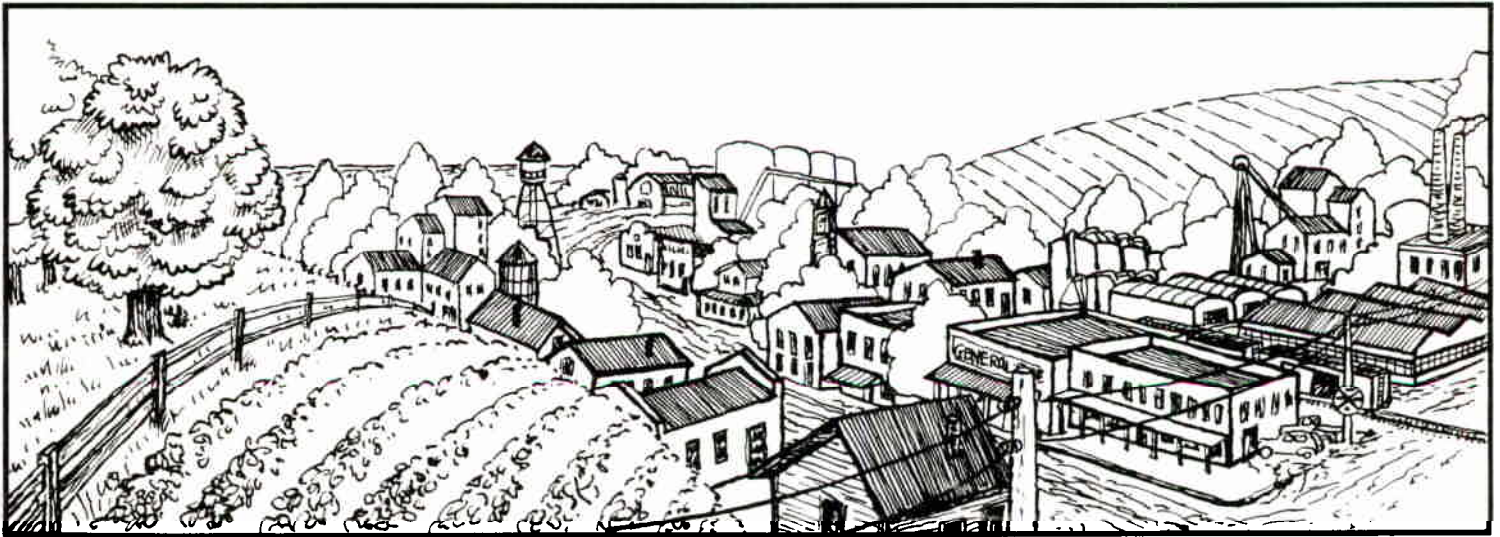

Local Economic Development Planning: From Goals to Projects

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Chapter 1. Introduction

In recent years there has been a surge of interest in local economic development planning. There are several reasons for this. First, the resources available for economic development have become substantially more limited in recent years. There is less land available for the purpose; natural resources are less available; environmental restrictions have limited the uses to which resources can be put; available public revenues have been shrinking, due to either the rapidly rising costs of municipal services or the public clamour for reduced taxes, or both; and, finally, the overall real rate of economic growth throughout the nation has both declined and shifted its geographic concentration in recent years, with the consequence that many communities are no longer assured—as they once were—of obtaining a satisfactory share of a general national prosperity. Communities are becoming increasingly aware of the need to husband, control, and direct their resources in order to assure an economic future consistent with community interests.

Second, heightened concern for the quality of the environment in recent years has made many communities realize, for the first time, that planning will take place whether or not they are participants in it. Communities that five years ago rejected zoning ordinances as infringements on personal freedoms today are not only passing zoning ordinances, they are requesting state and federal assistance to undertake economic development planning. This has come about because they have found that cherished community qualities can be destroyed as a result of decisions made by enterprises concerned primarily with their own interests. The growing view is that the freedom to enjoy traditional attributes of the community environment may be infringed upon by planners in the private interest in the absence of planning in the public interest.

The growing concern with local economic development planning arises also from very practical considerations relating to programs of federal assistance for local economic development activities. In an effort to obtain

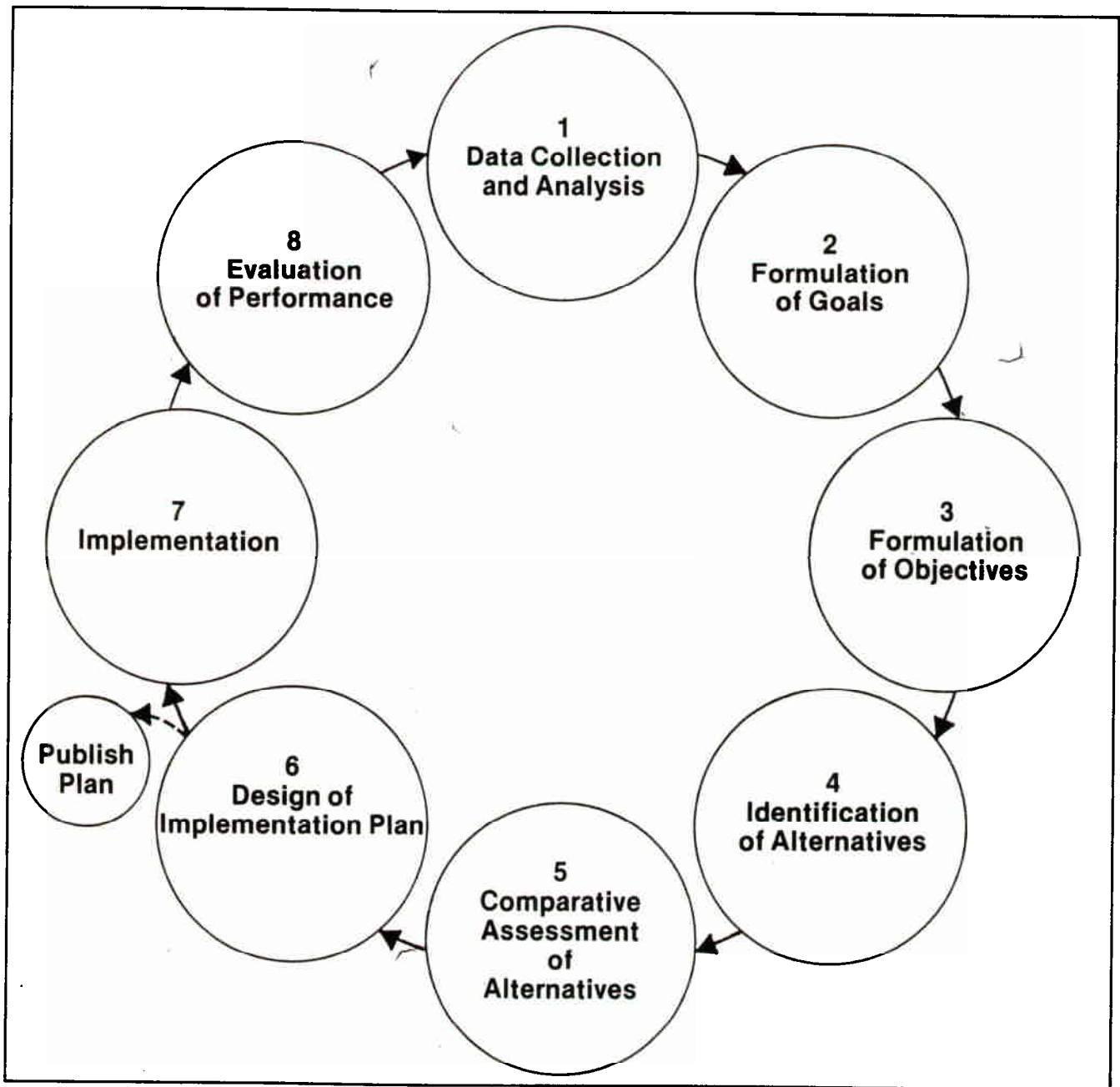
the greatest returns on their investments in local areas, federal agencies are increasingly seeking to coordinate their efforts and identify projects that will allow them to integrate their various resources. Federal agencies also are very much concerned with the size of the complementary private investment that will be induced by the development assistance they provide. The ideal project, from the perspective of federal economic development programs, is one in which a relatively modest injection of program funds stimulates a much larger investment of funds from other sources. It is easy to see that such projects can be developed most readily through a local economic development planning process. Moreover, communities have found that the materials produced through a local economic development planning process can serve to satisfy the requirements of and constitute basic application material for a variety of federal programs—including some not directly related to economic development—thus simplifying and reducing the cost of access to federal assistance in general.

THE MEANING OF PLANNING FOR LOCAL ECONOMIC DEVELOPMENT

A distinction should be made between planning for economic development and planning for near-term measures designed to solve immediate problems because the respective planning processes are likely to differ. Planning for economic development is intended to bring about a lasting change in the local economy so that it will better serve social goals. Measures to solve an immediate problem may or may not serve long-term economic development and could conceivably work against it.

It is often thought that economic development is occurring when unemployment is being reduced and per capita income is increasing. These may be necessary, but they certainly are not sufficient conditions for economic development. Economic development is concerned with the best use of the community's limited economic resources in a long-term process aimed at preserving the good and improving the less good in community life.

FIGURE 1. THE LOCAL ECONOMIC DEVELOPMENT PROCESS



gies and Projects—must systematically account for the likely impacts and requirements of each proposed project. This may entail a considerable amount of technical analysis, as well as familiarity with the needs, desires, and capabilities of those who will be most directly and personally affected by a proposed project. Comparative assessment of alternatives is aimed at establishing a tentative framework of preferred and apparently feasible economic development undertakings.

Step 6—Implementation Planning—can proceed once a framework of potential project activity has been formulated. Since resources available for implementation

should have been a factor in the assessment of alternatives, this step should in theory be little more than a scheduling problem. In practice it does not work quite so neatly, and the process of final project selection continues into this step.

Step 7—Implementation—clearly should be largely a matter of management and administration, if implementation planning has been done carefully. Beyond passing references, it will not receive further attention in this book.

Step 8—Evaluation of Performance—is undertaken in order to assess staff performance, the performance of

individual projects, and the performance of the economic development effort as a whole, including the planning process. The information resulting from the evaluation process becomes a critical component of the data collection and analysis effort that launches the succeeding planning cycle.

In this model, the appropriate time to publish a "plan"—that is, the plan document—would be between steps 6 and 7, as indicated in Figure 1. The plan document may be viewed as a snapshot of the results of the planning process at a point in time.

THE PLANNING PROCESS: PRACTICAL OVERVIEW

The published plan will reflect the local economic development planning process in the sequential idealized manner described above. As the document is read, the analysis should clearly support the choice of goals; objectives should clearly relate to the goals; strategies and projects to be undertaken should clearly provide means for achieving objectives; and the implementation plan should clearly suggest achievement of performance targets for the plan period.

