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## **Support for local economic development strategies: a microeconomic analysis**

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**Abstract.** Using data from a sample of rural Illinois residents, a model predicting individual willingness to support local economic development and growth efforts is reported. Within a framework of a random utility model, data on stated preferences for 12 specific economic development strategies are examined separately and in aggregate using three indices of overall support. Based on ordered logit and ordinary least squares analyses, results suggest that younger, more highly educated residents who do not own their home or who are retired more often support development efforts. Results also suggest that residents more often support strategies viewed as investing in people rather than strategies directly targeting businesses.

### **1. Introduction**

Academic research into community economic development and growth strategies typically fits into three broad classifications: those offering development strategies (e.g., Pulver 1979; Sternlieb and Listokin 1981; Green and McNamara 1988; Shaffer 1989; Clarke and Gaile 1992; and Pulver and Dobson 1992), those offering *ex post* assessment of the successfulness of selected strategies (e.g., Green, Flora, Flora, and Schmidt 1990; Bartik 1991; and Sears and Reid 1992), and those assessing the political process of development policy formulation (e.g., Wolman and Spitzley 1996).<sup>1</sup> While some studies have attempted to address the issue of why economic development practitioners pursue one set of strategies over another (e.g., McNamara and Green 1988; Loveridge 1996) and others have attempted to assess the differences in attitudes between local leaders and residents (e.g., Ayres and Potter 1989), few studies

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<sup>1</sup> For a more detailed listing of studies examining rural economic development strategies, see *Rural Economic Development, 1975-1993: An Annotated Bibliography* by F.L. Leistritz and R.R. Hamm (London: Greenwood Press, 1994).

have focused on the acceptability of economic development and growth strategies to local residents.

The literature suggests that not all economic development and growth efforts and/or specific policies are equally acceptable to rural residents (Licuanan, Panjaitan, and van Es 1996). In a Pennsylvania study, Scott, Willits, and Crider (1991) find that Pennsylvania residents are unwilling to lower pollution standards to aid businesses. They are more likely to favor direct aid to communities facing economic difficulties rather than technical assistance to aid communities in their development efforts. Small business assistance programs are favored over those targeting large businesses, and respondents feel that higher priority should be given to promoting traditional industries (e.g., manufacturing) compared with promoting newer industries (e.g., tourism).

The analysis by Scott, Willits, and Crider is useful for several reasons. First, it provides an overview of the priorities of local residents. Second, it helps guide economic development practitioners and local policy makers in focusing attention on acceptable development strategies for their community and/or region. Third, insights into the characteristics of community residents most willing to support specific development strategies are gained. If, for example, the analysis suggests that older, less educated, and lower income residents more often support certain development strategies over others, practitioners can use this information in working with communities composed of older, poorer residents. In general, the more information practitioners have concerning potential support and adoption of economic development and growth policies, the more effective they can be.

The intent of the present analysis is to create a profile of residents' willingness to support local economic development and growth efforts. We offer a model of resident behavior based on the premise that individuals will support, or not support, economic development and growth efforts based on perceived benefits and costs. Because the development process has a random component, the calculus of the decision-making process is assumed to follow a random utility model.

Data are from the Illinois Rural Life Panel (IRLP) sponsored by the Illinois Institute for Rural Affairs (IIRA) at Western Illinois University. As described below, the IRLP is intended to inform state and local policy makers of the views of rural Illinois residents on a wide variety of policy issues. During a period of six years a detailed database describing the characteristics and attitudes of more than 2,500 individuals was created. In 1993 panel members were asked to report their level of support of 12 specific economic development and growth strategies.

Two levels of analysis are reported. First, we construct a simple unweighted arithmetic scale by summing the individual scores of the 12 strategies. We then group the specific strategies into two categories: those targeted at directly helping businesses, such as cooperative advertising for businesses and property tax abatements, and those targeting employees, such as employee support services or worker training programs for residents. Differences in the target audiences for these strategies make it reasonable to expect differences in willingness to support each activity. For example, persons overall may be less willing to support strategies viewed as corporate welfare but more willing to support those that invest in people.

Next, using the theoretical foundation of a random utility maximization model and the resulting ordered multinomial logit estimator, we examine each of the 12 development strategies.

