Traditionally, the effectiveness of an economic development investment has been measured primarily by the number of jobs created and dollars leveraged. While critically important, the U.S. Commerce Department’s Economic Development Administration has partnered with Portland State University to create an innovative, web-based tool that takes into account a broader array of economic, environmental, and social impacts to more fully evaluate the potential impact of projects. This new Triple Bottom Line (TBL) Tool will help economic development practitioners, investors, and decision-makers assess, compare, and communicate the viability of potential investments.

While the TBL approach has been recognized as a valuable analytical tool among businesses—including major U.S. companies such as General Electric, Unilever, Proctor and Gamble, among many others—it has not been widely applied or considered within the public sector or by the economic development profession. The new TBL Tool developed through EDA’s investment represents a significant step forward for expanding the application of the concept by planners, nonprofits, community organizations, and governments to help support the assessment and decision making of critical development decisions. In creating the TBL Tool, EDA collaborated with Portland State University and its project team—which included the University of Arizona, the Reinvestment Fund, and the Policy Board—and an advisory board of policy makers, practitioners, academics, and industry leaders, including the National Association of Development Organizations, the International Economic Development Council, and the Ford Foundation.

This open-source tool has many functions. By using its features to assess the economic, social, and environmental measures, communities can easily compare potential projects and identify their assets and
gaps, plan for better outcomes, weigh various options, and make decisions about them. Further, by leveraging the data points, the TBL Tool can also facilitate more complete and robust accounting, help align economic development investments with other community priorities, and ensure that scarce resources are used as efficiently, effectively, and strategically as possible.

The TBL Tool, which is in beta release and free to users, was designed to be easy to use and to respond to various sizes and types of communities and investments. It underwent a rigorous vetting process that included usability testing, one-on-one interviews, focus groups, and a national survey of economic development professionals.

Last year, President Obama called on us to make sure “that America is the best place to do business.” By using the analytical tools now available on the TBL website, any organization can measure the full range of outputs of any initiative. The opportunities for promoting innovation and thought leadership are tremendous.

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