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## Economic Development Tax Incentives Evaluators Roundtable

*October 27, 2020*

# Agenda

- SEDE Network and State EDO Roles
- Covid impact on Businesses
- How EDOs are Adapting Incentive Programs
- Implications for Evaluations
- Resources



Many thanks to Ellen Harpel (SmartIncentives) and Ken Poole (CREC) for their recent work that provides the basis for this presentation

# SEDE and State EDOs

- The State Economic Development Executives (SEDE) Network
  - Forum for state economic development leaders to exchange information, learn from one another, and advance the practice and impact of economic development across the nation
- States playing same roles we see during "normal" times
  - Linking and leveraging assets, resources
  - Providing guidance and coordination
  - Serving as convenor, match-maker, funder
- Progression of actions over time (March-Oct), filling gaps before and after CARES Act resources

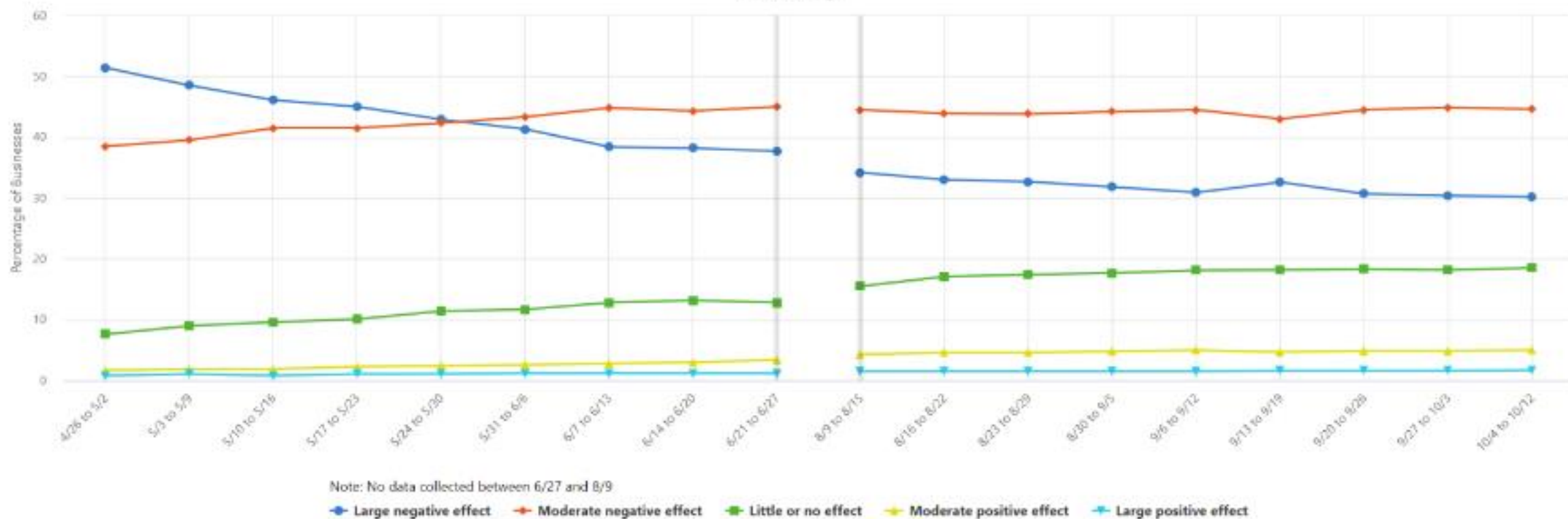
# Covid Impact on Businesses

- **Census Small Business Pulse Surveys** -- collaborating with five other federal agencies <https://portal.census.gov/pulse/data/>
- Surveyed weekly April 26 – June 27, then Aug 9 – Oct 12; data released weekly
- Survey results by sector and state and for 50 most populous MSAs:
  - location closings
  - changes in employment
  - disruptions in the supply chain
  - use of federal assistance programs
  - expectations concerning future operations

# Overall Effect

Overall, how has this business been affected by the Coronavirus pandemic?

