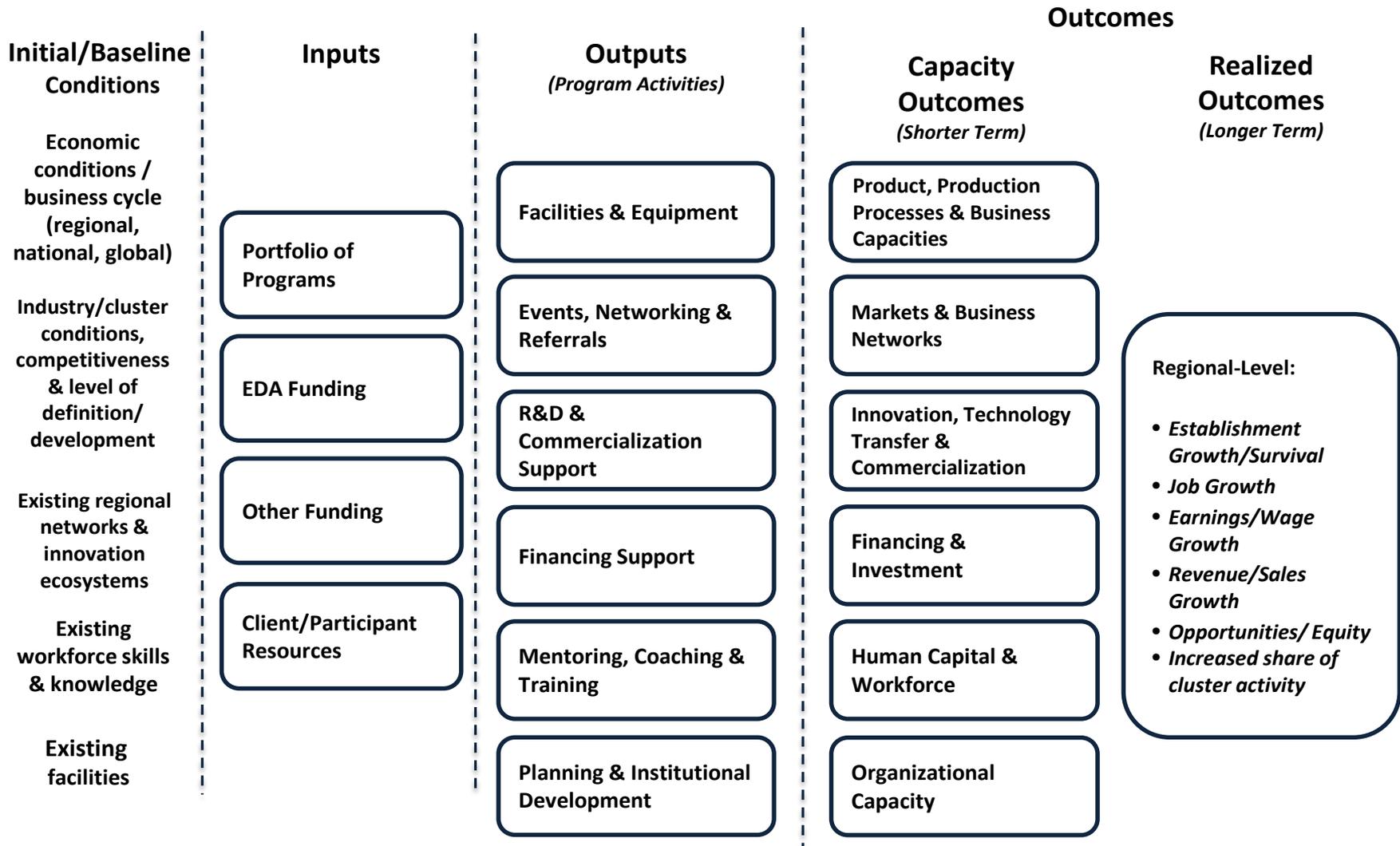


Economic Development Logic Model



* Developed through a cooperative agreement between EDA and SRI International (2017)

Economic Development Logic Model

The economic development logic model as illustrated above is grounded in several years of cooperative research by SRI International, U.S. Economic Development Administration, and other institutions. The components of the logic model, as delineated in this research, draw from a vast body of work on economic development theory and practice.

The logic model depicted captures the logical progression of a grant program, from inputs to activities to immediate outcomes and long-term outcomes. Within each component of the logic model, different categories of inputs, outputs, and outcomes might occur depending on the program's focus.

From left to right, the specific components of the logic model are defined as follows:

1. **Initial Conditions & Capacities:** The “baseline” or underlying factors and externalities that affect the project or program and its participants, and that may shape the types and magnitude of outcomes achieved. These conditions include, regional or global economic conditions, industry cluster conditions linked to regional competitiveness, existing networks and innovation ecosystems, existing workforce skills and knowledge, and finally, existing facilities or other physical capital.
2. **Inputs:** The categories of inputs are listed as follows: portfolio of programs, EDA funding, other funding, and client or participant resources which may be tangible or intangible (for example, space or staff expertise, respectively).
3. **Outputs (Program Activities):** A measurement of the quantity and quality of the activities performed by the program grantees, partners, and clients or participants. The activities undertaken as part of a grant project are broken out into the following categories in the logic model: facilities and equipment (for instance, if leasing or purchase of a facility or equipment is required for an economic development project), events, networking, and referrals activities, research and development and commercialization support activities, financing support activities, mentoring, coaching and training activities, and planning and institutional development activities.
4. **Capacity Outcomes:** The direct, shorter-term outcomes that occur as a result of the program that enhance the capabilities of the grantees or program's clients or participants. The capacity outcome categories are listed as follows: production, production processes and business capacities, markets and business networks capacities, innovation, technology transfer and commercialization capacities, financing and investment capacities, human capital and workforce capacities, and organizational capacity.
5. **Realized Outcomes:** The broader long-term impacts of a program, including at a regional level, which may include measurable growth in terms of jobs or other quantifiable economic indicators. Specifically, the logic model lists the following desirable long-term outcomes to assess at a regional level: establishment growth and survival, job growth, earnings and wage growth, revenue and sales growth, share of industry cluster activity, and opportunities and equity outcomes.

Theoretical underpinnings, proposed indicators, data collection protocols, and additional information about the economic development logic model can be found in the following sources:

SRI International, 2017, “Building and Using a New Economic Development Evaluation System: A Toolkit for Practitioners.”

SRI International, 2017, “Innovative Metrics for Economic Development: Final Report”, 10-12

You may access the reports at: <https://www.eda.gov/tools/research-reports/>