As a practical matter, however, work will proceed on many of the planning steps simultaneously. For example, data collection and analysis go on throughout the planning cycle, although their nature and intensity may vary at different points in the cycle. This is a major effort that cannot be expected to be initiated and completed prior to undertaking other steps in the planning process. In fact, important data elements will be produced in conjunction with other steps in the planning process.

In practice, the formulation of goals, identification of alternatives, and comparative assessment of alternatives go on more or less simultaneously. These activities feed back to each other and, in this way, accommodate the fact that on occasion thought processes may tend to leap ahead to inspired strategies or projects and then reflect back to see if they make sense. Comparative assessment of specific project alternatives may bring to light new ideas for potential projects, and these are likely to cause a reconsideration of alternative strategies. Objectives and goals formulated are likely, in turn, to be affected by the process of identification and comparative assessment of alternative strategies and projects. Thus, these four steps proceed in a fashion that entails continuous adjustment and calibration. Eventually, however, goals, objectives, strategies, and projects are completed in sequence.

Design of the implementation plan begins as the preceding four steps approach completion; it is begun early enough so that it, too, can have some impact upon them. Implementation actually continues uninterruptedly, of course, since projects do not necessarily begin and end within a given planning cycle, but each planning cycle will bring with it new implementation activity.

Evaluation of performance takes place near the end of the cycle. As a component of data collection and analysis, it provides essential information to the other steps of the planning process. It, therefore, must be designed and executed so that information answering the needs of

the various steps in the planning process will be produced in a timely manner.

Obviously, the very first planning effort may take much longer to carry out than will be the case when the process has become routine.

PUBLIC PARTICIPATION

The spirit of the planning process described here is a democratic one; the planning is undertaken in order to give practical expression to the public's self-perceived interest. In this context, the role of the professional planning practitioner is to preserve the nature and spirit of the process while effectively administering it, providing guidance on alternative courses of action, and performing or overseeing specialized technical work.

The fullest amount of public participation in the local economic development planning process is to be encouraged, not only on ethical grounds, but for technical and political reasons as well. There are likely to be competing interests among those participating in any planning endeavor. A local economic development planning process like the one described here can help people to see the tradeoffs necessary in the best long-term interest of the community. With full participation, it can serve as a means for giving order and focus to what would otherwise be a chaos of competing interests, ideas, and views of what is "best." References to the subject of public participation can be found in the bibliography.

AN ILLUSTRATIVE TOWN

For purposes of illustration in the following chapters, it will be useful to use a consistent example community. Let us imagine a town that started as a trading post 200 years ago; in time, it evolved into a trading center for a surrounding agricultural hinterland. Principal transportation routes converged on the town, carrying farm produce out, and bringing agricultural and consumer goods in. Eventually, a variety of small manufacturing firms sprung up producing and repairing agricultural equipment, and, in the same period, the city became a major railroad repair, switching, and depot center. As the years went on, agricultural patterns changed, and the city's role as a trading center declined, followed by the relentless contraction and eventual demise of its agricultural equipment industry. However, one of the agricultural equipment makers had evolved into a major producer of automotive parts and continued to prosper.

Today, this city of 20,000 people looks old and uninteresting. Although it serves as an employment and retail service center for the surrounding area, as well as for its own population, it has a shabby commercial district that immediately suggests it once catered to larger crowds. At one end of the city is an enormous complex of ancient factory buildings that houses the automotive parts firm. It directly accounts for 20 percent of the city's employment and is now entirely dependent on contracts from two automobile makers. It is rumored that within the year one of them will cut its ties with the local firm and begin importing the parts instead. The city was severely damaged by the upheaval in the railroad indus-

try and ceased being a railroad hub. It remains a precarious third-order rail crossroads, however, and continues to serve a depot function, although mainly for truck traffic. The transportation service function (including warehousing) directly accounts for another 15 percent of local employment, but this industry is becoming increasingly mechanized and automated. In any event, it is clear that changing transportation patterns, arising in part from technology and in part from shifting national markets, will—over time—remove this function from the city. As long as nearly everyone in the town can remember, automotive parts and transportation-related services have been the city's bread and butter, although the tradition of agricultural associations contributes to the quality of local life. Unemployment is high, and few young people envision their futures in this place.

The town has embarked upon an economic development program. It has been correctly perceived that dependence on two major economic functions—both declining and dependent in turn for their prosperity on factors beyond local control—is not healthy. It is economically unstable and depressing. The town's interest in economic development was ignited by the specter of the economic catastrophe that would follow in the wake of the automotive parts factory closing—a virtual certainty if it were to lose half of its business. But once this interest had been aroused, the citizenry realized that there were many related economic development problems to be faced, not all of them as immediate as the problem with the automotive parts firm. They perceived that the town was not what they wanted it to

be, and they could expect conditions to improve only if a concerted effort was undertaken to improve them. But what to do? What resources could be brought to bear? The city council voted to establish an Office of Economic Development and to staff it with a professional planning practitioner, an assistant, and a secretary. As a first step, the new staff was mandated to design, and, with the approval of the city council, initiate a process of local economic development planning.

In order to be useful for purposes of illustration, an example such as this is necessarily simplified, which carries with it certain dangers. The reader is urged to bear in mind that neither the modest population size nor the relative simplicity of the situation in the illustrative example is meant to imply that the economic development planning process model discussed here is relevant only, or even principally, in similar situations.

The example does, however, reflect a common phenomenon in that the interest in economic development planning was first stimulated by awareness of a specific highly visible problem. This, in turn, heightened awareness on the part of the community concerning broader development issues and aroused a feeling that, with more control over the economic environment, conditions could be improved. From such concern and awareness, the three-part question that is addressed by economic development planning naturally arises: What are the desired purposes of economic development? What resources can be employed to bring about economic development that will serve those purposes? How should potentially available resources be allocated in order to serve those purposes best?

Chapter 3. Data Collection and Analysis

INFORMATION NEEDS

To start the economic development process information will be needed in these broad subject areas:

- The performance of local economic development projects and programs in the previous planning cycle;
- The performance of development projects and programs previously undertaken in the area and in similar areas elsewhere.
- Assessment of development resources external to the area, but available or potentially available to it (public and private funds that might be invested in the interest of local economic development, special talents or capabilities of individuals and institutions that can be tapped, etc.);
- The characteristics of the local setting—including especially data on the economy, infrastructure, physical and social characteristics, and institutions.
- The relationship of the local setting to other areas important to its future development.

The collection and analysis of data will be most difficult the first time. Consequently, the scope and depth of the first effort may necessarily be more limited than would be desired. Data-gathering activities should be carefully thought out and should distinguish between data that are essential, data that are useful and desirable, data that would be useful but probably are not essential at the present time, and data of lower priority still. In subsequent cycles, the luxury of greater scope and depth can and should be afforded. In fact, special studies and other data collection and analysis efforts will, after the initial effort, be programmed into the implementation plan.

TYPES OF DATA COLLECTION AND ANALYSIS EFFORTS

There are three general types of data collection and analysis efforts. The first of these involves tapping local

personal knowledge. Within the community there are people who have experienced the place in every conceivable way, observed it from every conceivable angle—often over great periods of time—and have engaged in a wide variety of pursuits. Through personal interviews and surveys; through public hearings and neighborhood meetings; through church, fraternal, and trade organizations; through the press, radio, and television; through the mails; and through other channels, the people who live, work, and play in the community can be involved in contributing their knowledge and ideas to the local economic development planning process.

Beyond this, special efforts should be made to invite the participation of community leaders, as well as other interested and knowledgeable citizens, in advisory committees and other formalized groups associated with the planning process because these people can often reflect the collective thinking and knowledge of citizens who share a particular perspective or expertise but cannot actively participate.

A second type of data collection and analysis effort involves special studies. The evaluation of performance conducted toward the end of each planning cycle may be viewed as one form of special study. Existing reports, case studies, feasibility studies, and the like, must also be considered. In addition, special studies may be undertaken to fill major general information needs or to obtain information on a special topic. Such studies may be undertaken by consultants, the planning staff, advisory committees, local organizations, local individuals with specialized expertise, university students as part of their program of studies, or anyone else with the appropriate credentials and credibility in the community.

It is important that whoever is assigned to conduct a special study be constantly aware that the "client" is the community at large, which is seeking information for the purposes of economic development planning. This means that any printed materials produced in association with a special study must be readily intelligible to a wide audience and must address the needs of the planning process over the interests of the investigator. Before any

study is undertaken, there must be clear agreement on the precise scope and duration of the work, including benchmark task-completion dates and frequent progress-review meetings with those responsible for overseeing the project (i.e., the planning staff, advisory committees).

A final type of data collection and analysis effort involves the use of techniques of aggregate quantitative analysis. These are especially useful for identifying relative weaknesses and strengths of the local economy and for focusing on major problems and opportunities that become visible only against the backdrop of aggregate economic trends. Aggregate quantitative analysis provides a relative status assessment that can be most useful for purposes of formulating goals, formulating objectives, and identifying and assessing alternative strategies and projects. Some common methods of quantitative economic analysis that could be useful in the local economic development planning process are:

- The basic statistical compendium;
- Basic income measures;
- Local social accounts (e.g., gross local product);
- Linkage, flow, gravity, and related studies;
- Balance-of-payments statements;
- Shift-share analysis;
- Location quotients;
- Economic base (multiplier) analysis;
- Input-output analysis.

Unfortunately, the results of these analytical techniques are often presented in a manner that veils them in mystery and computer language, rendering them frightening to most people. There are, however, rather simple ways to use them effectively. The reader is referred particularly to *Regional Economic Analysis for Practitioners* (8)* for a detailed explanation of how the techniques listed can be undertaken without benefit of consultants, mathematicians, economists, or computers. This does not mean that consultants, mathematicians, economists, or computers cannot be used to considerable advantage, especially with regard to quantitative analysis. But if their services are not available, that need not and should not preclude the use of quantitative methods.

ANALYTICAL RUBRICS

It will be useful at an early point to devise a set of analytical rubrics, or headings, under which to collect and analyze data. Although the categories can always be revised, they are sufficiently basic to the entire planning process that a good deal of careful thought should go into their selection. The analytical rubrics represent a way of looking at the local area in terms of its separate parts relevant to economic development. The set of headings selected is strictly a matter of imagination and preference, the only rule being that taken together they must in some sense reflect the relevant whole.

One approach that has been used is to collect and analyze data under six rubrics that stress the major ele-

ments of the local socioeconomy and the relationships among them: population and social characteristics; characteristics of the location; characteristics of economic activities; population/location relationships; location/activity relationships; location/population relationships. Another and more commonly used set of rubrics views the local socioeconomy in terms of its human, institutional, natural, and capital components. Still another approach is to divide data collection and analysis into four basic components: social, physical, institutional, and economic, with the economic component further subdivided into exports, local service, and import sub-components (the reference here is to exports from and imports to the local area). A variation on the latter approach involves subdividing the economic component into extractive, manufacturing, commerce, and agriculture subcomponents.

