

Informing the Debate

Michigan Applied Public Policy Brief Conceptions of Local Economic Development: Comparing Citizen and Official Attitudes

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Informing the Debate

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When developing the paper series initiative in 1992, the topics of the papers were submitted following a two-day meeting with leaders from the business sector, nonprofit agencies, foundations, and university faculty and staff. That group evolved into the Urban Research Interest Group.

The Urban Research Interest Group recognized the pressure on urban core leaders to make critical decisions that continue to impact people long into the future. A commitment to generating background research to add to the core of debate on possible solutions to complex, urban problems was made.

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Informing the Debate

MAPPR Policy Research Brief

Conceptions of Local Economic Development: Comparing Citizen and Local Official Attitudes

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Conceptions of what constitutes “local economic development” tend to be narrow, focusing on efforts to offset perceived disadvantages of a location or to make an already attractive place more so. Combinations of subsidies and abatements to lower production costs for individual businesses constitute many typical economic development incentive packages. Local economic development policy has tended to be driven by competition, as cities vie for businesses through increasing and particularized incentives. There has also been a significant amount of faddism as communities embrace the latest economic development “thing” in an effort to attract elusive high technology businesses or creative class individuals.

Ideally, before local policy-makers select public policies to foster economic development, there needs to be some understanding of what actually leads to growth and, conversely, fiscal distress. The conception of how an urban economy “works” can influence goals and the selection of policies to achieve them. Traditional theories of economic growth such as market theory, economic or export base theory, comparative advantage, urban dynamics, and central place theory have given way to newer models (Malizia and Feser, 1999; Blakely and Leigh, 2002; Sands and Reese, 2007). These include development clusters and Florida’s creative class—a variation of human resource development theories (Glazer and Grimes, 2005). Just as there are multiple theories of what facilitates and serves as a barrier to economic growth, attitudes and perceptions about the issue can vary among individuals within the same community. In particular, local citizens may have very different understandings of the processes of economic growth and what should be done from a policy standpoint to promote it. Differences between citizens and local officials can create political conflict in a community and limit what policies can be pursued to foster fiscal health (Reese and Rosenfeld, 2012). This research compares citizen and local official attitudes about local barriers to and assets that

facilitate local economic health as well as the underlying factors that lead to local fiscal distress. Conflict or convergence in conceptions of economic growth and decline presumably affect the types of policies employed to foster local fiscal prosperity and growth. In other words, they shape and define the enterprise of local economic development. More specifically the project addresses the following four research questions:

1. How do citizens and local officials perceive the task of local economic development as indicated by their sense of the factors affecting local fiscal decline and the barriers and assets to redevelopment?
2. To what extent do citizen and local officials' perceptions of the nature of decline and redevelopment differ?
3. What are the correlates of perceptions of the task of local economic development; do citizens and officials have different patterns of correlation?
4. What are the policy implications of citizen and official understandings of the nature of economic decline and the barriers to and assets for redevelopment?

TRENDS IN LOCAL ECONOMIC DEVELOPMENT CONCEPTS, POLICIES, AND ATTITUDES

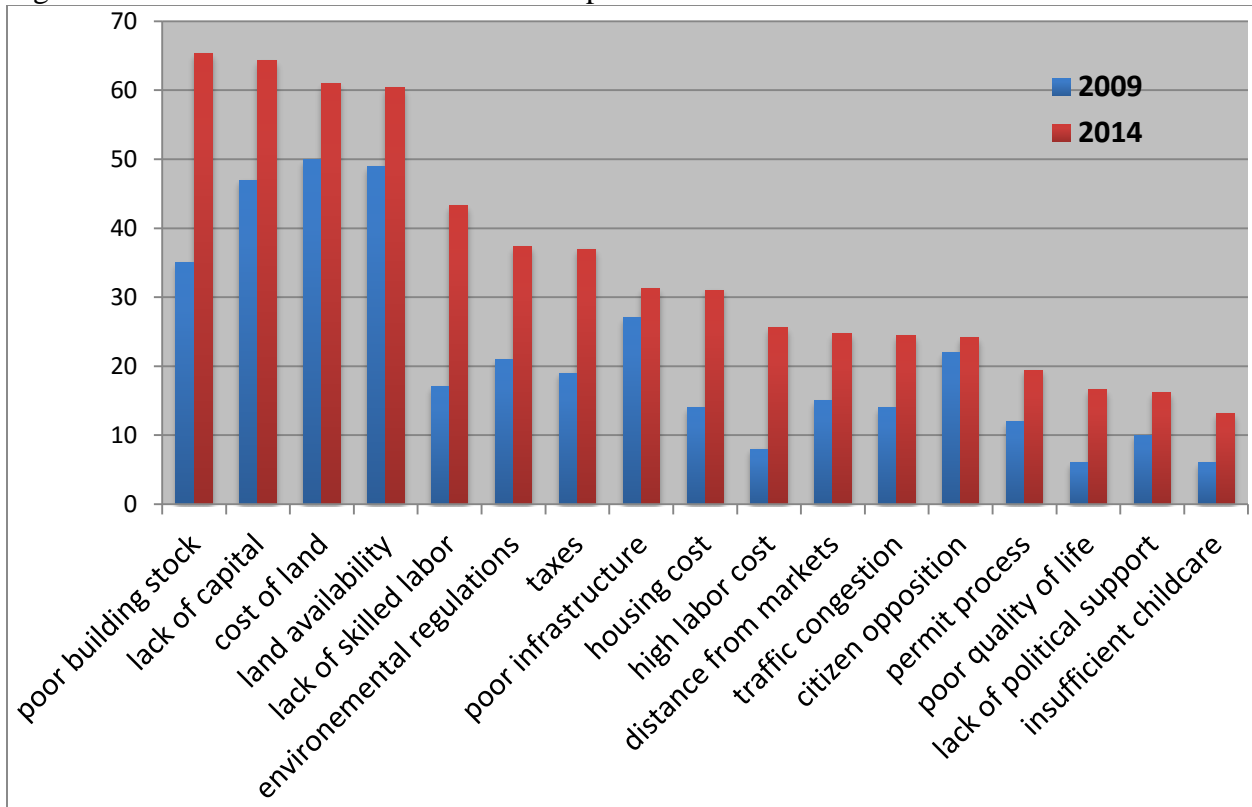
Barriers to Fiscal Health

Surveys conducted by the International City/County Management Association (ICMA) have included questions asking respondents to indicate what they considered significant barriers to economic development. Attitudes about the community's limitations can lead to the use of development packages to address or remediate those problems. Indeed, research has shown significant correlations between barriers and a set of implemented policies that would logically address them (Reese and Ye, 2015). Responses from the two most recent ICMA surveys (2009 and 2014) are shown in Figure 1. All of the items included on the survey were more likely to be identified as a barrier in 2014 suggesting a generally worsening of economic conditions in most communities.¹ The most frequently cited barriers to economic development in 2014 include:

¹ The structure of the survey questions changed between the 2009 and 2014 waves. Prior to 2014 all of the questions had dichotomous responses (yes/no) while the 2014 survey had ordinal responses to better gauge the

inadequate building stock (either availability or cost); lack of capital or funding for development; the cost and availability of land for development; lack of skilled labor; and environmental regulations. The most critical barriers in 2009 were similar, however, lack of skilled labor and environmental regulations were not among the top barriers. Instead, poor infrastructure and citizen opposition to economic development were more important. The ICMA surveys have also indicated that the overall goals of local economic development efforts have remained the same over time: jobs, tax base, and general quality of life (Reese and Ye, 2015).

Figure 1: Barriers to Local Economic Development



Source: ICMA 2009 and 2014, Reese and Ye, 2015

Trends in Local Economic Development Strategies and Policies

magnitude of the barrier. Response categories in 2014 were “not a barrier”, “low”, “medium”, and “high barrier.” The data reported here are totals of the medium and high categories.

Local economic development strategies have evolved through several phases in the last half of the 20th Century (Eisinger, 1988; Tassonyi, 2005). From the mid-1980s, the emphasis was on the attraction or retention of businesses by providing subsidized infrastructure or targeted incentives such as tax abatements (Burstein and Rolnick, 1995). The second period introduced a new focus on financial, technological and knowledge infrastructure (Tassonyi, 2005). In recent years, the emphasis has begun to shift to strategies based on human capital development and quality of life enhancement (Florida, 2002). As a corollary of this approach, arts and culture-driven economic development strategies have also become common (Stern and Seifert, 2010; Grodach, 2011). These periods have been cumulative rather than evolutionary, however; once in place, early tools and strategies continue to be used. Businesses come to expect particular incentives once they are offered by a number of cities or states, and the tool becomes locked in place as a standard part of development packages creating path dependency in the mix of policies employed (Reese, 2006; Sands and Reese, 2012).

National surveys of local economic development practice over time, conducted by the ICMA, show a relatively narrow list of tools and activities to be most common: collaboration between local governments and chambers of commerce to facilitate development and identify business needs; business surveys and calls on individual businesses; streamlined zoning and permitting processes; promotional and marketing materials; infrastructure investment; tax increment finance districts; and tax abatements (see Zheng and Warner, 2010; Reese and Sands, 2013; Reese and Ye, 2015). In other words, the stability in the perceived barriers to local economic development along with the path dependent nature of development policies has led to a stable set of development policies that address traditional development concerns.

A panel study of economic development policies employed in Michigan cities also found widespread and consistent use of a relatively limited set of tools: a variety of types of infrastructure investment, tax abatements, promotions, and special events that highlight downtowns such as fairs and festivals (Reese and Sands, 2007) (Table 1). More recent research on Michigan local development incentives has indicated a continuing emphasis on traditional economic development tools such as tax abatements, tax increment financing arrangements, and the most extreme tax remission, Renaissance Zones, that have done little to change local residential economic fortunes either for better or worse (Reese, 2014^a).

Table 1: % Using Economic Development Policies in Michigan Over Time

POLICIES	1990	1994	2001	2005
Infrastructure Investment				
Parking	65	86	95	95
Streets	61	96	92	95
Sanitation	37	75	95	95
Services	61	93	89	95
Water/sewage	39	79	95	91
Financial/Business Assistance				
Tax abatement	83	75	86	78
Enterprise zones	07	14	92	08
Training	11	44	57	16
Direct loans	28	46	54	39
Incubators	19	47	41	21
Marketing and Regulations				
Promotional literature	70	90	86	73
Foreign business	26	39	41	22
Visits	52	64	70	43
Export markets	15	25	38	16
Special events	24	12	81	81
Ombudsperson	30	70	65	49

Source: Reese and Sands, 2007

Thus, path dependency and stable views among local officials regarding the challenges facing their communities regarding economic development have fostered a stable and relatively narrow set of development policies over time. Yet, research has indicated that local officials do consider the views of citizens when they are weighing economic development policies, if only to

enhance the chances of their reelection; citizen interests can also present a countervailing force to business interests for development (Sharp and Elkins, 1991; Reese and Rosenfeld, 2001; Sharp and Mullinix, 2012; Ha, et al., 2015). Resident opposition to particular economic development projects can, in some cases, change or delay the implementation of plans desired by local officials (Lankford, 1994; Burbank, et al., 2000; Fainstein, 2008). The nature of citizen views about the economic development task and convergence or divergence between their perceptions and those of their local officials may then affect, at least to some extent, choices about future development policies.

Citizen and Official Attitudes: Conflict, Convergence, or Coincidence?

The extent to which the attitudes and perceptions of citizens and their elected officials are congruent has long been a matter of interest. Most of the research has focused on the national level, however, typically comparing public opinion to the votes of legislators; fewer studies compare opinions to opinions (see Miller and Stokes, 1963 for an early exception). And, studies have not explicitly explored the relationship between the attitudes of the public and those of local officials as they pertain specifically to issues of economic development. Most research has suggested that elected representatives are responsive to public opinion and citizen preferences based on correlations between measures of opinions and legislative votes (Monroe, 1979; Page and Shapiro, 1992; Stimson, 2004). More recent research shows only weak correlations between legislator perspectives on the opinions of their citizens and actual measures of public opinion on specific issues, however. This implies that it is difficult for officials to mirror citizen attitudes in their voting because they do not have a good sense of what these are (Butler and Nickerson, 2011; Butler and Dynes, 2015; Broockman and Skovron, 2017).

Part of the only modest relationship between citizen attitudes and official actions may stem from the fact that opinion varies from issue to issue and may change over time (Childs, 1965). Other research has indicated that citizens do not have strongly held opinions on many policy issues and only offer opinions because pollsters are asking them to do so (Page and Shapiro, 1992; Zaller, 1992; Bishop, 2005).

