

## MEDIA RELEASE

TO REQUEST THE FULL REPORT, CONTACT:

Marian Kansas, Project Coordinator, 281-723-6537, [marian@avalancheconsulting.com](mailto:marian@avalancheconsulting.com)

### ECONOMIC DEVELOPMENT PROFESSIONALS OPTIMISTIC ABOUT 2017

The share of respondents who believe the national economy will improve in 2017 doubled from 2016

AUSTIN, TEXAS (March 27, 2017) — Avalanche Consulting's latest economic development index survey identified emerging trends in the economic development industry, showing significant changes in confidence, site selection factors, industry activity, and more.

Optimism about the economy has jumped significantly during the past year. More than half of all economic development professionals surveyed believe the national economy will be "better" or "much better" in 2017. In February 2016, just 26% of respondents felt the same way about the year to come.

While economic development activities remained robust, respondents reported **a slight leveling off of** economic development activity. While approximately half of survey respondents reported an increase in Leads, Expansion, and Visit activity, this number declined relative to the previous year. Respondents remain confident about the year ahead, with slight majorities believing that leads, relocation prospects, expansion prospects, visits, and announcements will increase in 2017.

The performance of individual manufacturing and service industries varied widely. In manufacturing, prospect momentum for the Food Processing sector hit an all-time high in 2016, and momentum for many other segments of the manufacturing industry also increased. On the other hand, prospect activity for Aerospace/Aviation, Biotechnology, Energy, Mining & Extraction, and Back Office & Call Centers were at or near 5 year lows. Among Service industries, the greatest increases in prospect activity were in Health Care Services and Distribution/Warehousing.

One of the largest changes from 2016 was the importance of possessing a skilled workforce as a site selection factor. Over 90% of respondents reported an increase in importance of having a skilled workforce. EDOs are responding to this trend. When respondents were asked how their EDO's activities had changed over the past 5 years, the top response was a greater focus on workforce development. EDOs also expressed an interest in increasing workforce development programs. When asked what they would do with a hypothetical 30% increase in their budget, workforce development was the second most common response.

#### *Definition of Prospect Activity*

Prospects are companies that are considering an expansion or relocation and are competitively evaluating multiple cities as part of their decision. Economic development organizations often assist these companies with their information needs, site and building search, workforce assessments, and/or financing and incentives. Prospects are flagged as various types as they move through the decision process:

- Lead – A company makes an initial request for information or indicates that an expansion/relocation decision process has begun.
- Prospect – A formal "Request for Proposals" is usually sent, which includes the requirements for the project expansion/relocation.



- Visit – A community is short-listed and company representatives visit multiple communities to gather and confirm information.
  - Announcement – A company makes a decision and issues a public statement announcing the winning community for the company's expansion/relocation.
- 

**Avalanche Consulting** is one of the nation's leading economic development consultancies specializing in economic and workforce development, strategic planning, target industry analysis, workforce demand assessments, and marketing plans. Learn more at: [www.AvalancheConsulting.com](http://www.AvalancheConsulting.com).

The **Economic Development Activity Index** is an annual survey of U.S. economic developers to gauge changes in prospect activity, job announcements, and perceptions of the economy. While other surveys exist to measure sentiment of businesses or consumers, this survey is focused on economic development leaders, who have unique insights on the future of job creation in U.S. communities. The most recent survey was conducted February 2 – March 3, 2017. 145 communities responded to this 14<sup>th</sup> consecutive survey.