The analytical rubrics are of great importance not only for purposes of data collection and analysis, but for the other steps in the process of planning for local economic development as well. They will provide a useful frame of reference for considering goals and alternative strategies and projects. They can even provide a framework for designing the implementation plan. If used as the framework for evaluation as well, the integration of information collected during that step of the process with other data will be greatly facilitated.

The principle of establishing and maintaining a set of analytical rubrics throughout the planning process will be found to be most valuable. Its purpose is to isolate the various components of the local socioeconomic system in order to better observe and understand the functioning of the whole. But one must always remember that the whole really is a system, and the set of rubrics is but an analytical convenience. It is important not to overlook the links and interdependencies among the various components. It is important not to fall into the habit of permitting perception to follow the definitional bounds of the rubrics, instead of having the rubrics serve to facilitate perception.

A relaxed attitude should be taken concerning subjects that do not fall neatly under one rubric or another. Matters that common sense suggests ought to be viewed as a unity should not be chopped up in order to fit within the framework of analytical rubrics. There will undoubtedly be overlapping among subjects handled under the various rubrics, and there may even be repetition, because some subjects do not fall under predominantly one rubric or another. That is to be expected when dealing with so complex a system as a local economy.

A community undertaking its first serious effort at economic development planning will find the set of analytical rubrics a convenient device for a "reduced" planning approach, if one is necessary. It may be that in the first planning cycle attention and planning resources will have to focus principally on one or two of the rubrics, and only in the next cycle will resources permit an expansion in scope.

Example 1, the illustrative data compendium model, developed by the planning staff, shows how analytical rubrics might be used in connection with data collection and analysis efforts.

* See bibliography.

EXAMPLE 1. ILLUSTRATIVE DATA COMPENDIUM MODEL *

Analytical Rubric	Data Subjects	Analytical Rubric	Data Subjects
Human	Population size, age distribution, family characteristics, vital statistics, growth components, etc. Education Work Experience Income Personal income and expenditure patterns (sources and uses) Employment and unemployment, labor-force participation, worker/total population ratio, etc. Health Welfare Population subsets, e.g., minorities, rural population, etc. Social services Housing stock, values, investment rates Gross local product (total and per capita) Productivity Commutation Migration Wages Labor market areas	Natural	Land-use patterns Physical resources Recreation assets Scenic assets Locational characteristics Historic sites
		Capital	Infrastructure Municipal services Land use Land ownership patterns Physical resources Transportation/communication mixes and links Public investment rates Private investment rates Housing stock, values, investment rates External public capital sources Firm size Concentration ratios Gross local product (total and per capita) Sales Capital/output ratios Location quotients Public revenue/expenditure data Shift/share data Principal export activities Economic activity-mix characteristics
Institutional	Local government expenditure patterns Social services Economic activity-mix characteristics Wages Labor/capital ratios Public revenues/expenditure data Recreation assests Business barriers and local liabilities	Other	State, region, county development plans Trade areas Special relationships with other cities or areas Special information on the automotive parts firm

*Note: This illustrative data compendium model is presented in an effort to acquaint the reader with the range of possibilities. The new planning staff of our illustrative town was perhaps overly enthusiastic. For a first planning effort, a much more limited list of data

would have been more realistic.

Data are presented in time series, by type of economic activity, total for the area, and national average for towns of similar size, wherever appropriate and possible.

THE ILLUSTRATIVE TOWN

As for our illustrative town: after a period of orientation and familiarization (locally, and with state, regional and county planning officials), the planning staff designed a local economic development planning process for the community along the general lines of the material in this report, based on a two-year cycle. They presented their proposals to the city council, which authorized them to proceed. Advisory committees were organized, and a schedule of public hearings and presentations at various civic organizations was established.

The staff worked hard to develop and maintain a public awareness of the planning process and its related activities. They considered it important to establish public confidence in planning as a community enterprise, with the role of the staff being that of facilitators, advisors, coordinators, and technicians in the service of that enterprise.

The initial program of data collection and analysis began with the design of a general data framework, a data compendium model based on a set of five analytical rubrics that viewed the local economy in terms of

human, institutional, natural, capital, and other components (people referred to this as a "HINCO" view of the local economy). The staff then designed a program of data collection and analysis. This program ultimately failed to yield all the information suggested by the initial data compendium model, on the one hand, and provided information the importance and relevance of which had not initially been appreciated, on the other.

The staff tapped local personal knowledge and experience using a number of the methods discussed earlier. They obtained and undertook, through their own efforts, a number of special studies and investigations, some of which were decided upon only later, when the need became apparent as the planning process proceeded. The special studies undertaken in the first year included the following:

- Potential new uses for old structures abandoned or possibly to be abandoned in the town;
- Small-scale enterprises (including "Appropriate Technology" enterprises) that might succeed in the town;
- Local barriers to creating and expanding enterprises;
- Potential sources of investment funds, both public and private, and potentials for leveraging private investments with public investments.
- Special studies of selected local economic sectors, with the emphasis on forward and backward linkages;
- Local physical and institutional infrastructure;
- Local economic history; and
- Career interests of local high school and community college graduates.

In addition, the staff collected studies of other areas, including:

- Plans and development activities of a number of other areas of similar size, both in the U.S. and abroad;
- The plans and development intentions of the state, the multicounty economic development region, and special purpose districts within the county that had overlapping jurisdiction with the town and with which coordination would be necessary;

These studies uncovered the fact that the town was potentially eligible for a number of federal assistance programs of which the town officials were previously unaware; they revealed a private investment interest in certain undertakings, provided certain improvements in infrastructure were made; they supplied detailed data unavailable from published sources concerning a variety of subjects, including what would be necessary to give young people a reason for staying in the town; and they suggested a number of potential development strategies and interesting project ideas, some of them related to the earlier role of the town in the history of the region.

In addition, the planning staff assembled a library of published data and special studies and undertook a few relatively simple techniques of quantitative analysis to complement their basic data collection efforts within the framework of the preliminary data compendium they had designed.

Needless to say, this initial data collection and analysis effort took the better part of a year. Typically, the initial data compendium model was overly ambitious. Fortunately, however, the kickoff planning process that the planning staff had designed called for proceeding with the subsequent steps shortly after the data collection and analysis effort was initiated. Thus, the planning process itself was not delayed by the necessary massiveness of the initial data collection and analysis effort.

Chapter 4. Formulating Goals

Formulating goals for the future development of the local economy is a big responsibility. To further achievement of these goals, local authorities will attempt to influence investments in the area—both private investments and public investments from local, state, or federal funds. These monies that go into the local economy, to buy or build things, to expand business, to improve infrastructure, or to run a program, are scarce; an investment in one thing means that an investment is not made in an alternative. It is therefore important to do everything possible to assure that:

- Every major investment in the local area will contribute to achieving economic development goals;
- Each investment represents the best among available alternatives at the time, including a zero investment;
- It will not create “side effects” inconsistent with community goals; and
- It will not foreclose the possibility of certain future activities that may make a greater contribution to goal achievement.

This requires planning based upon an articulation of explicit goals.

The author once visited a New England community that was planning for local economic development. The principal goal of the effort was “to reduce unemployment substantially.” To this end, the town leaders proposed to create an industrial park on municipally owned acreage. They planned to launch an industrial attraction campaign based on the inducements of nominal rents, financing benefits, the natural beauties of the area, and a nearby Interstate Highway interchange soon to be completed. The result, they hoped, would be the location of new industry in the park that would create jobs for their jobless. On closer examination, however, it turned out that the core of the unemployment problem was associated with an unprecedented immigration into the area over the past decade. It had become fashion-

able among urban young people to move to rural communities like this one, and many did so figuring that in due course they would find a means of support. Many eventually did settle in. Many eventually left the area. But many lingered on, receiving “transfer payments” from relatives, finding odd jobs, availing themselves of various forms of social assistance, and somehow making ends meet while maintaining the registered status of “unemployed.” The population of the area was small enough that these people had a significant impact on local unemployment statistics.

The strategy that the community was contemplating represented a large investment. It would alter the community environment dramatically and would preclude other uses for the community-owned property for all time. The major part of the unemployment problem, however, was likely to be passed over by such a strategy. The people who constituted the problem were not likely to accept factory jobs in great numbers in any event; not for that had they chosen a rural life style. On the contrary, new factory jobs in the area were likely to attract significant numbers of job seekers from elsewhere; and should one or a number of the factories founder in a few years, a much more serious local unemployment problem would be created. Yet, as a means of achieving the stated goal, the strategy made sense on the face of it. Had the goal been stated as “Accomplish the rapid economic assimilation of jobless immigrants,” a very different strategy—perhaps emphasizing job-skill matching, counseling, small business assistance, training, and so on—might have suggested itself.

QUALITIES OF ECONOMIC DEVELOPMENT PLANNING GOALS

Taken together, economic development goals reflect the community’s future image of itself—how it imagines itself and wishes itself to be in the years to come. A community may be uninterested in attempting to conjure up a comprehensive image of itself in the future. It may

choose to deal with certain aspects only, such as taxes, employment, commercial life, or industrial makeup, although in limiting its vision in this way a community relinquishes a measure of self-determination. In any case, before formulating goals an effort should be made to identify the qualities of community life in the future to which economic development activities should lead. The future self-image is, in essence, the current definition of economic development for the local area. If the image is comprehensive, the specific goals that express it will, taken together, also be comprehensive; though they need not be many in number to be so.

Quite commonly, local development plans start with statements of problems and opportunities. Such statements cannot be the starting point for goals formulation because it is impossible to establish what is a problem and what is an opportunity without goals that reflect a future self-image. To return for a moment to the New England community, the nearby Interstate Highway interchange soon to be completed was perceived as a tremendous opportunity. It could be exploited to help overcome some local "development problems," such as unemployment. But discussions revealed that the community wanted its quiet, unhurried rural atmosphere preserved intact 10, 20, and 50 years hence. In light of this, the Interstate began to take on the appearance more of a problem than an opportunity.

The point is simply this: economic development is a long-term process of preserving the good and improving the less good in community life. The future self-image which recognizes what should be preserved and what should be improved provides the unique local context for universal goals such as full employment and a fitting level of income.

It should be self-evident that if goals must derive from a future self-image, they must also derive from an intimate knowledge of the area. Statistical information, which can be useful in arriving at a community's self-image, takes on meaning only against the background of local experiential knowledge. That is why the practice of commissioning a consultant to "do" a development plan cannot result in the formulation of meaningful local economic development goals. Consultants can assist a goals identification exercise; but they cannot conduct it on behalf of a community because they lack the local experience that the quantified data, to which they may have superior access, can only supplement.

