



**THE OHIO STATE UNIVERSITY**

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JOHN GLENN COLLEGE OF PUBLIC AFFAIRS

**The Economic Resilience of Coastal Communities:  
Survey Results from Interviews with Local Leaders**

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## **Summary**

This report summarizes the main findings from a survey of 61 local leaders from the Ohio Lake Erie Watershed, half of whom come from municipal governments. Other respondents are at higher levels of government or in the private and nonprofit sectors. These leaders hold various positions of leadership in their organizations, such as the mayor or city manager, agency director, or commissioner.

In an open question, we asked the respondents to list their three biggest threats to economic growth in their local communities. Economic concerns such as unemployment and business closures were mentioned by 60 percent of respondents, but almost half indicated that lack of leadership and governmental barriers are threats to economic stability and growth. Another third noted concerns regarding the natural or physical environment. All but two respondents were either “very” or “somewhat” worried about the threats posed by their top concern.

Local leaders were also asked numerous questions about their policy responses to the threats listed. A wide variety of approaches are utilized, and the top approach, business programs and incentives, were the first listed approach of only 20 percent of respondents. Notably, around 11 percent also claimed that nothing is being done to address the threats.

More specifically, respondents were asked to categorize their approaches to business attraction. Almost one-third pursue a passive “reactive-focused” approach that involves catering to whatever businesses show interest in the community. Only 11 percent report that their primary attraction approach is to attempt to diversify their economies by attracting businesses in industries that are in different industries than those that currently drive their local economies.

Finally, respondents were asked about their approaches to business retention. By far, the most common approach (one-third of responses) involved fostering an open dialogue with local business owners. Again, around 11 percent reported doing nothing to address the threats.

## **Acknowledgements**

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**Motivation**

This survey questions were partially motivated by related research that examined the relationships between industrial diversity and unemployment and economic stability between 1977 and 2001 in Ohio. That research found that more industrially concentrated counties had lower unemployment rates when the economy was going well, but that counties with more diverse industry structures fared better during times of national or local employment shocks. This survey research is an attempt to provide greater context to that related work, which was implemented at the county level.