A variety of theories have been posited and tested regarding the relationship between citizen and public official attitudes on issues and policy positions and how the former can impact the latter. While there are a number of coercive models whereby citizens can pressure officials through interest group mechanisms or ultimately, vote them in or out of office, there are other approaches that rely on correspondence in beliefs between the two sets of actors. For example, the belief-sharing model suggests that policy-makers do not need to ferret out the opinions of local citizens but instead can act on their own beliefs which are congruent with the voters that elected them (Luttbeg, 1981). The shared opinion theory supports this view by suggesting that constituents elect leaders who reflect their own values and thus officials share a majority of issue positions with those who elected them (Glynn, et al., 1999). Because path dependence limits policy options as future policy decisions become dependent on past ones, opinion convergence in the past can carry over into future public policy decisions (Sharp, 1999). This line of research does not specifically address the congruence or convergence in the opinions of citizens and local elected officials regarding economic development or the potential effect that these attitudes may have on development policy choices. Conflict over development has been shown to lead either to less innovative policies such as tax incentives to attract particular firms or investments in infrastructure or to little economic development policy activity at all due to lack of agreement

(Reese and Rosenfeld, 2001). Thus the extent to which citizens and local officials hold similar attitudes about the task of, and need for, development policies is important to explore.

METHODOLOGY

The Surveys

The data for this study are drawn from two surveys in the State of Michigan, one focusing on local public officials, the other on citizens of the state. The Michigan Public Policy Survey (MPPS), conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan is a series of surveys of local government officials in Michigan that has been implemented twice a year since 2009. The State of the State Survey (SOSS), conducted by the Institute for Public Policy and Social Research (IPPSR) at Michigan State University, is a series of statewide telephone surveys done quarterly on citizens of Michigan since 1994. Data from the Fall 2016 and Spring 2009 MPPS and from the Spring 2017 SOSS are used to compare opinions of citizens and local government officials on local fiscal and economic development issues.

Several caveats are important to note at the outset. First, while it would be optimal to compare attitudes of citizens matched to their own local officials, this was not possible due to data limitations. Specifically, because the unit of analysis for the SOSS is the state and for the MPPS it is individual municipalities, there are insufficient citizen respondents in the SOSS from each municipality to conduct within city comparisons to local official attitudes. Thus, citizens statewide are compared to local officials statewide. Second, it also would have been optimal to use surveys conducted at the same point in time. However, the questions used for the analysis were divided between the 2009 and 2017 MPPS and matching questions were not included on the SOSS until 2017.

MPPS: In the Fall 2016 iteration of the MPPS, questionnaires were sent via the internet and hardcopy to top elected and appointed officials (including county administrators and board chairs; city mayors and managers; village presidents, clerks, and managers; and township supervisors, clerks, and managers) from all 83 counties, 278 cities, 255 villages, and 1,240 townships in the state of Michigan. Thus, the MPPS is sent to the population of municipal government officials in the state. The Fall 2016 wave was conducted from October 3 through December 13. A total of 1,315 jurisdictions returned valid surveys (61 counties, 224 cities, 178 villages, and 852 townships), resulting in a 71% response rate by unit.

The Spring 2009 MPPS was also administered by internet and hardcopy to the same population of local government officials (top elected and appointed officials) across the same set of jurisdictions (83 counties, 275 cities, 258 villages, and 1,240 townships).² The response period lasted from April 23 to June 9. A total of 1,204 jurisdictions returned valid surveys resulting in a 65% response rate by unit.

SOSS: The referent population for the SOSS is the non-institutionalized, English-speaking adult population of Michigan age 18 and over. Since the survey was conducted by telephone, only persons who lived in households that had landline telephones or individuals who have a cell phone had a chance of being interviewed. Cases are weighted so that the proportions of whites, African Americans, and other racial group respondents in the sample matched the proportions each of these groups in the adult population in the state based on the 2010-2014 American Community Survey 5-year estimates. Interviews were conducted using the Computer Assisted Telephone Interviewing system (CATI) of IPPSR's Office for Survey Research (OSR). Interviewing began in April 19 and continued through July 30, 2017. One portion of the sample

² The numbers of cities and villages differ slightly between the 2009 and 2016 surveys due to change in status from village to incorporation as a city.

of interviews is derived from a new random-digit-dial sample of phone numbers in the state, while another portion of the sample of completed interviews (usually 20-40% of the sample) is derived from re-interviews of individuals who had been interviewed two rounds earlier and who had agreed to be re-contacted. Roughly 80-90% of all respondents in each round of the SOSS agree to be re-contacted. A total of 12,007 phone numbers were used overall, 584 in the re-contact segment, 5,897 in the new RDD segment, and 6,500 in the new cell phone segment. The overall completion rate among eligible respondents was 30.5% (27.7% in the new landline RDD segment, 23.8% in the new cell phone RDD segment, and 67.6% in the re-contact segment).

Sample Traits

The two sets of respondents to the MPPS survey are quite similar, with slightly more elected officials in the 2009 survey and more appointed officials in the 2016 survey (Table 2). More respondents in 2016 are white. Age, gender, education, and party affiliation are quite similar for the two sets of respondents. Overall local public officials responding are less likely to be female (41-42% versus 51% statewide) and of color (87-97% white versus 80% statewide) than residents of Michigan as a whole, based on the 2016 census estimates.

Table 2: MPPS Respondent Profiles

	%Spring 2009	%Fall 2016
Position		
Elected	83	79
Appointed	17	21
Gender		
Female	41	42
Age		
20s	01	01
30s	05	05
40s	16	13
50s	34	27
60s	31	36
70s	13	16
80s	01	02

Tenure in office		
-2	28	17
3-5	20	23
6-10	21	24
11-20	19	24
20+	12	12
Race		
white	87	97
Education		
-grade 12	03	02
High school	14	12
Some college	30	29
associates	11	13
bachelors	21	22
masters	17	18
Professional/doctorate	05	03
Political Affiliation		
Republican	48	46
Independent	26	29
Democrat	22	21
Something else	04	04

Respondents to the 2017 SOSS are much more representative of the residents of Michigan as a whole on gender and race as a result of the sampling design (Table 3). As a group they are less educated and less likely to be republican than the local elected officials. They are more likely to be female and of color than the local officials responding to the MPPS.

Table 3: SOSS Respondent Profile

	%SOSS 2017
Gender	
Female	53
Age	
-18	02
20s	09
30s	09
40s	18
50s	23
60s	24
70s	12
80s	03
Race	
White	83

Education	
-grade 12	02
High school	20
Some college	33
College +	45
Political Affiliation	
Republican	21
Independent	36
Democrat	29
Something else	11
Don't know	02

Measuring Perceptions of Economic Growth and Fiscal Distress

The survey questions used for the analysis focused on two topics: barriers and assets for local economic development and the factors contributing to local government fiscal distress in Michigan. The questions measuring barriers and assets were included on the 2009 MPPS and the 2016 SOSS. These covered eight potential barriers/assets: cost of land; traditional infrastructure; availability of appropriate workforce; presence of major employers; tax rates; K-12 education; recreational facilities; and arts and cultural programming. Seven questions focused on potential factors contributing to fiscal distress: population loss; economic decline; rising cost of public service provision; citizen opposition to revenue increases (taxes); state decisions affecting local government; local government corruption and mismanagement; and local decisions regarding retiree benefits. These questions were included on the 2016 MPPS and the 2017 SOSS.³ Thus citizen and official respondents were asked about fiscal distress during roughly the same time period on the two surveys lending confidence that time-specific factors such as the state of the larger Michigan economy were held constant. Perceptions about the problems economic development policies are trying to address and the barriers to and assets for economic prosperity

³ The specific survey questions were determined by the CLOSUP for the MPPS, matching questions were then included on the SOSS.

are important indicators of how citizens and local officials conceptualize the causes of fiscal health and economic distress. The text of the questions included on the surveys is provided in Appendix A.

ANALYSIS

Barriers and Assets

The format for the barriers and assets question was that of a semantic differential with “significant barrier” on one extreme and “significant asset” at the other. For each of the items that respondents were asked to evaluate, three broad options were available: they could provide a positive response (somewhat or significant asset), a negative response (somewhat or significant barrier) or a neutral response (neither asset nor barrier, do not know). It is notable that for several of the factors, there are a substantial number of responses on each side of the issue. For example, 48% of the respondents had a negative perception of their community’s traditional infrastructure while 44% considered it an asset. As a result, it will be difficult for local officials to design public policy responses that will seem appropriate to a majority of citizens. Even for those issues for which the responses are skewed in one direction, there will be a substantial minority who will disagree.

Survey length constraints mitigated against asking separate barrier and asset questions. There are several overall patterns across opinions on factors that may represent barriers or assets to local economic development. Consistently, citizens rarely give neutral opinions about each of the questions asked, while local government officials take a neutral standpoint much more often. Also, citizens generally give slightly more “don’t know” responses to questions than local officials. For most of the items asked, the distribution of opinions of citizens and local officials are consistent in terms of the skew towards either the positive or negative end. The only

exception is the issue of the presence of major employers, which local government officials tend to consider a barrier while citizens have no consensus on the issue.

Most citizens tend to consider the *cost of land* as either somewhat of a barrier or somewhat of an asset, instead of taking a neutral view (Figure 2). Slightly more citizens (by 6%) consider it an asset rather than a barrier. On the other hand, a plurality of local government officials is neutral on this issue. For the remaining officials, slightly more of them consider the cost of land an asset rather than a barrier. Overall, both the opinions of citizens and of government officials are slightly skewed towards a positive view on cost of land in their local communities, considering it an asset.

Figure 2: Cost of Land for Development

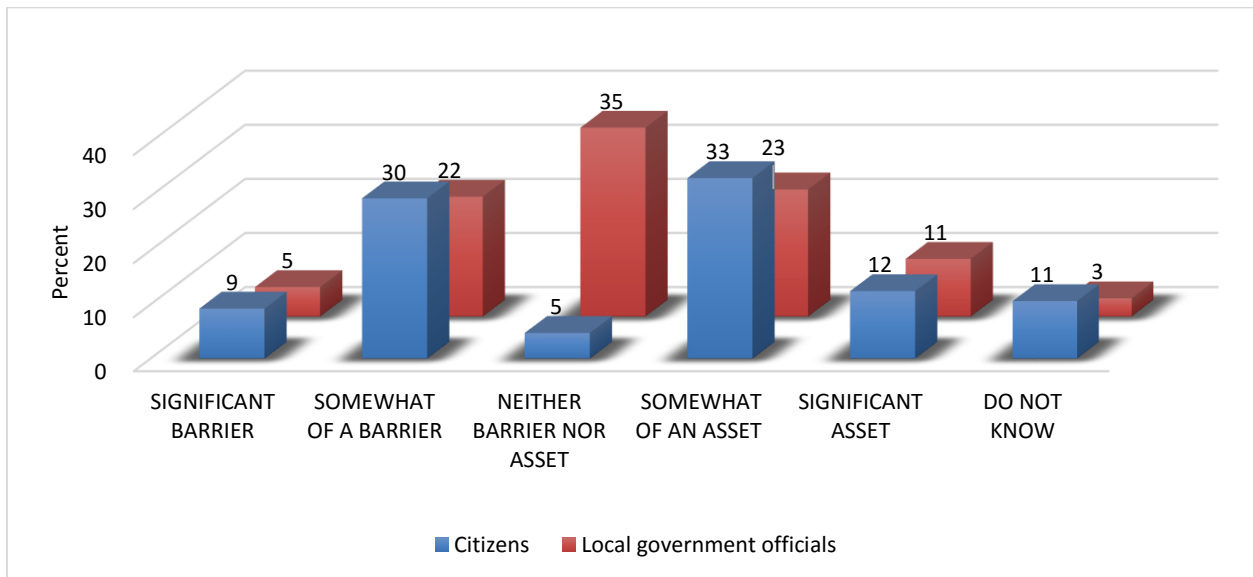
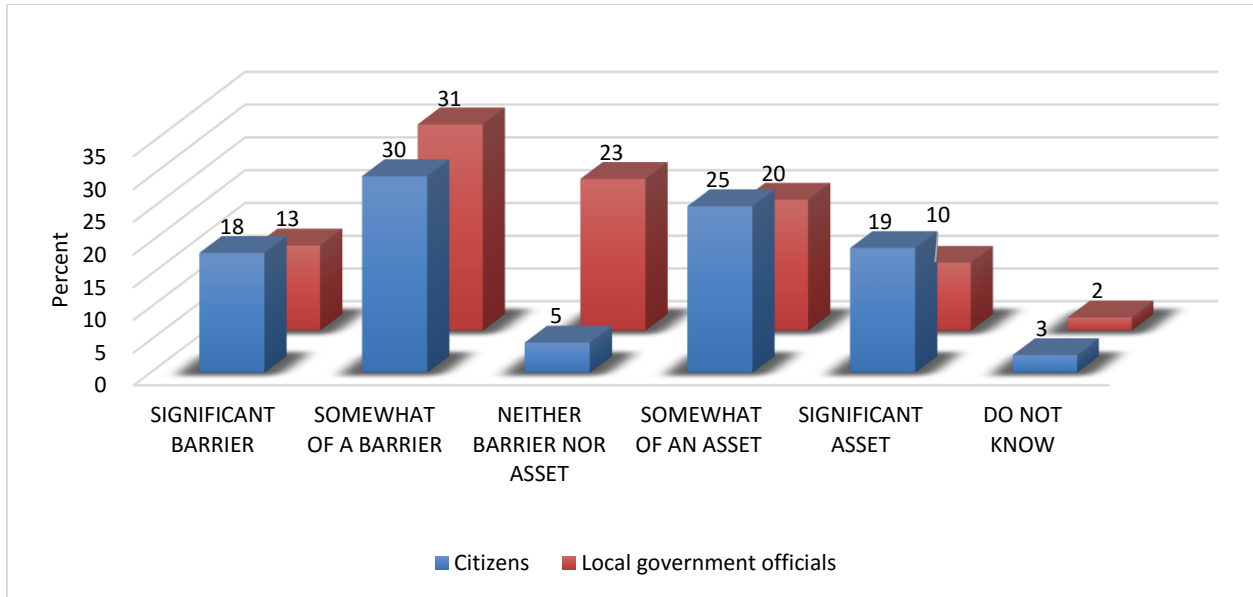


