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Kenneth E. Poole, Ph.D.
President/CEO

Evaluating Economic Development Initiatives

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Outline

- Why Measure
- Two Approaches: Evaluation or Benchmarking
- The Evaluation Logic Model – What to Measure
- A Few Words of Practical Advice

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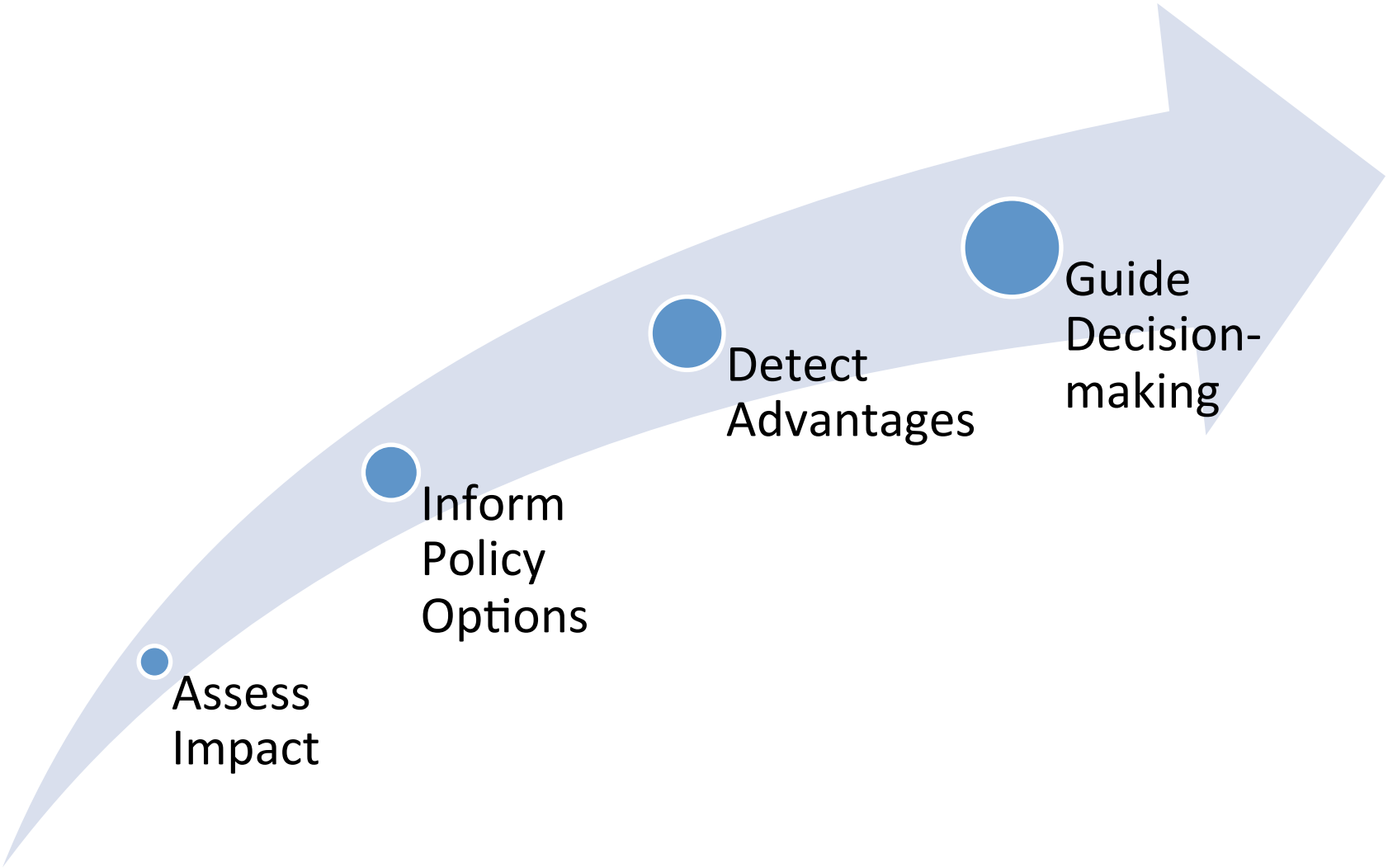
Purposes for Evaluation



What can success measures tell you?

- How has the economic or fiscal situation changed over time?
- What can you predict about future investment results?
- How well did your investments do in achieving your priorities?
- How does your success compare with others?
- How can you improve your efforts?