Goals are useless unless they help separate the desirable from the undesirable. Thus, they must be relatively specific, though they will be further refined and quantified when they are translated into objectives. As an illustration, one of the most commonly cited goals for local economic development is to "stimulate growth." Economic growth may be a fine idea as a generalized notion, but it is no goal at all insofar as the economic development planning process is concerned because it provides no guidance. Does it refer to growth in population? Growth in the number of firms? Growth in employment? Growth in local manufacturing? Growth in local business income? Growth in tax revenues (presumably without tax increases)? Growth in the income of low-income groups in particular? Growth in the diversity

of economic activity? Growth in public services? Growth in exports? Growth in the region of economic influence? Growth in the number of buildings? Growth in retail sales? Or growth in something else? What serves one form of growth maybe detrimental to another, so no economic development action can be justified by its contribution to "the goal of economic growth." It is simply insufficiently explicit.

"Diversify the economic base" also is not a goal, although a diversified economy may be part of the more generalized community future self-image for which goals are the explicit expression. Does it mean bringing in more businesses, so that the level of economic activity is increased, but in industries not now significant locally? Or does it mean more commerce and less manufacturing? If the major local employer were to go out of business, the result would be a statistically more diversified economy—is that what is desired? Does it refer to a diversification of ownership, rather than a diversification of economic activity, so that more employers in the traditional industries would be desirable? Clearly, many "developmental" actions could be undertaken in the name of diversifying the economy that might be inconsistent with the aspiration the goal was intended to reflect. More useful goal statements would be more explicit, such as "Expand the commercial and service sectors so that employment is roughly the same in each of these and manufacturing"; or "Increase the number of small manufacturing firms in the area"; or "Double the proportion of local employment related directly or indirectly to agriculture"; or "Prevent the further expansion of basic industry in the area and stimulate the growth of enterprises that can provide employment for local college graduates."

Other "goals" commonly found in local economic development plans are: "Enhance the business climate," "Decrease unemployment," or "Increase economic prosperity." These statements of aspiration or intent are also insufficient as goals for purposes of local economic development planning. Like "Stimulate growth" or "Diversify the economic base," they are vague, open-ended wishes that identify neither what is desired nor what is to be prevented, and therefore they provide no planning guidance.

Although local economic development goals should be sharply formulated, they should not be precisely quantified or the results will be undesirably dependent upon technical expertise. The planning process as a whole should be seen as an effort to go from the general to the specific, with increasing amounts of technical support at each step. Goals derive from a future image, and, in turn, are expressed as quantified objectives (performance targets).

Goals must be realistic. Of course, it can never be known for certain, during the planning process, whether or not goals are truly realistic. In the final analysis, that can only be known in retrospect because ultimate achievement of goals will be, in some measure, a function of conditions that develop external to the local area. But goals should be considered and formulated in light of quantitative data and analysis, technical expertise, and experiential knowledge in a conscious effort to for-

ulate realizable goals, not merely dreams. Many of the quantitative techniques and special studies mentioned in the previous chapter will likely be undertaken in response to informational needs that surface during the process of goals formulation.

FORMULATING GOALS IN THE PLANNING PROCESS

How does "a community" go about formulating its economic development goals? Obviously, someone—the economic development staff, a special citizens committee, the city council or county commissioners, the local executive officer—must take or be assigned the lead in conducting the effort. But it should be clear that the fullest possible public participation in the goals formulation process is desirable if not essential for successful economic development planning. Certainly all special interest groups, community leaders of every type, and people who will be relied upon to take an active part in economic development activities must be participants in the planning process in general, and the goals formulation part of it in particular.

To strive for "the fullest possible public participation" implies not only searching for ways to involve as much of the citizenry as possible, but also to facilitate the most open dialogue possible. Experience suggests that open discussion is facilitated if participants are provided with options in response to which they can express preferences and suggest alternatives. Little could be expected from a public meeting in which the moderator opens the meeting by asking the question, "Who would like to suggest what our economic development goals should be?" A better approach is that in which a suggested image of the community's future and some associated goals are prepared in advance and used as the starting point for discussion. In fact, two or three variations, designed for the purpose of encouraging constructive dialogue, might be presented. This technique holds whether the goals formulation process has been designed for truly broad public participation or for more restricted gatherings of community representatives and leaders. The trick here is to walk the thin line between providing structure that will encourage open dialogue and imposing a structure that restricts examination of alternatives.

The analytical rubrics discussed in the previous chapter provide a useful framework for considering the community's future self-image and associated goals. First, the rubrics focus thought and dialogue on specific subject areas while at the same time ensuring that no major areas are overlooked. Second, they facilitate a cross-reference between goal statements and other elements of the local economic development planning process. Perhaps the most significant way in which the planning process model described here departs from typical practice in local economic development planning efforts is in the clear and well-defined links between economic development actions to be undertaken and a set of explicit goals that reflect a community's long-term image of itself. For purposes of this planning process model, then, it is extremely important that those links be highly visible at all times. The set of analytical rubrics constitutes a framework that facilitates this.

The self-images and associated goals are hashed out and rehashed as the process continues. This is done through scheduled public meetings, advisory group meetings, and other mechanisms as structured in each community's case. The process creates an interesting and critical dynamic because, at the least specific of levels (the self-image), what is desired under each rubric must be reconciled with what is desired under other rubrics, as well as with some overall future self-image. The process of reconciliation brings about a refinement that leads quite naturally to an articulation of explicit goals.

What was said in the previous section of this chapter suggests a three-part "goal test" that should be applied to any goal being considered within the context of the local economic development planning process:

1. Does the goal derive from a future self-image of the community? The self-image should be a long-term one and should relate not only to a static state (e.g., "more diversified economic activities"), but to a local dynamic as well (e.g., "an increased rate of new enterprise formation").
2. Does it derive from an intimate knowledge of the area based on both quantitative and experiential information?
3. Does it adhere to the "what/which rule?" A goal for purposes of economic development planning must say *what* is to be the case with *which* individuals, organizations, activities and/or locations (though this should be expressed in nonnumerical form). It should provide real guidance to the preferable courses of local economic development.

This "goal test" asks nothing more than that a goal be derived from forethought, that it be based on factual information and experience, and that it be specific.

It would be convenient to have a technique for readily determining whether or not a contemplated goal is realistic. To some extent, plain judgment will serve. But, because goals are not quantified, there can be no simple and clear-cut standard against which a goal can be compared and evaluated. The planning process itself, however, constitutes a built-in-reality test for goals. If goals are properly formulated, they will be readily expressible in terms of quantified objectives; if those objectives are achievable, projects will be identified that, upon analysis, will be shown to be feasible and to lead to attainment of the objectives; if subsequent evaluation of economic development activity, including the planning process, shows there to have been miscalculations, these can be corrected in the following planning cycle. It should be clear that what has been referred to as the "adjustment and calibration" among the core planning steps is essential to the success of this built-in reality test, and that it will be further facilitated through use of the analytical rubrics.

Formulating explicit goals for local economic development is the first of the "core" steps in the planning process, but it will not be undertaken in a vacuum. Activity associated with "subsequent" planning steps will be going on simultaneously to one extent or another and

will affect the goals formulation process. If this step is carried out carefully, however, so that it concludes with a final formulation of a proper set of goals, everything else will follow more easily because every succeeding step can be checked against the goals. If this step is done poorly or not at all, what follows will be capricious or arbitrary, the exact opposite of planning in the name of planning. For this reason it pays to spend time on goal formulation and to avoid the temptation to give it short shrift in favor of focusing on projects.

THE ILLUSTRATIVE TOWN

It will be recalled that a local economic development planning program, along the lines of the process model described here, had been designed and approved; a variety of public participation mechanisms were put in place; a framework of analytical rubrics was devised; and a data collection and analysis effort was designed and launched, with the understanding that many components of it would be identified later, as the planning process proceeded.

The planning staff now developed, in consultation with the various advisory committees, a series of three alternative future self-images and associated goals arrived at as a result of considering information organized under "Human," "Institutional," "Natural," "Capital," and "Other" rubrics that would be used throughout the planning process, in order to facilitate comparison. Through a first series of meetings the three alternatives were readily refined to a single preliminary set of goals that did not make everyone happy, but that did reflect a community consensus. As the planning process moved on to quantified objectives, strategies, and projects, as the results of special studies and other data collection and analysis efforts became available, and as confidence and participation in the planning process grew, the set of goals initially formulated continued to be modified and refined. Following are some of the considerations that led eventually to the formulation of one of a number of goals formulated as part of the economic development planning process.

Under the "Other" rubric, the community's future self-

image involved the continued operation of the threatened automotive parts firm, but on a more modernized and dynamic footing and as a less dominant factor in the local economy. Under the "Human" rubric, there was, of course, a common image of full employment and adequate levels of income. A further part of the future self-image under the "Human" rubric, and one that was widely shared and expressed with great intensity of feeling, involved having available the appropriate overall environment and economic opportunities that would encourage local young people to settle permanently in the area, instead of leaving as they approached adulthood. The "Capital" rubric had come to be viewed as referring not only to capital in the conventional sense of the term, but also to a variety of general characteristics of the local economy, some of them overlapping with the "Institutional" rubric as initially set up. This happened because the character of the local economy came to be seen as a form of capital for accomplishing community purposes (in fact, in the next planning cycle "Economic Character" was added to the working set of analytical rubrics, so that it came to be referred to as a "HINCEO" view of the local economy). Under the "Capital" rubric, among other things, the self-image called for substantially decreased dependence upon the automotive parts firm, the depot function, or upon any single economic activity or firm. Although the present dependence upon automotive parts manufacture and depot functions was no secret to anyone, the relative magnitude of that dependence—and its implications—had not become a matter of such widespread urgent concern until data on concentration ratios and related matters had been accumulated. These revealed an increasing dependency over time and a gross imbalance relative to the national average and relative to other communities of similar size.

Ultimately, the elements making up the future self-image, combined with a growing knowledge of what was possible, led to the formulation of the following explicit goal which was not, however, the only goal that addressed these matters: "Increase the number of small manufacturing firms in the city."

Chapter 5. Formulating Objectives

FUNCTIONS OF OBJECTIVES

Goals are aspirations. Objectives are targets. You set dead aim for a target; you either make it or you don't. Having made the target, you may have made the goal; or making the goal may require hitting several targets simultaneously or in succession. For several related reasons, it is important to distinguish between goals and objectives, to start with goals, and then to translate the goals into objectives—specific quantified and time-framed performance targets.

First, formulating objectives is a further test of the explicitness of goals. If a goal is too vague or too dependent on noneconomic factors, it will be found that the goal cannot be translated into objectives without first being expressed in more explicit economic development terms.

