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Priorities of City Leaders: The Importance of Quality of Life Concerns

Author(s): James Vanderleeuw and Thomas Sowers

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The Impact of City Socioeconomic Context on the Economic Development Priorities of City Leaders: The Importance of Quality of Life Concerns

James Vanderleeuw
Lamar University

Thomas Sowers
Lamar University

Local leaders establish economic development priorities in specific economic and social contexts. Inspired by post-materialist theory, we investigate socioeconomic conditions under which local leaders place priority on quality of life as well as more traditional concerns when they consider economic development proposals for their communities. Utilizing survey responses from 94 city leaders in Texas, we find that leaders of poor communities place a greater priority on quality of life concerns than would be predicted assuming a positive and linear relationship between community socioeconomic conditions and concern with quality of life amenities. Conversely, leaders of wealthy communities place less emphasis on quality of life concerns than a linear model would predict. We discuss the relevance of our findings as these relate to communities at the economic "extremes," the poorest and the most economically well-off.

Introduction

City leaders make economic development decisions in a wide variety of economic contexts. For example, in 2008, the United States plunged into a severe and prolonged economic downturn. Unemployment nationwide sat at 5.4% in May of 2008 and increased to 9.6% by May 2010. As of May 2012, unemployment nationwide was still high, at 8.2% (U.S. Department of Labor, Bureau of Labor Statistics, 2012). As a result, government budgets at virtually all levels across the nation have been stretched when not slashed. Services have been cut back or eliminated, public employees have been laid off, and government officials have confronted a citizenry suffering from alarmingly high levels of unemployment.

We believe that extreme economic conditions, whether negative conditions like the Great Recession mentioned above, or positive economic conditions, such as economic boom conditions, will create non-linear policy preferences in economic development priorities among leaders. By non-linear preferences we mean that leaders of communities undergoing either acute economic adversity or economic prosperity will exhibit economic

development preferences that differ from leaders of more “mainstream” communities whose economic conditions are neither of pronounced poverty nor of pronounced wealth.

Our focus in this study is on city government. Specifically, we are concerned with the relationship between the economic development priorities of city leaders and their city’s economic as well as social context. To address this concern we investigate the economic development priorities of city leaders in Texas. In so doing, we look at the priorities of several types of elected and appointed city officials – mayors, city council presidents, city managers and economic development directors – as well as a private sector participant in local economic development decision making, chamber of commerce presidents. We investigate the economic development priorities of these five leaders across a sample of cities in Texas with a population of over 5,000.

At the local level, economic growth in the United States historically falls to local leadership. City leaders in the United States engage in a wide variety of efforts to promote the economic vitality of their communities -- from traditional business-centered measures, to redistributive policies, to strategies that emphasize life style and quality of life amenities. When making economic development decisions in the context of fiscal austerity, however, economic and political uncertainty about the future might encourage city leaders to embrace a more limited range of options. A focus on activities directly linked, at least in the public’s mind, with job growth -- such as the provision of tax abatements for business -- ostensibly allows those in leadership positions to avoid political risks potentially associated with the pursuit of policies viewed as less directly connected with promoting economic growth, such as public investment in cultural venues. Elected city leaders have an obvious electoral incentive to gravitate toward policies that can have relatively quick and positive economic outcomes. Appointed leaders such as city managers, however, are also not immune from politics and community concerns (Teske and Schneider 1994).

Traditional economic-centered growth policies, around which city efforts in the United States have historically converged, may now be producing a “push-back.” While still concerned with economic conditions, a modern public may be less willing than in the past to make the same sacrifices in terms of traffic congestion, environmental degradation and burdensome tax policy in order to bring about local economic growth. Although local development and pro-growth interests may continue to characterize local

initiatives, Lubell, Feiock, and Ramirez de la Cruz note that “as growth pressures intensify, many citizens will begin to demand growth management in order to preserve community resources” (2009, 650). Citizens in communities experiencing a decline in amenities as the result of economic decline are particularly negative and pessimistic toward local government and hostile to local leadership (Dillon and Young 2011).

City Leaders and Economic Development: Traditional and Non-Traditional Approaches

To investigate the connection between the economic development priorities of city leaders and local economic context we conceptualize economic development priorities as falling into two categories, “traditional” and “non-traditional.” Prior empirical investigations indicate that local economic development tends to center on “traditional” efforts. Local leaders typically pursue supply-side strategies that focus on attracting business by reducing the cost of doing business. These include tax abatements, land clearance, the use of public money to provide infrastructure for private development, an emphasis on downtown business interests and similar policies with a direct connection to job creation, city revenue generation and the preferences of local business (see Bachelor 1994; Grant 1990; Morgan 2010; Reese 2006; Reese and Rosenfeld 2002; Reese and Sands 2007; Reichl 1997; Rigos and Paulson 1996; Warner and Molotch 1995). While there has been movement in recent years away from traditional approaches to economic development, the preponderance of evidence suggests that city leaders in the United States continue to rely on traditional approaches to economic development.