Figure 3: Traditional Infrastructure

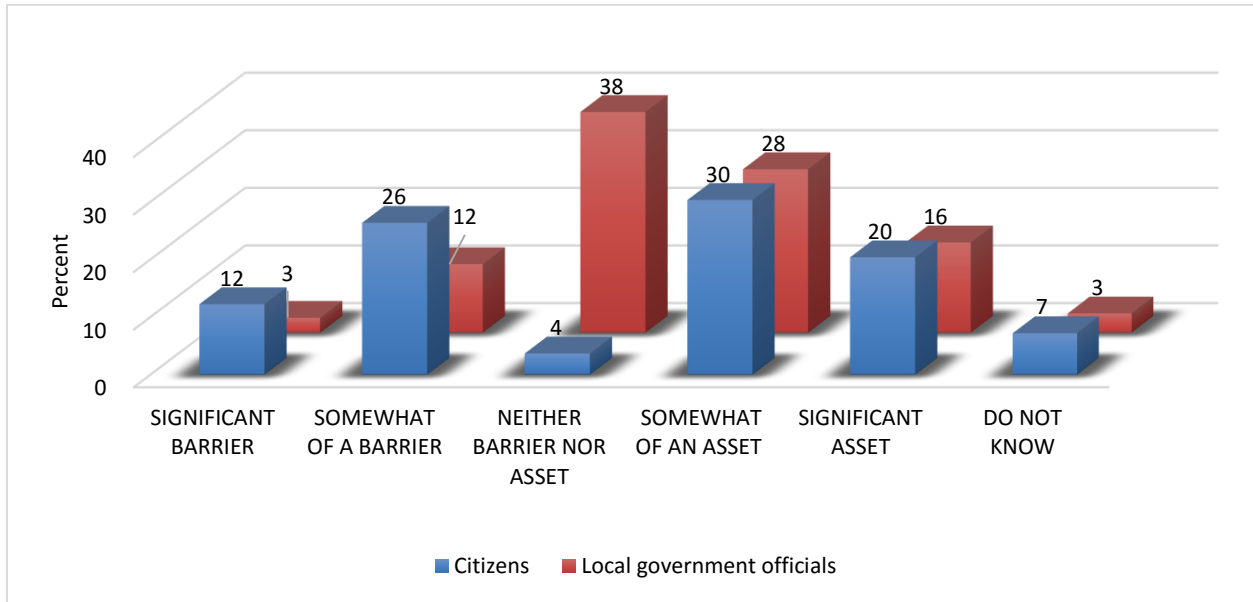


For *traditional infrastructure*, such as roads, water systems, and sewers, the opinions of citizens also polarize (Figure 3). Overall, slightly more citizens consider it to be a barrier (by 4%) to economic development. Still, 44% of citizens consider infrastructure an asset for their communities. On the other hand, a large percentage of local government officials consider traditional infrastructure a barrier to economic development (44%). Overall, both the opinions of citizens and of government officials are skewed towards a negative view on local infrastructure, considering it to be a barrier to economic development in their community.

Citizens tend to either view the quality of the current *local workforce* to be either an asset or a barrier; few give a neutral response (Figure 4). Overall, more citizens (by 12 percentage points) consider it to be an asset rather than a barrier. On the other hand, 38% of the local government officials were neutral on this issue, and a higher percentage of officials (by 29% more than citizens) consider the local work force to be an asset rather than a barrier. Overall, both citizens and government officials tend to have a positive view on local work force

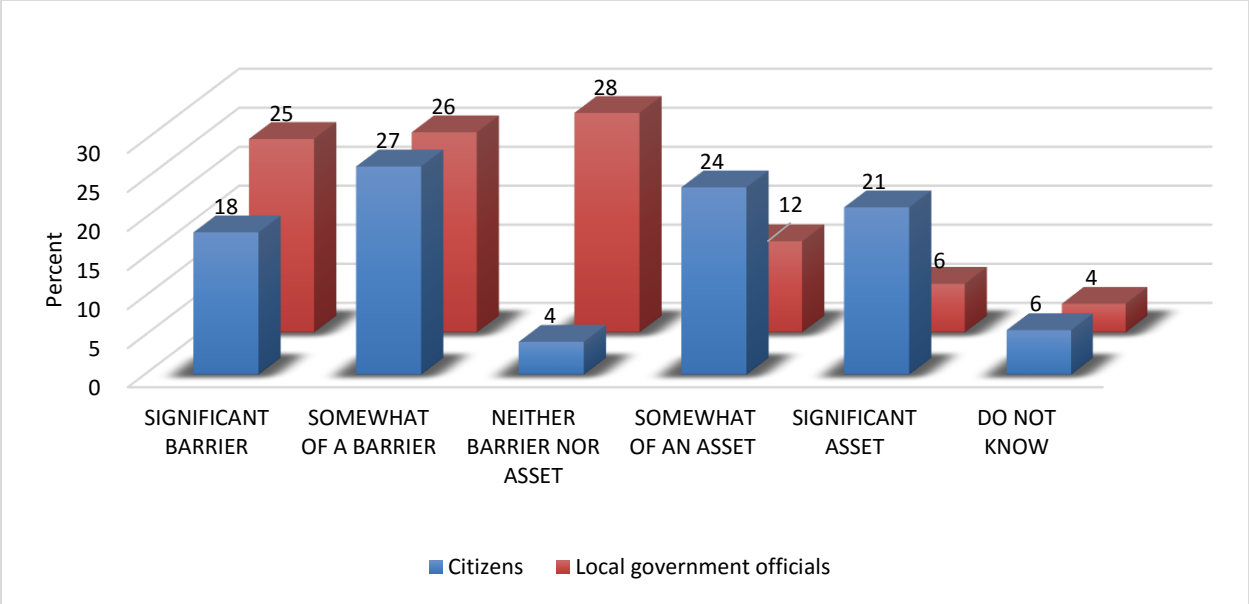
availability.

Figure 4: Availability of Appropriate Workforce



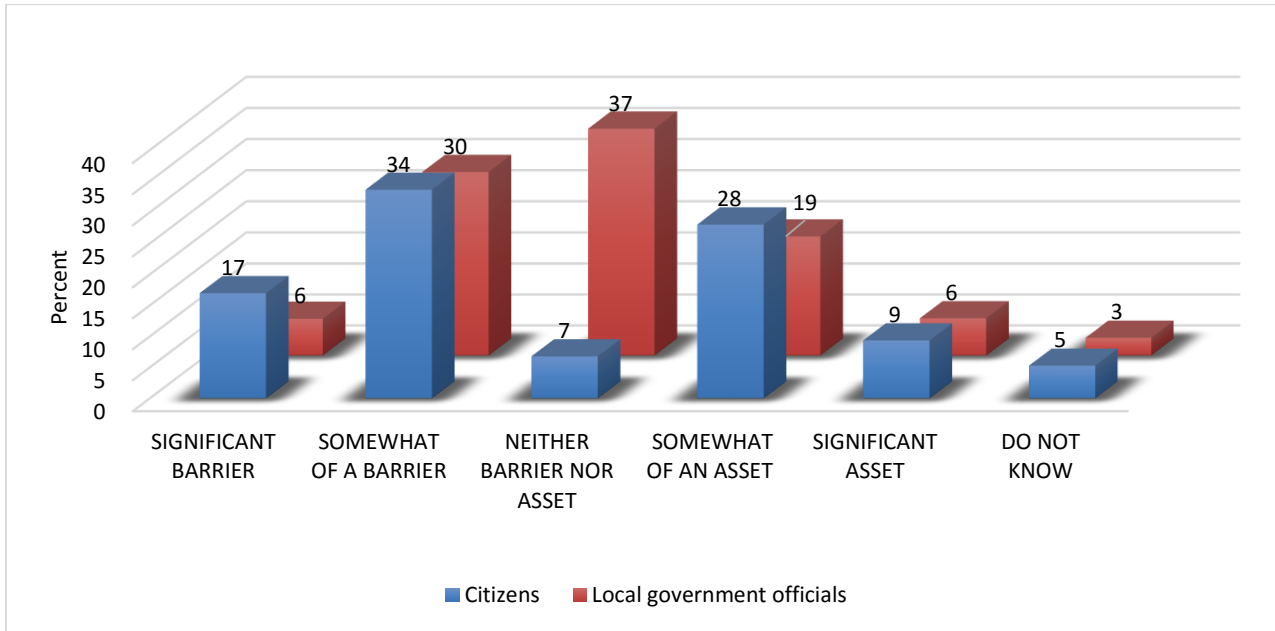
Regarding the presence of *major employers*, the opinions of citizens again tend to polarize, with equal percentages considering it either a barrier or an asset (Figure 5). Most of the local government officials (51%) consider it to be a barrier for their community.

Figure 5: Presence of Major Employers



The majority of citizens (51%) view local *tax rates* as a barrier to economic development in their community, while 37% consider them an asset (Figure 6). Responses of local officials are more mixed, with 36% considering tax rates to be a barrier and 25% seeing them as an asset. Overall, both citizens and local government officials consider tax rates more of a barrier to economic development in their communities.

Figure 6: Tax Rates



Citizens and local officials tend to perceive the local *K-12 education system* to be an asset to economic development (Figure 7). Local officials are more likely than citizens to see it neither as a barrier or an asset.