Second, if a goal cannot be translated into specific objectives, explicit though it may appear, then it must be recognized that there is no systematic means for measuring progress toward achieving the goal. If progress cannot be measured, there is no systematic means for determining what actions are most likely to produce the desired results. Such a goal should be addressed outside the framework of a rational planning process.

Finally, once objectives for a goal are established, they enable measurement of success, incrementally where appropriate. This is important for management purposes, for it entails breaking the goal down into what should be manageable parts.

In other words, without explicit objectives as performance targets, there can be no rational basis for a goal-oriented economic development action plan; and there is no way, subsequently, to tell if it made any sense because there is no standard against which to measure progress. Actions will be arbitrary and opportunistic; and when it comes time, periodically, to evaluate progress in the economic development effort, it is merely the strongest voice that will prevail in the absence of explicit objectives against which to compare results. In a very real sense, a plan that omits quantified and time-framed objectives sets the stage for officials in charge to evade

accountability. Moreover, without such performance targets as firm points of reference, it is difficult for the public to participate meaningfully in economic development decisions.

The system of goals and objectives together are meant to constitute an overall working framework that provides consistency of purpose for the process of identifying and assessing alternatives and for guiding implementation planning. It serves the same function with respect to the day-to-day decisions that must be made in the course of carrying out the implementation plan, including reactive decisions not explicitly encompassed by the implementation plan. The practical intent of every goal should therefore be satisfactorily expressed through the performance targets; that is, it should be today's judgment that—if all the objectives are realized by the times specified—satisfactory progress has been made toward achieving the stated goals.

QUALITIES OF ECONOMIC DEVELOPMENT PLANNING OBJECTIVES

Every goal should be expressed in terms of at least one quantified and time-framed objective. Each can be expressed through more than one quantified and time-framed objective. In addition to quantified and time-framed objectives, a goal can be expressed in terms of objectives that are only time-framed; but in such cases the condition to be achieved within the given time should be as explicit and clearly discernable as possible. An objective can serve more than one goal. Initially, an objective may be stated in terms of only the first increment of time, such as what is to be accomplished toward the goal in the first two years. There should be both short-term objectives—to be realized during the coming planning cycle—and longer-term ones. The latter will, of course, be reconsidered in the coming planning cycle. Above all, again, every goal must be expressed in terms of at least one quantified and time-framed objective.

A record of failure to achieve performance targets will result in the loss of credibility for the planning process and a loss of faith in the economic development

effort on the part of the community. As with goals, objectives must be realistically attainable. Judgments concerning their attainability are made on the basis of information developed through data collection and analysis, as well as the adjustment and calibration activities that link performance targets to other steps in the planning process, thereby taking advantage of what was earlier described as a built-in reality test.

If a goal must adhere to the "what/which rule," it must be amplified by at least one objective that adheres to the "how much/when rule." The purposes of local economic development activity will thus be articulated in a set of statements deriving from a future self-image of the community—statements that say clearly *how much* of *what* is supposed to be the case with *which* individuals, organizations, activities, and/or locations, and by *when* this should occur. And there you have the basis for determining the best courses of action.

FORMULATING OBJECTIVES IN THE PLANNING PROCESS

Once a preliminary set of goals is formulated the question must be asked "What do these mean? At what point can we say that a goal has been accomplished?" Preliminary judgmental answers to these questions constitute the starting point for the formulation of objectives. Meanwhile, the planning process will proceed to the identification and assessment of alternatives for economic development actions, steps that will rely heavily upon technical expertise as well as inputs from other sources. Information gathered during the course of the identification and assessment of alternatives, supported by data collection and analysis efforts, will be fed back into continuing rounds of objectives refinement. These will in turn, of course, feed back into continuing rounds of goals refinement. Here, again, can be visualized the adjustment and calibration mechanism and the utility of considering goals, objectives, and alternative courses of action within a consistent framework of analytical rubrics.

The detailed technique for refinement of objectives within the broad outlines described is necessarily a matter for determination on a *case-by-case basis*, depending upon the circumstances and the individuals involved. It is safe to say that, as with most things, the first time is the hardest. This component of the planning process, as with the process as a whole, will become smoother, easier, and quicker, and the planning staff will become more proficient in conducting it with each succeeding planning cycle.

Let us take a look at some examples of performance targets that might be appropriate as expressions of certain goals. An example of an explicit goal provided in the previous chapter was "Expand the commercial and service sectors so that employment is roughly the same in each of these and in manufacturing." Quantified and time-framed objectives appropriate for this goal under varying circumstances might be stated in forms similar to any of the following examples:

- Create 300 new service jobs every two years for the next 10 years.

- Create 1,000 new service jobs within five years.
- Within six months complete one study of detailed alternatives, if any, for creating 800 new commercial jobs within three years.

Another example of an explicit goal, and one that happens to have been formulated by our illustrative town of 20,000 people, is "Increase the number of small manufacturing firms in the city." This goal might be expressed as one of the following examples of quantified and time-framed objectives:

- Create an incubation facility for new small manufacturing firms within two years.
- Complete the design of a "manufacturing growth from within" program in nine months.
- Convert the Sterfur property deeded to the city—or the automotive parts manufacturing complex if it is to be abandoned—to a "Small Factories Industrial Park" within two years; achieve 50 percent occupancy within four years; and achieve 100 percent occupancy within seven years.
- Establish a revolving loan fund of no less than \$500,000 for small manufacturers within two years.
- Bring about the establishment of one new manufacturing firm in the city, employing 50 or less, each year for 10 years.

In order to avoid any misunderstanding, it is once again stressed that the above examples are not suggested as actual objectives for any community; they are intended only as illustrations of various forms objectives might take, whatever the appropriate numerical content.

Several points may be noted from the foregoing examples. First, the examples include both short-term performance targets, to be met within the planning cycle, and longer term objectives that are time-framed beyond the planning cycle. In fact, included are objectives that are time-phased, encompassing a sequence of incremental performance targets. Second, it will be noted that success in achieving any of the sample objectives would require participation in the effort by numerous local citizens, who, in some cases, will be called upon to invest their own resources or alter the policies or procedures of organizations with which they are associated as part of that effort. It should be clear, then, that the participation of these citizens in the formulation of objectives, as well as in other aspects of the local economic development planning process, will contribute to assuring that objectives are grounded in reality and will enhance the likelihood of success in attaining them.

THE ILLUSTRATIVE TOWN

It will be recalled that our illustrative town was engaged in a local economic development planning process following the lines described here. Through the approach discussed in the preceding chapter a number of goals had been formulated, including "Increase the number of small manufacturing firms in the city." In the first go-around, several ambitious objectives were expressed as

representing the intent of this goal. In considering these, it was necessary to come to grips with what was meant by "small" and what was a desirable and feasible "increase" in terms of both how many and how fast. But, as various alternative economic development actions were proposed and explored, goals and objectives were increasingly refined, reflecting an improving grasp of both what was desired and what was possible. This refinement tended to involve a simplification of goals as well as objectives and a reduction in their numbers.

By the time goals and objectives were in final form, the particular goal upon which we have focused was expressed in terms of a single objective: "Bring about the establishment of five new manufacturing firms in the city, employing 50 to 200 people each, within three years." Although a two-year planning cycle had been established, it was felt that this objective, which represented only an incremental performance target, should be time-framed to fall beyond it. This approach was taken in recognition of the fact that a considerable amount of information desirable in the effort to formulate the objective remained unavailable and would require some time to obtain. Furthermore, it was recog-

nized that there was likely to be an unusually high amount of unpredictability during the first planning cycle owing to the newness of the effort to the community and the staff. In order to achieve the objective later on, a great deal of the related work would have to be accomplished during the first planning cycle. It was decided that, by time-framing the objective for achievement further in the future, progress could be reviewed during the evaluation effort toward the end of the first planning cycle and a proper assessment made as to whether or not the objective was realistic.

In other words, it was recognized that the planning process involves self-education, and that, in fairness to the planning and development staff as well as to the community, it would be wiser to obtain the necessary information and gain the appropriate experience to determine whether the objective formulated was realistic, rather than attempt to hasten the process and possibly suffer damaging disappointment. But, based upon the information at hand and the best estimates of those whose efforts were essential to the task, the objective as finally formulated satisfied the intent of the goal statement and appeared attainable.

Chapter 6. Identifying Alternatives

AIM AND SPIRIT OF THE SEARCH

Occasionally, a given objective will suggest a unique course of action. Occasionally, there will clearly be a limited few relevant alternative courses of action for achieving a particular objective, and these will readily suggest themselves. But most often there will be a number of relevant alternatives, many of which will not readily suggest themselves. The aim of this step in the planning process is to increase the range of known options; that is, to identify all potential courses of action that might contribute to achieving performance targets and, in turn, goals. As a practical matter, of course, "all" alternatives can never be identified. That this step is characterized as an effort to do so is meant merely to symbolize the spirit in which it is undertaken.

The search for alternative means for accomplishing economic development objectives should be carried out in the spirit of a brainstorming session. This means that all ideas are invited from every available source, and none is rejected until all are in hand. In general, the principles for identifying alternatives are the same as those discussed with respect to formulation of goals and formulation of objectives. These principles involve the use of the suggested methods of data collection and analysis; reliance upon local personal knowledge through the fullest possible public participation; guidance and assistance, not dominance, by professional planning practitioners and technical specialists; relating this step to the other steps in the planning process; the use of analytical rubrics; and so on.

If identification of alternatives is conducted in a truly open manner that invites suggestions from all available sources, an amazingly diverse array of proposals is to be expected. Some will be interrelated, some will stand alone; some will be suited to immediate implementation, some will require extensive preparatory work; some will serve to achieve objectives directly, some will serve in-

directly; some will suggest new or altered objectives, some will appear to be clearly irrelevant or infeasible. All should be examined seriously. They will be assessed in the next planning process step, and, from among those that are practicable, the most cost-effective or otherwise preferable will be identified at that time.

STRATEGIES AND PROJECTS

The search is for ideas regarding strategies, projects, and actions that will contribute to the purposes of local economic development. Strategies represent broad approaches, and projects and actions are specific courses undertaken as the applied expression of a strategy. Strategies, as defined here, are not essential elements of the planning process. They constitute an additional step in going from the general to the specific (i.e., from future-image to goals to objectives to strategies to projects) and can be of valuable assistance in the effort to focus thought and dialogue in the local economic development planning process. It is therefore strongly recommended that time be taken to examine explicit alternative strategies and to attempt to assemble and consider alternative project proposals within strategic frameworks. As a general rule of thumb, it should be possible to express a strategy in a single sentence or phrase reflecting an approach that could encompass any number of specific projects.

