Picking Peers:
To whom should you compare your area's performance?

James A. Kurre and Kenneth K. T. Louie
Director Emeritus and Director
Economic Research Institute of Erie
Sam and Irene Black School of Business
Penn State Erie, The Behrend College

69th Annual AUBER Conference
October 2015
Orlando, FL
A key question:

“How are we doing?”

A frequent answer:

Community indicator projects
Community Indicators Consortium and Community Indicators

Community indicators help communities around the world answer the question: Are we there yet? Communities are trying to improve the quality of life of their residents. Indicators measure what the community cares about and track whether the community is moving in the right direction. Without indicators, it is difficult to know whether progress is being made on important issues. Those metrics provide essential guidance for action and key tools for appropriate engagement of the public.

The CIC Toolbox Helps Indicator Projects Succeed

The Community Indicator Consortium supports communities’ efforts to improve quality of life. Since 2005,
Listed here is a sample of projects. CIC does not endorse any projects and the information is generated by those who update their page.

Use the 'submit project' link on your project to include your project. If you'd like to revise or edit a project, contact us at datalinks@communityindicators.net so we can link you to the project. Once you are done, click on the 'submit project' link for your project to our mailing list.

Search Projects

Geographic Scope: Select...

Issue Area: Select...

Search

View Projects with Keywords: indicators, performance measurement, annual, commitments, strategic goals, outcomes, community, quality of life indicators, adopt an indicator, compacts, Health equity, index, Health outcomes, Social determinants, Child well-being, Child well-being data, Kids data, Birth, Health insurance, children, state weave, cic, Benchmark, data, regional, narrative reports, trends, survey, sustainability, stakeholder engagement, cross-agency, public engagement, youth, education

2012-2013 Community Needs Assessment, Newark, NJ, United States
ACT Rochester, Rochester, NY, USA
Adams County Community Indicators, Adams County, IL, USA
Community Indicator Projects

CIC lists: 50 metro, 97 county, 41 multi-county

Categories typically used:

- Arts and Culture
- Economy
- Environment
- Happiness
- Infrastructure
- Poverty
- Social
- Other
- Children/youth/families
- Education
- Equity
- Health
- Land use
- Public safety
- Transportation
- Climate change
- Employment
- Governance
- Housing
- Population
- Recreation
- Volunteerism
Here’s Erie’s: ErieVitalSigns.org

What is Erie Vital Signs?

Erie Vital Signs tracks indicators that measure our county’s well-being in the eight topic areas seen above.

The goal of Erie Vital Signs is to inform and inspire. We believe an increased focus on data will help encourage positive community change.

Erie Vital Signs is a leadership initiative of The Erie Community Foundation.

We have partnered with the Economic Research Institute of Erie, a research center of the Black School of Business at Penn State Erie, the Behrend College to insure timely data updates and expanded community outreach.

Labor Day

Economics professors are notorious for quiz-giving and it has been a long summer without anyone to quiz. Since you did so well on the Education quiz in our last EVS Special Report, you can celebrate the end of summer and honor labor on this Labor Day with a brief, but enlightening quiz. Just don’t labor over it too much!

Read More >
Economy

The EVS Economy indicators track six families of economic factors with over 80 individual data series for Erie County, and more than 1,100 data series in total once peers and subcategories are considered. The goal is to include those factors that play a key role in the quality of economic life for Erie County residents.

Most Recent Data

Across the six families of economic indicators, some have shown positive trends lately, others have had negative trends or unfavorable comparisons with peer areas, and some have been mixed or inconclusive.

