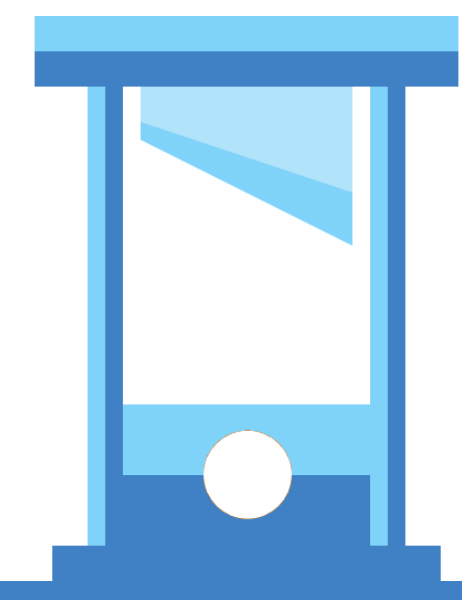


On the Chopping Block: An Impact Analysis of the Economic Development Administration's Construction Projects

Carlos Rios-Santiago, Master of Public Policy Program, Michigan State University



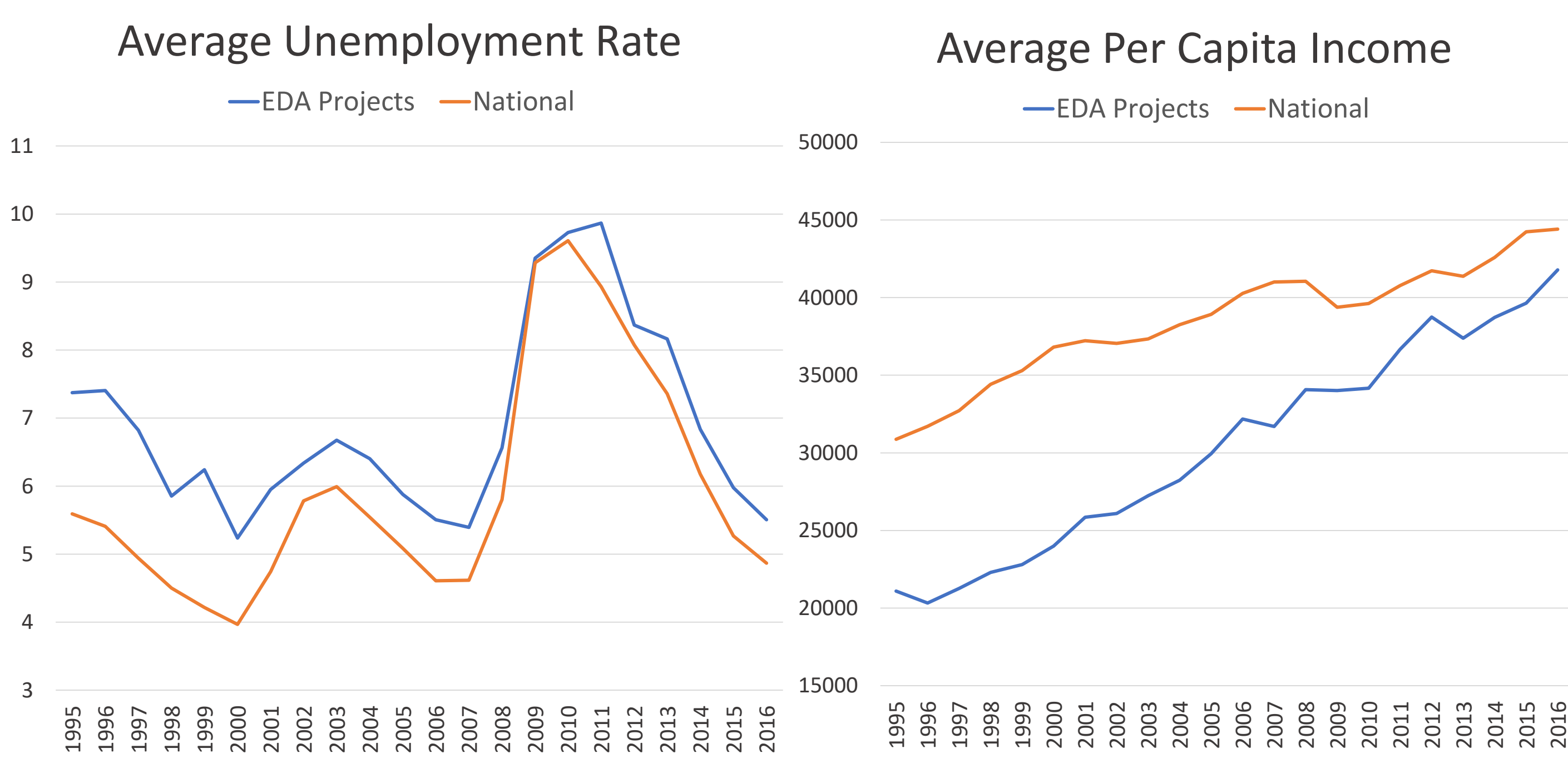
At Death's Door

The Economic Development Administration (EDA) is dedicated to fostering economic growth through