



A Broader Vision of Quality of Life as Economic Development Policy

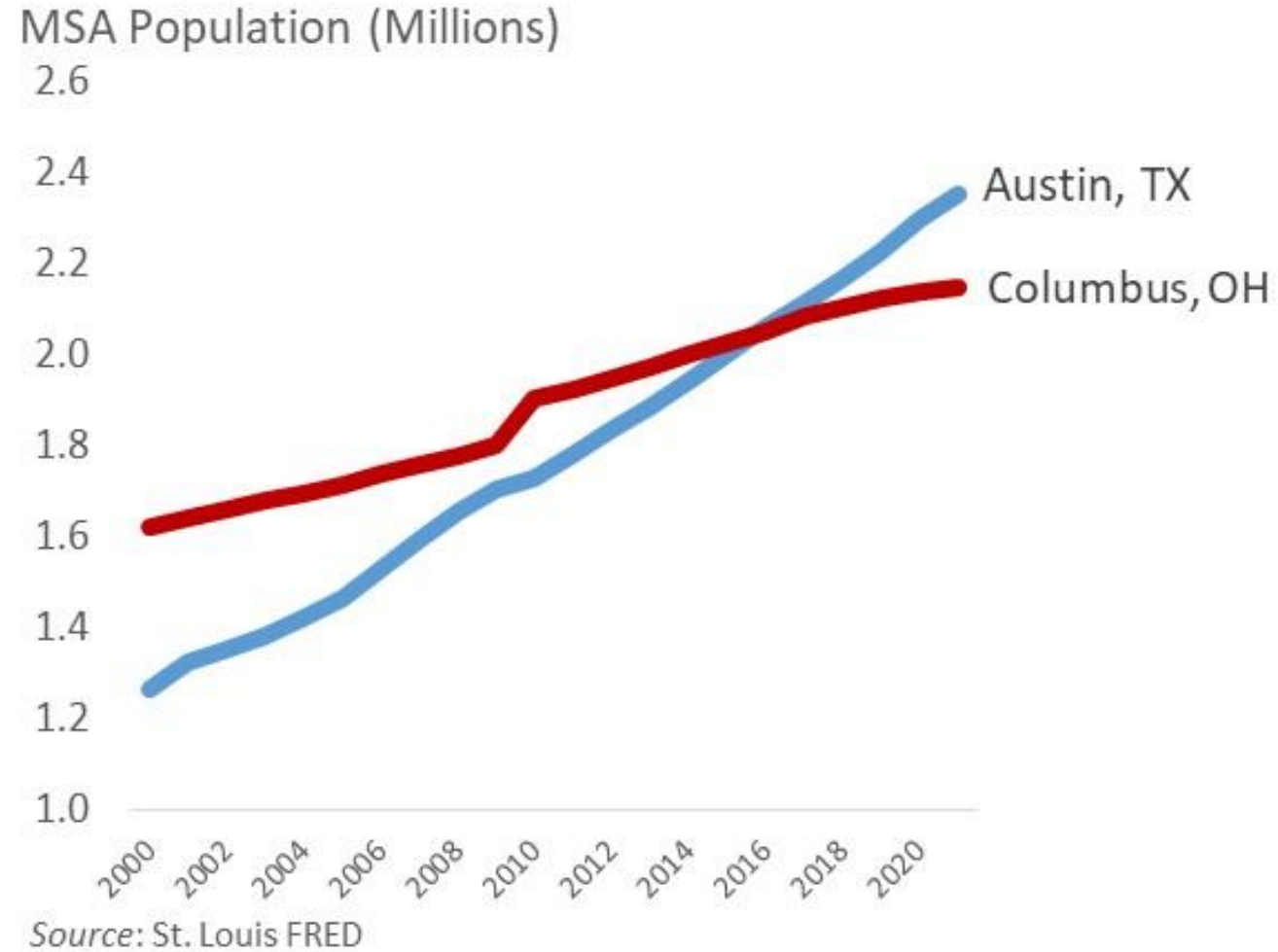




Economic Development Marketing

- 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 1st 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)



