What Works in State Economic Development?

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To raise per capita earnings requires a dual focus on labor demand and labor supply. To improve labor demand, entrepreneurship training has the most rigorous evidence of effectiveness. Incentives for large corporations work better if focused on up-front, in-kind supports. Small and medium-sized businesses benefit from assistance with planning, marketing, technology, and government regulations. To improve labor supply, job training programs like Career Academies are effective because they incorporate the needs of employers and connect trainees with job vacancies. To get the most "bang for the buck," effective policies focus on people and businesses already in the state, particularly those in more malleable stages of their own development. For example, new start-ups or companies facing significant competition are often more responsive to policy interventions. Universal preschool provided early in life has, in the long run, over twice the projected annual impact on jobs of business subsidies.

The economy is the preeminent issue in 2009. This is true both at the federal and state level. At the state level, economic policy discussions are dominated by debate over what is called "economic development policy." Why is state economic development so important? How will we know if we are successful in our development efforts?

We could give many definitions of what we mean by "economic development." For example, state economic development has been defined as increases in the productivity with which all resources in the state are used.

But such discussion can be made more concrete by defining state economic development by its economic benefits. Economic growth or other changes in the Wisconsin economy can produce the following benefits:

- gains in earnings for the residents of Wisconsin, due to becoming employed or moving up to better jobs,
- gains in profit for businesses located in the state,
- gains in the value of Wisconsin land and real estate,
- gains to state and local governments in Wisconsin, in the form of increased tax revenue exceeding incremental public service costs, or
- gains to in-migrants to the state.

Evidence suggests that the most important gain is the increase in earnings of state residents. Studies suggest that such earnings gains are likely to be 70% of the total gains from successful state economic development policies.[1] Therefore, the primary purpose of state economic development policies is to increase the per capita earnings of the original state residents.

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Why distinguish between different types of gains? Doesn't all economic growth create gains in all these areas? Perhaps. But not all types of economic development have equal effects on resident earnings. So if we focus on increasing per capita earnings, we may choose different policies than if we valued growth and development in and of itself. Maximizing the earnings gains of state residents, versus maximizing state economic growth, are related but distinct goals. The policies that maximize per capita earnings gains may be quite different from policies that maximize economic growth.

Since our main goal is increasing per capita earnings, economic development is best understood in terms of the labor market. We can enhance per capita earnings by increasing the quantity and quality of both labor demand and labor supply. Therefore, promising interventions for state economic development fall into two categories: interventions to increase (1) labor demand, and (2) labor supply.

First, what happens to labor demand has large impacts on employment rates and wage rates throughout a state. Labor demand is the quantity of labor needed and the quality of jobs that are offered.

An estimated 60% to 70% of people stay in the same state over their working careers.

Second, policies that increase the quantity and quality of the labor supply can grow the economy. Contrary to what is sometimes thought, if policy invests in developing the skills of young people, many of those young people will stick around to augment the supply of skills for the area. Among all persons, somewhere in the range of 60% to 70% stay in the same state over their working careers.[2]

Importantly, labor demand and supply interact with each other. An increase in labor supply will help to stimulate labor demand. Evidence suggests that an increase in labor supply probably stimulates labor demand by at least two-thirds of the supply increase.[3] This is because additional labor attracts employers, and additional higher-skilled labor attracts employers with more skilled jobs. In this chapter, I first discuss selected strategies for increasing labor demand followed by strategies for strengthening labor supply.

Labor Demand Strategies

When states explicitly focus on growing their economies, they generally use labor demand policies: policies that increase the number or quality of jobs in a state. More available jobs in a labor market offer great potential for gains in per capita earnings. Stronger labor demand can also improve the distribution of income, meaning low-income groups gain proportionately more than upper-income groups.[4]

Explicit state labor demand policies generally take the form of "economic development programs." Economic development programs typically provide assistance to business that is, to some degree, customized or targeted to particular types of businesses or to business expansion or location decisions. This assistance to individual businesses may be some type of cash assistance, such as tax incentives. Or this assistance to individual businesses may take the form of customized services. The rationale for targeting business assistance is that such targeting may be more effective at inducing business expansions and increasing earnings for state residents.