Figure 7: K-12 Education

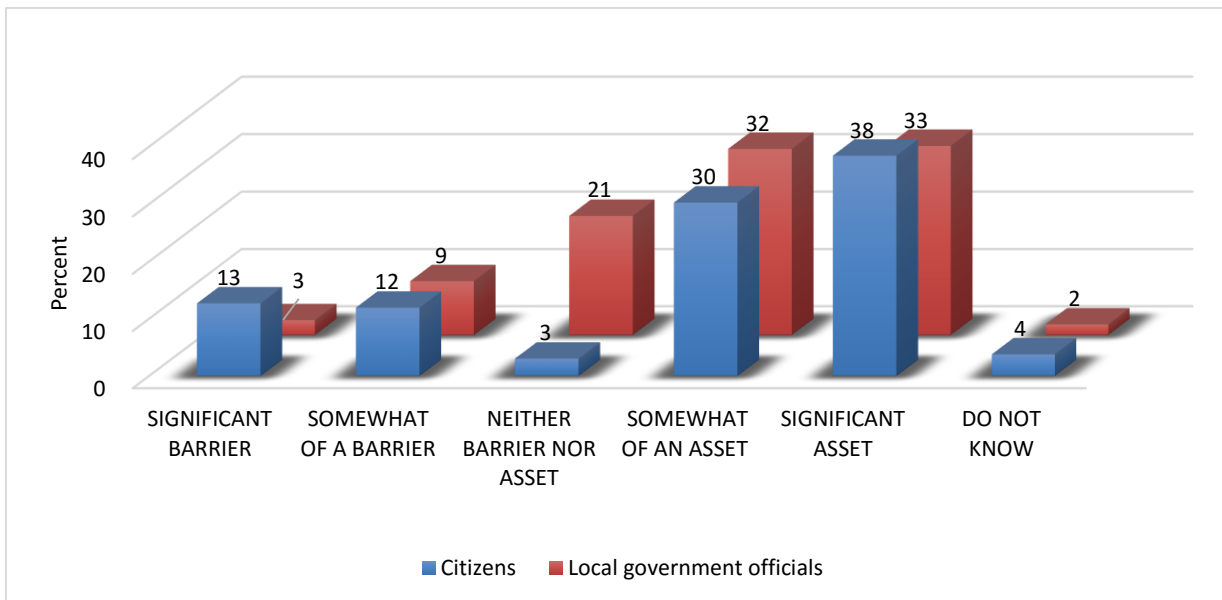
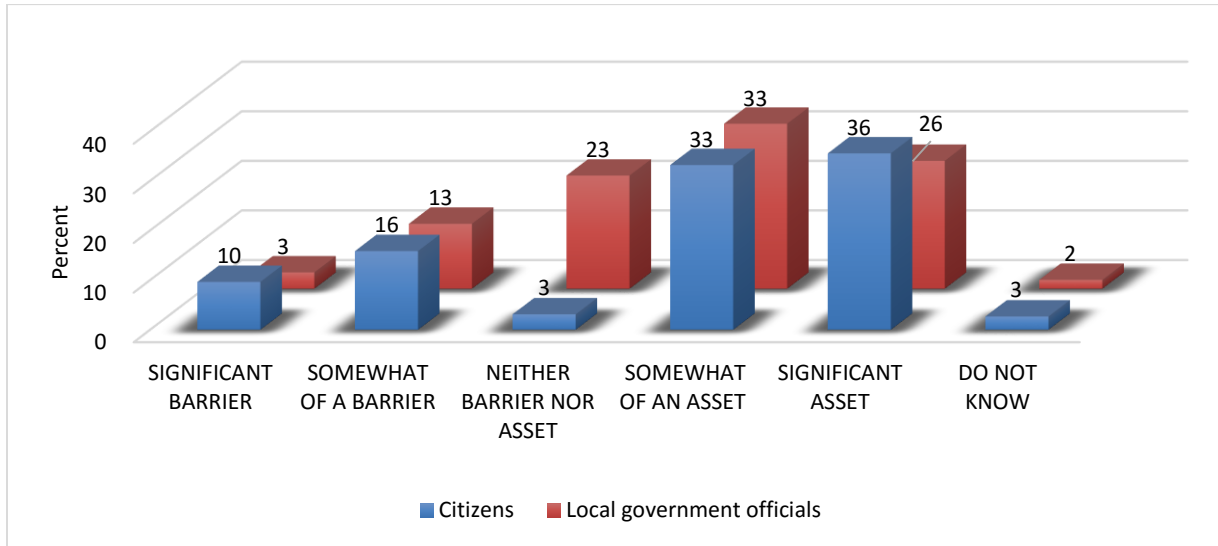


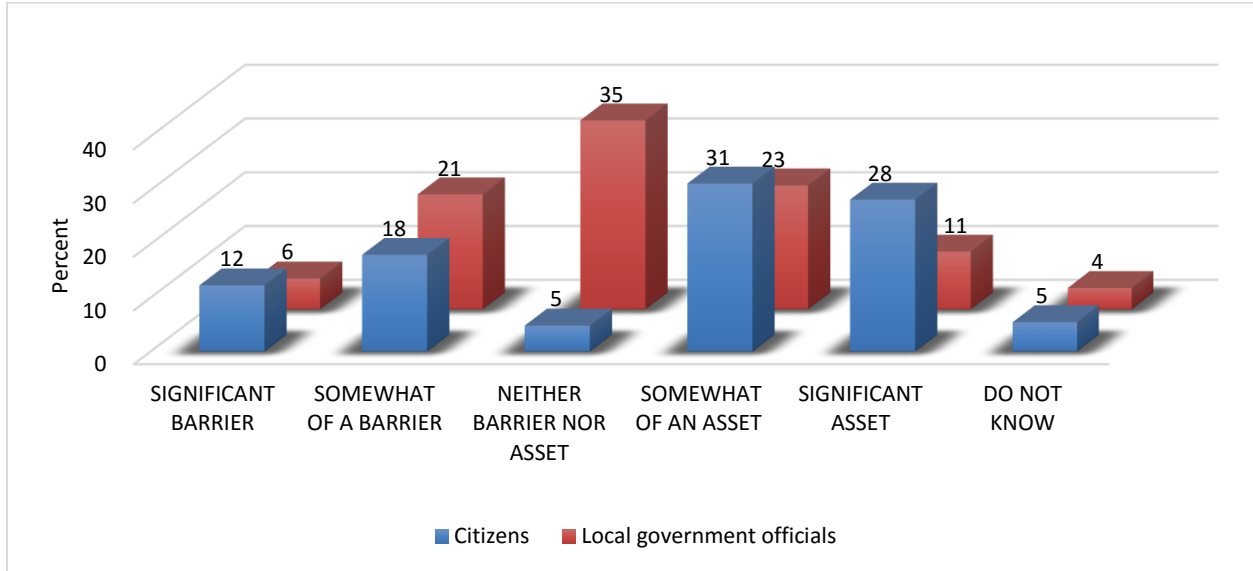
Figure 8: Recreation Facilities



The majority of citizens consider *recreational facilities* in their community to be an asset (69%) to economic development (Figure 8). The majority of local government officials also consider recreation to be an asset (59%).

Finally, the majority of citizens (59%) perceive *arts and culture programs* to be an asset for economic development in their community (Figure 9). Local government officials are more neutral on this issue. Slightly more local officials (34%) consider arts and culture it to be an asset, while 27% consider it to be a barrier for their local economic development efforts. Overall, to different extents, both citizens and local officials tend to consider arts and cultural programs somewhat more of an asset than a barrier for local economic development.

Figure 9: Arts and Culture Programs



Figures 10 and 11 provide a summary comparison of citizen and official opinions across the local attributes. When considering only the percentages indicating that each of the items was a barrier to economic development in their communities, it appears that there is general consensus that lack of employers, high tax rates, and inadequate infrastructure are barriers to local economic development (Figure 10). The largest disparities in attitudes relate to the availability of an appropriate workforce with citizens more likely to see it as a barrier.

Conversely, K-12 education and recreational facilities are seen as assets by both citizens and officials (Figure 11). There is disparity in the extent that arts and culture and the presence of employers are viewed as assets with citizens being more positive. Indeed, citizens are more positive on all eight items. Thus, local officials tend to take more measured or neutral stances than citizens on whether the items help or hinder local economic development.

Figure 10: Summary of Attitudes on Barriers to Local Economic Development

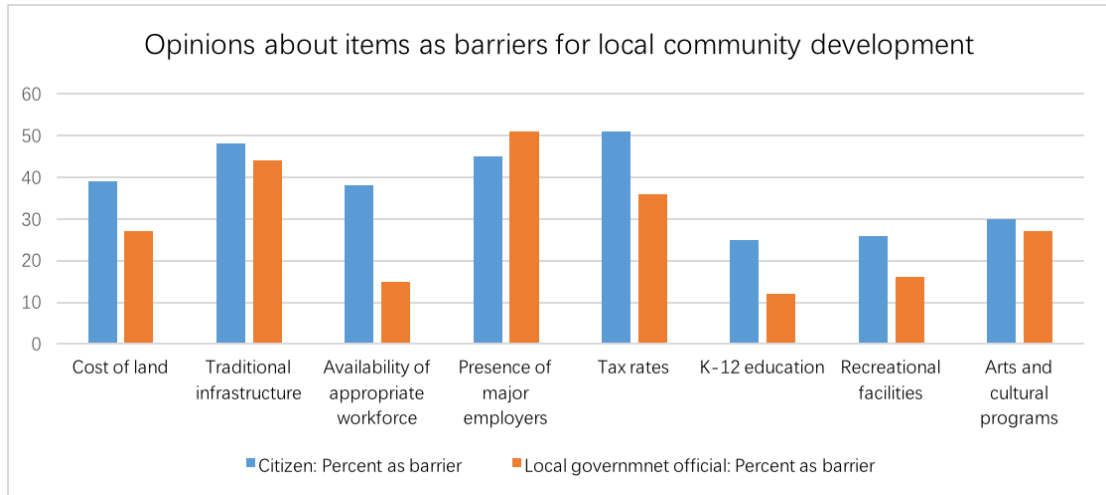
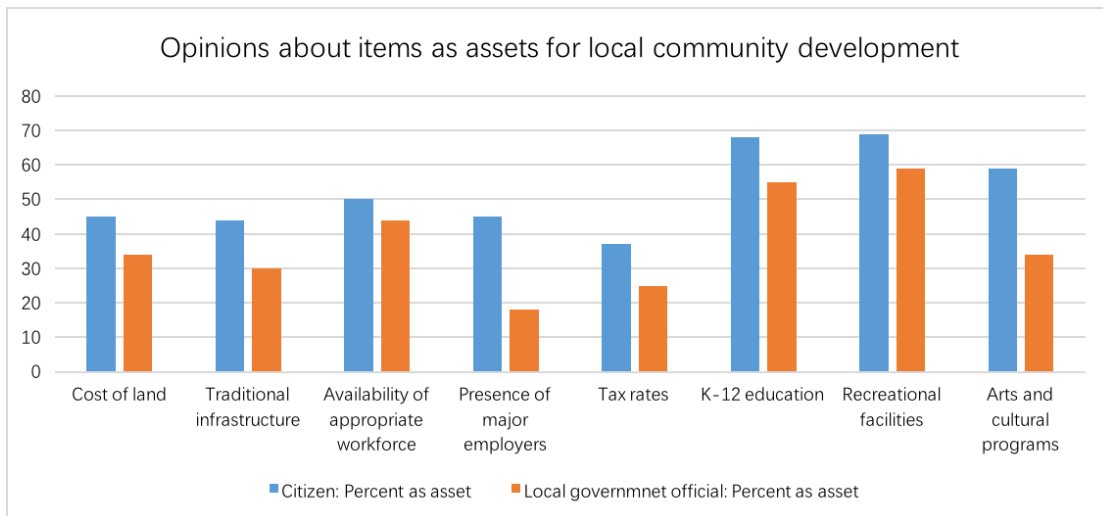


Figure 11: Summary of Attitudes on Assets to Local Economic Development



Based on Mann-Whitney tests of difference in means, citizen and official perceptions are statistically significantly different for five of the eight potential barriers or assets: workforce availability, presence of major employers, tax rates, recreation facilities, and arts and culture programs. With the exception of the presence of major employers, citizens are less likely to see all of these issues as barriers (Table 4).

