

COMMUNITY ECONOMIC DEVELOPMENT PREPAREDNESS INDEX (CEDPI)

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The Challenge:

How does one know what will really benefit his or her city as he contemplates putting together a local economic development strategy or amending and adjusting his city's current strategy? While many communities are interested in developing economic development strategies, few communities base those strategies on an assessment of local strengths and weaknesses. The Community Economic Development Preparedness Index (CEDPI) was developed to help communities rather quickly analyze their strengths and weaknesses **before** developing a plan to improve economic development opportunities. The index is based on the residents/decision maker's perceptions of activities and conditions in the community. The compiled responses will provide a reflection of one's community's readiness to

- retain existing businesses and income,
- attract new businesses, residents, and income, and
- expand small businesses and income.

What is the CEDPI tool?¹

Local economic development practitioners who wish to know where their city stands in terms of economic development can use this tool in two ways as they think about how to strategically grow the city's economy. First, the tool provides a good "check list" of indicators that should be looked at and evaluated to determine positive economic development. In itself, this check list is very helpful for people trying to understand what a complete and ideal set of desired economic conditions in a city might look like.

Second, the CEDPI tool as a true index can be used to calculate a "score" for a community. The value of such an index is that it allows a community to gauge progress over time and to prioritize strengths and weaknesses. In order to do this, the CEDPI requires community representatives to evaluate the preparedness level of the

¹ This index is based in part on the Community Economic Preparedness Index that was jointly produced in the U.S. in the early 1980's by the Wisconsin Department of Development, Wisconsin State Rural Development Council, the Center for Community and Economic Development, and the University of Wisconsin Extension. It was later modified by Mary Cole Laub of Alliant Energy and Karna Hanna, Executive Director, Sauk County Economic Development Corporation ("Community Economic Development Checklist"). The current version of the CEDPI resides on the [Center for Community and Economic Development](#) web site, and was made possible by funding from the U.S. Department of Labor Employment and Training Administration.

community on the basis of desirable 105 factors (See [Appendix A](#) for a complete list). Factors are listed as statements with the response options ranging from “strongly agree” to ‘strongly disagree” (See [Appendix B](#) for a sample of a questionnaire design). When scored, these responses are weighted on a 1-4 point scale. If the CEDPI is applied at a regional level by numerous communities, comparisons can also be made between communities or between the community and the region.

Completing the index can be done as a group activity that is led by an experienced meeting facilitator, or it can be completed individually with the results then tabulated and summarized. As economic development strategies have become more sophisticated, the number of factors that contribute to a community's level of preparedness has grown in length, and it has become difficult to create a preparedness index without prior surveying. We recommend that surveys be made of people who will attend a community meeting, and that the completed surveys be collected prior to the meeting. This will allow the facilitator or the leader of the meeting sufficient time to compile the results, thus permitting a more productive group discussion that focuses on the community's strengths and weaknesses, as well as issues where few people seem to have known the answers. The community then begins to develop an action plan that focuses on the highest rated strengths and weaknesses.

How does it work?

Residents/Decision makers in the community are invited to evaluate 105 factors in their community. It is a first step in the community economic development process, or an opportunity for a community to take a step back and determine their level of preparedness. It provides the community with an overview of where additional investments might be needed or where investments have already been made.

Three approaches could be used:

- Distribute the paper version of the CEDPI to a group of decision makers and then discuss the summarized results in a group meeting .
- Transfer the questions from the printed version of the index to a web-based survey instrument like Zoomerang (www.zoomerang.com) or Survey Monkey (<http://www.surveymonkey.com/>). Encourage a group of decision-makers and residents to complete the CEDPI on the web and follow up with a group meeting to discuss the results. Communities should feel free to use the CEDPI instrument in this way for their community. If this method is applied, a paper version should also be available for those without Internet access.
- Complete the CEDPI with a group of decision makers. For each factor, there can be a short discussion and a show of hands. Because of the length of the evaluation tool, you may choose to conduct this activity over a series of meetings (covering 3-4 sections at each meeting).