The evidence regarding the effectiveness of a wide variety of "economic development programs" is reviewed here.

Business Attraction and Incentives

A persistent goal of many economic development efforts is to attract large corporations that pay good wages and have sizable multiplier effects. By multiplier effects, I mean increases in business for local suppliers and additional personal income spent at local retailers. An estimated 15,000 American economic development organizations are pursuing those 1,500 major location or expansion decisions in a given year, a 10 to 1 ratio.[5]

Many business incentives can be offered to large corporations to entice them to locate or expand in an area. By business incentives, I mean assistance that to some degree is discretionary or customized to the individual situation of the business and its location or expansion decisions. An estimated two thirds of incentives are financial (e.g., grants, loans, loan guarantees, and tax incentives). Of these, most are tax incentives,[6] such as property tax abatements or job tax credits tied to the number of workers hired.

Business incentives are typically targeted at what regional economists call "export-base businesses." In this case, "export-base" does not necessarily refer to exports to foreign countries, but whether the business attracts dollars from outside the state. For example, an export-base business in Wisconsin would be one that sold its goods (or services) to households or businesses in Minnesota, Illinois, etc. Export-base businesses would include businesses that sell their goods or services to tourists from other states or foreign countries. Export-base businesses also include cases in which the business's growth is substituting for goods or services that otherwise would be imported from other states. In all these cases, an increase in the business activity brings new dollars into the state. These new dollars, in turn, are respent by these businesses on business suppliers in the state, and by these businesses' workers on retailers in the state. This respending creates multiplier effects that expand the employment impact beyond the business that is providing the incentives.

The conventional wisdom in regional economics is that providing financial incentives to businesses that are NOT export-base businesses is a bad strategy. This is a bad strategy because any expansion at assisted businesses is likely to reduce employment at similar local unassisted businesses. For example, providing financial assistance to help a local restaurant expand may help that individual business. But it does little to increase total local demand for restaurants. As a result, any expansion in the assisted restaurant's sales and employment is likely to come at the expense of reduced sales and employment in other local restaurants.

Effects of Financial Incentives

Research suggests that financial incentives are likely to have modest although possibly important effects on business location decisions, but at a large cost per new job. A 10% reduction in state and local business taxes will increase the long-run business activity and employment in a state, or the number of new

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plants choosing the state, by about 2% or 3%. While this job creation may provide significant economic benefits for state residents, this growth will not pay for itself. That is, the expansion of the tax base is insufficient to offset the loss of revenue from the business tax reduction. Thus, creating a new job in a state or metropolitan area requires foregoing about $7,000 annually in business tax revenue.[7, 8, 9, 10, 11, 12]

Are there ways to increase the cost-effectiveness of incentives? One idea is to offer more of the incentive up front. The average executive locating a new plant is seeking to go into production quickly and meet profit targets; thus, a property tax abatement 10 years from now is close to irrelevant. If incentives are offered more up front, it becomes important to consider what to do if the plant subsequently relocates or closes. One option is to combine incentives with legally binding "clawback" agreements, under which a portion of the up-front incentive will be recovered from the company if it relocates or closes the plant, or does not meet other "performance goals." Or incentives can be shifted towards training and infrastructure incentives, which will remain behind even if the company leaves the state.

Targeting Incentives

Incentives can also be targeted on businesses likely to offer the greatest economic benefits, such as firms that pay higher wages, hire local workers who would otherwise not be employed, and are more likely to use local suppliers. In addition, incentives can be targeted on businesses offering the lowest environmental costs or greatest environmental benefits, such as cleaning up contaminated brownfield sites.