## 2. The Illinois Rural Life Panel

The Illinois Rural Life Panel (IRLP) was started in 1989 by IIRA to create base-line data for local and state policy makers to better understand attitudes and policy preferences of rural Illinois residents. The panel contains annual mail survey data for more than 2,500 rural Illinois residents.<sup>2</sup> The questionnaires include three general types of questions. One set appears every year to allow tracking the overall well-being of rural Illinois residents. The questions pertain to perceived quality of life and levels of satisfaction with specific community services.

The second set of questions changes from year to year and gathers the views of rural residents on a range of current issues such as health care and casino gambling. A third set of questions is more academically oriented and is included at the request of researchers interested in research-oriented issues. For this study, data are drawn from the 1993, 1992, and 1991 surveys. After matching survey responses across the three years, the sample for the current analysis is 2,342 individuals. Due to missing data, however, the final sample size ranges from 1,445 to 1,890 observations, depending on the strategy under examination.

## 3. Support for economic development and growth strategies

In the 1993 survey, rural Illinois residents reported their level of support for 12 specific local economic development and growth strategies (Table 1). These strategies, while not exhaustive, reflect the types of strategies commonly undertaken by smaller, more rural communities. Strategies range from property tax abatement programs and cooperative advertising for businesses to sponsoring employee support services such as community supported day care facilities.

When querying the level of support, several approaches are possible, ranging from a simple yes/no to Likert-type responses. We try to identify respondents' willingness to pay for specific development strategies in designing the questions. While the nonmarket valuation literature suggests a number of methodologies, we pose the questions in a manner that reflects the ways in which development efforts are typically financed in practice. Specifically, respondents are offered three possible levels of support:

- Would not support;
- Would support if federal/state funds are available; and
- Would support using local funds.

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<sup>2</sup> See Thistlethwaite *et al.* (1991) for more information. A concerted effort is made to ensure that the panel size remains approximately 2,500 persons. As members remove themselves from the panel, new members are solicited.

**Table 1.** Strategy variable definitions

Variable	Definition
EDA	Property tax abatement for business
EDB	Business incubator program
EDC	Revolving loan funds to help start new businesses or expand existing businesses
EDD	Industrial or commercial development parks
EDE	Cooperative advertising for businesses
EDF	Small business assistance center
EDG	Renovation of buildings that can be rented at reduced rates to businesses
EDH	School programs to teach students how to start and run businesses
EDI	Business promotional programs (fairs, downtown carnivals, etc.)
EDJ	Work training programs for local residents
EDK	Employee support services (day care, etc.)
EDL	Program in which residents invest in small businesses

These responses provide a naturally increasing scale measuring willingness to pay and perceived potential benefit.

In addition to identifying general levels of support for specific strategies, this research identifies patterns in overall levels of support by individuals for development efforts. For example, are younger, more highly educated residents more or less willing to spend local dollars to pursue local development efforts? Are younger families with children more likely to favor seeking outside support for development activities? Are retirees less supportive of development efforts? In other words, do the socioeconomic characteristics of individuals influence their willingness to support economic development efforts?

### 3.1 Theoretical model

Residents decide to support development efforts based on the potential economic gains to themselves and immediate family members.<sup>3</sup> Theory states that the consumer, in our case the resident, makes a marginal benefit-cost calculation. Because the potential return to the development activity is uncertain, marginal benefits are not directly observable. We model differences between benefit and cost as an unobserved variable,  $y^*$ , such that

$$(1) y^* = \beta'x + e.$$

If  $y^* > 0$ , then benefits of the effort are greater than the costs and the individual supports (i.e., consumes) the development effort. In essence, because the potential benefit to the individual is uncertain (i.e., random), the underlying economic model of individual behavior corresponds to a random utility model.

<sup>3</sup> For simplicity we assume utility maximization with no altruistic behavior. The empirical results, however, suggest that this may be unreasonable, and future theoretical work must address this assumption.

