

# EDRP LEADER SERIES



ECONOMIC DEVELOPMENT  
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Economic development organizations are working harder than ever since the economy turned upside down in March. How are leading EDOs meeting the challenges covid-19 brings to their businesses, communities, and organizations? This brief is one in a series featuring responses from members of IEDC's Economic Development Research Partners (EDRP) program.

## Supporting Businesses

How EDOs responded to the needs of the business community over the last few months depended partly on the type of organization. Chambers and public entities were the most active in developing strategies to support restaurants, retailers and small personal services businesses – those initially closed by most stay-at-home orders (and often vulnerable even in good times). Regional partnerships tended to play more strategic, convening roles, in addition to supporting local EDOs.

**Outreach to businesses.** Most EDOs very quickly contacted businesses they had relationships with to see how they were doing and what they needed. Chambers called hundreds (or thousands) of members; other EDOs called BRE clients, investors, and prospects. Some EDOs continued to reach out to businesses weekly or sporadically, and in many cases found businesses reaching out to them, particularly with questions about grant and loan sources, reopening guidance and PPE sourcing. All EDOs surveyed businesses, often several times, getting useful information that helped guide their response.

Listening matters. “We can be caught up with the top 100 businesses, but I have seen a tremendous upside from talking to the smallest businesses – the two-person shop in a retail center. They really appreciate that someone is listening to them,” said Dan Culhane, president and CEO of the **Ames Chamber of Commerce**. “I’m a better listener today than I was nine weeks ago,”

**Providing information.** Nearly all EDOs quickly developed web pages (or separate websites) of covid-19 resources and information for businesses. They used all other communication channels – particularly eblasts, social media and webinars – regularly to keep businesses and the public updated on the rapidly changing situation. Webinars during the first few months focused on topics such as marketing during covid-19, federal assistance programs and tips for reopening. The **Great Falls Development Authority** put out a series of guides to businesses, including a business crisis toolkit, a hibernation toolkit, a business resiliency guide, and a reopening toolkit. Multiple EDOs also have been highlighting

employment opportunities at firms that have continued to hire during the pandemic.

“We have worked hard to show value and provide the resources our businesses need to survive and thrive,” said Amy Clickner, CEO of the **Lake Superior Community Partnership**. “With information pouring in from all sides, we have set ourselves up as a connection they can trust.” To help business owners manage the overwhelming flow of information, the **City of Surprise** (Ariz.), boiled down content from multiple sources to 2- to 5-minute videos and distributed them by email and social media.

The **Chattanooga Chamber of Commerce** established a Small Business Hotline, in partnership with other business support organizations in the region, to provide advice regarding finances, human resources, banking, credit and other business assistance.

Many EDO leaders noted that the public is more engaged with their organizations than ever, judging by increased website traffic, high webinar attendance and incoming calls.

**Small business loan/grant programs.** Some EDOs started and operated their own business loan program or started one in partnership with another organization or government; some provided assistance on programs operated by other groups (e.g., reviewing applications and making recommendations). Capital for these programs came from a range of sources, including businesses, foundations, individual donations, local and state governments, federal allocations from the CARES Act, and sometimes by reallocating or redirecting an existing funding stream. Programs were rolled out anytime ranging from the first few weeks of the pandemic to early June, aimed at providing

support while businesses awaited EIDL or PPP loans, or after those loans had run out.

Nearly all EDO grant programs targeted locally owned businesses that were particularly affected by the pandemic – e.g., those forced to close by state or local order – such as restaurants and retailers. Programs typically included criteria such as a maximum number of employees (e.g., 20 or 50) and the ability to show a drop in revenue from the same period during the previous year. Grant amounts ranged from a few hundred dollars to \$15,000.

The **City of El Paso Office of Economic Development** diverted \$1 million that had been part of a deal-closing fund to create a grant program in partnership with the county economic development department (which also contributed \$1 million). LIFT Fund, a community development financial institution with which the city already had a relationship, deployed the money in grants of \$5,000 and loans of \$10,000. After releasing the fund on March 30, it was depleted in a matter of days. Jessica Herrera, the department’s director, noted that many businesses in the city are not eligible for EIDL or PPP loans because they don’t have the required documentation. Herrera noted that the city is 82 percent Hispanic and has 27,000 businesses with fewer than 10 employees and less than \$1 million in revenue.

**Other small business help.** Aside from money, many EDOs quickly created marketing and technical assistance programs to help their small businesses.

The **City of Surprise** (Ariz.) had 150 banners made which it gave to restaurants and retailers to show the public that they were still operating. It helped businesses that previously

lacked capability for online ordering or delivery figure out how to do it, and, like many EDOs compiled a list of open businesses which it promoted widely. Similarly, the **Chattanooga Chamber of Commerce** initiated a “Chattanooga To Go” program to promote online ordering and pickup from restaurants and retailers; in addition to social media, the local newspaper and billboards contributed extensive advertising to promote the program.

Several EDOs implemented gift card campaigns that promoted local buying, such as the **Ames Chamber of Commerce’s** (Iowa) “Buy in Story County” program. The chamber raised money to purchase \$30 gift cards to local businesses, which were then sold to the public for \$20. The gift cards sold out almost instantly, with the campaign getting about \$100,000 out to vulnerable local businesses.

Some EDOs focused on capacity-building for their smallest businesses; The **Detroit Regional Partnership** added resources for exporting to its website. “We think one way to help existing businesses is to help them increase their customer base,” said Barry Matherly, the partnership’s president and CEO. The partnership also contracted to put SizeUp, a program that helps small business with market research and business intelligence, on its website. Other organizations offered pro bono technical assistance from partners on topics such as human resources, financial management and marketing.

**PPE roles.** Multiple groups mentioned working with local companies to help them pivot to producing personal protective equipment. The **Greater Yuma Economic Development Corporation** helped textile companies in the

region convert product lines to make bedding, gowns and face masks by connecting them to hospital and clinic buyers in the region. The **Chattanooga Chamber of Commerce** and **Greater Fort Lauderdale Alliance** publicized information for companies and organizations that wanted to order PPE products locally. The **Little Rock Chamber of Commerce** had the opportunity to coordinate the production of face shields, leading to the creation and delivery of more than 4,000 shields to local hospitals.

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