

# **What Are We Trying To Accomplish With Incentives... And How Do We Measure It?**

UNC Center for Competitive Economies (C<sup>3</sup>E)

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# What Are NC's Incentive Goals?

Job creation?

Distressed areas?

Quality of life?

Economic competitiveness?

How we measure the performance of NC's incentives depends on what we are trying to achieve.

# Job Creation Measures

- Number of new jobs created (retained?)
- Average wages/wage threshold
- Industry sector
- Location

**Job creation is always an objective...**  
**But rarely the only one.**

# Distressed Areas Measures

- Share of new job creation in distressed areas
- Wage standard in distressed areas
- Reemployment of displaced workers
- Replacement of declining industries
- Enhanced tax base

North Carolina's first incentive programs targeted only distressed counties.



# Quality Of Life Measures

- Upward employment
- Employment of existing residents
- Reduced commute times
- Employment benefits
- Improved community services

**More and better jobs where people live**

# Economic Competitiveness Measures

- Diversification
- Headquarters preference
- Insulation from globalization
- Entrepreneurship
- High value sector of industry cluster

**The more competitive we are...  
the less we may need to use incentives.**

# Examples Of What Are You Measuring Today

JDIG, 3J, One NC examples

- Net new jobs
- Qualifying industry
- Provisions for hiring NC residents
- Provisions for contracting with NC businesses
- Average wage
- Benefits
- Tier preferences

# Goals And Priorities

Are these measures sufficient to assess NC's economic development priorities?

Understanding the performance of NC's incentive programs depends on clear goals, defined priorities, and appropriate measures.



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