Within this framework, the utility to the consumer of economic development and growth is specified as a linear function of consumer characteristics plus an error term. The probability that a specific consumer will choose a development strategy is given by the probability that the individual's utility of that strategy is greater than the individual's utility of all other available alternatives. The consumer supports the strategy that maximizes his or her utility. The *multinomial logit* and *multinomial probit* models follow directly from the random utility model. (See Maddala 1983; Kennedy 1989; and Greene 1990.)<sup>4</sup>

If the goods to be consumed are the benefits of economic development and growth, the probability of consuming these benefits directly corresponds to the level of support for the specific strategy. Not supporting the strategy is characterized by lowest costs (i.e., no public resources are used) and lowest probability of benefit consumption (i.e., smallest chance of benefiting from economic growth and development). Supporting the strategy using local funds is characterized by highest costs and highest probability of benefit consumption.<sup>5</sup> Supporting the strategy using federal/state funds falls between the two extremes. The three alternatives offer a natural progressive scale vis-à-vis individual costs.

### 3.2 Conceptual foundations

The conceptual foundation for this theoretical approach can be best expressed in terms of *growth machine theory* as advanced by Logan and Molotch (1987). According to this theory, local groups, such as local business owners and real estate developers, with an economic investment in the local economy actively promote economic development and growth because they benefit from the increased market value of land. Other residents, primarily homeowners, are interested not only in the market value of their property, but also the use value of the property. Use value may include safe and quiet neighborhoods, little or no traffic congestion, or a feeling of freedom from crime. In this light, use value and market value may be in direct conflict. In the terminology of our theoretical model, increases in market value (benefits) may or may not outweigh reductions in use value (costs) that result from economic development and growth. In short, for many rural residents, the cost of losing a rural lifestyle may exceed the benefits of economic growth and development.

Growth machine theory also recognizes that while residents may not support economic growth and development efforts, they understand that they may lose from economic decline in their localities because of a loss of public services and/or tax increases to maintain services. A benefit of economic growth and development is the ability of local governments to generate revenues which enables residents to pay lower taxes and improve public services (Peterson 1981; Wong 1990). Conversely,

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<sup>4</sup> The difference between the logit and probit specifications of the econometric problem hinges on the assumptions of the error structure of the model. For simplicity, we assume that the random utility error terms are logistically distributed, resulting in a multinomial logit.

<sup>5</sup> We suggest that strategies supported with local funds generally have a higher likelihood of success due to the greater level of local commitment to the effort (Green *et al.* 1990).

the loss of jobs and businesses may contribute to decay, such as vacant buildings, open dumps, or increased crime resulting from higher levels of poverty.

Local institutions must accommodate competing interests, one of which is to maintain a viable local economy. This function helps explain why supporting local development efforts is attractive to many residents (Bladassare 1990; Gottdiener and Neiman 1981). In other words, communities include a mixture of individuals with differing views on economic development and growth. Local institutions (i.e., local governments) are faced with the challenge of aggregating the preferences of these individuals to form a coherent policy that satisfies the desires of a majority of residents. This analysis tries to identify and quantify the characteristics of local residents in their stated level of willingness to support development efforts.

### **3.3 Empirical model**

We hypothesize that six individual characteristics influence an individual's support for local economic development and growth efforts, given the random utility model and growth machine framework. While this list is incomplete, previous studies of attitudes about development efforts suggest that these specific variables capture key differences (Ayres and Potter 1989; Scott, Willits, and Crider 1991; and Green, *et al.* 1996).

#### **3.3.1 Education**

Persons with higher levels of education often have higher levels of aspirations than those with lower levels of education. More highly educated persons also have a higher potential to realize the potential benefits of economic development and growth, thus placing greater value on the perceived benefit from supporting the effort.

#### **3.3.2 Income**

Similar to education, persons with higher incomes also can benefit more from potential gains resulting from economic development and growth. If income equates economic power, then the wealthy are most likely to benefit from additional economic activity. Again, persons with higher incomes may more often place a higher weight on the perceived benefits from development strategies.

#### **3.3.3 Children at home**

A commonly stated goal of many community development activities is to create economic opportunities for youth. Lack of such opportunities is often claimed to drive youth away. While the premise of this implicit goal can be debated, it is often a driving force behind community action. We hypothesize that having children in the home contributes to a perceived need for economic opportunities. This measure is a

dummy variable assuming a value of one if children are in the home and zero otherwise.