In the ongoing recovery from The Great Recession, Erie County wages and income per capita have been lackluster recently, and real income per capita (adjusted for inflation) actually fell a bit. And Erleites are relying more and more on payments from governments for their income. Worst of all, those at the bottom end of the economic spectrum continue to struggle as poverty rates have risen and self-sufficiency rates have fallen. But the local labor market has been relatively strong, with employment up and unemployment down, although wages are not rising much. Local homeownership has seen some ups and downs as a holdover from the recession, while local cost of living remains about the same.
Real Per Capita Income (2013 dollars)

Real Per Capita Income

Annual Data

- Laredo
- Flint
- Spartanburg
- Lansing
- Erie
- Kalamazoo
- Gainesville
- Peer Average
- Roanoke
- Green Bay
- Akron
- Allentown
- U.S.
- Cedar Rapids
- Peoria
- PA
- Boulder

Real Per Capita Income (2013 dollars)

- Erie
- U.S.
- PA
- Peer Area Average

<table>
<thead>
<tr>
<th>Year</th>
<th>Laredo</th>
<th>Flint</th>
<th>Spartanburg</th>
<th>Lansing</th>
<th>Erie</th>
<th>Kalamazoo</th>
<th>Gainesville</th>
<th>Peer Average</th>
<th>Roanoke</th>
<th>Green Bay</th>
<th>Akron</th>
<th>Allentown</th>
<th>U.S.</th>
<th>Cedar Rapids</th>
<th>Peoria</th>
<th>PA</th>
<th>Boulder</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>27,102</td>
<td>33,003</td>
<td>36,317</td>
<td>37,775</td>
<td>40,264</td>
<td>42,671</td>
<td>43,817</td>
<td>45,159</td>
<td>54,968</td>
<td>3,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The key question: How are we doing?

The answer: Compared to what?
Time-series (compare to our own area previously)
- Real vs. nominal
- What time period?
  - "Recent" past?
  - Take cycles into account?
- Often: whatever’s available
Cross-section (compare to other areas)
Which other areas?
U.S.
State
Other Metro areas
“Peers”
- Nearby competitors
- Similar MSAs wherever they are
- Aspirational
- Easy targets/losers
How many?
How do you identify peers?

Find areas that are “like” yours.
But there’s the rub...
What variables are “logical”?
Which Variables?

Demographic
- Population, growth rate
- Age
- Race
- Educational achievement

Economic
- Income (median hshld, per capita)
- Industry mix

Perhaps: whatever your indicators are?
Current Practice

What do other community indicator projects do?  
-Do they use peers at all?  
-What number of peers?  
-How are they chosen?  
-Any consensus?
# Current Practice

## U.S.

<table>
<thead>
<tr>
<th>Area</th>
<th>Program name</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allentown PA</td>
<td>Lehigh Valley Research Consortium</td>
<td>16 metro areas</td>
</tr>
<tr>
<td>Buffalo, NY</td>
<td>Say Yes Buffalo Impact Dashboard</td>
<td>None</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>Chicago Metropolitan Agency for Planning</td>
<td>4 MSAs: Boston, NY, LA, DC</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td>Sustainable Cleveland 2019</td>
<td>None</td>
</tr>
<tr>
<td>Detroit MI</td>
<td>One D Detroit</td>
<td>54 areas--CSAs, MSAs, UAs, etc.</td>
</tr>
<tr>
<td>Indianapolis, IN</td>
<td>Indy Indicators</td>
<td>12 metro areas</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>Greater Louisville Project Competitive City Update</td>
<td>16 metro areas</td>
</tr>
<tr>
<td>New Haven CT</td>
<td>Greater New Haven Community Index</td>
<td>14 metro areas</td>
</tr>
<tr>
<td>New Orleans LA</td>
<td>Greater New Orleans Index</td>
<td>57 &quot;weak city metros&quot;, 7 aspirational metros</td>
</tr>
<tr>
<td>Orange County, CA</td>
<td>Orange County Community Indicators</td>
<td>10 metros for some Econ indicators</td>
</tr>
<tr>
<td>Pittsburgh, PA</td>
<td>Pittsburgh Today</td>
<td>14 MSAs</td>
</tr>
<tr>
<td>Savannah GA</td>
<td>Savannah Community Indicators</td>
<td>None</td>
</tr>
</tbody>
</table>

