



## SCARCITY AND ABUNDANCE

In *The Coming Jobs War*, Jim Clifton of Gallup tells us, in so many words, *Some gotta win, some gotta lose*. Competition is global, but it is also regional. Migrations of people and investment can be exceptionally cruel. In the future, such movements will be driven in part by maximization of natural and human resources, whether abundant or scarce. Crises caused by shortages or over-supply will undoubtedly affect communities, and therefore chambers, during the next 10 years and beyond. But the reverse is also true. Intentional discoveries and accidents of place and nature will make boom towns out of sleepy hamlets.

These issues of *too much, too little, and just right* have been part of chamber life forever. So why does the abundance topic show up as a major influence on the next 10 years of community and civic-economic life? What is different about today and even more likely to be revolutionary by 2025?

### Fickleness

The speed of market changes and personal preferences, the half-life of everything from pharmaceuticals, to fashion trends, to peace—it's all just fast. Technology and innovation are only part of the story. The volatility we take as more or less expected in 2015 would have seemed impossible and intolerable to us in the pre-9-11 world. The seemingly rapid transitions of today will seem pokey in 10 years.

The second reason this is a key future influence was highlighted in Peter Diamandis' book, *Abundance*. In it, he provides hefty research asserting, "Abundance for all is within our grasp... We will soon be able to meet and exceed the basic needs of every man, woman and child on the planet." Similar sentiments have been raised by futurist Jason Silva. This hopeful outlook may or not prove true, but the likelihood of greater opportunities for prosperity are very real.

In the short term, a region can do little about the resources it lost or never had. Chambers can, however, accentuate abundance—the blessings and advantages their regions have, as well as those the community created over time—rather than refining your rationale on *scarcity*.

### Impact Examples

The only way to illustrate scarcity and abundance impacts on future local economies is to identify those of the present. There is growing recognition of the abundance of domestic energy resources, but the affordability of extraction and transportation will determine whether the energy will be "potential or kinetic."

Until a few months ago, the North Dakota and Alberta economies appeared to offer a breathtaking horizon of expansion driven by maximization of local oil and gas deposits. When the economics of \$50, rather than \$110, per barrel of oil are added to the equation, chamber leaders will need to work harder to ensure hopeful futures for their employers and citizens.

The rapid changes in energy geopolitics could reenergize the oil sand and fracking markets. Of course, the flip side of that equation affects truck dealers and driveable tourist destinations, whose cash registers ring when gasoline is abundant and cheap.

In the agriculture sector, declining farm acreage or feed supplies will almost certainly be matched by harvests of other crops made abundant by genetic or other ag-technologies. Timber in Canada has been affected by

tariff barriers, not capacity problems. Cotton crops in Texas are periodically affected by rainfall declines. Wetland designations have closed off tourist destinations, but easing development constraints around Portland, Las Vegas, or Toronto might make usable space more abundant. Supply is, in many cases, fungible.

Abundance and scarcity affect non-commodities as well. Near the coasts there are oversupplies of broadband vendors, yet customers in some of the most economically promising towns in the Rocky Mountains use copper lines rather than fiber to access the Internet. Likewise, a trans-Pacific trade deal could result in too little capacity in the huge L.A.-Long Beach port, but labor unrest could threaten its viability if shippers bypass the West Coast.

For some companies, tax issues still might be the major determinant of whether they stay, expand or depart a particular city in the future. For many others, the deciding factor could be access to gigabit internet connections.

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### **Essential to Life**

There are looming issues over the next decade for many North American regions regarding water – for the haves (Great Lakes), the have-nots and the “sometimes-too-muchers.” Water rights pacts have been front and center on many chamber policy agendas, and even more chambers must be ready to deal with them in the coming decade.

A growing community in central Texas might have enough water for more households or semi-arid farming, but not both. Sometimes the struggles for chambers will be simply to maintain an abundant resource. Invasive water species (whatever the next decade’s zebra mussels might be) could affect the work of a chamber in Kelowna, B.C., or another beautiful tourist town.

Once again, these influences affect the business side of chambers, not just their policy work. When a region’s water supplies drop or are threatened with further reductions, whole categories of employers (chamber membership sectors) may suffer, from

landscapers, to appliance dealers, to condo developers. Conversely, unexpected discovery of a new aquifer can ignite growth in a region.

