are currently not employed in the civilian workforce. For the purposes of this study, unemployment trends are not based on the unemployment rate, since armed forces is not accounted for, but rather the portion of persons ready for civilian labor force work. This information is useful in understanding the town's employment patterns in relation to county, state, and national trends and in establishing priorities for employment in the community.

## Labor Force Participation

Concerning Sylacauga's labor force, the city ranked fairly well compared to Talladega County, Alabama,

and the US. Between 2013 and 2017 the city’s labor force grew by 5%, while the county decreased by -5% and the state decreased by -3% and the nation -1%. Sylacauga’s civilian labor force decreased by a slight -4%, as Talladega County declined by -5%, Alabama decreased by -1% and the US increased by 3%. Also between 2013 and 2017 the portion of the city’s population, age 16 and older, in the labor force increased from 54% to 57% while the county dropped slightly from 56% to 53%, the state declined from 60% to 58%, as did the nation from 65% to 64%. This information indicates that the city remained competitive and on par with labor force participation in the county and state, but fell somewhat short of the nation. Figure E-4 illustrates labor force participation and unemployment for Sylacauga, Talladega County, Alabama, and the US in 2013 and 2017. Notice in the chart that the city increased somewhat substantially in labor force participation, outranking the county, and remaining on par with the state. However, the city increased in unemployment to a slightly greater degree than the county, state, and nation during this time.

**E-4: Labor Force Participation and Unemployment**  
Sylacauga, AL (2013-2017)



## Unemployment

Although Sylacauga rated well in labor force participation, the city ranked high in unemployment in comparison to Talladega County, Alabama, and the US. From 2013 to 2017 the city increased in unemployment by 4%,. During this time Sylacauga increased slightly in the portion of unemployed people in the civilian labor force from 4% to 8%, as Talladega County climbed from 6% to 7%, and Alabama and the US from 4% to 5%. This information indicates that the city, at this time, held a larger portion of unemployed persons in the labor force than did the county, state, and nation.

## Occupational Status

Every economically viable community has a variety of occupations through which services are performed and money is circulated. A study of occupational status shows what kind of labor is being utilized in a community. This information is useful for determining where job opportunities exist and where job growth is most or least likely to occur. Occupation describes the kind of work a person does on the job. For people working two or more occupations during the reference week data was

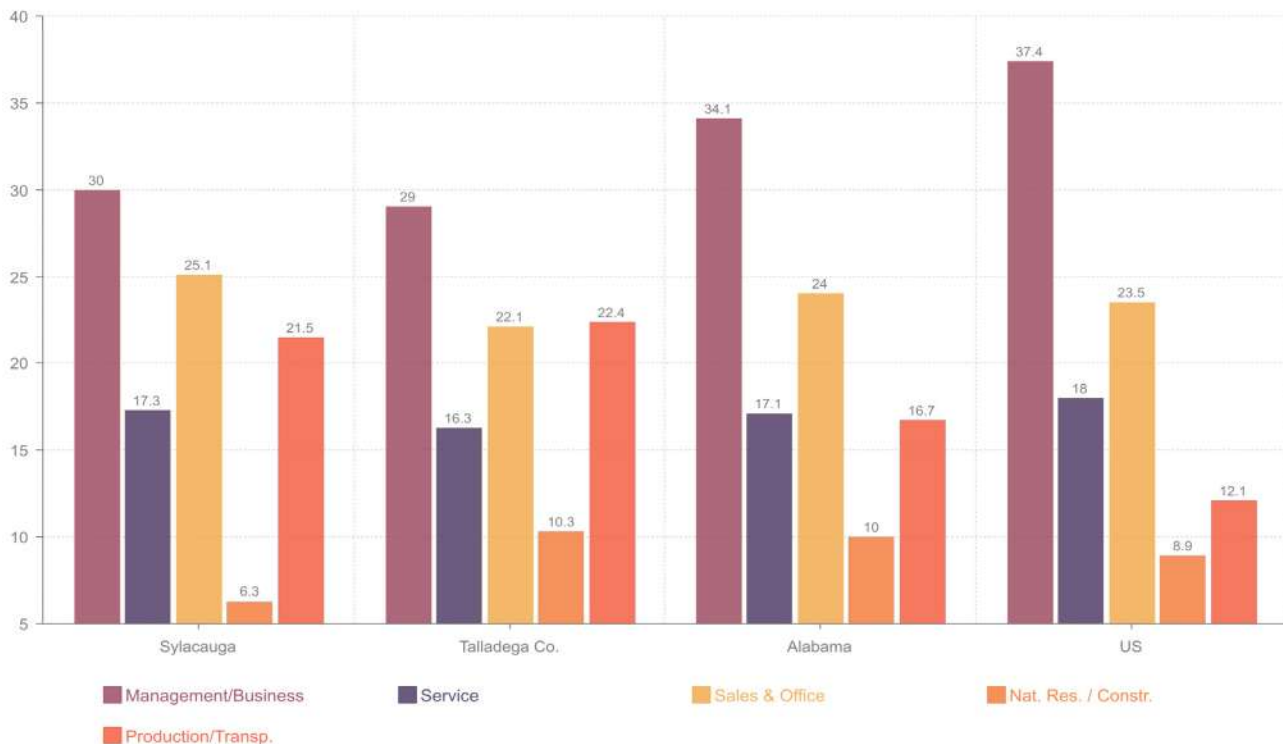
collected the occupation in which the employee worked the greatest number of hours was accounted as the person’s occupation.