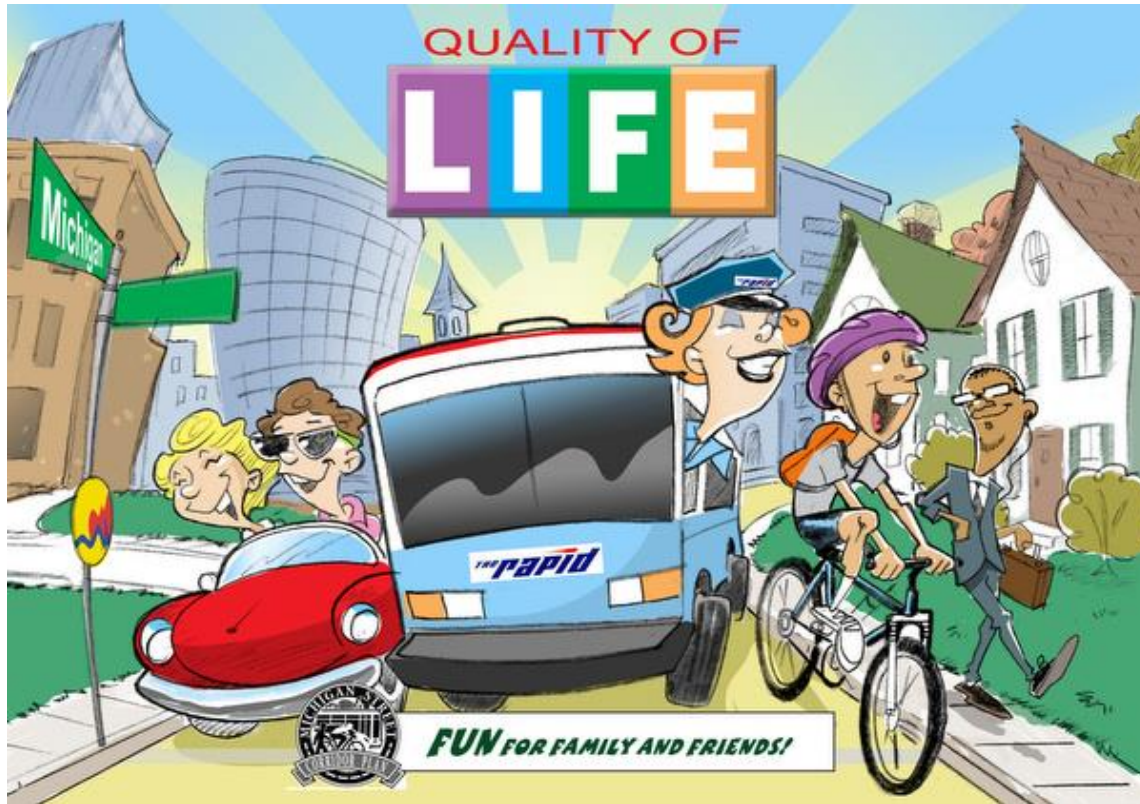
Quality of Life

- “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 ...

