

# *Evaluating Economic Development Programs*

Presented by  
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# Presentation

- 1. General Overview**  
*Approaching Evaluations*
- 2. Cases: Evaluating Your Programs**  
*Assessing Performance of Economic Development Programs*

# General Overview

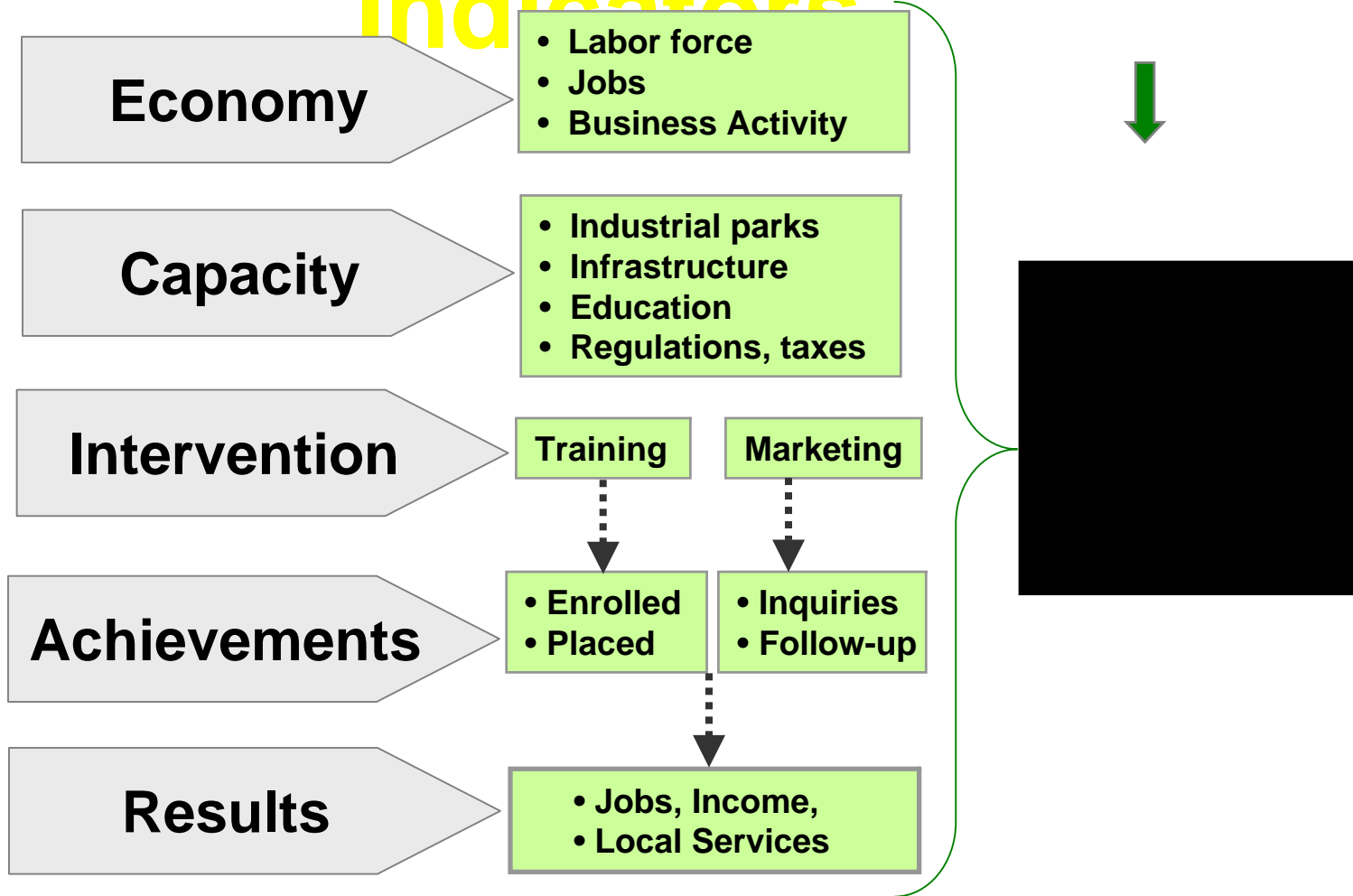
## Approaching the Evaluation

- **Define Objectives**  
*Audience/audiences?*
- **Organize Approach**  
*Choose measures matching client data, surveys, interviews, benchmarks*
- **Collect Data**  
*Baseline, programmatic, regional*
- **Manage Data**  
*Database, spreadsheets*
- **Analyze**  
*Pick performance indicators to match audiences*
- **Tell A Story**  
*Remember the audiences!*