In order to categorize occupations, occupational status has been divided into 5 categories, which include: 1) Management / Business Related—which constitutes business and financial operators and specialists, architects, engineers, legal occupations, computer specialists, social services, and technical healthcare occupations, 2) Services—consisting of healthcare support, firefighting and law enforcement, ground and building maintenance, hotel and food accommodation, arts, entertainment, education, recreation, and personal care services, 3) Sales / Office—sales and related, and administrative, 4) Natural Resources / Construction—which includes fishing, farming, and forestry operations, construction trade workers, extraction workers, and supervisors, 5) Production / Transportation—production occupations, transportation and moving occupations, aircraft and traffic control operations, motor vehicle operators, rail, water, and other transportation related occupations.

Sylacauga showed a few somewhat differing trends in occupational status compared to Talladega County, Alabama, and the US. Between 2013 and 2017, the city’s largest increase in occupations was in Production/Transportation related professions which grew by 5% while the county declined in Production/Transportation by -4%. The state increased in this occupation by 3% and the nation 4%. The city, at this time, also reported somewhat considerable decline in Service related professions at -10% whereas the county increased at 12%, the state at 1% and nation at 3% and 0% showed little change. This information indicates a slight transition in to Production/Transportation and decline from Services related jobs.

In 2017, Sylacauga reported similar occupation status with Talladega County, Alabama, and the US. At this time, however, the city slightly exceeded the county in the portion of Service related jobs at 18% compared to the county’s 17% as well as the state at 17%. The nation reported 18%, similar

**E-5: Occupational Status**  
Sylacauga, AL (2017)



to the city. Sylacauga also showed a slightly higher portion of Sales and Office professions at 25% than Talladega County at 22% while both Alabama and the US reported 24%. Talladega County showed somewhat slightly higher representation in Production/Transportation occupations at 23% than Sylacauga at 21% and a substantially higher portion than both Alabama and the US at 17% and 12%, respectively. This information indicates a proportionately larger portion of blue collar jobs at the city and county level than in the state and nation, which, subsequently hold a larger portion of white collar. Figure E-5 displays occupational status for Sylacauga, Talladega County, Alabama, and the US in 2017. Notice from the chart the city and county's larger portion of Production/Transportation related professions and the significantly larger representation of Management/Business in the state and nation.

