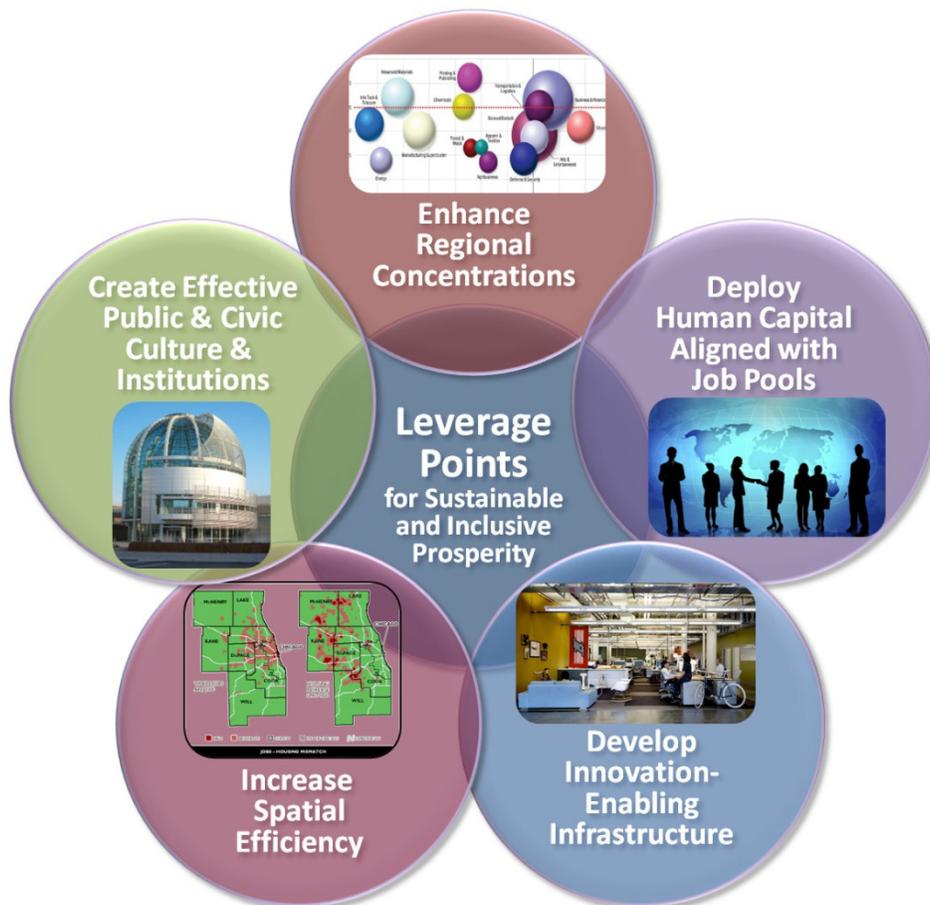


Maricopa Association of Governments
Metropolitan Business Planning Initiative
Leverage Point Definitions

The Maricopa Association of Governments is collaborating with economic development stakeholders and the Brookings Institution to participate in the Metropolitan Business Planning Initiative. The data for this initiative are organized into five leverage points or market levers. These leverage points have been identified as being critical to a thriving economy. Brookings has provided the following information.



1. Regional Concentrations (Industry or Occupational Clusters): This leverage point has to do with “clustering,” recognizing that the definition of clustering may be shifting toward occupations and functions and that the definition may need to be broadened, and complemented with other production-side strategies. Clustering focuses on the optimal interaction between production components of an economy, the optimal mix and scale of industries, occupations, functions, specializations, etc. Cultivating benefits of regional concentrations requires understanding nuances of how particular concentrations - down to the individual firm and institutional level - interact with each other to create efficiencies and spillover effects to enhance productivity.

2. Human Capital Aligned With Job Pools: This leverage point addresses human capital in the context of economic performance: the goal is not only high levels of human capital (workforce), but also linked, mutually reinforcing, human capital and job pools. Pools of workers and jobs/firms attract each other. Quality and deployment are keys to productivity and efficiency. The point entails a two-fold, iterative process:
 - Growing the supply of appropriately skilled workers to meet employer demand.
 - Growing the demand for skilled workers by cultivating appropriate firms/jobs.
3. Innovation-Enabling Infrastructure: Innovation inherently drives increasing productivity and efficiency, and is the source of overall, long-term economic growth. It allows regions to do more with a finite set of human and other resources. It is multi-dimensional, encompassing new products, services and business models; and includes stages from basic research through entrepreneurship and adoption/diffusion. This leverage point encompasses both firm- and system-level activities.
4. Spatial Efficiency: The geographic arrangement of households and firms which includes producers, suppliers and consumers within the region determines transportation costs for people and businesses, and influences the benefits of agglomeration. Generally, to increase efficiency and productivity of the metro economy, we want to:
 - Minimize transportation costs
 - Reduce congestion
 - Maximize agglomeration benefits
 - Avoid segregation and concentration of poverty
5. Governance: Government (through taxation, regulation, provision of public goods, etc.) and civic-sector activities enhance or hinder the productivity and efficiency of the economic systems themselves. These activities attract entrepreneurs, support market development, lower transaction costs, and increase deployment of assets. A culture of trust, collaboration and transparency, as well as institutional flexibility and adaptability, are increasingly important (including particularly to leverage points one and three).

For more information, please visit the project information on the MAG website at <http://www.azmag.gov/Projects/Project.asp?CMSID=3577&CMSID2=3888> or contact Amy St. Peter at (602) 254-56300.