## Canada

<table>
<thead>
<tr>
<th>Area</th>
<th>Program name</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary, AB</td>
<td>Calgary Vital Signs</td>
<td>None</td>
</tr>
<tr>
<td>Edmonton, AB</td>
<td>Edmonton Vital Signs</td>
<td>None</td>
</tr>
<tr>
<td>Hamilton, ON</td>
<td>Hamilton Vital Signs</td>
<td>Ontario (province), Waterloo (region), Toronto</td>
</tr>
<tr>
<td>Montreal, QC</td>
<td>Montreal Vital Signs</td>
<td>Toronto, Calgary, Vancouver</td>
</tr>
<tr>
<td>Newfoundland/Labrador</td>
<td>Newfoundland &amp; Labrador's Vital Signs</td>
<td>None</td>
</tr>
<tr>
<td>Toronto, ON</td>
<td>Toronto Vital Signs</td>
<td>None</td>
</tr>
</tbody>
</table>
What do other community indicator projects do?  
- Do they use peers at all?  
  Most do.  
- What number of peers?  
  About a dozen.  
- How are they chosen?  
  Mostly unclear. Ad hoc?  
- Any consensus?  
  Not any obvious one...
What We Propose

Identify variables of importance to you
1) Gather data for all MSAs
2) Calculate absolute % difference from your MSA
3) Weight the variables—user’s choice
4) Calculate weighted absolute % difference
5) Get rankings; pick the n closest to be the peers.
Erie’s current “peers”

Akron, OH
Allentown-Bethlehem-Easton PA
Boulder CO
Cedar Rapids IA
Flint MI
Gainesville FL
Green Bay WI
Kalamazoo-Portage MI
Lansing –East Lansing MI
Laredo TX
Peoria IL
Roanoke VA
Spartanburg SC
<table>
<thead>
<tr>
<th>Variables and weights</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2013</td>
<td>20.0</td>
</tr>
<tr>
<td>5-year rate of change</td>
<td>5.0</td>
</tr>
<tr>
<td>Personal Income per capita 2013</td>
<td>20.0</td>
</tr>
<tr>
<td>5-year rate of change</td>
<td>5.0</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>Child dependency ratio</td>
<td>12.5</td>
</tr>
<tr>
<td>Old age dependency ratio</td>
<td>12.5</td>
</tr>
<tr>
<td>Educational attainment</td>
<td></td>
</tr>
<tr>
<td>High school only</td>
<td>12.5</td>
</tr>
<tr>
<td>BA plus</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>
## Results