## Industrial Composition

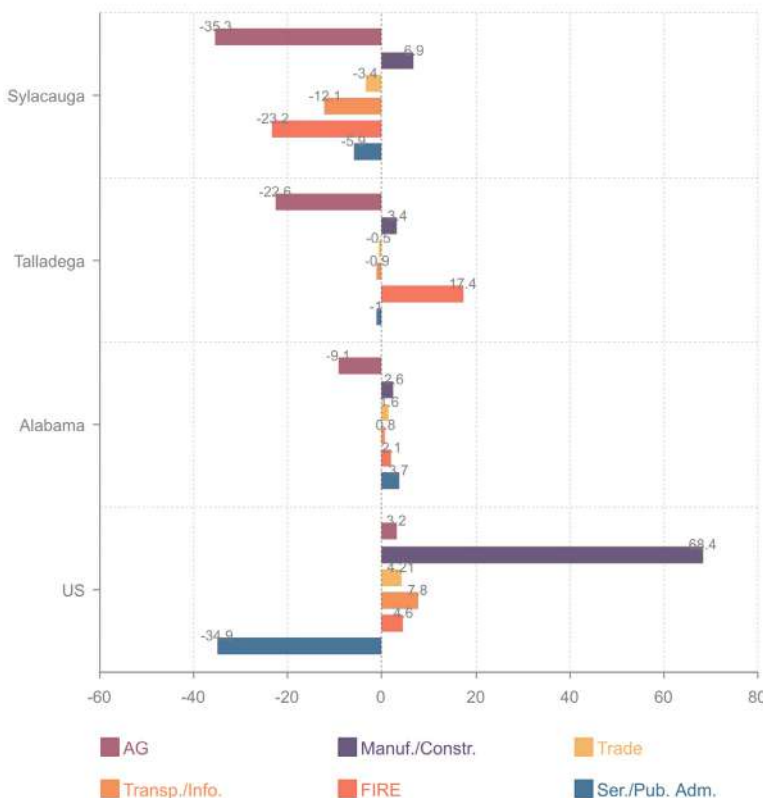
Any economically prosperous community will have a diverse and changing economic base, offering a variety of job opportunities and services to its population. As markets change and demand for specified goods and services increase or decrease, industrial sectors will vary in size and in their influence on the overall industrial composition and economic welfare of the community; therefore, a proper examination of industrial composition and trends is necessary to plan for economic development and opportunities. This section of the economy chapter focuses on industrial composition and changes by industry employment.

For categorization purposes, industries have been separated into 6 industrial sectors, which include: 1) Agriculture—consisting of such industries as agriculture, forestry, fishing, hunting, and mining, 2) Manufacturing/Construction, 3) Retail and Wholesale Trade, 4) Transportation/Information—including warehousing, utilities, and communications 5) FIRE (Finance, Insurance, Real-Estate), 6) Services/Public Administration—which entails professional, scientific, administrative, waste management, arts, education, healthcare and social assistance, food accommodation, and other services.

### Change in Industry

Sylacauga, according to the American Community Survey, recorded somewhat considerable changes in industry. From 2013 to 2017, the city declined in every industrial sector with the exception of Manufacturing/Construction which increased by 7%. Comparatively, the county increased in this sector by a minor 3% and the nation by 68%. The state showed substantial change in Services/Public Administration, growing by a 4%. Sylacauga's most significant change was in FIRE, which declined by -23% while Talladega County grew this industry by

E-6: %Change in Industrial Composition  
Sylacauga, AL (2013-2017)