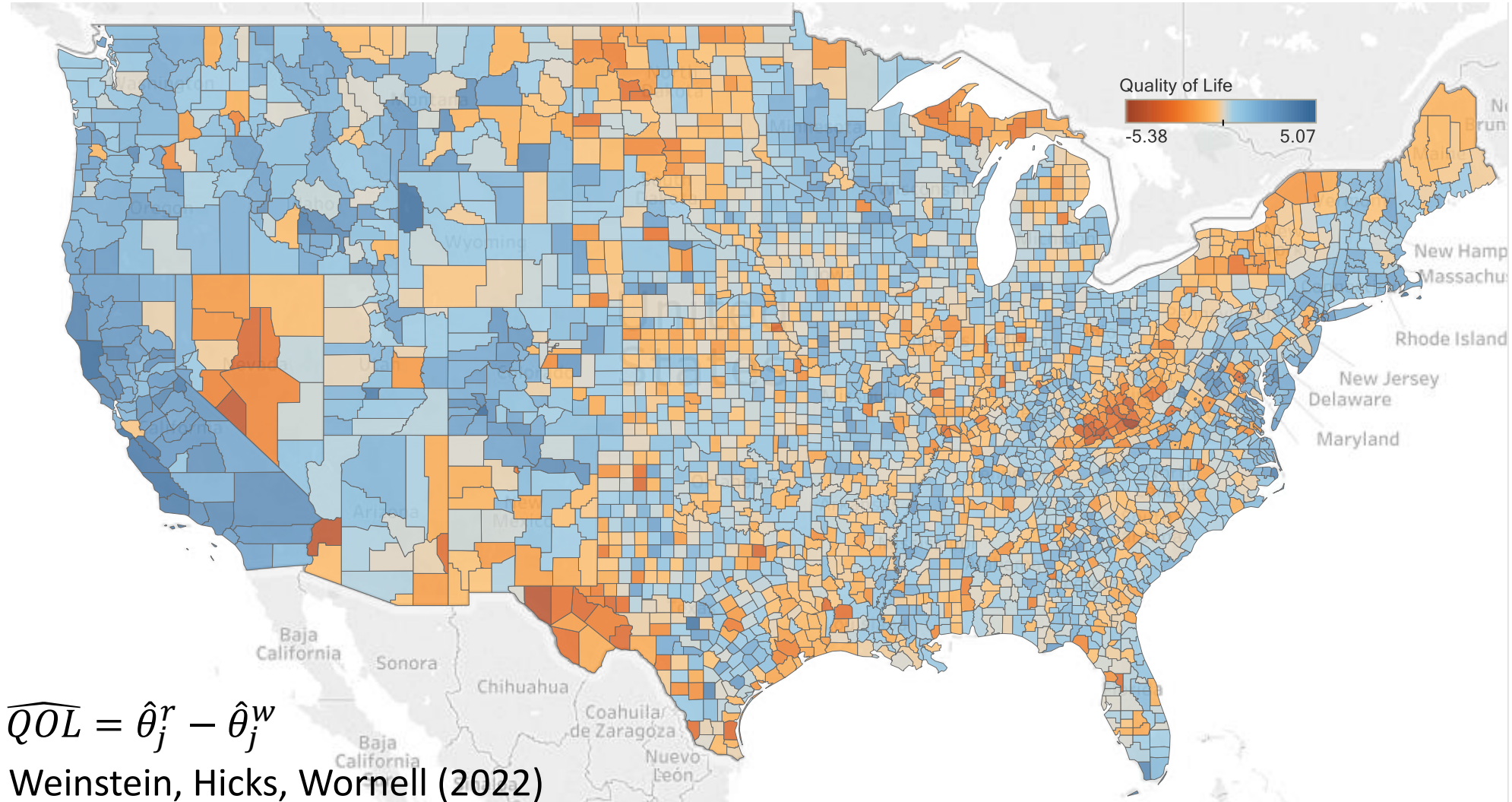


Revealed Preferences

- 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



