



# **GUIDE TO IDENTIFYING BARRIERS TO ECONOMIC GROWTH**

# IDENTIFYING BARRIERS TO ECONOMIC GROWTH

*At the Wyoming Business Council (WBC), it is part of our mission to empower communities to achieve lasting economic strength and self-reliance. Experience shows that generic solutions rarely work. To build truly resilient economies, we must identify and target the specific constraints – the **barriers to growth** – that limit your community's potential. For your **Business Ready Community (BRC)** grant or loan application to succeed, it must demonstrate a direct line of sight between the requested funding and a tangible, sustainable economic impact.*

*This guide outlines an evidence-based process you can use to pinpoint the most important constraints to ensure your community is addressing the most critical problems to unlock growth, and if a BRC project is appropriate for your context, that it yields the maximum return on public investment.*

## WHY FUNDING MUST TARGET THE "SHORTEST STAVE," NOT SIMPLY ADDING MORE STUFF

Economic development is often thought of as a simple matter of adding more resources – more buildings, more training, more infrastructure. However, we've learned that general spending rarely generates sustainable economic growth. Every community's potential is limited by unique, critical challenges.

Think of your local economy's growth potential like a **wooden barrel filled with water**. The water level – your capacity for growth – is limited by the height of its **shortest stave** (the vertical wooden slats).

- If your shortest stave is **inadequate infrastructure capacity** (e.g., outdated water or sewer lines), investing in other areas (like small business grants) is unlikely to help your community expand.
- Our strategy requires that BRC projects target the specific issue that is *currently* the lowest stave. This targeted approach delivers a much bigger and faster impact on growth. Once one constraint is resolved, a different one becomes the new "shortest stave," making the process of economic development a continuous cycle of problem-solving.

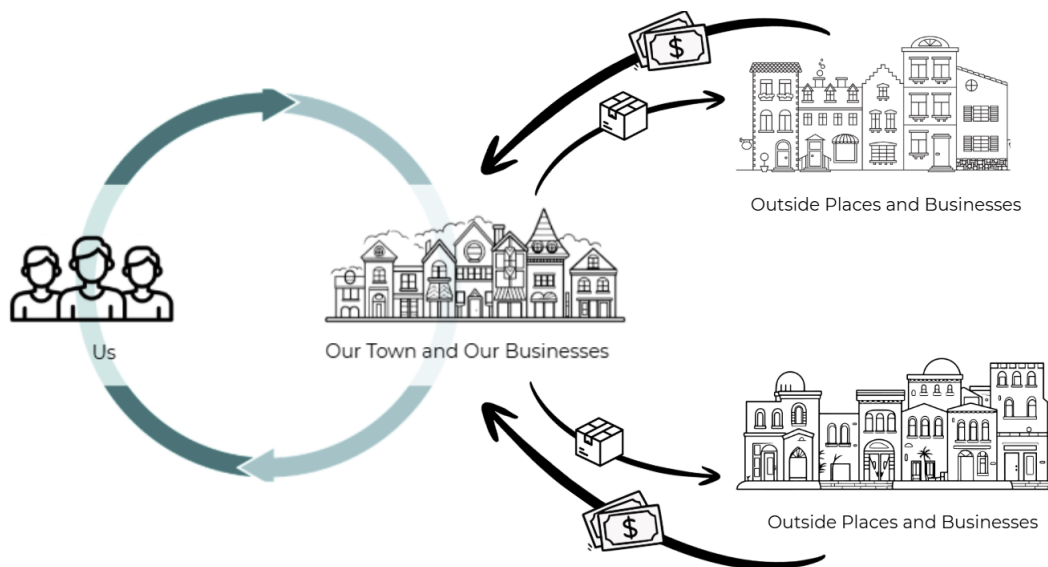


# TRADABLE INCOME: THE OXYGEN FOR ECONOMIC GROWTH

Before analyzing barriers, it is crucial to understand what the fundamental engine of local prosperity is: **Tradable Income**. Tradable Income is money that flows into your community from **outside** the local area by selling goods and services externally. It is the oxygen for your local economy.

