

Build it and they will come? Think again

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An economic-development study by Zachary Neal of Michigan State University refutes the trusted old theory, "If you build it, they will come." Credit: Michigan State University

When it comes to economic development in American cities, the trusted old theory "If you build it, they will come" may not work, a Michigan State University sociologist argues in a new study.

Conventional wisdom holds that [job growth](#) attracts people to [urban areas](#).

But according to a study in the *Journal of Urban Affairs*, MSU's Zachary Neal found the opposite to be true. Bringing the people in first – specifically, airline passengers traveling on [business](#) – leads to a fairly significant increase in jobs, he said.

"The findings indicate that people come first, then the jobs," said Neal, assistant professor of sociology. "It's just the opposite of an 'If you build it, they will come' sort of an approach."

For the study, Neal examined the number of business air-travel passengers in major U.S. cities during a 15-year period (1993-2008). Business passengers destined for a city and not just passing through are a key to job growth, he said.

Attracting business travelers to the host city for meetings and other business activities by offering an easily accessible airport and other amenities such as hotels and conference centers is one of the best ways to create new jobs, Neal said. These business travelers bring with them new ideas and potential investment, which creates a positive climate for innovation and job growth. In the study, Neal analyzed all permanent nonfarm jobs.

Neal said the finding does not contradict more direct job-creation strategies, including the construction of office and retail spaces, which can often lead to new jobs in the area. He noted that such approaches are unlikely to attract business travelers and others to the area. Thus, the study clarifies the relationship between the two main ways cities can grow: by attracting new people and by attracting new jobs. Attracting new people to a city leads to job growth, but job growth does not attract new people, he said.

According to the study, municipalities with the greatest potential to convert business passengers into new jobs were largely "sunbelt" cities such as Phoenix, Miami, Dallas, Houston and Riverside, Calif. Those with the least potential were mostly East Coast or Midwestern cities such as Boston, Pittsburgh and Detroit.

Neal added that business airline traffic is far more important for a city's

economic vitality than population size – a finding he established in an earlier study and reaffirmed with the current research.

"One might expect to see a bump up in jobs first, and then a year or two later an increase in business passenger traffic," Neal said. "But we saw just the opposite. There was a bump up in business traffic and then about a year later a bump up in jobs. The business passengers were coming before the [jobs](#) did, rather than after."

Provided by Michigan State University

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