Non-traditional priorities reflect a more recent approach to economic development and include considerations regarding sustainable development, social and economic equity, amenities and overall quality of life. Numerous scholars have argued for the advantages of “non-traditional” approaches and have pointed to real-world efforts to address broader community concerns within the context of economic development. Various cities have employed “linkage” fees assessed on developers to fund social projects, such as lower-income housing, as well as other non-traditional policies, sometimes referred to as “Type II” policies, that seek to more evenly distribute the benefits of development (Avault and Lewis 2000; Goetz 1990). Over time, there has been movement away from economic development that relies on attracting large firms and toward a focus on small startup business and on the nurturing of existing businesses. Even in these cases, however,

economic development success depends heavily on community quality of life improvements (see Edmiston 2007). Scholars have also called attention to the positive economic impacts of the arts and other cultural and entertainment venues (Knudsen et al. 2008; Strom 2002; Whitt and Lammers 1991). Another non-traditional approach to local economic development calls for attention to attracting and retaining a particular population. Florida (2002) argues that successful economic development efforts will result from attracting and retaining a “creative class,” technologically based industry, and a culturally tolerant population. He suggests that local leaders focus on attracting and retaining people, and that business will follow. Other scholars make broadly compatible arguments about the importance of a creative class for stimulating economic growth (see Peck 2005).

We focus on quality of life issues as a particular type of non-traditional economic development concern. As we discuss below, traditional and non-traditional approaches to local economic development can be understood to represent different strategic approaches to community economic well-being. An interest in job creation and revenue generation can propel the pursuit of non-traditional strategies. Different strategic choices have different consequences, however. Community conditions such as clean air and an attractive physical environment are of ostensible benefit to citizens even if efforts to achieve these ends fail to attract businesses and produce jobs (see Brueckner, Thisse, and Zenou 1999; Gottlieb 1994). Therefore, because the modern public may be less-than-willing to forgo quality of life considerations to achieve economic well-being, it is important that we investigate the priority that city leaders place on various aspects of economic development and how these priorities might vary under different economic conditions.

Post-Materialism and Economic Development

Our analytic framework is inspired by post-materialist theory. Based on an analysis of citizen attitudes in advanced industrial societies, Ronald Inglehart, in his seminal work *The Silent Revolution* (1977), concluded that economic prosperity results in a societal shift in values. This change in values is not transient, but is rather a fundamental shift in what society considers important. Such a value shift is reflected by a change from economic concerns to non economic-centered issues. Employing Maslow’s needs hierarchy framework, economic scarcity means that basic physical needs have to be satisfied (see Maslow 1943). Therefore, economic scarcity yields a societal value on the provision of basic physical necessities.

However, when the economic resources to satisfy these basic needs exist, higher order needs such as autonomy and self-expression can be addressed. Therefore, with growing economic prosperity, societal attention shifts away from more purely economic concerns and in the direction of life style issues with a focus on quality of life concerns such as environmental protection (Inglehart and Abramson 1999; also see Camobreco and Barnello 2003; Carmines and Layman 1997; Moors 2003). At the level of public support for policy, an example of the influence of economic prosperity would be increased public support for environmental protection, and decreased support for economic growth per se. Or put slightly differently, economic prosperity would produce increased public concern with the ramifications of economic growth – concern that growth not adversely impact environmental quality.

When we consider the impact of prosperity on values and ultimately on policy outcomes, we need also consider the influence of education. While not completely correlated, societal increases in economic prosperity are generally associated with growth in education level. Therefore, in addition to economic prosperity, higher levels of education among a population should produce a shift in values in the direction of increased concern with quality of life issues. Empirical evidence does indicate a relationship between post-materialist issues and education. Duch and Taylor (1993), for example, found that higher education levels among a population increased citizen support for post-materialist national policy goals. Carlino and Saiz (2008) found higher levels of education to be associated with a preference for living environments that offered numerous natural as well as man-made amenities.

While employed to explain shifts in issues at the societal level, the post-materialist thesis has been applied to communities at the local level. There is substantial evidence regarding the importance of cultural issues, and not simply economic issues, in local politics, and the value conflict that these issues represent. For example, in some communities a cultural clash of values has been reflected in conflict over gay rights ordinances (Sharp 1999). Post-materialist theory has also been offered as an explanation for differences among city leaders regarding their perception of the problems facing their city. In a study of city managers, Liu and Vanderleeuw (2003) found that those most concerned with limiting unbridled growth – and by extension, the negative ramifications of such growth – were from wealthier suburban communities. In addition, post-materialist theory has been applied at the local level to explain citizen preferences regarding where they live and work. In this regard, Carlino and Saiz's (2008) findings, as noted above, are

relevant. Further, local leaders may act as important “carriers” of post-materialist values. As a result of their study of community leaders across 35 countries, Clark and Hoffmann-Martinot (1998), for instance, concluded that those in city leadership positions act to transmit new ideas and policy directions. We employ, therefore, post-materialist theory as our framework for investigating the influence of city economic conditions on the economic development priorities of city leaders in Texas.

Economic Development Priorities and City Socioeconomic Conditions: Expectations

Drawing from post-materialist theory, we expect that when city leaders consider economic development proposals for their city *a wealthier and more highly educated citizenry will be the context within which city leaders will accord a high level of importance to non-traditional economic concerns such as quality of life.* Conversely, we anticipate that *a poorer and less educated citizenry will be the context for an emphasis by leaders on traditional economic development strategies.*

Although our theoretical framework is drawn from post-materialist theory, our framework does diverge from it in two important ways. First, the traditional/non-traditional dichotomy we employ is not a precise equivalent of the economic-centered/new culture dichotomy post-materialist theory uses. Post-materialist theory posits a change in values brought about by prosperity -- reflected in the rise of new issues related to life style, quality of life, equality and social justice coming to the forefront of public debate. By contrast, our traditional/non-traditional dichotomy refers to strategic preferences. Conceptually, the value leaders place on economic development remains. In this regard we accept Peterson’s (1981) thesis that economic growth is an overriding and unifying challenge for city leaders. For Peterson, as for us, the issue for city leaders is not the ultimate goal but the most appropriate means to that goal.

