

## The 'Three-Legged Stool' of Economic Development By Members of the Indiana Economic Development Association Board of Directors

Economic development has sometimes been described as a 'three-legged stool.' And while that description may have been a helpful way to visualize and understand the elements of economic development, the definition of the 'three legs' has changed over the years as economic development has become a more complex and diverse activity.

At one time it was useful to think of the three legs of the economic development 'stool' as

- Business recruitment;
- Business retention and expansion; and,
- Business start-ups.

Over time, though, the real competitive advantage for both communities and business became 'talent' often referred to as a skilled workforce. Companies began looking for communities that could provide skilled workers, and skilled workers were looking for communities that could provide a positive quality of life.

As a result, the three legs of the economic development stool changed:

- Business development
  - Business recruitment
  - Business retention and expansion, and,
  - Business start-ups
- Workforce development, and
- Placemaking

Placemaking, broadly defined, involves activities that create a positive quality of life and adds amenities to a community that makes it desirable to businesses and to the people they hire. Placemaking is about creating a community where people want to live, plant roots and eventually raise their families.

Placemaking is about adding high-speed broadband so businesses can communicate with customers around the world and households can connect to schools, doctors, and knowledge. Placemaking is creating sports, arts, and recreation venues for residents and providing quality educational opportunities for children and adults. Placemaking is creating a hometown that residents are proud to call home and that provides opportunities for all.

The economic development 'three-legged stool' will likely continue to change and evolve as business and communities change and economic development professionals will evolve and change to meet the needs, but always with the goal of contributing to community prosperity and a positive quality of life.