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CONTENT

ECONOMIC RESILIENCE

It is becoming increasingly apparent that regional economic prosperity is linked to an area’s ability to prevent, withstand, and quickly recover from major disruptions (i.e., ‘shocks’) to its economic base. Many definitions of economic resilience limit its focus on the ability to quickly recover from a disruption. However, in the context of economic development, economic resilience becomes inclusive of three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether. Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. Often, the shocks/disruptions to the economic base of an area or region are manifested in three ways:

- Downturns or other significant events in the national or international economy which impact demand for locally produced goods and consumer spending;
- Downturns in particular industries that constitute a critical component of the region’s economic activity; and/or
- Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.).

At the regional or community level, economic development practitioners are instrumental in building the capacity for economic resilience. Economic development professionals and organizations often become the focal point for post-incident coordination, information dissemination, responding to external inquiries, and the lead grant administrator for federally-funded recovery initiatives.

In building economic resilience, it is critical that economic development organizations consider their role in the pre- and post-incident environment to include **steady-state** and **responsive** initiatives.

Steady-state initiatives tend to be long-term efforts that seek to bolster the community or region's ability to withstand or avoid a shock. Responsive initiatives can include establishing capabilities for the economic development organization to be responsive to the region's recovery needs following an incident.

Examples of *steady-state* economic resilience initiatives include:

- **Engaging in comprehensive planning efforts** that involve extensive involvement from the community to define and implement a collective vision for resilience that includes the integration and/or alignment of other planning efforts (e.g., hazard mitigation plans) and funding sources;
- Undertaking **efforts to broaden the industrial base with diversification initiatives**, such as targeting the development of **emerging clusters or industries that (a) build on the region's unique assets and competitive strengths**; and (b) provide stability during downturns that disproportionately impact any single cluster or industry;
- Adapting **business retention and expansion programs** (e.g., economic gardening or other enterprise supports) to assist firms with economic recovery post-disruption;
- Building a resilient workforce that can better shift between jobs or industries when their core employment is threatened through job-driven skills strategies and support organizations;
- Maintaining geographic information systems (GIS) that link with municipal business licenses, tax information, and other business establishment data bases to track local and regional "churn" and available development sites. GIS can also be integrated with hazard information to make rapid post-incident impact assessments;
- **Ensuring redundancy in telecommunications and broadband networks** to protect commerce and public safety in the event of natural or manmade disasters;
- Promoting business continuity and preparedness (i.e., ensuring businesses understand their vulnerabilities—including supply chains—in the face of disruptions and are prepared to take actions to resume operations after an event); and
- **Employing safe development practices** in business districts and surrounding communities. Strategies may include locating structures outside of floodplains, **preserving natural lands that act as buffers from storms**, and protecting downtowns and other existing development from the impacts of extreme weather.

Some examples of *responsive* economic resilience initiatives include:

- Conducting pre-disaster recovery planning to define key stakeholders, roles, responsibilities, and key actions;
- Establishing a process for regular communication, monitoring, and updating of business community needs and issues (which can then be used after an incident) ;
- Establishing/using a capability to rapidly contact key local, regional, state, and federal officials to communicate business sector needs and coordinate impact assessment efforts; and
- Establishing/using coordination mechanisms and leadership succession plans for short, intermediate, and long-term recovery needs.

The CEDS provides a critical mechanism to help identify regional vulnerabilities and prevent and/or respond to economic disruptions. Therefore, embracing economic resilience must be a key component of the CEDS document.

Integrating resilience into the CEDS should be undertaken as part of a two-pronged approach:

- 1) **Planning for and implementing resilience** through specific goals or actions to bolster the long-term economic durability of the region (**steady-state**), and
- 2) **Establishing information networks** among the various stakeholders in the region to encourage active and regular communications between the public, private, education, and non-profit sectors to collaborate on existing and potential future challenges (**responsive**).

Recommended Resource: See NADO's CEDS Resiliency Library (<http://www.nado.org/resources/ceds-library/> (<http://www.nado.org/resources/ceds-library/>)) for catalogued examples of how EDDs are currently addressing resilience. The library allows users to browse CEDS that incorporate resilience by state and topic.

