

Charting an Economic Course

by Gwendolyn Hallsmith

Editor's Note: this is the last of five related articles prepared by Gwendolyn Hallsmith for the Planning Commissioners Journal. We'd be pleased to email PCJ subscribers a complimentary pdf of the complete series. Just email us at: pcjoffice@gmail.com and put "Hallsmith series" in the Subject line.

We've been examining all the ways that planning commissioners can lay the groundwork for sustainable economic development. Past articles have described how to identify and recruit stakeholders for an economic planning process, take an inventory of the assets you have in the community, and find new ways that these assets can be put to use to improve the quality of life – all important elements of an economic renewal strategy. This column will close the series with ideas about how to bring the strategies you select into alignment with the global trends that will shape the economy over the next twenty years.

If your local economy were a ship and you were preparing for a journey, you'd want to:

- have a good crew (the stakeholders),
- know all the parts of the ship were in good working order,
- have enough food, medical supplies, fuel, and water for the trip (the assets),
- chart a course that suited the type of ship you had (the ways the assets could be put to use), and
- know if storms are expected, where the shoals are located, and that your destination is a good place to go.

The vision of a sustainable economy with a safe and vibrant community; a healthy environment; lots of good job opportunities; and people who are engaged in governance, can be an effective driver of a planning and implementation process. It's the destination.

It is important, however, that we clearly articulate goals related to developing a sustainable economy at the outset, so there is broad agreement on the overall direction the community is heading. This means, for example, reaching



agreement on the value of growing local entrepreneurs and supporting local businesses. As we've discussed in previous columns, part of the foundation of a sustainable local economy lies in drawing on existing local assets to build real wealth in the community.

The weather report, compass, and maps are also critical elements of the enterprise. As we begin the 21st Century, the economic forecast predicts some serious storms:

- Fossil fuels will be increasingly in demand (yet in shorter supply) as China and India catch up with the industrialization of the West. This will lead to higher costs for food, transportation, and other necessities.
- Climate changes will lead to higher infrastructure repair costs in many parts of the country as snow storms, flooding rains, and hurricanes increase in intensity. We can also expect mounting insurance costs for coastal areas that will be facing the effects of more severe weather and the rise in sea levels. As pressure to mitigate the impact of climate change increases, low carbon solutions for heating, electricity, food, and transportation will be a profitable investment for companies and communities.
- Changing demographics will also

impact our prosperity. As Baby Boomers age, health care costs will consume an increasing share of GNP. The ratio of people over age 80 will grow, outnumbering the younger generation that will be asked to care for them. Finding new ways to care for elders, while keeping them engaged in community life, will be a critical issue.

All of these trends mean that the two growing sectors of the national economy – the Creative Economy and the LOHAS market – will continue to be investments that can help local economies grow.

LOHAS stands for Lifestyles of Health and Sustainability. Analysis by the National Marketing Institute shows that products and services in this market represent over \$200 billion in annual sales in the United States, with almost 20 percent of the adult population as the customers. Creative Economy products – film, video, books, arts and crafts, design, media, etc. – have continued to grow even through the global recession, so they represent a strong sector for economic renewal and recovery.

The old paradigm of natural resource intensive industrial production is in many places being supplanted by a new era of creativity, renewable resources, and sustainable products and services. While Earth is finite, our human ingenuity and compassion are not. Planning commissioners can help chart a new course for their communities with a commitment to vision, good information, and sound planning. ♦

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