The index includes questions organized by the following twelve categories that are known to impact jobs, income and wealth in a community (Please see [Appendix A](#) for questions in each of the twelve categories).

- Organizational Capacity for Economic Development
- Strategies for Economic Development
- Existing Business Retention
- New Business Formation
- Attracting New Businesses
- Tourism
- Downtown Merchants
- Information for Economic Development
- Labor Force
- Infrastructure Capacity
- Financial Resources
- Quality of Life

If there are unique issues to a particular culture or community, the index could certainly be easily modified to include additional factors or to remove factors that are not relevant.

How should my community utilize this tool?

The CEDPI is a very useful tool for determining how the community can better prepare for economic development that would retain, expand, and attract opportunities for adding jobs and income. Moreover, the tool educates the community about a long list of factors that can influence the creation, retention and expansion of jobs, income, and wealth.

If the index is completed as a group activity by a facilitator, each factor is read and described. Participants are told that there may not be any right or wrong answer to any of the indicators in the index. Participants would have the opportunity to comment and discuss each factor and then participants are asked to indicate their level of agreement by a show of hands. The number of responses for each level of agreement (“strongly agree”, “agree”, “disagree”, “strongly disagree”, “don’t know”) can be recorded on a flip chart or white board. Average scores can be tabulated after the first meeting, or you can attempt to come up with consensus/agreement for each factor.

After completing the index, the summarized results are shared with the community and/or work group in a report (see Figure 1 for an example). Typically, the results for

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each indicator would be shared in a written report in the following format to indicate the level of consensus on each factor.

Figure 1. Example of the summarized results

	Don't Know	Strongly Agree	Agree	Disagree	Strongly Disagree	Average Score
Score:	-	4	3	2	1	-
III. EXISTING BUSINESS RETENTION						
18. An up to date formal business retention and expansion study exists.	64.6%	3.8%	12.7%	13.9%	5.1%	2.43
19. The chamber of commerce or the economic development organization makes regular visits to businesses.	25.3%	10.1%	32.9%	19.0%	12.7%	2.54
20. An adequate number of business recognition events are held in the community.	11.4%	10.1%	26.6%	39.2%	12.7%	2.39
21. The community has an active downtown program to support downtown development and revitalization.	6.3%	21.5%	39.2%	19.0%	12.7%	2.73
22. Local government is usually responsive to the problems of existing businesses.	21.5%	8.9%	21.5%	31.6%	15.2%	2.29

The focus is on helping the community come up with answers to the questions that participants were unable to respond to and to begin prioritizing the top strengths and weaknesses in the community. By focusing on the highest and lowest ranked issues, rather than the entire list of 105 factors, the community can begin to do some action planning to address deficiencies and build on strengths. Without some prioritization, a community can become overwhelmed by the number of actions that could be taken to influence economic activity.

The report provides a summary of the results and highlights those factors from the list of 105 that had the highest and lowest average scores. For the purposes of averages, responses are weighted on a 1-4 scale (“Strongly Agree” = 4, “Strongly Disagree” = 1, and “Don’t Know” responses are excluded). The strengths, weaknesses, and unknowns, are typically reported in the following format (Box 1):

Box 1. Strengths (partial list)

The following Indicators (There are 5 of them) received an average score of 3.25 or higher (Strongly Agree=4, Agree=3). Keep in mind that some of these questions also had high level of no responses and so the averages may be based on a very small number of responses. These indicators might be viewed as strengths that could be prioritized and maximized by the community. The average scores are indicated in parenthesis:

- 93. Our community has an accessible two or four-year college or university within a 30 minute drive. **(3.58)**
- 91. Our community has a technical college within a 30 minutes drive. **(3.57)**
- 64. Our community is within a reasonable (i.e. one hour) drive of an airport with scheduled commercial air service by at least one of the major airlines. **(3.48)**
- 62. We have adequate common carrier trucking services for most manufacturing and distribution operations. **(3.47)**
- 65. We have enough excess water capacity to serve the requirements of most new manufacturing operations. **(3.43)**

The total score for a community can be computed then as a sum of the Indicator scores. This total can be used to compare across communities or regions.