States can attempt to restrict incentives to firms for which the incentive will be decisive in tipping the location decision, although it is difficult to identify these situations. One way states have tried to do this is by requiring documentation from the firm. For example, the Michigan Economic Growth Authority tax credit program requires applicant firms to present financial data to the state showing that the credit is needed for a Michigan site to be superior to a non-Michigan site.[13] However, there are reasons to be skeptical that such requirements are effective. Because state economic development officials cannot read the minds of businesses making location decisions, it is difficult to tell whether the incentive is really needed to tip the location decision.

Training Incentives

Customized job training incentives are 10 to 16 times more effective in creating jobs than tax incentives.

States have also provided incentives in the form of customized job training. Under such programs, new or expanding businesses are provided with free training, typically provided by community colleges, that is customized to the individual business's needs for worker skills. Customized job training incentives are 10 to 16 times more effective in jobs created per dollar of incentive than tax incentives.[14, 15] North Carolina is probably the leading state providing such customized training services.[16, 17]

Customized job training programs are sometimes tied to efforts to encourage new or expanding businesses to hire unemployed local residents. "First source" programs help screen and train the unemployed workers so that they are relatively productive hires. This can be done with aggressive screening and training, accompanied by consultation with the employer about what skills are needed.

Examples of effective "first-source" programs include the Berkeley First Source Program, and the former JobNet program in Portland, Oregon.[18, 19]

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Additional Incentive Options

Large corporations are frequently seeking to locate a plant and get it running as quickly as possible. Providing reliable information on sites, and helping overcome problems with permits and regulations, can help attract business prospects by allowing them to save time. Marketing to site consultants as well as business prospects is also important, because large corporations locating a new plant now use site consultants over 50% of the time.[20]

In sum, there are limits to the power of incentives. Small variations in wages from place to place can offset the largest incentives offered by governments. The highest incentives that are typically provided could be entirely offset by a competing area that had no incentives, but had labor that was 79¢ per hour cheaper in wages.

Business Retention

A focus on business retention makes sense for at least two reasons. First, the decisions of existing state and local businesses about expansion, contraction, or closing can have huge effects on a state's economy. Many plant expansions and contractions are large. Almost three fifths of the jobs created in manufacturing by expansions are due to a business establishment that is increasing its employment by 25% or more.[21]

Second, local businesses often are tied to the state by the advantages of using the local labor force, local suppliers, and local institutions they have become familiar with. For this reason, an output increase by a state firm may have larger multiplier effects than the same increase from a similar newly attracted firm. The state benefits more from employing existing residents than from attracting new residents, who typically consume more in public services than they pay in state and local taxes.

Retention Strategies

Business retention programs involve gathering information on the needs of local businesses, and then encouraging government actions to better meet those needs. Business visitation and surveying programs gather information from businesses using mail surveys, visits conducted by trained volunteers, visits conducted by permanent paid economic development staff, or some combination of all three.[22, 23] Few formal evaluations exist on business visitation programs, but anecdotal evidence suggests such programs can be effective in helping businesses deal with complex government regulations and programs.

More specialized business assistance can also be provided to smaller manufacturers through manufacturing extension programs (MEPs). These programs provide smaller manufacturers with information to improve their productivity through new technologies and better methods of workplace organization, business planning, and marketing. MEP staff can provide services, or play the role of an honest broker to private consulting services or faculty at local universities and community colleges.

Extension services are sometimes funded by state governments and, since 1989, have been funded by the Manufacturing Extension Partnership (MEP) of the National Institute for Standards and Technology (NIST). Also, extension services typically receive support from business user fees, which provide a "market test" of the usefulness of these services.

Each dollar spent on manufacturing extension services reduces business costs by over $3.

Evaluations suggest that manufacturing extension services are effective in improving business productivity. About 64% of MEP business clients reported that the assistance had led to productivity improvements,[24] averaging sales increases of $143,000 and cost savings of $50,000. Additionally, seven regional centers funded by the state of Pennsylvania increased the annual productivity growth of assisted firms by 3.6% to 5% compared to unassisted firms.[25] Research at a national level by Jarmin[26] has found that assisted firms, compared to unassisted firms, significantly increased their productivity. Finally, research in Michigan suggests that each dollar spent on manufacturing extension services reduces business costs by over $3.

