

# HOW QUALITY OF PLACE IMPACTS ECONOMIC DEVELOPMENT

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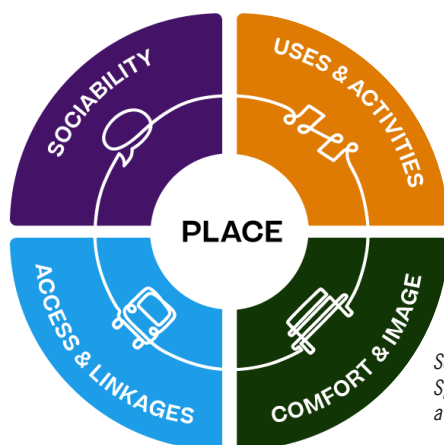
# HOW QUALITY OF PLACE IMPACTS ECONOMIC DEVELOPMENT

**To build a robust and resilient economy, communities need to invest in Quality of Place.**

Current and future talent are prioritizing Quality of Place over employment opportunities. Communities that invest in Quality of Place see long-term benefits economically and at the individual and community level.

## HOW IS QUALITY OF PLACE CONNECTED TO TALENT ATTRACTION AND RETENTION?

Quality of Place is essential in attracting and retaining talent for community economic growth, especially due to the unique remote work trends seen during COVID-19. The Project for Public Spaces determined four main areas that make up a great place: sociability, uses and activities, access and linkages, and comfort and image.



*Source: Project for Public Spaces. (n.d.). What makes a great place.*

A survey with over 1,000 business owners and community members from Colorado, Idaho, Montana, and Wyoming found that about 80% would sacrifice their salary for an ideal community. The survey also found that jobs follow people, with 70% of the respondents choosing their community first then creating their business, not vice versa. Approximately two thirds of young workers (ages 25 to 34) with a college degree look for a job after choosing the community where they want to live. When considering where to live and work, current workers and future talent consider some of these factors:

- Amenities
- Blend of Work and Leisure
- Sense of Place
- Active Lifestyle
- Alternative Arts and Culture
- Environment
- Diversity
- Creativity and Innovation

Quality of Place allows individuals to feel more connected to their local community. Those who identify with their community are more likely to continue living and working within that community, meaning employers retain their existing talent pool. This stable population also encourages more local economic investment. According to a Pew Research Study, family and personal relationships were cited as the top indication for overall quality of life. For those under 30 (ages 18 to 29), friends, occupation and career, education and learning, and hobbies and recreation were mentioned when asked about how they determine meaning in their lives while older individuals (65+) were more likely to cite health and retirement. Beyond family and personal relationships, the survey highlighted that individuals' surroundings have a crucial role in defining their life. In the United States, 14% of individuals mentioned either society, places, or institutions when describing what gives them purpose.

## THOSE UNDER 30 ARE OFTEN MORE LIKELY TO FIND MEANING IN FRIENDS, JOBS, EDUCATION, AND HOBBIES THAN OLDER PEOPLE

Topics associated with **ages 16-29:**



Friends & Community



Occupation & Career



Education & Learning



Hobbies & Recreation

Topics associated with **ages 65+:**



Health



Retirement

Source: Pew Research Center. (2021). What makes life meaningful? Views from 17 advanced economies.

Communities that invest in Quality of Place often see benefits such as attracting high-quality talent, population growth, employment growth, and expanding the tax base. Quality of Place improves individuals' overall health, happiness, and well-being. According to the U.S. Surgeon General, seven vital conditions shape individuals' outcomes, which are related to Quality of Place:

1. Basic needs for health and safety
2. Meaningful work and wealth
3. Humane housing, such as safe structures; affordable costs; diverse neighborhoods; and proximity to work, school, and recreation
4. Reliable transportation
5. Healthy environment and green spaces, and protections from such threats as heat and wind
6. Life-long learning
7. Conveying a sense of inclusion and the power to influence the policies and practices that shape the world

Businesses are strongly interested in communities that invest in improving the quality of life for their residents. Research has shown that there is a strong connection between happiness and income. Previous research has indicated that overall happiness plateaus when making \$75,000 annually; however a recent study by Matthew A. Killingsworth, reported this is not the case. Instead, overall happiness steadily increases way past \$75,000. Individuals who make beyond \$75,000 say their day-to-day lives are better than those who make less. Communities that invest in the economy can help improve overall annual income, improving daily well-being. Communities that have seen economic growth over time also have seen overall happiness in their residents. Happier employees and families lead to more skilled, productive, wealthy, and financially stable residents who can participate more in the local economy.



