

# Economic Development Administration



## Regional Innovation Strategies Initiative



EDA

# The World has Changed

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- Highly mobile human capital is the primary driver of productivity, innovation, and economic growth.
- Workforce development, R&D, technology transfer, entrepreneurship, access to capital, and physical infrastructure are inextricably linked.
- AND despite the global recession, American workers must be trained to compete in a knowledge-based economy.
- YET businesses are having to choose between adjacent American cities and moving abroad.

***These dynamics require a paradigm shift...***

# President Obama Launches National Innovation Policy

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## *First White House-Led National Economic Development Framework*

- Feb 8, 2010: The first-ever White House-led Interagency Taskforce on RICs published a Multiagency Funding Opportunity Announcement (FOA), of up to \$129.7 million over five years, to support a regional innovation cluster that will develop and commercialize new building efficiency technologies for national and international distribution.
- FOA issued by an unprecedented seven federal agencies, four of which made discretionary funds available.

*"By leveraging resources across the Federal government and building on regional strengths, we'll improve business opportunities, enhance our nation's global economic competitiveness and create sustainable, 21st century jobs."*

*- Commerce Secretary Gary Locke*

# EDA's Extensive History of RIC Policy



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## ***Two decades of EDA-funded RIC research:***

- **Cluster Based Economic Development: A Key to Regional Competitiveness (1997)**
- **A Governor's Guide to Cluster-Based Economic Development Universities and the Development of Industry Clusters (2002)**
- **Measuring Regional Innovation - A Guidebook for Conducting Regional Innovation Assessments Unlocking Rural Competitiveness: The Role of Occupational Clusters (2005)**
- **Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy – Occupational Clusters (2009)**
- **Green, Local and Growing – Findings from a Survey of Green Businesses in California (2009)**

# EDA Invests \$50 Million in Regional Innovation & Collaboration

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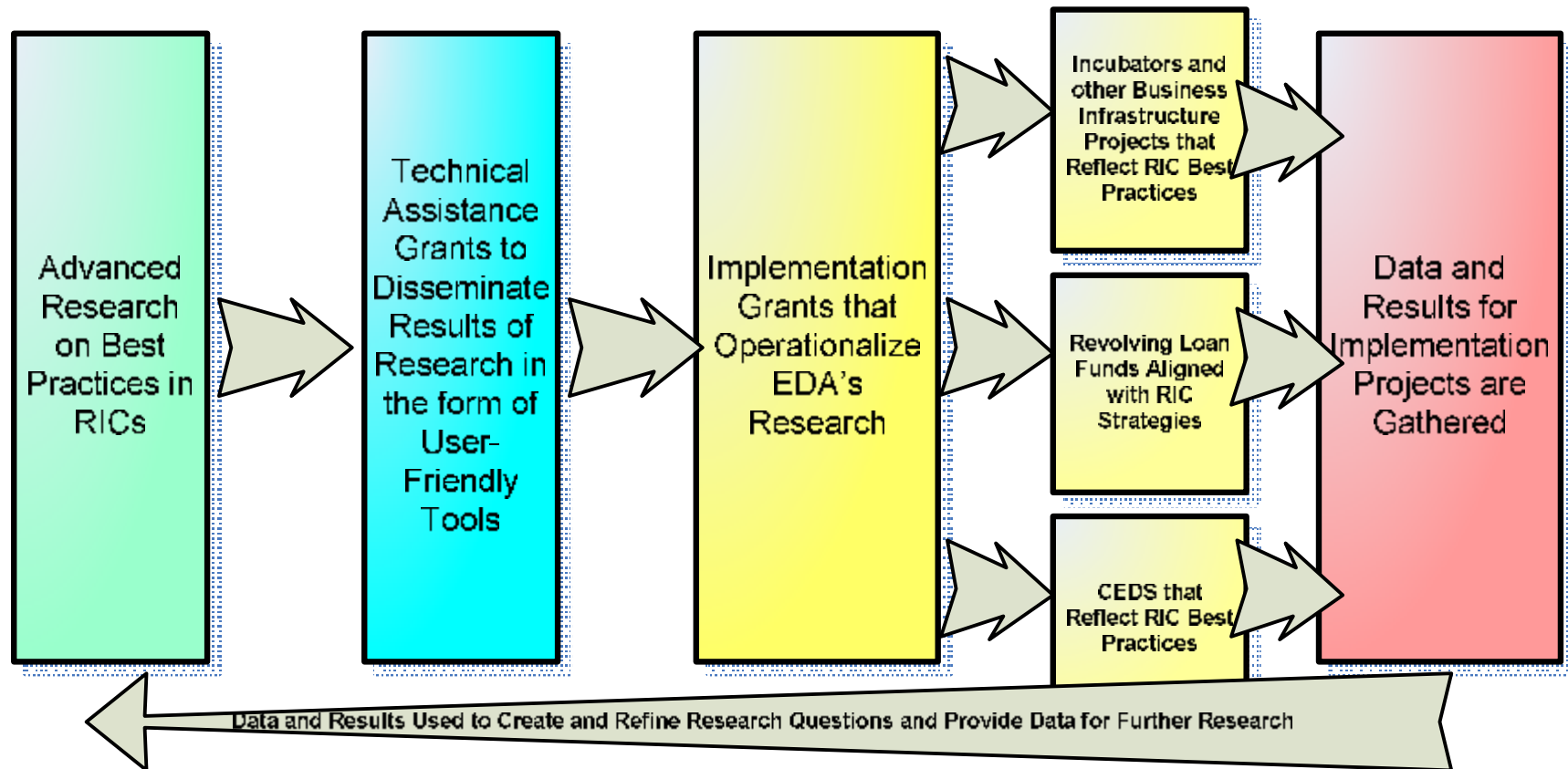