Second, our theoretical framework differs from post-materialist theory in that we make no necessary assumption about a linear relationship. Frequently discussed in terms of a level of economic security that needs to be achieved, the relationship between post-materialist issues and prosperity is understood in linear terms – the wealthier the society, the more likely post-materialist issues come to prominence. This relationship may appear linear, certainly at an aggregate level. However, *we expect the influence of socioeconomic conditions to be nonlinear.*

We posit that extreme economic conditions provide distinct contexts for city leaders, and theorize a non-linear and symmetrical situation. To borrow from Rubin's (1988) discussion of city leaders in the context of uncertainty, a lack of financial resources may produce a level of uncertainty that encourages leaders to think in terms of lower-cost efforts that show constituents visible results. In their study of economic development corporations in Texas, Jarmon et al. (2012) note that leaders in some financially "strapped" communities, lacking financial resources sufficient to invest in job creation, turn to low-cost community improvement efforts. These efforts include activities such as painting buildings and cleaning vacant lots to stem a process of gradual dilapidation. A city in decline, in fact, may find itself with plentiful vacant land that can be converted by enterprising city leaders to provide community amenities such as parks (Hollander et al. 2009). Therefore, we expect that *when faced with adverse economic conditions, there will be little left for city leaders to focus on beyond some basic quality of life and aesthetic concerns.*

Leaders in the wealthiest communities also function in a unique context. For the very wealthiest communities that ostensibly provide numerous amenities for their citizens we anticipate an "inverse post-materialist effect." Essentially, an economic "saturation point" is reached beyond which concern with quality of life amenities recede. Consequently, we anticipate that *in the context of extreme prosperity, the emphasis that city leaders' accord quality of life considerations will diminish.*

The Setting: Cities in Texas

Texas provides a beneficial setting for our study for several reasons. City level government in Texas has substantial development authority. The state's orientation toward local economic development is "in keeping with the laissez-faire political culture dominant [in Texas], it prefers to place land use issues in the hands of local governments" (Burby and May 1997, 76). City leaders in Texas therefore have the ability to adjust city policy to economic circumstances. While our present study does not examine policy outcomes, the state's historic hands off approach to local governance provides confidence that the expressed priorities of local leaders reflect viable policy options for city governments not overly constrained by state intervention.

Further, Texas is a business-friendly state. *Chief Executive Magazine* ranked Texas the top state for business each year since 2005 ("Texas top state for business 6th year in a row," 2010) (the state has received numerous other

such awards for being business friendly). As it does at the state level, this pro-business orientation permeates local government in Texas. Jarmon et. al. (2012), in drawing on Reese and Rosenfeld's (2008) classification of economic development civic culture, conclude that many communities in Texas are essentially a "market culture" where decision making reflects business interests. As such, a study of city leaders in Texas provides a "rigorous test" to determine the extent to which socioeconomic context influences the level of city leader interest in quality of life issues when they consider economic development proposals. If favorable socioeconomic conditions are found to promote quality of life concerns among city leaders in Texas, this relationship will likely hold in other states.

Finally, while not as hard-hit as some other regions in the country, the Texas economy has been adversely impacted by the recent economic recession. Due to demand for oil and gas and its petrochemical economic base, the state's economy proved to be insulated in the immediate aftermath of the economic downturn. Ultimately though, the state's economy was not spared. Statewide, the level of unemployment reached 8.4% by August 2011 (Texas Ahead: Texas Economy in Focus, July 9, 2012). This was the highest level of unemployment in Texas since 1987 (Lewison 2011) and was within one percentage point of the national level. The statewide level of unemployment has since declined to 6.9% (as of May 2012) (Texas Ahead: Texas Economy in Focus, July 9, 2012). While this is lower than the national rate of 8.2% (as of May 2012), it still represents a higher level of statewide unemployment than at any time prior to the recent Great Recession since the mid 1990s.

Data and Methods

Our analysis combines results of a mail-out survey administered to officeholders in Texas cities during the fall of 2005 and spring of 2006, with measures of city economic and social conditions taken from the 2006-2008 American Community Survey Census estimates. While these data encompass a period just prior to the Great Recession, they provide valuable insight into the thinking of city leaders when faced with economic difficulties. Prior studies have contributed greatly to our understanding of the link between city governance and city socioeconomic conditions. Many have relied on case studies or a small number of cases. We offer an analysis of city leader priorities across various types and a large number of leaders. With the city leader as our unit of analysis, our analysis employs survey responses from 94 leaders of 68 cities for five types of officeholders (12

mayors, 29 council presidents, 14 city managers, 17 economic development corporation directors, and 22 chamber presidents). Our survey results provide a crucial “window” into the perspective of an array of local officeholders responsible for decisions “on the ground” and in the context of specific and very real economic and social contexts.

All surveys contained the same core set of questions and were mailed to officeholders in all Texas cities with a population above 5,000 as determined by the 2000 census (a list of these cities is available upon request). Among other questions, each respondent was asked to rank-order a list of 13 economic development items in terms of the relative importance of each item when considering an economic development project proposal for their city.¹ This produces a rank-order of economic development items that establishes a priority hierarchy -- what is ranked higher is more important to a respondent than what is ranked lower.

We examine the score on six of these items and organize these into two groups that are consistent with our theoretical framework. Three items represent traditional considerations and three represent non-traditional considerations, specifically quality of life concerns. The three traditional items are the creation of jobs for their city residents, the likelihood that a project will generate additional revenue for the city, and the project’s impact on downtown development. The three quality of life items are the extent to which a project improves community aesthetics, a project’s impact on the environment, and a project’s effect on traffic congestion.

