

ECONOMIC DEVELOPMENT FUNDING & RESEARCH

A report prepared for

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By

BRIDG

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Federal Spending on Economic Development Programs

Part I of this report presents an answer to the following questions:



Which federal government departments/agencies spend funds for economic development?



On what activities is the federal government spending money for the purpose of economic development?



How much money is being allocated for this purpose?

Part II of this report presents an answer to the following question:



Who is researching the return on investment on public economic development expenditures?

PART I:

The Business Research & Information Development Group (BRIDG) (referred to hereafter in this document as “we”) gathered the information for this section of the report from the Catalog of Federal Domestic Assistance and other Federal information sources covering fiscal years 2000, 2001, and 2002. All told, over \$19.6 billion was spent on economic development programs in FY 2000 (the latest year for which actual totals are available). Below are summaries of the 67 programs through which the Federal government channels its spending in this area. In reviewing the information gathered, we noted the following patterns:

- A large number of programs (17) are dedicated to fostering economic development in rural areas. The majority of these programs are housed within the Department of Agriculture, but others can be found within the Appalachian Regional Commission and the Department of Housing and Urban Development. Many of these grants focus on developing the telecommunications infrastructure in rural areas. Over \$3.8 billion dollars in grants, loans, loan guarantees, and specialized services were allocated in FY 2000.

- Although there are fewer numbers of programs dedicated to economic development in urban areas (a total of four), a greater amount of money was allocated to these initiatives. In FY 2000, over \$4.2 billion was allocated in grants, loans, loan guarantees, and specialized services, largely through the Department of Health and Human Service's office of Community Planning and Development. Most of these grants focus specifically on providing adequate housing and expanding economic opportunities.
- In FY 2000, over \$990 million was allocated to programs which specifically focus on women or minority groups. Of this amount, 92%, or \$921 million, was earmarked for Native American tribal governments, organizations, or individuals, largely through the Department of the Interior. Of the remainder, \$6.5 million was allocated to Hispanic Serving Institutions (HSIs) for community development projects, \$10 was given to Historically Black Colleges and Universities (HBCUs) to address community needs, and \$54 million in grants and loans were designated to assist women, low-income, and minority businesses owners through the Small Business Administration.
- Nearly \$76 million was designated for economic development research through the USDA, the Appalachian Regional Commission, the Commerce Department's Economic Development Administration, and Housing and Urban Development.
- Over \$7.1 billion was allocated directly to businesses or other private commercial entities in the form of grants, loans, loan guarantees, and specialized services. Programs that offer this kind of assistance were housed within the USDA, the Small Business Administration, and the Overseas Private Investment Corporation.
- Of the total amount allocated to economic development programs, \$3.5 billion (or approximately 18%) was given in the form of project grants, \$5.6 billion (28%) in formula grants, \$5.2 billion (27%) in the form of loans or loan guarantees, and \$5.2 billion (27%) in other forms (such as direct payments, insurance, advisory services and counseling, provision of specialized services, surplus equipment, etc.).

Notes on the tables:

- The dollar amounts quoted for FY 2000 reflect actual monies given out, while the amounts for FY 2001 (which ends Sept. 30, 2002) and FY 2002 (which ends Sept. 30, 2003) are estimates.
- ***Project grants*** are those monies offered for fixed or known periods for specific projects. These are grants which eligible organizations or agencies can apply for on a competitive basis and are, perhaps, the most familiar source of federal funds for most organizations. ***Formula grants*** are allocations of monies to States or their subdivisions in accordance with distribution formulas prescribed by law or administrative regulation, for activities of a continuing nature not confined to a specific project. These monies are often, but not always, made available through competitive grant programs on the state level.
- Although some of the programs may seem only tangentially related to economic development, all are categorized by the Federal government itself as falling within this subject area.

