

Senior Fellow Research Update
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Summary of Overall Goal

I am studying how state governments in the USA decide what their economic development policies and actions will be to help drive job creation. I am not examining *what* they did; instead, I am studying *how* they decided on various courses of action.

Assessment of the Problem

There is a great deal written in the general press about *what* states did (and assessment of specific policies in the academic literature), but very little written about *how* they developed those policies, and *why* they made the choices they did.

Actions such as highly publicized subsidies for a Foxconn plant in Wisconsin or a Tesla battery factory in Nevada, and trade missions to Israel, receive lots of press. We can, by way of analogy, call this the “therapeutic” aspect of economic development – what do you do, and what specifically do you offer to a given company?

I am finding that this “therapeutic action” is the second step in economic development. I’m further finding that we know too little about the first step, which is the “diagnostic step.” Every state must do it: somehow, choices are made. I hypothesize that policy development can range from formal and elaborate efforts, to simply “continue with the programs already in legislation and funded.”

Data Sources and Approach

My primary data source will be interviews with *former* Secretaries of Economic Development. Current Secretaries will be harder to reach, and far more conscious of the need to be politically careful in their comments. Time, and reflection, may also yield a more insightful perspective. Therefore, I think that former secretaries will be more fruitful. And, having served a Republican Governor as Secretary, and a Democratic Governor as Chairman of Massachusetts’ redevelopment authority, I expect to have a rapport with, and understanding of, their experiences.

Approach

1. Write a structured interview guide.
2. Conduct Phase One interviews with five former secretaries, in smaller states. I will use this initial data gathering to refine the interview guide, my interview process, and to start to define what empirical data are needed to provide context. My proposed approach to the interview process in phase 1:

- a. Inform the interviewees that answers (except as agreed) will be grouped or anonymized to preserve some level of privacy.
 - b. Discuss how they and their Governor set overall economic policy.
 - c. Gather a few specific examples and get context around those case studies.
 - d. Ask what they learned as they carried out their policies, and what changes or improvements were made.
 - e. Ask for a few specific quotes to be agreed upon.
3. Refine and improve the interview guide for Phase 2 of interviews.
 4. Phase 2 goal: interview another 35 secretaries, for a total population of 40 in at least 20 states.

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Emerging Models of Diagnostic Approaches Taken By States

General form	Specific process	Description
Analytical	1)“Epidemiological” (quantitatively analytical)	Data-driven analysis of where companies put jobs, and what are the causal drivers of those choices?
	2)“Claimant-Driven” (qualitatively analytical)	The administration receives, and may also actively seek, input from a number of claimants: business and trade associations, non-profit and university “think tanks” and policy centers, individual large businesses, and other actors (legislative leaders, mayors), and develops a general approach that represents, in their view, a reasonable balance of budgetary costs, political benefits, and “listening to the business community.”
Positional	3)“Aspirational”	Most commonly, this is the so-called “cluster strategy” of seeking to make the state a national leader in a chosen area. While a state may arrive at it through analysis (the “epidemiology” model), my starting hypothesis is that aspirational policy choices are driven more by political concerns and ideology than by pure logic (with respect to that particular state’s relative economic advantages). Historically, this has been focused on biotech and high tech; now, of course, green economic development and clean energy are in the mix.
	4)“Campaign Promises”	Gubernatorial campaign issues are largely around the direction of the particular state, often in comparison to past conditions in the state, or current conditions in other states. As candidates address issues during the campaign, their statements may, or may not be, backed by rigorous policy work. Some states’ economic development departments may be given overall guidance to simply act in ways that best fulfill the campaign promises of the elected Governor
	5)“Advantage Assessment”	In some ways, this is the other end of the spectrum from Epidemiology – instead of analyzing companies, a state looks at what it does “better” (as they define that word) relative to other states. This is predominated by claims about low factor costs, absolute tax levels, relative tax stability, and regulatory climate

One item that is emerging came from a specific comment by faculty advisor Ed Glaeser that economic policies pay very little attention to what he calls “the entrepreneurship of the poor” This illustrates a larger and concerning truth: economic development policies can easily become a simple balancing of desires and requests from a variety of well-established existing interests. The poor, the small business, the company that does not yet exist—they all lack a voice in what I termed above the “claimant” model of policy development.

My list of officials to interview is shown below.

State	Name	Former Title	Organization
AK	Mike Navarre	Commissioner	Alaska Department of Commerce, Community, and Economic Development
AK	Fred Parady		
AL	Greg Canfield	Secretary of Commerce	Alabama Department of Commerce
AR	Mark Preston	Executive Director	Arkansas Economic Development Commission
AS	Keniseli F. Lafaele	Director	Department of Commerce
AZ	Brian Sherman	Senior Vice-President, Business Development	Arizona Commerce Authority
AZ	Kevin Sullivan	Senior Vice-President, Business Attraction	Arizona Commerce Authority
CA	Panorea Avdis	Director	Governor's Office of Business and Economic Development
CO	Stephanie Copeland	Executive Director	Colorado Office of Economic Development and International Trade
CO	Jana Persky	Opportunity Zone Program Director	OEDIT
CT	David Kooris	Deputy Commissioner	CT Dept of Economic and Community Development
CT	Catherine Smith	Commissioner	Department of Economic and Community Development
DE	Cerron Cade	Acting Secretary	Delaware Economic Development Office
DE	Kurt Foreman	President & CEO	Delaware Prosperity Partnership
GA	Scott Hilton	Executive Director, Georgians First Commission	Governor's Office of Planning & Budget
HI	Luis Salavaria	Director	Department of Business, Economic Development and Tourism
IA	Debi Durham	Director	Iowa Economic Development Authority
ID	Tom Kealey	Cabinet Official	Department of Commerce
ID	Megan Ronk	Director	Idaho Commerce
IL	Erin Guthrie	Director	Dept of Commerce and Economic Opportunity
IL	Sean McCarthy	Director (Acting)	Department of Commerce and Economic Opportunity