### **3.3.4 Length of residence in community**

The tenure of a resident within the community may affect willingness to support economic development efforts. New residents within a community bring new ideas and often a desire or willingness to try new approaches. Others observe that many incoming residents, particularly those rural communities with high levels of natural amenities, seek a quieter way of life and may shun attempts to change the community. In either case, length of residence in a community is hypothesized to play a role in an individual's stated willingness to support economic development and growth efforts.

### **3.3.5 Home ownership**

Because owning a home is often the largest single investment (asset), homeowners have an explicit self interest in community economic expansion. A growing local economy adds value to the investment, while a declining or stagnant local economy detracts. Second, home ownership, we hypothesize, is a proxy for an individual's stability within and commitment to the community. Owning a home increases the probability of supporting economic development and growth efforts. Yet because local funding often translates into property taxes, homeowners may often support economic development if other sources of funding, for example federal/state funds, are available. In addition, the potential underlying conflict between market and use value of land further blurs the exact role of home ownership in whether to support development efforts and how much.

### **3.3.6 Retirement**

In many rural communities, local leadership includes retirees. These citizens, many times, are long-standing residents with the time and inclination to become active in local decision-making. It follows that retirees be considered in the analysis. In addition, retirees, due to their more limited planning horizon, are in a less likely position to personally gain from economic development and growth, *ceteris paribus*.

## **4. Empirical results**

Because survey respondents are presented with three potential levels of support, it is not clear whether one specific strategy will receive the highest level of support. Patterns, however, appear within the responses reported in Table 2. For example, strategies focusing on employees or people—such as developing a worker training program for residents or school programs to teach entrepreneurship—receive the highest level of support or, conversely, are the least objectionable.



**Table 2.** Overall level of support

Strategy	Would not support	Would support with state/federal funds	Would support with local funds
Property tax abatement for businesses (EDA)	n = 936 (44.8%)	n = 826 (39.6%)	n = 325 (15.6%)
Business incubator program (EDB)	681 (35.0%)	936 (48.1%)	329 (16.9%)
Revolving loan funds (EDC)	268 (35.0%)	1168 (55.6%)	666 (31.7%)
Industrial or commercial parks (EDD)	583 (28.1%)	891 (42.9%)	604 (29.1%)
Cooperative advertising for businesses (EDE)	1085 (52.8%)	489 (23.8%)	480 (23.4%)
Small business assistance centers (EDF)	455 (21.9%)	962 (46.2%)	665 (31.9%)
Reduced rents for businesses (EDG)	495 (23.5%)	776 (36.8%)	837 (39.7%)
Schools programs in entrepreneurship (EDH)	281 (13.3%)	1031 (48.8%)	801 (37.9%)
Business promotional programs (EDI)	856 (41.1%)	593 (28.5%)	635 (30.5%)
Training programs for residents (EDJ)	182 (8.6%)	946 (44.8%)	982 (46.5%)
Employee support services (EDK)	444 (21.3%)	874 (42.0%)	764 (36.7%)
Local investment programs for small businesses (EDL)	486 (23.3%)	640 (30.6%)	963 (46.1%)

Strategies that may be perceived as direct subsidies to businesses—such as property tax abatement programs or cooperative advertising campaigns or even business promotional programs such as downtown fairs—seem to draw the lowest level of support. Respondents are more willing to use local funds, rather than federal or state, for three types: reduced rents for businesses, training programs for residents, and local investment programs for small businesses.

There also appears to be a fair amount of willingness to free ride on development strategies if funds for the effort are from federal or state sources. In half of the strategies, “would support with state/federal funds” is the most frequently selected option. This suggests that local development officers may be more likely to promote a specific policy/strategy if nonlocal funds are available. This condition places a greater focus on the role of federal/state programs in local development efforts.

## 4.1 Aggregated model results

While compressing the data reported in Table 2 into a single scalar measure of overall support loses information, the intent here is to determine if individual characteristics influence overall levels of support given our set of strategies. Three scalar measures are constructed: an overall index that arithmetically combines the 12 strategies; a business index that arithmetically combines those strategies targeted toward

businesses; and an employee index that combines strategies emphasizing human development.

