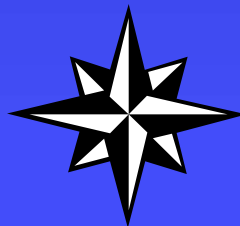


Navigate Your Way to a Successful Career in Economic Development





DPI Group

Economic Development Consultants

Mike Kirchhoff, CEcD

Presentation Outline

-  One E.D. Practitioner's Story
-  Career Growth & Mobility
- III. Negotiation/Written Agreements
- IV. What If The Wheels Fall Off?
- V. Review/Discussion

One E.D. Practitioner's Story

Position Titles Since 1989

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

One E.D. Professional's Story-Places

Organization Focus

- State program development
- Rural development
- State regional outreach
- Utility economic development
- Industrial development
- Small community economic development
- Downtown redevelopment (Main Street)
- Commercial development
- Regional (multi-county) economic development
- Tourism development (board volunteer)
- Urban economic development

A Career with Potential

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

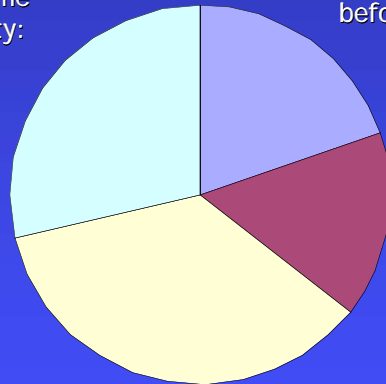
- More than 40% had 20+ years of experience
- 24% had been with their employer 10+ years
- Nearly 43% of respondents earned more than \$100,000
- 35% of professionals with 30+ years of experience earn over \$150,000; 72% with 1-9 years earn more than \$50,000
- Southeast and North Central (MO/KS & north)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

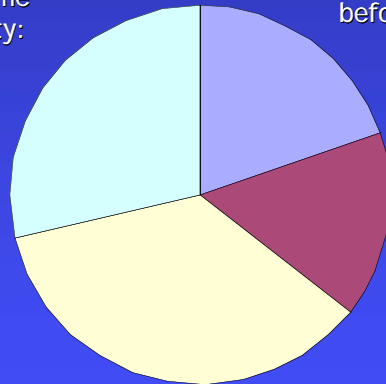
Source: GPEC, 2002

June 1, 2007

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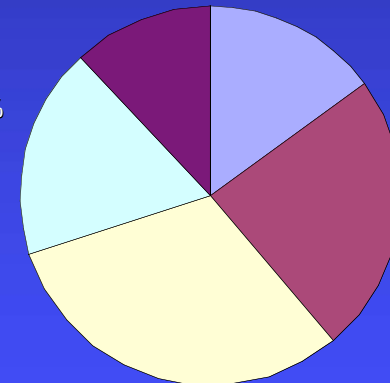
Yes, three or more times: 36%