***EDA received \$150 million of Recovery Act funding & invested \$50 million to promote regional innovation clusters***

- Through the Bureau's Economic Adjustment Assistance program, EDA made a \$2.7 million Revolving Loan Fund (RLF) investment to provide much-needed capital to businesses in Montana's timber and wood products industry.
- Investment will lead to the creation of 340 long-term jobs and will leverage \$4.7 million in private investment.
- Critical part of EDA's strategic investment priorities to support regional collaboration.

# EDA's Regional Innovation Strategies Initiative (RISI)

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# ...Advanced Research

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**EDA's RISI will concentrate resources to advance the following priorities:**

- **Develop a data-rich geospatial representation of cluster activity across the U.S. to aid decision-making by businesses and policymakers.**
- **Develop next tier metrics and measurement standards for use in RIC evaluations.**
- **Promote and facilitate trans-regional innovation clusters to facilitate dissemination of best practices, cross-national cooperation and problem-solving.**

# ...Technical Assistance

- EDA has technical assistance programs designed to translate its research into instructional tools for economic development practitioners in the field.
- EDA has already had success with this approach to date: its “Know Your Region” self-paced, online curriculum—which covers the benefits of economic regionalism, the need for effective planning and asset mapping, tools to formulate regional economic development strategies, ways to link workforce development and economic development, and best practices in implementation—was recently used by the Michigan Association of Regions at their annual training conference.
- EDA plans to increase the selection of tools and expand communications and outreach regarding these tools.



# ...Implementation Assistance

- Early-stage cluster initiative activities including planning, asset mapping, feasibility and implementation studies.
- Regional cluster-focused projects in the areas of worker training and skill development, research and development, technology adoption, commercialization, marketing and business growth.
- Greater emphasis on investments in business incubators and science and technology parks.
- Greater focus on investments that support the green economy and green and blue jobs.
- More targeted use of RLFs to support RICs.

# Modernizing EDA



- **Modernizing the Economic Development Administration means aligning its priorities and program structures to improve the competitiveness of American communities:**
  - **Expanding the Public Works program to include the critical infrastructure of the 21st Century.**
  - **Establishing organic authority within EDA's authorization for sustainable development initiatives.**
  - **Expanding access to capital.**
  - **Bolstering science, research parks and incubators.**
  - **Enhancing EDA's tools and resources to provide economic development policy leadership.**

# Economic Development Administration

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***"To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy."***