<table>
<thead>
<tr>
<th>Rank</th>
<th>MSA</th>
<th>Total Weighted Score</th>
<th>2013 Population</th>
<th>5-yr PopGth</th>
<th>2013 PIPC</th>
<th>5-yr PIPC Gth</th>
<th>Old-age dependency ratio</th>
<th>Child dependency ratio</th>
<th>High School Only</th>
<th>BA or Higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Erie, PA MSA</td>
<td>0.0</td>
<td>280,294</td>
<td>0.58</td>
<td>37,729</td>
<td>12.56</td>
<td>23.6</td>
<td>35.7</td>
<td>40.8</td>
<td>24.8</td>
</tr>
<tr>
<td>2</td>
<td>South Bend-Mishawaka, IN-MI MSA</td>
<td>18.0</td>
<td>318,619</td>
<td>-0.42</td>
<td>37,781</td>
<td>7.92</td>
<td>22.9</td>
<td>39.1</td>
<td>33.3</td>
<td>24.7</td>
</tr>
<tr>
<td>3</td>
<td>Duluth, MN-WI MSA</td>
<td>20.6</td>
<td>279,887</td>
<td>0.48</td>
<td>39,391</td>
<td>13.28</td>
<td>24.9</td>
<td>31.8</td>
<td>31.0</td>
<td>24.8</td>
</tr>
<tr>
<td>4</td>
<td>Cape Girardeau, MO-IL MSA</td>
<td>21.8</td>
<td>97,439</td>
<td>2.53</td>
<td>37,556</td>
<td>13.85</td>
<td>24.0</td>
<td>35.2</td>
<td>35.0</td>
<td>23.6</td>
</tr>
<tr>
<td>5</td>
<td>Evansville, IN-KY MSA</td>
<td>21.9</td>
<td>314,280</td>
<td>1.84</td>
<td>41,701</td>
<td>11.95</td>
<td>23.2</td>
<td>36.9</td>
<td>35.3</td>
<td>22.3</td>
</tr>
<tr>
<td>6</td>
<td>St. Joseph, MO-KS MSA</td>
<td>22.0</td>
<td>127,767</td>
<td>1.34</td>
<td>37,310</td>
<td>13.43</td>
<td>23.0</td>
<td>36.1</td>
<td>39.3</td>
<td>19.1</td>
</tr>
<tr>
<td>7</td>
<td>Utica-Rome, NY MSA</td>
<td>22.1</td>
<td>297,766</td>
<td>-0.37</td>
<td>39,439</td>
<td>14.46</td>
<td>27.2</td>
<td>35.2</td>
<td>33.3</td>
<td>22.0</td>
</tr>
<tr>
<td>8</td>
<td>Atlantic City-Hammonton, NJ MSA</td>
<td>22.5</td>
<td>275,862</td>
<td>1.04</td>
<td>42,425</td>
<td>6.52</td>
<td>23.4</td>
<td>36.8</td>
<td>33.6</td>
<td>24.2</td>
</tr>
<tr>
<td>9</td>
<td>St. Cloud, MN MSA</td>
<td>23.3</td>
<td>191,306</td>
<td>2.57</td>
<td>38,236</td>
<td>11.18</td>
<td>19.2</td>
<td>36.3</td>
<td>31.3</td>
<td>23.7</td>
</tr>
<tr>
<td>10</td>
<td>Jefferson City, MO MSA</td>
<td>23.7</td>
<td>150,494</td>
<td>1.83</td>
<td>38,573</td>
<td>9.31</td>
<td>20.7</td>
<td>36.8</td>
<td>35.6</td>
<td>25.3</td>
</tr>
<tr>
<td>11</td>
<td>Waterloo-Cedar Falls, IA MSA</td>
<td>24.3</td>
<td>169,484</td>
<td>2.27</td>
<td>41,769</td>
<td>11.64</td>
<td>23.6</td>
<td>34.5</td>
<td>34.4</td>
<td>25.4</td>
</tr>
<tr>
<td>12</td>
<td>Winchester, VA-WV MSA</td>
<td>24.4</td>
<td>131,980</td>
<td>4.97</td>
<td>37,979</td>
<td>11.46</td>
<td>22.6</td>
<td>37.9</td>
<td>34.6</td>
<td>24.0</td>
</tr>
<tr>
<td>13</td>
<td>Binghamton, NY MSA</td>
<td>24.5</td>
<td>247,777</td>
<td>-1.88</td>
<td>39,498</td>
<td>13.18</td>
<td>26.5</td>
<td>32.8</td>
<td>33.9</td>
<td>25.7</td>
</tr>
<tr>
<td>14</td>
<td>Rockford, IL MSA</td>
<td>24.8</td>
<td>344,623</td>
<td>-1.52</td>
<td>37,505</td>
<td>10.83</td>
<td>23.0</td>
<td>41.3</td>
<td>34.2</td>
<td>21.0</td>
</tr>
<tr>
<td>15</td>
<td>Lewiston-Auburn, ME MSA</td>
<td>25.2</td>
<td>107,604</td>
<td>-0.63</td>
<td>37,680</td>
<td>8.98</td>
<td>23.1</td>
<td>35.5</td>
<td>38.3</td>
<td>18.8</td>
</tr>
<tr>
<td>16</td>
<td>Canton-Massillon, OH MSA</td>
<td>25.6</td>
<td>403,707</td>
<td>-0.60</td>
<td>38,449</td>
<td>14.26</td>
<td>27.4</td>
<td>37.1</td>
<td>39.9</td>
<td>20.4</td>
</tr>
<tr>
<td>17</td>
<td>Jackson, TN MSA</td>
<td>25.6</td>
<td>130,645</td>
<td>1.71</td>
<td>37,842</td>
<td>16.43</td>
<td>22.5</td>
<td>37.9</td>
<td>35.0</td>
<td>22.0</td>
</tr>
<tr>
<td>18</td>
<td>Chico, CA MSA</td>
<td>25.7</td>
<td>222,090</td>
<td>1.40</td>
<td>37,150</td>
<td>13.75</td>
<td>24.9</td>
<td>32.7</td>
<td>23.0</td>
<td>24.5</td>
</tr>
<tr>
<td>19</td>
<td>Hagerstown-Martinsburg, MD-WV MSA</td>
<td>25.8</td>
<td>258,294</td>
<td>4.02</td>
<td>36,164</td>
<td>8.67</td>
<td>21.4</td>
<td>37.4</td>
<td>37.9</td>
<td>19.6</td>
</tr>
<tr>
<td>20</td>
<td>Huntington-Ashland, WV-KY-OH MSA</td>
<td>26.0</td>
<td>364,101</td>
<td>0.06</td>
<td>35,308</td>
<td>13.00</td>
<td>26.3</td>
<td>35.1</td>
<td>37.7</td>
<td>18.6</td>
</tr>
<tr>
<td>21</td>
<td>Lynchburg, VA MSA</td>
<td>26.1</td>
<td>256,455</td>
<td>2.87</td>
<td>36,183</td>
<td>7.89</td>
<td>25.8</td>
<td>33.1</td>
<td>32.4</td>
<td>23.2</td>
</tr>
</tbody>
</table>
If we change the weights...