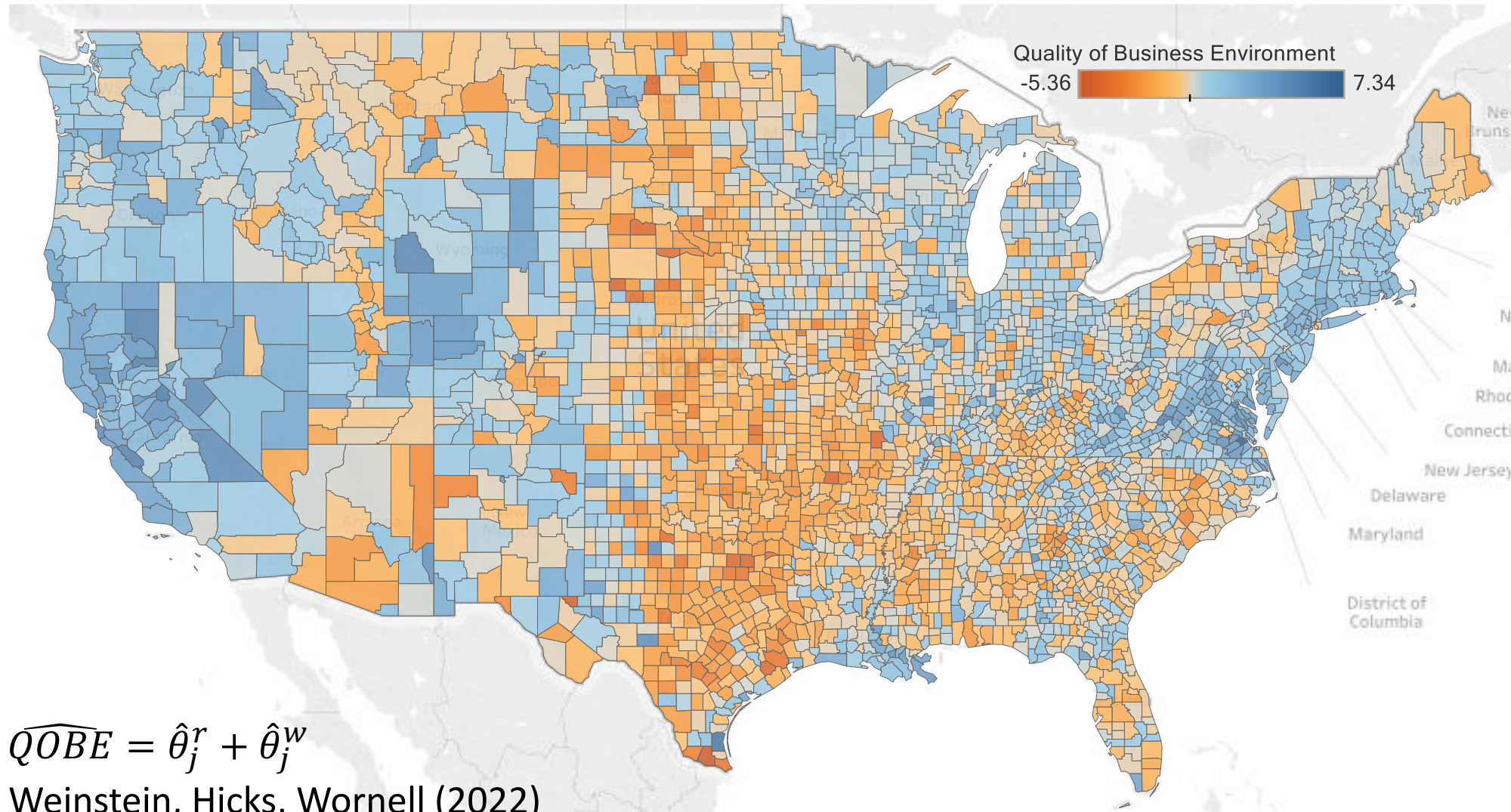
Quality of Life



$$\widehat{QOL} = \hat{\theta}_j^r - \hat{\theta}_j^w$$

Weinstein, Hicks, Wornell (2022)

