The Economics of Place:
The Value of Building Communities Around People

Ann Arbor Sustainable Forum
Ann Arbor District Library
February 13, 2013

Colleen Layton, Director of Policy Development
Michigan Municipal League
The Economics of Place:
The Value of Building Communities Around People
The way we were

• Quality of life and of place has declined
  ▪ (In 2009, 37th in per capita income—a drop of 19 places in 8 years)
• Manufacturing as we know it is gone
• Not adapting fast enough to the knowledge-based economy
• We’re under-investing in our:
  ▪ Universities
  ▪ Community colleges
  ▪ Infrastructure
• Talented millennials don’t want to live here
• Entrepreneurs not being attracted
What we know

• Knowledge-based
• Education counts, degrees matter
• Technology allows people to work anywhere; they are choosing the cities
• Mobile population
• “Place” attracts people
• Young people choose where to live first, then look for work
• World-wide competition for talent
“The most valuable resource in the 21st century is brains. Smart people tend to be mobile. Watch where they go! Because where they go, robust economic activity will follow.”

Rick Karlgaard
Publisher, Forbes
A decade of higher education cuts - 27%

21-34 yr olds: 17.6% vs. 19.1%

Nationally

46% of college graduates leave Michigan
Shifting Demographics

<25% of households considered “traditional”

Automotive miles driven by ages 21-30:

<table>
<thead>
<tr>
<th>Year</th>
<th>Miles Driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>20.8%</td>
</tr>
<tr>
<td>2001</td>
<td>18.3%</td>
</tr>
<tr>
<td>2013</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

VS.
Why urban places matter

24 – 34 year olds:
• 1980 – 10% business district
• 1990 – 12%
• 2010 – 32%
What do we mean by “Sense of Place?”

“Placemaking is about turning a neighborhood, town, or city from a place you can’t wait to get through into one you never want to leave.”

“...great cities and good cities is the quality of their public spaces.”

Fred Kent
Project for Public Spaces
Lighter, Quicker, Cheaper

- Community driven
  - Citizens are the experts
  - Returning responsibility to the community
  - Need “zealous nuts”
- Flexible, yet sustainable
- Use drives design
- Creates centers of energy & collaboration
It's more about place than design

- When focusing on place, you do everything differently
- Build communities around happiness and well-being
- Importance of the ordinary citizen in planning
- Fosters a sense of pride and emotional connectiveness
Need for strong metro regions
Physical Design & Walkability

Green Initiatives

Cultural Economic Development

Entrepreneurship

Education

Transit

Messaging & Technology

Multiculturalism

Center for 21st Century Communities – 21C3
The Path to Prosperity

- Bold leadership
- Global understanding
- Knowledge-based economy
- Higher education investment
- Create quality of place
- Regional focus
The Economics of Place: The Value of Building Communities Around People

Ann Arbor Sustainable Forum
Ann Arbor District Library
February 13, 2013

Colleen Layton, Director of Policy Development
Michigan Municipal League
Ann Arbor’s Terroir: Cultivating a Regional Environment to Accelerate Innovative Companies

Paul Krutko
President and CEO, Ann Arbor SPARK
Outward-Oriented Industries Drive Rest of the Economy

Community Success Factors Shaped by our Public Private Partnership

Domestic & Global Markets

$\$\$ \leftrightarrow \text{Products/Services}

Driving Industries
Connected Vehicle Technology, Remote Control Aerial Platforms, Life Sciences, Advanced Manufacturing, IT, Optics, Photonics

$\$\$ \downarrow \uparrow \text{Products/Services}

Business-Supported Industries

$\$\$ \downarrow \uparrow \text{Products/Services}

People Serving Industries

Community Success Factors
Exceptional Workforce - Habitat for Innovation
Efficient Business Environment - World Class Place
Collaborative Leadership

Visitors
Sustainable resilient regions must grow their GDP
GDP grows by selling goods and services outside their region
Startups and mature companies need talented knowledge workers to create those goods and services.
Today.....

