

A Tool for Evaluating Economic Development Incentives

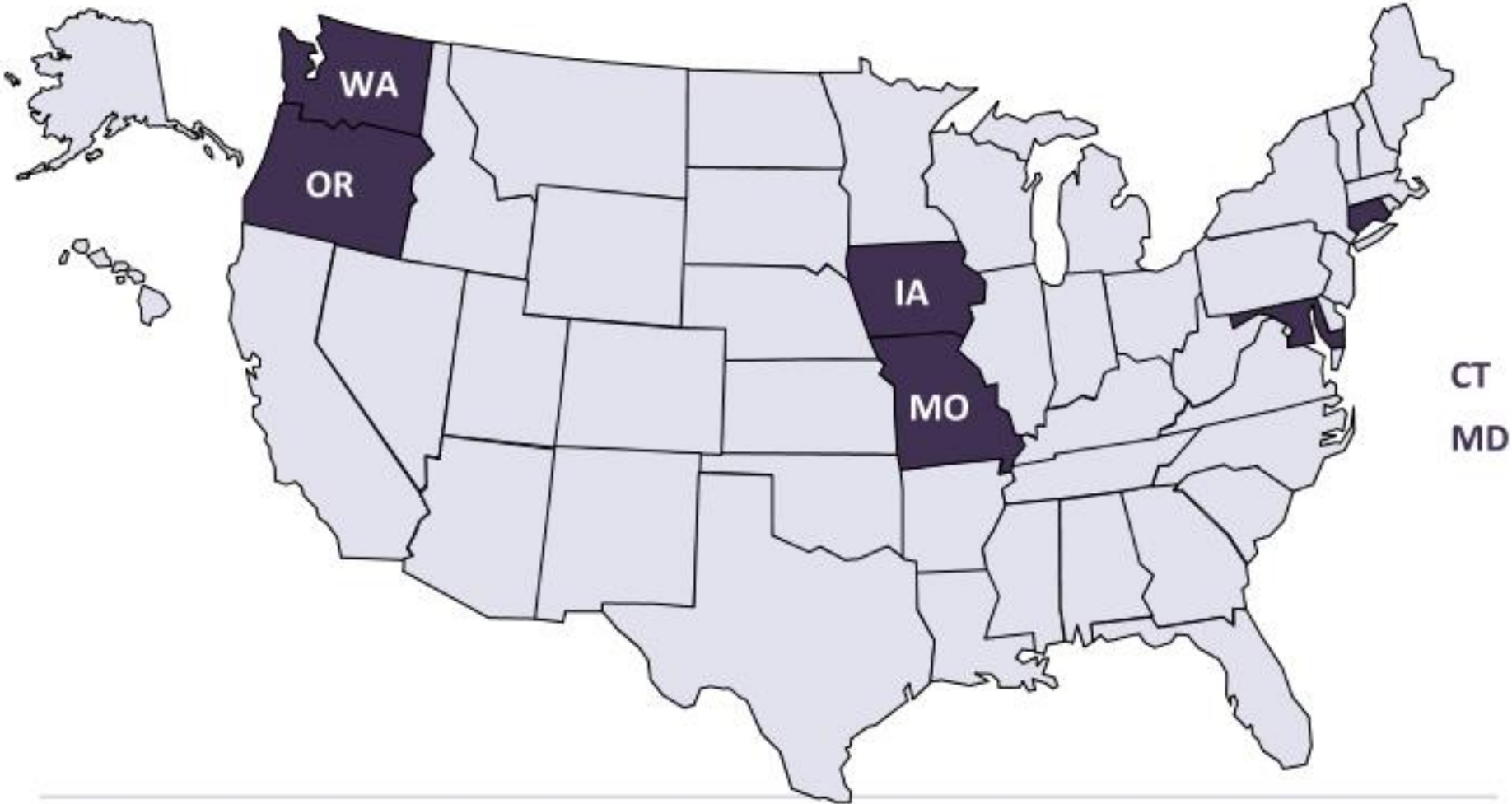
Mark Robyn