competitive grants with particular emphasis on economically distressed regions.

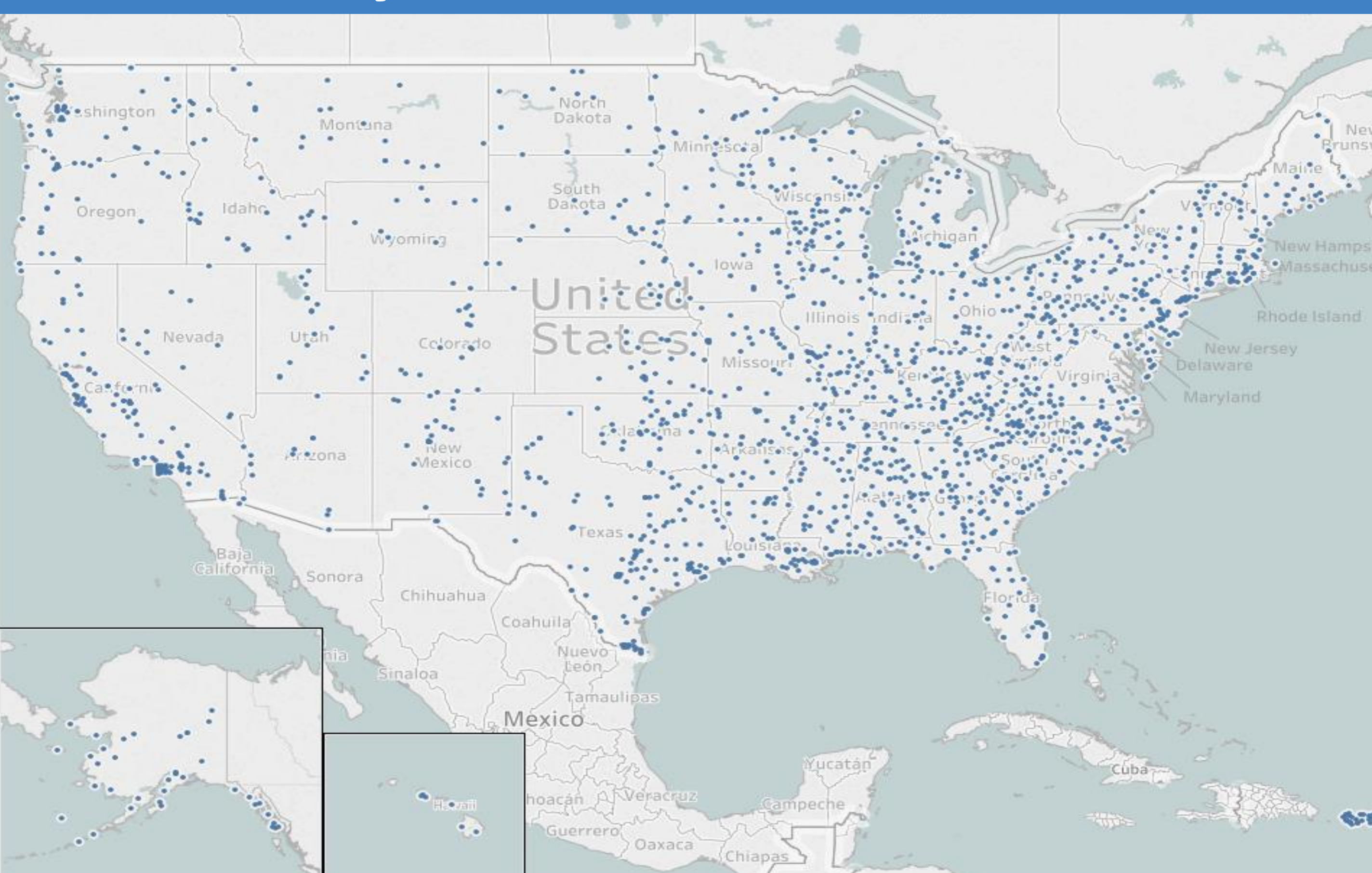
The EDA has been under threat of elimination several times in its history. The Reagan administration, the 1990s Republican Congress, and Trump's FY 2018 budget all tried and failed to cut the EDA. Trump's FY 2019 budget proposes, once again, to eliminate the EDA.

