

Tax Incentives Program Goals and Potential Metrics
Under Consideration by the LR 444 Committee on Tax Incentives Evaluation

The program goals listed in this document were proposed by policy experts with The Pew Charitable Trusts based on existing statutory intent and findings language. Those experts also suggested the metrics below for consideration by the LR 444 Committee. The list is based on a review of selected metrics used in evaluations of programs in other states with similar goals.

The list is intended to give the Committee a place to start its discussion about metrics, not as an exhaustive list of all possible metrics. The Committee is not limited to considering only the metrics on this list.

Goal 1: To strengthen the state’s economy overall by attracting new businesses to the state, increasing employment, creating high-quality jobs, and increasing business investment.

Potential Metrics Identified by the Pew Charitable Trusts	LR 444 Committee Initial Interest
Jobs	X
Net new direct jobs	X
Annualized full-time equivalent jobs created	X
Percentage of incentivized jobs filled by state residents	
Percentage of the workers hired to incentivized jobs who filed unemployment claims over the next two years	X
Cost-per-job	X
Job growth rate at companies receiving incentives compared to ones that don't receive them	X
Job creation at firms receiving incentives compared to job creation under alternative policies	X
Change in gross state product	X
Increase in business investment	X
Ratio of the increase in gross state product to the incentive cost	
Additional statewide economy activity for each dollar of incentives	X
Average wages	X
Average wages at incentivized jobs compared to the average wages of jobs in the same county	X
Average wages at incentivized jobs compared to the average wages of jobs in the same industry	X
Dollars per hour in health benefits at incentivized jobs	X
Percentage of customers for incentivized businesses who come from out-of-state	
State and local government revenue	
Ratio of revenue the state collects to costs of incentives	X
Cost of administering the incentives	

Potential Metrics Identified by the Pew Charitable Trusts	LR 444 Committee Initial Interest
Metric suggested by a member of the LR444 Committee: Number of Web sites hosted in-state vs. out of state for companies that receive incentives compared to those that do not	X

Goal 2: Revitalize rural areas and other distressed areas of the state

Potential Metrics Identified by the Pew Charitable Trusts	LR 444 Committee Initial Interest
Job creation from incentives in distressed areas compared to job creation from incentives in other areas	X
Percentage of incentive benefits going to the state's most distressed counties	
Change in poverty rates in distressed areas relative to comparison areas	
Change in unemployment rates in distressed areas relative to comparison areas	
Change in per capita income in distressed areas relative to comparison areas	
Percentage of residents of the state's distressed areas who have the education to fill jobs in the areas	X
Proportion of incentivized jobs that do not require a bachelor's degree	X

Goal 3: Diversify the state's economy and position Nebraska for the future by stimulating entrepreneurial, high-tech, and renewable energy firms.

Potential Metrics Identified by the Pew Charitable Trusts	LR 444 Committee Initial Interest
Research expenditures	
Patents granted	X
Patents applications filed	X
Employment of Ph.D. scientists and engineers	
Ratio of research employees to the number of patents grants	
Whether companies received financing from other sources as a result of incentives	X
Survival rates of firms receiving incentives compared to those that do not	X
Percentage of angel investors who were new to investing in the state	X
Percentage of angel investments that investors said they would have made without the incentives	
Growth in employment in targeted industries compared to national averages	