



**--DRAFT FOR REVIEW--**  
**Economic Development Strategy**  
**Performance Monitoring Plan**

*Prepared for*  
*Future Forward Leadership Committee,*  
*Comprehensive Economic Development Strategy*  
*10th and 11th Congressional Districts of North Carolina*  
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## **Measuring Success: A Plan for Monitoring Future Forward Progress**

In August 2003, the Future Forward Steering Committee adopted a strategic economic development plan. The goals of the effort are to promote economic prosperity by achieving a vision in which the Future Forward area can boast:

- Skilled People,
- Innovative Firms,
- Economic Diversity,
- Cool Places, and
- Smart Governance.

This monitoring plan comprises two components: (1) progress against the action recommendations in the Future Forward Regional Economic Development strategy report and (2) ongoing regular measurement of indicators, or metrics, of economic progress. The former is qualitative, the latter quantitative.

While it may be tempting not to spend project funds on such an effort, it is extremely important that staff resources be available to make sure that the Committee is achieving goals and objectives established at the beginning of the project. The Comprehensive Economic Development Strategy (CEDS) report has been information-based. This has paid off in leading to tough choices by the Future Forward Steering Committee. Accurate and timely information will be just as important as the implementation of the report gets underway. Base funding for ongoing monitoring can come from annual EDA funds to an Economic Development District (EDD). Currently not all Councils of Government (COGs) in the Future Forward Region are recognized by the U.S. Economic Development Administration as an EDD. Filing by these should begin immediately. Each EDD typically receives slightly more than \$40,000 per year for annual operating funds. Even without this funding, an EDD can also gain access to other EDA resources that would be critical to support the implementation of the Future Forward Comprehensive Economic Development Strategy. Part of the funds received through EDA should be pooled by the COG EDDs to undertake the monitoring function as laid out in this document. The remaining EDD funds can go to implementation, coordination and supplemental studies.

It is recommended that one COG be the monitoring coordinator (called herein, the monitoring COG) and that a progress report be prepared semiannually or annually. Also recommended is that Appalachian State University act as an academic resource to refine and test metrics for regular use. One option would be that the WPCOG would perform the monitoring COG role as it has the greater number of staff equipped in data analysis than other COGs in the region. In addition, the WPCOG currently prepares an excellent quarterly "Economic Indicators Newsletter" for the Unifour area. It is envisioned that the expertise of staff associated with this publication will be applied to the semiannual "Future Forward Progress Report," in consultation with Appalachian State and the three other COGs serving the Future Forward area.

The semiannual progress report should be prepared in advance of a scheduled meeting of the newly forming Future Forward Alliance Board.

### **Progress Against Action Plans**

The CEDS Report and Action Plan calls for “strategic action” under ten categories. Collaborative Institutions, Development Corridor Plans, Targeted Regional Infrastructure Projects, Education is “How”, People-Jobs Matching System, Learning and Innovation Network, Targeted Market Research, “Mega-Development” Project, Regional Technology Park and Regional Planning Task Force. Under each of these categories 3 – 4 initiatives are recommended. Some are near term, beginning immediately, others are longer term.

It is recommended the monitoring COG prepare a grid showing all recommended initiatives, lead entities, timeline and initial funding requirements. Then on a semiannual basis using information gathered from telephone and in-person interviews, a descriptive report would be prepared on progress against each initiative.

Once each initiative takes root, milestones for accomplishments should be created. Subsequently, the semi-annual report should indicate progress toward these milestones by each initiative.

This checklist of initiatives, milestones and progress will be dynamic. Some initiatives will be completed or fall away due to shifts in priorities while others will be added. Consequently after each semiannual review by the Future Forward Alliance board, the monitoring COG would prepare an updated list of projects and milestones.

### **Ongoing Measurement of Metrics Against CEDS Goals**

This monitoring plan lays out the specific indicators and metrics that the Future Forward Economic Alliance might track to determine how well the adopted strategy helps the region achieve success. The indicators are associated with the goals of the effort and the metrics include an approach to measuring progress and providing context so that Alliance leaders can determine how well the region is doing economically.

