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Economic Development in Arizona

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Thank you for the opportunity to talk with you today about the Economic Development Information Centers in Arizona.

To begin, I'd like to tell you a little about my home state of Arizona. Arizona attained statehood in 1912. It is the sixth largest state and is divided into only 15 counties. It takes 8 hours to drive from north to south. From Phoenix, driving time to Yuma is 3 1/2 hours, Flagstaff 2 1/2 hours, and Nogales 4 hours. Only 17% of the land in Arizona is privately owned. The balance is comprised of Federal (Forest Service, BLM, National Park Service, Department of Defense); indian reservation, and state land. So there is a lot of open space.

73% of the state's population (3.7 million) is located in three metropolitan areas: Phoenix-Mesa (Maricopa and Pinal counties); Tucson (Pima County); and Yuma (Yuma County). Arizona's economy traditionally was described as the 5 c's--cotton, citrus, climate, copper, and cattle. Today, Arizona's economy is led by manufacturing, primarily the electronics industry and Department of Defense contractors, and retail trade and service industries.

My topic, "economic development," is really tailor-made for rural libraries because institutions in less-populated areas tend to play multiple roles in the community. However, after saying that, we do have economic development programs in urban libraries as well.

Too many librarians believe that libraries do not have a role in economic development. The glassy-eyed look of disbelief however is soon replaced as people see the connections among information, business development, rising standards of living and library resources.

I want to tell you what Arizona's small businesses said in a survey about information needs and libraries. I'll give you some background on economic development and tell you about how Arizona's libraries are getting involved in the area and what you can do to become active.

Economic development can be a mysterious, intimidating topic. But fundamentally it is a simple one. Economic development is simply raising people's standard of living or creating wealth. Economic development is any activity which seeks to create wealth, generate rising real incomes, and increase employment. Economic development is not synonymous with growth. The key is rising incomes. According to the Center for the New West, the end result of successful development activity is new hope, increasing wealth and expanding choices--for people, communities, and enterprises.

Economic development has undergone many changes in recent years. Many communities learned the hard

way that "smokestack chasing" (going out and recruiting or stealing other communities' employers) was very costly and not very successful. The companies brought in with incentives were likely to move on when better ones were presented.

Economic development practitioners have come to realize that looking outside the community needs to be augmented with looking inside--with fostering businesses already there and starting and nurturing new ones. Most new jobs come from small and medium sized businesses. The focus now has moved further to making communities competitive from a number of standpoints. Now people are working on a three-pronged effort that equally values attraction, retention, and creation. There is now a new emphasis on the underlying factors, or foundation, which are needed to support any economic development. These are:

1. Human resources;
2. Capital availability;
3. Accessibility to technology;
4. Tax and regulatory environment;
5. Physical infrastructure;
6. Information and communications;
7. Quality of life.

Community investments and attention to creating a healthy business climate are now viewed as the best means of promoting economic development and creating a competitive economy.

Arizona is one of many states that began to worry about competitiveness in the 1990's. The boom and bust cycle of many states caught Arizona. The bust was devastating. As a response, the Arizona Enterprise Network (a private business group) joined with the Arizona Department of Commerce, the Arizona Economic Council, the Greater Phoenix Economic Council, and the Greater Tucson Economic Council to fund the Arizona Strategic Planning for Economic Development project, or ASPED.

ASPED was completed with consultant help from SRI International, in Palo Alto, California, Morrison Institute for Public Policy, at Arizona State University, and the Phoenix firm of Landry and Associates. The project included the input of thousands of Arizonans, including many library professionals, and created a strategic plan for Arizona that integrated the needs of ten industry clusters with the support system of seven foundations. The Arizona strategic plan is unusual for its size and scope and cluster concepts, but also because it included libraries.

Clusters are a network of buyers and suppliers in the same kind of business or industry such as aerospace, tourism, and health.

Foundations are the areas such as libraries that support the clusters by providing information and guidance.

One of the recommendations of ASPED was the creation of Economic Development Information Centers in public and academic libraries across the state. Of course, activities in the library community set the stage for this ASPED success story.

The Arizona State Library wanted to take a new direction with the state's Pre-White House Conference on

Library and Information Services, held in January, 1991. The state library went to Morrison Institute for a new look at library roles and options. Although many libraries in the state already had successful programs of serving business, Morrison Institute introduced libraries to economic development in the state's Pre-White House Conference. The project focused on economic development as both an area where libraries had a special, unique role to play and opportunities to provide valuable services and where their investments of time and energy would be rewarded in the long term with the creation of a new base of support.