August 5, 2019

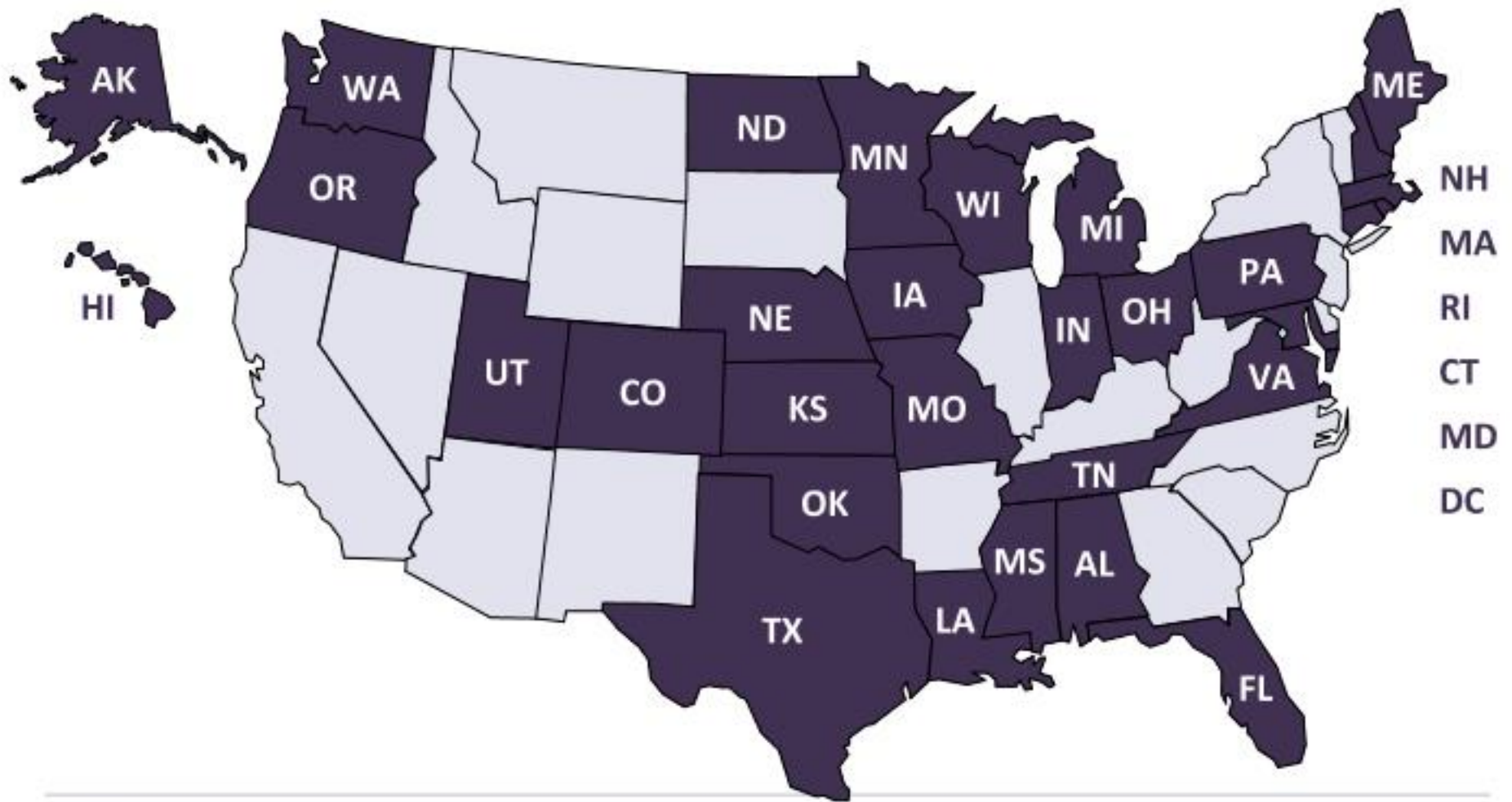
NCSL Legislative Fiscal Directors Pre-Conference

