

## *ECONOMIC BENEFIT TARGETING FOR DEVELOPMENT, POLICIES AND PROGRAMS*

### WHAT IT IS

- This tool is for practitioners seeking to target the impacts of programs, policies, development and other investments to specific needs. This tool can be used to verify the extent to which a project, initiative or redevelopment can be used to secure a specific type of benefit.

### WHO CAN USE IT

- Planners, municipal leaders, community and economic development practitioners. This may be used by advisory committees, too.

### WHEN TO USE IT

- When considering the impact of programs, policies, developments or other investments to ensure targeted impact.

### HOW TO USE IT

- Use this tool with stakeholders to articulate the expected impact and target audience for those benefits. This process of using this tool will elevate key considerations and surface tacit assumptions.

### **Background:**

Economic development projects, policies and programs are often conceived of as beneficial through their confirmation of benefits. Sometimes projects are considered inclusive or just. This tool provides an approach to targeting projects to specific beneficiaries through identifying target groups and exploring the economic benefit types that could accrue to that group. Taken together, this tool can be used to determine the most important types of economic impacts and who should receive this benefit. This is important because without focus economic development, left to the marketplace, can fail to address the critical needs of communities. Moreover, assessment of how a program investment, policy or redevelopment project provides an opportunity to target investments to mitigate negative impacts of development and maximize on potential benefits for such groups. This document reviews targeting specific audience for impacts and then reviews types of impacts. It is followed by an example analysis and blank forms.

### **1. Target Audiences for Impact**

When we assess the economic impact of projects, we tend to focus on the potential job creation. Too often this does not adequately reflect the depth of the impact or if the investment directly responds to a specific community need. By articulating the type of impact which could be economic, environmental or social, it is easier to create the program, policy or investment to have that income. This section provides a brief overview of potential target audiences for economic impact looked at through the lenses of people, entities, and values.

### Place

Projects and initiative can be configured to work on many different levels ranging from an intersection all the way up to a metropolitan area. Some of the geographic targeting of the project is determined specifically by the project or program. The following are different scales at which projects can be developed:

- Single site specific
- Neighborhood
- Municipality
- County
- Watershed
- State
- Region

### People and Communities

Simply put, communities are for people. Communities come together to accomplish that which cannot be accomplished by a single group. The collective of a community is comprised of several different population cohorts where different cohorts may face a specific challenge. While some of our publicly funded development is very specific to such needs, others are not. For example, schools are planned and constructed to serve those under 18 years of age, but parks can serve multitude of parties from toddlers to senior citizens. The following chart, which can be customized with greater detail, provides a snapshot of potential target groups.

Population Age Cohort	Household Income	Specific Challenge	Group
0-4	<\$25k	Unemployed	Veteran
5-17	\$25k-\$50k	Partial employment	Immigrant
18-24	\$50k-\$75k	Pollution	Senior
25-34	\$75k-\$100k	Health	Family
35-44	>\$100k	Reentry	Single Parent
45-54		Housing	Renters
55-64		Health	Owners
65-older		Disability	Students

**Organizations and other Entities**

Businesses, industries and institutions are critically important to community health. They employ residents, deliver goods and services and maintain land and other resources. Different types of organizations serve other critical community needs. Public sector participants may provide social services, support local groups and serve specific community needs. Example entities may include:

- Nonprofit organizations
- Businesses
- Institutions

**Values - Society in General**

How a community develops communicates the values of a community of people, collection of people, elected officials and developers. Does a development truly benefit a community? Is it environmentally or socially sustainable? Will that development have a long-term, positive impact on its neighbors? Will it create new winners or losers? Does the development or investment create opportunity for those historically left out? Evaluating impact to the community can assure that development is sensitive to needs and leaves a community and its neighbors in a stronger position. By considering the importance of a facet of impact to society in general, practitioners can ensure that investments align with a community's values.

**2. Impact Types:**

Development, policies and programs can be refined to have specific types of impacts. Such impacts may influence the environment, public health, community stability, jobs and business viability and other issues such as equity and inclusion. These impacts are explored in greater detail through a series of statements that might indicate how that impact is achieved for factored.

**Putting it all together**

By examining the types of impacts your project could have while considering whether those impacts are important to a target audience, those considering a project or initiative can identify policies and choice to exercise to target the impact. The left most column lists several types of impacts while the right columns identify targets for those impacts. The example below considers a potential development on a brownfield in a community. Following the analysis from the table, further questions and considerations are identified for shaping the development.

## City of Gary – Deconstruction Initiative

In 2017, Delta Institute collaborated with the City of Gary to create a deconstruction initiative. Deconstruction is the process of systematically taking a structure apart so that its building materials can be reclaimed and reused. Our advisory committee, inclusive of municipal staff from multiple departments, church representatives, community leaders and subject matter experts wanted to ensure that the project benefitted Gary residents and not out-of-towners visiting Gary to extract resources and economic opportunity. As a group, we recognized that we needed more specificity to communicate adequately to have the capacity to rethink the project.

We brainstormed who we wanted to target for benefits and the talked through all of the ways we could benefit various stakeholders. As a result, the project team pivoted to devote more resources to training existing Gary contractors and to create a broad coalition to support building material resource. The following table is the tool we used. We talked through the impact types and the extent to which we wanted that impact to target a specified audience. We then focused on the highest ranked impact types/target audiences. For example, the impact “Training is provided for advancement” and the target audience “Population Cohort: 25-44” received a 4. In response to that finding, we planned a robust training and have been able to work with training participants.

