Building Extension’s Public Value

Workbook

Written by
Laura Kalambokidis and
Theresa Bipes
1. PUBLIC VALUE

Guiding questions:
1. What is public value?
2. What is the purpose of the “public value approach”?

Public value approach

- Extension can explain the value of its programs to **direct participants**.
- **Public value**
  - The value of a program to those who do not **directly** benefit from that program.
- **Public value approach**
  - Secure support for activities with strong public value.
  - Open the discussion about how to fund activities that do not have strong public value.
  - Provide some insight to the task of prioritizing Extension’s work.

“The Cooperative State Research, Education, and Extension Service (CSREES)...ensure(s) that...funding is used to address national concerns and benefit the public.” - CSREES Strategic Planning and Accountability statement

Guiding questions:
1. What is public value?
2. What is the purpose of the “public value approach”?

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“The public value approach is not just about the message; it’s about doing the work that justifies the message.” - Laura Kalambokidis, Associate Professor of Applied Economics, University of Minnesota
2. SKEPTICAL STAKEHOLDERS

Guiding Questions:
1. What do we mean by “stakeholders” within the public value approach?
2. Why is their support for Extension important?
3. Who are the stakeholders in your program?
4. What are their concerns?

We need to respond to skeptical stakeholders who say:

I’ve seen the evidence that your Extension program is effective; I just don’t think state/county funds should pay for it. In times of scarce public resources, I think the people who attend the programs should pay for them.

"Elected officials rarely are interested in how many people attended, that the participants rated sessions as positive, or even that participants hope to incorporate a new skill they learned. They want to know what programs cost and compare this to how they are beneficial to the economy or to their local budgets." -Karen Debord, Professor of Child Development, North Carolina State University

Don’t Forget!

Using the public value approach, our stakeholders are people who are affected by our program’s outcomes, or help pay for our programs, but who are not program participants.

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2.1 Stakeholders and Concerns

It is important to be aware of the stakeholders in a program, as well as their concerns. Within your group, choose an Extension program to discuss. Then compile a list of stakeholders for the program and the top two concerns each may have. Remember that the stakeholders in this case are people who are affected by, or have an interest in, the program, but who are not program participants. In particular, think of stakeholders whose support for the program is valued. For example, consider funders, members of the community in which the program takes place, or taxpayers in another part of the state.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Concerns</th>
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Did other groups identify stakeholders or concerns that your group did not think of, but that also apply to the program you discussed?
3. CRITERIA FOR PUBLIC SECTOR ACTION

Guiding Questions:
1. Why is the public value approach based in public economics?
2. What is the role of the public sector in a market economy?
3. What are some criteria for public sector action?
4. How do private and public benefits of Extension program differ?
5. What is non-excludability, and why is it relevant to Extension programs?

Public economics-based approach

**Question:** If, left alone, market forces will allocate scarce resources efficiently, why does the public sector provide goods and services?

**Response:**
- Markets work perfectly only under certain conditions.
- When markets fail, collective action can make society better off: the public sector can create *public value*.

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Criteria for public sector action
- Providing *information* that allows consumers and business owners to make better choices.
- Addressing a crucial concern about *fairness*.
- Consumers or businesses *create benefits* for or *impose costs* on others.

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A little bit of economics can be a dangerous thing! Remember that markets don’t always work perfectly.
### 3.1 Information Gap

**Information gap**

**What is it?**

Consumers and business owners cannot make the best choices for themselves, because they have *incomplete* or *incorrect information* about something they might buy. The public sector provides *information* that helps people make the best choices for themselves.

**Examples:** nutrition information, payment schedules for consumer loans, yield outcomes for pest management tools.

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**Does the program address an information gap?**

- **q** Is there an information gap?
- **q** Do other entities provide incorrect or incomplete information to consumers or businesses?
- **q** Does the information gap pose significant dangers to consumers or businesses?
- **q** Does the program direct consumers (and businesses) toward activities that benefit others? Away from actions that harm others?
- **q** Does the program provide information to people who do not have access to private information sources?
- **q** Does the program make information available in a way that participants will *use* it and *act on it*?