Tradable Income (External Money In)	Non-Tradable Income (Local Circulation)
Manufactured goods shipped outside the community and/or state	Local barbers, restaurants, and plumbers serving mainly community residents
Minerals extracted or professional services (such as consulting services) that are sold globally	Wages paid to a local teacher (funded by local property taxes)
Money spent by tourists on hotels and meals	Dog walkers, mechanics whose customers are all local

This external money is essential because it is the source of wealth that pays local wages, supports local services, and allows the community to purchase everything it does not produce. Without a strong, growing flow of tradable income, opportunities shrink, people leave, and the local economy declines. If you are applying for BRC funding, your project must clearly demonstrate how the investment will directly **catalyze new or increased tradable income** – either by attracting a new external-facing business or enabling the expansion of an existing one.



Therefore, our fundamental question when identifying barriers is: **What is limiting your community from generating or retaining more tradeable income?**

# HOW TO PINPOINT THE REAL ROADBLOCKS

We can use a systematic, four-step process to move from observing a general lack of growth to identifying a specific, actionable root cause.

## STEP 1: DIAGNOSE THE COMMUNITY'S ECONOMIC HEALTH

We begin by assessing the community's overall economic performance, utilizing both quantitative **data** (trends and comparisons) and a qualitative **local perspective**. Use specific, cited data (e.g., WBC Data Tool, CORI, DataUSA) to establish the scope of the problem.

Quantitative Indicators (What the Numbers Tell Us)	Qualitative Indicators (What the Community Tells Us)
<b>Jobs &amp; Wages:</b> Income levels and how they have evolved, GDP over the region (when looking at county-level), poverty rates, and unemployment trends.	<b>Business Retention:</b> Stories from businesses struggling to find workers or expand, and what key constraints they face for growth.
<b>People:</b> Population trends, age demographics, and rate of youth out-migration.	<b>Local Planning:</b> Priorities identified in comprehensive plans and economic development strategies.
<b>Housing:</b> Housing prices, number of housing units, rental vacancy rates, and new home construction permits.	<b>Quality of Life:</b> Resident feedback on childcare access, housing types and how they meet what people are looking for, healthcare availability, and community amenities.

## STEP 2: DETERMINE THE MAIN CONSTRAINT: JOBS OR WORKERS?

A local economy is typically constrained by either the **Demand for Labor** (a shortage of jobs) or the **Supply of Labor** (a shortage of workers). Your diagnosis should determine which constraint is dominant to inform what strategies are most appropriate for your context.

If the community has a Shortage of Jobs (Demand is low)...	If the community has a Shortage of Workers (Supply is low)...
<b>Evidence:</b> Reduction in the number of jobs over recent years, high unemployment, high commercial property vacancies, and net migration <b>out</b> of the area.	<b>Evidence:</b> Businesses cannot fill positions, rising wages, low property vacancies, and net migration <b>into</b> the area (which can be constrained by housing/childcare).

**BRC Focus:** Projects to **attract and create** new tradable businesses and increase demand for labor (e.g., spec buildings, water & sewer infrastructure, industrial park infrastructure).

**BRC Focus:** Projects to **increase the supply** of available workers by addressing underlying costs and capacity issues (e.g., infrastructure that supports housing development).

**Rationale:** Investing in worker training by itself when there are not enough jobs is unlikely to significantly improve the economy. Likewise, attracting new firms when housing is already maxed out can only intensify the shortage of workers and drive up costs.

### STEP 3: VALIDATE YOUR BARRIER HYPOTHESIS

Once a primary barrier is suspected (e.g., high housing costs or poor access to capital), use specific diagnostic tests to confirm its severity and relevance:

- **The "High Price" Test:** Is this essential factor for growth (skilled labor, housing, available land) significantly **more expensive** here than in comparable communities?
- **The "Moving the Needle" Test:** Have small, recent attempts to ease this constraint (e.g., a policy change) resulted in a **noticeable increase** in economic activity? If not, the true barrier may lie elsewhere.
- **The "Who is Struggling" Test:** Are the businesses most reliant on this scarce factor (e.g., those needing large lots or specialized labor) the ones **struggling** most to expand?
- **The "Workarounds" Test:** Are local businesses or residents going to **extraordinary lengths** (e.g., employers subsidizing housing or transport) to circumvent this problem?

If multiple tests confirm the constraint, it is a signal that you identified a critical, high-priority barrier.

### STEP 4: FIND THE ROOT CAUSE BY ASKING "WHY"

It is insufficient to merely state the barrier; we must use a rigorous process of continuously asking **"Why?"** to uncover the deepest, most systemic issue – the root cause of the problems.