New Business Development (Entrepreneurship)

Will increases in small business start-ups expand the state economy? Small businesses disproportionately sell locally, but may still expand the economy if these sales replace "imports" from other states. The new small businesses may also expand the local economy by hiring persons who are hard to employ. Programs for new small businesses include entrepreneurship training, small business advice, business incubators, and capital market programs.

Entrepreneurship Training

Entrepreneurial programs provide training in developing business, marketing, and financing plans. This training is often aimed at disadvantaged groups, such as the unemployed, women, and minorities. Research suggests that these programs increase business start-ups.[27] In fact, entrepreneurship training has more scientifically rigorous evidence of effectiveness than any other economic development policy, as these research findings are based on random assignment of potential entrepreneurs to a treatment group that was assisted, and a control group that received no assistance.

Small Business Advice

Small business advice is most prominently provided by Small Business Development Centers (SBDCs). Over 1,000 centers and subcenters are financially supported by the federal Small Business Administration, with the other half of funding from state and local sources.[28] SBDCs provide counseling to small businesses on business development issues, as well as training in start-up and operation. Surveys suggest their advice is useful.[29]

Business Incubators

Start-up businesses can also be assisted via business incubators, which provide cheap space, shared office support, and business development advice. In surveys, two thirds of firms say that the incubator assistance was important to their business success.[30] Questions remain about whether incubators actually improve the local economy, or whether they merely boost the success of some businesses at the expense of others.

Capital Market Programs

Capital market programs can increase the supply of capital to new small businesses using several methods. Direct loans to small businesses from local revolving loan funds (RLFs), created with public subsidy, are the most prevalent and growing method. Many RLFs began with grants from federal agencies, such as the Economic Development Administration, but increasingly receive investments from state governments and banks. A recent and growing capital market program is Capital Access Programs. Under Capital Access Programs, the government subsidizes a "loan loss reserve" for banks lending to businesses with above-normal risk. Currently, 20 states and two cities run Capital Access Programs.[31]

One issue in capital market programs is whether increased activity by assisted businesses reduces the activity of other local businesses. Political pressures can also make management difficult. These pressures can lead governments to avoid all risk (who wants to take political heat for a loss?), which is inappropriate because non-risky loans can be made by the private sector. Also, programs can be pressured to finance businesses with political clout. These political problems can be reduced by setting up independent financial entities or subsidizing private sector financing.

Some, but not all, evaluations of capital market programs are positive. Small Business Association loan guarantees go to firms that grow faster than similar-looking firms that do not receive such guarantees.[32] Revolving loan funds (RLFs) have a default rate of 5% to 15%, which suggests that the industry serves firms unlikely to receive bank financing.[33] On the other hand, counties with higher growth of RLFs do have faster employment growth than counties with slower RLF growth. Yet the magnitude of these effects imply that less than 1 in 10 RLF loans encourage new business activity.[34] Capital Access Programs appear to encourage banks to make loans with moderate loss rates exceeding typical small business lending standards, which is the intent of the program.[35]

Less than 1 in 10 loans from revolving loan funds encourage new business activity.

High Technology Development

High technology industry is usually defined as industries, both manufacturing and nonmanufacturing, that produce goods or services or use production processes that involve intensive use of new scientific and technical knowledge.[36] Future high tech employment growth is expected to be over 50% greater than average employment growth for all industries, and high tech production growth is expected to be over twice the all-industry average.[37] High tech industries also pay higher salaries than the all-industry average, although they also have higher educational requirements. Finally, many high tech firms have fewer environmental pollution issues than many non-high tech manufacturing firms.

What can economic development programs do if they wish to encourage high tech development? All the economic development strategies listed thus far can be used. Recruitment can be targeted at high tech industries, for example. Much extension service advice is technology related and useful to small high tech firms. Policies to foster new business growth can focus on high tech businesses; for example, 40% of business incubators have a high tech focus.[38]

High tech industries depend on the quality of local universities, and a state's ability to attract workers with advanced skills.

