

**Business development** and **Economic development** are related methods of creating *economic activity*. However, they are different concepts. Each has unique goals and strategies. Understanding the differences will help sharpen the focus of your activities. Below is a comparison of the two concepts and their basic tenets.

*Business development* and *economic development* need not be competitive activities. By working together, *business development* and *economic development* activities can provide synergies for the successful achievement of both.

Remember, *economic development* cannot be sustained without successful business development. Business failure provides value to no one – neither the owners of the business nor the residents of the community in which the business is located. **However, with proper planning, economic development activities can lead to the development of businesses in the community that are successful.**

This is why at Real World Economic Development Academy, we insist, you should not attempt to start a business until you understand Economic Development. **Economic development has a lasting impact on a community.** Job providers purchase goods and services they need to operate, and their workers purchase goods and services they need to live. Money changes hands many times as it flows through the local economy and creates overall prosperity enjoyed by all citizens.

**Economic growth helps companies predict and estimate how their industry will fair in the near future and ways to make the best use of the booming economy.** Companies, both small and Multi-national, can make decisions to expand their business, hire more employees, and get more research done to improve processes.

**Growth creates wealth, some of which goes directly into the pockets of employers and workers, improving their wellbeing.** As people earn higher incomes and spend more money, this enables people to exit poverty and gain improved living standards.

Business relates to the economy in that **businesses provide goods and services that drives or controls wealth of a region or country.** Thus, businesses keep the economy strong by providing the products and services that consumers purchase and invest in. Business drives the economical cycle. In order to understand the “cycle”, you must understand Economic Development, now you can have a successful business.

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