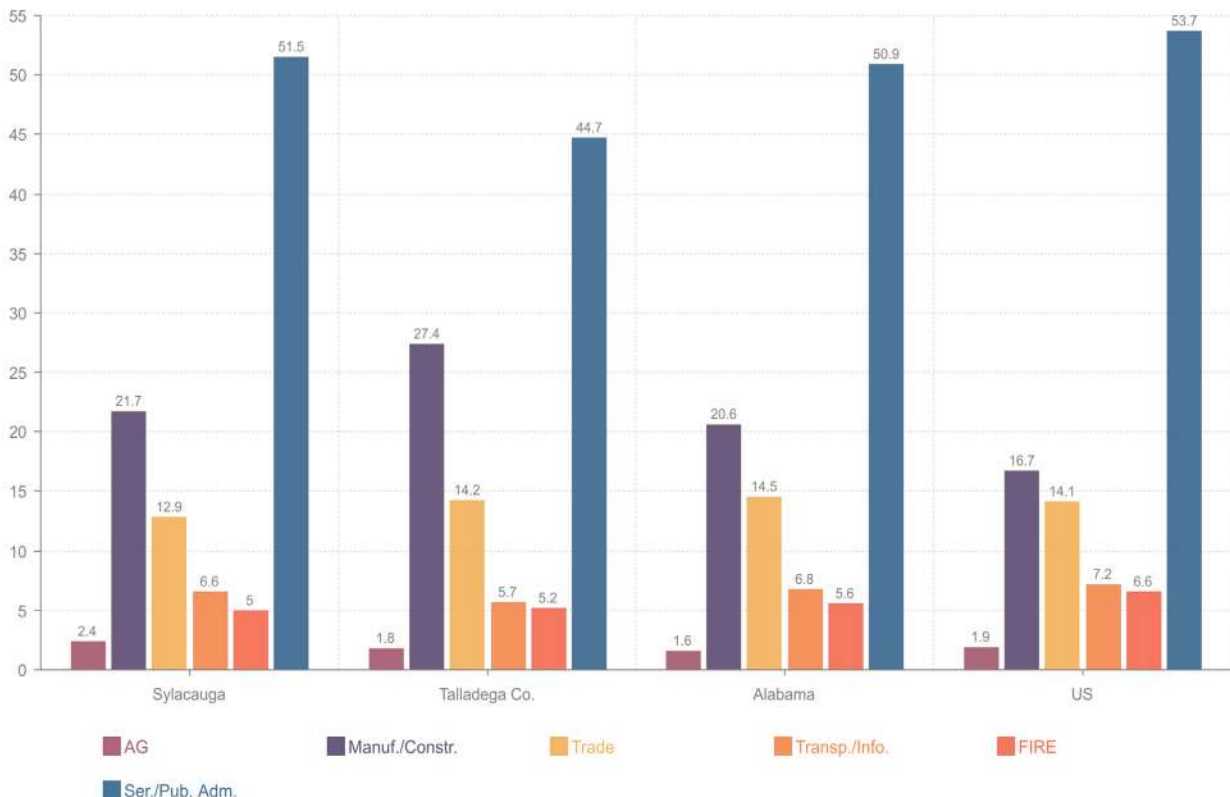


18% and both Alabama and the US dropped by 2% and 5% respectively. Agriculture also showed considerable loss in the city, dropping by -36%, the county at -23% the state at -10% and the nation increased at 4%. Overall, during this time, both Sylacauga and Talladega County accounted for a -5% drop in industry, Alabama at 2.7% and the US at 6.2%, showed all around minor growth. Figure E-6 displays percent change in industry for Sylacauga, Talladega County, Alabama, and the US between 2013 and 2017. Notice in the chart that the city lost employment in every sector except Manufacturing sector with its most significant loss in Agriculture.

### Industrial Composition

In terms of industrial composition, Sylacauga showed similar trends with Talladega County, Alabama, and the US. In 2017, the city’s single largest industrial sector was in Services/Public Administration, accounting for slightly more than half (51%) of the economy while both the state at 51% and nation at 53% reported similar representation. The county showed somewhat substantially less representation in Services/Public Administration at 44%. Sylacauga’s second most prevalent industry was in Manufacturing/Construction, comprising 23% of the city’s industry, which was slightly larger than Alabama’s portion at 20% and somewhat substantially larger than the US at 16%. Talladega County with 27% reported considerably more manufacturing and construction related jobs than Sylacauga, Alabama, and the US, which could be attributed to workers employed at the Honda Manufacturing Plant the northern part of the county. As previously discussed, this information indicates the city and county holding less white collar and more blue collar jobs than the state and nation. Figure E-7 illustrates industrial composition for Sylacauga, Talladega County, Alabama, and the US in 2017. Notice from the chart the somewhat significantly larger portion of Manufacturing/Construction related industries compared to the state and nation. Also notice the substantially smaller portion of Services/Public Administration related jobs in the county, compared to the city, state, and, nation.