¹ The question was as follows: *In order to determine how your city responds to new economic development project proposals and/or seeks to attract new development, please rank the following 13 considerations in order of importance with 1 being what is most important to your city and 13 being what is least important to your city (please do not give the same numeric ranking more than once). The 13 response items were: Conformity with your city’s general plan; contribution to your region’s economy; views of other nearby local governments; creation of jobs for your city’s residents; generation of additional revenue for your city; cost to your city of providing additional municipal services; improvement in community aesthetics; effect on traffic in your city; impact on the environment; support from other business leaders in your region; impact on downtown redevelopment; support from citizens or citizen groups in your city; support from your mayor or other city leaders.* The question was derived from Lewis’ 2001 study of administrators’ attitudes toward economic development in California cities. These items were ordered the same on each survey and appeared below the question as a vertical list with a space next to each for numeric ranking. That the items were ordered the same on all surveys may have produced some response bias. However, our survey cohort consisted of professional administrators and political leaders with experience and institutional responsibilities. Those surveyed, therefore, were in positions to be highly aware of their city’s resources, economic conditions, and available policy options. It is unlikely, therefore, that our survey cohort would have been substantially swayed by the order of response categories.

Our key predictors of economic development priorities are city-level economic and social indicators derived, with the exception of unemployment, from the 2006-2008 American Community Survey Census estimates. These are per capita income, the percent of individuals below the poverty line, and the percentage of the population age 25 and above with a Bachelors degree. Percent unemployment is as of January 2005. Our three measures of city economic conditions allow us to account for economic conditions that potentially vary at different rates. Percent of individuals in poverty is a relatively systemic measure of economic conditions by comparison to unemployment that is potentially a more variable indicator. Median per capita income is a less variable measure than unemployment, but more tractable than percent in poverty. Our social indicator is percent with a Bachelor's degree. The benefits of using the 2006-2008 census estimates are substantial. We can employ city demographic information that measures city conditions very near the time the survey was taken -- within two years of the late 2005/early 2006 survey, as opposed to at least five years if we relied on the 2000 or 2010 Census figures.

We created two distinct dependent variables.² The first measures traditional economic concerns by creating an average of the scores the leaders assigned to jobs, revenue and downtown development. The second, quality of life, variable includes community aesthetics, the environment and traffic. Although respondents were asked to rank items with 1 being the most important, because higher scores are intuitively understood as more important, we reverse the scores (14-y) so that a higher score indicates a greater priority.³ Therefore, each of these two composite variables has a theoretical range from 2 to 12, with a twelve indicating that the leader ranked the three components the highest out of the thirteen items (with the survey scores reversed, $(13+12+11)/3$) and a two indicating that the leader

² We ran numerous multivariate models that tested for linear and non-linear relationships between each of the six economic development items (as dependent variables) and the city demographic measures (as independent variables) (to conserve space results are not shown, but are available upon request). All six dependent variables were reliably associated with city socioeconomic measures. The direction of the association between the scores on each of the three traditional items (jobs, revenue, downtown development) and the socioeconomic measures (per capita income, unemployment, percent individuals in poverty, percent with a Bachelors degree) in each case differed from the direction of the association between the three quality of life dependent variables (community aesthetics, environment, traffic) and each socioeconomic measure. On the basis of our analysis, we concluded that the individual economic development items could be aggregated as a composite of traditional and post-materialist concerns.

³ Although relevant for other research, the remaining items were not relevant for our present theoretical framework.

ranked the components the three least important items $((1+2+3)/3)$. The actual ranges of these composite variables along with descriptive statistics for all variables used in our analysis are shown in Table 1.

Table 1: Descriptive Statistics for Variables

	Mean	SD	Range
Traditional Composite	8.9	1.6	4.3-12.0
Quality of Life Composite	6.0	1.7	2.0-10.7
Per Capita Income	24,266	8,336.3	10,762-65,778
% in Poverty	16.6	9.0	2.3-39.4
% Unemployment	3.9	1.5	1.1-7.8
% with Bachelors Degree	26.0	13.0	6.3-82.4
Leader Age	55.3	9.2	36-75
City Population	92,182	144,648.1	19,227-127,322
Number of:			
Non-Anglo Leaders	11		
Anglo Leaders	83		
Female Leaders	19		
Male Leaders	75		
Leaders from Metropolitan Areas	83		
Leaders from Rural Areas	11		
Mayors	12		
Council Presidents	29		
City Managers	14		
EDC Directors	17		
Chamber Presidents	22		

N=94 for all variables except leader age, N=93

We test for linear as well as for two types of non-linear relationships, quadratic and cubic. The following is a hypothetical quadratic relationship: A very high level of unemployment leaves city leaders with insufficient resources to do more than focus on some basic cosmetic improvements, while a very low level of unemployment (signifying community wealth) fails to produce our expected “economic saturation point,” but rather continues to be related to increased concern with quality of life issues. In this case, the relationship between quality of life concerns and unemployment is U-shaped (with high scores on our quality of life composite at the high and low ends of the unemployment range). We model a quadratic relationship as $x+(x*x)$. A hypothetical cubic relationship is as follows: The above-referenced scenario is modified so that an “economic saturation point” is reached, and leaders of cities with very low unemployment deemphasize quality of life issues. In this case, the relationship between quality of life concerns and unemployment is waved-shaped and exhibits a down-up-down pattern

(with higher-than-anticipated quality of life composite scores at the highest end, and lower-than-anticipated scores at the lowest end of the unemployment range). We model a cubic relationship as $x + (x*x) + (x*x*x)$. When testing our models we began with a cubic relationship. If the cubed term was insignificant, we then tested the quadratic model. If the squared term was insignificant we tested a simple OLS model. At no point did dropping insignificant cubed or squared variables impact the significance or direction of any of the control variables in the model (models available upon request).