Barriers to economic success exist across multiple dimensions, one being community context, such as the public and private assets in a given community. High economic activity and rich social networks lead to wealthier families and assets that are valued at a higher rate. The community context can either lift or depress families' wealth, income, and savings. Historical and present structural drivers such as redlining, racial segregation, discriminatory planning, and de-investment in communities of color have led to inequitable economic barriers. Effective placemaking creates a bridge across opportunity gaps due to race and income.

By closing the opportunity gap, the Gross Domestic Product for the United States could be four to six percent higher by 2028.

### HOW HAVE EMPLOYERS ADAPTED THEIR RELOCATION AND EXPANSION PLANS TO ATTRACT TALENT?

To create a more sustainable workforce, local businesses and community leaders are becoming more focused on developing, retaining, and attracting talent. Over 90% of executives indicated the availability of a skilled labor force is the most important consideration when identifying a location for their business. During COVID-19, current workers and future talent could choose to work remotely, allowing them not to be tied to a specific place anymore. About 40% of U.S. businesses have permanently closed their office space since March 2020, with the top reason being that employees want to keep working remotely (69%). In addition, the remote work option has allowed future talent to select places that have a higher quality of life. Not surprisingly, quality of life is an important consideration for companies as they consider location, relocation, or expansion.

### QUALITY OF LIFE IS A TOP PRIORITY FOR COMPANIES AS THEY CONSIDER WHERE TO LOCATE THEIR SITES AND FACILITIES

RANKING		
Site Selection Factors	2020	2019 (previous ranking)
1. Availability of skilled labor	91.4%	92.3% (2)
2. Highway accessibility	88.7%	92.4% (1)
3. Energy availability	85.3%	79.5% (7)
<b>4. Quality of life</b>	<b>84.8%</b>	<b>82.2% (4)</b>
5. Labor costs	84.2%	87.1% (3)
6. Occupancy or construction costs	80.6%	80.3% (5)
7. Corporate tax rate	80.0%	79.7% (6)
8. Tax exemptions	78.6%	75.0% (8)
9. State and local incentives	77.2%	70.2% (14)
10. Inbound/outbound shipping costs	76.8%	69.8% (15)

Source: Area Development, 35th Annual Corporate Survey.



## WHO HAS SEEN THE BENEFITS OF INVESTING IN QUALITY OF PLACE WITHIN THEIR COMMUNITY?

The majority of millennials and baby boomers (68%) indicated the best way to improve the local community's economy is to make cities, small towns, and rural areas more desirable places to live. About the same percentage of millennials and baby boomers (65%) communicated that investing in schools, transportation, and walkable areas is more critical in helping economic growth than bringing in big companies to the community.

- The economic benefits of investing in placemaking are significant. Communities have seen the following benefits from investing in Quality of Place: The Millennium Park's Cloud Gate ("The Bean") in **Chicago, Illinois**, is an excellent example of how a public art installation attracts tourists and local community members, resulting in more revenue for the city. Chicago invested roughly \$500 million in the project and generated over \$2.6 billion just from visitor spending and \$1.4 billion in value to the adjacent real estate ten years after completion. This example highlights how investments in placemaking can increase real estate values, occupancy rates, tourism and create more jobs for a community.

- **Minneapolis** saw more than \$750 million in economic returns from transforming an abandoned railroad corridor into a Midtown Greenway, allowing residents to connect to other city neighborhoods by biking or walking.
- In 2017, the **New York** State governor announced a \$500 million economic development initiative to improve the quality of life for residents in western New York. The investment focused on connecting different neighborhoods by expanding the rail services.
- **Broken Arrow, Oklahoma**, enhanced the streetscape to include wider sidewalks, mid-block crossings, planters, and outdoor dining. This project attracted more than \$10 million in private investments and doubled tax revenues.

These are some examples of how states and local communities have utilized placemaking to enhance economic development. Some opportunities for local placemaking investments are listed in the Greater Evansville READI Project Assessment, such as a Regional Trails Strategy and Riverfront Initiative. To attract high-wage, high-growth industries, communities must offer high-quality amenities to attract the talent needed to grow a community.

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