Formulation of alternative strategies will coincide with the identification of alternative projects. Preliminary alternative strategies may be formulated initially; they are likely to be revised and new ones formulated as the identification of alternative project ideas proceeds. Projects proposed independently of each other may be found to have a strategic complementary relationship, and, because of this, suggest a new strategic alternative which may, in turn, provide a context for identification and consideration of additional project ideas. Through

the interplay and adjustment of strategic and project alternatives, this step in the planning process proceeds in a manner similar to that which characterizes the relationship between this step, the formulation of objectives, and the formulation of goals.

IDENTIFYING ALTERNATIVES IN THE PLANNING PROCESS

A useful technique for stimulating ideas is to provide guidance by suggesting categories of projects. Sets of such categories should be designed to highlight differences and similarities, mutual exclusivities and dependencies, complementaries and noncomplementaries among potential economic development projects or actions. The analytical rubrics constitute a set of such categories. Strategies are, in effect, categories of development actions. Other frameworks for organizing the search for alternatives might be:

- (1) Temporal, e.g., potential candidates for short, intermediate, and long-term implementation;
- (2) According to types of activity, e.g., institutional development, other;

- (3) Direct and indirect contributions to achieving objectives;
- (4) According to sponsorship, e.g., private endeavors, combined endeavors.

Further categorizations evolve naturally through links to the various objectives and goals.

THE ILLUSTRATIVE TOWN

With regard to the objective "Bring about the establishment of five new manufacturing firms in the city, employing 50 to 200 people each, within three years," a large number of independent project proposals (some of which originally surfaced as suggested objectives) gave rise to half a dozen proposed strategy alternatives. These were eventually refined to three complementary strategies that provided guidance in identifying additional ideas for project alternatives. Prior to undertaking a comparative assessment, the strategies and the proposed projects associated with each were listed by the advisory committee responsible for the "Capital" rubric. (See Example 2.)

EXAMPLE 2. ILLUSTRATIVE STRATEGY AND PROJECTS ALTERNATIVES LIST

Analytical Rubric: Capital

Goal: Increase the number of small manufacturing firms in the city.

Objective: Bring about the establishment of five new manufacturing firms in the city, employing 50 to 200 people each, within three years.

Strategy 1: Reduce barriers to the formation and success of small manufacturing firms.

Projects/Actions

- A. Establish an incubation facility and services for new small manufacturing firms.
- B. Establish a "small factories industrial park," with co-operative services, on the Sterfur property or on the site of the automotive parts firm if it closes.
- C. Establish a revolving loan fund for small manufacturers.
- D. Establish a municipally owned or cooperative warehousing and distribution facility for small local manufacturers.
- E. *Undertake the design of a program that will minimize red-tape time and money costs for small firms starting up in the city.

Strategy 2: Directly stimulate and assist the formation of new small manufacturing enterprises.

Projects/Actions

- A. *Establish a publicly owned recycling company that would be able to supply metal, glass, cellulose fibre, and energy to small local manufacturers.
- B. *Establish a local crafts training, production, and marketing cooperative facility.
- C. Design a "manufacturing growth from within" program.
- D. *Assist a group of employees at the automotive parts plant to establish an electric-car manufacturing firm.
- E. Assist a group of employees at the automotive parts plant to establish a firm producing mechanical devices for the handicapped.
- F. Assist a group of workers at a local warehouse facility to establish a firm producing automated small-warehouse systems.
- G. *Assist the 4-H Club and Junior Chamber of Commerce to establish an enterprise for the manufacture of small-scale farm equipment.

Strategy 3: Attract small manufacturing firms to the city.

Projects/Actions

- A. *Design and launch an industrial attraction campaign aimed only at small manufacturers.

*These projects/actions are associated with other objectives as well.

Chapter 7. Comparative Assessment

AIM AND SPIRIT OF THE ASSESSMENT EFFORT

The purpose of this step in the planning process is to compare the proposed economic development projects and actions in order to determine which should be undertaken. Although the outcome of this step will be priority-ordered, preferred, and apparently feasible economic development proposals, a "final project list" will not be produced. The completion of project activity to be undertaken during the coming planning cycle can only be said to have occurred after implementation planning is final, when calculations are made concerning what activities can be undertaken in combination with other activities, and when a final estimate of the resources likely to be available can be made.

It is common practice in local economic development planning to combine the identification and the assessment of alternatives into what is often referred to as "identifying viable projects." Identification and assessment of alternatives are separate steps in the present planning process model because they are, or should be, major and distinctly different types of activities, each serving an important unique function. If identification of alternatives can be characterized as open brainstorming, assessment of alternatives can be characterized as technical homework. If success in the effort to identify alternatives requires the exercise of imagination and vision, assessment of alternatives requires disciplined analysis. If identifying alternatives is an exciting (soaring activity), assessing alternatives is a rigorous one that brings things back down to earth. If identifying alternatives invites dreams, assessing alternatives speaks to reality.

It is important to invite dreams, because many of them are consistent with reality, and failure to invite them denies the planning process the opportunity to consider potential activities that can make a significant contribution to achieving community goals. But the natures and

purposes of the two distinct activities should be clearly understood in advance, and the broadest possible participation in both should be encouraged. The public should be aware and have confidence that alternatives identified will be assessed on a consistent basis that objectively addresses their relative merits.

NATURES OF THE TWO TYPES OF ASSESSMENT

If identification of alternatives has been conducted in the spirit of a brainstorming session, and if there has been extensive public input, then it is likely that the proposals to be considered in a comparative framework will first have to be reduced to a manageable number. This is done through a procedure that assesses them on an individual basis. The individual assessments entail a review of the impacts and requirements of each proposal. Assessment of both positive and negative impacts will eliminate alternatives that are not likely to make a significant contribution to achieving performance targets, that have unacceptable direct or indirect effects upon the physical, social, institutional, or economic environments, or that are clearly undesirable for other reasons. Assessment of implementation requirements will eliminate alternatives that are just not practicable or that require unacceptable tradeoffs ("opportunity costs"). This assessment will also help in identifying necessary preconditions and resources for proposed projects.

Once the array of project proposals is reduced to those that are desirable and practicable—usually a relatively limited number—the comparative assessment can be undertaken in order to ascertain which are preferable. The comparative assessment is not merely for the purpose of comparing the results of individual assessments; it should be conducted in a manner that will highlight relationships among proposals. Some proposed projects or actions will take on higher or lower priority when considered in light of others that could combine with or

complement them in some fashion, or are mutually exclusive with them.

As is the case with the steps of the planning process as a whole, the individual assessment and the comparative assessment are not undertaken strictly sequentially, though obviously they would be concluded sequentially. The designs for both assessments can be established at the outset, and, as an individual proposal proves to be desirable and practicable, it can be entered into the comparative assessment framework. The comparative assessment thus becomes fluid and dynamic and supplies information to the "preceding" steps in the planning process, which are in large part being undertaken simultaneously. The facilitating role that can be played by the framework of analytical rubrics in all this will be readily recognized.

INDIVIDUAL ASSESSMENT

The actual elements of assessment for individual projects will be a matter of local choice. The task will be easiest if a standard checklist of assessment factors (criteria, standards) is drawn up and used to assess all of the alternatives proposed. Even though this means that not all assessment factors on the checklist will be applicable to all proposals, it makes the subsequent job of comparative assessment easier and possibly of higher quality than if a standard list were not used. In drawing up such a checklist, all potentially relevant assessment factors should be included.

An example of a scheme of headings and subheadings for an assessment checklist appears in Example 3. The sample assessment factors shown might be among those used by our illustrative town of 20,000 people.

EXAMPLE 3. SAMPLE INDIVIDUAL ASSESSMENT CHECKLIST SCHEME

I. Intermediate-term impacts

A. Employment impacts:

1. Number of new jobs, WFO*: _____
2. Number of skilled and white-collar jobs, WFO*: _____
3. Other _____

B. Municipal expenditure/revenue impacts:

1. Cost of direct increase in demand for municipal services, WFO*: _____
2. Other _____

C. Social environment impacts:

1. Are at least 50 percent of the new jobs likely to be filled by residents? _____
2. Other _____

D. Economic environment impacts:

1. Do local rail and highway access offer a particular advantage? _____
2. What percentage of inputs could be supplied locally? _____
3. Other _____

E. Natural environment impacts:

1. Are any different waste problems presented? _____
2. Other _____

F. Other community impacts:

1. Will heavy truck traffic be increased significantly in the city, WFO*? _____
2. Can the activity operate viably on a scale of 50-200 workers? _____
3. Other _____

II. Long-term impacts (Repeat subheadings of A-F above, although assessment factors under each may differ.)

III. Requirements

A. Capital requirements:

1. Approximate start-up costs: _____
2. Potential funding sources: _____

B. Skills requirements:

1. Number of jobs, WFO*, for which auto parts manufacturing experience might be useful: _____
2. Other _____

C. Site, plant, and physical infrastructure requirements:

1. Could the activity be undertaken in an existing building in the city? _____
2. Other _____

D. Time requirements:

1. Can the activity be initiated immediately? _____
2. Other _____

E. Supply requirements:

1. Are needed supplies available within a reasonable distance? _____
2. Other _____

F. Preliminary studies required:

1. Is a feasibility or design study needed? _____
2. How long would a feasibility or design study take? _____
3. Other _____

G. Other requirements:

1. Incubation space needed? _____
2. Other _____

*When fully operating.

The specific assessment factors that appear beneath each subheading can be in any form desired: they can be posed as questions, as threshold criteria (met or unmet by the proposal being assessed), as fill-in-the-blank statements, or as a combination of these. In selecting specific assessment factors, it is important to identify indirect as well as direct impacts and requirements. Assessment factors should be formulated with an eye to the explicit objectives and goals of local economic development and with reference to known available resources.

As implied by the example, assessment factors do not all have to be in quantified terms. There should be sufficient quantified information among them, however, to enable a clear comparison with performance targets. In seeking the "answers" (the impact or requirement values) for assessment factors, the advisory committee, technical analyst, or team doing the investigations and calculations is likely to discover that it is possible to obtain or estimate more data than was at first thought to be the case. That is why it is important not to delete any relevant assessment factor on grounds that the data will be difficult or impossible to obtain. Moreover, if data cannot be obtained, it is critical to record the fact that the data for a relevant assessment factor are not known because that ought to be a factor (as well as what is known) in choosing among economic development project alternatives.

An assessment factor checklist prepared as suggested above may, in fact, contain so many assessment factors as to be unwieldy. If that is the case, two shortcuts to the assessment of individual alternatives might be considered. The first involves setting some priorities among assessment factors, or at least identifying those that are most critical. Values for the most important assessment factors can be ascertained first. Many proposals that will clearly have to be deferred will thereby be identified without going through the entire checklist. Second, separate and shorter checklists can be developed for different categories of concerns that may be relevant only for certain types of project proposals. In some situations these two approaches will not only expedite the assessment of individual alternatives but will also improve the quality and lay a superior groundwork for the comparative assessment to follow. Example 4 is a special purpose individual assessment checklist developed by the Advisory Committee on Employment associated with a local economic development planning effort.