PLANNING FOR AND IMPLEMENTING RESILIENCE

All communities, whether those in locations likely to experience significant natural disasters or those dealing with immediate or pending economic shifts, must be able to recognize their vulnerabilities. They should then develop goals, strategies, and actions that can mitigate the effects of an economic incident and support long-term recovery efforts. While there is no universal blueprint for building regional economic resilience, the following items may help in establishing a general framework or identifying specific activities/projects:

- **Identify persistent economic challenges or deficiencies:** What are the region's economic "weak spots" (i.e., vulnerabilities)? Is there a specific asset deficiency (e.g., poorly educated workforce, excessive dependency on a single employer or industry, lack of transportation access/options, low levels of broadband availability and/or adoption, impediments hindering a firm's ability to gain access to the financial resources required to advance its business, major employers located in vulnerable areas)? Has a "planning horizon" been established (e.g., 10 to 15 years) for assessing economic vulnerabilities?
- **Prepare for disruptions by identifying "early-warning" tools:** Does the region have an "anticipatory focus" that will help it react quickly when confronted with potential disruptions and challenges? Do community economic development professionals work with their local/regional emergency managers to address the risks identified through hazard mitigation planning? Do community leaders employ mechanisms (e.g., scorecards, state of the region reports, economic dashboards) that offer a regularly updated assessment of the regional economy?
- **Build mechanisms that create flexibility:** Do the local governments have detailed and tested disaster response and recovery plans? Do the local governments and major employers have access to "surge" capital/credit resources? Does the region have a good handle on its assets to help identify emerging economic sectors that may lead to a diversified economic base? Has the region established mechanisms to realign and retrain its workforce post-disruption?
- **Promote a positive vision for the region:** Is the messaging about the region's assets and opportunities positive (to encourage investments in both times of tranquility and disruption)? Do stakeholders understand that actions that build resilience are good for the regional economy whether or not an economic shock occurs, and have they reached consensus on a set of actions they can take proactively? Are economic shocks used as an opportunity to "re-vision" (i.e., reassess) the region's economy?

Regardless of the specific steady-state approaches considered or undertaken, the CEDS, *at a minimum*, should include an identification of the region's key vulnerabilities and resilience-building goals, measureable objectives, and/or projects in the action plan.

Recommended Resource: See Southeastern Vermont CEDS (<http://seveds.com/wp-content/uploads/2012/08/FINALCEDSReport.2013.pdf> (<http://seveds.com/wp-content/uploads/2012/08/FINALCEDSReport.2013.pdf>) (PDF)) for a good example of how to effectively describe a region's economic vulnerabilities and recommend a strong set of measurable objectives and actions to address the challenges.

ESTABLISHING INFORMATION NETWORKS

In addition to identifying regional vulnerabilities and specific actions to address them, the region should establish mechanisms to facilitate active and regular communication between the relevant sectors to collaborate on common challenges. The economic development organization should be prepared to serve as a responsive participant in economic recovery efforts. The region should also be prepared to serve as an information hub by collecting data and convening the appropriate players to facilitate recovery post-disruption. The effectiveness of a region's response to a major economic disruption is often enhanced if the public, private, education, and nonprofit sectors are aware of each other's roles and responsibilities – particularly as they pertain to recovering from economic shocks. Established communication networks and information collection protocols coupled with broadly understood knowledge of key elements (such as supply-chain relationships) can help speed a region's response. Once the networks are established, participants can be called upon in times of crisis to provide services and support in the case of a disruption.

More experienced economic development organizations will find opportunities to enhance and expand their business retention and expansion programs as a vehicle to mobilize action and facilitate information sharing. Other networking examples include the establishment of Business Emergency Operation Centers (BEOC) or Business Recovery One-Stop Centers. Among other actions, BEOCs serve as a hub of business-to-business collaboration and communication to connect private sector organizations with each other and with emergency response and recovery efforts while interfacing with local and federal emergency operations centers to ensure assistance and resources are being directed to businesses in need.