DEPARTMENT OF AGRICULTURE

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Support	Program Highlights	Funds distributed in FY 2000	Funds distributed in FY 2001 (estimated)	Funds distributed in FY 2002 (estimated)
Cooperative State Research, Education, and Extension Service	To support the development of community food projects, increase self-reliance of communities, and promote comprehensive responses to food, farm, and nutrition issues	NFPs	Project grants	16 grants	\$2,400,000	\$2,400,000	\$2,400,000
Cooperative State Research, Education, and Extension Service	Funding for Rural America (FRA) provides funds for rural development programs	Research agencies, national laboratories, colleges or universities	Project grants		\$18,865,200	\$9,480,000	\$9,480,000
Forest Service	To help rural areas analyze and assess forest resource opportunities, maximize economic potential through market development, and diversify communities' economic base	Tribal nations, state and federal agencies, state foresters, local governments, NFPs	Project grants	Electronic reporting system under development; no measures reported at this time.	\$5,445,000	\$4,692,000	\$6,057,000

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Support	Program Highlights	Funds distributed in FY 2000	Funds distributed in FY 2001 (estimated)	Funds distributed in FY 2002 (estimated)
Forest Service	To assist rural communities faced with economic problems associated with federal, state, or private sector resource management decisions	Economically disadvantaged rural areas	Project grants; use of property, facilities, equipment; training	800 local communities helped	\$4,922,000	\$3,642,000	\$9,000,000
Natural Resources Conservation Service	To improve ability to plan, develop, and carry out programs for resource conservation and development in rural areas	State and local governments and NFPs	Advisory services and counseling	41,003 projects by local citizens as of Sept. 30, 2000	Financial Assistance: \$120,192 Salaries and Expenses: \$36,039,875	Financial Assistance: \$168,000 Salaries and Expenses: \$43,315,666	Financial Assistance: \$168,000 Salaries and expenses: \$44,180,000
Rural Business-Cooperative Service	Fostering rural economic development and job creation	Electric and telephone utilities	Project grants, direct loans	564 loans; 208 grants	Loans: \$15,000,100 Grants: \$11,000,000	Loans: \$15,000,000 Grants: \$3,000,000	Loans: \$15,000,000 Grants: \$0
Rural Business-Cooperative Service	To promote development in rural communities with exceptional needs	Public bodies, NFPs, tribal groups, rural cooperatives	Project grants	39 grants	\$3,750,000	\$8,700,000	Not available
Rural Business-Cooperative Service	To finance business facilities and community development	Private NFPs, state or local governments, Indian tribes and cooperatives	Direct Loans	68 loans approved	\$38,256,965	\$44,064,335	TBD

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Support	Program Highlights	Funds distributed in FY 2000	Funds distributed in FY 2001 (estimated)	Funds distributed in FY 2002 (estimated)
Rural Housing Service	To improve housing, community facilities, and community and economic development projects.	Private or public organizations	Project grants	20 grants	\$6,000,000	\$6,000,000	\$6,000,000
Rural Utilities Service	To provide assistance to rural communities with extremely high energy costs	Persons, states, subdivisions of states, and other entities	Project grants; direct loans		\$0	\$9,934,000	TBD
Rural Utilities Service	To provide grants to state entities for revolving funds to promote cost-effective fuel purchases for communities where fuel cannot be shipped by surface transportation	State entities	Project grants	Too new to report	\$0	\$5,000,000	TBD
Rural Utilities Service	To provide financing to extend telecommunications services in rural areas	Those who have received loans or loan commitments under Section 201 of the Rural Electrification Act	Direct Loans	32 borrowers received loans	\$174,999,300	\$174,615,000	\$175,000,00

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Support	Program Highlights	Funds distributed in FY 2000	Funds distributed in FY 2001 (estimated)	Funds distributed in FY 2002 (estimated)
Rural Utilities Service	To assure that people in eligible rural areas have access to electronic services comparable in quality to the rest of the country	Rural electric cooperatives, public utility districts, power companies, municipalities, and other providers	Direct Loans	51 direct loans and 100 loan guarantees	Direct Loans: \$416,536,557 Loan guarantees: \$1,700,000,000	Direct Loans: \$916,500,000 Loan guarantees: 1,700,000,000	Direct Loans: \$915,486,465 Loan guarantees: \$1,700,000,00
Rural Utilities Service	To provide basic human amenities, alleviate health hazards, and promote orderly growth of rural areas via new and improved water and water disposal facilities	State and local government entities	Project grants, direct loans, guaranteed loans	908 direct loans, 765 grants, and 9 guaranteed loans made in 2000	Direct loans: \$765,691,417 Guaranteed loans: \$10,771,835 Grants: \$557,606,000	Direct loans: \$885,041,301 Guaranteed loans: \$75,000,000 Grants: \$572,848,983	Direct Loans: \$900,000,000 Guaranteed loans: \$75,000,000 Grants: \$600,000,000
<i>Totals For Department of Agriculture</i>					3,767,654,000	4,479,401,285	4,457,771,465

