

Economic Development Performance Management Indicators National Resource Network - 311 for Cities

In November 2015, a city submitted a request for assistance to the National Resource Network's 311 for Cities feature with a question about commonly used and effective economic development performance management measures. The National Resource Network conducted research and prepared the following report for the city.

Background Information

Economic development performance metrics are generally organized into two categories: 1) output measures of activities conducted by the department responsible for economic development, and 2) outcome measurements linking those activities to the performance of the economy. In general, metrics a city expends resources collecting and analyzing should be closely connected to the initiative, area, or topic the city wants to evaluate or track over time, which may range from broadly increasing understanding of the development of the city's economy to narrowly assessing the performance of specific initiatives.

There are hundreds of possible metrics related to economic development, thus an organizing framework can be useful for assessing what specific metrics to target. For example, the city of San Jose, California, developed an organizing [framework](#) focused on meaningful, useful, and sustainable metrics for its office of economic development. San Jose defines those metrics as follows.

- Meaningful metrics are measures that the target audience understands, and are related to the goals and objectives of the organization's mission or purpose.
- Useful metrics are measures based on reliable data, which accurately assess performance, and which are comparable to other periods or targets.
- Sustainable metrics are measures for which the value of the data exceeds the cost of collection and analysis.

Ultimately, performance metrics around economic development should be closely tied to performance management and evaluation of a local government's economic development strategies.

Evolution of Economic Development Metrics

Traditional economic development metrics tend to focus on direct programmatic outputs of the department and clients served. However, many cities are moving beyond these traditional output measures towards outcome-based measures that economic development departments have less control over, such as growth in the tax base for a neighborhood.

A 2011 article in the [International City/County Management Association \(ICMA\) magazine](#) argued that this expanded focus provides policy makers with more meaningful metrics to evaluate economic development activities, and provided numerous examples of such outcome metrics. A [2012 white paper from the National Association of Development Organizations](#) goes further, arguing that meaningful economic development for the knowledge economy requires performance measures focused on assets cities need to attract and retain companies, such as quality of life, demographic mix, educational attainment, climate of innovation, and arts and culture.

Many cities collect and report a mix of output and outcome measures depending on their specific objectives and focus. This is exemplified by the [New York City's Mayor's Management Report](#) section on the New York City Economic Development Corporation, which tracks outcomes such as the number of jobs in the innovation sector, as well as outputs like the number of graffiti sites the Corporation cleaned.

Additional Information and Sample Metrics

Listed below are some additional resources that provide overviews of performance metrics as well as sample economic development performance metrics:

- **Making it Count: Metrics for High Performing EDOs from the International Economic Development Council** – [This guidebook](#) published in 2014 provide extensive guidance into development of metrics for economic development organizations. The publication is available for purchase, but the authors also participated in a podcast with the Atlanta Federal Reserve discussing their work, available [here](#)
- **Performance Measures in Economic Development** – Mathew Fischer & Associates conducted a 2011 survey of performance measures used by Canada's economic development organizations. The results are [available here](#).
- **California Association for Local Economic Development** maintains an [online list](#) of economic development performance metrics submitted by CALED members.
- **ICMA Insights Performance Management Tool** – ICMA's performance management and analytics platform allows local governments to track their economic development using the following metrics.
 - Economic indicator percentages
 - Individuals below poverty level
 - Unemployment rate
 - Vacant housing rate
 - Median household income
 - Jurisdiction Vacancy Rates
 - Industrial vacancy rate
 - Office vacancy rate
 - Retail vacancy rate
 - Total development permits expenditures and revenues
 - Permit personnel/operations expenditures
 - Permit revenues
 - Total development inspections expenditures and revenues
 - Inspection personnel/operations expenditures
 - Inspection revenues
 - Development plan review expenditures and revenues
 - Plan review personnel/operations expenditures
 - Plan review revenues
 - Total number of building permits issued
 - Residential permits
 - Commercial permits
 - Total permits issued online
 - Average calendar days from development permit application to issuance

- Average days to residential permits
 - Average days to commercial permits
- Total number of development inspections performed
 - Residential inspections
 - Commercial/industrial inspections
- Average calendar days from request to development inspection
 - Average days to residential inspection
 - Average days to commercial inspection
- Total number of plan reviews conducted, by type
 - Development plans reviewed
 - Administrative subdivision plans reviewed
 - Platted subdivision plans reviewed
- Citizen rating of the quality of permitting services
 - (Excellent, Good, Fair, Poor)
- Total dollar value of rental assistance provided by the local government
- New low-moderate income housing units needed per the most recent consolidated plan
- Average calendar days from receipt of the full-rehabilitation application to completion of the project
- Public housing occupancy rates
 - Multi-family occupancy rate
 - Senior properties occupancy rate
- New low-moderate income housing units completed as a percentage of the units needed

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