We use OLS regression and control for several leader characteristics, derived from our survey questions, which potentially influence economic development priorities. Empirical evidence generally fails to reveal gender-based policy differences among local officeholders (see Tolleson-Rinehart's 2001 analysis of mayors). However, females in leadership positions can act as trustees to represent women's issues (Boles 2001). In this regard, the question items on community aesthetics and amenities are sufficiently open-ended that they may allow for certain inferences. Amenities, for example, can be understood to include parks and playgrounds for children that would most benefit women with children. Therefore, we control for leadership gender (coded 1 if female and 0 if male). Further, because city officeholders can be sensitive to the needs of their racial or ethnic cohort (see Browning, Marshall and Tabb 2003), the lower socioeconomic position of African American and Hispanic populations relative to Anglos suggests that, under the same economic conditions, Black and Hispanic city leaders may place greater emphasis on traditional economic development concerns compared to Anglo leaders. Thus, we account for leadership ethnicity (coded 1 if non-Anglo and 0 if Anglo). Finally, because our society has generally grown more prosperous in the aggregate over time, younger city leaders may reflect post-materialist concern with quality of life issues more than older city leaders; we account for respondent's age.

We also account for differences between types of city leaders. Economic development directors and chamber of commerce presidents, because of their particular job duties, may place relatively heavy emphasis on business concerns. By contrast, publically elected mayors and council members, who in Svava's (1999) terms hold a "constituency orientation," may be more likely to be concerned with quality of life issues. We account for position type in our analysis by operationalizing four of the city leadership positions as dummy variables and using the fifth position, chamber of commerce presidents, as the comparison group.

We control for two city characteristics that may influence economic development priorities. We control for city population. The larger the population, the greater the need for those in leadership positions to focus on jobs and city services. Therefore, officeholders in relatively populous cities may be more likely to emphasize traditional economic development. We also control for whether communities are located within a metropolitan area (coded 1 if in a census-defined metropolitan area and 0 if rural). The comparative isolation from other communities suggests that rural communities have to “make it on their own.” Rural community leaders, accordingly, may have traditional economic development considerations, such as job creation and revenue generation, high atop their priority list.

Findings

Table 2 presents multivariate models of the economic development priorities of city leaders for the traditional and quality of life composite variables respectively. The city economic variables were highly collinear, at .65 or higher. To avoid problems with multicollinearity in our analysis, we ran separate models for each economic measure (percent with a Bachelors degree was sufficiently independent of the economic variables that it was included in each model). Employing a one-tailed test of statistical significance, with $p \leq .05$ as our reliability threshold, the models reported are those that best reflect the influence of a given economic variable.

Traditional Economic Development Concerns

Traditional economic development concerns (the composite score on job creation, revenue generation, and downtown development) are reliably associated with per capita income and percent individuals in poverty. The association with per capita income is linear and negative: the lower a city’s per capita income, the higher the priority given to traditional considerations (Equation 1). The relationship between traditional concerns and poverty is cubic (Equation 2). As the level of poverty increases, the emphasis that city leaders place on the traditional concerns of revenue, jobs and downtown development increases, then declines, then increases once again among leaders in the most poverty-stricken communities. Traditional considerations have no reliable association with the level of unemployment (Equation 3).

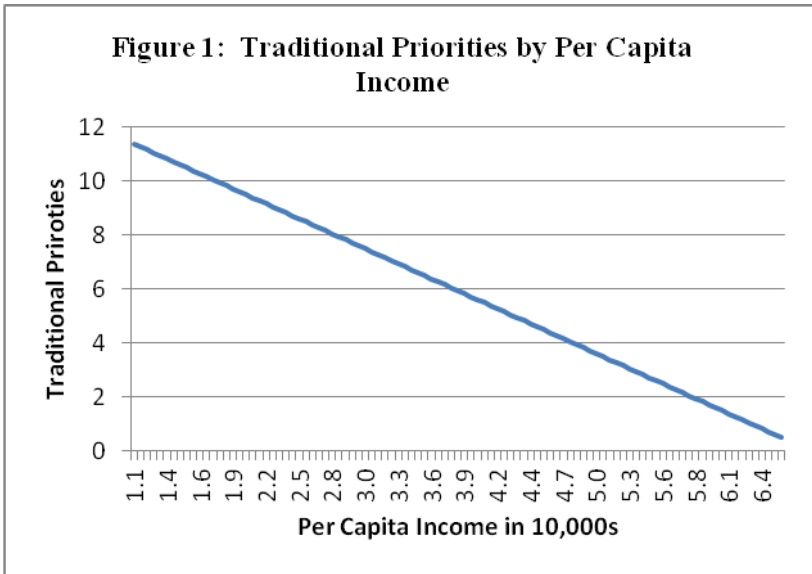
Table 2: Regression Models for Traditional and Quality of Life Economic Development Concerns