Unemployment and Per Capita Income

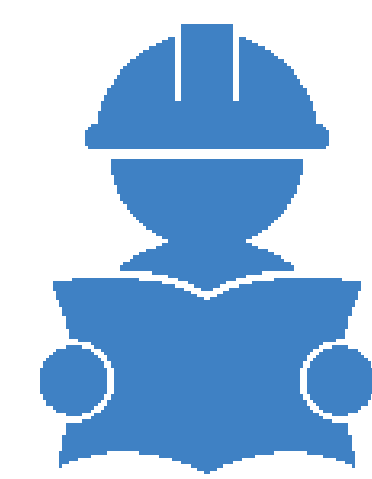
Among the deciding factors in EDA funding is having high county unemployment and low per capita income (PCI). Prior to funding, economic well-being is consistently worse than the national average in project counties.



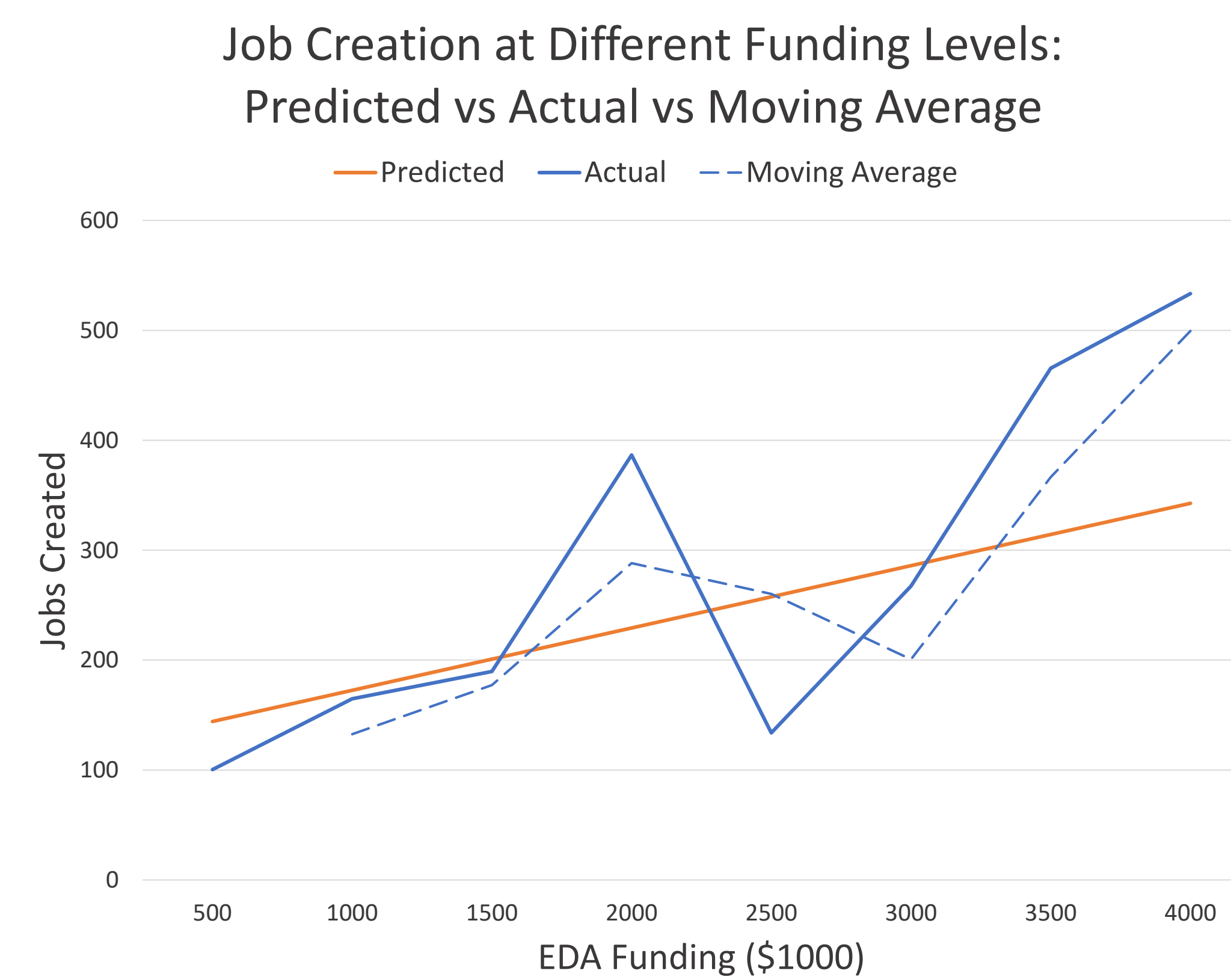
EDA is Everywhere



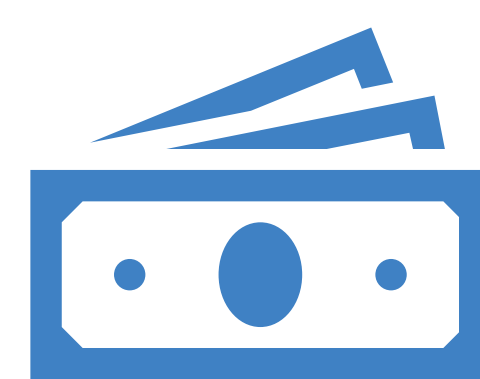
Job Creation



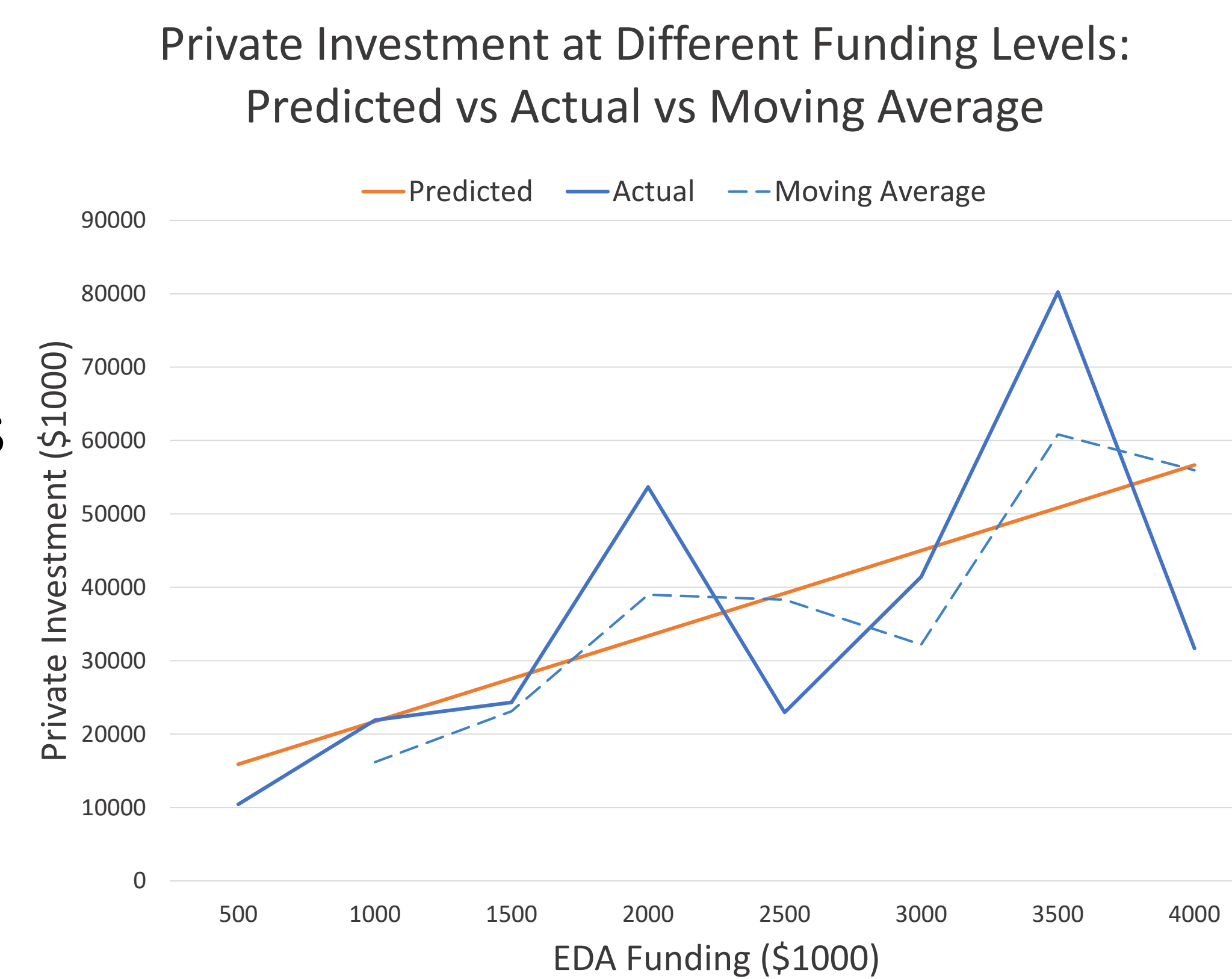
Every **\$17,637** EDA invests is associated with **1 job created**.



