

# **Towards Meaningful Economic Vitality Indicators**

***As Previously Adopted by the Georgia  
Rural Development Council***

Georgia Rural Development Council, Feb. 6, 2012

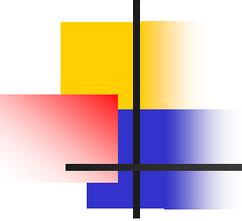
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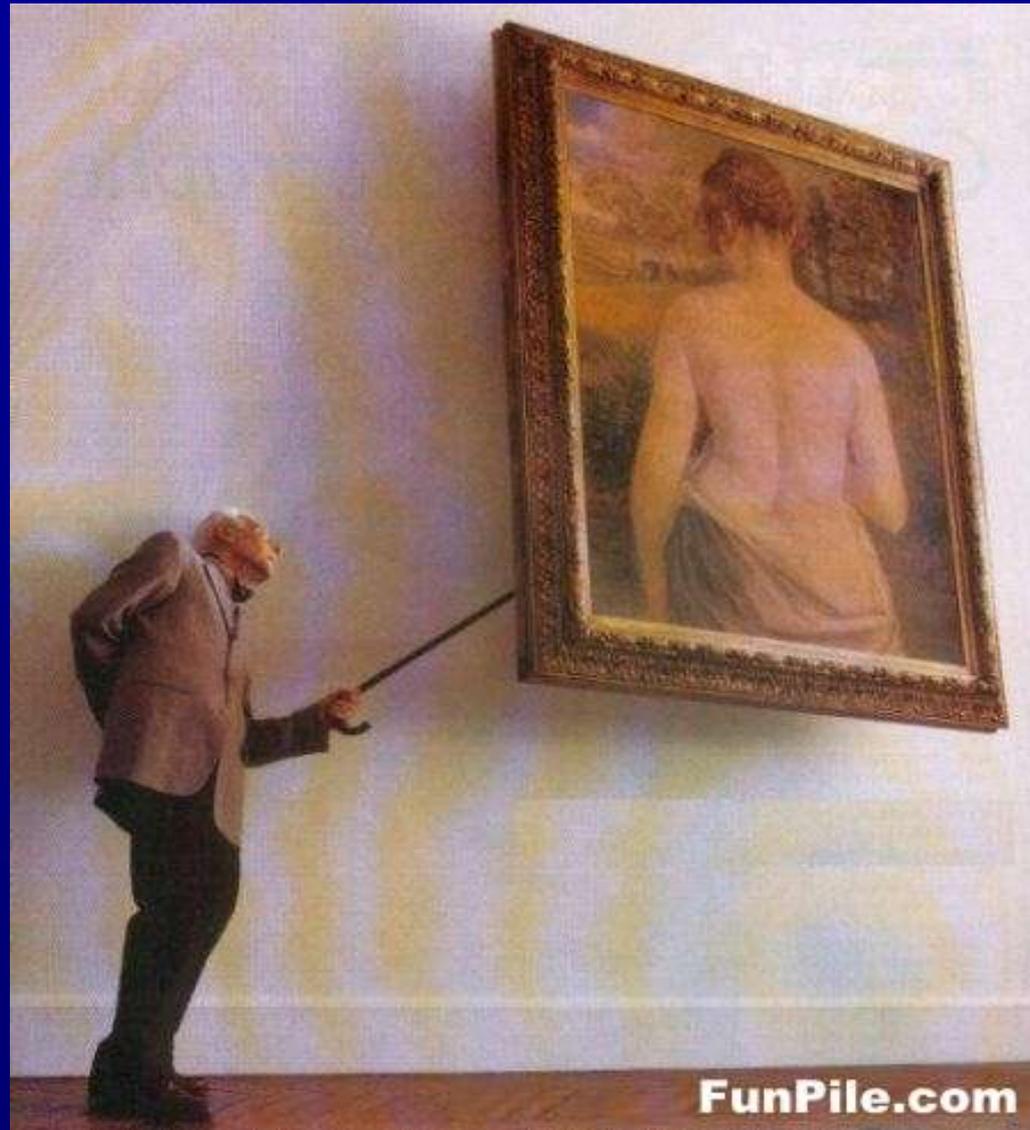


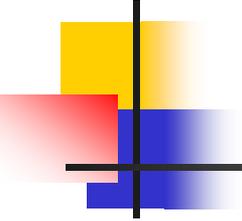
# Some Reasons For Calculating “An” Economic Index

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- Evaluate Overall Economic Conditions From a Number of Indicators
- Prioritize Resources
- Evaluate Relative Economic Progress
- Evaluate Policy Success
- Evaluate Policy Options

# Picture is worth 1000 words - but what's behind the picture??





# Benchmarking The Economic Vitality Index

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- Rank Relative to an Outside Benchmark of States (requires consistent data)
  - SE – Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee
  - US
- Design So That Can Show Progression Over Time (requires pick a time)
  - 1980 Base

# Comparison Of Methods

## Old EVI

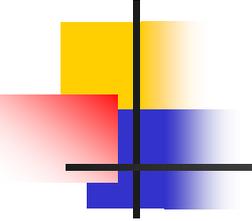
- Base Year –  
Current Year
- Benchmark – All  
Other Counties

GRADING ON THE  
CURVE

## New EVI

- Base Year –  
1980
- Benchmark –  
(1) Southeast (AL, FL,  
GA, MS, NC, SC, TN)  
(2) US

GRADING ON FIXED  
SCALE



# Six Variable Used For Composite EVI – Chosen By RD Council

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- Per Capita Income – 3 year Moving Average, Source BEA
- Population – 3 year MA of Population Growth Rate, Source Census
- Poverty Rate – Last Census Estimate, updated by yearly estimates
- Unemployment Rate – 3 Year MA, place of residency, Source BLS
- Employment – 3 Year Moving Average of Growth Rate by place of work, Source BEA new (BLS old)
- Wages – 3 year Moving Average of Yr. to Yr Change in average weekly wage, Source BEA new (BLS old)



# Calculation of Variable Grades

## Old EVI

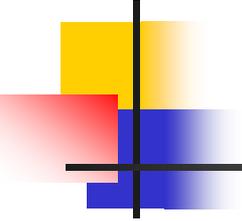
- Calculate 6 Variable Values For Time Period. Example  
Appling Co.'s 3 Yr MA Per Capita Income was \$25,288 (24,352 -07, 25,767 -08, 25,746 -09)