Recommended Resource: Information on establishing a Business Recovery Center can be found at <http://restoreyoureconomy.org/recovery/business-recovery-center/> (<http://restoreyoureconomy.org/recovery/business-recovery-center/>). Several states operate BEOCs, including Louisiana, Rhode Island, Missouri, and New Jersey. They take a variety of forms: state funded, state and university partnerships, and privately organized collaborations with universities. There is also a National BEOC operated by FEMA (see http://www.fema.gov/media-library-data/20130726-1852-25045-2704/fema_factsheet_nbeoc_final_508.pdf (http://www.fema.gov/media-library-data/20130726-1852-25045-2704/fema_factsheet_nbeoc_final_508.pdf) (PDF)).

Regardless of the specific responsive approaches considered or undertaken, the CEDS, *at a minimum*, should demonstrate how the region serves as both a source for information to deal with an economic challenge and as a convener of regional stakeholders to gather data and encourage collaboration post-disruption.

A note on structure: The two-pronged approach to resilience noted above can be included in the CEDS as a separate section. However, resilience could also be addressed by weaving the concept throughout the document (e.g., identifying a region's vulnerabilities in the SWOT section, then developing specific goals or action items to counter those vulnerabilities in the strategic direction/action plan, followed by an exploration of ways to measure success in the evaluation framework). Regardless of how resilience is included in the CEDS, it is critical for regions to identify vulnerabilities and, where possible, bolster the capacities that may lead to economic resilience as part of regional planning efforts.

Recommended Resource: The North Central Florida Regional Planning Council's Economic and Disaster Resiliency Study (http://ncfrpc.org/Publications/EADRS/NCFRPC_EconomicAndDisasterResiliencyStudy.pdf (http://ncfrpc.org/Publications/EADRS/NCFRPC_EconomicAndDisasterResiliencyStudy.pdf) (PDF)) assesses the vulnerability of the region's industries, critical infrastructure, housing, and other economic assets to hurricanes, and models the effects of a catastrophic event. This type of assessment could be used to inform the SWOT analysis.

PRE-DISASTER RECOVERY PLANNING

It should be noted that a number of regions, particularly those that are prone to natural disasters, have engaged in resilience planning by focusing on the development of disaster recovery strategies. Developing and implementing a strategy for disaster recovery is often a good first step in establishing resilient regions. Specifically, certain regions have integrated economic development strategies, sustainability principles and hazard mitigation planning to ensure such activities are undertaken in a complimentary fashion. Examples of the benefits from this “cross-pollination” planning include promoting local procurement and hiring, the pre-prioritization of the resumption of major employers, and the siting of new commercial and industrial development in locations that are out of harm’s way.

In addition to providing a vehicle to approach resilience in a comprehensive fashion, a CEDS can often fill an important role in ensuring that disaster mitigation efforts are well-coordinated across municipal and county-lines to shape stronger, more resilient regions. Regardless of focus (i.e., broader economic resilience or a more directed look at disaster recovery planning), the CEDS should still include the two primary elements: 1) “steady-state” initiatives that seek to bolster the community or region’s long-term ability to withstand or avoid a shock and, 2) “responsive” initiatives that establish and utilize capabilities for an economic development organization to be responsive to the region’s recovery needs post-disruption.

Recommended Resources: See the Eastern Plains Economic Development Corporation's appendix on disaster and economic recovery and resilience in its most recent CEDS at <http://www.epedc.com/brochures/full2012-2017CEDS.pdf> (<http://www.epedc.com/brochures/full2012-2017CEDS.pdf>) (PDF). Other examples include (South Florida RPC's CEDS (<http://www.sfrpc.com/CEDS/SouthFloridaCEDS2012-17.pdf>) (PDF)), Iowa Northland Regional COG's CEDS (http://www.inrcog.org/pdf/2012_CEDS.pdf) (PDF)), and Mountainland EDD's CEDS (<https://mountainland.org/site/webroot/images/upload/files/ED/Mountainland%20Full%20CEDS%2012-19-14-1.pdf>) (PDF)).

The Northwest Oregon CEDS (http://www.nworegon.org/Assets/dept_2/PM/pdf/2014-2018ceds-final.pdf) (PDF) quantifies the region's economic vulnerability by measuring the number of businesses and jobs located in flood zones, total and by industry, and the number of critical facilities in flood zones.