So what differentiates high tech development from general economic development? High tech growth depends more on having access to the knowledge produced in universities. High tech industries will be more sensitive to the quality of local universities, both as providers of knowledge and educators of very high-skilled workers. In addition, high tech growth depends more on being able to attract and keep personnel who have advanced skills. Thus, high tech industries may also be more sensitive to the quality of life, so that very high-skilled workers from elsewhere can be hired.[39] High tech industries also have some special infrastructure needs, such as broadband telecommunications. Finally, high tech goods or services frequently require a longer development time than non-high tech goods or services, so high tech development requires some ability to generate equity capital or other "patient capital."

State governments can develop research centers at local universities that move beyond conducting basic research to supporting technology transfer to local industries. Additionally, in rural areas, governments can try to aggregate the broadband demands of local users in order to attract broadband investment by telecommunication companies. The alternative of direct public investment in such infrastructure is expensive and risky, given rapidly changing telecommunications technology. Finally, local efforts to promote high tech industries should be accompanied by local training programs for entry level jobs in high tech industries and their suppliers.

Few evaluations have been conducted of high tech strategies. One exception is the evaluation of the Ben Franklin Technology Partners (BFTP), a system of regional centers in Pennsylvania. The BFTP's investments in start-up firms significantly increased their employment growth by five employees per year compared to similar firms without such investments.[40] One case study presents evidence that San Diego's high tech development efforts may have contributed to the city's success in adding over 40,000 high tech jobs in the 1990s.[41] In both cases, the high tech strategy was comprehensive, including university research, technology transfer, business advice to start-up companies, and efforts to increase venture capital availability. Comprehensive high tech strategies may be more effective than a single program or policy.

Brownfield Development

Government can increase the effective supply of land for business development if it redevelops land that would otherwise be vacant. "Brownfields" are idle or underused industrial/commercial property sites with real or perceived environmental contamination problems.

Brownfields face both cleanup and legal barriers to redevelopment. Brownfield redevelopment efforts, to be successful, require action both to clean up the site and provide some limits on future cleanup liability for new landowners.

The redevelopment of brownfield sites requires federal or state involvement given the cleanup costs and the requirements of environmental law. State government can provide financial support for cleanup and redevelopment, and set appropriate cleanup standards that balance protection of public health against keeping costs reasonable.

Labor Supply Strategies

Surveys suggest that availability of skilled labor is a key barrier to local economic development.[42] Economic development can be promoted by increasing the quantity or quality of the labor supply; an improved labor supply, in turn, can help attract additional and better employment.

Role of Community Colleges

Community colleges can play an increasing role in trying to meet local labor market needs for worker skills. Research suggests that job training is more effective if it is oriented toward the needs of employers.[43] Thus, training must focus on jobs that are in demand by involving employers to ensure the training is relevant and up-to-date, and by working actively with employers to place successful training graduates.

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Work Supports

Evidence suggests that workers with more disadvantages may need some considerable period of work support. This can be provided by on-the-job training or by supportive public employment such as Milwaukee's New Hope Project of the late 1990s. Private employment can be similarly subsidized to help disadvantaged workers juggle work and home lives, which are often troubled. Evidence suggests such programs can be successful.[44, 45]