E-7: Industrial Composition  
Sylacauga, AL (2017)

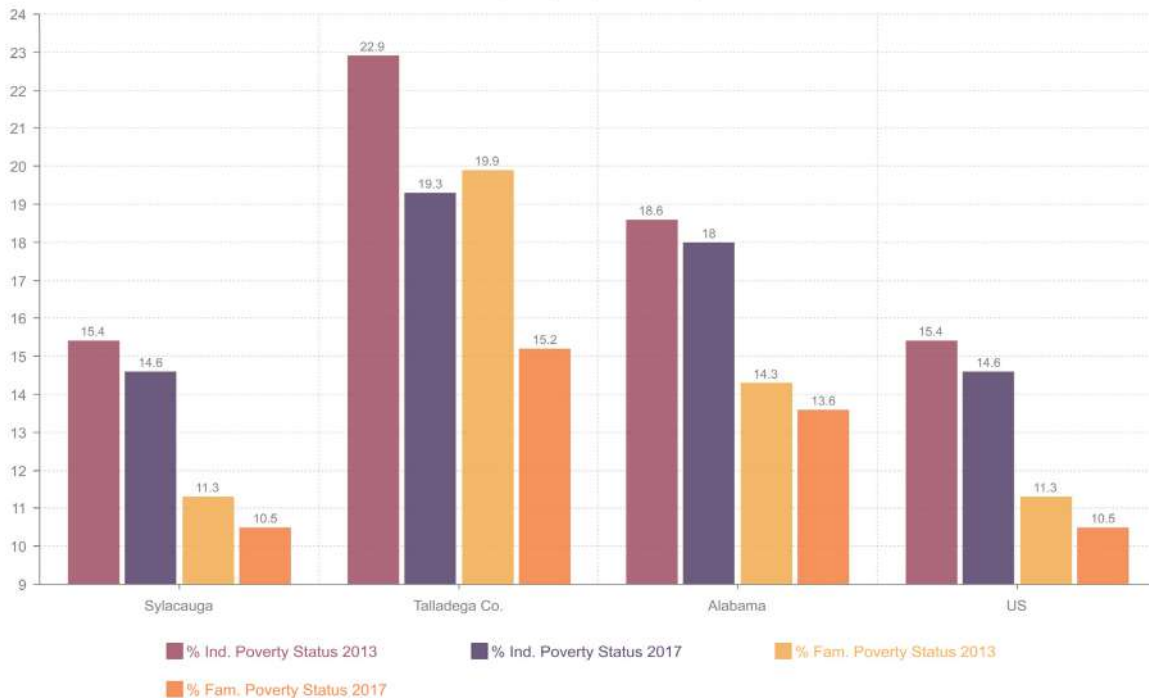


## Poverty Status

Poverty status shows the economic welfare of a community and can be used to assess a community’s need for public assistance. According to the U.S. Census glossary, poverty is measured in accordance with monetary income, excluding capital gains or losses, taxes, non-cash benefits, and whether or not a person lives in a family or non-family household, compared to the selected poverty threshold, which varies based on family size and composition. People who cannot be included in poverty studies include: unrelated individuals under 15, and people in institutional group quarters, college dormitories, military barracks, and living conditions without conventional housing and who are not in shelters. According to the Census Bureau, the 2017 poverty threshold for a single person was an annual earnings of \$12,082, for two persons—\$15,391, three persons—\$18,871, and 4 persons—\$24,257.

In terms of poverty, Sylacauga rated higher than average compared to Talladega County, Alabama, and the US. Between 2013 and 2017, the city decreased in individual poverty from 15% of the total population to 14%, while the county decreased from 23% to 19%, the state from 19% to 18%, and the nation from 15% to 14%. The city showed an even more significant decrease in family poverty, during this time, from 11% to 10%, as the county from 20% to 15%, the state from 15% to 14%, and the nation from 11% to 10%. Another significant trend in the city, in 2017, was the poverty status of related children under 18 years old reporting 20%, while the county recorded 29%, the state 26%, and nation 20%. This information indicates that the city held overall higher poverty rates than the county, state, and nation for both individuals and families. Figure E-8 displays poverty status for individuals for Sylacauga, Talladega County, Alabama, and the US in 2013 and 2017. Notice from the chart the city’s substantial increase in the portion of individuals and families in poverty compared to the county, state, and nation.

**E-8: % Individual Poverty Status**  
Sylacauga, AL (2013 and 2017)



## Sustainable Economic Development

Sustainability, along with sustained growth and expansion, is the ultimate goal of economic development. Any company—from the smallest start-up to the largest conglomerate—desires to maintain, grow, and prosper in local, regional, national, and world markets. Similarly, all communities—even cities and towns which desire to keep the status quo—strive to provide the necessary infrastructure, services, and policies to existing businesses and draw in companies which would benefit and compliment current productivity and enhance economic well-being.