EDA, working with the State of Colorado, has developed an Economic Resilience Planning Evaluation Tool (/files/about/disaster-recovery/EDA_CO-Economic-Resilience-Planning_Oct2014.pdf) (PDF) that contains a list of economic mitigation, preparedness and/or recovery components that could be used in infusing resilience into a CEDS.

A number of tools exist to help regions craft robust disaster resilience strategies. The Infrastructure Security Partnership's 2011 Regional Disaster Resilience Guide for Developing an Action Plan (<http://tisp.org/index.cfm?cid=10962&pid=10261>) (RDR Guide) provides a practical, "how to" approach to help communities and regions develop a useable disaster resilience strategy along with a number of key lessons learned from recent disasters and events. Also see Florida's guidebook Post-Disaster Redevelopment Planning: A Guide for Florida Communities (<http://www.floridadisaster.org/Recovery/IndividualAssistance/pdredevelopmentplan/tools.htm#guidebook>). The guidebook is intended to assist communities developing post-disaster redevelopment plans during pre-disaster periods. It provides best practices for planning and implementation based on research and pilot programs associated with the initiative led by the Florida Department of Community Affairs and Florida Division of Emergency Management.

NADO's publication titled Resilient Regions: Integrating Economic Development Strategies, Sustainability Principles and Hazard Mitigation Planning (<http://www.nado.org/resilient-regions-integrating-economic-development-strategies-sustainability-principles-and-hazard-mitigation-planning/>) highlights how several regional organizations are incorporating disaster mitigation and sustainable development approaches into their economic recovery and resilience work.

In addition, RestoreYourEconomy.org (<http://restoreyoureconomy.org/>) (<http://restoreyoureconomy.org/>) contains a wealth of information to help regions impacted by disasters, as well as a number of tips and techniques to support overall economic resilience (see "Leadership in Times of Crisis: A Toolkit for Economic Recovery and Resiliency"). The site is a one-stop shop for disaster preparedness and post-disaster economic recovery resources, tools, event announcements as well as opportunities to connect with peers through social media groups.

MEASURING RESILIENCE

Measuring the economic resilience of a community or region, including the actions taken to foster resilience, will vary depending on the assets and vulnerabilities of each region. Two common measures are the degree of regional income equality (i.e., how evenly income is distributed across a regional population) and the degree of regional economic diversification (i.e., degree to which economic activity is spread across sectors). Regardless of the specific types of data collected and measures used, it may be helpful to benchmark data collected against national averages to help identify trends and better inform the development of key strategies.

Recommended Resources: See the University of California Berkeley's Network on Building Resilient Regions at <http://brr.berkeley.edu/> (<http://brr.berkeley.edu/>) for general information on resilience and specifics on measuring resilience through the Resilience Capacity Index (RCI). As a means to gauge a region's ability to effectively respond to a future stress, the RCI identifies regional strengths and weaknesses, and provides regional leaders with the ability to compare their region's capacity profile to that of other metropolitan areas. In addition, see the Economic Diversity in Appalachia tool at <http://economicdiversityinappalachia.creconline.org/> (<http://economicdiversityinappalachia.creconline.org/>) for one method of determining industry, employment, and occupational diversity by region across the United States.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

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[SWOT Analysis \(/ceds/content/swot-analysis.htm\)](/ceds/content/swot-analysis.htm)

[Strategic Direction/Action Plan \(/ceds/content/action-plan.htm\)](/ceds/content/action-plan.htm)

[Evaluation Framework \(/ceds/content/evaluation-framework.htm\)](/ceds/content/evaluation-framework.htm)

[Economic Resilience \(/ceds/content/economic-resilience.htm\)](/ceds/content/economic-resilience.htm)

[Format \(/ceds/format.htm\)](/ceds/format.htm)

[Preparation \(/ceds/preparation.htm\)](/ceds/preparation.htm)

[Equivalent/Alternative Plans \(/ceds/alternative-plans.htm\)](/ceds/alternative-plans.htm)

[Opportunity Zones \(/ceds/opportunity-zones.htm\)](/ceds/opportunity-zones.htm)

[Full Report \(/files/ceds/CEDS-Content-Guidelines-full.pdf\)](/files/ceds/CEDS-Content-Guidelines-full.pdf) (PDF)

USEFUL LINKS

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