To organize this metrics work the following steps are recommended:

#### **Step 1. Begin Metrics Measurement Against Short List of Goals Metrics.**

Listed below are suggested metrics under the goals of the CEDS report, which in turn are organized under the five vision themes. This list stands at 50. We recognize that this is too many to monitor effectively over time, but it provides a starting point for on-going Future Forward Economic Alliance discussion. If the WPCOG were to undertake this effort, its staff is familiar with databases associated with many of these metrics and reports on some in its Economic Indicators Newsletter.

It is suggested that partly on practical grounds and partly on academic grounds, 10 - 15 of these metrics be selected by the Future Forward Economic Alliance in consultation with staff from the monitoring COG and Appalachian State University. This somewhat more limited list of metrics would be maintained in a “Future Forward Progress Report” that would be shared with the Alliance board, all of the COGs, and other leaders in the Future Forward area.

To begin with these metrics should be reported on “timeline” graphs or charts so that progress can be observed over time. In most cases it would be illustrative to compare these metrics to North Carolina as a baseline. In the long run it would also be instructive if these metrics were showed in comparison to 4-5 similar regions nation-wide – similar

in economic structure, demographics, and economic change. This can be done using Labor Market Area statistics collated by the U.S. Department of Agriculture.

**Step 2: Develop a Small Set of “Economic Churning” Metrics in Collaboration with Workforce Investment Boards**

The Future Forward region will continue to experience considerable economic change as its manufacturing sector, in particular, adjusts to changing technology and global competition. It is critically important that the Future Forward Alliance keeps track of changes as they occur. This is not easy since limited data is available on a quarterly basis. Further, even annual data for local areas can lag six to twelve months. Nevertheless “tracking metrics” can be developed.

Again it is recommended that WPCOG act as the monitoring COG. In this case the role of Appalachian State is even more important in ferreting out relevant metrics that can be obtained on a real-time basis. Further, several Workforce Development Boards in the region are contemplating commissioning a State of the Workforce Report. Part of preparation of this report could be to work with Appalachian State in refining a set of “churning metrics” that indicate job gains/losses, business starts and terminations, housing stats, retail sales, utility sales, etc.

Here are suggested sources of information, available on a monthly or quarterly basis that would provide the building blocks for “economic churn” metrics:

- Retail sales
- Multiple listings (residential sales and average home value)
- Employment gains/losses
- Bank deposits
- Building permits
- Utility sales (e.g. gas)
- Mass layoffs from plant closings.
- Trade impacted layoffs
- Visitor/traveler data from visitor bureaus.

Other metrics directly tied to the goals and action items associated with the plan will be critical as well. These metrics are included in a checklist below to help in beginning to shape the data needs for this monitoring effort. Note that these metrics are based on changes from a baseline or goal set. The Alliance may wish to review and refine the metrics over time to better reflect public policy concerns in the Future Forward area. Part of the technical effort that needs to be undertaken will be to review existing and potential data sources to ensure that data associated with these metrics can be obtained periodically or that surrogate measures can be identified if data sources are not adequate to meet the Alliance board’s needs.

## Checklist of Potential Starter Metrics by Goals

### ***Attracting and Retaining Skilled People***

- **Increase employment among “family-wage” (i.e., better paying) jobs**
  - The proportion of workforce achieving a wage of 200 percent of the poverty level relative to prior year
  - Number of jobs matched by the people-job matching system relative to the prior year
  - The rate at which users of the people-job matching system are placed relative to the overall the employment rate of all job seekers
  - Change in per capita income in the area relative to other parts of the state
- **Increase high school (or equivalency) completion**
  - Change in the drop out rate among high school students relative to prior years
  - Change in the number of adults achieving a GED relative to prior years
  - Increase in the proportion of adults attaining a high school degree relative to prior years
- **Increase educational attainment beyond high school**
  - Change in the number of employed adults enrolled in community colleges relative to the prior year
  - Proportion of students enrolled in “career-track” programs (i.e., community college programs relevant to the identified skill needs of growing industries
  - Change in the number of new “career track” training programs created to respond to industry needs (with an emphasis on tracking the programs created through the Learning and Innovation Network and the workforce development boards) relative to the rest of the state
  - Number of people trained by Learning and Innovation Network programs relative to prior years