Dealing With Your “Don’t Know” Responses:

The facilitator can refer to the list of questions that had the highest number of “don’t know” responses (Box 2).

Box 2. Unknowns (partial list):

At least half of the respondents were unable to respond to the following Questions (There are 6 of them). These Questions are in order with the number of people indicating that they did not know the answer. The number is in parenthesis.

- 58. Soil test borings have been made on the industrial site. **(64)**
- 35. The community has conducted a retail market analysis within the past three years. **(63)**
- 71. Our community has, or shortly plans to implement digital switching capability. **(61)**
- 57. An environmental assessment has been completed for the industrial park property. **(55)**
- 55. A copy of site restrictions and covenants is readily available. **(52)**
- 18. An up to date formal business retention and expansion study exists. **(51)**

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Keeping a record of the discussion, the group should begin brainstorming with individuals in the community about sources of information that might shed light on the factors that participants had a difficult time evaluating. The following provides a sample of how this process might be done (Table 1):

Table 1. Dealing with Unknowns

Question #	Contact name of someone who might have information on this indicator	Position/affiliation	Who will volunteer to contact this Individual for more information?
#58. Soil test borings have been made on the industrial site.	Barney Fife	Head of the Land Use Department	James Schneider

Strengths & Weaknesses

After distributing the written summary of responses, the facilitator would organize an action planning meeting. This meeting can serve the purpose of further refining the list of priorities and begin to address plans that will deal with both strengths and weaknesses.

The list of strengths and weaknesses (those factors receiving the highest and lowest scores) are then reviewed. Each participant is asked to select (on paper) the three issues from the short list of strengths that they think are the most important for the community to promote or to build upon. After participants have had time to identify their top 3 strengths, their votes should be recorded on a board for all to see. The items receiving the highest number of votes can then be moved to the action planning step.

Action Planning Steps:

While you may not have time to do this for each of strengths receiving votes from participants, you can begin with the top rated issue and simply move down the list (depending on how much time you have). The facilitator could use the following chart to record tasks that might build on the strengths that have been identified (Table 2). Action planning requires the group to think about the issue in a series of steps/tasks:

Table 2. Action Planning

Factor: #93: Our Community has an accessible two or four-year college or university within a 30 minute drive.

Task	Time Line (By when?)	Who	Will Do What	Indicator of Success
Produce a brochure publicizing the resources available at the local community college.	In the next three months	Joe, chairman of the local economic development committee	Will organize a committee made up of community college representatives and the community to produce a promotional brochure	Brochure completed and printed.

The same process would then be repeated for the factors that received the lowest scores, with actions that might be addressed to making conditions better.

APPENDIX A

List of CEDPI Questions

I. ORGANIZATIONAL CAPACITY FOR ECONOMIC DEVELOPMENT

1. Our city council/village board has a pro-business attitude and the board actively supports economic development activities through funding, policies and programs.
2. Key local business leaders are sufficiently involved in the governmental process.
3. Key local business leaders are sufficiently involved in Economic development efforts.
4. Our community has an effective local economic development corporation, commission or committee responsible for economic development activities.
5. The organization that is **most** responsible for economic development in our community has adequate representation from **both** public and private sector members.
6. Our community is a member of a regional organization actively engaged in economic development efforts (county or multi-county).
7. Our community has (or has access to) a knowledgeable economic development professional.
8. Our community leaders work together with other economic development related professionals or organizations (such as regional planning commissions, state agencies, utilities, technical colleges, universities).
9. Residents in our Community have access to a community-based leadership training program.