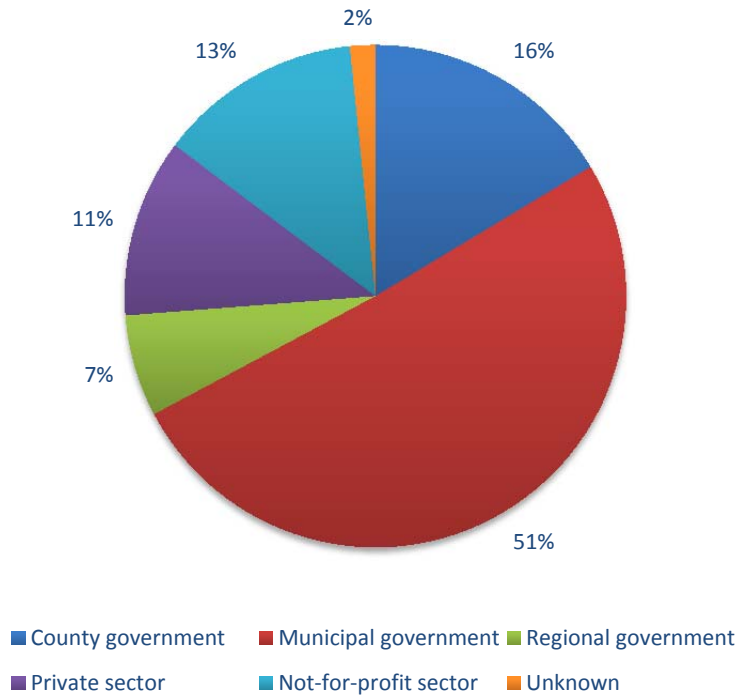
**The survey**

We implemented a web-based Qualtrics survey of 61 local leaders in coastal<sup>1</sup> Ohio in order to better understand the economic development challenges at the ground level and the resulting policy responses. The sampling frame comes from a master mailing list maintained by the Ohio Sea Grant Program of approximately 850 Lake Erie Watershed mayors, city managers, county commissioners, township trustees, and chambers of commerce/visitor bureaus. Many of the smallest communities do not have email addresses linked to their mailing records, so we were able to solicit survey responses via email from only 479 contacts. Our first contact was made on April 8, 2014, and we emailed a reminder on April 15, 2014. Thirty of the initial solicitations were returned as incorrect email addresses. Of the 449 correct addresses, 98 surveys were started, and 64 surveys were completed by the end of April 2014. The only identifying information maintained for the analysis was each respondent's ZIP code, and three of the 64 respondent ZIP codes were predominantly in counties outside of coastal counties.<sup>2</sup> Because five other partially completed surveys were also in non-coastal counties, we consider our relevant response rate to be 61 out of 441, or 14%.<sup>3</sup>

**Respondent profile**

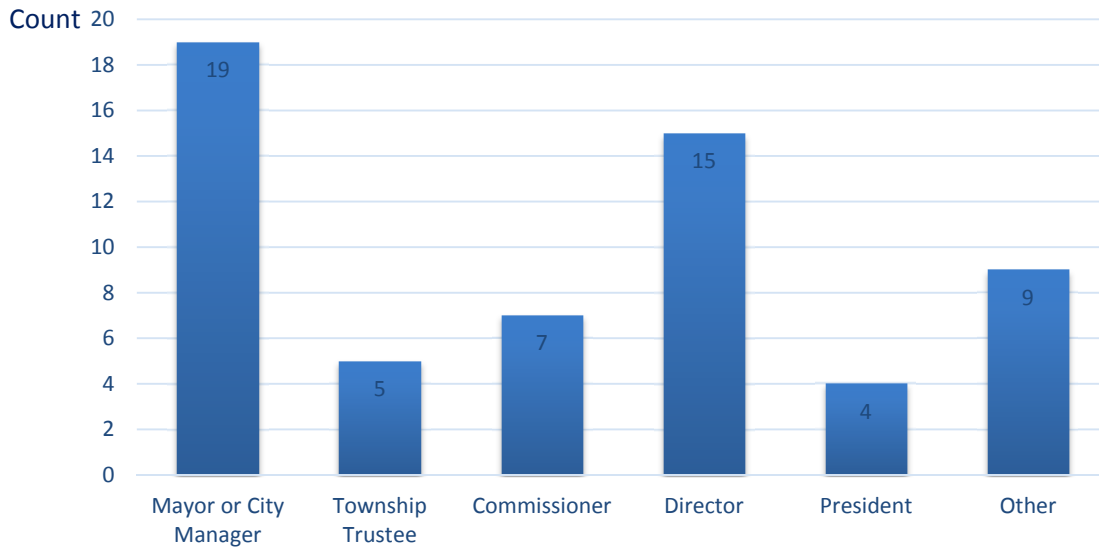
As can be seen in Figure 1,<sup>4</sup> half of the responses (31 of the 61) came from individuals working in municipal governments. An additional 16% came from county governments and 7% from regional governments. The remainder was from individuals in the nonprofit (13%) or private sectors (11%).

**Figure 1. Respondent Organization**



The individuals who completed the survey were most typically either a mayor or city manager (19) or somebody with the title of director (15), as can be seen in Figure 2 and appendix Table 2.