# Elements of an Evaluation

- **Your Area's Economy**
- Changes in Capacity for Economic Development
- **Attempted Intervention Strategies**
- Achievements - Final Outcomes and/or Intermediate Progress?
- **Results**

# Full Performance Indicators



# Evaluation of Impacts

- Planning & Implementation



- Land bought & sold



Property values Increase

- Buildings constructed/expanded



Private investment Increases  
Fiscal impacts begin

- New businesses open/business expand



Employment grows  
Personal income increases  
Fiscal impacts increase

- Population growth due to new jobs



Service & retail jobs grow  
More Fiscal impacts  
(positive & negative)

Time

# Example for Economic Development

Inputs	Outputs	Efficiency	Outcomes
<ul style="list-style-type: none"><li>•Public Investment</li></ul>	<ul style="list-style-type: none"><li>•Private Investment</li><li>•Number of Jobs</li></ul>	<ul style="list-style-type: none"><li>•Costs per Job</li><li>•Personal Income and Benefits</li></ul>	<ul style="list-style-type: none"><li>•Economic Development</li><li>•Increased Job Opportunities</li></ul>

# Evaluating Programs: *Case Studies*

- Appalachian Regional Commission
- State of Oregon



# ARC Programs



- Evaluation of public works/infrastructure
- 13 states, 99 projects
- New jobs, wages
- Tax revenue
- Leveraged investment
- Business vitality/entrepreneurship
- Impact on level of area distressed counties
- Ratios of outcomes per \$ of investment
- Relative credit to agency

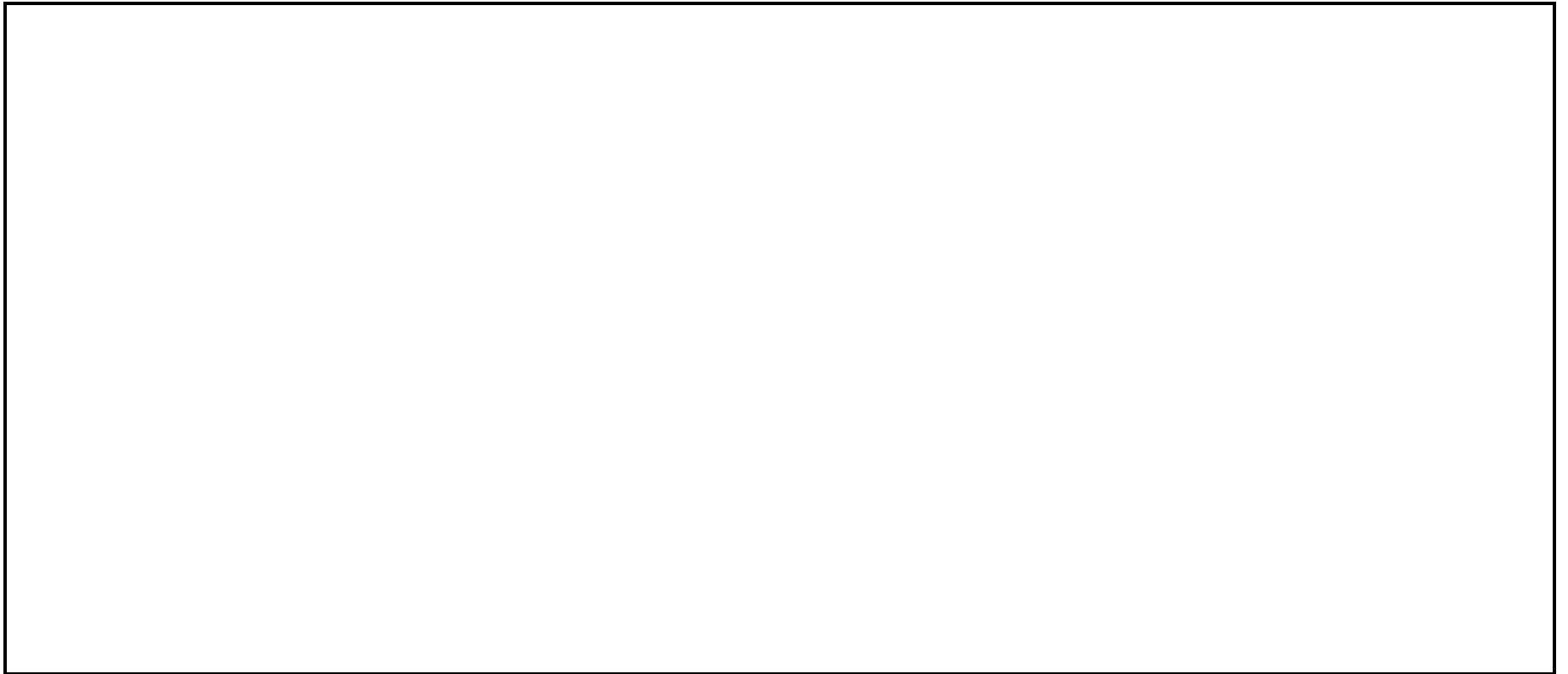
# Results per Public Dollar by Project Type: Approach to Measuring