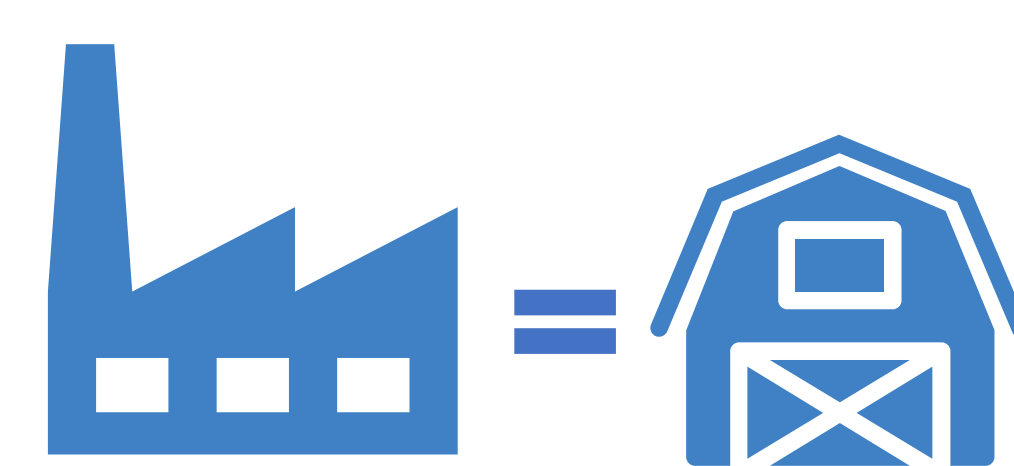
Private Investment



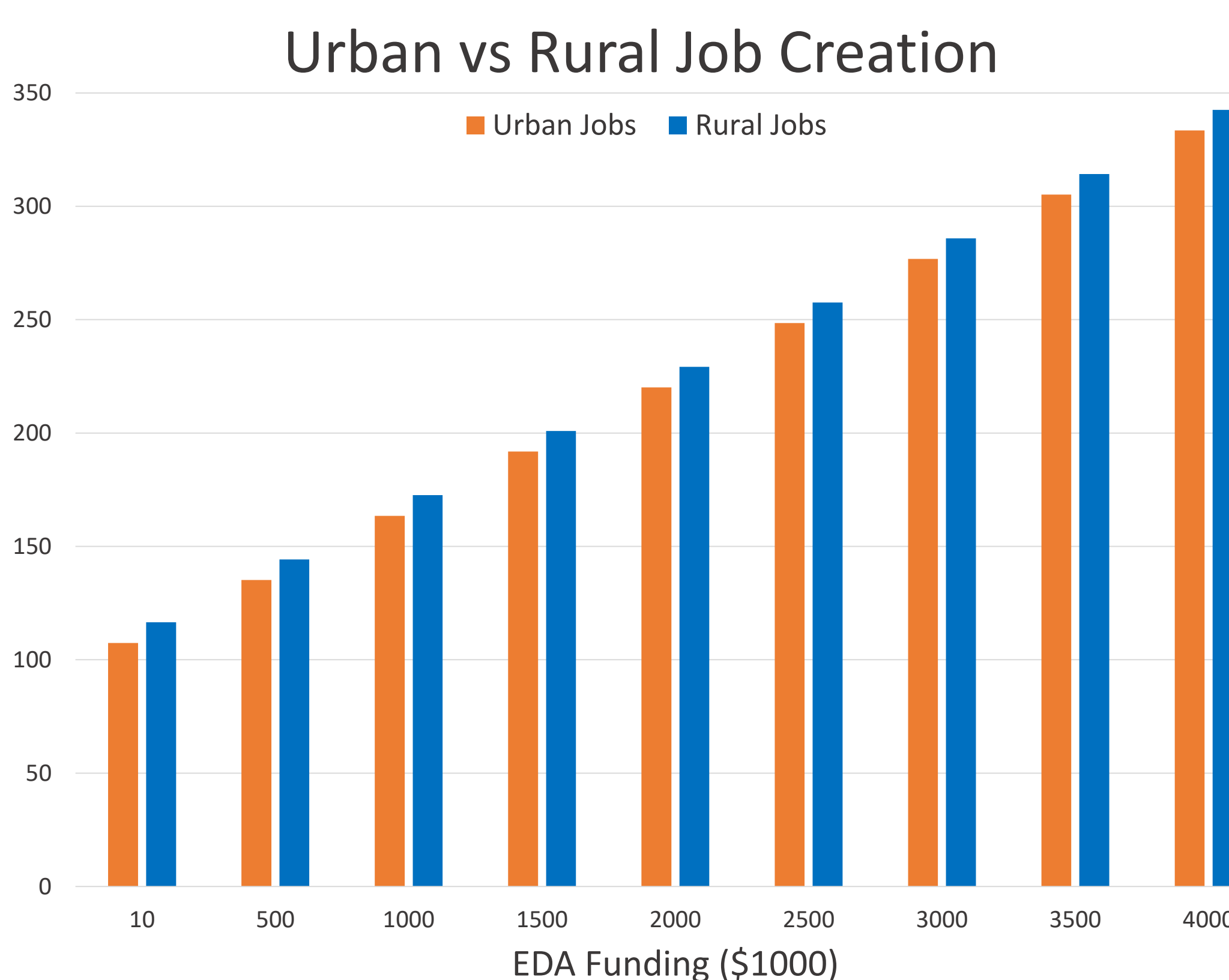
Every **\$1** EDA invests is associated with **\$12** of private investment attracted.



Urban vs Rural



Regardless of urbanization level, funding is effective in spurring growth.



Data at a Glance

- 75% of construction projects are Public Works, projects that improve existing and create new infrastructure.
- 65% of construction projects take place in rural areas.
- Sample of 2715 construction projects across 1318 counties from 1994 to 2016.
- Data cleaning, merging, and transformation was done prior to analysis.

Recommendations

Modernize data collection methods and technology to improve data reporting response rate and quality of data.



Shift towards annual collection of data and include disbursement amount at time of each disbursement date to allow for more robust analysis.



Improve transparency by expanding publicly available data to include projects prior to 2012.



Include North American Industry Classification System in addition to Standard Industry Codes to facilitate cross-agency project comparisons.



Acknowledgements

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