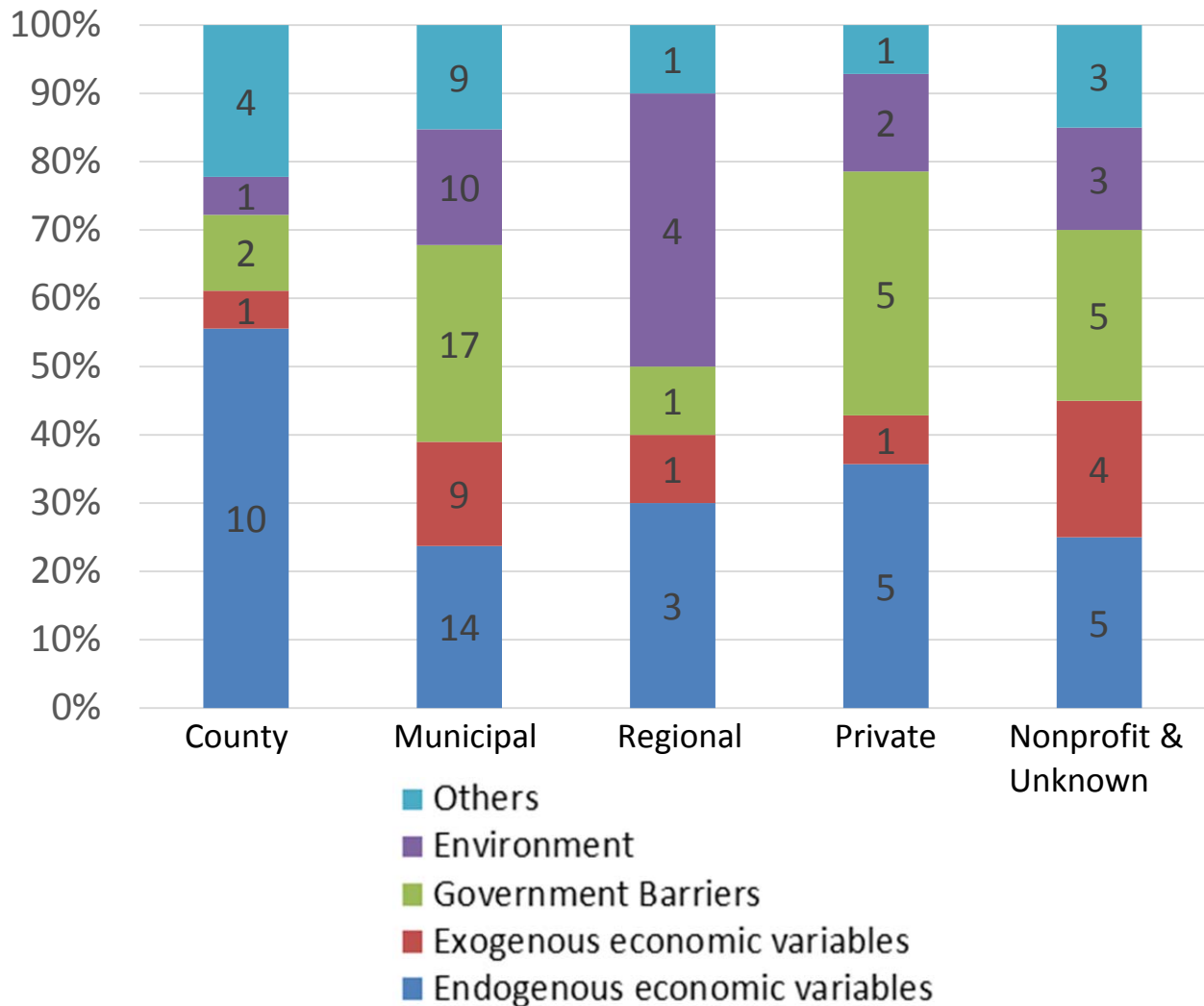
**Figure 2. Respondent Job Titles**



### Threats to economic stability and growth

Respondents were asked to list the three biggest threats to economic growth in their communities. The respondents were free to list anything, and the open-ended responses categorized into major themes. The most common responses were local economic concerns such as unemployment and business closures. This was followed by concerns about the lack of response by leadership, such as a lack of vision, resistance to change, mismanagement, and lack of local government cooperation. The third largest category of concerns involved the physical infrastructure and natural environment.