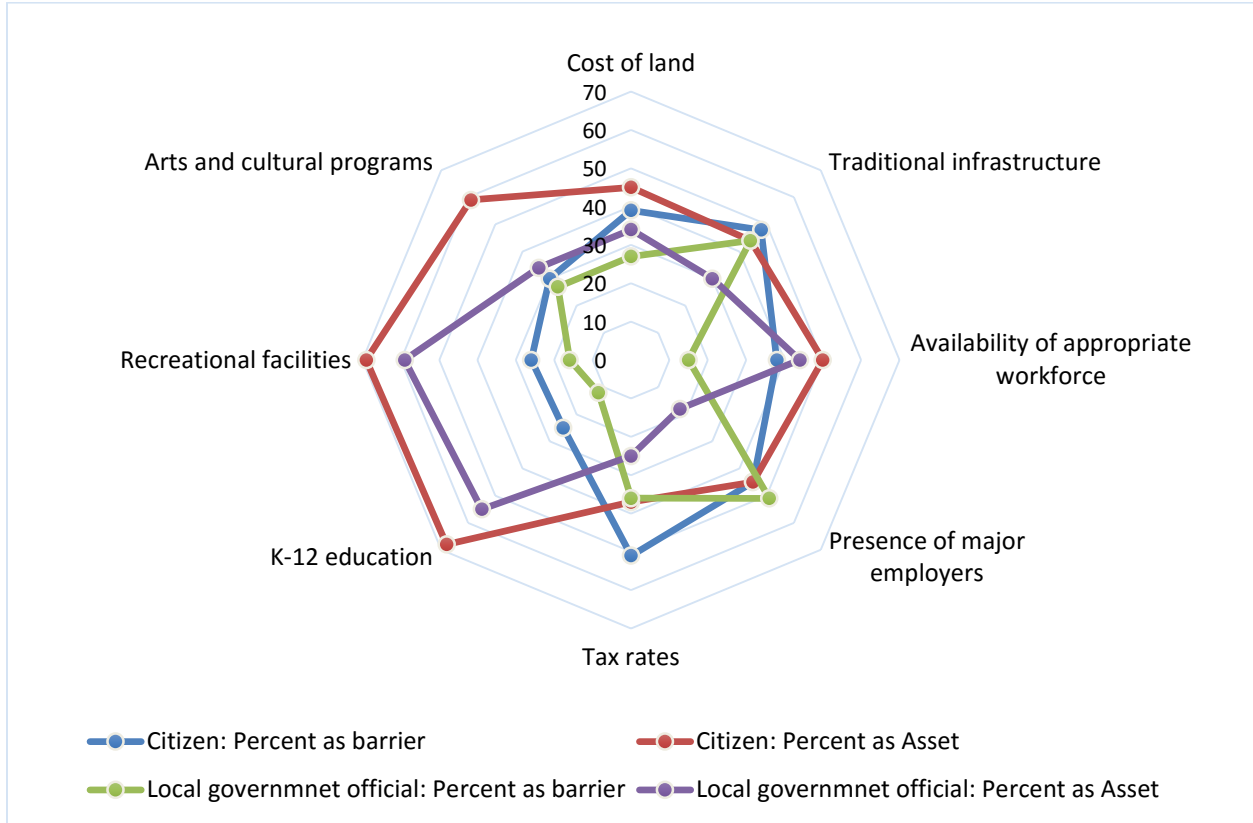
Table 4: Significant Differences in Attitudes: Barriers and Assets

	Mann-Whitney Z	P-value
Cost of land	.20	.84
Traditional infrastructure	1.82	.07
Appropriate workforce	-2.64	.01
Major employers	8.55	.00
Tax rates	-2.91	.00
K-12 education	.58	.56
Recreational facilities	3.17	.00
Arts and culture	7.69	.00

The radar analysis in Figure 12 summarizes the forgoing discussion. Citizens consistently provided the more favorable responses regarding specific assets. The responses of public officials were almost as favorable for recreational facilities, K-12 education, availability of appropriate workforce, and the cost of land. Local officials were much less likely than citizens to consider the presence of major employers and arts and cultural programs as assets.

Both groups of respondents were less likely to perceive these attributes to be barriers to economic development. About half of each group considered traditional infrastructure and the presence of major employers to be barriers to economic development; roughly the same proportion of citizen respondents considered these two items to be assets. Citizens and local officials also agreed on the extent to which arts and cultural programs were a barrier. The responses from citizens were much more negative than the public officials with respect to the barriers posed by tax rates and the availability of an appropriate workforce. Generally, the responses seem to be surprisingly optimistic – many community assets and few barriers.

Figure 12: Radar Analysis: Barriers and Assets



Correlates of Attitudes About Barriers and Assets

Both of the surveys included some limited demographic questions which allow for an examination of the correlates of attitudes about the causes of and barriers/assets to economic development at the local level. Several attributes of local officials are significantly and consistently related to positions on barriers and assets to local economic development: nature of position (elected/appointed), gender, and education. In some cases race and age are also significantly correlated with attitudes. Table 5 provides chi square data for each barrier/asset and the demographic characteristics included on the MPPS survey.

- *Cost of Land*: Appointed officials are more likely to have extreme positions (either seeing the cost of land as a significant barrier or asset to development in their municipality), female officials are more likely to view cost of land as a barrier, and officials with less education are more likely to see cost of land as a barrier.
- *Infrastructure*: Elected officials are more likely to see traditional infrastructure as a

barrier to local economic development in their community, males are more likely to see it as an asset, white officials are more neutral in their views and more likely to see infrastructure as neither an asset or barrier, republican officials are more likely to see it as a barrier or neither a barrier or an asset, and officials with less education are more likely to see it as a barrier.

- *Workforce*: Appointed officials are more likely to see workforce availability as an asset to economic development in their municipality, male officials are more likely to see it as an asset, younger officials are more likely to see it as a barrier while older officials are more likely to perceive workforce as neither a barrier nor an asset. Those with more education are more likely to see it as an asset while those less educated are more likely to perceive workforce to be neither an asset nor barrier.
- *Employers*: Elected officials are more likely to see lack of employers as a barrier, males are more likely to see it as an asset, whites more likely to see it as a barrier, officials with less education are more likely to view as barrier, and democrats are more likely to be polarized
- *Taxes*: Whether taxes serve as a barrier or asset to local development is the only area where there is no difference by position of local officials. Female officials are less likely to see taxes as an asset, older officials are more likely to see it as a barrier.
- *K-12 education*: Appointed officials are more likely to see the local school system as an asset to development in their community as are male officials, older respondents, and more educated officials.
- *Recreation facilities*: Appointed officials are also more likely to see recreation facilities as an asset to development in their municipalities as are males, non-white officials, and more educated respondents. Republicans are more likely than independents or democrats to see recreation as neither a barrier nor asset to development.
- *Arts and culture*: Appointed officials are more likely to see arts and culture programming as an asset to economic development, as are officials of color, and those that are more educated. Female and younger officials are more likely to see arts and culture as a barrier to development in their communities.

Table 5: Correlates of Attitudes on Barriers and Assets: Local Public Officials

	Position		Gender		Age		Tenure		Race		Education		Party	
	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	pr
Land cost	29.16	.00	39.53	.00	28.32	.55	12.00	.68	6.89	.23	49.87	.01	15.07	.45
Infrast.	95.48	.00	42.71	.00	37.99	.15	11.86	.69	16.70	.01	97.54	.00	34.43	.00
Workforce	43.88	.00	60.29	.00	45.30	.04	17.51	.29	8.11	.15	65.66	.00	16.47	.35
Employers	33.92	.00	43.88	.00	38.00	.15	23.30	.08	22.83	.00	100.02	.00	26.89	.03
Taxes	6.91	.23	34.62	.00	44.00	.05	12.05	.68	8.69	.12	30.71	.43	21.54	.12
K-12	22.69	.00	35.65	.00	73.00	.00	18.78	.22	8.30	.14	89.31	.00	20.01	.17
Recreation	24.18	.00	58.23	.00	41.05	.09	14.68	.48	14.02	.02	82.70	.00	26.16	.04
Arts/ culture	21.40	.00	44.98	.00	49.30	.02	12.82	.62	17.35	.00	103.41	.00	24.01	.06

In summary, appointed officials are more positive that the attributes noted are assets to economic development in their communities. Female and less educated officials are generally more pessimistic, seeing more issues as barriers to development.

For citizens, education is the most consistent correlate of attitudes about barriers and assets to local economic development; less educated respondents are consistently more likely to see attributes as barriers to economic development (Table 6). Women, the less educated, and republicans are more likely to see the cost of land as a barrier to local development. Those with less education are significantly more likely to see traditional infrastructure as a barrier. Older respondents and those with less education are the most likely to perceive that workforce availability is a barrier to local economic development. Women, older respondents and those with some college are most likely to see the lack of large employers as a barrier. Older respondents, non-whites, republicans, and less educated respondents are most likely to perceive local taxes to be a barrier to development. Respondents of color are significantly more likely to see local schools, recreation facilities, and arts and culture programming to be barriers to local economic development. Women and those with less education also perceive recreation and arts and culture to be barriers. Respondents with less education and those that identify as democrats are more likely to see local schools as a barrier.

Patterns in citizen responses are quite similar to those of local officials in that generally, women, the less educated, and respondents of color see more factors as barriers to economic development. For local officials, however, whether they are appointed or elected and their gender (along with education) are the most consistent correlates of attitudes while for citizens education is the most important correlate of attitudes about economic development assets and barriers.

Table 6: Correlates of Attitudes on Barriers and Assets: Citizens

	Gender		Age		Race		Education		Party	
	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	pr
Land cost	28.86	.00	126.14	.00	5.26	.51	57.28	.00	62.15	.00
Infrast.	9.10	.17	47.87	.25	2.74	.84	38.62	.00	28.85	.53
Workforce	9.42	.15	60.44	.03	6.84	.34	34.71	.01	31.74	.38
Employers	14.11	.03	82.97	.00	8.90	.18	53.03	.00	40.38	.10
Taxes	7.76	.26	62.48	.02	27.58	.00	49.55	.00	70.59	.00
K-12	5.16	.52	50.67	.17	66.65	.00	37.01	.01	45.40	.04
Recreation	27.60	.00	51.48	.15	27.52	.00	60.54	.00	32.58	.34
Arts	13.98	.03	68.90	.01	12.78	.05	78.37	.00	37.70	.16

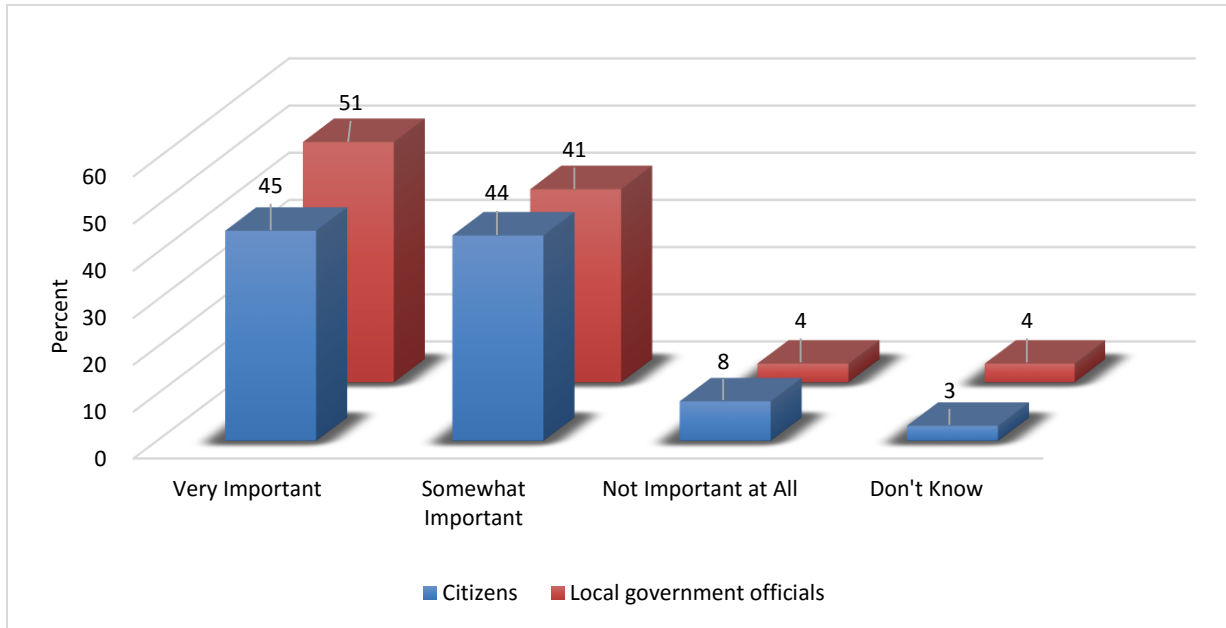
Causes of Fiscal Distress

The following analysis shows attitudes about the causes of fiscal distress. Examination of these perceptions is important because it shows how citizens and local officials view the task of economic development, specifically what problems local policies need to address. Overall, citizens and local government officials have consistent views on the factors contributing to local government fiscal distress in Michigan; all of the items asked on the survey were considered by a majority of respondents as very or somewhat important factors. For local officials the following issues were identified as very important causes of local distress: state decisions affecting local government, citizen opposition to millages or other revenue raising measures, and rising costs of providing services. A much smaller percent of citizens think these are very important causes of economic decline. More citizens blame local government corruption and/or mismanagement and decisions regarding retirees and pension funding to be very important factors in local fiscal distress.

Population loss is considered to be an important factor in local fiscal distress by both citizens (89%) and local government officials (92%) (Figure 13). The percent of officials considering it to be very important is higher than the percent of citizens doing so (by 9%). Only 8% of citizens and 4% of officials think it is not important.

General, national and state-wide *economic decline* is widely considered to be important in local fiscal distress by both citizens (95%) and local government officials (96%); few consider it unimportant (Figure 14).

Figure 13: Population Loss



Rising *costs to provide local services* are considered an important factor in local economic decline by both citizens (93%) and local government officials (96%). A higher percentage of officials consider it to be very important (by 12 percentage points). (Figure 15).

