A Broader Vision of Quality of Life as Economic Development Policy
Ohio ranks 5th lowest in corporate income tax revenue per capita

Yet, job growth in Ohio was 37th in the nation
More Economic Development Marketing
It’s not Marketing, It’s a Signal
The Quality of Life (R)evolution

- As incomes have increased, demand for nice places to live also increased
- The 1\textsuperscript{st} intercontinental railroad opened the floodgates to westward migration to the sunbelt
- In the early 1900s, California marketed itself as a great place to make a “comfortable, healthy home”
• It is not Necessity that causeth consumption. Nature may be satisfied with little; but it is the wants of the Mind, Fashion, and the desire of Novelties and things scarce that causeth Trade”

• Economist Nicholas Barbon, 1690
The Importance of Quality of Life

• "The success of cities hinges more and more on cities’ role as centers of consumption”

(Glaeser, Kolko, Saiz, 2001)
Quality of Life

• “Mayors are shifting their focus from attracting firms to attracting residents by improving quality of life”

The Economist, 9/9/21
But What do People Want? We could Ask ...
Revealed Preferences

• Households are willing to pay higher housing prices and even forego higher wages to live in areas with higher **quality of life** (Rosen, 1979; Roback, 1982; Albouy, 2011)

• Use markets to estimate quality of life in every county and metropolitan area
Quality of Life

\[ \overline{QOL} = \hat{\theta}_r - \hat{\theta}_w \]

Weinstein, Hicks, Wornell (2022)
Quality of Business Environment

\[ QOBE = \hat{\theta}_j^r + \hat{\theta}_j^w \]

Weinstein, Hicks, Wornell (2022)
Quality of Life

Matters more for population and employment growth

Especially true for small towns in the Midwest

Source: Authors’ calculations using Census Bureau data
Quality of Business Environment

Matters less for population and employment growth

Source: Authors’ calculations using Census Bureau data
The Location Premium

- Midwest communities that appear well positioned for new growth: including Whitewater, WI (Walworth County); Celina, OH (Mercer County); and Brainerd, MN (Cass County)

Source: Authors’ calculations using Census Bureau data
The Location Premium

- Counties that focus on quality of business environment in a way that sacrifices quality of life may continue to struggle.

Source: Authors’ calculations using Census Bureau data
So, What Makes A place Nice?
Natural Amenities ➔ Higher QOL

Nice weather, mountains...
Private Goods & Services

• Recreation, Arts & Culture, Food stores...
Public Goods & Services

• Low crime rates, better health outcomes, connectivity, school spending, ...
Your current clients come first!

• Meet the **needs** of current residents (food stores, schools, ...)

• And meet the **wants** of current residents

• (recreation, arts, ...)
Your Clients Might be Women

- Women exhibit stronger preferences for the Midwest

- Women (even more than men) prefer cities with lower crime, shorter commutes, better environmental quality, more parks, ... and egalitarian gender role attitudes

Reynolds & Weinstein (2021)
Thank You

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