ECONOMIC DATA: WHAT'S OUT THERE AND HOW IT CAN ENHANCE THE COMP PLAN

Presented by Todd Graham
Thursday, December 1, 2016
12:00 – 1:00 PM

Webinar Summary: An accurate base of information is an essential component of a well-rounded local planning process, and can be helpful in grounding future objectives and policies. Data on the region's economy is available at a variety of geographic scales from a number of sources, and can help to better quantify local and regional strengths and opportunities related to workforce, wages, innovation, employment, and access to jobs. Participants will be introduced to available datasets with emphasis on city-level or neighborhood-level data.

QUESTIONS AND ANSWERS:

1. **Is there a double counting issue with NAICS? How would you address?**

   Economic statistics agencies categorize firms with a single NAICS code, representing the primary line of business of the firm. For example, mobile phone service providers are categorized as "wireless telecom" (NAICS 5172).

   Still, the tables published by economic statistics agencies may include reporting of multiple levels of NAICS summarization. NAICS is a multi-level classification system; that can lead to the appearance of double-reporting. For example, the wireless telecom industry (NAICS 5172) is grouped with other industries to comprise "telecommunications" (NAICS 517); it's grouped with still other industries in the "information" sector (NAICS 51).

   The easy solution is to choose and use one level of summarization. The two-digit NAICS sectors are the most commonly used.

2. **How was the map showing jobs/workers balance was created, particularly using the 5-mile radius. Is that a raster-based map? If you can send some general processing tips, I'd appreciate it.**

   This work requires a statistical analysis or database analysis program. We used SAS to create a lookup table (or crosswalk) identifying every Minnesota and Wisconsin census block within 5 miles of every block group centroid. That lookup table was then related to the Census LODES table of jobs by worksite block, in order to summarize the 5-mile radius totals of jobs. We repeated the process with the Census LODES table of employed residents by residence block, and calculated the 5-mile radius totals of workers.

   The final step is to join the two layers, the 5-mile radius totals of jobs and the 5-mile radius totals of workers, into a single table indexed by block group center points. Having accomplished that, we calculate the ratios.

   We can provide the SAS code or the resulting table on request.

3. **Could you help me locate information on the *jobless rate* by city?**

   Medium-sized and large cities have two sources of local unemployment rates. Smaller communities have one source.

   The data source available for all communities is Census ACS. Census ACS provides tables with the numbers of employed and unemployed residents:
   http://factfinder.census.gov/bkmk/table/1.0/en/ACS/15_5YR/B23025/0400000US27.06000

The unemployment rate can be calculated from this, using simple division:

$$\text{Unemployment rate} = \text{Unemployed} / \text{Civilian Labor Force}$$

The second data source, available for medium-sized and large cities, is Minnesota DEED's Local Area Unemployment Statistics: https://apps.deed.state.mn.us/lmi/laus/

The Minnesota DEED unemployment rates are more current than Census ACS. Monthly and annual time-series data are available for years 1990-present – but only for cities with at least 25,000 population.

4. **ACS data sometimes gets a bad rap because of the limited sample. Can you offer any words of caution for using this data?**

   The "true measure" that would be obtained if everyone could be surveyed can be slightly higher or slightly lower than the published ACS estimates. Acknowledging this, Census Bureau provides statistical inference error measures alongside the ACS estimates. For example, the most recent unemployment rate estimate for Fridley is 8.9%, and the associated statistical error is +/- 1.7%. We can say *with confidence* that the "true measure" is somewhere between 7.2% and 10.6%.

   A confidence interval that is very large relative to the associated estimate may be a warning flag. How much error you should tolerate is up to you, the data user.

   To mitigate or minimize statistical inference error, and thereby reduce the uncertainty, you have the option of using statistics for larger geographic units (tract or city totals, instead of smaller block groups).

5. **This is an amazing amount of information, and I appreciate how this could be useful to our community. Are you able to consult with us as we explore which data might be most useful for our comp plan?**

   Yes. If you have questions about economic or demographic data, Todd Graham can be contacted at todd.graham@metc.state.mn.us.

   Requests and questions about other, additional Metropolitan Council research and data can be directed to research@metc.state.mn.us, and will be referred to the right subject-matter expert.

6. **The Council is talking more and more about economic competitiveness. How is this different than the economic development work that City's do at the local level? What does this mean for our comprehensive plans?**

   In the webinar, we discussed regional economic competitiveness as a desired situation, in which businesses and industry clusters can mobilize resources and secure the investment of resources. We want economic competitiveness because it enables continued prosperity.

   Economic development is the set of strategies, decisions, and investments intended to support or improve regional or local economic competitiveness. Economic development can include direct actions to retain businesses, attract new businesses, or promote or enable expanded production or exports. Economic development is not the only domain of regional and local actions supporting economic competitiveness. Metropolitan Council acknowledges the closely related and needed contributions of workforce development and community development.

   As for comprehensive plans, the strategies and investments most usually found in a plan concern infrastructure, urban services, and land guidance for commercial and industrial uses. Beyond that starting point though, the economic chapter of the comprehensive plan can have a broader scope. Your community

and local officials should decide the community's role in these domains, and what the community is prepared to invest to advance local economic competitiveness.

7. **Thrive mentions discouraging the conversion of industrial land to other uses. Will this be a requirement in local comprehensive plans?**

   No. The Council encourages the preservation and development of well-sited industrial land, but does not require it. We will provide information on the site location requirements of the region's economic drivers, our region's connections to the global economy, workforce, living wage jobs, transportation, and other economic factors. This will put local officials in a position to make better informed choices about how they might affect the region's economic vitality as well as their community's economy.

   The Council recognizes that all development decisions involve tradeoffs. The new emphasis on industrial land is designed to ensure that more factors are taken into account when development decisions are considered.

8. **Will this presentation be available on the website as well?**
   We will be posting the video, presentation slides with annotations, page of links from the presentation, and this summary of Questions and Answers on the metrocouncil.org website. Please visit the PlanIt page of the Local Planning Handbook.

Please send additional questions or comments to todd.graham@metc.state.mn.us or to angela.torres@metc.state.mn.us.