- Assign Grade to Each Variable by Ranking all Counties
  - Top 20% = 4
  - Next 20% = 3
  - Next 20% = 2
  - Next 20% = 1
  - Bottom 20% = 0

Appling 3 Yr MA of PCI was 12th percentile, rank 144 = 0

## New EVI

- Calculate the % of the Benchmark for each 6 Variable For Time Period  
Example: Appling Co. 3 yr MA Per Capita Income in 2007 to 2009 was 74% ( \$25,288/\$34,308 SE AVG) of SE. Average
- Assign Grade to Each Variable by 1980 Grade Scale
  - 4 = 92% up
  - 3 = 86% to 92%
  - 2 = 79% to 86%
  - 1 = 71% to 79%
  - 0 = Below 71%Appling Co. PCI Grade =



# 1980 US Grade Scale

## Percent of US Average for Grade Point

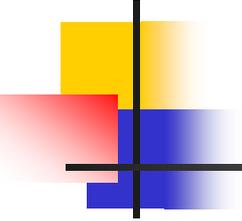
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Employment		Population		Poverty	
4	151.51%	4	247.11%	0	226.61%
3	91.76%	3	142.59%	1	182.26%
2	56.78%	2	83.65%	2	150.00%
1	3.27%	1	17.41%	3	126.61%
0	> 3.27%	0	> 17.41%	4	>126.61%
Unemployment		AWW		PCI	
0	107.89%	4	121.53%	4	92.98%
1	96.84%	3	110.53%	3	87.05%
2	87.89%	2	100.33%	2	80.53%
3	77.89%	1	91.82%	1	72.73%
4	>77.89%	0	> 91.82%	0	> 72.73%

# 1980 SE Grade Scale

## Percentage of SE Average for Grade Point

Employment		Population		Poverty	
4	152.91%	4	166.55%	0	162.83%
3	92.60%	3	96.10%	1	130.96%
2	57.30%	2	56.38%	2	107.78%
1	3.30%	1	11.73%	3	90.98%
0	> .033%	0	> 11.73%	4	> 90.98%
Unemployment		AWW		PCI	
0	109.96%	4	114.29%	4	91.97%
1	98.70%	3	103.95%	3	86.10%
2	89.58%	2	94.35%	2	79.66%
3	79.39%	1	86.35%	1	71.94%
4	>0.79%	0	> 86.35%	0	> 71.94%



# Average All 6 Grades

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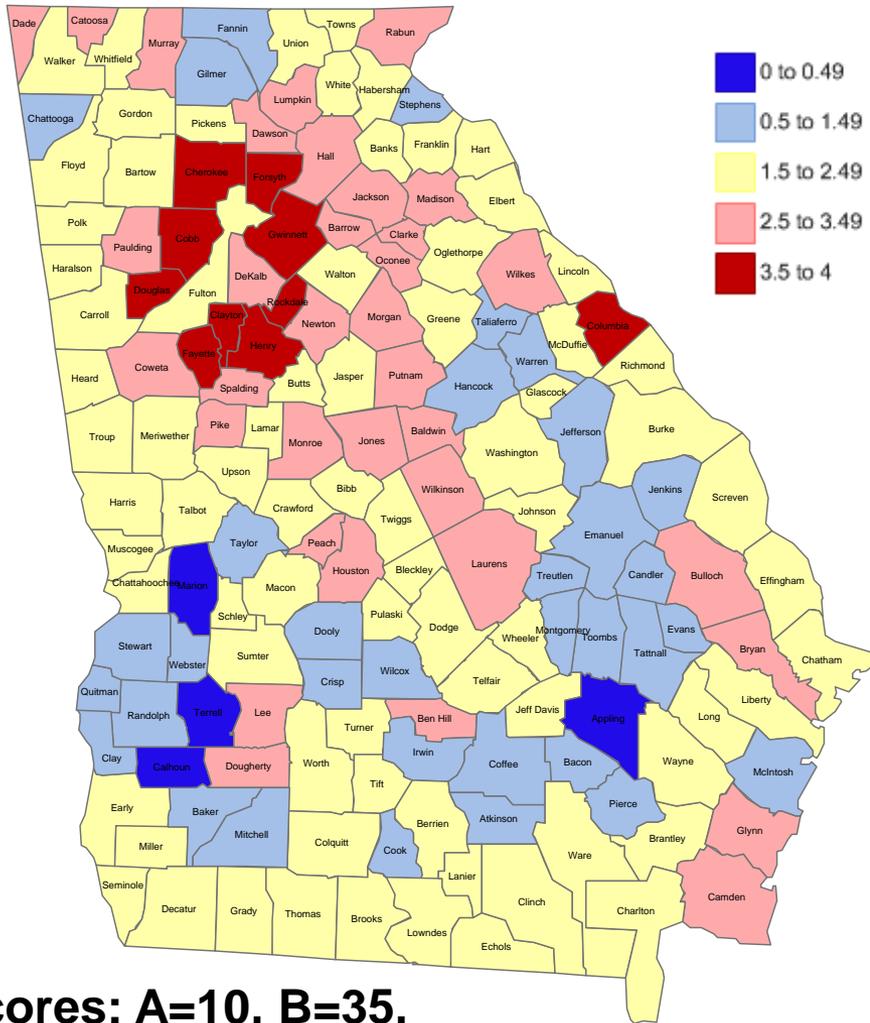
Unemp      POV      Emp      Pop      AWW      PCI

Grades versus Base 1980

	2009	2009	2009	2009	2009	2009	Average	Grade
APPLING	2	1	3	1	2	1	1.67	C-
ATKINSON	0	1	1	2	0	0	0.67	D-
BACON	2	1	2	2	0	0	1.17	D
BAKER	2	0	4	0	4	3	2.17	C
BALDWIN	0	2	1	1	4	1	1.50	C-
BANKS	4	3	3	3	4	3	3.33	B+