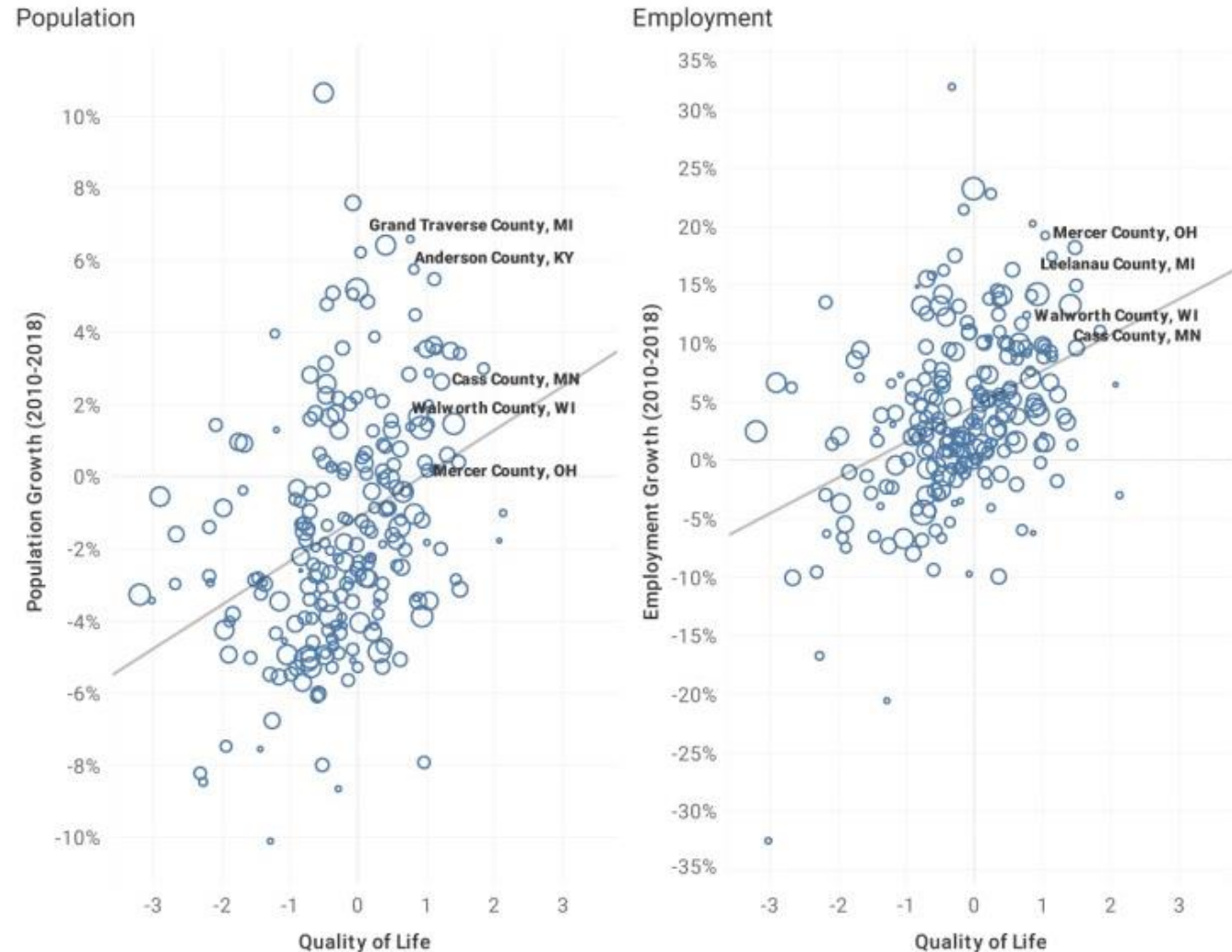
Quality of Business Environment



Quality of Life

Matters more for population
and employment growth

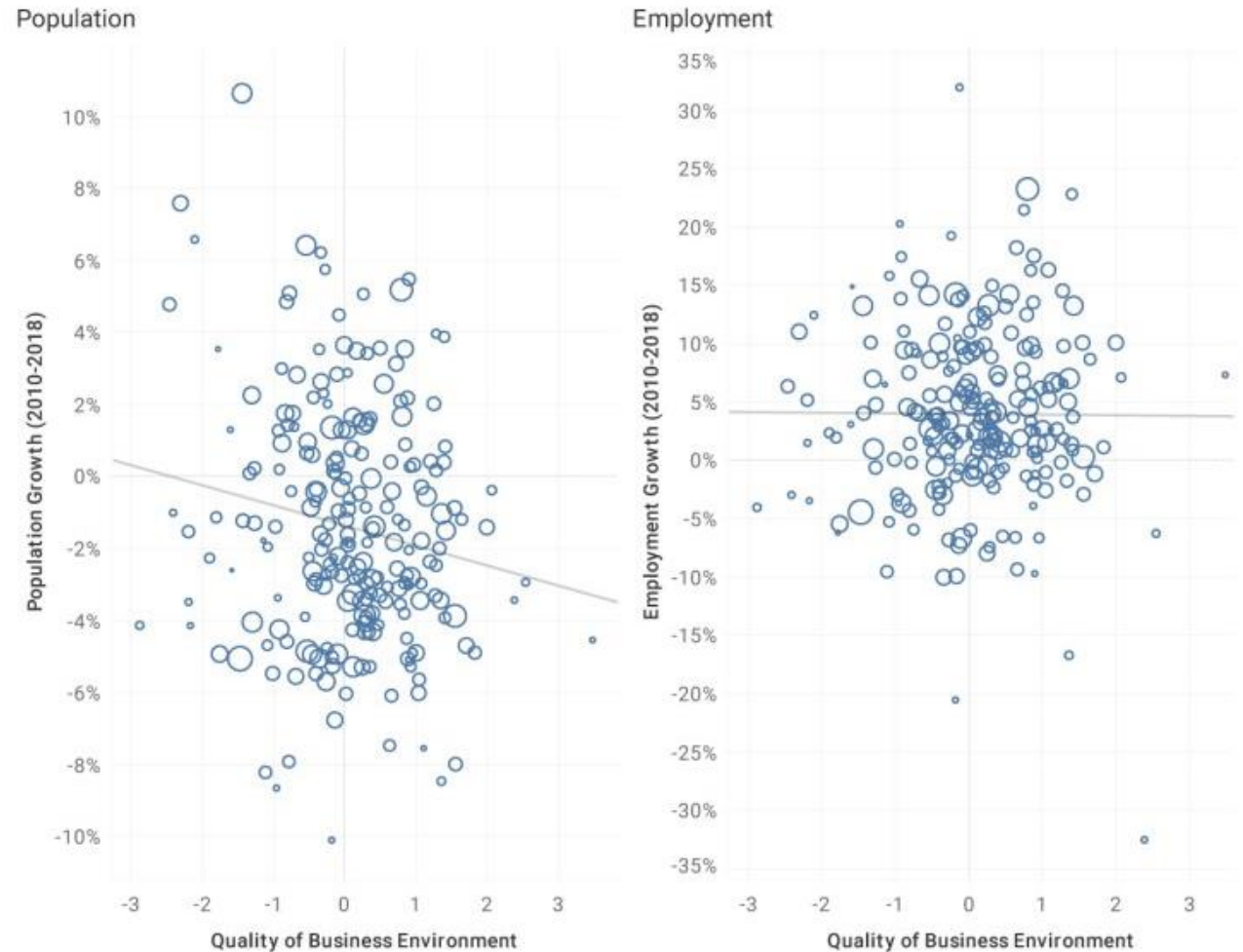
Especially true for small towns
in the Midwest



