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Quality of Life and Diversity in the Benton Harbor Metropolitan Area: Findings and Suggestions in Attracting Professional Workers

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Attracting Professional Workers**

March 27, 2003

Prepared for:

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By

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Introduction

The purpose of this study is to identify the strengths and weaknesses of salient quality of life factors in Berrien County, as related to the attraction and retention of professional workers.

It is always risky to undertake a quality of life analysis. For one, the area's current residents are often defensive when the quality of life in their area is questioned. Secondly, even when an analysis identifies specific shortcomings or potential improvements, there may be a shortage of money, interest or organized manpower with which to address the problem. Moreover, the opportunity costs of attempting to improve an area's quality of life can be very high and may draw support away from programs currently providing valuable services to businesses and residents.

Perhaps we are getting ahead of ourselves in making even these considerations, when the most difficult aspect in a quality of life analysis is in defining "quality of life." Chances are if you were to poll a random sample of Americans and ask them to define characteristics of a high quality of life, you might not get the same answer twice! While many might mention a warm climate, a vibrant urban environment, or a safe and affordable suburban home as key to their happiness, there would likely be just as many votes for clean country air, winter snow for skiing, or the slow pace of a small town. In fact, many quality of life assets might at first seem to be conflicting; however, it is important to remember that the best places to live typically play the role of being many things to many people.

Fortunately, our task is made easier by the book that initially inspired this report, Richard Florida's *The Rise of the Creative Class*. In this 2002 publication, the Carnegie Mellon University economics professor explores the relationship between successful metro areas and their ability to attract the "creative class" of individuals: high-skill

workers, entrepreneurs and young professionals that drive the economy. What he found was a strong correlation with a very unique set of factors, where racial diversity, cultural openness and a vibrant arts community were better indicators of an area's success than more traditional economic indicators such as employment rate, population or the presence of established companies. In other words, he found that cities that are welcoming to creative types such as artists, musicians and writers are just as appealing to young, professional workers such as computer programmers, industrial designers, and business entrepreneurs, who utilize creative processes in their work.

So what do we know about Benton Harbor?

By any measure, the Benton Harbor MSA is a “small town” both in size and feel. Similar to a rural area, it lacks a definitive “core,” with the City of Niles and the neighboring cities of Benton Harbor & St. Joseph located 15-20 miles apart. However, the area does possess some unique characteristics that differentiate it from a typical Midwestern manufacturing community. On the positive side, Berrien County is blessed with miles of beach on Lake Michigan, both a benefit to local residents and a prime attraction to vacationers from outside the region. Secondly, it is home to the corporate headquarters of the Whirlpool Corporation, a Fortune 200 manufacturer of kitchen and home appliances and source of economic security to the region. Indeed, this is a rarity in an era when mergers and downsizing have increasingly concentrated administrative activities in large urban centers, leaving primarily branch manufacturing and sales operations in small and midsized cities.

The Benton Harbor area also faces problems typically associated with larger cities, such as population loss, poverty, crime, racial conflict and urban decay. In the minds of residents, community leaders and outsiders these problems have overshadowed the community for decades, leaving Berrien County with a very real image problem.

**Table 1
Historical Overview of Berrien County and Benton Harbor City**

		1970	1980	1990	2000
Population	Berrien Co	163,875	171,276	161,378	162,453
	Benton Harbor	16,481	14,707	12,818	11,182
		1970 to 1980	1980 to 1990	1990 to 2000	1970 to 2000
% Change	Berrien Co	4.5%	-5.8%	0.7%	-0.9%
	Benton Harbor	-10.8%	-12.8%	-12.8%	-32.2%

Unfortunately, a quick look at the data confirms that there is a problem in Berrien County. Over a period of 30 years, population growth in Berrien County has stagnated, actually dropping about 1.0 percent, while the metropolitan core of Benton Harbor City has plummeted since 1970, losing nearly a third of its residents (Table 1).

Table 2
2000 Poverty Rates

	Berrien County Total	Benton Harbor city	St. Joseph city	Berrien Co Suburban
Percent Living in Poverty	12.7%	42.6%	6.6%	10.7%
Percent of Children in Poverty	18.3%	52.8%	6.7%	14.7%
Median Household Income	\$38,567	\$17,471	\$37,032	n.a.

Source: 2000 Census

Poverty, too, is certainly an issue in Berrien County, particularly because of its high degree of concentration in the City of Benton Harbor. With a median income of less than half that of the county and nearly 50 percent of residents living in poverty (Table 2), this creates a very noticeable concentrated area of distress more typically associated with the “slum” areas of more urban cities.

Migration

Perhaps the best reflection of the strength of an area is its ability to attract in-migrants from other parts of the country. Unlike total population growth, which reflects both migration trends and net birth/death rates, a high net in-migration rate indicates that the area is attracting outsiders through quality of life attractiveness, employment-related job transfers, or other economic incentives such as a high-quality university or an overall thriving employment market.

Table 3 details the movement of individuals into and around Berrien County between 1995 and 2000. Although there is substantial movement between homes within Berrien County, fewer than 10 percent of resident households lived outside the state in 1995 (Table 3). When combined with IRS migration data, we can see that Berrien County experienced a net loss of over 3,000 households and \$100 million in personal income between 1995 and 2001, solely due to this inability to attract outsiders (Table 12).

