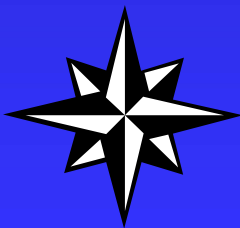


# *Managing A Successful Career in Economic Development*



**DPI Group**

Economic Development Consultants

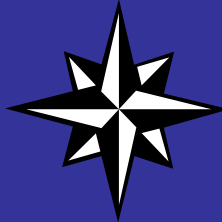
Mike Kirchhoff, CEcD

# Presentation Outline

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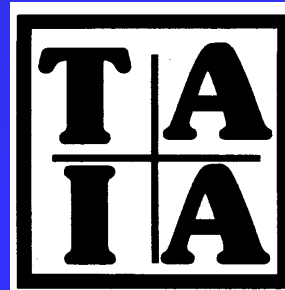
- I. One E.D. Practitioner's Story
- II. Career Mobility & Potential
- III. Negotiation/Written Agreements
- IV. What If The Wheels Fall Off?

# One E.D. Practitioner's ~~Story~~ Odyssey



DPI Group

Economic Development Consultants



# One E.D. Practitioner's Story

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## Position Titles

- Program Developer
- Community Development Rep
- Prospect Info Services Analyst
- Market Research Analyst
- Statewide Coordinator
- Program Manager
- Executive Director
- Vice President
- Principal

## Organization Focus

- State program development
- Rural development
- State regional outreach
- Utility economic development
- Industrial development
- Small town economic development
- Downtown redevelopment
- Commercial development
- Regional economic development
- Tourism development (board)
- Urban economic development

**With this track record, I thought...**

Who better to talk about career mobility than someone who can't hold a job?

# A Career with Potential

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A 2002 survey of the top 400 E.D. professionals by the Greater Phoenix Economic Council found...

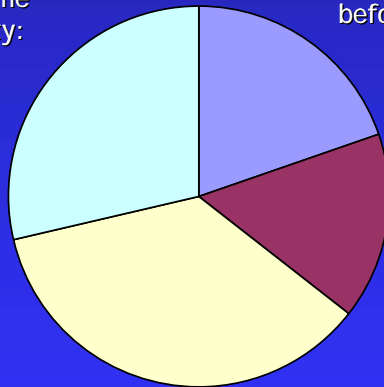
- More than 40% had 20+ years of experience
- 24% had been with their employer 10+ years
- Nearly 43% of respondents earned more than \$100,000
- 35% of professionals with 30+ years of experience earn over \$150,000; 72% with 1-9 years earn more than \$50,000
- Southeast and North Central (MO/KS & north) paid the most
- Those with more experience tend to stay longer in their positions

# Relocation Experience & Plans

Have you ever relocated in order to advance your career professionally or financially?

No, I have always worked in the same region/community: 29%

Yes, once before: 20%



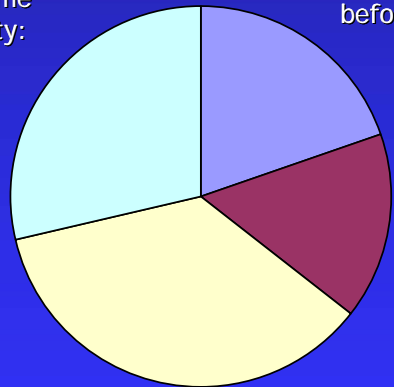
Yes, twice before: 16%

Yes, three or more times: 36%

# Relocation Experience & Plans

Have you ever relocated in order to advance your career professionally or financially?

No, I have always worked in the same region/community: 29%



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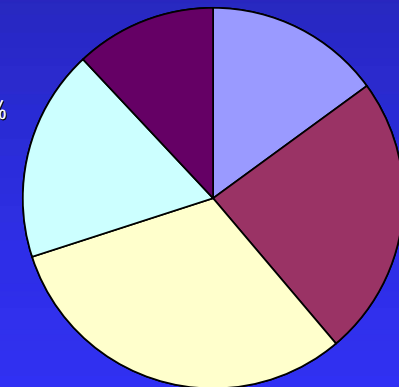
Yes, three or more times: 36%

How likely are you to consider a relocation within the next 1-3 years in order to advance your career professionally and financially?