This section of the economy chapter examines sustainability and offers step-by-step guidance for businesses and communities to understand and practice “sustainable growth” strategies, in the form of seven fundamental practices. Consequently, these seven fundamental practices may be utilized by both businesses and communities through various similar and different means.

### Sustainable Economic Development—For Businesses

Sustainable business growth and development is the goal for any business. Companies desire to grow and expand in a way which creates increased value with customers yet does not exhaust finite resources at their disposal. What is sustainable growth and how does a company achieve it for long-term productive means? According to Inc.com Sustainable Growth Encyclopedia their definition of sustainable growth is simply: “the realistically attainable growth that a company could maintain without running into problems.” If a business grows too quickly it may find it difficult to fund the growth, yet if the business grows too slowly or not at all it may stagnate and die. As to how a company may achieve long-term sustainability and productivity, according to an article in fastcompany.com, 7-fundamentals of sustainable business growth, there are seven universal fundamentals which may apply, even though circumstances may differ from time to time. These seven fundamentals are listed as follow and in no particular order:

1. **Authentic Purpose:** Purpose is something that every company needs to understand and take action on. The purpose, “why we do what we do” is central to the company’s core being. Having a strong purpose drives growth and profitability. In order to achieve sustainable success a company must have a purpose and make their purpose well known to employees. The company must also continuously reexamine their purpose. An authentic and inspiring purpose allows for:

- A constant, consistent sense of focus,
- A strong emotional engagement both within the company and with its customers and partners, and continuous pragmatic innovation.

When a company has a clear vision its easier to create products and services of value.

For example, here are a few takes from Apple Computers vision statement:

- We believe we exist to make great products.
- We believe in the simple, not the complex.
- We participate only in markets where we can make a significant contribution.
- We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us.
- We don’t settle for anything less than excellent in every group in the company.
- We have the self-honesty to admit when we’re wrong and the courage to change.

**2. A Powerful Brand:** In order to maintain a scalable and connect with customers a company must create a powerful brand. A powerful brand will make special attachments that link customers to a business and keep them returning. The following are some general guidelines:

- A company should choose a target audience. The surest road to product failure is to try to be all things to all people.
- A company should make their audience feel an emotional attachment to the brand which is grounded in confidence.
- A simple, inspirational message is far more influential than a complex one which highlights too many products, features, functions, or ideas.
- A company should have a marketing plan—which may entail creating compelling content for publisher and social media sites in order to generate awareness among target customer bases.

According to marketer Marc Gobe, author of *Emotional Branding* and principal of d/g worldwide, emotional branding has three things in common—and he uses Apple Computers for examples:

- Projection of a humanistic corporate culture and strong humanitarian ethics. Apple’s founding was based on power to the people through technology and education.
- A company should have a unique visual and verbal vocabulary expressed in product design and advertising—that is its products and advertising need to be clearly and un-mistakenly recognizable. Apple, as well as Target and Wal-Mart portray this uniqueness in their marketing.
- A company should establish and maintain a “heartfelt connection” with its customers. In Apple’s case, the product is designed around people—for example, the iPod brings emotional and sensory experience to computing. Apple’s design is people-driven.

**3. Partnership and Collaboration**—should be considered once a company has a purpose and branding. A business should strive to form partnerships and collaborate with other companies which would benefit from and use their products and services, forming a mutual relationship for increased productivity and growth. Such companies, under partnership and collaboration, could provide assistance and guidance in areas such as design, sales, finance, legal services, and banking which may be available at little to no cost. Companies should also strive to learn from and form relationships with existing and potential competitors in order to enhance their products and services. No company should continuously try to “do things on their own” partnerships are often keys to success.

**4. Customer Retention:** Oftentimes companies do not realize the value in present customers, compared with attaining new customers in terms of costs involved. According to Emmet and Mark Murphy in their book *Leading on the Edge of Chaos*, acquiring new customers may cost an organization around five times more than retaining current ones. They cite that, in fact, a 2% increase in customer retention can have the same effect as decreasing a company’s cost by 10%. In addition, reducing customer defection rates by just 5% could increase profitability by 25% to 130% depending on the industry. Furthermore, the U.S. Chamber of Commerce and the U.S Small Business Administration site the following information:

- The average business in the U.S. loses around 50% of its customer base every five years.
- Companies are four times more likely to do business with an existing customer than a new customer.
- The likelihood of selling to an existing customer is 60-70%, whereas it’s just 5-20% for a new customer.

