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Hierarchy of Community Impacts

Model for Community-Based Evaluation of Economic and Community Development

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Overview

Communities engaged in innovative economic development often take for granted that what they are doing is making a real difference. And they don't have at their disposal practical tools to measure impacts day to day and over time. At the same time, many funding agencies feel frustration over the inadequacies of external evaluation or evaluation "by anecdote," where evidence of progress boils down to testimonials but little quantifiable evidence.

Several models for measuring community progress against stated goals exist, but often community leaders have difficulty grasping the terminology of "baselines, indicators, measures and outcomes." Furthermore, these community leaders see many of these models as too cumbersome or too time-consuming to make implementation practical or worthwhile.

The Hierarchy of Community Impacts is a concept pioneered by the Heartland Center for Leadership Development to help community leaders understand and implement a simple, common-sense approach to progress evaluation in a way that community leaders feel ownership for and embrace. An underlying assumption of the model is that communities, and the agencies that may be supporting their efforts, benefit from an evaluation approach that offers a way to count impacts from the very start of the community or economic development strategy and looks backward and ahead to assess whether such a strategy is making a difference.

The Hierarchy of Community Impacts model begins with documenting **activities.** It moves up the hierarchy through a series of increasingly sophisticated steps that ends in **indicators of systemic change.**

Figure 1 – Hierarchy of Community Impacts
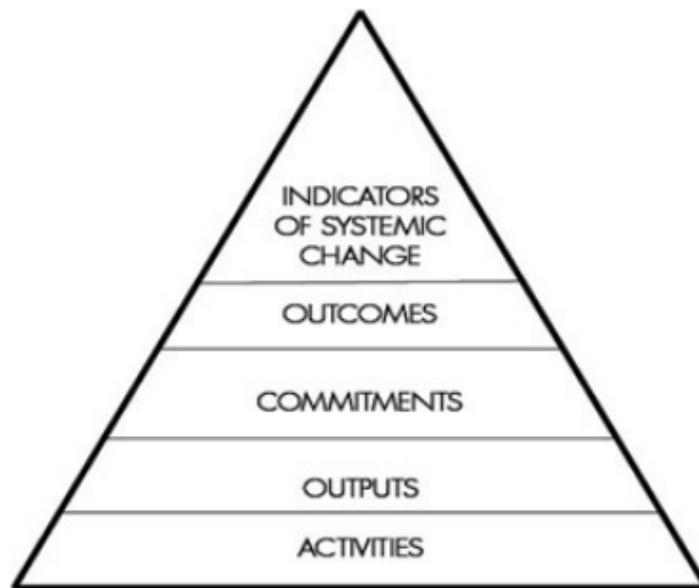
Source: Heartland Center for Leadership Development

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Implementation Example

How might you evaluate the impacts of a community leadership development program using the hierarchy model? Using the HomeTown Competitiveness (HTC) program, in which the Heartland Center for Leadership Development is a founder and core partner, the Hierarchy of Community Impacts is applied to the four HTC pillars: strengthening leadership, nurturing entrepreneurs, attracting youth, and increasing charitable giving.

1. Activities. Evidence of activities are characterized by the development of a program, club, association or other initiative intended to strengthen community leadership. Is there a plan, a curriculum, and a schedule? How many people signed up?

2. Outputs. This is what the program is producing, in other words, are participants attending? Graduating? What is their level of satisfaction? What do they say they are gaining from the program?

3. Commitments. Commitments are evidenced by what the participants or graduates are saying, and what they are doing:

   a. Expressed Commitments – What have the program graduates said they would do, as a result of their participation?

   b. Acted Upon Commitments – What have the graduates done?

4. Outcomes. What community betterment has resulted from the graduates' actions? Has something positive happened as a result of their involvement?

5. Indicators of Systemic Change. This level indicates what type of long-term changes were affected. For example, has the pool of people engaged in community leadership roles become more diversified? Are there more young people or people of color, or at least new faces among emerging and engaged leaders?

Theoretically, this approach to community-based evaluation could apply against any community or economic development undertaking, not just community leadership. It could apply to reducing poverty, improving wellness, expanding low-income housing or any other efforts to improve quality of life. Ultimately, communities should decide what impacts are important to them in their community betterment efforts.

How e2 Can Help

e2 Entrepreneurial Ecosystems can help communities increase prosperity through entrepreneur-focused economic development and ecosystem building through:

➢ **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building entrepreneurial ecosystem strategies that work.

➢ **Analytics Support.** E2 helps communities and regions understand their entrepreneurial potential through research. Please view a sampling of our research tools at: https://www.energizingentrepreneurs.org/solutions/start.html

➢ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of **Start Us Up: America's New Business Plan,** a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

e2 Entrepreneurial Ecosystems is led by Don Macke, who has more than 40 years of community economic development and policy experience. We have a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

> The mission of **e2 Entrepreneurial Ecosystems** is to help communities and regions connect, learn, and share best practices for building sustainable entrepreneurial ecosystems across North America. With more than 25 years of field experience, particularly in rural America, e2 is the preferred resource for communities of all sizes wanting to pursue prosperity.
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