Not sure: 12%

Very unlikely: 15%

Very likely: 18%

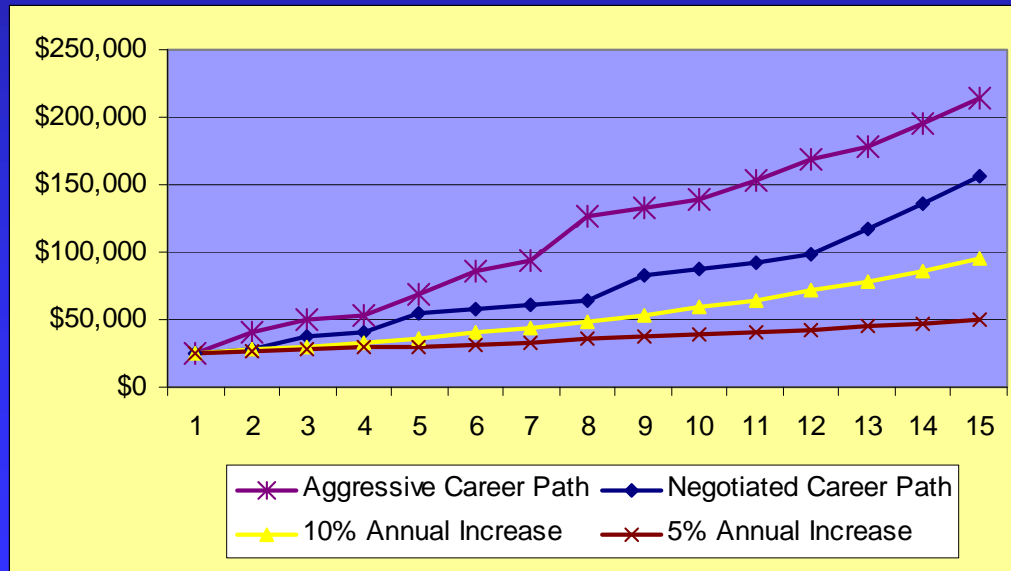


Unlikely: 24%

Likely: 31%

# Career Strategies Impact Income

- Aggressive career path
- Negotiated career path
- Conservative career path (5% annual increase)



Source: Updated from Toledo RGP, 1995

# Income Survey Findings - Salary

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	<u>2002 GPEC Survey</u>	<u>2006 MEDC Survey</u>	<u>2006 IEDC Survey</u>
\$50,000 or Below	10%	48%	19%
\$50,001-\$100,000	48%	44%	63%
\$100,001-\$150,000	29%	8%	14%
Above \$150,000	13%	0%	4%
Sample Size	400	142	4,679

Source: GPEC, 2002; MEDC, 2006; IEDC, 2006

November 14, 2007

# Income Survey Findings - Salary

	2002 <u>GPEC Survey</u>	2006 <u>MEDC Survey</u>	2006 <u>PDI Survey</u>	2006 <u>IEDC Survey</u>
\$50,000 or Below	10%	48%	35%	19%
\$50,001-\$100,000	48%	44%	54%	63%
\$100,001-\$150,000	29%	8%	10%	14%
Above \$150,000	13%	0%	1%	4%
Sample Size	400	142	125	4,679

Source: GPEC, 2002; PDI, 2006; MEDC, 2006; IEDC, 2006

# Income Survey Findings - Experience

	2002 <u>GPEC Survey</u>	2006 <u>MEDC Survey</u>	2006 <u>PDI Survey</u>	2006 <u>IEDC Survey</u>
1-10 Years	21%	54%	51%	80%
11-20 Years	37%	30%	28%	15%
More than 20 Years	42%	17%	21%	5%
Sample Size	400	142	125	4,679

Source: GPEC, 2002; PDI, 2006; MEDC 2006; IEDC, 2006

November 14, 2007

# Does Certification Impact Salary?

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It might interest you to know that...

- CEcDs top the industry in earnings based on the salary survey
- Average \$14,700 more in annual compensation than those holding no certification
- Compensation levels for CEcDs were higher than other industry related certifications such as EDFP or CCE

# Take Charge of Your Destiny

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## Tips for a Successful E.D. Journey

“Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved.” - William Jennings Bryan

- **Use a map:** establish goals/desired destination
- **Identify trailblazers:** identify career models and use professional mentors
- **Schedule regular maintenance:** regularly attend conferences & courses/network with peers/participate in associations/attain certification
- **Regular Status Checks:** periodically evaluate the 3-way success test (company wins -> community wins -> you win)

# Risks of Relocation

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The Economic Development Profession is Risky...

“Every time we take a new position, we put our lives in the hands of our new board members.”