APPALACHIAN REGIONAL COMMISSION

Purpose of Assistance Program	Recipients	Type of Funding	Program Accomplishments	FY 2000	FY 2001	FY 2002
To help the regional economy become more competitive by fostering self-sustaining economic development	States and subdivisions and private NFPs	Project grants	449 projects	\$52,638,000	\$90,119,00	Not available
To improve the quality of life in Appalachia through joint Federal-state-local efforts	States and public bodies within Appalachia	Project grants	Reported under individual Appalachian programs	Reported under individual ARC programs	Reported under individual ARC programs	Reported under individual ARC programs
To expand knowledge of the region by state-sponsored research	Appalachian states	Project grants		\$900,000	\$840,000	TBD
<i>Totals for Appalachian Regional Commission</i>				53,538,000	90,959,000	TBD

DEPARTMENT OF COMMERCE

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Funding	Program Highlights	FY 2000	FY 2001	FY 2002
None specified	To support technology-based economic growth by promoting partnerships between government, universities and colleges, NFPs and the private sector	Governments and NFPs in 31 designated states and Puerto Rico	Project grants	Currently under review	\$0	\$0	\$0
Bureau of Economic Analysis, Economics and Statistics Administration	To provide statistics that offer an up-to-date picture of economic activity	Any citizen or business may request information	Dissemination of Technical Information		\$45,279,000	\$48,577,000	\$56,611,00
Economic Development Administration	To help the cost of economic development planning	States, sub-states planning units, Indian tribes or local gov'ts.	Project grants	446 grants in 2000	\$23,899,000	\$23,947,200	\$24,000,000

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Funding	Program Highlights	FY 2000	FY 2001	FY 2002
Economic Development Administration	Technical assistance to promote economic development and alleviate unemployment	Private or public NFPs, educational institutions, gov't agencies	Project grants	143 grants in 2000	\$9,164,000	\$9,079,980	\$9,100,000
Economic Development Administration	Grants for public facilities needed to support creation/retention of jobs	States, cities, counties, universities, Indian tribes, NFPs	Project grants	226 grants in 2000	\$204,512,000	\$286,069,260	\$250,000,000
Economic Development Administration	Research into causes of excessive unemployment; assist in formulation of national, state, and local economic development programs	Colleges, universities, other research institutions	Project grants	14 grants in 2000	\$526,000	\$498,900	\$500,000
Economic Development Administration	To assist state and local interests in developing strategies to change an economy	Economic development districts, states, cities, Indian tribes, colleges or universities, NFPs	Project grants	253 grants in 2000	\$127,647,000	\$154,655,626	\$40,900,000

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Funding	Program Highlights	FY 2000	FY 2001	FY 2002
Economic Development Administration	To provide trade adjustment assistance to firms and industries adversely affected by increased imports	Intermediary organizations that provide assistance to trade-injured firms	Project grants	137 grants in 2000	\$15,300,000	\$10,476,900	\$10,500,000
International Trade Administration	To encourage domestic warehousing, manufacturing, and processing activity	Public and private corporations	Provision of specialized services	60 to 90 new applications each year	Operations and administration: \$748,444	Operations and administration: \$830,000	Operations and administration: \$860,000
National Telecommunications and Information Administration	To promote use and availability of advanced telecommunications and information technologies	State, local, and tribal governments, universities and colleges, NFPs	Project grants	35 grants in 2000	\$ 13,897,799	\$43,046,000	\$12,404,000
<i>Totals for the Department of Commerce</i>					\$440,973,243	\$577,180,866	404,875,000