Source: Authors' calculations using Census Bureau data

Quality of Business Environment

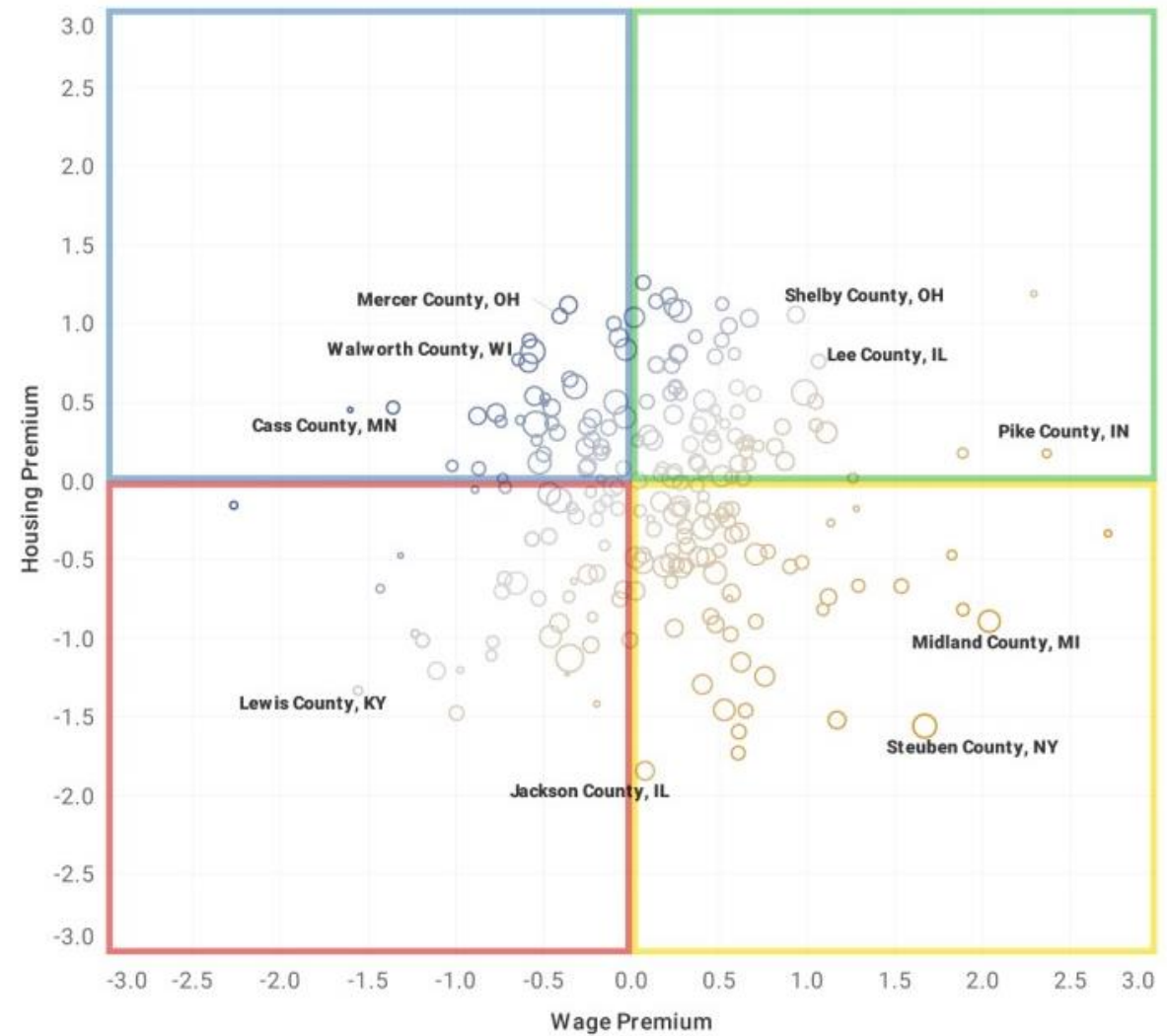
Matters less for population
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Source: Authors' calculations using Census Bureau data