The results of the regression analysis across the two scalar indices appear mixed (Table 3). While the overall equations are statistically significant at the 99.9 percent confidence level ( $F_{\text{statistic}} = 7.826, 6.969, \text{ and } 5.257$ , respectively) they each account for less than 4.0 percent of the variation in the dependent variable ( $R^2 = .0367, .0316, \text{ and } .0204$ , respectively).<sup>6</sup> Regardless of the low explanatory power, however, useful information can be gained from the regression analysis.

Of the seven hypothesized variables included in the analysis, four help predict levels of support for local efforts. First, education levels appear to positively influence willingness to support development efforts. This makes intuitive sense within the framework of our theoretical and conceptual model: more highly educated persons may stand to benefit the most from economic development and growth and hence are more likely to support efforts to promote growth and development. Alternatively, more highly educated persons are often in a better position to compare perceived benefits and costs and consider the uncertainty of success and/or failure.

Second, age seems to negatively influence willingness to support development efforts. Again, this is consistent with the theoretical model of behavior outlined previously: younger residents are likely to gain from economic development and growth efforts; hence, they are more likely to support them. Alternatively, within the framework of growth machine theory, older residents may be more interested in use value than market value. Here freedom from congestion, noise, and crime (use value) may outweigh benefits associated with economic development and growth (market value).

Third, retirees tend to support development efforts. While this may appear to conflict with the result with age, no contradiction is necessary. Recall, in many rural communities retirees are often actively involved in local decision making efforts, making them more aware of issues affecting their community. Thus, retirees may have a broader view of community needs and have reasons to support development efforts. Similarly, altruistic behavior on the part of retirees, explicitly assumed away in the theoretical model, may be another explanation: while retirees may gain little directly from economic development and growth, they may view the needs of the community at large differently from their own needs.

Finally, home ownership seems to have a marginal negative influence on willingness to support development efforts. This implies that homeowners in rural Illinois may be more interested in use value of their property than in market value. Alternatively, because local funds to support economic development and growth strategies most likely come from property taxes, the payers of these taxes (homeowners) may judge that the observed real costs (higher taxes) outweigh uncertain benefits. The remaining variables (income, years of residency in the community and children at home) do not influence willingness to support development efforts in our analyses.

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<sup>6</sup> The number of observations varies for each model due to missing responses for individual strategies.

**Table 3.** Results of the aggregated economic development effort support model

Variable	Overall index	Business index	Employee index
Education	.4796 (5.20) [.0001]	.3833 (5.22) [.0001]	.0798 (3.05) [.0023]
Income	-.0586 (0.58) [.5594]	-.0310 (0.39) [.6964]	-.0352 (1.25) [.2129]
Length in community	.0051 (0.67) [.5033]	.0069 (1.13) [.2591]	-.0019 (0.90) [.3704]
Children at home	-.0492 (0.16) [.8754]	-.2185 (0.87) [.3815]	.0085 (0.09) [.9246]
Home ownership	-.7531 (1.67) [.0950]	-.5093 (1.45) [.1484]	-.2924 (2.31) [.0211]
Age	-.0487 (3.43) [.0006]	-.0378 (3.36) [.0008]	-.0083 (2.09) [.0369]
Retiree	.7619 (1.86) [.0634]	.6430 (1.98) [.0475]	.0458 (0.40) [.6893]
Constant	14.2560 (17.03) [.0001]	9.9331 (14.91) [.0001]	4.4402 (18.41) [.0001]
F <sub>statistic</sub>	7.8260 [.0001]	6.9606 [.0001]	5.2570 [.0001]
R <sup>2</sup>	.0367	.0316	.0204
n	1445	1503	1773

Absolute value of the t-statistic in parentheses  
Marginal significance in brackets

Overall, several findings are worth noting. First, rural Illinois residents are more likely to support development efforts focusing on people as compared with businesses. Second, strategies that may be viewed as corporate welfare or direct business subsidies are least likely to have local support. Third, persons seem more willing to support development efforts if there are outside funds, such as state and/or federal monies, to pay for the effort. In short, an expressed desire to free ride on many development strategies is apparent. Finally, the results suggest that younger, more highly educated residents who do not own their home or are retired more often support development efforts.