Programs	Selected Metrics
Access Road	ARC \$ Invested
Incubator	ARC % of Public \$
Industrial Park	<u>Public \$ per New Job</u>
Water/Sewer	ARC \$ & Total Public \$
	<u>Public \$ per New/Retained Job</u>
	ARC \$ & Total Public \$
	<u>Private \$ per Public Dollar</u>
	ARC\$ Using Total Public \$

# Results per Public Dollar - all Projects

	<b>Project Impact</b>	<b>Ratio per ARC\$</b>	<b>Ratio per Public\$</b>
<b>Total Private Investment</b>	\$1,702,427,863	58 : 1	10 : 1
<b>Jobs</b>	<b>Project Impact</b>	<b>ARC\$ per job</b>	<b>Public\$ per job</b>
New Direct Jobs	17,795	\$1,653	\$9,707
New Total Jobs	43,136	\$682	\$4,005
Total New and Retained Jobs	52,716	\$558	\$3,277
<b>Income</b>	<b>Project Impact</b>	<b>Ratio per ARC\$</b>	<b>Ratio per Public\$</b>
Direct Income	\$638,775,134	22 : 1	3.7 : 1

# Importance of ARC Support



# Economic Impacts of OECD's Public Works Programs

- OECD identified 56 projects that closed in 1999 or 2000.
- Enough time for economic impacts to accrue
  - **Consistent dataset**
  - **Potential loss of institutional knowledge**



# Types of Projects

- Industrial/commercial sites
- Water and sewer systems
- Transportation improvements



# Attribution of Credit for Project Results

Measure	Job Attribution	Percent of Total
Full Credit	3,203	100%
By Percent of Funding by Project	2,209	69%
By Role of OECDD	2,560	80%

# Actual & Projected Jobs Created and Retained by Project Type

Project Type	Actual New & Retained Jobs	Projected New & Retained Jobs
Industrial/ Commercial Site	1,900	826
Water/Sewer	1,053	445
Transportation	250	234
TOTALS	3,203	1,505



# Earnings resulting from new and retained jobs (\$2005)

	Total Earnings	Average Earnings per Job	Jobs with Earnings > County Avg.	% of New/ Retained Jobs
<b>By Type of Project</b>				
Industrial/Commercial Sites	\$47,479,311	\$24,989	545	29%
Water/Sewer	\$32,321,336	\$30,695	762	72%
Transportation Improvements	\$5,819,569	\$23,278	105	42%
<b>By Geography</b>				
Southwest	\$17,302,879	\$20,797	132	16%
Northwest	\$25,941,587	\$29,887	548	63%
Central	\$3,665,165	\$31,061	65	55%
East	\$38,710,584	\$27,950	667	48%
Total	\$85,620,216	\$26,731	1,412	44%

Source: EDR Group & ECONorthwest with data from surveys and wages from the Oregon Employment Department

# Percent of Projects in Distressed Communities

Region	Industrial/ Commercial Site	Water/ Sewer	Transportation	Total
Southwest	100%	100%	100%	100%
Northwest	50%	60%	100%	60%
Central	50%	83%	100%	78%
East	50%	86%	na	69%
<b>Total</b>	<b>60%</b>	<b>84%</b>	<b>100%</b>	<b>75%</b>

# Cost per Long-term Job (\$1997)

	Industrial/ Commercial Sites	Water & Sewer Systems	Transportation Improvements	Total
OECD Grants & Loans	\$6,124	\$12,312	\$7,320	\$8,252
OECD Grants	\$1,444	\$7,466	\$3,243	\$3,564

# Conclusion:

## *Why Evaluate?*

- Compare your area against other areas
- Measure effectiveness of your programs and among your programs
- Determine efficiency of your programs against similar programs in other areas
- All of the above

## Define Your Objectives

- There are separate needs for internal (diagnostic) and external (report to investors/policy makers) measurement
- Build off of a logical case of Need → Action → Results
- Keep expectations reasonable w/ Intermediate Results
- Don't go overboard with too many Indicators



# THANK YOU

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