

## Examples of Leading Regional Competitiveness and Cluster-based Development Initiatives:

- **North Carolina:** The Research Triangle Regional Partnership is a public-private partnership of economic development agencies that work collaboratively with the North Carolina Department of Commerce to market the 13-county Research Triangle Region of North Carolina for the economic benefit of its communities;
- **Tennessee, Alabama, Kentucky, Virginia:** Four States have joined to promote the Tennessee Valley Corridor Jobs Initiative to create and attract innovation-oriented businesses and to generate higher-wage jobs. The innovation assets of this regional corridor include several research-oriented universities and the Oak Ridge National Laboratory. This cross-border regional collaboration has been in place for nearly a decade. The effort is coordinated through regional economic summits, guided by a board of civic, corporate and governmental leaders, and endorsed by the region's congressional representatives;
- **Indiana:** North Central Indiana (NCI) is one of the 13 regions selected for assistance from the U.S. Department of Labor under its new Workforce Innovation in Regional Economic Development (WIRED) Initiative. The NCI WIRED Network will span 14 rural counties and will catalyze regional stakeholders and resources to accelerate the structural changes needed for an economic renaissance in North Central Indiana. The Network will boldly integrate workforce development, economic development, and education initiatives to chart the course for transforming the regional economy;
- **New Mexico:** The Sandia Science & Technology Park in Albuquerque, New Mexico is helping to advance the high-speed telecommunications infrastructure in New Mexico, especially in rural areas, and is facilitating the development of technology-based industry across the State;
- **Alabama, Mississippi, South Carolina, Tennessee:** A "Southern Automotive Corridor" is rapidly growing as automotive manufacturers make record-breaking investments in facilities the American South. The industry's future is extremely bright in the region, with most states and communities in the South prepared – and the rest quickly getting prepared – for future automotive related investment and job creation.



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U.S. DEPARTMENT OF COMMERCE

**ECONOMIC  
DEVELOPMENT  
ADMINISTRATION**

**EDA'S REGIONAL  
DEVELOPMENT  
ACCOUNT:**

*GOOD NEWS for  
RURAL AMERICA*



U.S. Department of Commerce

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Rural America is home to nearly a quarter of the nation's people and more than half of its commercial banks. Yet, with its wide-ranging geography, the ebb and flow of its industries, and its ever-changing technological and global challenges, America's rural economy often performs differently than the rest of the U.S. economy.<sup>1</sup>

President Bush is confident that rural communities can achieve competitiveness and participate fully in the nation's growing economy, and the Economic Development Administration (EDA) will help these communities achieve this. Historically, EDA has invested over 50% of its resources in rural communities, and is committed to retaining this focus. President Bush's budget request for EDA in 2007 will bolster EDA support for rural communities by helping them tap in to resources that will strengthen their capacity for innovation and entrepreneurship within regional economic frameworks.

Government investment at the Federal and State level can be an important component of a comprehensive plan to bolster economic activity in rural communities. However, government alone is not able to bridge the gap between economic distress and prosperity. What is needed is a collaborative approach that leverages the private sector, agriculture, education, nonprofits, and political institutions of the broader region in which a rural community resides.

EDA's 2007 program will better ensure that small jurisdictions and rural areas have a "seat at the table" within the larger regional economic development framework. In 2007, EDA's investment approach:

- Maintains and strengthens EDA's long-standing commitment to rural America;
- Reduces the administrative burden on rural communities by allowing multiple activities in a single EDA grant;
- Increases the focus on regional approaches, allowing rural areas to better build on shared strengths and link up with regional economic hubs.

This investment approach will further refine EDA's funding priorities to promote more directly the development of functioning economic regions focused on developing regional competitive advantage through collaboration and innovation. This will ensure that rural and distressed areas integrate into the larger economic region and participate in the growing national economy.

EDA's new Regional Development Account (RDA) will support the development of economic regions and help move communities from the current fragmented approach to economic development toward a regional, collaborative approach by providing:

- National education efforts targeted at State and local officials and economic development professionals to advance their capabilities in developing and implementing innovation-led, regional economic development strategies;
- Planning, strategy development and technical assistance services for communities and regions that have already recognized the need to work in a collaborative and integrated fashion, but have not yet developed the formalized links to each other and key regional institutions;
- Services to help regions move from conceptual acceptance of the advantages of regional development strategies to the development of functioning economic regions, as well as strategies to foster innovation and encourage entrepreneurship;
- Support for established economic regions through an array of services – ranging from strategic planning to infrastructure development – focused on enhancing regional partnerships and addressing lagging areas within economic regions.

Rural communities win when they successfully engage in regional competitiveness strategies focused on entrepreneurship and innovation. President Bush is committed to helping to create an environment that fosters this transition.

## Frequently Asked Questions on EDA's Role in Supporting Rural Communities:

**Q:** What does the President's 2007 EDA Budget do to support rural America?

**A:** The President's 2007 EDA Budget creates the □ Regional Development Account, which will bolster EDA's focus on regional approaches. This will better ensure that small jurisdictions and rural areas have a "seat at the table" within the larger economic development framework. President Bush believes that rural communities can compete successfully in a worldwide economy through successful engagement in regional competitiveness strategies, and he is committed to helping to create an environment that fosters this transition.

**Q:** How will EDA's 2007 Budget impact Rural Planning Districts?

**A:** Economic Development Districts (EDDs) can play an □ integral and important role in regional collaboration. The Partnership Planning Program within the 2007 EDA Budget provides \$27 million to continue EDA's support for EDDs. For the first time ever, all recognized EDDs will receive support from EDA, and additional funding will be available for EDDs within the Regional Development Account to support regionally-driven efforts to expand regional economic partnerships.

**Q:** How will investment proposals from rural areas compete with those from urban areas?

**A:** EDA has historically invested over 50% of its resources in rural communities, and is committed to retaining this focus. While there will be no fundamental change in how investment proposals are evaluated within President Bush's 2007 budget request, EDA's support for rural communities will be bolstered by a greater focus on regional approaches for economic development. Regional approaches will help rural communities tap in to resources that will strengthen their capacity for innovation and entrepreneurship within regional economic frameworks.

**Q:** Is it mandatory that investment applicants under the Regional Development Account be multijurisdictional?

**A:** No, but multijurisdictional investment proposals will be strongly encouraged as the participation in broader regional development efforts offer the greatest potential for successful creation of jobs and economic opportunity.

<sup>1</sup> Federal Reserve Bank of Kansas City, Center for the Study of Rural America, [www.kansascityfed.org/RuralCenter](http://www.kansascityfed.org/RuralCenter)