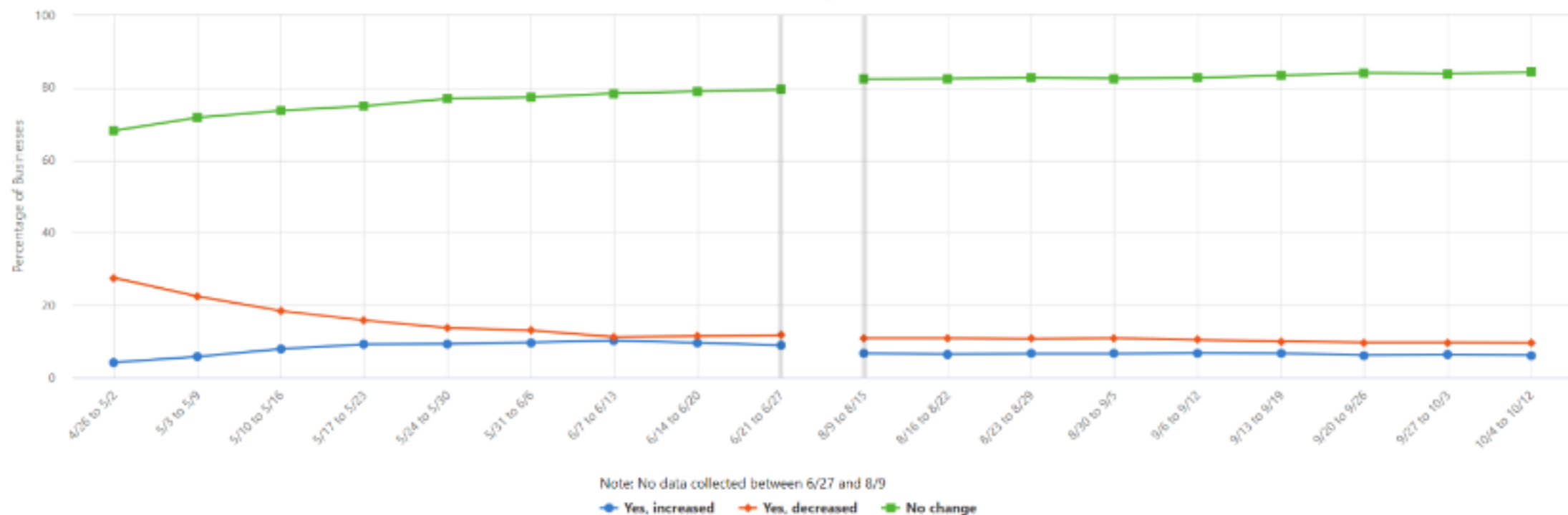
National Average



# Changes in Employees

In the last week, did this business have a change in the number of paid employees?

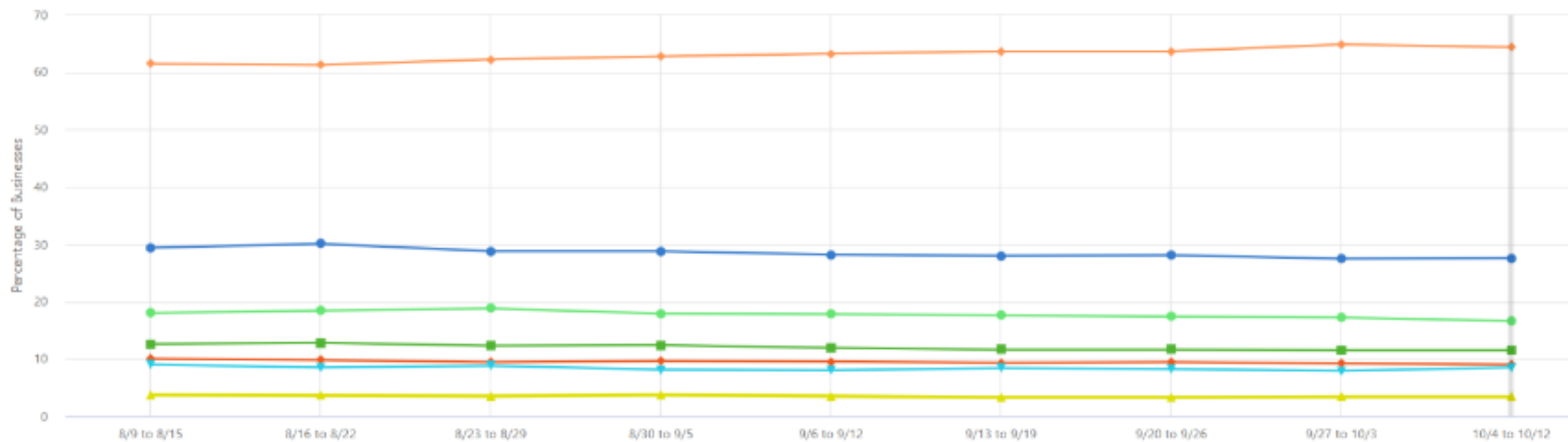
National Average



# Delays/Difficulties

In the last week, did this business have any of the following?