COMPARATIVE ASSESSMENT

All the project alternatives that remain to be comparatively assessed (once the bulk is eliminated through the individual assessments) will be individually desirable and apparently practicable. Therefore, a much more limited number of assessment factors can now be utilized to establish priorities among them. Conducting the comparative assessment will thus entail comparing a limited number of proposals over a limited number of assessment factors. A matrix approach to the comparative assessment suggests itself.

A model of a comparative assessment matrix, such as might have been developed by our illustrative town using

the set of analytical rubrics that it employed throughout the local economic development planning process is shown in Example 5. Along the left side are listed the various project and action proposals, grouped by analytical rubrics. If appropriate, they could be organized further into strategy subgroups. Along the top of the matrix appear the assessment factors, selected and organized in a manner that facilitates comparison. The last set of columns to the right lists the economic development objectives.

The assessment factor columns would contain assessment factor values (the "answers") that were entered on the checklist during the individual assessments. The objectives columns would contain indications of the potential contributions of the various alternative project proposals to achieving each objective. Any appropriate scoring system can be used for the objectives columns, such as "none, low, medium, high," or a numerical system.

There are two ways to analyze the matrix—systematically and by searching for patterns. The systematic approach involves:

- ✓(a) Scoring the values for each assessment factor on a scale of, say, one to 10, except, of course, for those that by their natures simply cannot be scored;
- (b) Weighting the assessment factors as appropriate by some numerical scheme, perhaps also on a scale of one to 10;
- (c) Calculating the weighted score for the contents of each cell;
- (d) Adding across rows to obtain scores for each proposal;
- (e) Considering these scores comparatively, accounting as well for nonscoreable assessment factors and ratings in the objectives columns.

The pattern method involves simply studying the chart and looking for patterns. The best way to do this is to begin by carefully going down each column to gain a familiarity with the types and ranges of values associated with each assessment factor. Next, each row should be carefully studied to begin absorbing an assessment "profile" of each proposed alternative. Patterns can be called forth by seeking the answers to leading questions:

- Which proposed projects contribute the most directly to objectives?
- Which projects appear to be pivotal in the sense that many others tie in to them?
- Which few projects together could form a "core" project?"
- Which are particularly desirable because they appear to make substantial contributions to many objectives?
- Which require outside funds?
- Which can be funded or financed privately, but require some leveraging with public funds?

**EXAMPLE 4. ADVISORY COMMITTEE ON EMPLOYMENT:
SPECIAL PURPOSE ASSESSMENT CHECKLIST***

A. Job Impacts

- | | |
|--|---|
| 1. Number of new local jobs directly associated with the proposed new facility (program, project, etc.): _____ | sustainable operation? Are special markets, government subsidies, local resources, abnormally low local wages necessary? _____ |
| 2. Number of new local jobs created indirectly by local purchases of supplies and services by the new facility. This can be roughly calculated by: _____ | 2. Are the activity and the jobs it creates seasonal or cyclical over a long period of time? _____ |
| (a) Estimating the new facility's annual local purchases of supplies; | 3. How many of the new jobs will be temporary, e.g., associated only with construction or initial operation? _____ |
| (b) Figuring the proportion that will go to pay the wages of new workers that local suppliers will have to hire to handle the increased business; and | 4. What will happen to workers in temporary jobs when their work ends? _____ |
| (c) Dividing by the local average wage to convert the dollar figure into a jobs equivalent. Consistent and reasonable "guestimates" are acceptable. | 5. What will be the distribution of new jobs among types and wage levels? _____ |
| 3. Number or now local jobs induced by the new facility. This can be roughly calculated by: _____ | 6. Will the income distribution of jobs provided increase inequality of wealth in the community? _____ |
| (a) Estimating the percentage of new direct and indirect payrolls that will ultimately become local personal expenditures by workers; | 7. How many of the new jobs are likely to be filled by local unemployed people? _____ |
| (b) Figuring the proportion that will go for wages of new workers that local merchants will have to hire to handle the increased business; and | 8. How many of the new jobs are likely to be filled by workers whose employment has been terminated, directly or indirectly, because of the new facility? _____ |
| (c) Dividing by the average local wage to convert the dollars to job estimates. | 9. How many of the new jobs are likely to be filled by local residents? _____ |
| 4. Total number of jobs created (direct + indirect + induced = total): _____ | How many by newcomers? _____ |
| 5. Number of jobs eliminated by the new facility, directly or indirectly, in other local businesses: _____ | 10. How many of the new jobs are likely to be filled by women? _____ |
| 6. Net number of jobs created (number of jobs created minus number of jobs eliminated). _____ | By minorities? _____ |
| | 11. Will the new facility make it harder for people without special education or training to get jobs in the community? _____ |
| | 12. Will the new facility make local employment more dependent on outside decisions that don't incorporate the needs of the community? _____ |

B. Other Community Impacts

- | | |
|--|---|
| 1. What special conditions will be required to sustain the activity proposed? (Do the proposed product and rate of resource use indicate | 13. Will the financial base of the new project make it harder for small local industry to compete fairly for loans? _____ |
|--|---|

*Borrowed from a model published by *Rain Magazine*, based on an earlier version by the present author.

		Heading 1						Objective 1 Objective 2 ...etc.					
		Subheading a			Subheading b								
		Assessment Factor 1		Assessment Factor 2		Assessment Factor 3		Assessment Factor 1		Assessment Factor 2		Assessment Factor 3	
HUMAN	Project/Action	Proposal 1						Proposal 1					
		Proposal 2											
		Proposal 3											
		Proposal 4											
INSTITUTIONAL		Proposal 1											
		Proposal 2											
		Proposal 3											
NATURAL		Proposal 1											
		Proposal 2											
		Proposal 3											
CAPITAL		Proposal 1											
		Proposal 2											
OTHER		Proposal 1											
		Proposal 2											
		Proposal 3											

- Which have sequential relationships?
- Which must be done in concert? Which can be combined?
- Which are mutually exclusive?
- Which are clearly relatively lower priority?
- Which can be undertaken immediately?
- Are any objectives not adequately covered?
- Are there any analytical rubrics, strategies, or other proposal categories in which there is a lack of good project proposals?

Some of the patterns that emerge will suggest frameworks for a long-term program; some will suggest immediate action; some may suggest a return to earlier points in the planning process for revision or additional study; some may suggest new project proposals. In any case, working with the matrix in this fashion will even-

tually bring about a resolution of focus that will suggest project priorities. It may be argued that this approach is overly judgmental, inadequately "scientific." On reflection, however, it will be seen that even systematic and ostensibly objective numerical scoring systems entail a degree of judgment that makes them, as well, rather less than "scientific."

As was the case with the individual assessment checklist, an alternative to a general comparative assessment matrix is to prepare a number of smaller, more specialized matrices in accordance with the analytical rubrics or other groupings of proposed projects, or in accordance with special groupings of assessment factors, or both. Example 6 is a special-purpose matrix developed by a major U.S. city for the comparative assessment of economic development project proposals involving construction. In this example, a numerical evaluation system, based on assessment factor checklist values, has been built into the matrix design.

EXAMPLE 6. INVESTMENT PRIORITY MATRIX FOR PROPOSED ECONOMIC DEVELOPMENT PROJECTS INVOLVING CONSTRUCTION

Alternatives	Assessment Factors					
	Temporary Jobs ¹	Direct Jobs ²	Indirect Jobs ³	Project Location ⁴	Project Linkage ⁵	Cost Effectiveness ⁶
Proposal 1						
Proposal 2						
Proposal 3						
Proposal 4						
Proposal 5						

*This matrix, taken from an actual development plan prepared by a major U.S. city, is presented only to illustrate the approach, not because the particular assessment factors or scoring values are recommended. It will be noted that there is no reference to performance targets in this matrix.

¹Temporary construction jobs. Assign two points for every 10 person-years of construction work.

²Direct permanent jobs created or saved. Assign four points for every 10 jobs created or saved.

³Indirect permanent jobs created or saved. Assign three points for every 10 indirect jobs created or saved.

⁴Project location. Assign two points to projects located in designated "redevelopment neighborhoods."

⁵Project linkage. Assign two points to projects that complement other economic development projects.

⁶Cost effectiveness. Divide total score of factors 1 through 5 by project cost.

Chapter 8. Implementation Planning and Evaluation

THE NATURE OF IMPLEMENTATION PLANNING

Implementation planning involves sketching out a long-term economic development program and then a detailed implementation plan, or work-plan, for the coming planning cycle, based upon project priorities derived from the comparative assessment matrix or matrices. This discussion, however, is not concerned with producing an economic development plan document. The long-term program and detailed implementation plan referred to here can be visualized as no more than action schedules. Printed discussions of area economic analyses, goals, objectives, projects, funding sources, institutional frameworks, and so on, are not a part of the implementation planning activity. Their preparation is an optional editorial chore based upon information assembled and used in connection with this and the previous steps in the planning process.

What follows relates to the development of charts, undertaken for the purpose of focusing the implementation planning activity and for recording and conveying its conclusions. As with so many of the techniques discussed in this report, these devices serve to discipline and order thought and dialogue and should be seen as the means for carrying out a task, not as the purpose of the task. In discussing what these charts should contain, the work that must be done to develop their contents is being addressed by proxy.

The long-term program and the detailed implementation plan are refined continually as the planning process proceeds and are completed after the comparative assessment matrix has been finished. In doing this, it may turn out that certain of the project ideas originally assigned high priority will have to be deferred or replaced by others in order to achieve a more strategically integrated package of economic development activities implementable with the resources available to the community.

In a sense, implementation planning is the ultimate test of what has gone before in the planning process. It is the place where high priority, desirable, and practicable

economic development projects and action proposals are fit into a working framework, constrained by both the direct and indirect resources available for administering the plan. If the work that has gone before has been executed carefully, and if the decisions and judgments have not exceeded what is warranted on the basis of available information, the implementation planning will be a relatively simple matter. If the opposite is the case, this is the place where illusions and delusions will clash with reality because of the disciplined accounting associated with implementation planning.

It is during implementation planning that the real limits of available resources can be fully appreciated for the first time. This is so for two reasons. First, it is impossible to calculate accurately the required implementation resources associated with particular projects and actions until an effort is made to schedule their use in combination with other activities. Two separate projects, for example, each requiring 80 hours of staff time, if undertaken simultaneously may require a total of much less than 160 hours. Second, certain resources potentially available within the community may not become actually available until their nonavailability is seen to have an adverse impact on the implementation plan.