Early Childhood Education

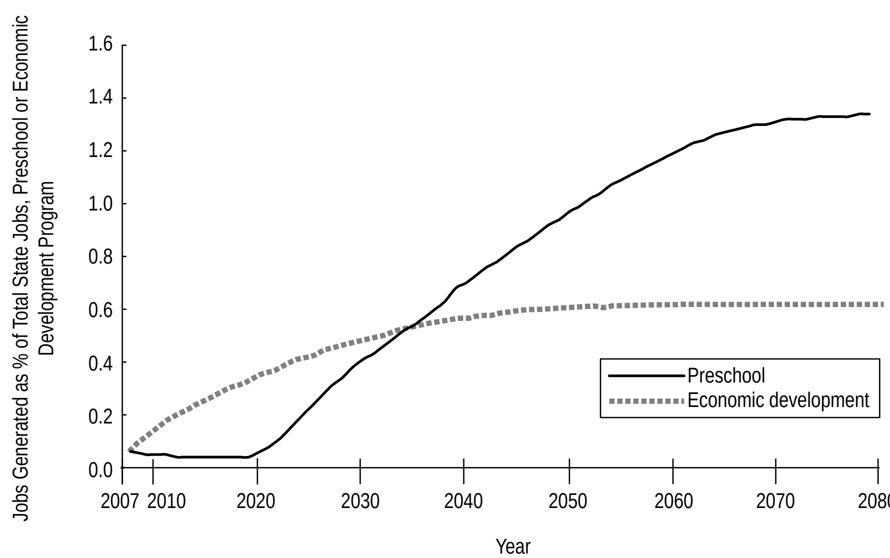
High quality preschool has been shown by rigorous research studies to significantly raise the adult earnings of former preschool participants. These economic development benefits occur because high-quality preschool increases both the soft and hard skills of preschool participants; also, preschool enhances participants' ability to benefit from later education, thereby increasing their future employability and productivity in the labor market. This is important for states because preschool participants quite often remain in the state they grew up in. In fact, over three fifths remain in the typical state, so early childhood education programs can significantly improve the quantity and quality of labor in a state's economy. A high quality labor supply stimulates business to create new jobs and expand output.

My own research has shown that a variety of childhood programs can increase the present value of local earnings by two to three times the cost of the program.[46] Exemplary programs include the Perry Preschool program, the Chicago Child-Parent Center Program for preschoolers and early elementary school students, the Abecedarian full-time child care and preschool program from birth to age 5, and the Nurse Family Partnership program, that provides nurse home visits to needy first-time mothers from the prenatal period to age 2.

In the long run, the annual jobs impact of universal preschool is over twice that of business subsidies.

The effectiveness of these programs is roughly comparable to the cost effectiveness of tax incentives to large corporations in increasing local economic development. In fact, in the long run after former preschoolers have pervaded the entire age distribution of workers, the projected annual jobs impact of universal preschool on a state economy is over twice that of business subsidies (see Figure 1). Even using the most rigorous studies and the most cautious and conservative estimates which considerably scale back participant effects, universal preschool still yields large benefits for state economies and the national economy as well. In about 70 years, universal preschool would add over 3 million jobs to the U.S. economy, almost $300 billion in annual earnings, over $200 billion in annual government tax revenues, and almost $1 trillion in increased annual value of the Gross Domestic Product.

Figure 1. Jobs Generated for State Residents by Permanent Universal Preschool Program, Compared to Jobs Generated by Economic Development Subsidy Program of Same Cost



Source: Bartik (2006).
Note: The jobs generated for the preschool program show effects due to all avenues of influence of preschool programs on job generation, of which the largest is effects on participants and peers, but also including the balanced budget multiplier and labor supply effects on parents. The jobs generated as % of baseline employment compares jobs generated to total state baseline employment, which is assumed to grow at 0.3% per year. Both programs are assumed to start in 2007.

K-12 Education

Within the K-12 system, there is less consensus on how student achievement can most effectively be increased. More time devoted to student learning, either through a longer school year or more in-school time for core subjects such as reading for students who are behind, seems to be one cost-effective way of increasing results.[47, 48]

At the high school level, student achievement that is relevant to the labor market can be boosted by Career Academies, which integrate academic studies around themes related to particular business sectors, and build up student and teacher awareness of and links to careers. In rigorous experiments, Career Academies can boost long-run earnings of disadvantaged students, without harming their educational attainment.[49]

Finally, there are some promising experiments that use internships to link local college students with local employers. Anecdotal reports suggest that such programs may help encourage more college-educated students to remain in the area after graduating, and also help local employers find skilled new workers.[50]

For both early childhood education and K-12 education, economic development benefits may be quite long-term. For example, improving the quality of early childhood or early elementary education does not improve the quality of the local labor supply until these children grow up and enter the labor market. However, some evidence indicates economic effects even in the short-term, due to parents recognizing the advantages of higher school quality. For example, there is evidence that higher elementary test scores are capitalized into higher property values. Parents are willing to pay more for housing that gives access to higher-quality schools.