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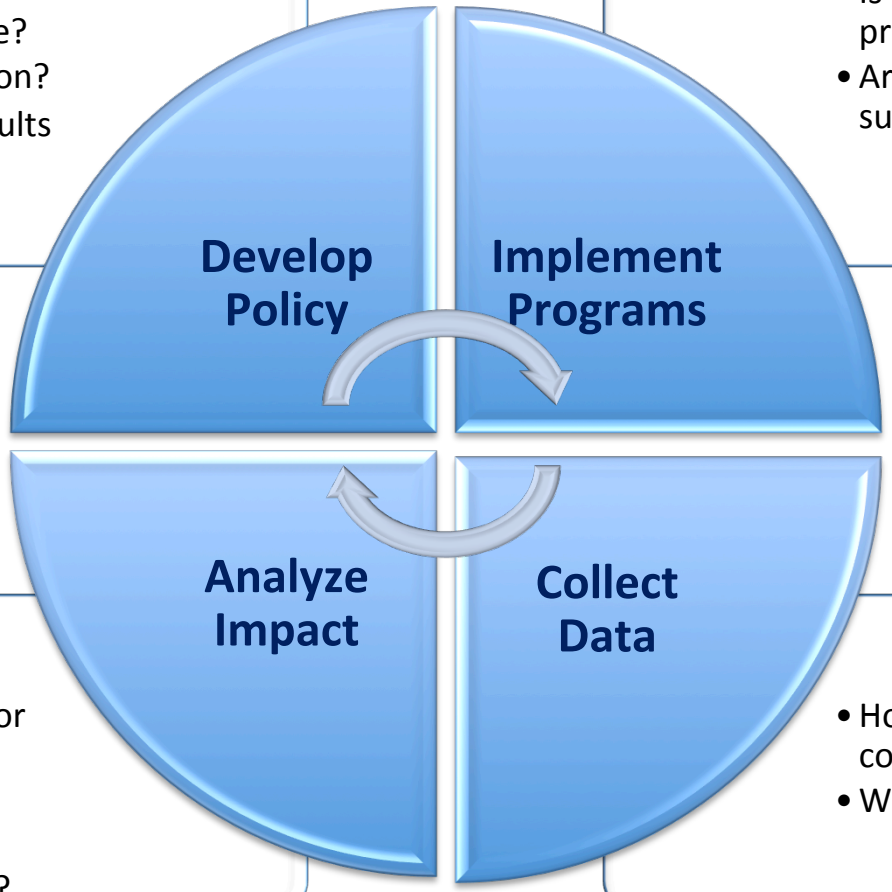
Evaluation is a *process*...not an event

- What are assumptions driving the policy choice?
- What are the goals/vision?
- How will evaluation results be used?

- Is evaluation built into program activities?
- Are resources available to support evaluation?



- Are audiences internal or external?
- Who sponsored the evaluation?
- What method(s) to use?

- How are data being collected and managed?
- What are the right metrics?

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Challenges in Using Data To Drive Decision-making

- Concern about how research will be used and/ or interpreted
- Lack of credibility given to internal evaluations
- Lack of resources to conduct evaluation
- Concern that diverted resources take away from program success

- Lack of available expertise in:
  - Selecting appropriate research techniques
  - Determining evaluation objectives
  - Managing data collection process

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What's the Difference and Why Does It Matter?

TO "EVALUATE" OR "TO BENCHMARK"

Key Distinctions

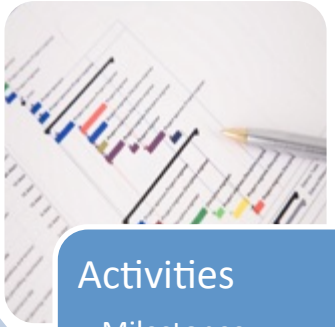
- Evaluating Performance
  - Examining investments made to assess impact
- Benchmarking Performance
  - Monitoring socioeconomic measures to identify challenges or opportunities

Creating an Evaluation Logic Model

Inputs/ Resources

- Funding
- Staff
- Facilities
- Partners

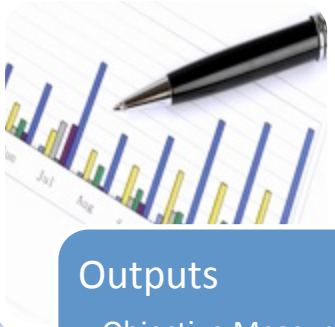
Link to Operations Support



Activities

- Milestones
- Deliverables

Link to Action Progress



Outputs

- Objective Measures
- Program-specific

Link to Vision & Goals

Outcomes

- Broad policy indicators
- Best practices

Resource Mgt.

Program Mgt.

Evaluation

Benchmarking

What Do We Measure?

- Traditional Economic Development "Program Outputs"
  - Jobs created or retained
  - Private investment leveraged
  - Total public investment
  - Tax revenues generated

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What Might Be Better Alternative Measures?

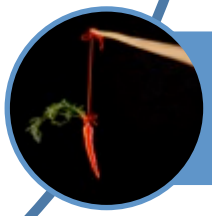
- Specific types of jobs such as:
  - Targeted industries driving the economy,
  - Critical occupations that are vital for growth, and/or
  - Offer wages above a pre-determined level (e.g., median)
- R&D performance (e.g., federal funding)
- Knowledge creation (e.g., patents)
- Technology transfer
- Access to capital, including federal programs (e.g., SBIR or other equity sources, etc.)
- Entrepreneurship, company formation and growth

A few words of advice…

Ensure the "vision" helps shape measurement

Don't get hung up on "jobs" in measurement

Measure *public* return on *public* investment (ROI)



Reward *actions* rather than *promises*

Have patience in expecting impact

Examine your investment as a "portfolio"

Consider measurement & monitoring in policy design

Resource a strong continuous improvement system

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Thank you

- Ken Poole
  - kpoole@c2er.org 703.522.4980, ext. 1016

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