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"Administrators must support a variety of ways of learning preferred by Extension staff and clientele."—Nancy Franz, Professor of Extension Program and Curriculum Development, Virginia Tech

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**Why would someone give consumers or businesses incorrect or incomplete information?**

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**DON'T FORGET!**

Many Extension programs may be justified in part by an information gap, but Extension may want to reserve this argument for the strongest cases.
3.2 Fairness and Justice

Fairness and justice

What is it?

- Addressing a crucial concern about fairness can justify public funding. We may, as a community, agree that certain things should be available to everyone, regardless of their ability to pay.

Examples: food and nutrition programs, environmental quality, work opportunities.

Extension will not be effective in securing support for our programs, if we try to justify all programs on the basis of fairness.

Does the program address fairness or justice?

- Is it available only to those who cannot purchase it on the private market?
- Do we collect a fee from those who can pay?
- Is there broad agreement in the community that this program should be provided to those who cannot pay?

It is crucial to know your community and its values. What Extension values, or what other communities value, may not align with the community in which your program takes place.

Think about the community in which an Extension program takes place. Do the community’s values align with the objectives of the program? Have you ever experienced a disconnect between the program’s goals and those of the community?
3.3 Public Benefits, Public Costs

Consumers create public benefits
What is it?

- A consumer using a good or service benefits someone else besides the consumer and the seller.
- The consumer fails to fully consider the public benefit, and consumes less of the good than society desires.

Examples: shoreline management, youth development, septic system management.

Can it be Extension’s role to inform people of the consequences of their actions?

Producers create public benefits
What is it?

- Producing a good or service benefits someone besides the business and the customer.
- The business owner fails to fully consider the public benefit and produces less of the good than society desires.

Examples: Main Street vitality, basic food science research.

Mirror case to public benefits: public costs
What is it?

- Producing or using a good or service imposes costs on someone besides the consumer and the business.
- The consumer or business fails to fully consider the public cost, and generates more of the activity than society desires.

Examples: obesity, toxic waste, bankruptcy, erosion.
### Summary of Public Costs and Benefits

<table>
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<tr>
<th>Source of market failure</th>
<th>Consumer or business response</th>
<th>Market outcome</th>
<th>Solution</th>
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<tr>
<td>Public Benefits</td>
<td>Failure to fully consider the <strong>benefits</strong> to others</td>
<td><strong>Too little</strong> of the activity</td>
<td><strong>Encourage</strong> the activity</td>
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<tr>
<td>Public Costs</td>
<td>Failure to fully consider the <strong>costs</strong> to others</td>
<td><strong>Too much</strong> of the activity</td>
<td><strong>Discourage</strong> the activity</td>
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Some public benefits accrue to everyone within a local community, some to everyone in a larger area (e.g., watershed, economic region).

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### 3.4 Public vs. Private Benefits

*Private benefits* accrue to program participants; *public benefits* accrue to the rest of us.

- It is possible to exclude non-payers from participating in most outreach programs and enjoying the **private benefits**. It is **not** possible to exclude non-payers from receiving the **public benefits** of those programs.

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**Can you identify the private and public value in this statement?** “The Renewable Natural Resources Extension...helps people make informed decisions that improve their own well-being and ensure clean water, viable populations of native wildlife, recreational opportunities, attractive communities, and the sustainable production of wood and paper products.”—Penn State Natural Resources Extension

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**Non-excludability: Why does it matter?**

When it is costly (or impossible) to exclude non-payers from benefiting from a good or service,

- Too few citizens will pay, not enough funds are collected, **not enough of the good or service is produced**.

**Examples**: disease control, environmental cleanup, economic vitality.

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**Does this mean people aren’t willing to contribute to the public good?**
8. DEMONSTRATING EXTENSION’S PUBLIC VALUE

Guiding Questions:
1. How can you demonstrate your program’s public value in an effective public value message?
2. How important is it to have research that supports your public value message?