The Location Premium

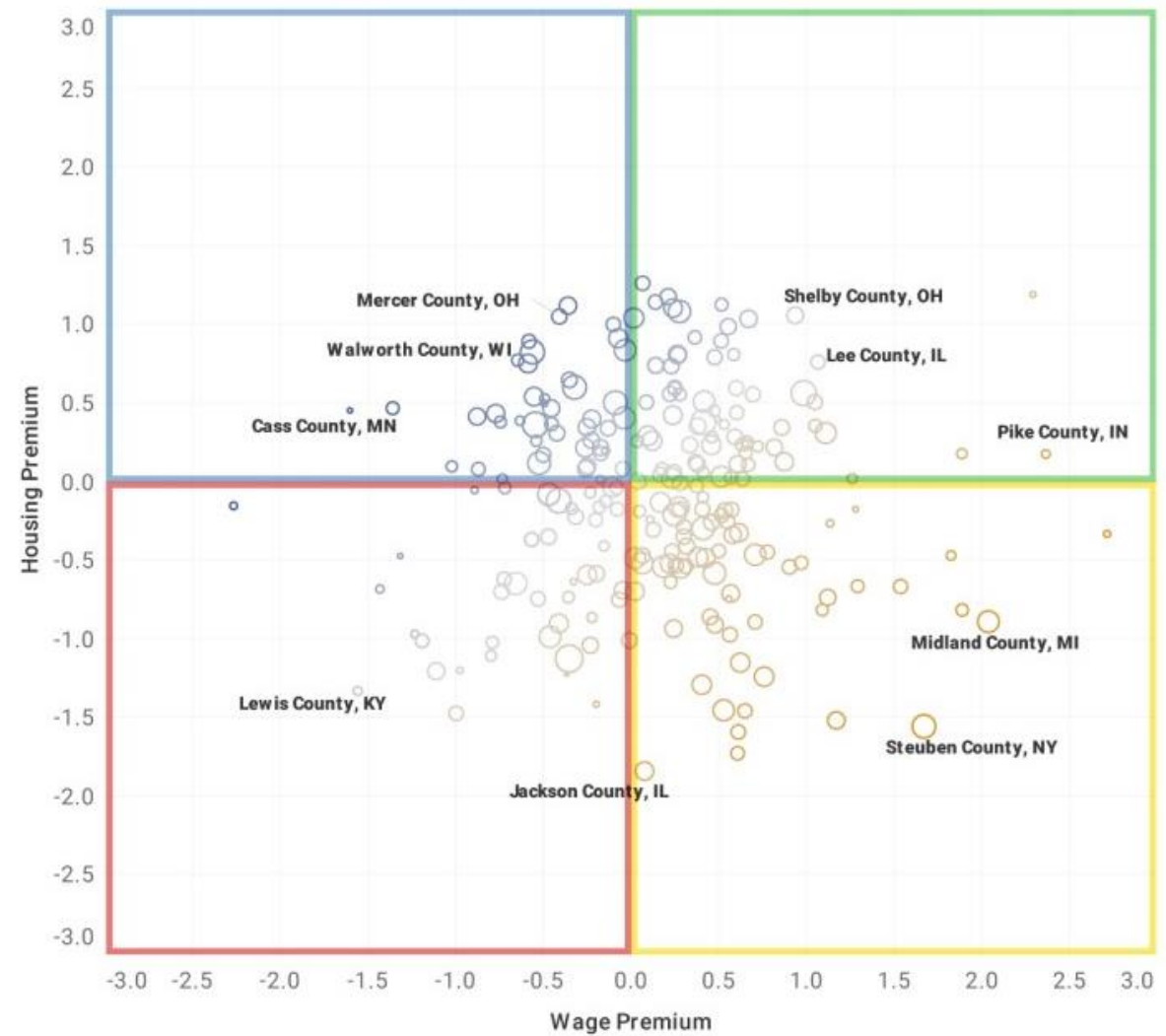
- Midwest communities that appear well positioned for new growth: including Whitewater, WI (Walworth County); Celina, OH (Mercer County); and Brainerd, MN (Cass County)