### ***Innovative Firms***

- **Increase productivity and competitiveness of all firms**
  - The “time-to-market” between key points in the area’s “growth corridors” and major destinations just outside the region (including Charlotte, Greenville, Greensboro, and Asheville) relative to prior years
  - Number of companies using the Learning and Innovation Network to provide customized training or for small business counseling relative to prior years
  - Amount of industry-driven research and development in the area relative to prior years
- **Increase broadband saturation in business community**
  - Change in the number of firms with broadband access from the previous year relative to the change in broadband access at the state level

- **Increase technology utilization among “at-risk” industries to slow their outflow or demise**
  - Number of area manufacturing firms receiving assistance through the state’s Industrial Extension Services as a proportion of all manufacturing firms relative to the state
  - Change in the economic performance of area manufacturing firms participating in the extension program relative to the performance of all manufacturing firms in the state

### ***Economic Diversity***

- **Increase the number of surviving and growing new businesses**
  - Change in the number of firms in targeted industry clusters relative to the previous year
  - Change in the number of new firms created in the area relative to prior years
- **Increase recruitment among higher wage-paying firms**
  - Completion of study identifying targeted firms within emerging and growing clusters
  - Change the staff and resources available to area EDCs for joint marketing and sales (and measure the success of these efforts) relative to prior year
  - Change in the supply of marketable, “ready-to-go” existing facilities that could be reused along targeted corridors relative to availability of potential sites available
  - Approval of an economic development marketing strategy that results in “quality” marketing of a targeted list of ready-to-go reuse facilities in the area
  - Change in the amount of planned commercial space suited to new and growing firms relative to the previous year
  - Change in absorption of ready-to-go sites and facilities across the area from the previous year
- **Increase tourism dollars spent in the region**
  - Change in the total value of tourism-related expenditures (e.g., lodging, restaurants, and events) in the area is greater than the change for the state from the previous year
  - Change in the total number of tourists visiting the region
  - Change in the number of visitors to staged events in the region
- **Reduce retail leakage**
  - Change in the annual total sales generated by companies in the area is greater than the change for the state from the previous year

### ***Cool Places***

- **Increase population of 25-40 year-olds with 2 years plus of education beyond high school**
  - Change in the proportion of area population between 25-40 with 2 plus years of post-secondary education

- Change in the proportion of area population between 25-40 enrolled in colleges or universities
- **Increase population of 50+ year-olds with post-secondary education**
  - Number of new residents above 50 years of age (including retirees and second-home owners) attracted to the region relative to the rest of the state
  - Change in the sales price of properties suitable for retirement and second homes relative to the sales price of overall housing in the area
- **Improve available green space and air quality by increasing the amount of parkland, greenways, public access to water, historic districts, and clean air)**
  - Increase in the acreage of urban parkland within the city limits of municipalities of more than 7,500 people relative to prior year
  - Increase the miles of right-of-way and/or trail ways dedicated for outdoor activities within one-hour driving distance of municipalities with more than 7,500 people relative to prior year
- **Increase the number of urban amenities**
  - Increase the number of privately owned assets such as computer cafes, nightclubs, entertainment venues, destination retail stores, and similar urban gathering places relative to prior year
  - Increase the number of public or privately owned venues used for venues, gathering places, and other social activities relative to prior year
  - Increase the number of events staged that are targeted to area residents and tourists relative to prior year

### **Smart Governance**

- **Increase the number of regional collaborative projects**
  - The successful creation of the six proposed “network” institutions and development of a work program with performance measures for 2004
  - The participation of all of the Future Forward counties in the strategy implementation
  - The proportion of counties that have adopted the strategy and that are actively participating in each action strategy is above 50 percent
  - Reduction in the cost of water, sewer and municipal services in targeted “growth zones” to more competitive rates relative to other counties in the state
  - Identification of one or more sites suitable for “mega-development” and identification of suitable developer(s)
  - Identification of a suitable permanent site for the Learning and Innovation Network and associated regional technology park
- **Increase the pool of funds for regional action**
  - The level of cash and in-kind (staff) investment made in the proposed institutions as compared with the previous year

- **Create jobs and regional tax base from regional initiatives**
  - Change in the total employment in the region relative to the state average
  - Number of jobs created as a result of the efforts of the regional institutions or their partners is greater than the number created in the previous year
  - Total value of all tax revenues generated in the region is greater than the state average
  - Value of the tax revenues generated through projects implemented by the regional institutions or their partner organizations is greater than the previous year
  - Change in the annual value of sales tax revenues generated in the area is greater than the change for the state from the previous year