What emerged from the Pre-White House Conference and ASPED was a classic win/win situation for libraries and the community.

A survey of small businesses was conducted by the Morrison Institute in July, 1990, preceding the Arizona Pre-White House Conference.

In-depth interviews were conducted by mail and telephone with 803 small business owners and managers throughout Arizona. In this survey, a small business was defined as a for-profit business, with under 100 employees, which is not a subsidiary or branch of a larger corporation. The overall sampling error was approximately +/- 3.5%.

Out of 17 main sources of information that small businesses rely on, libraries ranked 13th. The number one source was getting information from other people.

Chart #1

Main Sources of Information Small Businesses

Rely On (Initial Responses)

Response Percent of interviewees stating this was main source

Rely On (Initial Responses)	Response Percent of interviewees stating this was main source
1. Personal*	46.2
2. Magazines	36.0
3. Newspapers	12.8
4. Manufactures/Suppliers	12.5
5. Organization/Associations	8.6
6. Directories	8.2
7. Neutral**	7.8
8. Schools/Seminars	4.4
9. Government	4.1
10. Miscellaneous	3.8
11. Business Consultants	3.2
12. Trade shows and conventions	2.4
13. Libraries	2.3
14. Broadcast media	1.9
15. Advertising	1.6
16. Computer databases	1.0
17. Financial institutions	0.3

* Specific responses included: personal business, business colleagues, employees, friends and relatives, clients and customers, personal contacts, word of mouth, mail, flyers, junk mail, and previous owners.

** Indicates a response such as "nothing," "don't know," or "not sure."

Source: Statewide Small Business Study, Morrison Institute for Public Policy, School of Public Affairs, ASU, July 1990

Out of 12 sources for business information, local public libraries ranked 8th; academic libraries ranked 11th; and community colleges ranked 12th. The number one source again was from other people (colleagues).

The type of information sought was basic information to promote and manage their businesses.

Chart #2

Small Businesses' Sources and Types of Business Information Used in the Last 12 Months

Sources	%	Types	%
1. Colleagues	69.9	1. Sales and marketing	44.4
2. Technical journals	60.0	2. Finance	41.8
3. Trade associations	50.0	3. Legal	41.4
4. Business consultants	43.8	4. Employment/government related	41.2
5. Conferences or seminars	42.0	5. Business planning	41.1
6. Government agencies	33.9	6. Employee benefits packages	29.9
7. Chambers of commerce	26.1	7. Product development	25.2
8. Local public libraries	20.6	8. Business expansions	24.9
9. On-line databases	17.2	9. Scientific/technological	19.0
10. University sources, other than a library	10.6	10. Exporting	5.8
11. University libraries	9.7		
12. Community colleges	7.7		

Source: *Statewide Small Business Study, Morrison Institute for Public Policy, School of Public Affairs, ASU, July 1990*

Another question had to do with what services they knew were available at their library. The majority responded they did not know, therefore they did not use the library. This pointed out the serious need to educate the user.

When asked if they would use a service if it was available in a library in their area, the responses were varied.

Chart #3

Question 4 - As far as you know are the following available at a library in your area?

Percentages	Yes	No	Not Sure
Current business and technical periodicals	54	11	35
Marketing directories	46	12	43
Over the telephone reference services	32	19	49
Online computer database services	20	24	57
Assistance with selling products or services to government	16	28	56
Literacy classes	36	20	44
Customized research services	17	27	55

Question 5 - Assuming each service is available in a library in your area, how likely is it that you would use each service as a source of business information or assistance?

Percentages	Likely	Not	Not Sure
Current business and technical periodicals	45	54	2
Marketing directories	38	59	3
Telephone reference services	37	59	4
Online computer database search	29	68	4
Assistance with selling to government	22	74	3
Literacy classes	12	85	3
Customized research services	29	67	4

Economic development professionals were also asked about the kinds of problems they encountered in getting information from all sources. Over two-thirds of those interviewed stated that they did have problems obtaining information. The problems mentioned most often were:

- information is not in a usable form;
- the information has limitations (i.e., info not disaggregated to the local level);
- needed information is not available, especially labor market information;
- the information is not specific; and
- information is not accessible.

More than half of the economic development professionals interviewed said they do use libraries as a resource for business and economic development-related information. Those indicating that they use libraries do so at all levels including local public, county, university, community college and special libraries. For the economic development professionals who said they did **not** use libraries many stated that they would use libraries if:

- libraries were more convenient;
- the information available at libraries was more current;
- the needed information was available at libraries; and
- information available at libraries was in a more usable format.

