

Economic Opportunity Analyses

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Economic opportunity analysis is an alternative to industrial targeting. The goal of economic opportunity analyses is to identify sectors which will bring maximum benefits to a particular region using a five step process. These steps include: (1) identifying the region's preferences for economic, social and environmental and other outcomes, (2) estimating the potential contribution of various industries to the region's preferences; (3) calculating the desirability of the sectors given the region's preferences; (4) identifying the region's attractiveness to particular industries, and 5) identifying strategies for increasing the region's attractiveness to the highest ranked sectors. The utility of this method is tested and demonstrated with a case study in Virginia's New River Valley. First, a preference elicitation technique was used to develop weights for a range of potential economic, fiscal, environmental and other outcomes. Sectors were then screened to eliminate all but *footloose* sectors - those not tied to resources such as farming or mining. Next the strength and quality of linkages between the qualifying sectors were measured using IMPLAN **and** the qualifying sectors were ranked on the basis of these and other characteristics. Using various impact tools, including IMPLAN, the potential sectors are analyzed to determine their relative contributions to various economic, fiscal and environmental criteria. Finally, the region's attractiveness to each potential sectors was measured and conclusions drawn regarding the best strategies for attracting targeted sector.