

PERFORMANCE METRICS

“Performance measures should be identified to evaluate the progress of activities in achieving the vision, goals and objectives”. US EDA Content Guidelines

The purpose of the CEDS is to strengthen the foundation, performance and inclusion of the region’s economy through collaboratively identified strategies addressing mutually identified challenges. The evaluation framework should map to the overall goals and objectives as outlined earlier in the report. The set of performance measures should be both track key overall economic indicators as well as provide yardsticks for the effectiveness of actions and strategies; or, succinctly, how is the economy doing, and importantly, how are our actions contributing to its performance and inclusiveness?

A regional economy as complex and diverse as the Bay Area’s is a system of connections between the labor force, employers, and local and global markets. Successes and failures in the economy as a whole accordingly have many component factors, some of which are specific to each industry (e.g. can industry x hire specialized workers?); some to the labor market (can workers find jobs and training); some to the built environment or supporting infrastructure; and again others to the placement in the economic cycle. Because economic growth is a function of many independent factors, it is important to periodically track a number of them, and, as needed, adjust strategies and actions should these signal room for improvement.

Accordingly the aim is for the performance measures to strategically relate to these contributing factors: More than just being an enumeration of topline standard economic growth accounting of job growth, we hope to set our sights on more subtle, yet strategic elements of the regional economy, as it were, looking for early canaries in the coal mine signaling changes in trajectories and the need for some response: while outcomes are ultimately important, many indicators should be intrinsically related to policy action. We recognize that performance measures may serve different functions: Some track the overall health of the economy and labor force, while others may tell us of progress on specific actions, or key inputs to the overall economic health. Some measures may serve more than one of these functions, while others may be more singularly focused. Loosely, we distinguish between policy-focused measures and outcome-focused measures: Policy measures should track how we are doing with respect to a specific policy of interest, while outcome measures are higher level sum-total accounting but not necessarily related to any one policy or strategy. For example, we would both be interested in the number of housing starts (an outcome measure), as well as conditions enabling more appropriate housing development, such as regional funding strategies or entitlement streamlining (policy / progress measures). Either type of measure can at the same time have a “canary-in-the-coalmine”-quality to it: A prolonged decline in high school graduation rates would require corrective action, just as would a decline in housing production. The measures should be tracked over time as consistently as possible so we can identify trend deviations quickly.

Ultimately, the purpose of the measures is to over time be able to review actions and strategies based on indicators on the overall state of the economy as well as its component parts: Are our infrastructure systems performing; do we see growth in skills and training in our labor force; is the region seen as a great places to live or visit; do we have robust housing markets working for all economic segments; and do we have meaningful regional coordination among industry, residents and policy makers allowing problems to be identified and ultimately, appropriately addressed.

Criteria for selecting indicators

While a large possible number of indicators are possible, the aim is to balance precision with tractability—more indicators give a more precise picture but they require work to compile, process and interpret. The indicators themselves should match all of these criteria: relevant to the economy; timely in its release

schedule; measurable given available data; relatable to the scope of the CEDS strategies and actions; and with outcomes that are achievable. For the time being, we will not set specific numeric targets, but focus on compiling a time series and tracking trends for the various indicators.

| Criteria | Description |
|------------|---|
| Relevant | Measures some component of interest |
| Timely | Should be available preferably at an annual basis, with no more than a 1-year lag in release. |
| Measurable | Data should be readily available from preferably public sources, or as the output of a specific program |
| Relatable | The target should be related to specific goals, objectives and / or actions we as a region are able to influence / have some control over |
| Achievable | The specific quantity should represent an achievable state of affairs and not merely be aspirational |

Draft performance measures

GOAL 1. BUSINESS CLIMATE. Develop policies to improve the business climate and retain and expand our strong economic base and culture of innovation.

Focus: Entrepreneurship, access to labor, capital

- Measure 1.1. The entry rate of new firms
Detail: Entry rate of minority and women-owned firms
Data source: Dun & Bradstreet (annually)
- Measure 1.2. The Bay Area share of H1B skilled migrant workers
Data source: US Dept of Labor, Office of Foreign Labor Cert. (OFLC) (quarterly)
- Measure 1.3. The Bay Area share of venture capital investment
Data source: PwC MoneyTree Report (quarterly)
- Measure 1.4. The regional and county proportions of jobs to housing
Data source: BLS QCEW, DOF E5 (annually)
- Measure 1.5. Percent change in jobs in top industries in the region and by county (proxy for business cluster strength)
Data source: BLS QCEW (quarterly)

GOAL 2. WORKFORCE. Upskill the workforce and provide pathways to better jobs by improving the alignment between workforce skills and business needs and evaluate ways to improve low wage occupations.

Focus: Workforce skills

- Measure 2.1. Labor force participation rates for prime aged workers by race and gender.
Labor force participation rates by race and by gender
Data source: BLS Local Area Unemployment Statistics (monthly); For race, gender detail, ACS PUMS (annually)
- Measure 2.2. Unemployment / under-employment rates
Data source: BLS Local Area Unemployment Statistics (monthly); For race, gender detail, ACS PUMS (annually)
- Measure 2.3. Unemployment rates by occupation.
Data source: ACS PUMS (annually)
- Measure 2.4. The income share of the lowest earning quartile of workers.

- Income share by race and by gender
Data source: ACS PUMS (annually)
- Measure 2.5. High school graduation rates
High school graduation rates from majority-nonwhite schools, and from schools with high percentages of students on free/reduced lunch
Data source: CA Department of Education, DataQuest (annually)

GOAL 3. HOUSING AND WORK PLACES. House the labor force needed to fill the low, middle and high wage jobs required by our economy while providing flexibility for timely expansion of work places.

Focus: Housing supply, cost, and job location

- Measure 3.1. Number of housing permits per year and by county.
Data source: US Census Bureau, Building Permits Survey (annually)
- Measure 3.2. The share of cost burdened households
Data source: ACS PUMS (annually)
- Measure 3.3. The share of new units affordable to households making less than 100% of AMI.
Data source: ACS PUMS (annually)
- Measure 3.4. Share of households that are overcrowded.
Data source: ACS PUMS (annually)
- Measure 3.5. Percent of RHNA's reached for different income groups (Very Low Income, Low Income, and Moderate income groups)
Data source: ABAG (annually)
- Measure 3.6. Ratio of Above Moderate income units permitted relative to Moderate, Low Income, and Very Low Income
Data source: ACS PUMS (annually)
- Measure 3.7. Cost-burdened households by Very Low, Low, Moderate, and Above Moderate income status
Data source: ACS PUMS (annually)

GOAL 4. INFRASTRUCTURE. Prioritize investments to address the growing strains on transportation, water, energy and communications.

Focus: Efficiency in transportation, water, communication

- Measure 4.1. Proportion of commutes longer than 45 minutes
Data source: ACS PUMS (annually)
- Measure 4.2. Jobs accessible within a 45-minute car ride
Data source: MTC, California Economic Development Department (quarterly)
- Measure 4.3. Jobs accessible within a 45-minute transit ride
Data source: alltransit.cnt.org
- Measure 4.4. Water efficiency of new development
Data source: TBD
- Measure 4.5. Share of homes and businesses covered by high speed broadband access
Data source: CA Public Utilities Commission (occasional)
- Measure 4.6. Percent of jurisdictions with planned or operational soft-story retrofitting programs
Data source: TBD