

ECONOMIC MEASUREMENT MATTERS



DAVID CAMPBELL

ECONOMICALLY DRIVEN

Last week the president and CEO of the Greater Halifax Partnership announced he was resigning to look for a new direction in his career.

I have worked with Stephen Dempsey on several occasions over the past few years and found him to be a highly professional and motivated guy. He realized early on that the long term economic success of the Greater Halifax region was tied to its role as a regional urban centre. As a result he spent much of his time forging relationships beyond the borders of Halifax on projects such as Atlantica, the Atlantic Gateway and the World Energy Cities Partnership.

I hope Dempsey finds his way back into the economic development realm in some capacity as he has a needed talent and a passion in this area.

One of the greatest contributions that the Greater Halifax Partnership made to practice of economic development has been its willingness from the start to track its performance against other benchmark cities across Canada. I have been saying for years that the only way to measure

a jurisdiction's economic development success or failure is by using an ongoing scorecard that doesn't change every year. A lot of economic development agencies and government departments cherry pick through economic data and selectively present information that looks good in one year and then ignore it in the years when it looks bad.

The Greater Halifax Partnership put the comparison out there for all to see on an annual basis. The communities the organization used for its annual economic benchmarking had at least two or more points of similarity in the areas of demographics, industry sectors and geographic proximity. The comparison cities included: St. John's, N.L.; Québec City, Que.; London, Ont.; Regina, Sask.; and Victoria, B.C.

This economic scorecard approach was ultimately adopted by the community as a whole when it rolled out its Halifax's Economic Strategy for 2005-2010. In order to make it arm's length from government; the Halifax Chamber of Commerce is the organization that prepares an Economic Scorecard Report each year to monitor progress towards its goals. Critically important to this process is the measurement of the exact same indicators each and every year.

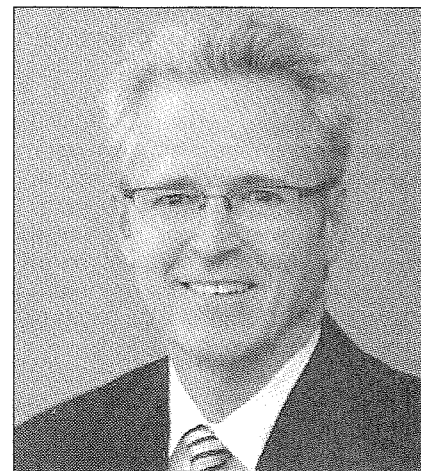
For ease of measurement, the scorecard assigns a visual rating to each measure. Two green lights indicate the measure is tracking above target, one green light indicates the measure is on target, one yellow light indicates the measure is tracking close to, but below target, one red light means the measure is off target and two red lights indicate the measure is off target, deteriorating, or is not being addressed.

The scorecard evaluates almost 30 different measurements from high level population and employment growth, immigration trends, income growth and admissions at post-secondary institutions to highly specific including federal government employment levels, private sector business investment, financial support for economic development, increase in tax base and community and business confidence.

Kudos to the Chamber of Commerce for avoiding the temptation to turn this effort into another fluffy public relations exercise. The Chamber and the Greater Halifax Partnership are smart enough to realize there is a time and place for public relations but it is not when evaluating the community's success or failure at developing prosperity. That is the time for honesty and straight talk to the residents of Halifax.

The 2009 report indicates an increasing number of measures with two red lights. There were four measures with two red lights in 2007 and that is up to nine by 2009. Population growth, university admissions, public sector investment, private sector investment, average income growth, business confidence, brand recognition and the Port of Halifax all scored two red lights in 2009 meaning that the measure is "off target, deteriorating, or is not being addressed".

Critics will say that this is just an exercise in self-flagellation designed to make government look bad. They will say that many of these measures are out of the direct control of government or economic development agencies (at least short term) so why bring them into the public view in such a pronounced way every year?



Stephen Dempsey

I say this is an example of real leadership and would like to see New Brunswick's Chambers of Commerce and economic development agencies do the same thing. I would like to see a systematic, year over year public report on a wide variety of indicators specific to the New Brunswick context. When the indicators are improving, we celebrate. When they are declining, those with responsibility in the specific areas pledge to make the changes necessary to turn the red lights to green.

Stephen Dempsey leaves the Greater Halifax Partnership having helped foster a culture of benchmarking and comparative measurement in the Halifax region. That's a legacy for which he should be proud.

David Campbell is an economic development consultant based in Moncton. He writes a daily blog, *It's the Economy*