**5. Community (Economic Ecosystems):** In terms of community, the business environment could be viewed as an economic ecosystem with many organizations and individuals that interact in countless ways. Ecosystems encourage companies to evolve capabilities in order to compete in their respective markets. Economic ecosystems or communities are crucial to sustainable growth because they provide the structure that surrounds and supports the businesses within them.

In order to form a business which will be sustainable and thrive, there must be community support or high potential community support for products and services offered. A plant cannot grow without good and properly maintained soil.

**6. Repeatable Sales**—are needed to create sustainability. Unique products and branding is important, but not enough for a business to be sustainable beyond the immediate future. A repeatable sales process, one that can be successfully deployed again and again at an even greater scale, is needed to create a scalable business. According to Fast Company a business has created a scalable sales model when:

- A business can add new hires at the same productivity level as the entrepreneur or the sales leader.
- A business can increase the sources of their customer leads on a consistent basis.
- A business has a sales conversion rate and revenue that can be consistently forecast.
- The cost to acquire a new customer is significantly less than the amount you can earn from the customer over time.
- Customers get the right products in the right place at the right time.

A repeatable sales model builds the platform to scale, but it can take a lot of experimentation and research to find a platform that is sustainable over time.

**7. Flexible, Adaptive Leadership**—is needed to continue a successful business and mold to changing circumstances and times. A company's leaders, whether they be entrepreneurs, managers, or business owners must lead by properly directing and managing continuously changing and evolving company needs at every stage of development and growth. Such leadership requires introspection, self-awareness, and a keen sense of long term and short term strategy. A truly adaptive and flexible style of leadership comes from being mindful in and in understanding worker needs—from the needs of the base worker to top management officials. This in turn allows workers to create value within the company. The most sustainable way to create value is to continuously invest in company capabilities, both in individuals and as an organization.

## **Sustainable Economic Development—For Communities**

Sustainable business growth and development for towns and cities, fundamentally, also follows the same guidance and direction for individual business growth and sustainability as previously discussed. For sustainable economic community development, a city/town needs to establish, develop, and maintain:

- A purpose for driving economic development (vision and mission),
- A branding of business to connect with residents and visitors,
- Partnerships and collaboration with businesses to provide guidance, services, and promotion of business,
- A plan/policy to retain and possibly expand existing business as first priority, before recruiting new business,
- An understanding of and utilization of the entire community or economic ecosystem (even entities outside the city in the county and in the larger regional area) in order to promote and enhance business growth and development,
- A means of continually providing adequate and efficient facilities and services to a growing and changing community over time.
- Flexible and adaptive leadership which strives to meet continuously changing and evolving city needs—from the needs of base workers to top company officials.

The following describes in more detail how cities and towns could address these guiding principles

for community-wide economic development:

**1. Authentic Purpose**—is the guiding light “so to speak” for economic development. The purpose for a community to strive for sustainable economic development should be explained in the vision and mission statements of the comprehensive plan or economic development plan. Such purpose could be stated, in general terms, to be economically competitive with other nearby communities and to increase revenue—which in turn provides avenues of funding for more and better community facilities and services to the public, thus drawing in more businesses and resident population. However, the purpose could go much deeper. For example, the City of Asheville, NC recently (2016) completed their Strategic Operating Plan/Vision 2036 in which they outlined the City Council’s 2036 vision as follows: Asheville is a great place to live because we care about people, we invest in our city, and we celebrate our natural and cultural heritage. Our city is for everyone. Our urban environment and local-based economy supports workers, entrepreneurs, and business owners, families and tourists, and people of all ages. Cultural diversity and social and economic equity are evident in all that we do. Our neighborhoods are strong, participation in civic life is widespread, and collaborative partnerships and the foundation of our success.” Notice the major focal points which are similar to the guiding business principals mentioned prior such as—caring about people, celebrating natural and cultural heritage, a local-based economy, strong neighborhoods, and collaborative partnerships as the foundation of success. Success for a community in economic development and in keeping a sustainable economy is dependent on a wide variety of factors, which figure into the equation, and must be considered as playing important roles. Asheville NC maintains 8 things that make them special, in addition to economic development, listed as follows:

- A diverse community,
- A well-planned and livable community,
- A clean and healthy environment,
- Quality affordable housing,
- Transportation and accessibility,
- Thriving local economy,
- Connected and engaged community,

**2. A Powerful Brand:** Similar to individual business, communities should brand themselves in order to create powerful connections and relations, in marketing their offerings, to residents and visitors—who may be potential residents. Branding for a community could also be through vision and mission statements by focusing time and efforts on connecting with resident desires and needs. For example, Asheville NC brand could be found in their vision statement as, “we care about people”. Such brand or motto can be shown in the previously discussed things that make the city special, namely diversity, planning for a livable community, a clean and healthy environment, affordable housing, thriving local economy, connected and engaged community, and by being a “smart” city.

**3. Partnership and Collaboration:** Communities may seek advice, guidance, direction, and assistance with economic development by developing partnerships and collaborating with businesses, neighborhoods, educational institutions, and other entities within the city that would provide mutual benefit through such type of relationship and interaction. A city should also consider what other communities have done to build partnerships and improve collaboration in striving to promote and enhance economic development in their own community. Much business collaboration may be conducted through the local Chamber of Commerce, however, other sources and avenues may also be available and/or opportunities realized and established.

For example, in 2010 the City of Asheville, the Asheville Chamber of Commerce, Buncombe County (the county in which Asheville resides) and nearly 80 local investors and organizations worked together to establish a 5-year economic development plan around five strategic target clusters—1) Advanced Manufacturing, 2) Science and Technology, 3) Healthcare, 4) Arts and Culture, and 5) Entrepreneurship to create their own AVL 5X5 strategic plan. The plan, since, 2015 surpassed its goal to add 5,000 new jobs and \$500 million in capital investment within the 5 clusters, due to each agency working together on a common vision and doing their share of the work.

**4. Business Retention:** While businesses have customers they want to retain and attract new customers to their business, towns and cities have businesses and companies they want to retain as well as attract in new business. Business retention and expansion is one of the major economic development priorities in towns and cities and possibly their single largest priority because job growth and expansion is such a vital component for community success. When a business is lost in a community, the community loses as well. Towns and cities may assist local companies with business retention by paying careful attention to business needs within their community and taking necessary actions for their continuance. This is often done through provision of community infrastructure (water, sewer, and roads) and services such as law enforcement, fire protection, street maintenance, and garbage pick-up. However, many companies, particularly in internet technology and telecommunication, demand high-speed broadband infrastructure, just as much as water and sewer to run their business. Since business retention plays such a vital role in economic development, municipal governments should work and coordinate with their local businesses, utility boards, educational institutions, and local chamber of commerce to develop plans and policies to meet business needs both presently and in the future.

**5. Community Ecosystems**—incorporate the complex and diversified workings of all entities within a community which must be considered both on an individual level and as a whole. This is due to the fact that, as previously described with comprehensive planning, each entity plays an important role within the larger framework of the community (for more detail see Chapter I: Introduction). Economic development is influenced by quality of life assets and issues. For example, new businesses seeking to expand or locate might not only be searching for a city with the necessary infrastructure and services, but also one that provides good healthcare for their residents and opportunities for recreation.

**6. Facilitation of Growth and Development:** Similar to sustainable business growth and development, a city should not take on more projects and services than present resources allow, or without a plan to pay back debt involved. Communities should make plans and policies to prioritize the most important projects and properly weigh out the pros and cons of potential projects and services provided. The city, ideally, should be able to duplicate projects and services on a larger scale, provided increases from revenue as developments are established. A city should never rely completely on bonds or loans, to bail out of debt should potential projects not be completed, but should establish funds to assure that growth and development can be sustained from present revenue or reserves.

**7. Flexible and Adaptive Leadership**—is also needed to assure community needs are met in a continuously growing and changing environment, both for business and for the city as a whole. Similar to leadership exemplified in business, a government leader needs to properly direct and manage city resources in a way that meets the needs of government owned and operated entities and pays close attention employee priorities, from the base worker to department leadership.