**Figure 3. Reported Threats to Economic Stability and Growth**



As is displayed in Figure 3,<sup>5</sup> these answers were grouped into five broader categories that captured local threats to the economy (Endogenous economic variables), threats emanating

externally from the locality, such as macroeconomic conditions (Exogenous economic variables), concerns about policy, such as governmental mandates or reduced funding from higher levels of government (Government Barriers), factors related to the physical and natural environmental (Environment), and various other factors, such as drugs and crime (Others). Figure 3 further breaks down the perceived threats by the type of respondent. Far more leaders at the county level listed endogenous economic factors (10) than exogenous factors (1), possibly reflecting that counties are much larger entities than cities. Municipal leaders were closer to being evenly split in their concern for internal and external economic matters. They were also more concerned about actions carried out by other levels of government. Regulations, planning, and federal and state funding cuts were listed as threats by 17 municipal leaders. Government action and intervention were also listed as threats by more than a third of the private sector leaders and a quarter of the non-profit leaders surveyed.

To examine the degree to which these issues pose a threat to the local communities, we asked the respondents to indicate their level of concern regarding the first threat they listed. As can be seen in bottom row of Table 4 in the appendix, over 40% (26 of the 61) of the respondents indicated that they were “very worried.” An additional 54% (33 of the 61) indicated that they were “somewhat worried,” and only two respondents indicated that the top listed threat was not of significant concern to them. Those who had listed endogenous economic threats were most likely to say that they were concerned that the threat would hamper growth. Threats from the natural environment were also a point of economic concern for those who listed it – 60% (6 of 10) of those who listed natural environment threats as their primary threat were very concerned that these threats would hamper their economic growth.

### **Policy responses**

The local leaders were also asked how they address the threats to their communities. Many respondents communicated multiple approaches, and Appendix Table 5 reports the first response on each survey. The most common first response was the provision of programs and incentives targeted at businesses (19.67%). Marketing the community was the second most cited primary method (14.75%), followed by attempting to increase revenue inflow through grants, taxes, and lobbying (11.48%) and participation in partnerships and collaborative efforts (11.48%). Other strategies taken included initiating new strategic planning projects; developing infrastructure; addressing faults in systems that directly affect the natural environment like sewage systems; and

workforce development programs. Seven respondents reported that nothing was being done to address the threats.

Some of the actions taken to address the threats that are related to the threat listed by the respondent. Appendix Table 6 reports major categories of responses to the threats by the type of threat. Business-support activities were reported most frequently by those who saw endogenous economic factors as threats. Those concerned about this threat also engaged in partnerships, marketing of the area, efforts to increase local revenue inflow and workforce development. Most of the respondents who listed exogenous economic factors as threats said that they were engaging business related activities and partnerships in order to mitigate the threats that macroeconomic factors presented. They, however, did not list efforts to increase government revenues as a their first mechanism to address the threats to their stability and growth.

Other actions meant to address threats do not relate as obviously with the threats listed. Those who listed government barriers as their primary threat were attempting to increase revenue flows to the local government and marketing their area. Only one respondent indicated that they were engaging in new planning projects and none listed first partnering, collaborating, or working with other communities. Also, 70% of those who listed the environment as a threat did not list addressing environmental problems as the first effort.

To further examine the economic development approaches that communities used to address their threats, the survey asked the respondents to characterize their general approach to development. While governments actively engage in attracting new business (56% reported that they agree or strongly agree with the statement that their community places an emphasis on recruiting businesses from other locations), an even larger percentage of respondents reported that their policy focuses on incumbent businesses (79% reported that they agree or strongly agree with the statement that their community places an emphasis on developing local businesses).