- Average tenure is 3-5 years ('06 IEDC survey median is 5 years)
- Spouses must find a different job, not always equal in quality or pay as the previous position
- Children must change schools, leave behind friends and sense of security/stability
- Former home must be sold and a new home secured; our financial future is vested in the communities we serve
- Banking, legal, and other business relationships must be re-established
- Negotiation is therefore critical

# Negotiation

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- Begins when the employer posts the job
- Continues with the letter of application and the interview
- May conclude with an employment agreement
- This is your first opportunity to demonstrate your ability to deliver a professional, win-win solution to your new employer's problem (completing the hiring process)
- Becomes essential if "the wheels come off"

# Negotiation Tips

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- **Do your homework on the area and position** - find out everything you can about the area, organization, board, regional market, etc.
- **Information sources:** audit, budget, program of work, staff, marketing material, website, blogs, colleagues, etc.
- **Take charge of the interview early in the discussion** - ask the right questions & lots of them based on your research
- **Negotiate to your strengths**
- **Build a relationship that commits the employer to you**
- **Use a written checklist of key requirements**

# Negotiation Tips

- Use a written checklist of key requirements

Current Position	Expectations	New Offer
Current Salary \$---		
Bonus Package \$---		
Auto Package:		
- Monthly Allowance \$---		
- Mileage Reimbursement Rate		
- Parking Agreement		
Insurance Package:		
- Health Details		
- Dental/Vision Details		
- Life Coverage		
- Disability Coverage		
Vacation		
Professional Development		
Etc.		

# Negotiation Tips

---

- Do your homework on the area and position - find out everything you can about the area, organization, board, regional market, etc.
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- Take charge of the interview early in the discussion - ask the right questions & lots of them based on your research
- Negotiate to your strengths
- Build a relationship that commits the employer to you
- Use a written checklist of key requirements
- Negotiate based on remaining "whole" - remove perception of wants; demonstrate *NEEDS*)
- Discuss salary expectations *LAST* - don't be the first to quote a salary number
- Take time to review the offer - Ask for offers in writing
- Be willing and **ABLE** to walk away - don't get lured into a premature "yes"
- Be Professional

# Written Employment Agreements

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Written agreements primarily concern mutual risk reduction

- Establish clear expectations of both parties
- Provide an outline to deal with unexpected issues that arise later
- Mitigate the professional's financial risk of relocation
- Establish the basis of the association
- Ensure continuity of the relationship and original intent as volunteer leadership changes
- Demonstrate that both parties are together for the long term, despite day-to-day challenges
- Provide an orderly, pre-determined method to sever the relationship (including any financial or notification terms)
- Never sign without legal review

# Employment Agreements

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	<u>2006 MEDC Survey</u>	<u>2006 PDI Survey</u>	<u>2006 IEDC Survey</u>
Employment Agreement	20%	26%	21%
No Employment Agreement	80%	74%	79%
Sample Size	142	125	4,679

# Written Agreement Components

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- Relocation agreement (all relocation expenses)
- Employment agreement (organizational expectations, benefits, salary, bonus, etc.)

# Potential Relocation Elements

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- House hunting expenses
- Interim living expenses
- Moving expense
- Incidental expenses
- Assistance with sale or purchase of residence  
(some agreements have included forgivable loans for downpayment on residences, payments to cover realtor fees on home sales, etc.)
- Trailing spouse employment assistance

# Potential Employment Elements

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## General organizational expectations

- Board vs. CEO roles
- Office and staff
- Budget and funding
- Goals and objectives/performance measures
- Merger/dissolution impact

# Potential Employment Elements

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## Benefits

- Company automobile, vehicle allowance, mileage reimbursement
- Medical, dental, vision coverage
- Life insurance
- Disability insurance (long and short-term)
- Pension/retirement/401k
- Sick leave, vacation/personal leave, professional leave
- Country/recreational/luncheon club membership

# Income Survey Findings - Benefits

	2006 <u>MEDC Survey</u>	2006 <u>IEDC Survey</u>		2006
Medical Insurance	84%			96%
Retirement	71%			98%
Mileage reimbursement	71%	Car allowance		17%
Association Dues	67%	Parking cost reductions		17%
Cell Phone	65%	Moving expenses		14%
Funding/time for professional dev.	56%	Paid maternity leave		14%
Organization credit card	38%	Paid physical exam		10%
Further education financing	34%	Thrift/savings plan		10%
PDA	33%	Country/recreational club membership		10%
Flex time	31%	Transit discounts		10%
Employee assistance program	27%	Childcare allowance		4%
Wellness/fitness program	22%	Stock options		4%
Company car	19%	Spouse travel expenses		2%