THE LONG-TERM ECONOMIC DEVELOPMENT PROGRAM

Although the long-term economic development program is likely to be revised substantially by the end of the coming planning cycle, it nevertheless must be designed with extreme care. It is the current economic development program designed to accomplish the community goals and objectives so painstakingly formulated. As such, it provides the context for the detailed implementation plan and provides the basis as well for reactive decision making, for modifications in the implementation plan during the planning cycle, and for evaluation of the economic development effort. It is also the starting point for the planning process undertaken toward the end of the next planning cycle.

Because it serves multiple critical functions, the long-term economic development program must contain much more information than a listing of priority projects. It must indicate the goals and objectives addressed by the various projects and actions, when projects are to be initiated and when they are to be completed, the intended outcome of project activity, and other information relevant to its purpose.

The long-term economic development program can be represented by a variation of a gantt chart that goes through and beyond, possibly far beyond, the next planning cycle. (See Figure 2 on page 28.) It shows the schedule for implementation of all the major economic development-related projects and actions that lead to achievement of the objectives and goals. These are represented as bars, indicating the approximate dates of initiation, the duration, and the approximate dates of the conclusion of each.

"Initiation," "duration," and "conclusion" will mean different things for different types of projects, and judgment will have to be exercised in deciding how to represent them reasonably on the chart. For example, a study can be represented in a fairly straightforward manner; a bar representing a construction project might appropriately reflect the period from the start of construction to the point in time when the facility is fully operational; if a development action involves bringing about an institutional change, the bar might represent the period from the initiation of the effort until the change is made.

Along the left side of the chart, opposite the bar representing it, would be listed the projects and actions that are a part of the long-term program. These should be grouped by analytical rubrics. Goals can be listed at the extreme right of the chart. Performance targets (objectives) can be indicated at points corresponding to the appropriate dates by which they should be achieved, within both the coming planning cycle and beyond. Each of these should be connected by a dotted line to the right either to another sequential objective or directly to the goal or goals with which it is associated. Each project bar would also be connected by a dotted line to the objective or objectives that it is intended to serve. A scheme of colors or bar symbols can be employed to highlight projects that are uniquely related in some fashion. At the point at which a project or action should be completed, there could appear a capsule indication of the expected results that relate directly to achievement of an objective or to another project (reference can be made, where appropriate, to values in the comparative assessment matrix).

A section of the long-term economic development program for the illustrative town appears in Figure 2. Only four years are shown, but such a program could easily encompass five to 10 years. If a scheme such as that presented proves too cumbersome, a table format similar to that suggested below for the detailed implementation plan can be used instead. In either case, there would be a continuous visual and/or logical connection from a project or action to the goal or goals that it is ultimately intended to address, with specific expected results indicated. A triple set of evaluation criteria is thereby estab-

lished: task accomplishment, the results intended, and the objectives.

DETAILED IMPLEMENTATION PLAN

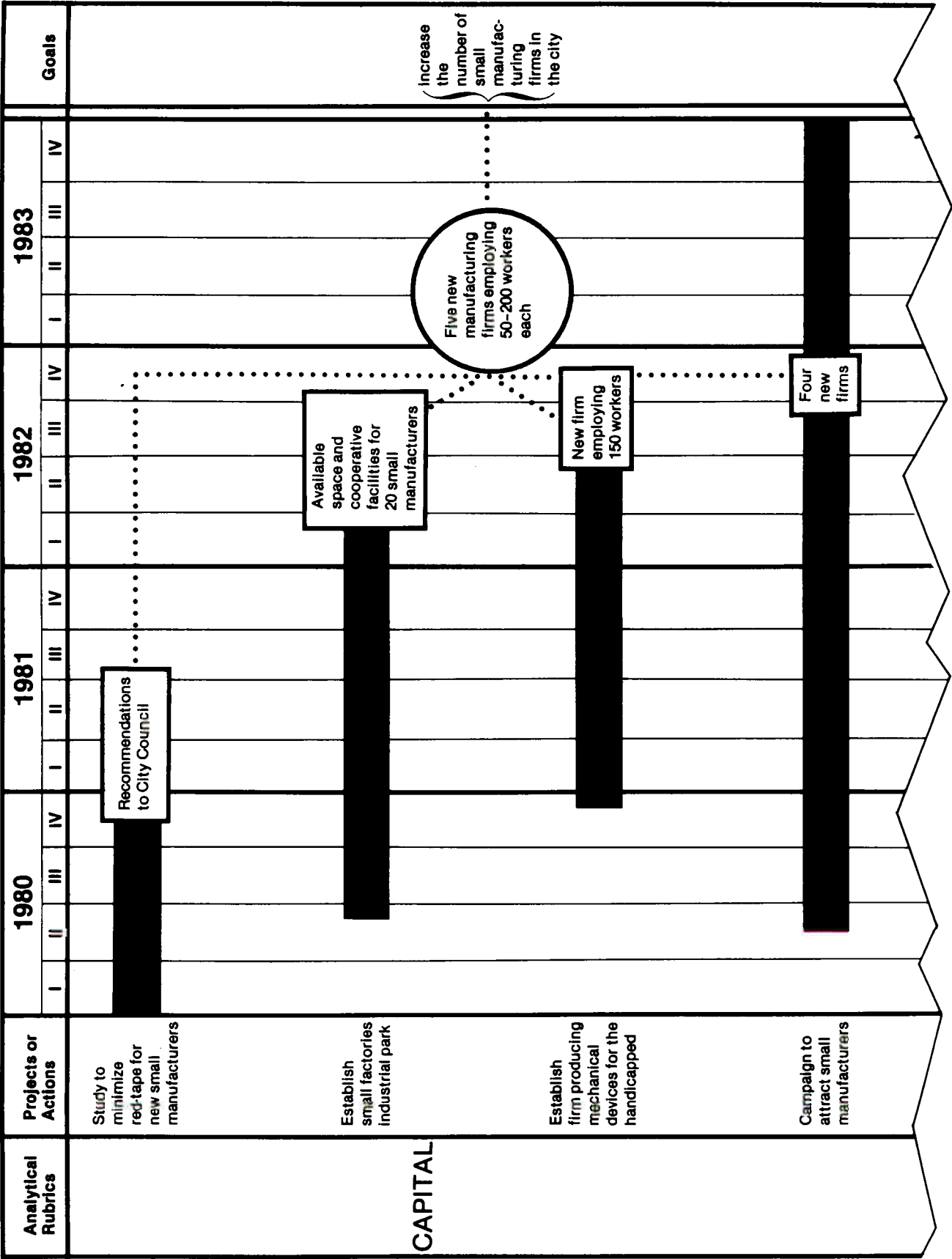
The detailed implementation plan for the coming planning cycle also must address much more than the major economic development project activity to be undertaken. It must account for:

- Data collection and analysis activities;
- Special studies and other activities that must be undertaken preparatory to the initiation of particular projects;
- Purely administrative activities;
- Tasks associated with the planning process in the next cycle;
- Tasks associated with continuing community involvement and oversight of the execution of the implementation plan;
- Routine contingencies that may intrude and occupy a portion of staff time;
- Adjustments that may have to be made midcycle as a consequence of projects that are delayed or must be aborted owing to external factors;
- Time that must be devoted to economic development activity already underway; and
- Other factors that may be associated with implementation activities. The detailed implementation plan is a workplan for the coming economic development planning cycle. It must, therefore, show not only what is to be done and when, but to some degree how and by whom, as well.

The starting point for developing the chart for the detailed implementation plan is the section of the long-term economic development program that covers the first two planning cycles, since this will dictate the detailed activities to be undertaken in the first cycle. Because it will encompass both a large number of specific tasks and a large amount of information about them, a table format will be convenient for the detailed implementation plan. Table headings might include:

- *Analytical Rubric;*
- *Strategy;*
- *Project/Activity;*
- *Task;*
- *When Undertaken* (could show either specific dates or a gantt chart showing the two-year period divided into quarters.)
- *Responsible Individual or Organization;*
- *Intended Result;*
- *Cost;*
- *Funding;*
- *Objective(s) Addressed; and*
- *Goal(s) Addressed.*

FIGURE 2. SECTION OF LONG-TERM ECONOMIC DEVELOPMENT PROGRAM



Alternate implementation plans can be prepared when major financial resource availability or other types of contingencies are involved. For example, in the case of our illustrative town there loomed the uncertainty concerning whether or not the automotive parts factory would close. Clearly, if it did close, economic development priorities would swiftly change. An effort might have been made to anticipate this by developing an alternate implementation plan that assumes the plant will close, as had been speculated, by the end of the coming year.

The fine-tuning effort that is entailed in developing the detailed implementation plan obviously will have consequences for the long-term program as well. Therefore, much of the work on the two will be done simultaneously. Here, too, successive rounds of adjustment and calibration will be required.

Completion of the detailed implementation plan marks the end and beginning of the planning cycle model presented here. Although the core planning steps of the cycle will not be repeated until the next cycle, planning activity does not cease altogether. Data collection and analysis continues, as does other staff and advisory committee work, as part of the continuous monitoring activity and in preparation for the next round of planning activity.

EVALUATION

The reader is by now familiar with the central themes that run throughout the steps of the local economic development planning process. Those themes apply as well to the evaluation step and will not be repeated here. Moreover, there is an extensive literature on the subject of evaluation [see particularly the article by Richard E. Winnie in *Human Resources and Growth* (12)* and *Evaluating Economic Development Programs* (48)*]. They provide ideas for evaluation criteria and procedures, and the latter publication contains an extensive bibliography on evaluation. Beyond this, a few brief comments on the subject will suffice.

In addition to being one of the steps in the planning

process, evaluation is a "special study," programmed and undertaken with each cycle. It should be designed to provide information on a schedule that coincides with the information needs of the various steps of the planning process. To provide useful information, the evaluation should address three basic kinds of interrelated performance:

1. The performance of those responsible for carrying out the implementation plan;
2. The performance of individual projects or actions; and
3. The performance of the local economic development effort as a whole, including the planning process.

In a sense, the ultimate standard of evaluation is the performance targets, the objectives. But these are not sufficient to evaluate fully the three kinds of performance listed above. Performance can and should be measured and evaluated both directly and indirectly. Direct evaluation involves use of the detailed implementation plan, the long-term economic development program (which has built-in performance criteria), the comparative assessment matrix or matrices, and perhaps the assessment factor checklist as standards against which to compare information concerning performance of staff and performance of projects. Indirect methods use aggregate quantitative analysis techniques such as those mentioned in Chapter 3, as well as a variety of other standard economic indicators to measure and evaluate the aggregate performance of the local economy. The local area should be compared with itself over time and with other areas or the national average.

From one perspective, all performance failures can be attributed to deficiencies in the planning process, including the technical support work. Indeed, even apparent performance successes can reflect deficiencies in the planning process, as when performance targets have been set too low. Thus, each periodic evaluation should include an examination and assessment of the conduct and results of the local economic development planning process itself.

* See bibliography.