II. STRATEGIES FOR ECONOMIC DEVELOPMENT

10. The community has an operating comprehensive land use plan.
11. Our community has a zoning ordinance that designates an adequate supply of residential, commercial and industrially-zoned land for future development.
12. Our community has a current written economic development plan that was prepared by an economic development committee, formally adopted by local government, and reviewed on a regular basis.
13. Subcommittees work on projects outlined in the economic development plan on a regular basis.
14. Our economic development plan is sufficiently part of a larger area economic development plan (multi-community, county or regional).
15. The community has identified the types of businesses that fit the needs and are desired by our communities.
16. The community has an active program to encourage and support existing businesses.
17. We have a marketing plan that targets businesses that are most likely to locate in our community.

III. EXISTING BUSINESS RETENTION

18. An up to date formal business retention and expansion study exists.
19. The chamber of commerce or the economic development organization makes regular visits to businesses.
20. An adequate number of business recognition events are held in the community.
21. The community has an active downtown program to support downtown development and revitalization.
22. Local government is usually responsive to the problems of existing businesses.

IV. NEW BUSINESS FORMATION

23. Our community has an active business development program to assist new businesses with their startup issues (e.g. business plan preparation, financing, recruitment of people, management, accounting, production and marketing).
24. Our community has a systematic program to check on the progress of new businesses to see if they need help before they get in to serious trouble.
25. Adequate financing can be found for new business startups and small business expansions.

V. ATTRACTING NEW BUSINESSES

26. We have a marketing program targeted toward industries that have been researched to determine the likelihood of locating in our community.
27. Our community actively recruits targeted industries.
28. We have an organized, trained business attraction team comprised of people from both the private and public sectors.
29. The existing businesses in our community are helpful in recruiting new firms to the area.

VI. TOURISM

30. The community has completed an up to date tourism assets and marketing analysis and reported the results to local businesses.
31. The community has an active tourism promotion program.
32. The community has an active chamber of commerce or visitor and convention bureau that focuses on tourism development.
33. We have a regular calendar of promotion activities (e.g. monthly trade days, main street programs, arts and crafts, festivals).

VII. DOWNTOWN MERCHANTS

34. The community has an active organization working with downtown merchants.

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35. The community has conducted a retail market analysis within the past three years.
36. The downtown organization completed a physical renovation plan within an adequate timeframe (i.e. the past 10 years).
37. Retail merchants have coordinated store hours which match consumer preferences.
38. Parking adequate in the downtown.

VIII. INFORMATION FOR ECONOMIC DEVELOPMENT

39. Our community has completed a "Community Profile" (fact sheet) that includes basic information about the community (e.g. major employers, education, healthcare, population, services).
40. We have a "promotional" brochure to use with tourism, relocation packets and recruitment of new businesses that has been updated on a regular basis.
41. All information contained in the community profiles and in promotional materials is available on the Internet.
42. The community maintains a current database of available commercial and industrial buildings and sites.

IX. LABOR FORCE

Our community has access to current (less than 3 years old) labor force information on the following:

43. Wages and benefits
44. Labor supply by occupational categories
45. Productivity of the workforce
46. Training opportunities
47. Employment data (employment, unemployment, underemployment and turnover rates)
48. A positive relationship exists between labor and management in our local businesses/organizations.
49. The wages in our community are at a high enough level to help retain our existing work force and attract new labor to the area.
50. Training opportunities exist within the community to meet existing and prospective employer training needs.
51. Our community has resources to help businesses hire and train a diverse work force.
52. New or expanding employers would be able to find adequate numbers of qualified employees in our labor area.