National Average



Note: No data collected between 6/27 and 8/9

Domestic supplier delays  
Production delays at this business

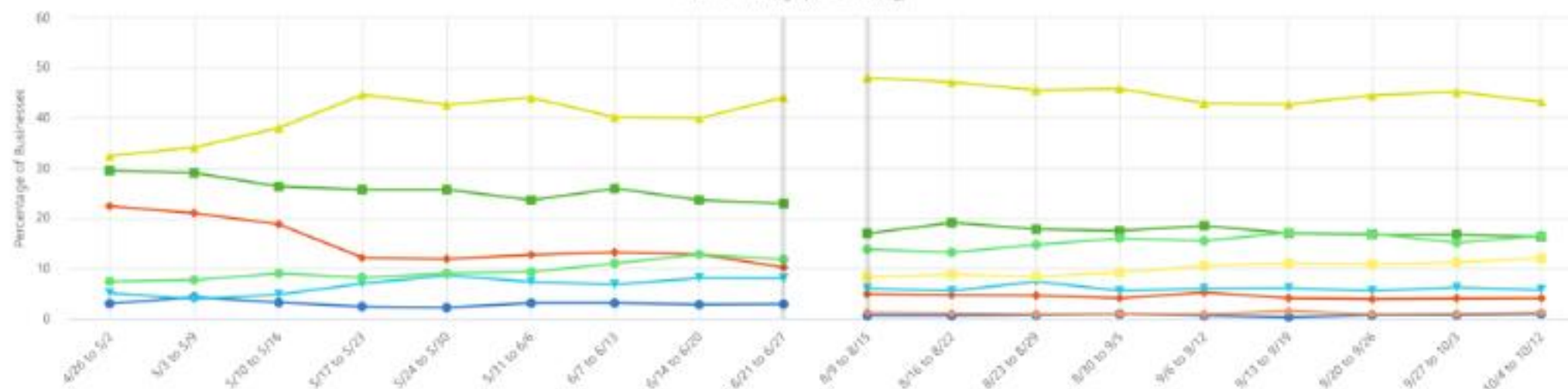
Foreign supplier delays  
Delays in delivery / shipping to customers

Difficulty locating alternate domestic suppliers  
Difficulty locating alternate foreign suppliers  
None of the above

# Time to achieve normal operations (manufacturers' change in attitudes)

In your opinion, how much time do you think will pass before this business returns to its normal level of operations relative to one year ago?

Sector 31 Average (Manufacturing)



Note: No data collected between 6/27 and 8/9.

1 month or less

4-6 months

I do not believe this business will return to its normal level of operations.

This business has permanently closed. (only available in phase 2)

2-3 months

More than 6 months

There has been little or no effect on this business's normal level of operations.

This business has returned to its normal level of operations. (only available in phase 2)



## How EDOs are Adapting Incentive Programs

- Changes in incentive programs should reflect changes in economic development priorities
- Adjust terms constructively to assist moving forward / Realistic expectations on both sides
- Economic development ROI should incorporate social, economic, and fiscal benefits
- Transparency and consistency re changes in priorities, policies, processes
- Guiding Principles for Existing and New Incentive Programs

## Implications for Evaluations

Adjustments to agreements, programs, and operations

Demand for increased accountability

More complicated project reporting and program evaluation procedures

Some considerations:

- Outcomes
- Process
- Reporting

# Resources: Incentives

- Discretionary existing agreements
  - <https://smartincentives.org/adjusting-incentive-performance-agreements/>
- New agreements
  - <https://smartincentives.org/adjusting-incentives-to-support-small-business-recovery/>
- Implications for Evaluation
  - [Incentive Adjustments – Implications for Reporting and Evaluation](#). Guidance on Documenting Incentive Program Changes

# Resources: State Activities

- SEDE network resources <https://www.stateeconomicdevelopment.org/covid-19/>
- "State Economic Development Officials Collaborate to Counter the Pandemic's Impact:" [article](#) by Jeff Chapman & Alison Wakefield (Pew Charitable Trusts)
- National Governors Association COVID-19 State and Territory [Action Tracker](#)
- National Conference of State Legislatures / [State Actions](#) on Coronavirus Relief Funds
- Council of Development Finance Agencies Covid-19 [resource center](#)
- [MEP National Network: Meeting the Challenge](#)