



Community and Economic Development in North Carolina and Beyond Blog: Five Possible “Game Changers” for Economic Development in the U.S.

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The economic recovery in the U.S. has not gained enough steam in order to produce significant increases in private investment and job creation. While the overall unemployment rate has steadily declined, the level of joblessness, particularly for certain segments of the workforce, remains very high. In addition, labor force participation is at a 30-year low. What can be done to jump start the economic recovery and lay the foundation for a major transformation of the U.S. economy?

A recent report by the McKinsey Global Institute identifies five major “game changers” or “catalysts that can reignite growth and reestablish a higher potential trajectory for the U.S. economy.”[1] The game changers are expected to accelerate economic growth by increasing productivity, expanding GDP, and creating large numbers of jobs by 2020. The five game changers have direct implications for state and local economic development efforts and exist in energy, international trade, big data, infrastructure, and talent:

1. **Energy** – scale up shale gas and oil production.
2. **Trade** – reduce the U.S. trade deficit in knowledge-intensive manufacturing by becoming more competitive in those sectors.
3. **Big data** – harness the potential of big data analytics to raise productivity in key sectors of the economy.
4. **Infrastructure** – increase investment in roads, highways, bridges, transit, and water systems, and take steps to maximize the productivity of infrastructure assets.
5. **Talent** – devise and implement new approaches to K-12 and higher education that increase the pipeline of qualified workers and improve labor market outcomes.

The report notes that the five game changers mutually reinforce one another in a variety of important ways that can have a short-term stimulus effect on the U.S. economy and also lead to improved long-term competitiveness. To what extent do state and local economic development efforts attempt to realize the potential of these game changers?

[1] Game changers: Five opportunities for US growth and renewal, McKinsey Global Institute, July 2013, p. 3.