The survey also about the general approaches to attracting new businesses. As is seen in Appendix Table 7, the most typical response, or one-third of the communities, was that the primary approach is reactive and that they cater to any business that shows interest in the

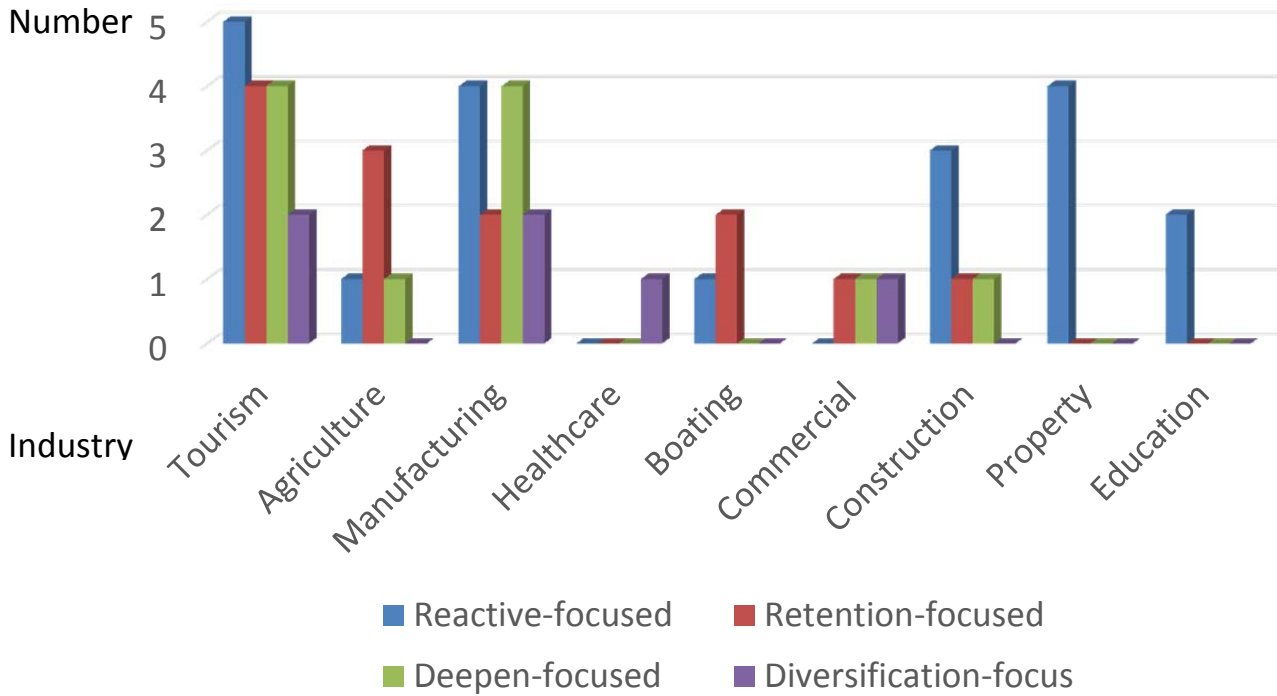
community (“reactive-focused). Beyond the five respondents who did not answer the question, the rest of the communities are more strategic. However, only slightly over 11% indicated that they focus on attracting a variety of industries (“diversification-focused”). Twenty-one percent reported that their primary approach is aimed at keeping existing businesses flourishing in their area (“retention-focused”), and 18% reported that they primarily focus on attracting new businesses (“deepen-focused”).

Appendix Table 8 displays a cross-tabulation between the general business attraction approach and the main threats to the community. For those who listed endogenous economic factors as threats, the reactive approach was far more popular than the other approaches – almost 40% (11 of 28) of the respondents. In comparison, none of local leaders who listed exogenous economic factors as threats lived in areas that focused on the reactive approach. Instead, those reporting exogenous threats also stated that their areas aimed to recruit businesses from other areas or they reported that they work toward retaining businesses. The category of respondents that see government actions as the primary threat use all approaches. As is seen in Appendix Table 9, government leaders are the most likely to be the drivers of the attraction strategy in any given community.