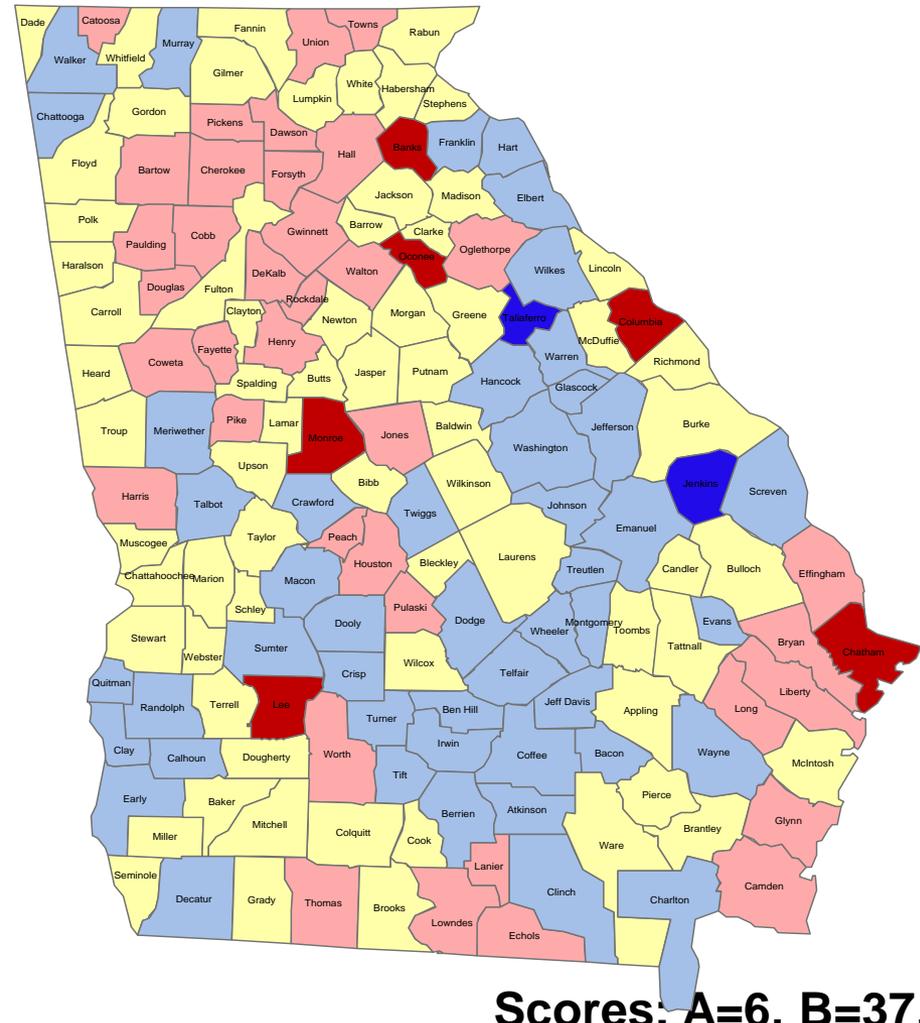
# Economic Vitality Index

## US Benchmark 1980



**Scores: A=10, B=35,  
C=76, D=34, F=4  
2.00 AVG**

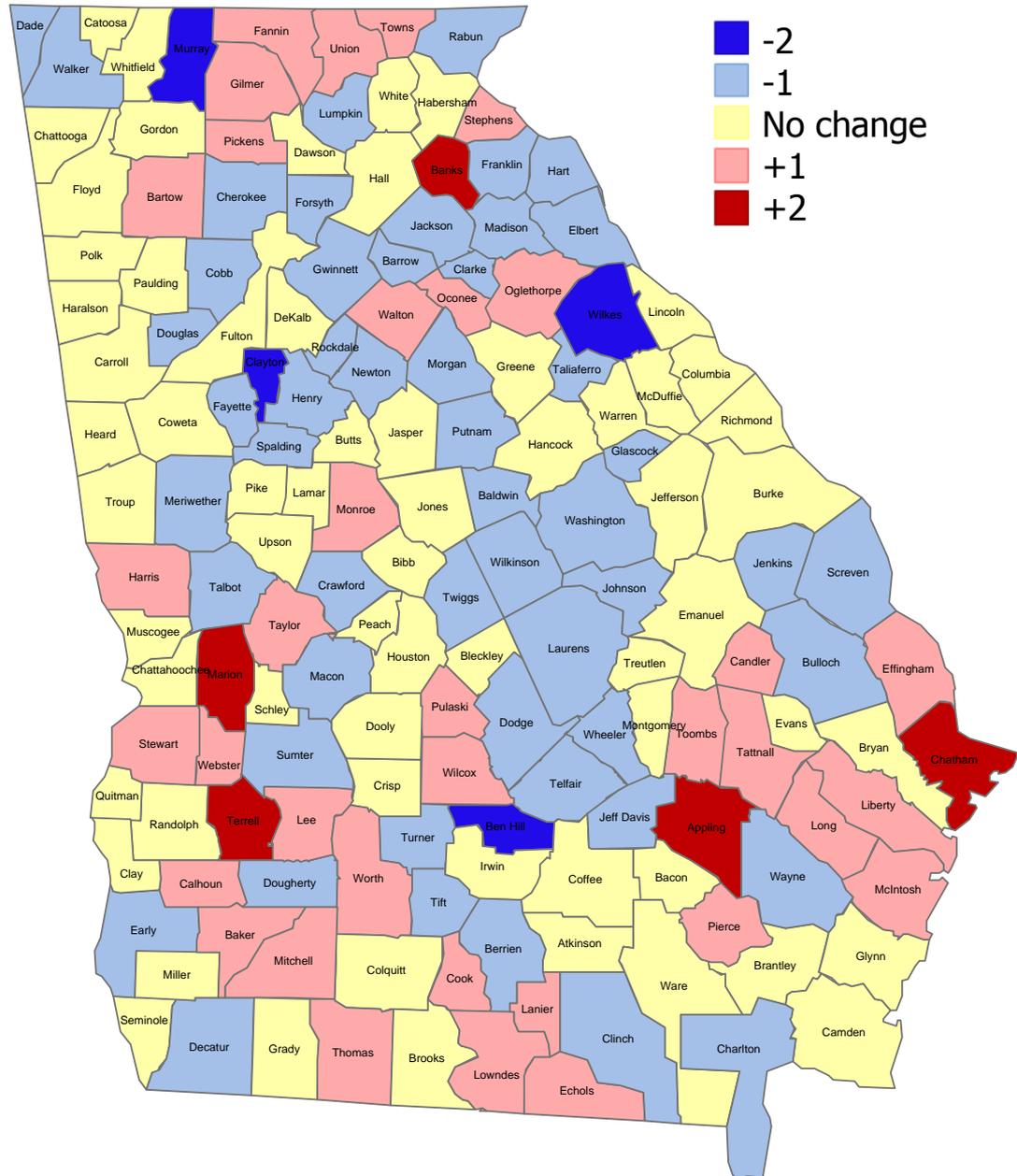
## US Benchmark 2009



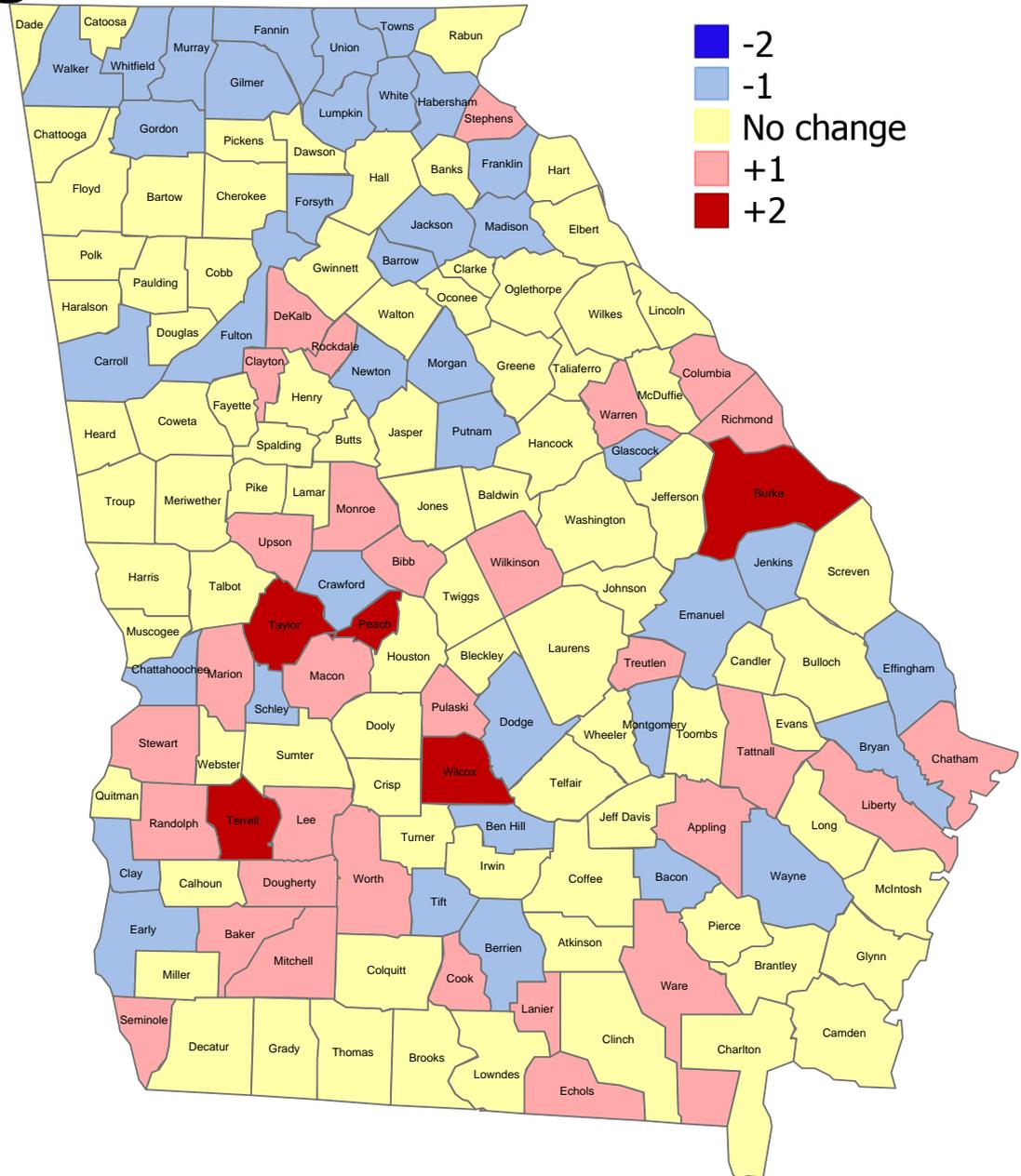
**Scores: A=6, B=37,  
C=67, D=47, F=2  
1.89 AVG**

# Grade Change From 1980 to 2009 – US

Grade Change 1980 to 2009	Number of counties	%
+2	5	3.1
+1	35	22.0
0	63	39.6
-1	52	32.7
-2	4	2.5