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Purpose of Assistance Program	Recipients	Type of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
To eliminate poverty and poverty-related problems by enabling meaningful work as volunteers	Government agencies at all levels, or private NFPs	Provision of specialized services	6,000 Vista volunteers served 1,200 organizations	\$73,000,000	\$80,574,000	\$86,000,000
<i>Totals for the Corporation for National and Community Service</i>				\$73,000,000	\$80,574,000	\$86,000,000

DEPARTMENT OF EDUCATION

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Funding	Program Accomplishments	FY 2000	FY 2001	FY 2002
Office of Assistant Secretary for Postsecondary Education	To promote innovation in international business education curricula and to promote linkages between academic institutions and the business community	Academic institutions	Project grants	54 grants in 2000	\$4,168,000	\$4,300,000	\$4,300,000
<i>Totals for the Department of Education</i>					\$4,168,000	\$4,300,000	\$4,300,000

DEPARTMENT OF ENERGY

Sub-Agency	Purpose of Assistance Program	Recipients	Type of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Office of Minority Economic Impact, Office of Economic Impact and Diversity	To support increased participation of minority and women-owned small businesses; to increase high technology research and development contracting activities	Minority businesses	Advisory services and counseling	None specified	\$542,000	\$500,000	\$500,000
<i>Totals for the Department of Energy</i>					\$542,000	\$500,000	\$500,000

FEDERAL MEDIATION AND CONCILIATION SERVICE

Purpose of Assistance Program	Recipients	Type of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
To support joint labor-management committees in both public and private sectors	Private, not-for-profit labor-management committees and associated organizations	Project grants	230 labor-management committees in 36 states established since 1981; 15 grants per year	\$1,500,000	\$1,500,000	\$1,500,000
<i>Total for the Federal Mediation and Conciliation Service</i>				\$1,500,000	\$1,500,000	\$1,500,000

GENERAL SERVICES ADMINISTRATION

Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
To donate Federal personal property to public agencies and qualifying nonprofit entities to reduce state and local government costs	State and local government entities	Sale, exchange, or donation of property and goods	Property worth \$526.3 million will be donated in FY 2001	Salaries and expenses: \$10,176,000	Salaries and expenses: \$10,727,359	Salaries and Expenses \$11,097,000
<i>Totals for the General Services Administration</i>				\$10,176,000	\$10,727,359	\$11,097,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Administration for Children and Families	To provide financial assistance, training, and technical assistance to organizations that serve Native groups	Public and private NFPs serving Native groups	Project grants, direct loans	205 grants in 2000	Grants and Contracts: \$35,414,357 Loans: \$1,000,000	Grants and Contracts: \$45,996,000 Loans: \$1,000,000	Grants and Contracts: \$44,396,000 Loans: \$0
Administration for Children and Families	To alleviate the causes of poverty in distressed communities through job promotion, improved water systems, recreational activities, enhanced electronic communication	For economic development projects: private NFPs For all other projects, the Secretary may make direct grants to government entities or private non-profits	Project grants	81 grants in 2000	\$45,851,971	\$45,861,000	\$30,034,000
<i>Totals for the Department of Health and Human Services</i>					\$82,266,328	\$92,857,000	\$74,430,000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Community Planning and Development	To expand the supply of affordable housing and access to economic opportunities in rural areas	Local, rural, and non-profit community development corporations and Indian tribes	Project grants	None to report; 1999 was the first year funding was available	\$25,000,000	\$24,945,000	\$0
Community Planning and Development	To help public entities carry out economic development Project grants	Local government entities	Project grants	43 grants in 2000	Grants: \$25,000,000 Loans: \$25,000,000	Grants: TBA Loans: \$24,945,000	Grants: TBA Loans: \$25,000,000
Community Planning and Development	To assist Historically Black Colleges and Universities in addressing community development needs	HBUCs	Project grants	In FY 2000, \$10 million was awarded to 38 HBCUs	\$10,000,000	\$9,978,000	\$9,978,000
Community Planning and Development	To develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities	Small cities; allocations are given to states	Project grants	Not available	\$4,942,000	\$5,152,000	\$5,512,000

