

How States are Using EDA Planning and Tourism Grants

Hockey sticks. Good for handling pucks but also for describing rapid revenue growth. Under the American Rescue Plan, the U.S. Economic Development Administration (EDA) was allocated \$3 billion in supplemental funding to assist communities recover from the coronavirus pandemic and build local economies that will be resilient to future shocks. In normal years, EDA generally receives around \$300 million so hockey stick growth isn't reserved for early-stage companies.

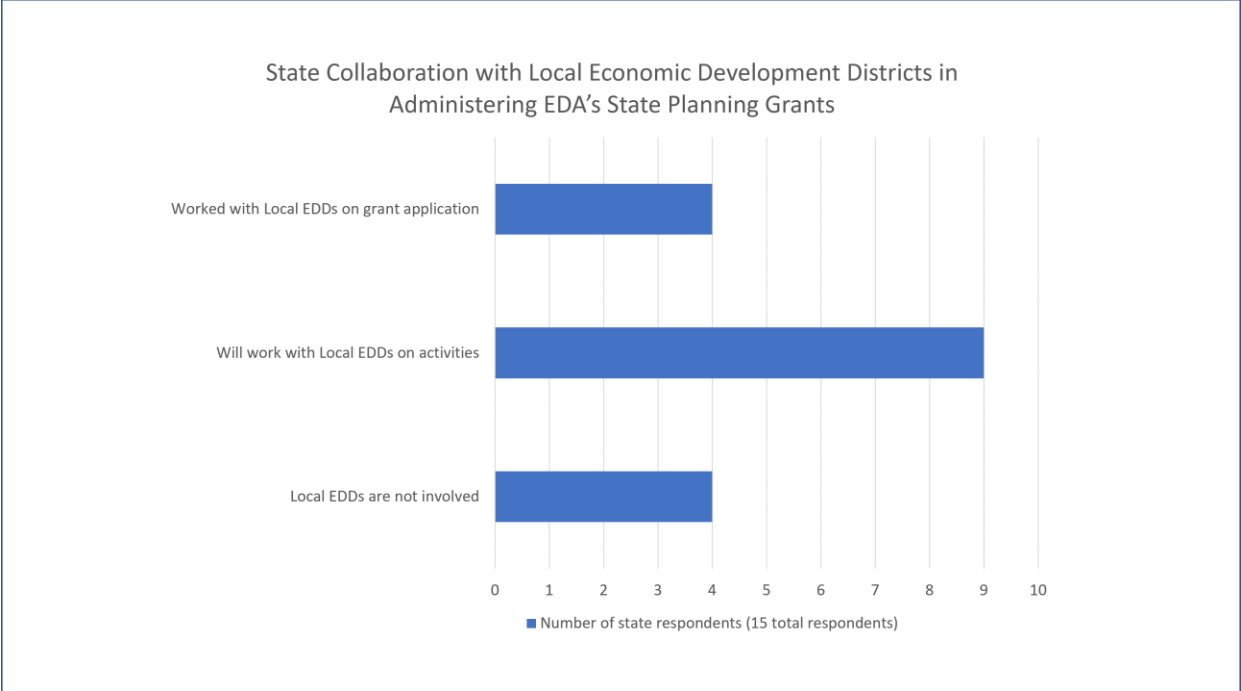
The State Economic Development Executives (SEDE) network is interested in learning more about how states would be spending the \$59 million in the non-competitive State Planning Grants and \$510 million in the non-competitive State Tourism Grants. The Center for Regional Economic Competitiveness conducted two surveys to learn state plans for each of the two grants.

State Planning Grants

Officials from 15 states completed the State Planning Grant survey and the most frequently use of grant funds cited (more than one use could be noted) was to identify state assets/resources and develop plans to benefit the state (9 respondents). Eight respondents indicated that they expect to use the funds to develop industry cluster plans, bring together existing local and regional economic/workforce and related plans and/or conduct a statewide skills assessment analysis.

A handful of states reported that they expected to use the funds to complete a supply chain assessment, support broadband planning, catalog innovation assets including a rural/urban gap, analyze persistent poverty communities and/or facilitate coordination with tribes/indigenous communities

Few states expected to contribute supplemental funding to the EDA grant however most states (11) reported Economic Development Districts (EDDs) were involved in the grant application or will assist in the completion of regional activities funded by the grant. Only four states indicated that the EDDs are not involved in the grant.



State Tourism Grants

Twenty (20) states and territories completed the State Tourism Grant representing nearly every region. With 18 respondents, the most popular use of the funds was marketing campaigns. A general “other uses as approved by EDA” was the second most common response (11) reflecting innovation by state tourism offices. Of those indicating marketing uses, 14 expected at least 50 percent of the grant would fund that activity. None of the remaining uses received more than six responses: workforce training, economic planning, industry technical assistance, upgrades to industry infrastructure and projects boosting long-term tourism activity.

Two states reported that state funds would supplement the EDA grant but 13 would be passing some grant funds through to other organizations to administer. Unlike the State Planning Grant, most states did not expect to work with EDDs on the State Tourism Grant with four indicating EDD involvement.

Some common responses within each survey, but also some interesting variation. It will be interesting to see the impacts of these grants on state economies and tourism activity.

*Posted by Bob Isaacson, Senior Vice President, Center for Regional Economic Competitiveness
October 19, 2021*