	Traditional			Quality of Life		
	Eq. 1	Eq. 2	Eq. 3	Eq. 1	Eq. 2	Eq. 3
Per Capita Income	-0.0002** (0.0000)			-0.0006* (0.0003)		
Per Capita Income 2				0.0000* (0.0000)		
Per Capita Income 3				0.0000* (0.0000)		
% Ind. In Poverty		0.4938* (0.2259)			-0.2441** (0.0870)	
% Ind. in Poverty 2		-0.0223* (0.0124)			0.0057** (0.0021)	
% Ind. in Poverty 3		0.0003* (0.0002)				
% Unemployment			0.1783 (0.1608)			-5.7902** (1.9949)
% Unemployment 2						1.1038* (0.4653)
% Unemployment 3						-0.0656* (0.0344)
% Bachelors Degree	0.0854** (0.0296)	0.0125 (0.0188)	-0.0153 (0.0172)	-0.0056 (0.0327)	0.0034 (0.0181)	-0.0153 (0.0192)
Leader Characteristics						
Female	0.2008 (0.3891)	0.2517 (0.4028)	0.3883 (0.4385)	0.6823* (0.3981)	0.7755* (0.3945)	0.7544* (0.4031)
Non-Anglo	0.1370 (0.5204)	0.1825 (0.5492)	-0.0637 (0.5732)	0.5882 (0.5581)	0.1757 (0.5386)	0.0469 (0.5187)
Age	-0.0152 (0.0195)	-0.0224 (0.0210)	-0.0164 (0.0220)	0.0230 (0.0205)	0.0378* (0.0205)	0.0270 (0.0199)
City Manager	0.3862 (0.5319)	0.0989 (0.5669)	0.4311 (0.5823)	0.1560 (0.5544)	0.3248 (0.5561)	0.4424 (0.5307)
Major	0.6770 (0.5967)	0.4697 (0.6137)	0.4096 (0.6497)	-0.1119 (0.6132)	-0.1101 (0.6015)	-0.0736 (0.5959)
Council President	0.3270 (0.4675)	0.2596 (0.4872)	0.1235 (0.5143)	0.4459 (0.4832)	0.5140 (0.4698)	0.4033 (0.4641)
EDC Director	0.1506 (0.4888)	0.1041 (0.5067)	0.1374 (0.5355)	0.2022 (0.4990)	0.0642 (0.4906)	0.1498 (0.4776)
City Controls						
Population	0.0000 (0.0000)	0.0000 (0.0000)	0.0000 (0.0000)	0.0000 (0.0000)	0.0000 (0.0000)	0.0000 (0.0000)
Metropolitan Area	0.2769 (0.5293)	0.2982 (0.6037)	0.0184 (0.5764)	1.1634* (0.5488)	0.8607 (0.5642)	0.8162 (0.5305)
Constant	11.5316** (1.2946)	5.7434** (1.7812)	9.0435** (1.5467)	9.2640** (2.9112)	5.3866** (1.5582)	13.5865** (3.3032)
N	93	93	93	94	94	94
F	2.37	1.61	0.75	2.49	2.78	3.17
Prob of F	0.0136	0.0989	0.6866	0.0065	0.0033	0.0007
Adj. R-Squared	0.14	0.08	-0.03	0.17	0.19	0.23

Parenttheses contain standard errors; **p<.01; *p<.05

Dependent variable for the **Traditional** models is the composite of scores for job creation, city revenue and downtown development; dependent variable for the **Quality of Life** models is the composite of scores for quality of life, environment and traffic

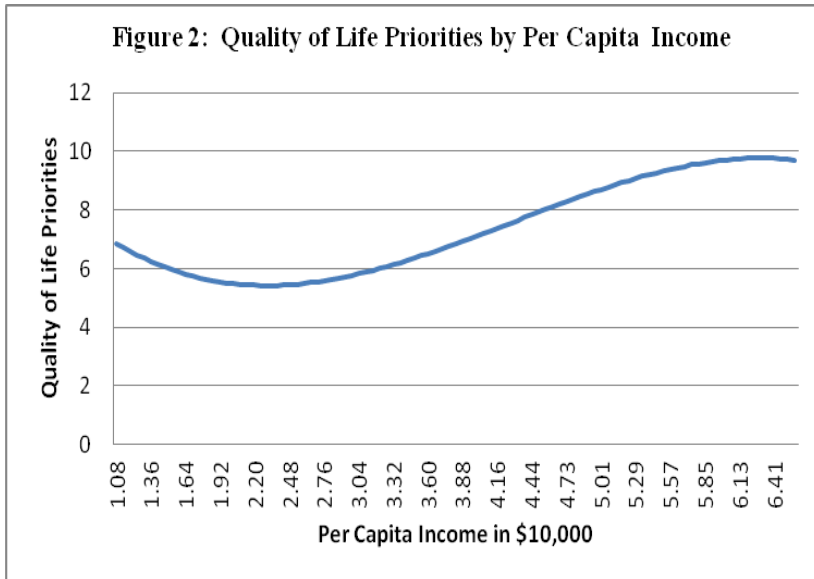
Only one control variable has a statistically reliable association with traditional economic development priorities. With the influence of per capita income taken into account, traditional concerns are reliably and positively associated with percent of the population with a Bachelors degree. Otherwise, only the economic context, specifically per capita income and percent in poverty, influences city leaders’ traditional priorities. The model with per capita income as the economic variable (Equation 1) accounts for 14% of the variation in traditional economic development composite score – more than either of the other two models. Figure 1 graphically displays the linear relationship between priorities and per capita income. The traditional composite score steadily declines as per capita income increases.