	Target Audiences for Impact: Indicating on a scale of 1-4 where 1 is not at all and 4 is greatly the extent to which the investment will be able to impact the target audience				
Impact Type	Geography: Gary	Population Cohort: 25-44	Other Local Business	Municipality	Society in General
<b>Equity Impacts</b>					
The work improves brownfield sites.*	1	1	1	1	1
Has MBE/WBE/VBE impacts**	1	4	4	1	1
The business impacts help low income communities and people	4	4	4	4	1
*Brownfields are sites that are either contaminated or appear to be contaminated. (see resource *)					
**MBE/WBE/VBE					

Impact Type	Geography: Gary	Target Audiences for Impact			
		Population Cohort 25-44	Other Local Business	Municipality	Society in General
<b>Environmental Impacts</b>					
Does not disproportionately negatively impact vulnerable populations which may be minority and/or low income.	1	1	1	1	1
Reduces air pollution	1	1	1	1	1
Reduces flooding	1	1	1	1	1
Increases green space	1	1	1	1	1
Reduces energy use or uses alternatives	1	1	1	1	1
Reduces traffic congestion	1	1	1	1	1
Uses green technology or attains green certification	1	1	1	1	1
The business service enables other to behave more sustainably*	1	1	4	4	4
<b>Community Stability **</b>					
Stops out migration or retains residents	4	4	4	4	4
Attracts residents	4	4	4	4	4
Increases community activity	4	4	4	4	4
Increases voter turnout	1	1	1	1	1
<p><b>*This business would allow other businesses to source more sustainable materials</b></p> <p><b>**Community stability is very important to residents. For communities struggling with outmigration and disinvestment, programs that increase engagement, attract and retain residents are very important.</b></p>					

Impact Type	Target Audiences for Impact				
	Geography: Gary	Specific Population Cohort 25-44	Other Local Business	Municipality	Society in General
<b>Project Creates New Jobs (for whom, pay level, quality of job, seasonality)</b>					
Jobs pay a living wage	4	4	1	4	4
Jobs pay benefits	4	4	1	4	4
Jobs are year round and stable	4	4	1	4	4
Job opportunities targeted to disadvantaged	2	4	1	4	4
Training is provided for advancement	1	4	1	4	4
Career ladders built into structure of business	2	4	1	4	4
At least 10 direct jobs created	1	4	1	1	1
At least 15 indirect jobs supported	1	4	1	4	4
Expansion potential of jobs into middle income	<b>1</b>	<b>4</b>	1	1	1
<b>Market Facilitation</b>					
Avoids costs to municipalities	1	1	1	4	4
Avoids costs for existing businesses	1	1	4	1	4
Generates new revenues for municipalities	1	1	1	4	4
Generates new revenues for existing and related businesses	1	1	4	1	4
Environmental costs are avoided	1	1	1	4	4
Environmental or financial incentives are available	1	1	1	4	4
Facilitates new business opportunities	4	1	4	4	4
Solves market failures	<b>4</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>4</b>
Work performed in present for future savings	<b>1</b>	<b>1</b>	1	4	4

Impact Type	Target Audiences for Impact				
	Geography: Gary	Specific Population Cohort 25-44	Other Local Business	Municipality	Society in General
<b>Economic Multiplier/Export Potential</b>					
Business stops money from leaving the community (import substitution)	4	1	1	4	2
Business brings new money into the community (exports goods and services)	4	1	1	4	2
Business brings new money into the region (exports goods and services)	4	1	1	4	2
Business supports existing business growth and expansion (indirect impacts)	4	1	1	4	2
Business supports new business development	4	1	1	4	2
<b>Reuse Business Profitability</b>					
Additional related businesses are created	4	4	4	4	4
Available profit adequate to attract needed partners	4	1	4	4	4
Available profit to parent entity after distribution to partners adequate	4	4	4	1	4
Profitability of business sustainable as market changes	4	1	4	4	4
Scale of business sustainable or exit strategy sound and profitable	1	1	4	1	4
<b>Spinoff and Regional Growth Opportunities</b>					
Effort is catalytic and leads to other strong opportunities	4	2	1	4	4
Effort is expandable into other parts of the region	2	2	4	4	4
Expansion opportunities appear profitable	4	2	3	4	4
Expansion opportunities appear to support jobs, equity and environmental goals	4	4	4	4	4

Impact Type	Target Audiences for Impact				
	Geography: Gary	Specific Population Cohort 25-44	Other Local Business	Municipality	Society in General
<b>Good Neighbor Strategy</b>					
The business or entity can commit to being a good neighbor.	4	2	4	4	4
The business or entity could proactively engage with surrounding community.	4	4	4	4	4
The business or entity could purchase locally.	4	2	4	4	4
The business or entity could provide ongoing financial or other support to surrounding community.	4	2	4	4	4
<b>Public Health (see the American Public Health Association for a complete list of themes)</b>					
Prevents or reduces violence	1	1	1	1	1
Increases access to health care	1	1	1	1	1
Improves mental health	1	1	1	1	1
Reduces impact from lead contamination	1	1	1	1	1
Reduces communicable disease	1	1	1	1	1
Improves capacity for healthy living	1	1	1	1	1