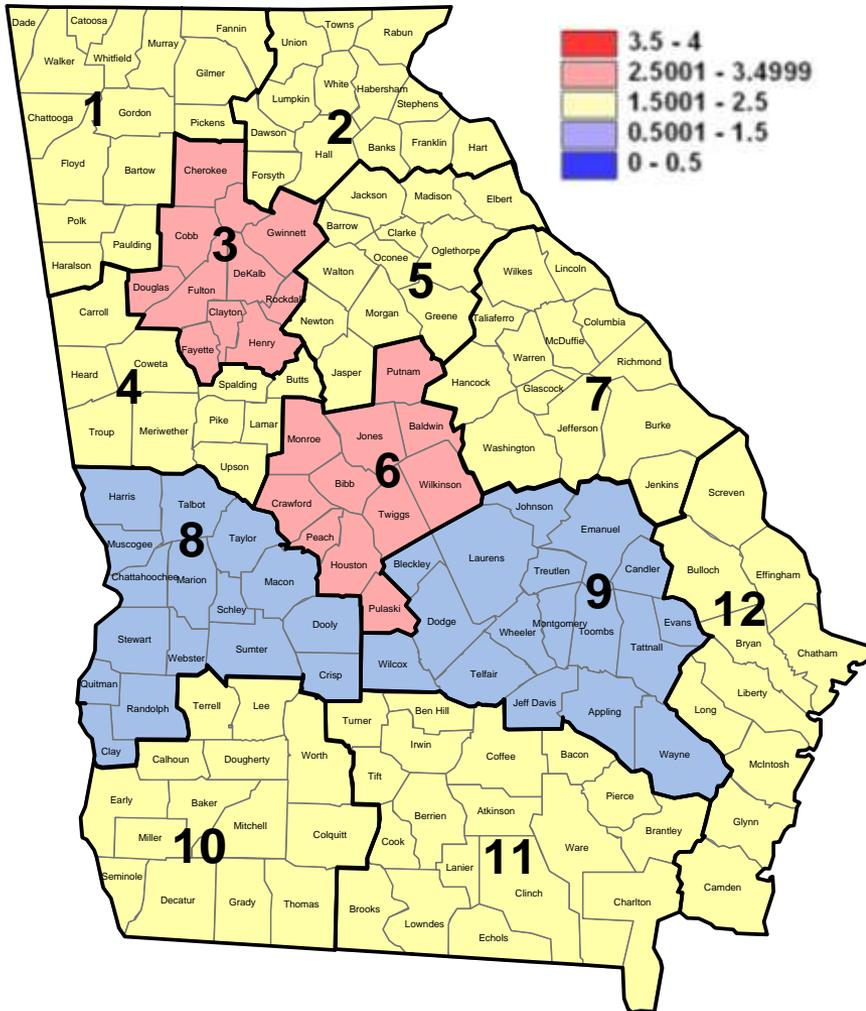
# Grade Change From 2006 to 2009 – US



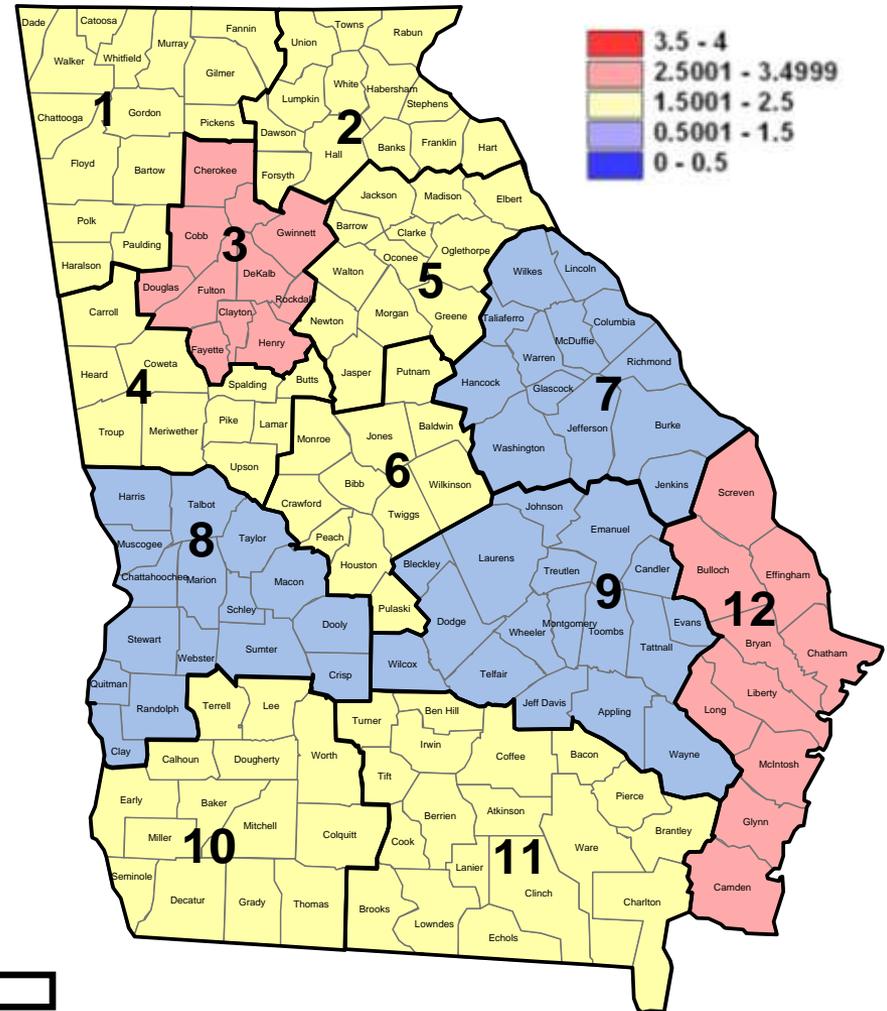
Grade Change 2006 to 2009	Number of counties	%
<b>+2</b>	<b>5</b>	<b>3.14</b>
<b>+1</b>	<b>31</b>	<b>19.5</b>
<b>0</b>	<b>85</b>	<b>63.5</b>
<b>-1</b>	<b>38</b>	<b>23.9</b>
<b>-2</b>	<b>0</b>	<b>0.0</b>