## 4.2 Ordered logit results

The estimated coefficients of the 12 ordered logit models are reported in Table 4.<sup>7</sup>

<sup>7</sup> Greene (1990) warns of attempts to directly interpret the coefficients of an ordered logit analysis and advises the use of marginal values. For the purpose of this article, the sign and significance of the coefficient are all that is of interest at this stage. Readers interested in the matrix of marginal values can contact the authors directly.

In general, the overall results of the models are mixed and complement the results of the aggregated model. Only one of the 12 equations [property tax abatements for businesses, (EDA)] is not significant at or above the 10 percent marginal level. Nevertheless, for nearly all of the strategies many variables are statistically insignificant. Despite the sparseness of the matrix of estimated coefficients, some general patterns and specific insights to direct strategies are evident.

Two variables that consistently enter into the equations are education and age. Consistent with the aggregate analysis, the higher the education level, the more likely the survey respondent is to support a specific development strategy. Conversely, as age increases, willingness to support economic development and growth strategies declines.

Income, on the other hand, seems to influence only a few strategies. Generally, high levels of income are associated with lower levels of support for industrial or commercial development parks (EDD), renovations of buildings that can be rented at reduced rates (EDG), or business promotional campaigns (EDI). But higher levels of income are associated with higher levels of interest in employee support services (EDK) and programs that enable local residents to invest in local businesses (EDL).

Length of time in the community positively influences support for business and commercial development parks (EDD) and the creation and operation of a small business assistance center (EDF). Children living at home dampens support for revolving loan funds for new and small businesses (EDC), small business assistance centers (EDF), and programs that help local residents invest in local businesses (EDL). Again, consistent with the aggregate analysis, homeowners less often support strategies such as property tax abatements (EDA) to worker training programs for local residents (EDJ). Unlike the results in the aggregate analysis, retirement status has more of a mixed influence on levels of support. Based on these results, retirees tend to favor industrial and commercial development parks (EDD) and, to a limited extent, employee support programs (EDK).

As suggested by the low  $R^2$ s in the aggregate models, the predictive power of the ordered logit models is less than desirable. This suggests a number of possibilities: noise in the data; a complex decision making process in the calculus of market versus use value at the local level; elements of free riding; and the role of external factors on the individual. Still the results provide insights into the types of strategies that residents will, or will not, support. In addition, the results point strongly to the notion that not all rural residents seek to maximize market value through aggressive economic development efforts. Rather, use value, or a overall quality of life, of which economic opportunities are but one part, may be more important to rural residents.

## 5. Summary and conclusions

While much attention has been paid in the literature to the suggestion and/or evaluation of economic development and growth strategies, little attention has been paid to the willingness of residents to support such efforts. Similarly, while numerous opinion surveys focus on economic development and growth policy, few have

Table 4. Results of the ordered multinomial logit analysis for specific strategies

Variable	Property tax abatements (EDA)	Business incubator (EDB)	Revolving loan fund (EDC)	Development parks (EDD)	Cooperative advertising (EDE)	Small business assistance center
Education	.0346 (1.86)	.0783 (4.11)	.0651 (3.62)	.0744 (4.06)	.0511 (2.64)	.0541 (2.93)
Income	.0048 (0.24)	.0169 (0.83)	.0054 (0.27)	.0473 (2.36)	-.0319 (1.55)	-.0065 (0.33)
Length in community	-.0001 (0.09)	-.0007 (0.47)	.0024 (1.60)	.0046 (3.10)	.0003 (0.19)	.0030 (2.05)
Children at home	.0386 (0.60)	-.0765 (1.16)	-.1217 (1.86)	.0651 (1.04)	.0018 (0.03)	-.1372 (2.11)
Home ownership	-.0750 (0.81)	.0923 (1.01)	-.0800 (0.89)	-.0610 (0.68)	-.1139 (1.18)	-.1999 (2.25)
Age	-.0015 (0.51)	-.0067 (2.39)	-.0083 (2.92)	-.0122 (4.36)	-.0013 (0.43)	-.0068 (2.44)
Retiree	.0919 (1.14)	.0799 (0.99)	.0540 (0.66)	.1549 (1.94)	.1276 (1.49)	.0844 (1.07)
MU(1)	1.1467 (31.96)	1.3711 (35.16)	1.6699 (39.69)	1.1612 (33.52)	0.6422 (23.04)	1.2617 (35.27)
c <sup>2</sup>	6.9161 [0.4377]	37.5077 [.0001]	29.0512 [.0001]	71.5818 [.0001]	13.8105 [.0546]	25.5500 [.0006]
n	1879	1756	1884	1865	1849	1868