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

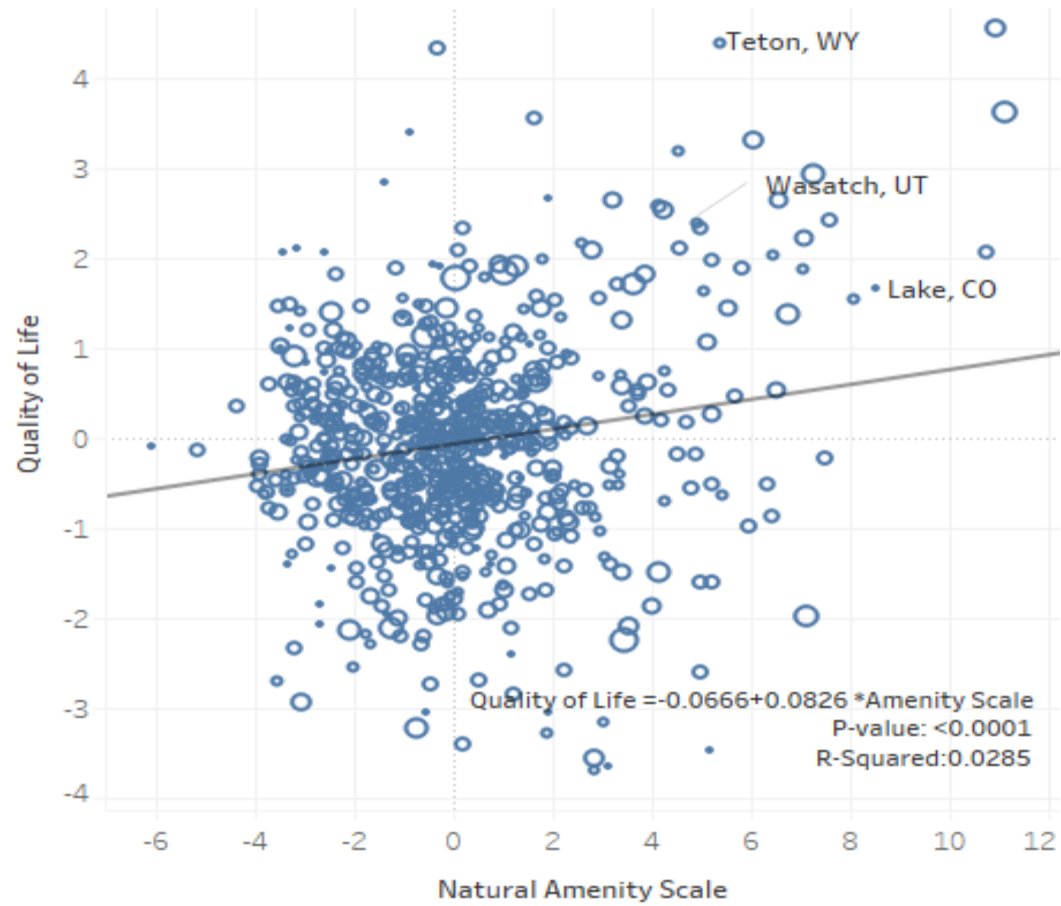


Source: Authors' calculations using Census Bureau data

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, ...



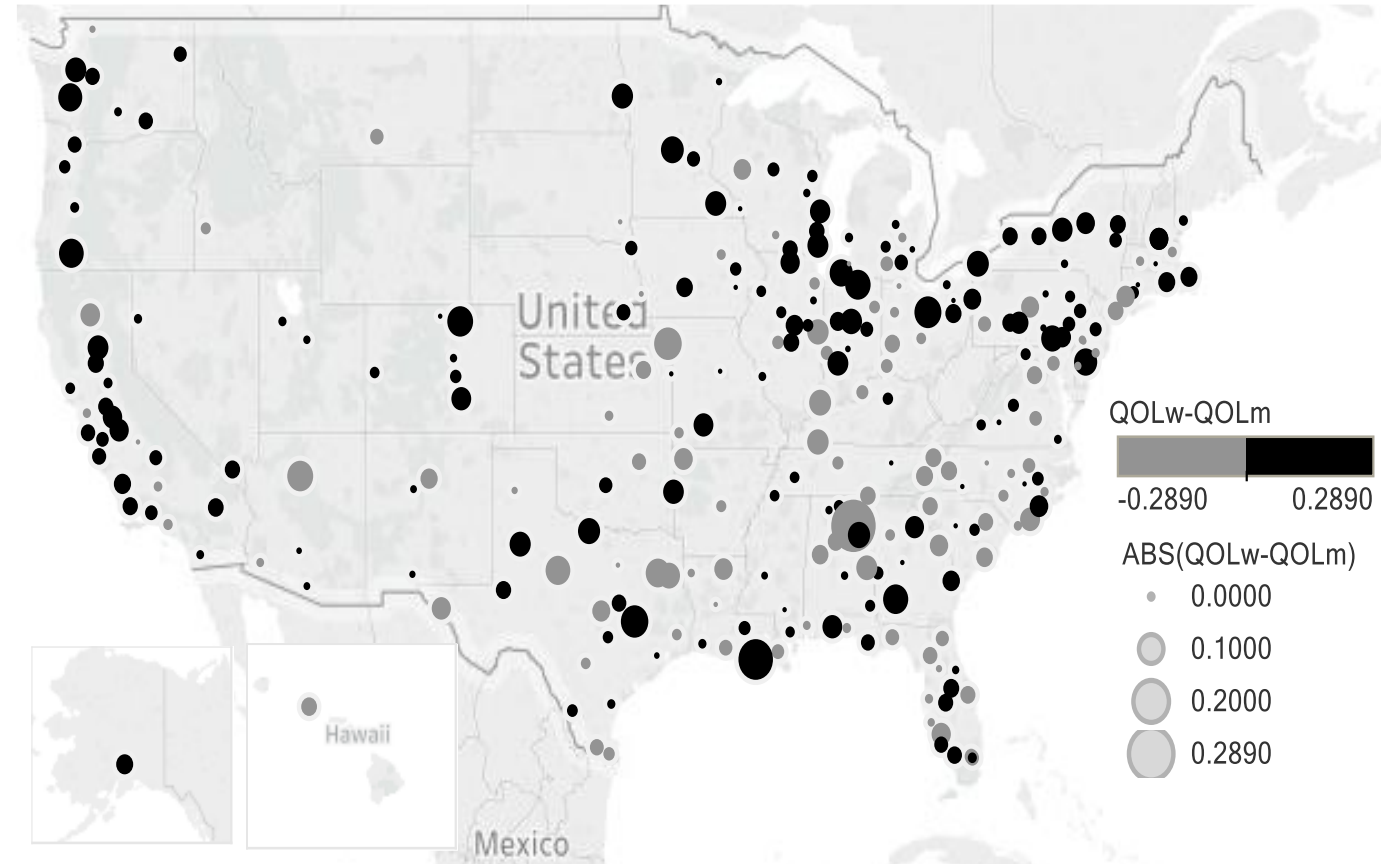
Your current clients come first!

- 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

- Contact: Amanda Weinstein (aweinstein@uakron.edu)
- Twitter: @ProfWeinstein