# Economic Vitality Index

## US Benchmark 1980



## US Benchmark 2009



Service Delivery Regions

Scores: A=0, B=21,  
C=105, D=33, F=0  
2.00 Average

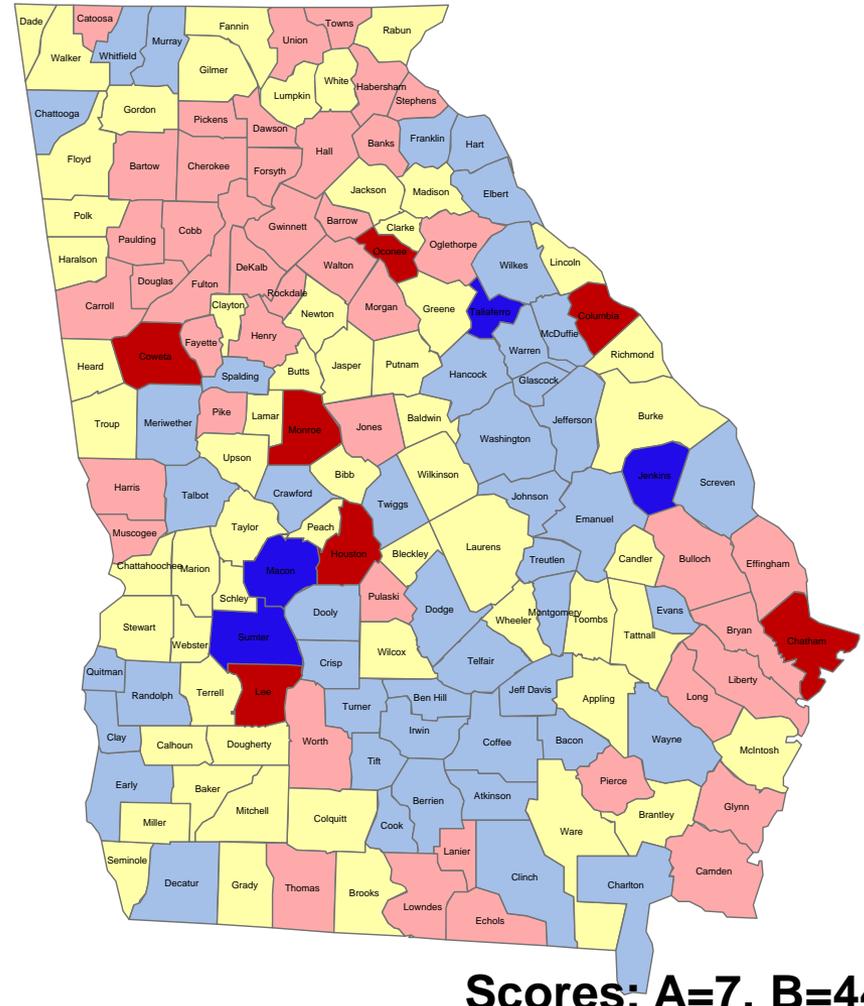
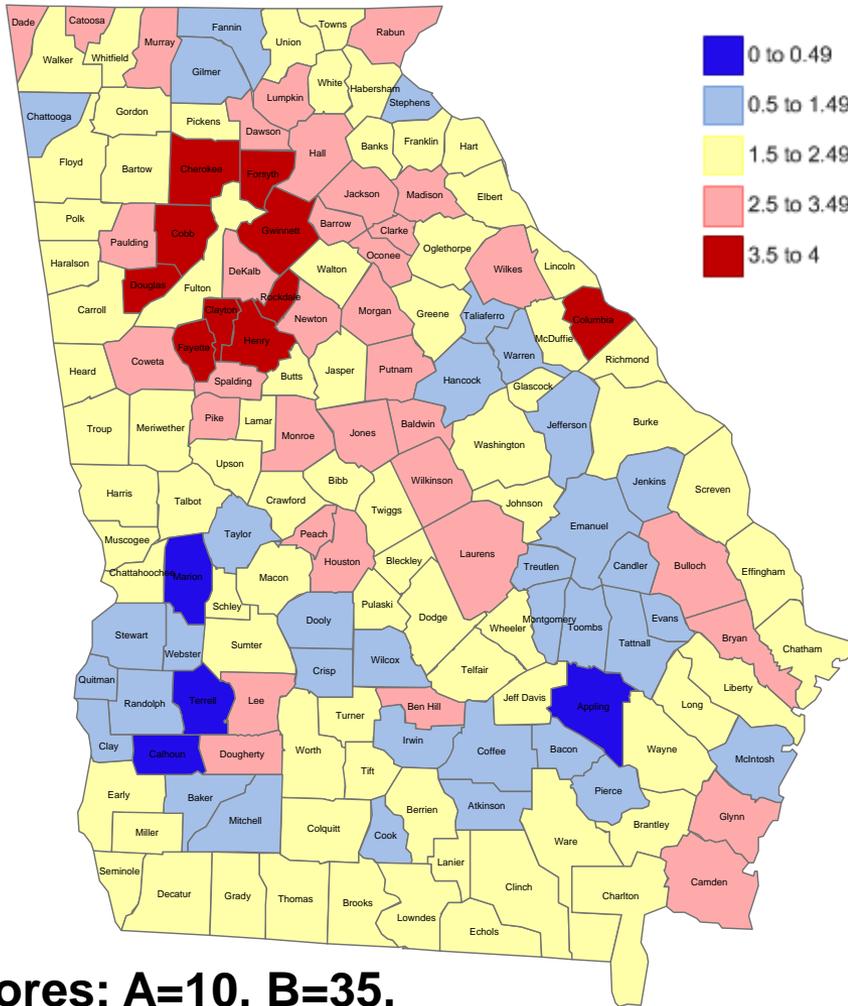
Center for Agribusiness & Economic Development, UGA