IN	Elaine Bedel	President	Indiana Economic Development Corporation
IN	Jim Schellinger	Secretary of Commerce	Indiana Economic Development Corporation
IN	Jim Shellinger	Secretary of Commerce	Dept of Commerce
KS	Robert North	Secretary	Department of Commerce
KY	Jessica Burke	General Counsel & Exec Dir of Legal Services	Kentucky Cabinet for Economic Development
KY	Terry Gill	Secretary	Kentucky Cabinet for Economic Development
KY	Jason Rainey	Deputy Executive Director	KY Cabinet for Economic Development
LA	Dan Pierson	Secretary	Louisiana Economic Development
MA	Jay Ash	Secretary	Housing and Economic Development
MA	Helena Fruscio Altsman	Deputy Assistant Secretary for Technology Innovation and Entrepreneurship	Housing and Economic Development
MD	Michael Gill	Secretary	Department of Commerce
MD	Benjamin H. Wu	Deputy Secretary	Department of Commerce
MI	Jeff Mason	Chief Executive Officer	Michigan Economic Development Corporation
MI	Greg Tedder	Executive Vice President and Chief Marketing and Community Development Officer	MI Economic Development Corporation
MN	Blake Chaffee	Acting Commissioner	Dept of Employment and Economic Development
MN	Shawntera Hardy	Commissioner	Department of Employment and Economic Development (DEED)
MO	Rob Dixon	Acting Director	Department of Economic Development
MO	Paul Eisenstein	Senior Advisor	Department of Economic Development
MS	Glen McCullough	Executive Director	Mississippi Development Authority
MT	Sean Becker	Business Assistance Bureau Chief	MT Office of Tourism and Business Development
MT	Ken Fichtler	Director of Economic Development	Office of Governor Steve Bullock
MT	Doug Mitchell	Deputy Director	Department of Commerce
MT	Eric Pratt	Business Development Manager	Gov's Office of Economic Development
MT	Tara Rice	Commerce Director	State of Montana
NC	Anthony Copeland	Secretary	NC Department of Commerce
NC	Susan Fleetwood	Chief Economic Development Liaison	NC Department of Commerce
ND	Michelle Kommer	Commissioner	Dept of Commerce

ND	John Schneider	Interim Director	Department of Commerce - Economic Development & Finance Division
NE	Dave Rippe	Economic Development Director	Department of Economic Development
NH	Dave Rippe	Commissioner	New Hampshire Department of Resources and Economic Development
NJ	Tim Lizura	COO	New Jersey Economic Development Authority
NJ	Monica Pham		
NM	Matthew Giesel	Cabinet Secretary	NM Economic Development Dept
NM	Lee Schilling	Admin	NM Economic Development Dept
NMI	Mark O. Rabauliman	Secretary	Department of Commerce
NV	Paul Anderson	Executive Director	NV Governor's Office of Economic Development
NV	Derek Armstrong	Deputy Director	NV Govs Office of Economic Development
NV	Steve Hill	Director	Governor's Office of Economic Development
NY	Lindsey Boylan	Executive Vice President & Chief of Staff	Empire State Development
NY	Michael Lefebvre	EVP, Public Policy-Albany Office	Empire State Development
OK	Deby Snodgrass	Executive Director and Secretary	Oklahoma Department of Commerce and Tourism
OR	Chris Harder	Director	Business Oregon
PA	Dennis Davin	Secretary	Department of Community and Economic Development
PR	Manuel Rivera	Secretary	Economic Development and Commerce
RI	Matt Santacroce	Gov Economic Policy Advisor	Office of the Governor
SC	Robert Hitt	Secretary of Commerce	Department of Commerce
SC	Vicky Wooten	Executive Assistant	Department of Commerce
SD	Scott Stern	Commissioner	Governor's Office of Economic Development
TN	Amy New	Assistant Commissioner, Rural Development	Tennessee Department of Economic and Community Development
TN	Brian Rolfe	Commissioner	Tennessee Department of Economic and Community Development
TN	Zach Skipper	Director of Business Development	Dept. of Economic & Community Dev.
TN	Ted Townsend	Cheif Operating Officer	Tennessee Department of Economic and Community Development
UT	Val Hale	Executive Director	UT Governor's Office of Economic Development
VA	Brian Ball	Secretary of Commerce and Trade	Office of the Governor

VA	Stephen Moret	Virginia Economic Development Partnership	President & CEO
VI	Wayne L. Biggs, Jr.	Acting Chief Executive Officer	VI Economic Development Authority
VT	Michael Schirling	Commissioner	Vermont Agency of Commerce & Community Development
WA	Brian Bonlender	Director	Department of Commerce
WI	Aaron Hagar	Vice President, Division of Entrepreneurship and Innovation	Wisconsin Economic Development Corporation
WI	Mark Hogan	Secretary and CEO	Wisconsin Economic Development Corporation
WV	James Bailey		
WV	Clayton Burch	Acting Secretary	Department of Commerce
WV	Ed Gunch	Secretary	WV Dept of Commerce
WV	Wesley White Esq	Deputy Secretary/General Counsel	WV Dept of Commerce
WY	Shawn Reese	Chief Executive Officer	Wyoming Business Council

Note: still need names from four states: Florida, Maine, Ohio, and Texas.