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%

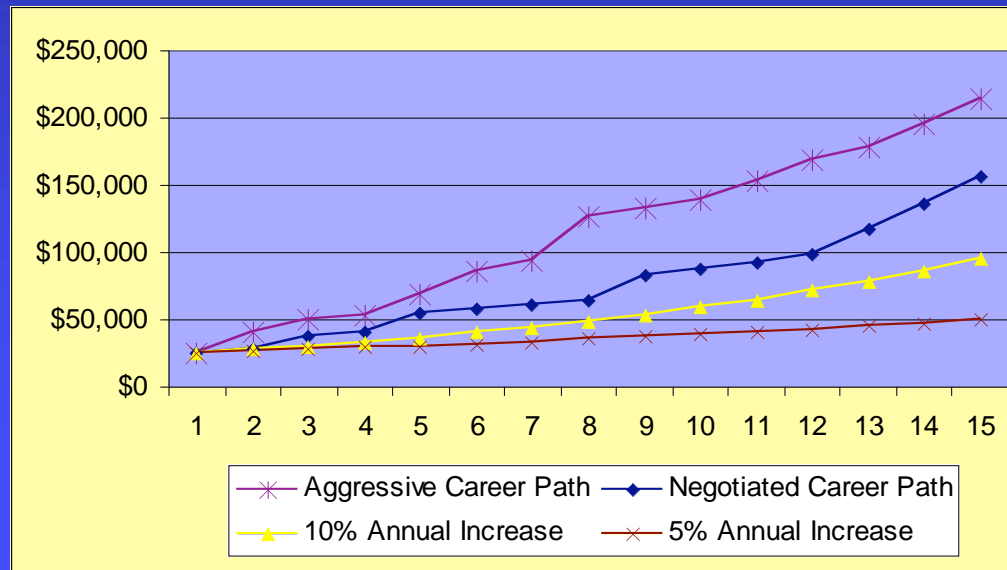


Unlikely: 24%

Likely: 31%

Career Strategies Impact Income

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



Source: Updated from Toledo RGP, 1995

June 1, 2007

Income Survey Findings - Salary

	2002 <u>GPEC Survey</u>	2006 <u>PDI Survey</u>	2006 <u>IEDC Survey</u>
\$50,000 or Below	10.0%	34.7%	19%
\$50,001-\$100,000	48.0%	54.5%	63%
\$100,001-\$150,000	29.0%	9.9%	14%
Above \$150,000	13.0%	0.8%	4%
Sample Size	400	125	4,679

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

June 1, 2007

Income Survey Findings - Experience

	2002 <u>GPEC Survey</u>	2006 <u>PDI Survey</u>	2006 <u>IEDC Survey</u>
1-9 Years (PDI-10)	21%	51%	80%
10-20 Years (PDI-11)	37%	28%	15%
More than 20 Years	42%	21%	5%
Sample Size	400	125	4,679

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

June 1, 2007

Does Certification Impact Salary?

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

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:** set goals/desired destination
- **Identify trailblazers:** mentors or career models
- **Schedule regular maintenance:** conferences/courses/networking/associations/certification
- **Regular Status Checks:** 3-way success test (company wins -> community wins -> you win)

Risks of Relocation

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 personal future is invested in the new community
- Banking, legal, and other business relationships must be re-established
- Negotiation is therefore critical

Negotiation

- Starts with the letter of application
- Continues in the interview
- May conclude with an employment agreement
- Becomes essential if "the wheels come off"

Negotiation Tips

- Do your homework on the area and position
- Take charge of the interview early in the discussion
- Never directly admit you want the job (but don't play hard to get)
- Use a written checklist of key requirements
- Negotiate to your strengths
- Negotiate based on remaining "whole" (remove perception of wants; demonstrate *NEEDS*)
- Don't discuss salary expectations prior to the offer (in fact, negotiate salary *LAST*)
- Be willing to walk away
- Above all else, be professional and keep your cool
(*"Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances."* - Thomas Jefferson)

Written Employment Agreements

Written agreements primarily concern mutual risk reduction

- Clearly define tenure expectations (mitigates the organization's risk of turnover)
- Mitigate the professional's financial risk of relocation
- Establish the basis of the association
- Ensure continuity of the relationship as volunteers rotate and memories of original discussions fade
- 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)

Written Agreement Components

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

Potential Relocation Elements

- 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

General organizational expectations

- Board vs. CEO roles
- Office and staff
- Budget and funding
- Merger/dissolution impact

Potential Employment Elements

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>PDI Survey</u>	2006 <u>IEDC Survey</u>		
Medical Insurance	81%	96%		
Retirement	74%	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: PDI, 2006; IEDC, 2006

June 1, 2007

Potential Employment Elements

Compensation

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

Income Survey Findings - Contract

	2006 <u>PDI Survey</u>	2006 <u>IEDC Survey</u>	
Contract	26%	21%	
No Contract	74%	79%	
Sample Size	125	4,679	
			Total
1 Year Contract		7%	328
2 Year Contract		2%	94
3 Year Contract		4%	187
3+ Years		3%	140

Source: PDI, 2006; IEDC, 2006

June 1, 2007

Final Thoughts on Employment Agreements

- 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?

- 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
- Never sign any agreement without first consulting legal and financial counsel!
- 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

Resources/Recommended Reading

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)

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Contact Information



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