X. INFRASTRUCTURE CAPACITY

53. Our community has an infrastructure capital improvements plan for the next five years.

54. Enough (i.e. 40 acres) of industrially zoned land is owned or optioned by the community for an industrial park, or is being developed by a private developer.
55. A copy of site restrictions and covenants is readily available.
56. There is adequate water (10" or more) and sewer lines (12" or more) to the property line.
57. An environmental assessment has been completed for the industrial park property.
58. Soil test borings have been made on the industrial site.
59. We have sufficient numbers of vacant industrial buildings to attract the interest of potential new businesses.
60. There is a creditable business incubator in the community.
61. The highways serving our community are adequate for most manufacturing and distribution operations.
62. We have adequate common carrier trucking services for most manufacturing and distribution operations.
63. Active rail lines effectively serve at least a portion of our industrial sites.
64. Our community is within a reasonable (i.e. one hour) drive of an airport with scheduled commercial air service by at least one of the major airlines.
65. We have enough excess water capacity to serve the requirements of most new manufacturing operations.
66. We have enough sewage treatment capacity to serve the requirements of most new manufacturing operations.
67. The community has satisfactory access to or control of an environmentally sound waste disposal site for at least 5 years.
68. Our electric and natural gas rates are competitive.
69. Our community has access to adequate future supplies of electric and natural gas to satisfy expansion and attraction activities for the next 5 years.
70. Our community has, or shortly plans to implement a broadband high speed fiber optic cable system.
71. Our community has, or shortly plans to implement digital switching capability.

XI. FINANCIAL RESOURCES

72. Adequate financing can be found in our community for new business startups and business expansions.
73. Our community has an accessible group of local investors who could assist in financing a speculative or build-to-suit building
74. Our economic development organization helps businesses acquire financing.
75. Local government is aware of, and has fully implemented municipal financing vehicles to assist economic development efforts such as Tax Incremental Financing (TIF), Business Improvement Districts (BID) and Industrial Revenue Bonds (IRBs).

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- 76. Our community has successfully submitted proposals for state and/or federal funding for development programs, for housing and/or for infrastructure development.
- 77. Local or county government has created a Revolving Loan Fund (RLF).
- 78. Local banks effectively support community economic development.
- 79. Local lenders made small business administration and/or other guaranteed loans on a regular basis.

XII. QUALITY OF LIFE.

- 80. The people in the community are generally proud of the quality of life here.
- 81. Property in our community is generally well maintained.
- 82. Our central business districts and shopping areas are attractive, clean landscaped, free of trash, painted and well cared for.
- 83. Our community is served by a shared ride-taxi service.
- 84. We have a public transportation system.
- 85. Our community has a good variety of available housing – different prices, styles and locations.
- 86. We have a good supply of moderately priced housing in our community which is affordable to entry level workers.
- 87. We have an adequate supply of housing suitable for seniors and/or special needs populations.
- 88. The community banks support housing initiatives through home financing and/or first buyer programs.
- 89. Our school system (elementary through high school) compare favorably with top quality schools elsewhere in the region/ country.
- 90. Our schools are of sufficiently high quality to be acceptable to highly educated executives and managers who may move to the area.
- 91. Our community has a technical college within a 30 minutes drive.
- 92. Our vocational programs are keyed to the needs of local employers.
- 93. Our community has an accessible two or four-year college or university within a 30 minute drive.
- 94. We have a research university within an hour's drive.
- 95. Our local educational institutions are graduating students with the skills and knowledge that meet the needs of existing employers.
- 96. Our local educational institutions are graduating students with the skills and knowledge required by employers using high technology applications.
- 97. We have a hospital in our community or affiliated clinic that provides quality specialized care including the latest diagnostic and treatment equipment available.
- 98. Our hospitals or affiliated clinics offer adequate hours of emergency service.
- 99. Our community has a sufficient number of child care facilities available for parents who work.

- 100. Most of our childcare programs are well managed and highly rated by parents who use them.
- 101. Our community has adequate public parks for citizen and tourist recreational needs.
- 102. Our community’s recreational facilities and programs compare favorably with state and national standards.
- 103. Our community offers a variety of cultural programs and activities for different ages and tastes.
- 104. We have a variety of active service organizations in our community.
- 105. Crime rates are low in our community.

Appendix B

Sample Section from the CEDPI Questionnaire

I. ORGANIZATIONAL CAPACITY FOR ECONOMIC DEVELOPMENT

- 1. Our city council/village board has a pro-business attitude and the board actively supports economic development activities through funding, policies and programs.
- 2. Key local business leaders are sufficiently involved in the governmental process.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
1.	?	?	?	?	?
2.	?	?	?	?	?