#### Example of Root Cause Analysis:

1. **Barrier:** Shortage of attainable housing (Valid via Step 3 Tests) - The community struggles to attract and retain workers due to a shortage of attainable housing.
2. **Why?** New housing construction is not keeping up with demand.
3. **Why?** Developers face high costs and delays getting permits and projects approved.
4. **Why?** Local zoning rules are restrictive and vary across jurisdictions.

5. **Root Cause:** Local planning departments are understaffed, lack technical support, and face political resistance to updating restrictive land-use regulations.

The root cause defines the solution. If the root cause is a regulatory/capacity issue, then appropriate actions should be taken to address it.

## LINKING THE ROOT CAUSE TO BRC ELIGIBILITY

After the root cause is identified, we determine the most effective solutions. Your BRC application must demonstrate a direct link from your root cause analysis to a BRC-eligible activity.

1. **Directly Attack the Root Cause of the growth problem:** If the root cause is a lack of serviceable land that makes it possible for new companies to locate there and/or for housing, BRC funds can be used for **infrastructure** (water, sewer, roads) to open up that land for new development.
2. **Project with significant impact potential:** We require a clear projection of how the project will translate into measurable economic growth, such as new jobs created, housing units unlocked, and the ultimate increase in vital **tradable income**.
3. **Are BRC Eligible:** The project must fit within BRC's guidelines (e.g., infrastructure, spec buildings, and certain capacity building projects).

### EXAMPLE SCENARIOS:

If the Root Cause is...	And your Diagnostic shows a...	The BRC-Eligible Solution is...
<b>Inadequate water capacity is limiting industrial users</b>	<b>Shortage of Jobs</b>	Water/Wastewater System Upgrade to support expansion of existing businesses or new high-volume users.
<b>Lack of buildable land with utilities</b> (due to distance or age)	<b>Shortage of Workers</b>	Infrastructure Extension (water/sewer/roads) to service a new, zoned housing area.
<b>Negative shock to a key tradable industry</b> (requiring diversification)	<b>Shortage of Jobs</b>	Construction of a Spec Building or industrial park infrastructure to attract a new tradable sector employer.

**Important Note:** BRC funds are primarily for **infrastructure and physical facilities** and must always be publicly owned. If your root cause analysis points to policy issues (e.g., restrictive permitting processes) or operational issues (e.g., low wages for childcare workers), your application must prioritize local action to resolve these non-infrastructure problems **concurrently** with the BRC request. Local solutions and other state programs (such as Wyoming Childcare Provider Startup Grants) or policy changes would be the necessary steps.

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**Need assistance?** The [Wyoming Business Council team](#) has resources and expertise to assist you in reviewing publicly available data for your county to strengthen your identification of local barriers. The Regional Director in your area, as well as our Economic Policy & Research Advisors are available to support you.

# CASE STUDY: APPLYING THE FRAMEWORK TO A HYPOTHETICAL WYOMING TOWN

To demonstrate the rigor required for a successful application, let's put the **Guide to Identifying Barriers to Economic Growth Framework** to work for a hypothetical town that is considering applying for BRC funds.

## STEP 1 & 2: DIAGNOSIS AND CONSTRAINT DETERMINATION

The initial data review and local input reveal a community constrained by a **Shortage of Workers**.

Indicator	Data/Observation	Interpretation
<b>Quantitative Data</b>	Population is steady, but college graduates leave and are not returning. Income is behind the state average. Housing is expensive, and new home construction is stagnant.	Evidence of <b>Shortage of Workers</b> (skilled labor is hard to retain/attract) driven by the high cost of living.
<b>Qualitative Data</b>	Businesses cite difficulty finding and retaining quality employees. Local officials express concern over " <b>brain drain</b> ." Parents report extreme difficulty finding affordable childcare.	Confirms the local experience of a <b>Supply-Side Constraint</b> (lack of available workforce).

## STEP 3: VALIDATING THE ROADBLOCKS

We apply the four tests to the two identified primary issues: Housing and Childcare.

### Roadblock 1: Workforce Housing Shortage (Barrier to growth)

Test	Finding	Signal
<b>High Price Test</b>	Homes and rent are high relative to the state, similar places, and rising rapidly, creating an affordability crisis.	Confirms that <b>high housing prices</b> are a major constraint.