Scores: A=0, B=20,  
C=93, D=46, F=0  
1.81 AVG

# Economic Vitality Index

## SE Benchmark 1980

## SE Benchmark 2009

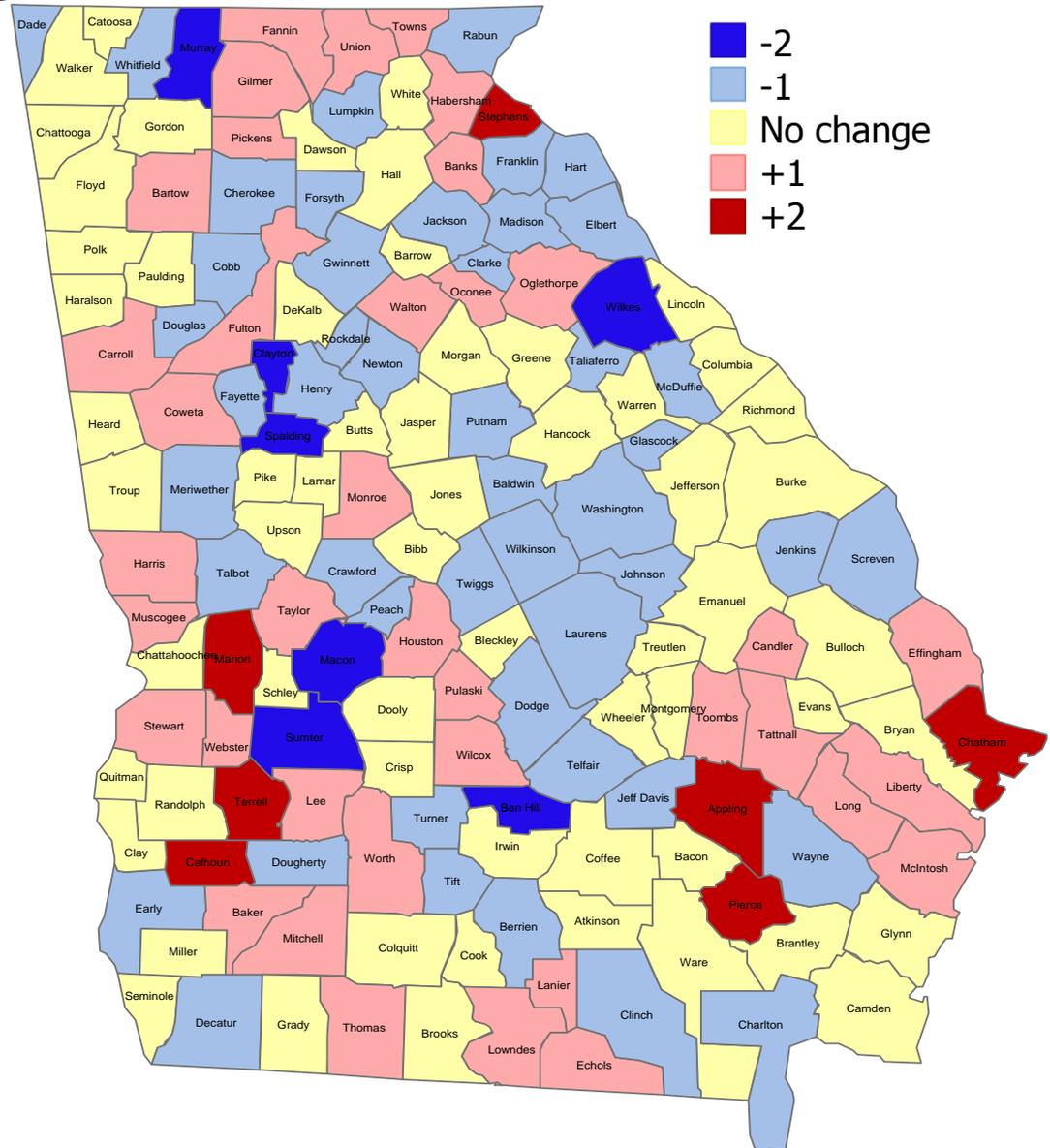


**Scores: A=10, B=35,  
C=76, D=34, F=4  
2.00 AVG**

**Scores: A=7, B=44,  
C=58, D=46, F=4  
1.89 AVG**

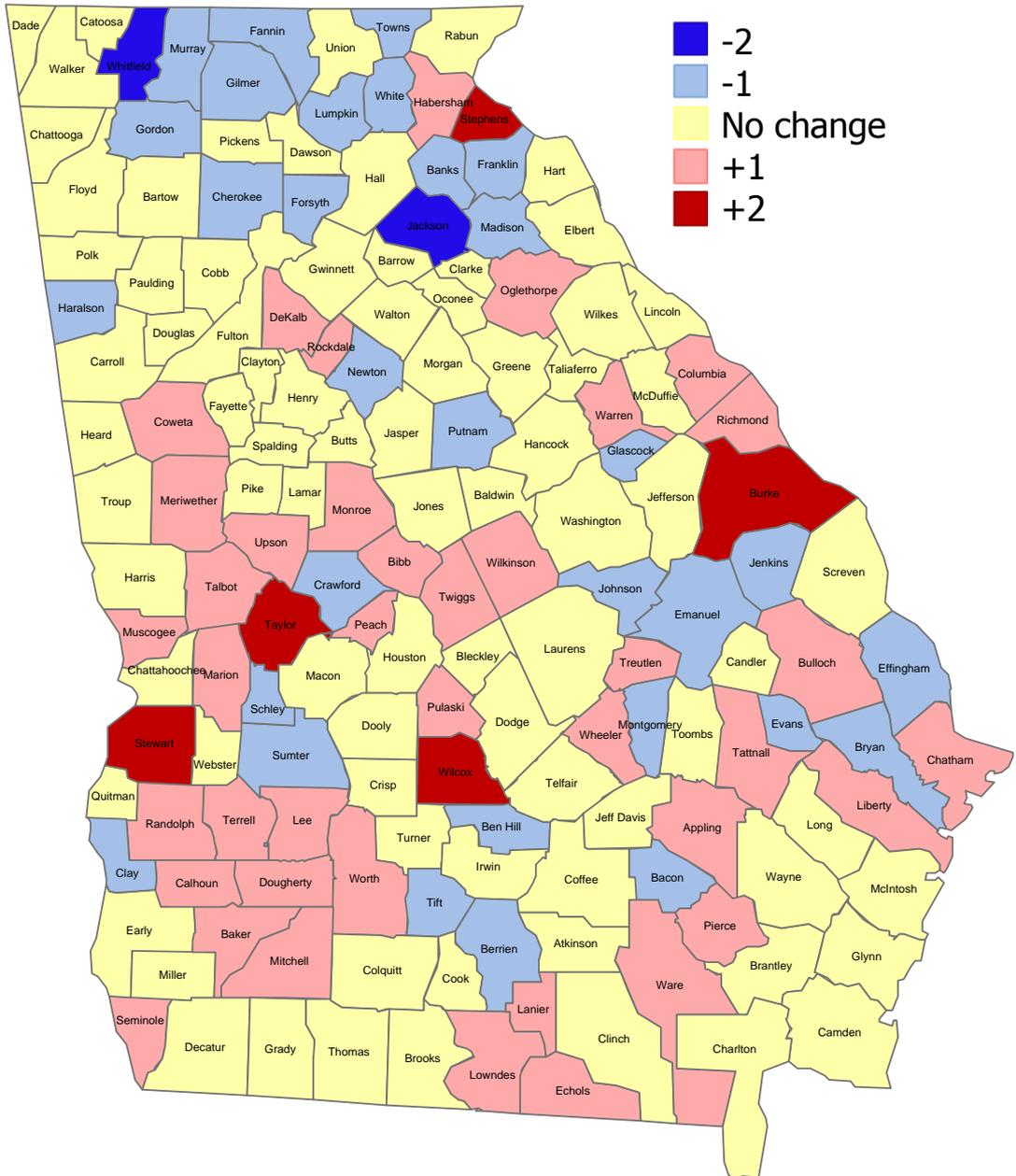
# Grade Change From 1980 to 2009 – SE

Grade Change 1980 to 2009	Number of counties	%
+2	7	4.40
+1	38	23.9
0	60	37.7
-1	47	29.6
-2	7	4.40