Implications for libraries

The results of the small business survey point out that many of Arizona's small businesses use libraries infrequently, lack knowledge of the information and services available in libraries, and thus show little inclination to use many library services for their business information needs. Libraries of all types across Arizona can play a key role in providing business information related services, but they have a major education and marketing job on their hands.

In an American Library Association survey of 551 U.S. libraries, the top ten business-related services offered by libraries are:

Chart #4

1. Books on business topics
2. Business newspapers/magazines
3. Telephone reference services
4. Business directories
5. Job/career search materials
6. Sources of investment information
7. Corporate annual reports
8. Audio-cassettes on business topics
9. Database searching
10. Programs on business topics

Source: American Library Association

Of a list of 11 services such as creating book lists, job listings, job/career information, providing workshops in the library to foster support for small businesses, and operating a government information center in the library, the two highest services common to all libraries surveyed were participating in community coalitions to further economic development and to have a designated staff liaison to local economic development personnel.

Chart #5

- Create and distribute booklists, pathfinders or newsletters that support small business development/entrepreneurship: 45%
- Provide job listing and/or a listing database: 39%
- Provide job/career information through workshops in the library or at other sites: 35%
- Provide workshops in the library or at other sites that foster/support small business development/entrepreneurship: 32%
- Provide staff with specialized training to support information services for small business: 29%
- Participate in community coalitions to further local economic development: 26%
- Provide information and/or assistance in procuring government contracts: 21%
- Have designated staff liaison to local economic development personnel: 20%
- Have staff with specialized training to provide job and career information: 20%
- Operate a grants information center in the library: 18%

- Provide interactive computerized career guidance software for public use: 14%

With this background information I have just given you, I can now tell you about the Arizona Economic Development Information Center (EDIC) libraries.

The concept of having Economic Development Information Centers in libraries throughout Arizona emerged as a recommendation of the Economic Development Library Committee and of the ASPED project and is part of the ASPED statewide strategic plan.

The recommendation has been made a reality and is being championed by the Economic Development Library Committee. This group was initiated as a joint effort between the Arizona Department of Library, Archives and Public Records (state library) and ASPED as a way to include libraries as key players in state and local economic development efforts. The committee includes information specialists from across the state, representatives from the business and economic development communities, and state department of commerce.

While many library professionals in Arizona have served businesses in their communities for some time, establishing Economic Development Information Centers in libraries throughout Arizona has the potential to allow libraries to participate systematically in helping the local economy grow and prosper.

With funding from the state library and assistance from the Morrison Institute for Public Policy, the project is well under way. Twenty-three Arizona libraries (8 of which are Federal depository libraries) from counties across the state are participating in the project. The centers will be in operation by late May of this year. Their resources include:

- a core collection of business and economic development information;
- materials for small businesses and for support of local development;
- access to the ASU economic development database;
- a future gateway to information worldwide through Internet; and
- a staff person familiar with the local economy and community and its unique information needs.

The state library contracted with Morrison Institute to assist the Library Extension Division staff in coordinating the project. Orientation and training for EDIC participants, collection development, compilation of a core collection, organization of a public relations program are the activities being performed. A statewide kick-off is scheduled for late May of this year to officially get the program off and running. Each EDIC will do its thing locally as well.

The core collection was developed by a committee of librarians and economic development specialists working with the Morrison Institute. Their experience in using the materials on a day-to-day basis was invaluable in making hard choices about what and what not to include.

The collection is comprised of both national and Arizona (state, regional, and local) information including: general economic and industry specific statistics, forecasts, and trends; census data; tax and regulatory requirements; cost of living and cost of doing business data; general business practices; financial planning; and employee benefits and compensation. A large number of "how-to" materials, ranging from starting a business to entering foreign markets, are also an important part of the core.

Federal documents are well represented in the core collection. Included are current Arizona census reports; County Business Patterns; County and City Databook; State and Metropolitan Databook, Statistical Abstract; Basic Facts About Trademarks; Basic Facts About Patents; Area Wage Surveys; General Wage Determinations Issued Under the Davis-Bacon Act; U.S. Industrial Outlook; ADA Handbook; and Foreign Consular Offices in the U.S.

The core collection is intended to give participating libraries sufficient resources to serve the information needs of small and medium sized businesses, community and economic development professionals, local government staff, planners, and individual citizens in making decisions important to Arizona's economic future.