Talent chooses WHERE to work, before WHO to work for.
The Quality of the *WHERE* is paramount…but…
Quality is defined differently by the post baby boom workforce
Per Richard Florida......Does the place have the TECHNOLOGICAL INFRASTRUCTURE to help me fulfill my potential as a human being?
Is this place TOLERANT of new ideas, lifestyles, cultures and CHANGE?
...And is there a clustering of TALENTED individuals that I can be a part of and engage with?
For cities and regions to compete as a PLACE

Think Vancouver
For the A2 Region to succeed economically, the relationship between...
PLACE and TALENT is the whole game
THANK YOU

Paul Krutko, President an CEO of Ann Arbor SPARK

@PaulKrutko

Follow SPARK on Social Media

@AnnArborSPARK

https://www.facebook.com/AnnArborUSA
2013 Ann Arbor Sustainable Forum
Planning for Change in Our Community

Presented by Ingrid Ault, Executive Director
Wednesday February 13, 2013
Who Are We?

- We are a **movement**, not a moment
- A non-profit open to locally owned independent businesses
- Provide a collective voice for over 260 businesses
- One of 160+ organized networks in the U.S. and Canada
- Business Alliance for **Local Living Economies**
We Educate & Advocate

- Speaking engagements
- Event Sponsorship – Local Food Summit, The Ark, Entre-SLAM….
- Attend community events – Heritage Festival, Mission Zero Fest, Townie Party….
- Throw community events – Strawberry Festival
- Publish Resource Guide & articles

Dayna Sprental – Depot Town Farmers Market
Why **YOU** should support independently owned businesses

- Numerous studies indicate money spent locally stays and recirculates in the community
- Multiplier Affect recirculates dollars 3 to 4 times more in the community
- These studies empower the individual that one person can make a difference!
Shopping Locally

When you spend $100 in an independent locally owned business, $68 stays and recirculates in the community.
Shopping at a Big Box Retailer

If you spend $100 at a big box retailer, only $43 stays in the community.
Shopping on the Internet

0% stays in our community
“The 3 pillars”
Measures organizational success
1. Profit = Economic
2. Planet = Ecological
3. People = Social
People = Social Pillar

- Employment – Fair and beneficial business practices  
  + 35% in wages and benefits

- Charitable Contributions  
  + 2 ½ times

- Fair Trade – assuring a living wage
Planet = Ecological Pillar

- Manage consumption of resources
- Reduce waste
- Businesses do not produce harmful or destructive products
Profit = Economic Pillar

- Differs from traditional accounting
- Economic value created by the organization after deducting the cost of all inputs
- It is the real economic impact the organization has on its economic environment
Urban Ashes Practices TBL

Urban Ashes
• Created a picture frame line

The Urban Wood Project
• Supplies urban wood

Work Skills Corporation
• Fabricates picture frames

iT...the boutique
• Sell the finished product
Now is the Time

- Our message is ripe

- We are not anti big business, we believe everyone should have fair access to a slice of the pie
  - 1 in 4 food dollars = Wal-Mart
  - 1 in 3 online shopping dollars = Amazon

- Remember this is a MOVEMENT, not a moment

- Whenever possible support your independents FIRST!
Want to Learn More?

Further Resources

- BALLE: www.livingeconomies.org
- Local First Grand Rapids: www.localfirst.com
- Institute for Local Self-Reliance: www.ilsr.org
- New Rules Project: www.newrules.org
- Civic Economics: www.civiceconomics.com
- The Big-Box Swindle by Stacy Mitchell

Contact Information

- Ingrid Ault, Executive Director
- ingrid@thinklocalfirst.net
- www.thinklocalfirst.net
- 527 E. Liberty St., Suite 200, Ann Arbor 48104
- (734) 730-6905
Thank you for inviting me!