Source: MEDC, 2006; IEDC, 2006

# Thoughts on Benefits

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- Benefits vary from position to position and organization to organization
- Be informed - knowledge about the trends and norms provides bargaining strength
- Benefits should meet needs, not just wants
- They should be seen by your employer as a necessary tool for your position to be successful
- Not every benefit is negotiable, but the one you fail to discuss is never negotiable

# Potential Employment Elements

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## Compensation

- Base salary
- Performance pay or bonus
- Goals/basis for determining eligibility to receive performance pay or bonus

## Severance provisions

# Final Thoughts on Employment Agreements

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- Take care of yourself first-protect yourself on the front end with a written agreement
- If the organization is unwilling to negotiate an employment agreement, consider a letter of agreement covering the most critical points
- In the end, if the organization is unwilling to enter into a written letter of agreement or formal employment agreement, you need to consider how they'll work with you after you're there

# The Wheels Fell Off...Now What?

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- Remain calm - now the negotiation begins
- Your leverage is maximized at this point because the organization wishes the situation to remain private and conclude quickly
- Don't assume a severance offer is non-negotiable
- Make sure the agreement provides for extended benefits, severance pay, separation announcement language, letter of reference, and the handling of inquiries from potential future employers
- If you have an employment agreement, make sure that the severance offer is at least as much as you are entitled to under your written agreement
- Never sign any agreement without first consulting legal and financial counsel!
- Emotional stages over time mirror the grieving process
- Rely on your professional network and friends
- It's easy to blame yourself, but remember...  
"There are two types of economic developers - those who've been fired from a job, and those who haven't been fired...yet." - anonymous economic developer

# Career Resources

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## Executive Search Consultants

Jorgenson Consulting

[www.jorgensonconsulting.com](http://www.jorgensonconsulting.com)

The Pace Group

[www.thepacegroup.com](http://www.thepacegroup.com)

Johnson & Associates

[www.jatoday.com](http://www.jatoday.com)

Sockwell Partners

[www.sockwell.com](http://www.sockwell.com)

Waverly Partners

[www.waverly-partners.com](http://www.waverly-partners.com)

DHR International

[www.dhrintl.net](http://www.dhrintl.net)

Also , career coaching is increasingly available for economic developers; contact the speaker for referrals

## Web Sources for Job Leads

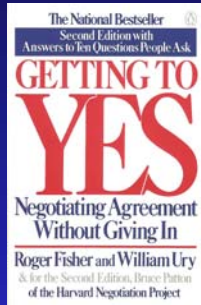
[www.iedonline.org](http://www.iedonline.org)

[www.careerbuilder.com](http://www.careerbuilder.com)

[www.monster.com](http://www.monster.com)

[www.hotjobs.yahoo.com](http://www.hotjobs.yahoo.com)

# Recommended Reading/Resources

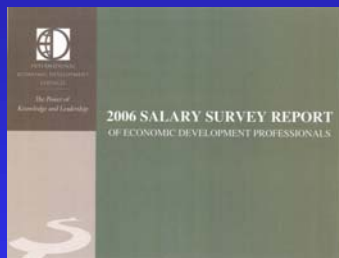


## *Getting to Yes*

*Negotiating Agreement Without Giving In*

Roger Fisher & William Ury

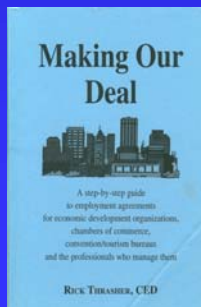
(Provides practical ways to discover what other people want and to devise better alternatives that create a "win" for everyone)



## *2006 IEDC Salary Survey Report*

(\$110 IEDC member price/\$140 non-member price)

(Provides up to date, nationwide compensation and benefit data to allow E.D. professionals and organizations to compare their statistics with peers around the country)



## *Making Our Deal*, Rick Thrasher, CECD

(\$25 IEDC member price/\$37.50 non-member price)

(Step-by-step guide to employment agreements for economic development organizations, chambers of commerce, convention/tourism bureaus, and the professionals who manage them)

# Contact Information

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## DPI Group

Economic Development Consultants

Mike Kirchhoff, CEcD  
Principal

1212 NE 94<sup>th</sup> Terrace  
Kansas City, MO 46155  
Phone: 816.216.6819  
317.554.9660 (mobile)  
email: [mike@dpigroup.biz](mailto:mike@dpigroup.biz)

Visit [www.dpigroup.biz](http://www.dpigroup.biz) for a copy of the slides from this presentation