As is displayed in Figure 4, the attraction approach of each community also appears to have some relationship with the industries the communities claim are driving their economies. The first industry each respondent listed as the local economy’s primary driver is listed in the columns of Table 10. For these coastal Ohio communities, tourism (19) and manufacturing (15) stand out as the leading industries. The areas that have tourism as their primary driver tended to be more reactive and retention-focused. While those that have manufacturing as the driver react and deepen. Some recruiting was reported by those representing tourist areas but not as much as the previously mentioned approaches. Agriculturally-driven communities seem to be focused more on retaining the businesses that are present, and communities focused on construction, property or income taxes,<sup>6</sup> and education tend to be reactive.



**Figure 4. Attraction Strategy by Industry**



The survey also asked about approaches to retain existing businesses. The approaches were grouped into the general approaches listed in the rows of Appendix Table 11. The most common first-listed retention approach (one-third of the responses) involved opening a dialogue with the local businesspeople. This is an approach that can be taken by small communities that don't have budgets that allow for other development activities. Other common retention activities including marketing efforts, tax and non-tax incentives, and the development of partnerships. The columns of the table list the general attraction approaches from those same respondents. Those interested in diversification and in recruiting businesses from other areas engage in marketing activities and open dialogue with businesses. Reactive areas engage in open dialogue with business and provide tax incentives. Many of the leaders (42%) who said that their areas do nothing to specific to foster economic growth also lived in areas with reactive approaches. If the area focuses on retaining businesses, they provided non-tax assistance, developing partnerships, and open dialogue with businesses.

## Appendix. Data Tables

**Table 1. Survey Respondent Organization**

Organization Type	Count
Municipal Government	31
County Government	10
Nonprofit Sector	8
Private Sector	7
Regional Government	4
Did not answer	1
Total	61

**Table 2. Survey Respondent Job Title**

Job Title	Count
Mayor or City Manager	19
Director	15
Other	9
Commissioner	7
Township Trustee	5
President	4
Did not answer	2
Total	61

**Table 3. All Reported Threats to Economic Stability and Growth**

<b>Threats</b>	County	Municipal	Regional	Private	Nonprofit and Unknown	Number of Respondents Listing	Percent of Respondents Listing
Endogenous Economic Factors	10	14	3	5	5	37	60.66
Exogenous Economic Factors	1	9	1	1	4	16	26.23
Government Actions and Barriers	2	17	1	5	5	30	49.18
Physical and Natural Environment	1	10	4	2	3	20	32.79
Other Social Factors	4	9	1	1	3	18	29.51

**Table 4. Level of Concern Regarding First Threat Listed**

	Very Worried	Somewhat Worried	Not Very	Total
Endogenous Economic Factors	9	17	2	28
Exogenous Economic Factors	2	6	0	8
Government Barriers	7	5	0	12
Physical and Natural Environment	6	4	0	10
Other Social Factors	2	1	0	3
<b>Total</b>	26	33	2	61

**Table 5. First Listed Approach to Address Threats to Stability and Growth**

Approach	Times listed	Percent
Increase revenues (grants/taxes/lobbying)	7	11.48
Partnerships/collaborative efforts	7	11.48
New Projects/strategic plan/develop pro	5	8.2
Business programs and incentives	12	19.67
Education/marketing	9	14.75
Infrastructure	4	6.56
Address sewer/water/environmental issue	3	4.92
Workforce development/work with schools	4	6.56
Nothing	7	11.48
Other	2	3.28
Missing	1	1.64
<b>Total</b>	<b>61</b>	<b>100</b>

**Table 6. First Listed Attempt to Address Threats by Type of Threat**

<b>Attempt to address threat</b>	Increasing Local Gov. Revenue	Partnerships	New Planning Project	Business	Marketing/ Education	Infra structure	Address Environment	Work force	Nothing	Other and Missing	Total
<b>Type of Threat</b>											
Endogenous Economic Factors	3	3	2	8	3	2	0	3	3	1	28
Exogenous Economic Factors	0	2	1	2	1	0	0	0	1	1	8
Government Barriers	3	0	1	0	3	2	0	1	1	1	12
Environment	1	2	1	0	1	0	3	0	2	0	10
Other Social Factors	0	0	0	2	1	0	0	0	0	0	3
<b>Total</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>12</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>61</b>