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Community Planning and Development	To develop viable urban communities by providing decent housing and expanding economic opportunities	Cities in metropolitan areas	Formula grants	1008 units of local government were eligible to receive grants in FY 2000	\$2,965,235,000	\$3,079,210,000	\$3,079,510,000
Community Planning and Development	To develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities	State governments	Formula grant	62,200 housing units created	\$1,265,873,000	\$1,314,638,000	\$1,314,638,000
Community Planning and Development	To provide community development assistance to American Samoa, Guam, the Northern Marianas, and the U.S. Virgin Islands	Island governments	Project grants		\$7,000,000	\$6,984,000	\$6,984,000
Community Planning and Development	To fund a wide range of multi-disciplinary activities and services to assist economically disadvantaged youth.	NFPs, State or local governments, or other educational entities	Project grants	78 grants in 2000	\$42,500,000	\$59,868,000	\$59,868,000

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Office of Community Planning and Development	To provide communities with a source of financing for economic development, housing rehabilitation, public facilities, and physical development	Metropolitan cities and urban counties	Guaranteed/ Insured Loans	88 commitments leading to 30,000 jobs	\$1,261,000,000	\$1,258,225,800	\$608,696,000
Policy Development and Research	To carry out research, demonstration, and program evaluation and monitoring high-priority and pre-selected projects to improve the operations of the Department's programs	State and local governments, academic institutions, NFPs	Project grants	40-60 grants each year	\$57,375,000	\$39,912,000	\$43,404,000
Policy Development and Research	To make grants to higher education institutions to assist minority students who participate in community development work-study programs	Institutions of higher education, area-wide planning organizations, or states	Project grants	150 students per year are assisted in obtaining their masters degrees in a community building field	\$3,000,000	\$2,993,400	\$3,000,000

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Policy Development and Research	To help Native Alaskan and Native Hawaiian institutions of higher education enhance their role in community development	Non-profit Alaska Native and Native Hawaiian institutions of higher education	Project grants	5 Alaskan and 5 Hawaiian projects anticipated in 2001	\$2,000,000	\$2,993,400	\$3,000,000
Policy Development and Research	To help Hispanic-Serving Institutions (HSIs) of higher education address community development needs	Nonprofit HSIs	Project grants	14 grants in 2000	\$6,500,000	\$6,485,700	\$6,500,000
Policy Development and Research	To support partnerships among higher education institutions and communities to solve urban problems through research, outreach, and exchange of information	Higher education institutions	Project grants	18 new grants per year	\$8,000,000	\$7,982,400	\$8,000,000
Public and Indian Housing	To provide assistance to Indian tribes and Alaska native villages to develop viable Indian communities	Indian tribes, bands, groups, nations, or tribal organizations	Project grants	107 grants in 2000	\$68,902,466	\$70,280,515	TBD

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Public and Indian Housing	To provide federal assistance for Indian tribes	Indian tribes and tribal housing entities	Formula grants		\$625,101,378	\$637,603,406	\$648,570,000
Public and Indian Housing	To promote, primarily, "welfare to work" and independent living for the elderly and persons with disabilities	Public and Indian Housing and tribally designated housing entities	Project grants	Too new to report	\$5,061,104	\$15,603,263	TBD
<i>Totals for Housing and Urban Development</i>					\$6,407,489,948	\$6,567,799,884	\$5,822,660,000

DEPARTMENT OF THE INTERIOR

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Bureau of Indian Affairs	To help tribal governments improve economies through credit programs and other activities	Tribal governments	Direct Payments	N/A—programs administered by Tribal governments	\$1,407,000	\$1,320,000	\$1,400,150
Bureau of Indian Affairs	To assist Native organizations in obtaining private financing to promote business development	Tribal governments and individual American Indians	Guaranteed/ Insured loans	\$230,000,000 in guaranteed loans have been awarded	\$4,985,000	\$4,977,000	\$4,986,000
Bureau of Indian Affairs	To improve ironworker vocational training, apprenticeships, and job placement to Native Americans	American Indian tribe members	Project grants	120 individuals participated in this program	\$522,000	\$521,000	TBD
Bureau of Indian Affairs	To further the goals of Indian Self-Determination	Tribal governments	Direct payments	77 Indian tribes/consortia participated	\$167,178,000	\$178,501,000	\$178,732,000
Bureau of Indian Affairs	To provide vocational training and employment opportunities and reduce Federal dependence	Tribal governments and Native organizations	Direct payments	175 awards made annually to tribal governments	\$7,915,000	\$7,185,000	\$7,776,120