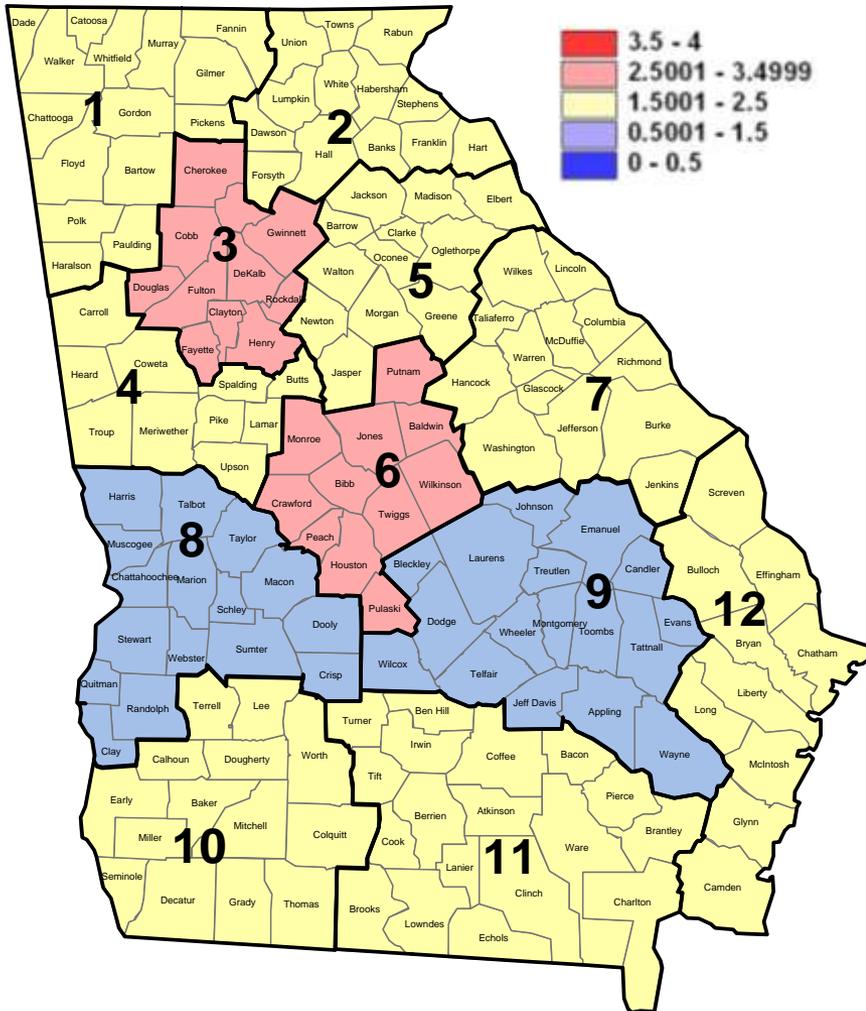
# Grade Change From 2006 to 2009 – SE

Grade Change 2006 to 2009	Number of counties	%
<b>+2</b>	<b>5</b>	<b>3.14</b>
<b>+1</b>	<b>40</b>	<b>25.2</b>
<b>0</b>	<b>81</b>	<b>50.9</b>
<b>-1</b>	<b>31</b>	<b>19.5</b>
<b>-2</b>	<b>2</b>	<b>1.3</b>

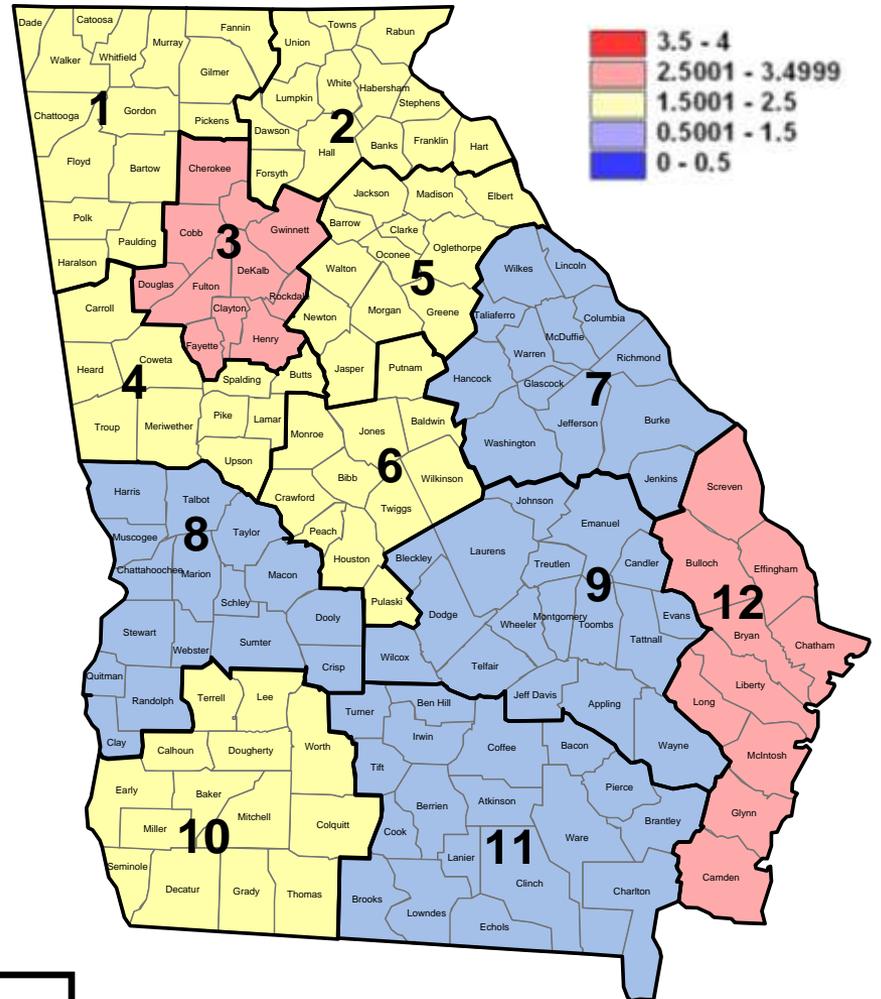


# Economic Vitality Index

## SE Benchmark 1980



## SE Benchmark 2009



Service Delivery Regions

Scores: A=0, B=21,  
C=105, D=33, F=0  
2.00 Average

Center for Agribusiness & Economic Development, UGA

Scores: A=0, B=20,  
C=75, D=64, F=0  
1.85 AVG

# Average County Grades By Indicator, 4.0 Scale

1980 Indicator Averages all 2.0 or C

	<b>Unemp</b>	<b>POV</b>	<b>Emp</b>	<b>Pop</b>	<b>AWW</b>	<b>PCI</b>		
	Grades versus Base 1980							
	2009	2009	2009	2009	2009	2009	Average	Grade
South East Benchmark	1.74	1.91	2.26	1.89	1.77	1.89	1.89	C-
US Benchmark	1.10	2.47	2.03	1.74	1.72	2.30	1.89	C-



Any Questions?



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