**Table 7. Attraction Approach**

	Number	Percent
Reactive-focused: Cater to any business that shows interest in my community	20	32.7
Retention-focused: Aim to hold on to what we have	13	21.3
Deepen-focused: Aim to attract businesses in industries that currently drive the local economy	11	18.0
Diversification-focused: Aim to attract businesses in industries that are in different sectors than those that currently drive the local economy	7	11.4
Other	5	8.20
Missing	5	8.20
Total	61	100

**Table 8. Attraction Approach by Threats**

Threats	Reactive	Retention	Deepen	Diversification	Other	Missing	Total
Endogenous Economic Factors	11	5	4	3	3	2	28
Exogenous Economic Factors	0	2	3	2	1	0	8
Government Barriers	4	2	2	2	1	1	12
Environment	4	4	1	0	0	1	10
Other Social Factors	1	0	1	0	0	1	3
Total	20	13	11	7	5	5	61

**Table 9. Drivers of Attraction Strategy**

	Number	Percent
Government leaders	22	36.07
Industry leaders	11	18.03
Other	14	22.95
Missing	14	22.95
Total	61	100

**Table 10. Primary Drivers by Attraction Approach**

	Tourism	Agriculture	Manufacturing	Healthcare	Commercial	Construction	Property/Income Taxes	Education	Missing	Total
Reactive	6	1	4	0	0	3	4	2	0	20
Retention	6	3	2	0	1	1	0	0	0	13
Deepen	4	1	4	0	1	1	0	0	0	11
Diversification	2	0	2	1	1	0	0	0	1	7
Other	1	0	1	0	3	0	0	0	0	5
Missing	0	2	2	0	0	0	1	0	0	5
<b>Total</b>	<b>19</b>	<b>7</b>	<b>15</b>	<b>1</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>61</b>

**Table 11. Attraction Approaches  
by First Listed Retention Approach**

	Reactive	Retention	Deepen	Diversify	Other	Missing	Total
Marketing and education	0	0	1	1	1	0	3
Open dialogue with business	8	3	6	3	1	0	21
Tax breaks or incentives	3	1	0	0	1	0	5
Non-tax assistance	1	4	0	1	0	0	6
Develop partnerships	1	3	1	1	0	0	6
Nothing	3	1	0	1	2	0	7
Link to resources	0	1	0	0	0	0	1
Don't know	1	0	1	0	0	0	2
Missing	3	0	2	0	0	5	10
<b>Total</b>	<b>20</b>	<b>13</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>61</b>



## Notes

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<sup>1</sup> The Strategic Environmental Assessments Division of the National Oceanic and Atmospheric Administration (NOAA) defines a county as “coastal” if 15% of the land area is within a U.S. coastal watershed or if enough of a county comprises a minimum of 15% of a coastal cataloging unit. See [https://www.census.gov/geo/landview/lv6help/coastal\\_cty.pdf](https://www.census.gov/geo/landview/lv6help/coastal_cty.pdf) for further explanation. Based on this definition, 24 of Ohio’s 88 counties are considered coastal.

<sup>2</sup> In cases in which ZIP codes crossed county boundaries, we considered the county in which the greatest percentage of the population resided to be the relevant county. To calculate the fraction of the ZIP codes overlapping with counties, we used the MABLE/Geocorr 12: Geographic Correspondence Engine (<http://mcdc.missouri.edu/websas/geocorr12.html>).

<sup>3</sup> Because an unknown number of the other non-respondents are likely also in non-coastal counties, this number is likely conservative.

<sup>4</sup> The corresponding data are reported in **Error! Reference source not found.** in the Appendix.

<sup>5</sup> These data are reported in Appendix Table 3.

<sup>6</sup> These are self-described bedroom communities that are primarily residential.