

Evaluation of the Appalachian Regional Commission's Infrastructure and Public Works Program



Client

Appalachian Regional Commission (ARC)

Facts

Period2013Project CountryUnited States

During the course of 15 years, EDR Group (now EBP) has helped the Appalachian Regional Commission (ARC) monitor the effectiveness of its Infrastructure and Public Works grant program for local communities.

ARC is the economic development agency for the Appalachian region which spans parts of 13 states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, West Virginia, and Virginia. Many communities in this region have suffered from chronic economic distress associated with isolation, unemployment, and low incomes. The Infrastructure and Public works grant program has, over a long period of time, provided grants to communities for investment in local industrial parks, business incubators, housing, fiber optic lines, access roads, water, and sewer facilities.

EDR Group's role has spanned three waves of analysis. The first study, published in 2000, was conducted by Brandow Company and EDR Group. It evaluated 99 projects completed over the 1990-1997 period. A second study, in 2007, was conducted by EDR Group with Bizminer. It covering 104 additional projects completed between 1998-2006. The third study 2013, was conducted by HDR with EDR Group, CS and Mt. Auburn Associates. It examined 811 grants from 2004-2010, although only 21 had full information on outcomes.

A common finding in all three studies was a differentiation between grants that were expected to create jobs (by providing the infrastructure necessary for attracting business), and grants intended to enhance the quality of life for residents (through water, sewer, and housing improvements). In all three studies, it was found that there was wide variation in the outcomes of individual grants, with some projects showing greater than expected job growth, and other projects showing less than expected job growth. However, all three studies showed that the aggregate job creation effects of the grant program had exceeded the expected numbers that were stated in grant applications. There was also evidence that job growth effects continued well after the completion of the grants, meaning that larger impacts became evident when impacts were measured later in time.

Another notable aspect of these studies was careful attention to identifying net benefits associated with the project (as opposed to other factors), and the avoidance of "double counting" in allocating project benefits to multiple funding parties. The studies also examined how ARC funds were packaged with other federal funding sources and applied to leverage additional private and local public funding.

Contact Persons