Figure 14: General Economic Decline

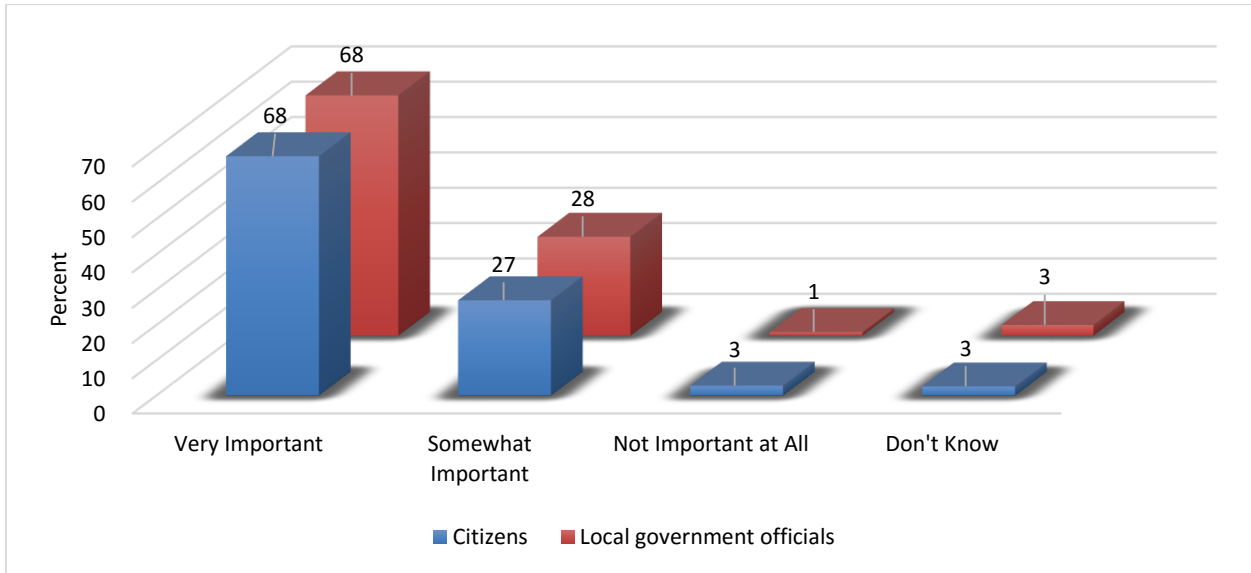
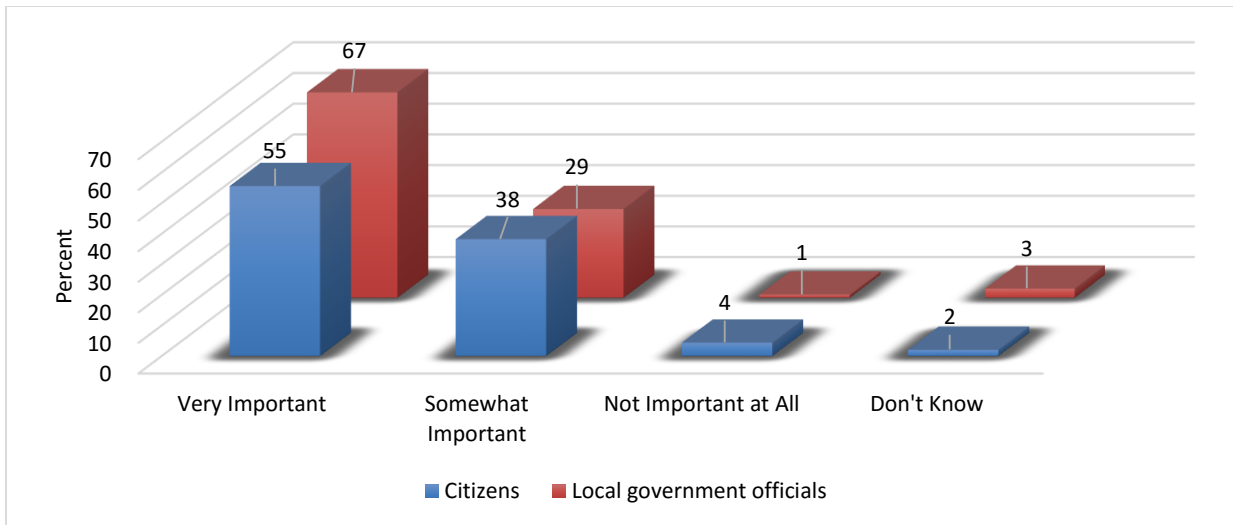
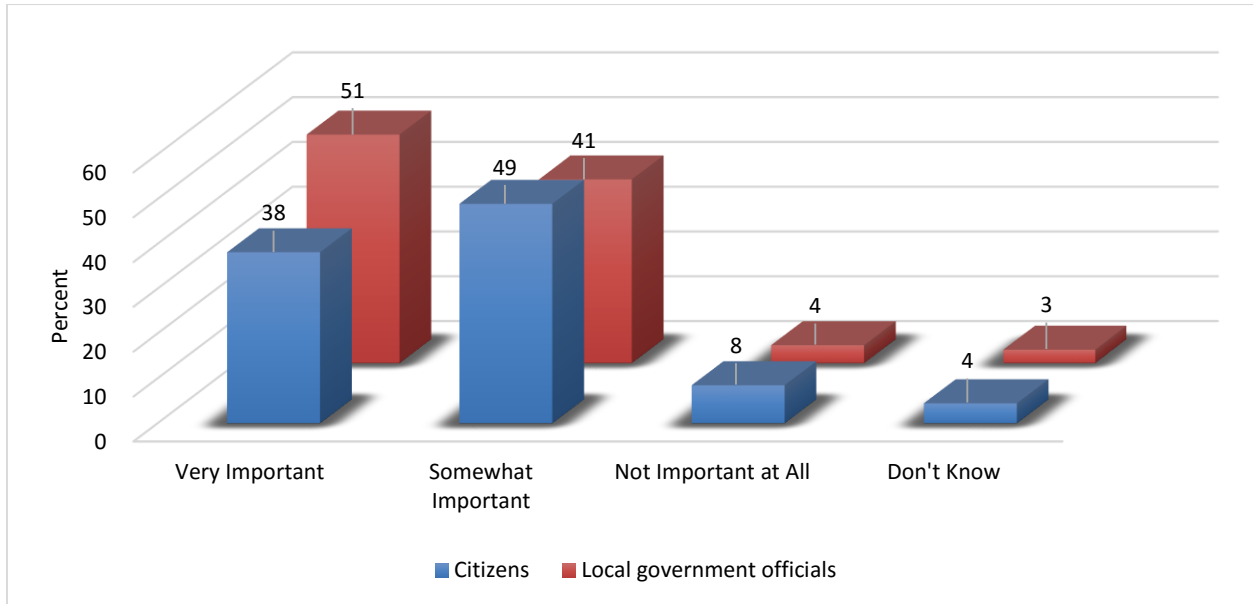


Figure 15: Rising Costs of Local Service Provision



Almost all local government officials consider *citizen opposition* to millages or other revenue increases as an important factor in local fiscal distress (92%), while a lower percentage of citizens hold such an opinion (87%) (Figure 16). Half of the officials consider it a very important factor (51%); only 38% of citizens feel it is very important.

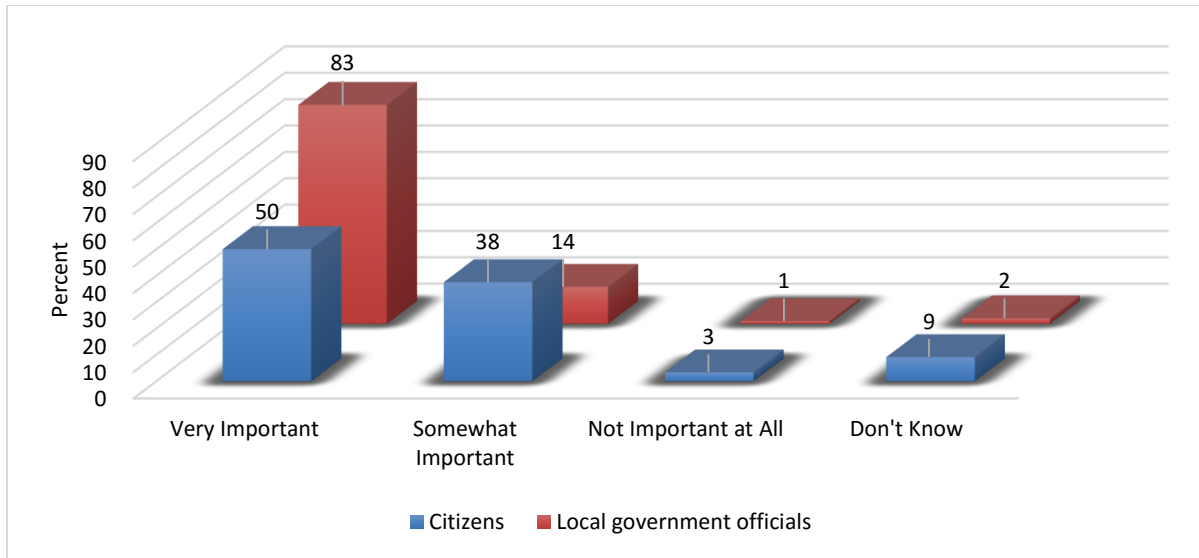
Figure 16: Citizen Opposition to Increased Revenue



Almost all local government officials (97%) and the majority of citizens (88%) consider *state decisions affecting local government* as important causes of local economic decline: cuts in revenue sharing, Headlee/Proposal A⁴ caps on local tax collection, limited local revenue options, and unfunded mandates from state government (Figure 17). Local government officials have a stronger opinion on this issue, 83% consider it to be very important, 33% higher than citizens.

⁴ The Headlee Amendment was passed by voters in Michigan in 1978. It requires voter approval for any local tax increases or new taxes established after Headlee was approved; limits property tax revenue resulting from property tax assessment increasing; and limits revenue collected to the amount the millage originally was to generate (with an inflation factor). It thus protected property owners from increases in taxes by rolling back the tax rate. Proposal A passed by voters in 1994 limits growth on taxable value of individual parcels of property to the lesser of inflation or 5%, and stipulates that when property is sold or transferred, the taxable value would be reset to equal state equalized value, which equals half of the property's cash value. Together these severely limit tax increases to fund local governments.

Figure 17: State Decisions Impacting Local Revenue



The majority of both citizens (86%) and local government officials (76%) consider local *government corruption and mismanagement* to be an important factor in local fiscal distress (Figure 18). Citizens hold a stronger opinion than officials on this issue, with 18% more citizens viewing it as very important than officials.