Absolute value of the t-statistic in parentheses

Marginal significance level in brackets

Table 4 (cont). Results of the ordered multinomial logit analysis for specific strategies

Variable	Reduced rents (EDG)	School run businesses (EDH)	Promotional programs (EDI)	Worker training (EDJ)	Employee support programs (EDK)	Local investment programs (EDL)
Education	.0449 (2.45)	.0321 (1.76)	.0489 (2.60)	.0393 (2.00)	.0501 (2.75)	.0666 (3.52)
Income	-.0703 (3.56)	-.0007 (0.03)	-.0372 (1.89)	-.0171 (0.93)	-.0475 (2.46)	.0371 (1.84)
Length in community	.0018 (1.23)	-.0005 (0.34)	.0003 (0.19)	-.0007 (0.44)	-.0017 (1.15)	.0017 (1.14)
Children at home	-.0760 (1.17)	.0618 (0.96)	.0295 (0.46)	-.0469 (0.71)	.0218 (0.35)	-.1208 (1.84)
Home ownership	-.1845 (1.98)	-.1422 (1.59)	-.2011 (2.17)	-.2308 (2.48)	-.1240 (1.34)	-.0375 (0.41)
Age	-.0053 (1.84)	-.0014 (0.51)	-.0006 (0.21)	-.0033 (1.12)	-.0100 (3.53)	-.0049 (1.71)
Retiree	.0071 (0.09)	.0018 (0.02)	.0935 (1.15)	-.0494 (0.60)	.1435 (1.80)	.0246 (0.30)
MU(1)	0.9948 (30.63)	1.4086 (36.17)	0.7172 (25.64)	1.4429 (33.32)	1.1469 (32.87)	0.8302 (27.20)
c <sup>2</sup>	29.0020 [.0001]	11.9970 [.1007]	17.6140 [.0138]	21.7632 [.0028]	45.3988 [.0001]	30.2760 [.0001]
n	1889	1890	1873	1880	1869	1878

Absolute value of the t-statistic in parentheses  
Marginal significance level in brackets

attempted to paint a profile of who is more likely to either reject or support an economic development and growth strategy. The analysis in this paper moves in this direction.

Recognizing that economic development and growth can be viewed as consumer goods, community residents decide to support (consume) or not support (not consume) development efforts based on perceived benefits and costs of the action. Because the perceived benefits of development efforts are uncertain, residents are assumed to operate within the framework of a random utility model. Drawing on growth machine theory, we suggest that those most likely to gain from increased market value will reveal a higher level of support for economic development and growth policies than those more likely to gain from use value.

In this light, we hypothesize that characteristics of community residents influence the calculus that residents undertake when determining whether to support local efforts. If this pattern is consistent across individuals, a prescriptive model outlining the likelihood of any single individual supporting development efforts can be advanced. Using the random utility model and growth machine theory as a foundation, two models of support are estimated using data from the Illinois Rural Life Panel. Central to the analysis is the reported willingness to support 12 different community economic development and growth strategies, which is coupled with a set of socioeconomic characteristic measures.

Younger residents with higher levels of education and retirees are more likely to support development efforts. Older residents and those owning homes tend to be less favorable toward development efforts. These results are consistent with predictions from growth machine theory. The results also suggest that the simplified goal of maximizing market value at the expense of use value may misguide policies.

Building a profile of local residents either willing or unwilling to support community economic development and growth efforts is important. In general, the more information available to practitioners concerning potential support and adoption for selected economic development and growth policies, the more effective practitioners can be within the community. Increased effectiveness through emphasizing some and de-emphasizing other development strategies and/or creating educational programs helps policy makers better understand the range of options at their disposal.

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