How do we Deliver Policies and Programs that Provide “Bang for the Buck?”

For any of these policies to be cost effective, they require high-quality implementation. High quality means that these programs have to be implemented with integrity to leverage large effects relative to their costs. Policies with high “bang for the buck” tend to share some common principles.

- Effective policies often focus on businesses and people already in the state, and encourage these businesses and people to stay and improve the quantity and quality of their economic activity. Existing businesses and households in an area are easier to persuade to expand their economic activity in the state.
- Effective policies often target businesses and households at some particular stage of their life cycle where development and decisions are more amenable to interventions. For example, human capital policy that focuses on early childhood education is particularly effective, because young children’s skills are more malleable. On the business side, new start-ups or companies facing significant competitive challenges are often more responsive to policy interventions.
- Policies are often more effective if they directly link labor demanders seeking to expand jobs with labor suppliers seeking to expand the quantity and quality of workers.
- Policies that provide reliable information are often cheap and effective. Among the more effective economic development policies are programs that provide existing businesses with information about government

Policies that provide reliable information are often cheap and effective.

regulation and taxes, and programs that provide businesses with information about state-of-the-art ways to improve productivity.

- Any economic development policy that provides detailed services to businesses or households will require tweaking. This tweaking should be based on informed monitoring and evaluation that provides useful feedback to policymakers.

Even if we are imitating a program that has some good evidence of success in some settings, there still is the issue of whether the program can be replicated in a high-quality way and if it will be equally effective in a different economic context. Therefore, any strategy for revitalizing state economies should include provisions for regularly providing some feedback and evidence on effectiveness.

Summary

In conclusion, there are many ideas for revitalizing state economies. To improve the per capita earnings of the residents of the state, we need to pursue two complementary goals: 1) increasing the quantity and quality of overall labor demand in the state, and 2) increasing the quantity and quality of the labor supply of state residents. What policies will most effectively achieve these two goals?

Entrepreneurship training has the most rigorous evidence for effectiveness of any economic development strategy.

To improve labor demand, entrepreneurship training has the most rigorous evidence for effectiveness of any economic development strategy. In addition, information is cheaper to provide than financial incentives. Incentives for large corporations may be most effective if they focus on up-front, in-kind incentives that provide customized job training and infrastructure support. This assistance can be linked to efforts to encourage these businesses to hire more disadvantaged workers, and to use abandoned or underused land. Small and medium-sized businesses can be provided with information and expertise in a variety of areas: business planning, marketing, technology, and help in dealing with government regulations and programs. Government can use its resources in universities, community colleges, and regulatory agencies, as a reliable source for some types of information.

To improve labor supply, educational interventions work best when they focus on skills relevant to the labor market and at times where they can make the most difference. Early and high-quality interventions work. In fact, high-quality preschool programs are twice as effective over the long run as providing business incentives to large corporations. Later labor supply interventions, in the high school and adult years, require workforce development programs to incorporate the needs of higher-wage employers and connect program graduates with job vacancies. This philosophy is reflected in high school Career Academies, high-quality community college programs, customized job training programs, and supported work and other employment experience interventions for the disadvantaged.

Policymakers can work with researchers to develop useful methods to track policy and program accountability. If done right, economic development strategies can benefit businesses and families in the state.

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Bartik, T. J. (2004). Economic development. In J. R. Aronson & E. Schwartz (Eds.), *Management policies in local government finance* (5th ed., pp.355-390). Washington, DC: International City/County Management Association.

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