Figure 18: Local Corruption and Mismanagement

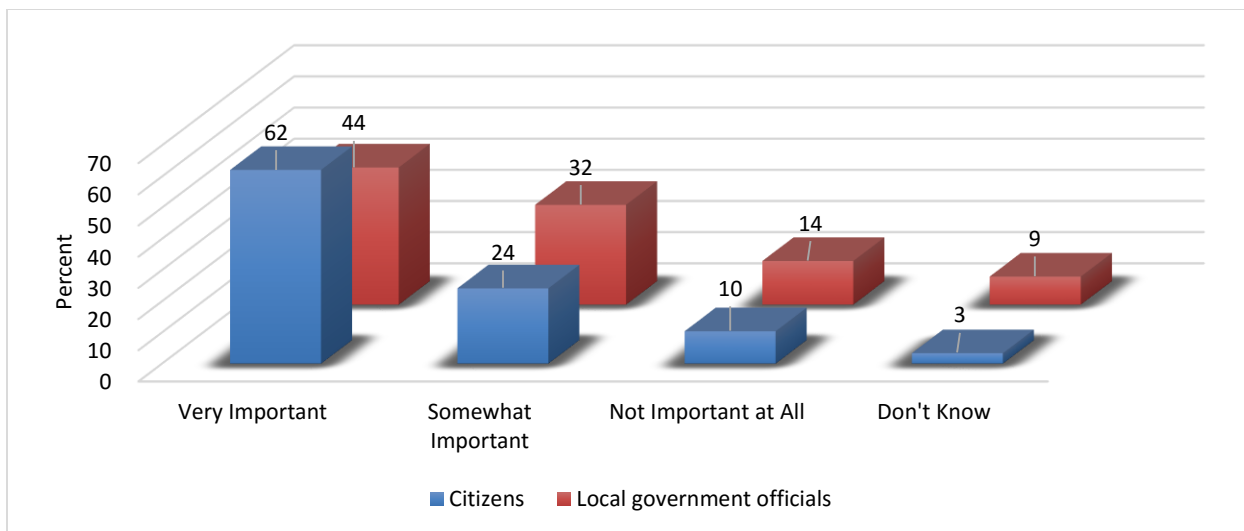
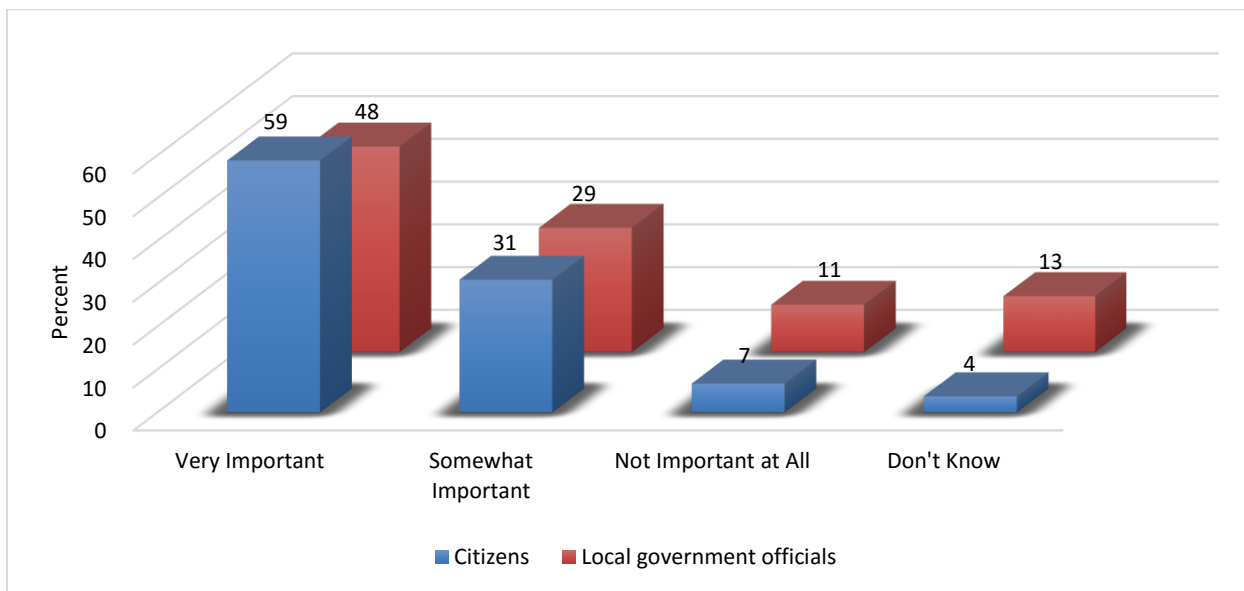


Figure 19: Retiree Benefit Decisions



Most of the citizens (90%) and officials (77%) consider *local government decisions regarding retirees*, which include generous retiree pensions/benefits and/or decisions to underfund retiree obligations, as an important factor in local fiscal distress (Figure 19). Citizens have more extreme opinions on this issue; more citizens consider it to be very important (by 11%) than officials.

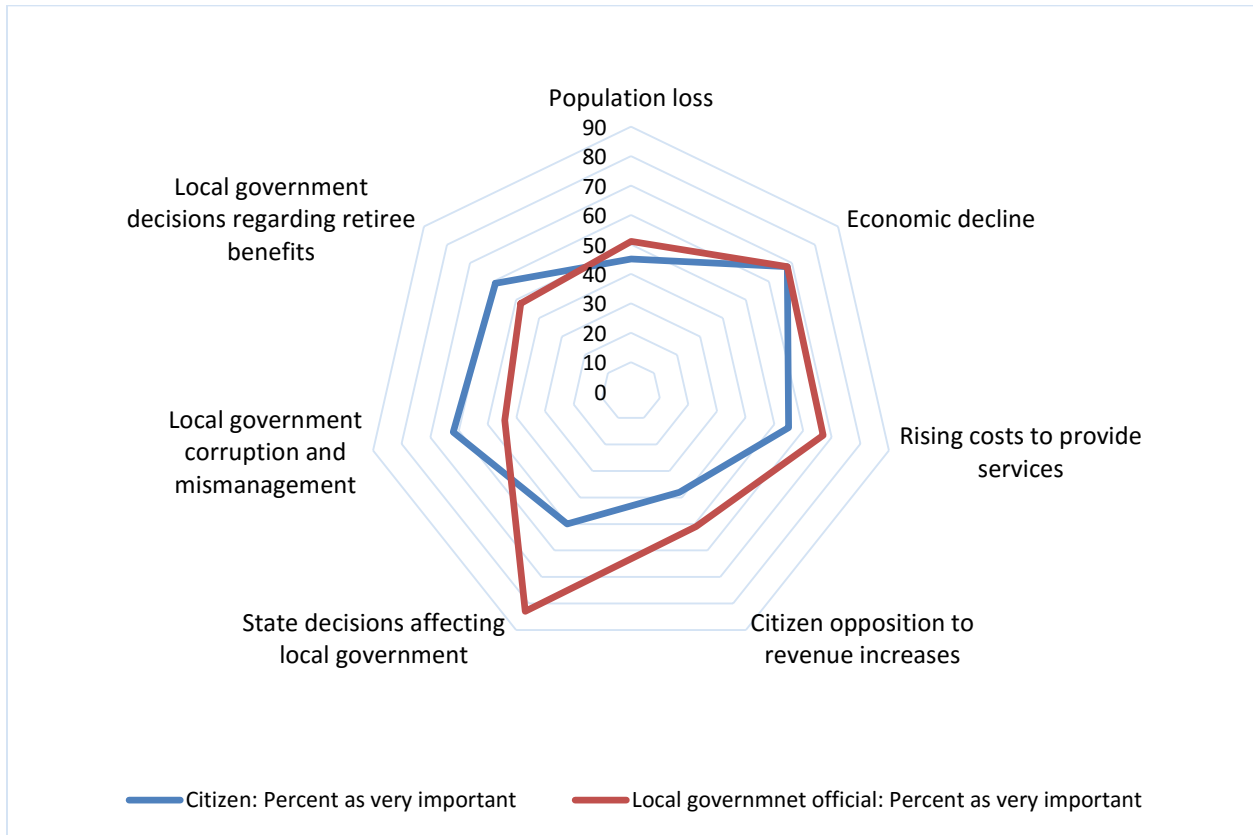
Citizen and local official concepts regarding the causes of local fiscal decline are significantly different for five of the seven items, with local officials indicating that all but mismanagement/corruption and poor decisions about retiree benefits were significantly more important (Table 7). Thus, while there is general agreement that issues such as economic decline, and rising costs of providing local services are important causes of local fiscal stress, citizens are more likely to place blame on decisions of their own local officials. Local officials are more likely to place blame on state-level decisions and the unwillingness of citizens to meet rising costs with additional revenue through local taxes and fees.

Table 7: Significant Differences in Attitudes: Causes of Local Fiscal Distress

	Mann-Whitney Z	P-value
Population loss	3.74	.00
Economic decline	.58	.56
Costs to provide services	6.52	.00
Citizen opposition to revenue increases	6.64	.00
State decisions	15.42	.00
Corruption and mismanagement	-6.87	.00
Retiree benefit decisions	-2.29	.02

The radar analysis in Figure 20 summarizes attitudes regarding the causes of local economic distress. The differences between citizen and local official attitudes about the causes of economic decline tend to lie in the nuances of the magnitude of importance of each item; there is general consensus that all seven factors are causes of stress at the local level. In order of importance, local officials view state decisions impacting local governments, general economic decline/rising costs of local services, and population decline/citizen opposition as being the most important causes of local fiscal stress. Citizens, on the other hand view the following as critical (in order of importance): general economic decline, rising costs of services, retirement decisions, and population decline. Citizen attitudes are a bit more uniform than those of local officials. When looking across the potential causes of local fiscal distress and averaging the percentages of citizens and officials that perceive each to be “very important,” general economic decline and state policies regarding cities are viewed as most important in causing local fiscal distress (averages of over 67%). These are followed by rising costs of local services and pensions and corruption and mismanagement at the local level (53-61%). Under half of respondents on average point to population loss and citizen opposition to revenue increases as causes of local fiscal distress.

Figure 20: Radar Analysis: Causes of Fiscal Distress



Correlates of Attitudes About Causes of Local Fiscal Distress

The primary demographic traits significantly correlated with perceptions of the causes of local fiscal distress for local officials are gender and education. Being an appointed or elected official and race are less important than for the attitudes about barriers and assets to economic development (Table 8). Elected and female officials and those with less education are significantly more likely to see population loss as an important cause of local economic distress. Female officials and those with more education are more likely to point to general economic decline. Males and those less educated are more likely to feel that increases in the costs of local services are important causes of local distress. Women and those with high school to associate degrees are significantly more likely to point to citizen opposition to millage increases and other

revenue raising mechanisms. Male, older, and more educated local officials are more likely to indicate that state policy decisions affecting local governments have led to local fiscal distress. Elected officials, women, and less educated officials are most likely to point to corruption and mismanagement at the local level. Finally, appointed and male local officials and those with more education are significantly more likely to indicate that rising pension costs cause local government fiscal distress.

Table 8: Correlates of Attitudes about Causes of Economic Distress: Local Officials

	Position		Gender		Age		Tenure		Race		Education		Party	
	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	pr
Population loss	9.71	.02	24.62	.00	23.39	.32	6.57	.89	1.88	.60	40.90	.00	2.83	.97
Economic decline	4.18	.24	14.73	.00	20.21	.51	14.19	.29	2.35	.50	34.18	.01	3.34	.95
Service costs	2.86	.41	9.53	.02	8.17	.98	20.11	.07	1.37	.71	49.21	.00	4.79	.85
Citizen opposition	3.75	.29	14.95	.00	24.45	.14	9.26	.68	2.22	.53	43.38	.00	9.04	.43
State policy	24.14	.00	8.77	.03	86.36	.00	9.94	.62	2.52	.47	43.37	.00	16.15	.06
Corruption	13.81	.00	35.84	.00	19.89	.53	6.00	.92	3.83	.28	73.48	.00	11.47	.25
Pensions	39.53	.00	20.87	.00	19.75	.54	29.14	.00	3.71	.30	58.82	.00	15.15	.09

Generally there are fewer significant correlations between demographic attributes and citizen attitudes about the causes of local fiscal distress although a wider range of attributes are correlated with attitudes than for local officials (Table 9). Again, education is the only consistent correlate with respondents having more education more likely to identify each of the items as being an important cause of local fiscal decline with the exception of local government corruption and mismanagement; respondents with less education are more likely to perceive that as a cause of economic distress. White respondents and those with more education are more likely to consider population loss a significant cause of local distress. Those with more education are more likely to see generalized economic decline as a cause. Respondents between 30 and 60 and the more educated are more likely to see rising costs of local services as a cause of

fiscal stress. Democratic respondents and those with more education are more likely to view citizen opposition to increases in local revenue mechanisms to be a significant cause of local economic distress.

Table 9: Correlates of Attitudes about Causes of Economic Distress: Citizens

	Gender		Age		Race		Education		Party	
	x ²	Pr	x ²	Pr	x ²	Pr	x ²	Pr	x ²	pr
Population loss	5.29	.26	34.48	.19	10.93	.03	55.60	.00	28.20	.11
Economic decline	4.56	.34	36.61	.13	7.11	.13	67.58	.00	20.73	.41
Service costs	3.90	.42	47.32	.01	6.47	.17	91.28	.00	21.29	.38
Citizen opposition	1.53	.82	33.93	.20	4.87	.30	64.91	.00	33.01	.03
State policy	14.27	.01	69.88	.00	17.47	.00	61.09	.00	42.34	.00
Corruption	3.28	.51	40.76	.06	19.91	.00	63.82	.00	12.77	.89
Pensions	2.41	.66	69.77	.00	6.96	.14	61.33	.00	12.95	.88

Men, respondents over 50, non-whites, democrats, and those with higher education levels are more likely to point to state policies as an important cause of local fiscal distress. Respondents of color and those less educated are more likely to point to local corruption and mismanagement. Finally, older respondents are more likely to feel that poor decisions about local pension benefits are an important cause of local fiscal distress; younger respondents are more likely to “not know” if pensions are an issue

IMPLICATIONS OF CONCEPTIONS OF LOCAL ECONOMIC DEVELOPMENT

Perceptions about the causes of fiscal distress and the barriers to and assets for recovery and growth provide the conceptual frame for local government decision-making regarding policy responses. If local taxes and the lack of major employers are seen as barriers to growth and fiscal distress primarily a function of economic decline, then tax abatements would be a logical policy choice, for example, as officials attempt to attract jobs by lowering the costs of production to specific employers. Differences in perceptions between local officials and citizens on these

issues will likely limit the type, and affect the nature of, policies pursued. Indeed, political conflict within communities has been found to limit the use of economic development incentives overall because stakeholders are unable to agree about what should be done (Reese and Rosenfeld, 2001).

