Report Background

Purpose

The Governing Institute was commissioned by Accela to field a survey to 100 state and local government officials on the topic of economic development in a next-gen environment.

The purpose of this project was to provide insights into current approaches to enhance economic development, potential gaps between economic development goals and current technology use, and priorities related to managing changes brought by the next-gen economy.

Methodology

The Governing Institute fielded a survey to state and local officials in economic development and elected officials.

The 16 survey questions were designed in partnership with Accela and yielded 116 qualified respondents.

Responses were gathered in September and October 2018.
The Next-Gen Economy

How prepared do governments feel?
Key Findings

✓ Many jurisdictions do not feel well-prepared for the next-gen economy

✓ Nearly all respondents see the value of technology in helping their jurisdiction advance towards success in next-gen economic development

✓ Staffing shortages are anticipated to be a key challenge

✓ Multiple stakeholder groups will need to work together
Within your current economic development efforts, do you believe your jurisdiction has the tools it needs to benefit and drive today's new markets and industries in the next-gen economy?

- Yes: 24%
- No: 45%
- Do not know: 31%
Overall, how important are technology solutions for improving the advancement of next-gen economic development in your jurisdiction?
In what areas do you anticipate facing issues when incorporating next-gen economies, such as sharing economies?

- Staffing constraints and/or training: 55%
- Budgetary constraints: 46%
- Cultural adjustments (for staff): 43%
- Adapting current processes into current systems: 39%
- Tracking compliance: 36%
- Land and property use: 31%
- Tax and revenue collection: 31%
- Licensing new businesses: 25%
- Business permitting: 22%
- Inspections: 22%
- Do not know: 11%
- I do not anticipate any issues with incorporating next-gen economies: 3%
- Other: 3%
Which stakeholders do you believe will be important drivers of next-gen economic growth?

- Business owners and entrepreneurs: 77%
- Agency/Department heads: 75%
- Elected officials: 70%
- Citizens: 65%
- Regulatory officials: 59%
- IT vendors: 38%
- Other: 5%
- Do not know: 3%
Spurring Economic Development

What do local businesses and economies need in order to develop?
Key Findings

✓ Jurisdictions are trying a variety of different ways to enhance overall economic development

✓ Citizen services is the most commonly cited area that technology is not sufficiently addressing

✓ Especially in the smaller jurisdictions, with smaller jurisdictions citing most needs higher than the larger ones

✓ Digitization of paperwork is the most commonly cited way to help new businesses establish

✓ Improved government communication is the most commonly cited way to help existing businesses grow
Which approaches has your jurisdiction adopted to enhance economic development?

- Seeking public-private partnerships (P3s) 61%
- Adopting initiatives to draw in investment from established businesses from locations outside of the jurisdiction (e.g., tax breaks, etc.) 60%
- Adopting initiatives to foster business investment, expansion or growth for businesses located in the jurisdiction (e.g., enterprise zones, hiring tax credits, etc.) 59%
- Adopting initiatives to foster the establishment of new businesses, such as investing in start-up incubators or streamlining the business licensing process 59%
- Adopting initiatives to attract and tax economic ventures that do not fit traditional business models (e.g., establishing shared offices for freelancers, regulating sharing economies, etc.) 25%
- Do not know 11%
- Other 11%
What service areas of economic development are not well addressed by current technology solutions?

- Citizen services (such as job training): 43%
- Land and property use: 38%
- Inspections: 35%
- Licensing and permitting: 35%
- Business owner services: 30%
- Zoning: 28%
- Do not know: 19%
- Tax and revenue collection: 17%
- Other: 2%
Based on your agency’s size, what service areas of economic development are not well addressed by current technology solutions?

- Citizen services (such as job training)
- Land and property use
- Licensing and permitting
- Inspections
- Business owner services
- Zoning
- Tax and revenue collection

© 2018 e.Republic
Which economic development technologies would most help your jurisdiction improve business creation?

- Digitization of permitting (online, paperless): 49%
- Improved cross-departmental communication using a central platform: 46%
- Digitization of licensing (online, paperless): 44%
- Agile solutions (i.e., software that can scale on-demand, etc.): 38%
- Workflow automation for employees processing applications: 36%
- Integrated solutions, such as GIS capabilities that tie businesses to zoning systems: 35%
- App-based solutions: 30%
- Cloud-based solutions: 27%
- Do not know: 18%
- Other: 9%
Which technologies would most help your jurisdiction foster local economic growth?

- Improved cross-departmental communication: 49%
- An online, centralized platform for business licensing, permitting, and payments: 43%
- Mobile solutions: 41%
- Agile solutions (i.e., software that can scale on-demand, etc.): 35%
- Workflow automation for employees: 35%
- App-based solutions: 30%
- Integrated solutions, such as GIS capabilities to tie businesses to zoning systems: 30%
- Cloud-based solutions: 23%
- Do not know: 15%
- Other: 7%
Technology Tools for Development

What do respondents want technology to do to meet economic challenges?
Technology solutions are widely seen as critical to helping a jurisdiction spur economic development – especially by municipalities.

An online, centralized platform is most desired for jurisdictions to incorporate next-gen economies into development efforts.

Respondents who report their jurisdiction is not prepared for the next-gen economy have an even clearer idea of what their jurisdictions need.

Many respondents do not see technology helping address key economic needs, such as attracting and taxing next-gen economies.
Are technology solutions an integral part of your jurisdiction's effort to spur economic development?

- Yes: 64%
- No: 15%
- Do not know: 22%

States: 58%
Municipalities: 65%
What technologies would most help your jurisdiction incorporate next-gen economic strategies into your current economic development efforts?

- An online, centralized platform for business licensing, permitting, and payments: 47%
- Improved cross-departmental communication: 41%
- Mobile solutions: 39%
- Integrated solutions, such as GIS capabilities to tie businesses to zoning systems: 34%
- Solutions that address specific emerging markets (such as a solution for cannabis or a solution for short-term rentals): 34%
- Workflow automation for employees: 33%
- Agile solutions: 29%
- App-based solutions: 29%
- Do not know: 17%
- Other: 6%
- None of these: 2%
Respondents see key areas of need as they work towards improving both the way they approach next-gen economic development, and economic development overall.

Technology is viewed as an important tool to improve these approaches.

Longstanding staffing and budget challenges remain.

Respondents want increased functionality specific to these economic development challenges.
Appendix

Survey demographic information
Respondent Jurisdiction Types

- Municipality: 47%
- State: 45%
- County: 4%
- Special district: 2%
- Other: 2%
- Federal (removed): 1%
Respondent Agency Functions

- Administrative/ Operations/ Human Resources: 32%
- Community/Economic Development: 29%
- Health/ Human Services: 11%
- Consumer/ Regulatory Affairs: 6%
- Public Works/Transportation/Utility: 6%
- Justice/Public Safety: 5%
- Finance/Taxation/Budgeting: 4%
- Information Technology: 3%
- Other: 3%
Respondent Job Roles

- **Operations/Administration**: 34%
- **Elected Official/Legislative**: 28%
- **Planning/Community Outreach**: 14%
- **Regulatory/Inspections**: 5%
- **Information Technology**: 4%
- **Human Resource/Workforce/Training**: 3%
- **Finance/Procurement/Budget/Auditor**: 3%
- **Engineering/Technical**: 1%
- **Other**: 7%