<b>Moving the Needle Test</b>	Recent, small-scale housing construction led to a brief but measurable period of workforce growth; once construction stalled, growth stopped.	Shows housing is a <b>binding constraint</b> on economic activity.
<b>Who is Struggling</b>	Young middle-income families and mid-career professionals cannot afford to live here, while higher-income families, single students, or shared-housing groups fare better.	Pinpoints the <b>demographic hit</b> (middle-income employees).
<b>Workarounds Test</b>	Local employers are actively exploring or offering housing stipends/assistance to secure new hires.	Indicates the problem is severe enough to require <b>costly, non-traditional solutions</b> .

## Roadblock 2: Childcare Supply (Barrier to growth)

Test	Finding	Signals
<b>High Price Test</b>	Childcare costs are extremely high, and supply is limited.	Confirms that cost/supply is a <b>binding constraint</b> preventing available parents from working.
<b>Moving the Needle Test</b>	A recent, small increase in local childcare capacity measurably boosted workforce availability and accelerated local business growth.	Directly links childcare availability to <b>workforce capacity</b> .
<b>Who is Struggling</b>	Families requiring external childcare are limited in their ability to work, unlike families without children, with at-home parents, or local family help.	Identifies the <b>specific population</b> being excluded from the workforce.
<b>Workarounds Test</b>	Some employers are actively investigating on-site or subsidized childcare options due to severe community-wide lack of availability.	Indicates the severity of the <b>supply-side issue</b> .

## STEP 4: GETTING TO THE ACTIONABLE ROOT CAUSES

The analysis suggests the primary issue is a **Shortage of Workers** stemming from the high cost and lack of supply of both housing and childcare.

- **Housing Root Cause Analysis**

- **Problem:** Not enough land is ready for development.
- **Why?** There is not enough water and sewer infrastructure
- **Root Cause:** Lack of funding to extend critical utility infrastructure to new areas.
- **Childcare Root Cause Analysis**
  - **Problem:** Low wages make it hard to hire/retain childcare staff, and new centers are too expensive to operate.
  - **Root Cause:** Local market failure due to high operating costs and low provider wages, compounded by local regulations that limit the development of smaller, home-based childcare options.

## BRC PROJECT SELECTION AND JUSTIFICATION

The final step is to align a **BRC-eligible activity** to the most impactful root cause.

Root Cause	Proposed Solution	BRC Eligibility & Justification
<b>Restrictive Housing Policies &amp; Lack of Infrastructure</b>	<b>Request BRC Infrastructure Funding</b> for water, sewer, and road extensions to open a newly rezoned area specifically designated for higher-density housing (apartments, townhomes).	<b>BRC Eligible:</b> This is a direct investment in <b>infrastructure</b> that is required to unlock a verified, binding constraint ( <b>Workforce Housing Supply</b> ). The project will directly increase the supply of available workers, thereby fueling tradable sector growth.
<b>Childcare Market Failure</b>	<b>Action Recommended:</b> Pursue the <b>Wyoming Childcare Provider Startup Grants</b> program, leverage local economic development funds, and revise local home-based childcare rules.	<b>BRC Ineligible:</b> This root cause addresses operational costs, wages, and regulatory policy, which are <b>not</b> BRC-eligible infrastructure or facility development activities.

# ANNEX: ESSENTIAL DATA SOURCES FOR BRC APPLICANTS

A successful BRC application relies on citing credible, current, and comparative data. Use the following free online tools to complete your quantitative analysis (Step 1).

## 1. [DataUSA](#)

A comprehensive public data platform with indicators for the entire country, states, counties, and municipalities. It is excellent for deep dives and quick data visualization.

**Key Indicators:** Population demographics, workers by industry, occupations, and average wages, educational attainment, median household income, and housing cost data (property value, rent vs. ownership).

## 2. [CORI Economic Development Tool](#) (Economic Innovation Group)

This tool is designed for county-level comparisons, allowing you to benchmark your community against selected peers outside of Wyoming.

**Key Indicators:** Prime-age employment rate, employment numbers, average annual pay, industry diversity (tradable vs. local services), private investment per capita, cost of living, and cost-burdened renters/owners.

## 3. Wyoming Business Council [Available Properties](#)

The WBC's own platform includes localized data specific to Wyoming municipalities, counties, and the state, making it ideal for comparing trends against the state average. *After clicking on the link above, select the option "Explore Communities."*

**Key Indicators:** Demographic trends, educational attainment, total labor force size, largest employers by occupation and industry, median household income distribution, and housing data (proportion of owners and renters).

**Note:** When citing data, ensure you pull **time-series data** (showing trends over 5-10 years) and **comparative data** (benchmarking your community against similar places) to definitively prove that your constraint is binding.