Quality of Life Economic Development Concerns

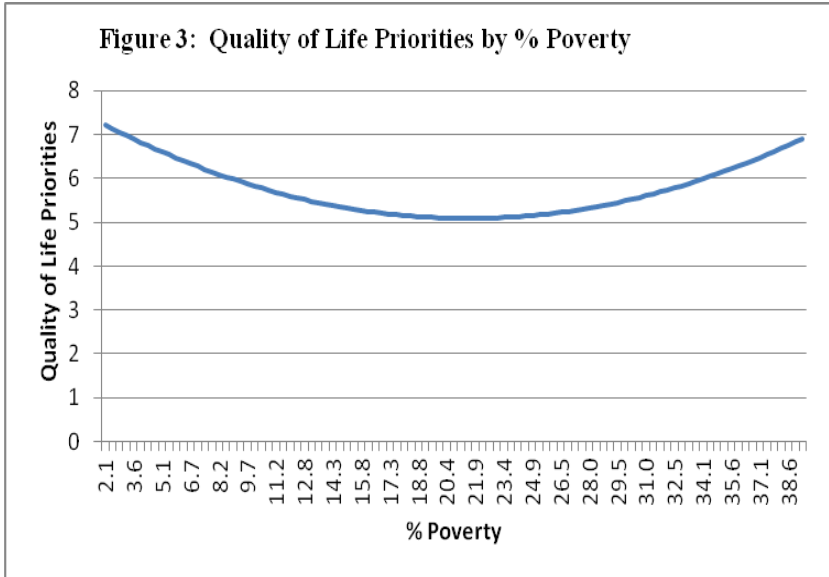
The quality of life models (the composite score on community aesthetics, environment, and traffic) indicate the presence of non-linear relationships. The relationship with per capita income is cubic (Equation 4). As per capita income increases, the importance city leaders place on quality of life issues diminishes, then increases, and then declines among leaders in communities with the highest per capita income. This relationship is graphically displayed in Figure 2. When city per capita income is about \$10,000, the score for the quality of life composite is 7 (out of a maximum of 12). The score declines to under 6 when per capita income is in the \$20,000 range, then increases to

near 10 when per capita income is in the \$58,000 to \$60,000 range. Figure 2 also shows that when per capita income enters the \$60,000 range, the quality of life score declines (a statistically reliable decline as shown in Equation 4).

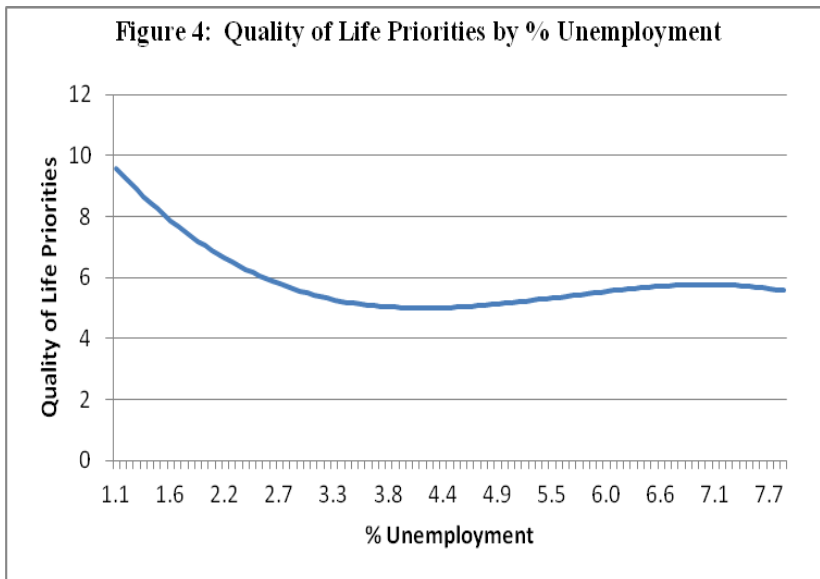


The relationship between quality of life priorities and the percent of individuals in poverty is quadratic (Equation 5). As poverty increases, the priority city leaders give to quality of life issues declines, and then increases among leaders of the highest poverty cities. Figure 3 graphically displays this relationship, and an inverted U-shaped relationship can clearly be seen. The quality of life score is at or near 7 both when the poverty level is low, about 2%, and high, about 38%. The score drops to a 5, however, when the poverty level is between these extremes, in the 19% to 21% range.

As is the relationship with per capita income, the relationship between quality of life priorities and unemployment is cubic (Equation 6). As unemployment rises, the importance that city leaders place on quality of life considerations declines, then increases, then again declines among leaders of communities with the highest levels of unemployment. As graphically displayed in Figure 4, with a very low level of unemployment, at about 1%, the quality of life score is just under 10. The score drops to 5 when unemployment enters the 3.5% to 4.5% range, then increases to about 6 when



unemployment nears 7%. The score declines when unemployment exceeds 7% (a statistically reliable decline as shown in Equation 6).



Several of the control variables have a reliable association with quality of

life issues. Gender is statistically significant in all three models. Although they do not differ on the traditional considerations, female city leaders give a higher priority to quality of life concerns than do their male counterpart. The statistical reliability of other control variables depends upon the particular economic measure. With the influence of per capita income accounted for (Equation 4), the importance of quality of life becomes greater among officeholders in metropolitan area communities than among those in rural communities. With the level of poverty accounted for (Equation 5), quality of life considerations becomes greater among older city leaders. An important non-finding involves leadership type. Neither traditional nor quality of life priorities are associated with the type of officeholder surveyed. We consider this more fully in the following section.

Discussion and Conclusion

Employing post-materialist theory, we posited a conceptual framework in which the economic development priorities of city leaders in the United States are influenced by the socioeconomic context within which they make decisions. Specifically, we tested a series of traditional economic development concerns and non-traditional concerns in the form of quality of life issues. To do so we combined results of a survey of city leaders in Texas with census data on city economic and social characteristics.