To demonstrate our programs’ public value, we need to identify the changes participants make, the outcomes that result from those changes, and the public value that arises from those outcomes. The diagram below illustrates the essence of the public value message: If people participate in our program, the community will reap benefits.

Example:
Participants in an integrated pest management program…

have been shown to adopt techniques that are effective against pesticide-resistant insects…

which slows the spread of pesticide-resistance in the insect population…

which improves yield for the participating farmers.

which increases the pest-control options for all farmers in the area.

private benefit

Program participants…

have been shown to change their behavior in specific ways…

that have been shown to lead to specific outcomes…

that directly benefit the participants.

that generate public value.
For each step in the public value message, we need to substantiate our claims with research evidence. This enhances our credibility with the stakeholder.

- Evidence for changes program participants make may come from the program evaluation.
- Evidence for the outcomes resulting from those changes and the public value may come from research on the program itself or from secondary research on similar programs.

In your group, complete the following steps.

1. Choose a program to work on: __________________________________________
2. Choose a stakeholder—someone who does not participate in the program, but whose support is valued: __________________________________________

Using the diagram on the next page:

3. Identify some changes program participants make.
4. Identify some outcomes that result from those changes.
5. How do the outcomes benefit the participants?
6. How do the outcomes benefit others (create public value)?
7. Circle the public benefit that you think will be most important to the stakeholder you chose.

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Demonstrating public value for

Who are the program participants?

What are some changes participants make?

What are some outcomes that result from those changes?

How do these outcomes benefit participants?

How do these outcomes benefit others in the community?
8.1 A Public Value Message

Imagine you have a very brief opportunity to talk to the stakeholder you named for the Extension program. In your group, fit into the template below the changes and outcomes you listed in the previous worksheet and the public value you circled (identified as being most important to the stakeholder). Spend some time editing until you have drafted a simple, but compelling public value message about the program.

When you support__________________________program, participants will
_______________________________________________________________.
(changes)

which leads to__________________________________________________,
(outcomes)

which will benefit other community members by
_______________________________________________________________.
(public value)

Can you see how this is a public value message? “Our programs help farmers manage their animal waste in economically viable, environmentally responsible ways to prevent pollution and health risks.”—University of Minnesota Extension, Water Resources Center, Animal Waste Management.

Do you need to explain to stakeholders how they will benefit from the program? It depends.

- Know your audience well enough to know whether you need to “connect the dots” for them.
- Keep the message simple, but be prepared to back up your statements if asked.
10. RESEARCH AGENDA

Guiding Questions:
1. Which claims in your public value message need to be backed up with research?
2. How will you find that research?

In your group, list the claims that your draft public value message makes about the program. For each claim, discuss whether or not you can substantiate those claims with good evidence. If not, brainstorm about people or organizations you can consult to help you strengthen that evidence. Consider: Extension specialists and research faculty, either at your institution or elsewhere; Extension educators in other states; government agencies; professional organizations; etc.

The credibility of our public value messages depends on our ability to substantiate our claims with research evidence.

<table>
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<tr>
<th>Claim about the program</th>
<th>Either, or:</th>
<th>Evidence we can use to substantiate the claim</th>
<th>Evidence is weak, outdated, or missing</th>
<th>Whom can we consult to strengthen our evidence?</th>
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ENDNOTES

1 USDA, CSREES (2007).
2 Kalambokidis and Bipes (2007), page 59.
3 Debord (2005).
4 Franz (2007).
5 Penn State Natural Resources Extension (2007).
6 Kalambokidis and Bipes (2007), page 44.
7 University of Minnesota Extension, Water Resources Center (2007).
8 University of Minnesota Extension (2007a).
9 Adapted from work by Ryan Pesch, George Morse, and Mike Duttweiler.
REFERENCES


University of Minnesota Tourism Center and University of Minnesota Extension. (2007) *At Your Service: Working with Multicultural Customers.* Retrieved August 7,