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Bureau of Indian Affairs	To provide vocational training to individual American Indians through the United Tribes Technical College in ND	UTTC administers the program	Direct Payments, Training		\$2,370,000	\$2,425,000	\$2,491,000
Totals for the Department of the Interior					\$184,377,000	\$194,929,000	\$195,385,270

DEPARTMENT OF JUSTICE

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
Office of Justice Programs, Office for Weed and Seed, Bureau of Justice Assistance, Office of Juvenile Justice, Departments of Agriculture and Health and Human Services	To implement Operation Weed and Seed, a multi-disciplinary program to combat violent crime, drug use, and gang activity	Coalitions of community residents, state and federal agencies, and the private sector	Project grants, provisions of specialized services	Significant declines in crime rates	\$36,567,668	\$32,412,000	\$33,500,000
Totals for the Department of Justice					\$36,567,668	\$32,412,000	\$33,500,000

DEPARTMENT OF LABOR

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
Employment and Training Administration	To place persons in employment by providing placement services without charge to job seekers or employers	States and territories	Formula grants, provision of specialized services, advisory services and counseling	N/A	\$761,735,000	\$761,735,000	\$850,000,000
<i>Totals for the Department of Labor</i>					\$761,735,000	\$761,735,000	\$850,000,000

NATIONAL CREDIT UNION ADMINISTRATION

Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
To support low-income credit unions in their efforts to stimulate economic development and provide basic financial and related services	State and federally chartered credit unions with a low-income designation	Direct Loans	New loans were made in FY 2000	\$5,583,000	\$4,000,000	\$3,000,000
<i>Totals for the National Credit Union Administration</i>				\$5,583,000	\$4,000,000	\$3,000,000

OVERSEAS PRIVATE INVESTMENT CORPORATION

Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2001
To insure investments against risks associated with international investment	Citizens, U.S. corporations, foreign corporations	Insurance	Over 250,000 jobs created in last 29 years	\$4,842,000,000	\$4,638,000,000	\$2,202,000,000
Totals for the Overseas Private Investment Corporation				\$4,842,000,000	\$4,638,000,000	\$2,202,000,000

SMALL BUSINESS ADMINISTRATION

Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
To promote economic development and the creation of wealth and job opportunities in low-income geographic areas	Newly formed for-profit companies	Project grants, guaranteed/insured loans	Not available	\$150,000,000 in debenture guarantees authority and \$50,000,000 for grant award. Both are eligible until expended		
To assist women, low-income, and minority entrepreneurs and business owners to operate their businesses	Intermediary Lenders	Formula grants, direct loans	\$100 million in microloans have been issued since 1992	Direct Loans: \$19,455,000 Loan guarantees: \$24,631,000 Formula grants: \$10,000,000	Direct Loans: \$60,000,000 Loan guarantees: \$11,995,000 Formula grants: \$12,000,000	Direct Loans: \$60,000,000 Loan guarantees: \$16,000,000 Formula grants: \$12,000,000
Totals for the Small Business Administration				\$254,086,000	\$83,995,000	\$88,000,000

DEPARTMENT OF STATE

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Accomplishments	FY 2000	FY 2001	FY 2002
Bureau of Educational and Cultural Affairs	To improve the teaching and learning of English around the globe as a means for, among other things, economic development	U.S. Citizens with advanced degrees in TESL/TEFL	Project grants	In 2000, 61 specialists provided training in 32 countries	\$332,019	\$300,000	\$300,000
<i>Totals for the Department of State</i>					\$332,019	\$300,000	\$300,000