In the coming decade, chambers will increasingly be expected to play a role in tackling water abundance and scarcity issues. Many chamber members will also benefit from investments in infrastructure projects, engineering and innovations to deal with transporting, storing and creating (desalinating) fresh water.

### **Chamber Impact**

A chamber that is absent from resource discussions, unaware of the issues, or resigned to letting government alone solve them, risks certain competition from organizations that choose to play in this arena. A chamber that attempts to predict all of these economically crucial opportunities will be wrong a great deal of the time. A chamber that builds its capacity to address them as they arise will be indispensable.

In the early 2000s, the Florida coastal chambers were flush with resources provided by real estate developers. Demand appeared to be exceeding the supply of land during this wildly speculative period. Sponsorships, foundation support and hefty dues checks fortified chamber budgets during that real estate boom. Few of these chambers were prepared to realign their revenue sources when capital and real estate investment firms became scarce at the end of the decade. Eventually, by tapping into mini-booms in health care, logistics and short-stay tourism, most of these chambers found their way, but not without a lot of pain.

If revenues pour in from international companies suddenly enamored with your region’s low-cost labor pool, will new taxes for the county and dues money for your chamber adequately cover the additional work required to address growth-related challenges?

The Fayetteville-Cumberland County Chamber in N.C. might want to diversify its economy as a future hedge against over-reliance of its businesses on military (Fort Bragg) payrolls and investment. At the same time, they can and do maximize the abundance of federal dollars with military affairs activities.

### **People: Another Abundant Resource**

In representing their jurisdictions, chambers must take the lead in differentiating the benefits that their communities can offer to potential talent recruits and their families. Human resources will ▷

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Many chambers now are involved to varying degrees in education-related programs or policies because the skills gap demands that the business community be part of the solution, not just a demanding customer. But the education and talent issue goes beyond supplying workers for businesses. That's why chambers in many Canadian communities know that without increasing their supply of medical professionals, economic growth will be hindered.

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There will be millions of unfilled jobs by 2025 if the skills gap remains unaddressed, according to the Center on Education and Workforce at Georgetown University and other sources. It is estimated that 20 percent of the new jobs created over the next 10 years will be in categories that don't exist today. Even today, 52 percent of employers say they are not filling positions because applicants are unqualified. Almost every chamber leader can cite businesses that complain about a lack of workforce talent.

"We need welders. If we had a supply of welders I could fill 25 jobs today," says one chamber leader. Pick another town and replace "welders" with software engineers, accountants, geriatric nurses, or any number of skilled job categories.

When a community can't align meaningful job opportunities with skills, outmigration will continue. By fostering education attainment initiatives, chambers can address skills-jobs disconnects and tap the abundance of employment opportunities. They must also create an environment in which talent can migrate freely within, and be attracted to, their regions.

## More People? More Members?

As with natural resource concerns, the availability of necessary human resources is not just a theoretical or policy concern. It relates to the operation and size of the chamber itself. Your chamber will serve a different set of businesses as the economy evolves. If these employers can't find enough employees and customers, they won't be able to stay or pay you. Your membership and mission will be affected.

Even if you're not in growth mode, most of your established employers will stay in business over the next 10 years, but they may rely more heavily on distance and contract workers. "Keep in mind that young people today are in the midst of the *gig economy*, as much as the *jobs economy*," according to author and pollster John Zogby. "They know very little in life or work is permanent."

This fluidity provides opportunities and challenges for chambers, which have been built on companies with more-or-less stable employee rolls. This is yet another reason that a dues formula based solely on "body count" will be problematic. Assuming that the future non-traditional employer will enroll its senior staff in chamber activities is a stretch. ☒

## Action Steps: Scarcity and Abundance

Whether graced with good fortune, challenged with shortages, or hobbled by disasters, chambers must have the capacity to deal with whatever comes next. To be "kick-ass-problem-solvers," look beyond the next election cycle or strategic plan to envision what your chamber must become. Will you need to be faster to act on policy or new programs? Then build a culture that enables speed. Will you need to be wired to more community assets? Then be intentional about the chamber's key relationships. Will you need to be more political, or less so? Then make plans now to gradually morph your staff, board and committees. Will your community have fewer people or more? Fewer degreed people or more? Ask researchers at the university what this means to the town's future. ACCE's Education Attainment and Economic Development Divisions help chamber specialists learn from each other as they face abundance and scarcity challenges.