Orientation and training sessions have been held. Presenters included an economic development professional who stressed the need and how to contact or establish relationships with economic development professionals, government officials, and the business community. A public relations expert stressed the need to develop a strong public relations and educational program and also showed how to market their services.

LSCA monies are being used to fund the project for the first year and possibly for the second year. A total of \$80,000 was spent for the core collection and \$25,000 for the Morrison Institute contract (a real bargain). All travel expenses for the participants to attend the orientation and training sessions were also paid.

Arizona's Economic Development Information Center program is different because:

- It is large in scope--23 libraries including public, community college, county libraries, as well as the state library are involved.
- It is the result of a process that included library professionals participating, probably for the first time, with business and government.
- It takes a long term view of the value of serving business and economic development.
- It is supported by the state library, but emphasis is being placed on efforts to increase support across the state.

Economic Development Information Centers in libraries throughout Arizona have the potential to:

- increase the information resources available to small business owners and community and economic development professionals, especially in smaller communities throughout Arizona;
- enhance cooperative relationships among library and community and economic development professionals and, as a result, improve services to the business community;
- allow libraries to participate systematically in helping the local economy grow and prosper;
- provide an opportunity for library staff members to regularly communicate what is available to the business community and economic development professionals;
- and to expand the public's view of the library's role in the community.

The EDIC project is a long term investment for libraries. The project will be different across the state because communities are different and economies are different. Flexibility, support, training and dynamic collections are the key to making this a long term success.

EDIC libraries will continue the networking effort by:

1. Sharing information and ideas with each other by sending them to the state library for routing to site locations.
2. Mentors (partners) from the economic development library committee will be assigned to each site.
3. Updates will be faxed to and from each site and the state library.
4. The state library has developed a newsletter for the group: the "EDIC update."
5. The state library is planning to link all sites electronically through Internet.
6. The state library is also working with the State Data Center to make the EDIC libraries Business and Industry Data Centers (BIDC).

What is needed to make the project a success?

The EDIC will require a long-term investment by the state library and by other existing Arizona library institutions which choose to participate. Since state and local resources are limited, additional support will definitely be needed to make the project a success. Participating libraries are in the process of leveraging their local resources and soliciting partnerships with the business and economic development communities to support the centers.

The economic development library committee is actively seeking government agencies, economic development organizations, businesses or other information providers who might be interested in getting involved in the project as a whole or working directly with individual EDICs in their communities.

I won't kid you that this is no effort and no sweat. The EDIC libraries are doing a terrific job in difficult times. But we already have some success stories. The Yuma County Library District has an active community advisory group and is getting resources from business people who want everyone to have access to specialized information. Flagstaff Public Library has received a sizable contribution from the Flagstaff/Coconino County Economic Development Council to buy materials needed to expand their collection. In Phoenix, the EDIC libraries are starting to work together to avoid duplication in publicizing the program. Chandler Public Library has established a cooperative program with their local community college. The college is providing business instructors to work scheduled hours in the small business centers at the public library.

EDIC libraries will have an opportunity to be one of the movers and shakers behind a statewide publicity campaign to promote minority and women-owned businesses.

Programs in other states

I have been involved in this program from the very beginning (the White House Conference). I have attended a COSLA meeting where several other states have discussed their activities with similar programs. To our knowledge, Illinois, California, North Carolina, New York, and Nebraska have some sort of economic development program. Also, South Carolina and Virginia are in the planning stages.

Why should you get involved in economic development?

1. It is good for your library.
2. It is good for your employees.
3. It is good for your community.

In addition to the immediate purpose of helping your business community, it will also benefit your library in terms of influence, visibility, networking, and new resources.

How should you start an EDIC program?

1. Look at your collection and your staff--how would you rate your library's current capability to be involved?
2. Look at who the players are in your area--is it the mayor and town council? Is it the Chamber of Commerce? Is there a vacuum?
3. Understand your local economy--know what is most important and why.
4. Reach out to the economic development community--let them know you are there and you want to help and what you can provide.
5. Get involved in organizations or make sure the library is represented on commissions and boards.
6. The personal touch is crucial here--you'll need to prove your value.
7. Assess the information needs of the business community and design services that make sense for your area.
8. Publicize, publicize, publicize.
9. Find partners with business groups, public agencies or economic development groups.
10. Collect what people want you to collect.
11. Get community people involved with you.

I would argue that in today's climate, libraries must expand their base of support and to see business as an ally. Libraries have a definite role to play in economic development and this is an opportunity to create new opportunities for your libraries.

For more information, contact:

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