DEPARTMENT OF TRANSPORTATION

Sub-Agency	Purpose of Assistance Program	Recipients	Types of Support	Program Highlights	FY 2000	FY 2001	FY 2002
Federal Transit Administration	To assist in financing the acquisition, construction, and improvement of facilities, rolling stock, and equipment in mass transportation service	Public agencies	Formula grants, project grants	N/A	Discretionary grants: \$289,184,000 Capital investment grants: \$2,432,652,000	Discretionary grants: \$66,000,000 Capital investment grants: \$2,721,533,000	Discretionary grants: \$0 Capital investment grants: \$2,841,000
Federal Transit Administration	To foster innovation in public transit systems; to address economic and social issues resulting from human impacts on the environment; to help solve industry-wide problems; to develop information and technical assistance	Public bodies, NFPs, universities	Project grants, dissemination of technical information, training	N/A	\$25,647,000	\$29,435,000	\$31,500,000
Maritime Administration	To promote development of waterways, ports, and port facilities	State and local government agencies, cities, trade associations, an private operators	Advisory services and counseling; dissemination of technical information	N/A	Research: \$0 Salaries and expenses: \$128,700	Research: \$0 Salaries and expenses: \$131,200	Research: \$0 Salaries and expenses: \$134,742
<i>Totals for the Department of Transportation</i>					\$2,747,611,700	\$2,817,099,200	\$34,475,742

PART II:



Who is researching the return on investment on public economic development expenditures?

To answer this question, we conducted a review of the secondary literature in the areas of economic development and community development, as well as reviewed some new popular press books related to the topic. In addition, we talked with knowledgeable economists from a variety of organizations and asked for their opinions and suggestions. **These efforts did not reveal any published research or identify any researchers who are specifically answering this question.** Our literature searches, however, **identified many tangential articles that demonstrate the availability of economic models and interests of researchers that appear to be closely aligned** to this question. These tangential articles are provided in the bibliography.

In addition to the literature searches, we talked with economists from the University of Missouri-Kansas City, Nexus Associates, Inc., W.E. Upjohn Institute, ACCRA, and NCOE. While these individuals did not provide us with specific names of researchers who are answering this question, they did discuss the economic models that are available and being used to answer similar questions, and cited several community and regional studies that have addressed specific areas of investment, such as Enterprise Zones, Downtown Revitalization.

For example, we spoke with Eric Oldsman at Nexus Associates, Inc. Nexus Associates have conducted numerous studies that are tangential, such as:

Pennsylvania's Industrial Resource Centers – a state study of the economic impact of the program, likely future of manufacturing, and implications for the program in the future.

Manufacturing Extension Programs – several studies have been conducted examining the effectiveness of these programs, general and specific, their success, and the role of public funds.

(Nexus Associates, Inc. – www.nexus-associates.com)

We also reviewed the W.E. Upjohn Institute’s web site (www.upjohninst.org) and found several abstracts that may be useful. In particular, the works of Economists George A. Erickcek and Timothy Bartik at the Institute appear in line with this specific research topic.

For example,

“Smart” Economic Development – this paper notes the failure of states and local governments to adequately evaluate economic development projects. Erickcek also notes the importance of entrepreneurship to “generate the spark” for core cluster development. (Erickcek, April, 2001).

The Benton Harbor Area Benchmarking Study – key community factors allowing communities to compare themselves to others. (Erickcek and Watts, 2000).

Developing Community Economic Outcome Measures – A report on how to develop and institute economic outcome measures. (Erickcek, Fall 1996).

Who Benefits from State and Local Economic Development Policies? Bartik, 1991.

Bidding for Business: The Efficacy of Local Economic Development Incentives in a Metropolitan Area. Anderson, John E., Wassmer, Robert W., 2000).

A listing of the Institute’s projects, papers, books, and reports taken from their web site is included in this report.

A review of the Economic Development Administration’s web site (www.osec.doc.gov/eda) revealed the following relevant article or paper abstracts:

Cluster-based Economic Development: A Key to Regional Competitiveness. 1997. James O. Gollub and others.

Cluster-based Economic Development: A Key to Regional Competitiveness—Case Studies. 1997. James O. Gollub and others.

Enhancing Local Capacity: Title IX RLF Case Studies. 1995. State & Federal Associates, Inc.

Evaluating Business Development Incentives. 1999. Kenneth Poole and others.

Performance Measurement and Evaluation of Economic Development Initiatives: An Annotated Bibliography. 1997. Nexus Associates.

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