<table>
<thead>
<tr>
<th>Pop2013 15%, PopGth5 5%, PICP2013 20%, Child 15%, Old Age 15%, HS 15%, BA+ 15%</th>
<th>Pop2013 20%, PopGth5 5%, PIPC2013 20%, PICPGth5 5%, Child 12.5%, Old Age 12.5%, HS 12.5%, BA+ 12.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic City-Hammonton, NJ MSA</td>
<td>Atlantic City-Hammonton, NJ MSA</td>
</tr>
<tr>
<td>Cape Girardeau, MO-IL MSA</td>
<td>Cape Girardeau, MO-IL MSA</td>
</tr>
<tr>
<td>Duluth, MN-WI MSA</td>
<td>Duluth, MN-WI MSA</td>
</tr>
<tr>
<td>Evansville, IN-KY MSA</td>
<td>Evansville, IN-KY MSA</td>
</tr>
<tr>
<td>Jackson, TN MSA</td>
<td>Jackson, TN MSA</td>
</tr>
<tr>
<td>Jefferson City, MO MSA</td>
<td>Jefferson City, MO MSA</td>
</tr>
<tr>
<td>Lewiston-Auburn, ME MSA</td>
<td>Lewiston-Auburn, ME MSA</td>
</tr>
<tr>
<td>South Bend-Mishawaka, IN-MI MSA</td>
<td>South Bend-Mishawaka, IN-MI MSA</td>
</tr>
<tr>
<td>St. Joseph, MO-KS MSA</td>
<td>St. Joseph, MO-KS MSA</td>
</tr>
<tr>
<td>Winchester, VA-WV MSA</td>
<td>Winchester, VA-WV MSA</td>
</tr>
</tbody>
</table>

Overlap: 7 of top 10
A few thoughts...

Does it make sense to have different peers for different topics?

One set for Economics, another for Environment...

Aspirational

- Pick ones with positive % difference on selected variables
- Select ones that were your size 5 years ago but are larger now
- What did they do to succeed?
Some potential benefits of our approach:
- It forces consideration of the issue of “peerness”.
- Which factors are important? ...less so?
- It will help local leaders identify less-obvious peers.
- It may lead to exploration of what other areas are doing.
What do YOU think?

Which factors do YOU think are most important?

Jim Kurre: k12@psu.edu
Ken Louie: obr@psu.edu