As we anticipated, our findings are consistent with the fundamental thrust of post-materialist theory that economic prosperity results in a decline in economic-centered concerns in favor of non-economic concerns. Better city economic conditions are associated with a declining emphasis by leaders on the traditional concerns of job and revenue generation and downtown development, and a general increase in the priority given to the quality of life issues of community aesthetics, environment, and traffic

Our findings, though, add to our understanding of economic influences in terms of the relevance of extreme economic conditions. Economic extremes, as we expected, provide a unique context for city leaders as they consider economic development options. There exists “lower” and “upper” contexts where quality of life considerations in economic development become respectively less or more important to city leaders than we otherwise might expect. Citizens in the very poorest communities may actually fair somewhat better than those in communities only slightly more prosperous in that their leaders view quality of life issues as a higher priority.

These findings, however, cut multiple ways. Consistent with the findings of Jarmon et al. (2012) the priority accorded quality of life issues by officeholders in the very poorest communities may reflect economic desperation more than newer thinking on economic development. The focus of leaders in the poorest communities is still heavily on traditional economic development items, as our findings on traditional economic development concerns reveal. Further, to the extent that an economic desperation is the motivating force, even the modest quality of life considerations given to economic development in the economically hard-hit communities may be temporary. On the other hand, while traditional concerns might dominate, our findings indicate that interest in quality of life issues is not restricted to wealthy communities. This we believe is significant. Leadership interest in quality of life issues when economic development proposals are formulated and considered exists in multiple economic settings. Assuming a link between priorities and decisions, even temporary priorities can have beneficial consequences – and beneficial even if ultimately the outcome does not produce additional jobs or revenue (Brueckner, Thisse, and Zenou 1999).

If a modern public is less willing than in the past to trade-off quality of life for economic growth, and given the important role city leaders play in formulating local economic development in the United States, it is highly relevant to understand the thinking of city leaders under diverse economic conditions. What the modern public wants is seemingly two-fold: A sound economy and an acceptable quality of life (Lubell, Feiock, and Ramirez de la Cruz 2009). Our findings are consistent with the idea that attending to quality of life issues is more readily accomplished when economic conditions are favorable. In the context of extreme prosperity, in fact, quality of life recedes as a concern. The challenge is in providing or maintaining an acceptable quality of life under economically adverse conditions. When they confront adverse conditions, city leaders' attention focuses heavily (though not necessarily exclusively) on traditional approaches to economic development. This is not to say that in the context of economic adversity leaders oppose quality of life considerations for their constituents. Rather, quality of life considerations takes a "back seat" to relatively more immediate concerns having to do more directly with generating jobs and city revenue.

Although the educational context of the population can play a role, according to our findings the conditions under which it does are limited. The more highly educated the population, the greater the priority city leaders may give to traditional economic development concerns. These findings, in

our opinion, cannot be interpreted as a refutation of prior research where education was found to promote concern for amenities and quality of life. There are undoubtedly settings where education matters. This said, Inglehart's (1977) emphasis on economic conditions may be the most influential context within which city leaders formulate decisions.

Our findings also have implications for our understanding of city leaders as economic development decision-makers, and relatedly, for Peterson's (1981) "unitary interest" thesis. The city leadership cohort that we surveyed was diverse and included private as well as public sector leaders, elected and appointed leaders (mayors, council leaders, city managers, EDC directors and chamber of commerce presidents). These positions are distinct from one another in terms of job duties, skills and constituency. Cognizant of these differences, we controlled for city leader type. It is fascinating therefore that our analysis failed to uncover economic development priority differences among these leaders. Peterson posits economic growth as an imperative that unifies city leaders. Peterson's theoretical framework, however, allows for differences among leaders regarding specific growth strategies (see Peterson's 1987 response to Sanders and Stone's 1987 critique). Our findings reveal that across cities there exists patterned variation, whereby economic conditions influence leaders in a consistent way. This is consistent with Peterson's thesis. Local leaders share a common commitment to economic growth, but the specific strategic mix is dependent among other things upon local economic and social conditions. Peterson's framework for understanding city leaders in the United States may well warrant renewed investigation.

Finally, our findings have relevance for scholars and practitioners alike who promote alternate, non-traditional approaches to local economic development. Findings are instructive in terms of what decision-makers "think," and the distance between this and a normative assessment of what they ought to "think." The challenge for those who promote newer ways of thinking about economic development policy may be in providing a framework whereby local leaders are more willing to consider alternate approaches, particularly in the context of economic adversity. Prior empirical investigations indicate the existence of political and electoral incentives that encourage those in leadership positions to pursue traditional forms of economic growth. Key city leaders, such as mayors, look for development projects to produce short-term political capital (Turner 1999). With electoral rewards resulting from economic growth (Feiock et. al. 2005), the interests of city leaders can align with those of developers (see Molotch,

1976, who brought our attention to the phenomenon of city growth efforts dominated by the interests of developers). Often times, these growth-oriented rewards encourage local leaders to over-develop for electoral gain (Feiock and Kim 2001). Consequently, a framework for non-traditional strategies ostensibly needs to include political considerations, in addition to economic objectives.

Ultimately, those in leadership positions must convince citizens that economic well-being can be obtained through improvements to amenities rather than, or in addition to, direct public subsidies to attract private investment. Political and electoral incentives have to encourage new perspectives. Otherwise, the default is a convergence around traditional priorities. While there may be growing awareness among local leaders of alternate approaches to economic development, this process seemingly has a long way to go.

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