Local officials and citizens perceive all of the factors included on the surveys as causes of local fiscal decline. General economic decline in the state, state policies regarding cities, and the rising costs of local services are seen as the most important causes of distress on average. However, citizens and officials differ significantly in their attitudes on the magnitude of these causes, with local officials more likely to “blame” citizen opposition to attempts to increase revenues and the state for policies that impact local governments negatively. Citizens, on the other hand, are more likely to place blame on their local officials, for corruption and mismanagement and for poor decisions regarding how to address the rising legacy costs of local employee pensions. These are important differences that may impact a variety of issues including citizen satisfaction with local officials that are likely to reinforce conflicts surrounding appropriate economic development policy. For example, local officials may focus efforts on attempts to raise additional revenue through increased fees for services and permits or the creation of special districts that have their own taxing authority. These efforts may be perceived by citizens as further examples of local government fiscal mismanagement; i.e. that local officials are unable to properly budget for services and are instead trying to pass more costs on to residents. If local officials are too focused on efforts to change state policy regarding local revenue sharing, tax limitations, and unfunded mandates, they may miss opportunities to stimulate growth from within.

Officials and citizens point to very traditional barriers to local economic growth as being important: lack of large employers, tax rates that are too high, and poor traditional infrastructure such as roads, water, and sewer. These are the primary barriers to local economic development that have been raised by city managers and mayors across the country in response to the ICMA surveys. Citizens and officials are significantly different in their views of almost all of these issues, however, with the former tending to be more extreme in their views or more likely to be unsure of them. Generally, however, citizens are more positive about all of the attributes of their communities, suggesting that they are less able to distinguish or identify problems than their local officials. While there is agreement that the local school system and recreation facilities are assets to development, because these are seen as generally good, it is less likely that they will be the target of economic development efforts.

Together, these findings suggest that citizens and their local officials hold very traditional attitudes about what causes economic distress and what barriers exist to their local community's ability to address them. Economic decline and rising service costs are widely seen as leading to local economic distress. Large employers, taxes, and infrastructure are seen as barriers. Local officials are significantly more likely to see a lack of major employers as a barrier to economic development in their community. Elected local officials are significantly more likely to point to lack of major employers as barriers to economic development than appointed officials. This may suggest that mayors see the attraction of employers as a way to garner votes when up for reelection regardless of whether there is an objective deficit in larger employers in their municipality. Economic development policy over the past several decades has emphasized the granting of particularized incentives (tax incentives, land assembly, provision of infrastructure to support specific development projects) to encourage large employers to relocate. The findings

that local officials still see major employers to be critical to economic growth suggests that the past patterns of incentive use illustrated in the ICMA data are unlikely to change, even in the face of citizen uncertainty.

The general agreement about the problematic nature of state level decisions is a slightly different type of concern and one that may be largely specific to Michigan. Research has indicated that Michigan state government is unique among the states in implementing policies that are likely to lead to local government fiscal failure (Sapotichne, et al., 2015). These include severe reductions in state/local revenue sharing, limitations on the ability of local governments to raise revenue, and unfunded mandates. It is not surprising that local officials recognize these as causes of their community's fiscal distress but the fact that citizens do as well may shift the debate about local development policies from the traditional tax incentives and infrastructure investment to changes at the state level.

The research reported here suggests several policy implications. First, citizen and local official attitudes about the causes of and barriers and assets to local economic development imply that, overall, there is a good bit of similarity between those groups in how the task of economic development is conceptualized. However, there are important differences in scale. Citizens tend to be more extreme in their views, while local officials are more neutral, perceiving that many local traits can be both barriers and assets. This suggests that there may be conflict over local development decision-making with citizens expecting more radical, extensive, or perhaps more rapid responses. And, while both citizens and officials perceive that general economic decline and increasing service costs contribute to local economic distress, citizens are more likely to blame their local officials while the officials blame the state and citizens. These differences are statistically significant and also may contribute to local conflict.

That there is general agreement that policies of the state government related to revenue sharing, tax limitations, and unfunded mandates have contributed to local fiscal distress suggests that there may be support for reform if there was political will in the state legislature to make policy change. Research indicating that Michigan cities have been objectively hampered by such policies supports such state level change (Sapotichne, et al., 2015).

There are also consistent differences in conceptions of the task of economic development by education level, and for public officials, by gender and whether the official is appointed or elected. Several significant differences in attitudes are based on race. Generally female and respondents of color perceive more barriers to local economic development. Respondents with lower education levels also tend to perceive more barriers. Thus, it appears that those who may not have benefited from their local economies are, not surprisingly, more pessimistic. These respondents also tend to see schools, recreation, and arts and culture specifically as barriers to development. Investment in these quality of life services, because it tends to enhance the economic health of residents and families, may help alleviate feelings that local development has benefited corporate recipients while leaving others behind (Reese and Ye, 2011; Reese, 2012). These findings are in line with other work that has shown citizen satisfaction with local services generally to differ by various demographic variables. There is a body of research indicating correlations between a number of demographic variables—gender, education, income, race—and perceptions of local services (Inman, 1979; Brown and Coulter, 1983; Sharp, 1986; Dehoog et al, 1990; Beck et al., 1990; Alozie and McNamara, 2010). For example, residents of color and those with lower incomes tend to be more dissatisfied with their communities, women tend to desire more local services generally, and older residents are more satisfied with police service. The differences here based on race and gender suggest that there may be fault lines within and

between cities in the types of economic development policies desired depending on demographic characteristics. If female, lower income, and residents of color have a higher preference for development policies that emphasize investments in such quality of life services and institutions as schools, parks and recreation, and arts and culture then local officials in communities with more such citizens may do well to think beyond the more traditional tax incentives and infrastructure investments to achieve economic growth.

It is also interesting to note that younger public officials are significantly more likely to see arts and culture as barriers to economic development in their municipality. This may imply a greater awareness of the development potential in having a vibrant (read “hip”) arts and entertainment scene and may herald a generational shift in how the task of economic development is perceived among local officials. Based on a good bit of research pointing to the limitations of “creative class” development policies (Peck, 2005; Sands and Reese, 2008; Hoyman and Faricy, 2010; Sands and Reese, 2017), it would be desirable if younger officials moved beyond art and entertainment as consumption to a focus on culture as production, providing opportunities for local residents to actively engage in creative endeavors.

It is interesting to note that partisanship has only a limited relationship to attitudes about fiscal distress and barriers/assets to growth, particularly for local officials. There were no significant correlations between party and perceived causes of fiscal distress for local officials and partisanship only affected the extent that they were neutral on several of the barriers. For citizens, however, party affiliation had a more significant effect in predictable ways.

Republicans were more likely to see the cost of land and taxes as being barriers to economic development while Democrats were more likely to feel that K-12 education was a barrier.

Democrats were significantly more likely to see state policies (of a Republican-controlled state house) and citizen opposition to revenue increases as being responsible for fiscal distress.

The partisanship appears more likely to divide citizens than their local officials suggests that the latter may be more pragmatic and concerned with getting things done on the economic development front. This too may cause citizen dissatisfaction with what may be perceived as a lack of action (or desired action) on the parts of their officials. The explanation for the apparent partisan nature of citizens' views on the causes of fiscal distress may be related to the earlier observation that in many cases respondents do not have strong opinions, or have even given much thought, to a particular issue. In order to provide a definite response, they may apply their dominant political ideology to the question. Local officials, on the other hand, may have a more pragmatic, rather than ideological, perspective. It may also mean that citizens look at governance at the local level in a more partisan manner than local officials who are just trying to "collect the garbage."

There is a good bit of consensus that the presence of employers, taxes, and infrastructure remain significant barriers to local economic development. This suggests that the long term patterns in economic development policy that emphasize tax incentives and infrastructure investment to attract and retain specific employers are unlikely to change. That local officials and citizens appear content with their schools, recreation facilities, and arts and culture offerings implies that increased attention to quality of life enhancements as a path to economic prosperity is also unlikely even in the face of research strongly suggesting that such policies are more effective over the long term.

Although there is substantial agreement between citizens' and local officials' perceptions of these economic development issues, there are a number of important unresolved issues. One is

clearly the geographic scale of the analysis. There is considerable ambiguity in the evaluation of specific factors as assets or barriers. For example, basic infrastructure is seen as an asset almost as often as it is seen as an obstacle. Because the State of the State Survey results are for the state as a whole, there are potentially significant geographic differences in responses. In rural areas, a lack of infrastructure may be seen as a barrier to economic development, while the quality of the infrastructure in suburban areas may be seen as an asset.

Some of the differences in responses may be the result of local contextual factors. Is the presence of a large employer seen as an asset in communities that have one and as a barrier in communities that don't (or which have recently lost one)? Would communities who see large firms as an asset primarily devote their efforts to attracting a large new employer, ignoring smaller enterprises?

A more refined geographic analysis, even if it were limited only to the regional level, would be useful. Additional research that would more clearly identify the most important barriers to economic development would be useful in identifying appropriate public policies to address them. Some sense of the relative priorities assigned to individual factors would also be helpful in designing appropriate public policies.

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APPENDIX A
Survey Questions

2017 SOSS

Next, I have some questions about your community. To what degree would you consider the following items as barriers or benefits to your community's development efforts? For each, indicate whether it is a significant barrier, somewhat of a barrier, somewhat of a benefit, or a significant benefit.

Cost of land

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT (R VOLUNTEERED)
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Traditional infrastructure, for example roads and sewers

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Availability of appropriate workforce

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Presence of major employers

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT 30
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Tax rates

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT

- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Local public K-to-12 school system

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Recreation facilities

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Arts and cultural programs

- <1> SIGNIFICANT BARRIER
- <2> SOMEWHAT OF A BARRIER
- <3> NEITHER BARRIER NOR BENEFIT
- <4> SOMEWHAT OF A BENEFIT
- <5> SIGNIFICANT BENEFIT
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Next, I have some questions about government in Michigan. How important do you think each of the following factors are in contributing to local government financial difficulties in Michigan? For each of the following, tell me whether you think that it is very important, somewhat important, or not important at all.

Population loss

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Economic decline

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Rising costs to provide services

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Citizen opposition to tax millages or other revenue increases

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

State decisions affecting local government finances, such as revenue sharing and unfunded mandates

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Local government corruption and mismanagement

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

Local government decisions to provide generous retiree pensions or benefits, or decisions to underfund retiree obligations

- <1> VERY IMPORTANT
- <2> SOMEWHAT IMPORTANT
- <3> NOT IMPORTANT AT ALL
- <8> DO NOT KNOW
- <9> REFUSED THIS QUESTION

2016 MPPS

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Population loss

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Economic decline

- 1 Very Important

- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Rising costs to provide services

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Citizen opposition to millage or other revenue increases

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? State decisions affecting local government (e.g., revenue sharing, Headlee / Proposal A, local revenue options, unfunded mandates, etc.)

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all – do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Local government corruption and/or mismanagement

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

First, while any particular jurisdiction in fiscal distress faces unique challenges, in general, how important - if at all - do you think each of the following factors are in contributing to local government fiscal distress in Michigan? Local government decisions to provide generous retiree pensions/benefits and/or decisions to underfund retiree obligations

- 1 Very Important
- 2 Somewhat Important
- 3 Not Important at All
- 4 Don't Know

2009 MPPS

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Cost of land

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.)
Traditional infrastructure (roads, bridges, water/sewer, etc.)

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Availability of appropriate workforce

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Presence of major employers

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Tax rates

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) K-12 education system

- 1 A Significant Barrier

- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Recreational facilities

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

To what degree would you consider the following items as barriers or assets to your jurisdiction's economic development efforts? (Leave individual items blank if not applicable to your jurisdiction.) Arts/cultural programs

- 1 A Significant Barrier
- 2 Somewhat of a Barrier
- 3 Neither a Barrier nor an Asset
- 4 Somewhat of an Asset
- 5 A Significant Asset
- 6 Don't Know

Informing the Debate

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