

SECURING TOMORROW: SUCCESSION PLANNING FOR ECONOMIC DEVELOPMENT LEADERS

BY GOLDEN SHOVEL AGENCY



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DEAR ECONOMIC DEVELOPER, COMMUNITY LEADER, AND BOARD MEMBER,

Succession planning has always been an essential part of leadership development, yet it is often set aside for “when we have time.” While most economic developers, community leaders, and board members recognize the importance of planning for the future, few organizations have formal succession plans in place. This has led to a loss of institutional knowledge, as more retirements, and the movement of economic developers to new communities have become common. Our goal is to guide you through the succession planning process, so your organization can continue achieving its mission, regardless of leadership transitions.

This whitepaper includes original research from Golden Shovel Agency, on economic developers' perspectives on succession planning, how long they plan to remain with their organizations, and whether staff and board members are prepared to step in if they leave.

We've also provided step-by-step recommendations for approaching succession planning, along with tools and resources to simplify the process. Best practices and success stories from other organizations are shared, offering leaders ideas that can be implemented locally.

Ultimately, the mission of economic development organizations must endure for our communities to thrive long-term. This whitepaper is designed as a resource and guide to help lay the necessary foundation for that sustainability.

Economic developers engaged in Business Retention and Expansion (BRE) can use these resources to help local businesses begin their own succession planning. The University of Minnesota's research, presented at the end of this whitepaper, can further support those conversations.

The Golden Shovel Agency team is ready to assist and support your organization's efforts to strengthen your community. Please feel free to reach out with any questions or to discuss opportunities for collaboration.

Happy reading!

Bethany Quinn, Executive Vice President • Golden Shovel Agency

THE DATA COULDN'T BE MORE CLEAR: LEADERSHIP TRANSITIONS ARE UNDERWAY

2024 marks a significant year for retirements, with an average of 11,000 Americans turning 65 each day. The “silver tsunami” is affecting all industries, including economic development. A simple Google search for “economic developer retiring” reveals numerous announcements across the sector. Unfortunately, there are not enough trained economic developers to replace them, and many organizations have yet to create a succession plan that addresses training new industry professionals.

The Brookings Institute emphasized this challenge in their report on the infrastructure industry. In [Seizing the U.S. Infrastructure Opportunity: Investing in Current and Future Workers](#), Joseph Kane stated, “From 2021 to 2031, projections show 1.7 million infrastructure workers (12.2%) leaving their jobs each year on average, leading to huge replacement needs... How can leaders expand the future infrastructure workforce if they cannot even hold onto the current one?” Kane notes that many infrastructure leaders excel at building projects but lack experience collaborating with workforce partners or recruiting and retaining talent. This collaboration is where economic developers truly excel. Without them, many projects will stall, and opportunities will be missed.



RETIREMENT!

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ECONOMIC DEVELOPMENT INDUSTRY DATA

It is difficult to project the exact number of retirements in the economic development industry since it includes both private and government institutions. However, federal employee retirement rates offer some insight. According to the [Office of Personnel Management](#), 114,505 federal employees retired in 2022, the highest number in over 20 years. More than 325,000 federal employees are 60 or older, and [Fedsmith's Ralph Smith](#) suggests that the wave of government retirements is likely to occur, impacting the economic development industry as well.

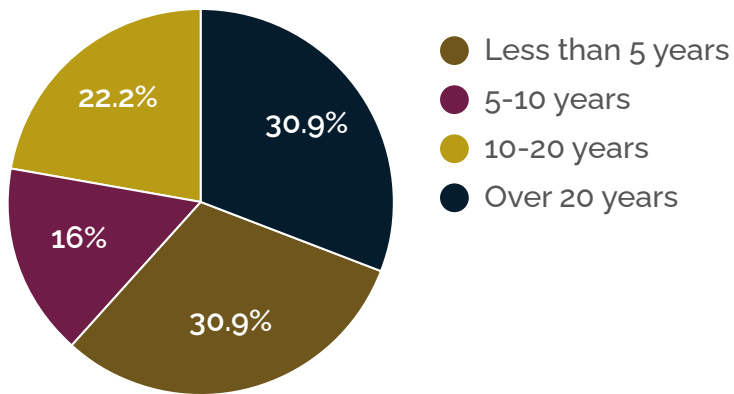
To gain more specific insights into the industry, Golden Shovel Agency surveyed economic developers nationwide. Over 30 percent of respondents have been in the industry for more than 20 years, and of all respondents, 19 percent plan to retire within the next five years, while 25 percent plan to retire in five to ten years. Combined, this means that 44 percent of economic developers expect to leave their organizations within the next decade, underscoring the critical need to create succession plans and develop the next generation of economic development leaders.

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Few economic development organizations have a succession plan in place. Over half of those surveyed either lacked a plan or were unaware of one. Only 13.6 percent of respondents had a completed succession plan for their organization. As a follow-up, we asked if anyone within their organization could step into the economic developer's role if they suddenly retired, left for another position, or won the lottery. Only 31.3 percent of respondents believed their current team could handle the task. However, they had more confidence in their board members, with 46.3 percent stating that the board could manage the organization until a replacement was hired.

Years working in economic development.



My organization has a succession plan in place.