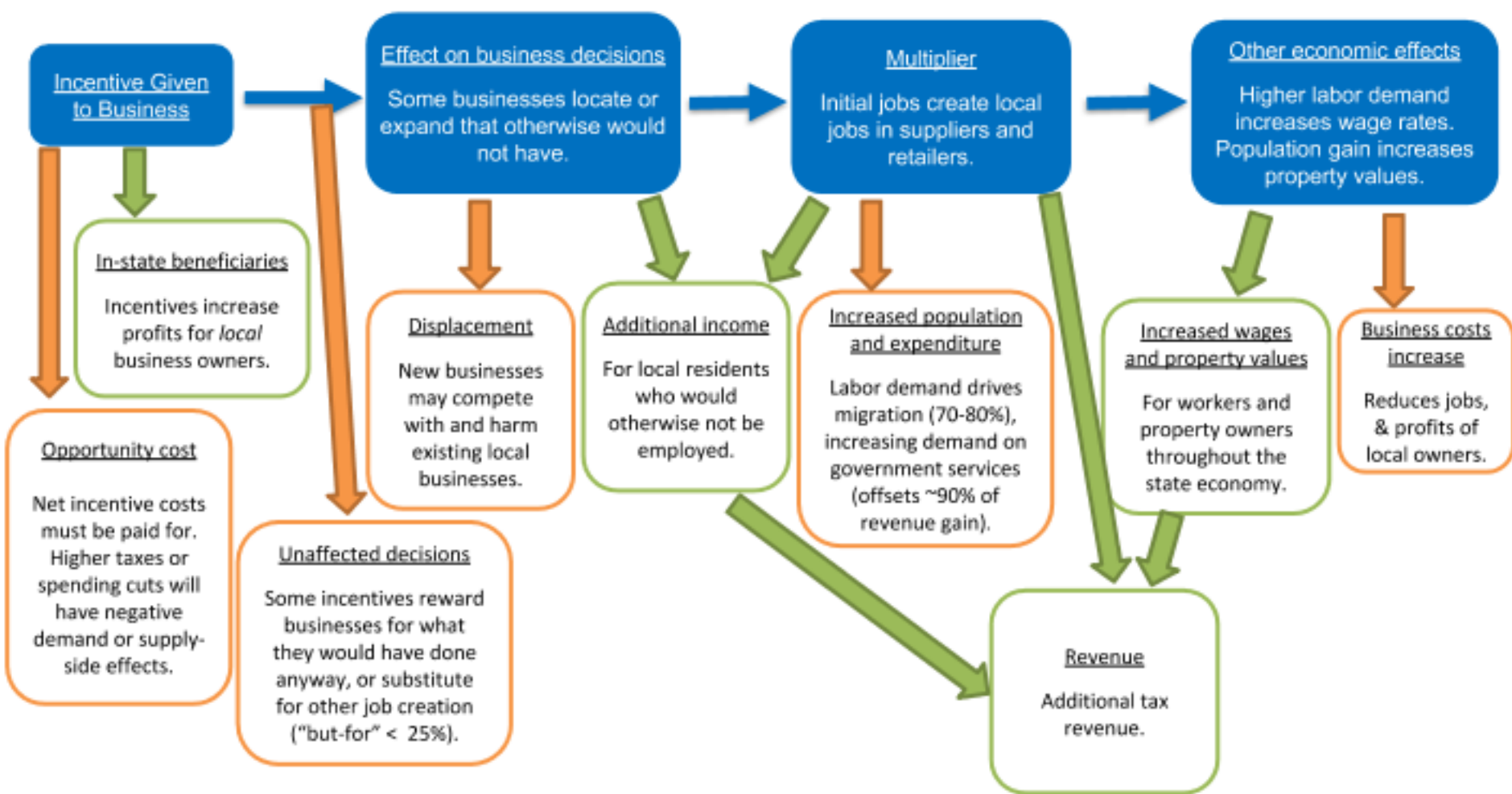
Nashville, TN

Evaluation Processes – Pre-2013



Evaluation Processes – 2019





Important Features of the Model

- Benefits and costs are measured in terms of the change in state income
 - Net effect = benefits – negative effects – initial cost
- Dynamic
- Includes budget feedbacks: both revenue and expenditures

Important Features of the Model

- Budget must be balanced – pay-fors can have negative economic effects.
- 80 year window
- Focused on businesses making decisions about relatively large, capital-intensive investments.

Mark Robyn
mrobyn@PewTrusts.org

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