Table 3
Migration: Attracting New Residents to Berrien County

	Berrien County Total	Benton Harbor City	St. Joseph City
Percent of Households in 2000 Who Lived Elsewhere in 1995	13.9%	12.4%	33.3%
Percent of 2000 Households Living Out-of-State in 1995	9.9%	5.5%	13.3%
Percent of Households in the same house as 1995	57.7%	50.2%	49.1%

Source: 2000 Census

Amenities

Many of the same individuals who express concern over quality of life in Berrien County are also justifiably shocked that the amenity set available in the area does not go farther in creating a desirable environment to live in. Certainly, the thousands of summer tourists who flock to St. Joseph, New Buffalo, and the Warren Dunes State Park are making the journey to enjoy the area's high quality of life.

Table 4
Natural Resources, Amenities and Recreation Facilities
Features in Berrien County

Miles of Lake Michigan shoreline	Aprox. 40
Miles of designated hiking, biking and skiing trails in 1994	43.75
Number of lake public access sites in 1990	13
Square acreage surface area of county lakes and ponds, 1991	4,256
Acres of public recreation land in 1990	3,103
Public golf course holes per 1,000 county residents in 1995	1.16
Acres of protected sand dunes, 1989	4,053

Source: MSU Extension Service, 1998 Berrien County Tourism Profile.

Table 4 provides an overview of just a few of the major amenities that attract tourists and are enjoyed by residents every year. In comparison to most rural Midwestern and urban-fringe counties, Berrien County offers a plethora of outdoor recreational amenities that include swimming, boating, fishing, biking, camping and golfing.

It is important to note, however, that while the shoreline offers plenty of *summertime* activity options, its offerings for the other eight months of the year are somewhat more restricted. Due to restraints of both size and income, the area's selection of indoor, cultural, and urban-type activities is severely limited. Certainly, even the sampling of art galleries, restaurants, and nightlife available in the area is limited by the fall-off in tourist dollars outside of the good-weather months of May through October.

Measures of Quality of Life

Despite these amenities, independent quality of life rankings have been generally unkind, consistently listing the area in the bottom portion of metropolitan areas in the United States. The *Places Rated Almanac*, which focuses on a variety of factors from weather to crime to the arts, puts the Benton Harbor MSA near the very bottom of metro scores; 311th out of 354 MSAs in the U.S. and Canada—a decline even from the start of the 1990s (Table 5). The area's Creative Class ranking of 144th—from the previously discussed *Rise of the Creative Class*—is slightly less pessimistic, primarily because its

scores are based on employment characteristics, diversity and arts. Both, however, seem to agree that overall quality of life in Berrien County lags far behind many other places.

If Richard Florida truly is correct, then Berrien County's quality of life deficiencies are having a direct impact on the economy and social health of the region. Still, the question remains as to how we can define "quality of life" and how, or even if, these factors might impact the overall success of the area. Thus, Section II examines the ten top-performing small metro areas, as measured by Creative Class ranking, and what factors they might share.

Section II
Compared to Benton Harbor:
Seeking defining characteristics from the top performers

Introducing the High Performers

As we said in the beginning of this report, defining quality of life and understanding the roles played by factors such as diversity, climate, and education is perhaps our biggest challenge. In this section we will look at several factors typically associated with quality of life and compare their relative value in Berrien County to ten high-performing metropolitan areas of relative size.

Table 5 lists the ten metropolitan areas with populations of fewer than 250,000 that, according to Richard Florida, were the most successful at creating an environment attractive to members of the creative class. This is, in fact, supported by the 1990 to 2000 population growth figures, which for every area far exceed Benton Harbor's essentially flat 0.7 percent increase.

Table 5
High Performing Small Metro Areas

MSA	Creative Class Overall Ranking	Creative Class Rank in Size Category	Places Rated Almanac 2000 Rank	2000 Population	Population Growth 1990 to 2000	Employment Growth 1990 to 2000
Santa Fe, NM	23	1	175	147,635	26.1%	26.5%
Gainesville, FL	34	2	99	217,955	20.0%	n.a.
Portland, ME	36	3	72	243,537	10.2%	20.0%
Burlington, VT	37	4	129	169,391	11.8%	24.9%
Lafayette, IN	47	5	199	182,821	13.2%	19.3%
Cedar Rapids, IA	51	6	197	191,701	13.6%	25.9%
Sherman, TX	58	7	294	110,595	16.4%	17.0%
Richland, WA	69	8	207	191,822	27.9%	n.a.
Iowa City, IA	73	9	183	111,006	15.5%	32.9%
State College, PA	77	10	234	135,758	9.7%	20.7%
Benton Harbor, MI	144	32	311	162,453	0.7%	2.7%

Sources: U.S. Census Bureau, *The Rise of the Creative Class*, 2002, Bureau of Labor Statistics, *Places Rated Almanac, 2000*- Rank out of 354.

Despite a strong national economy between 1990 and 2000, the good years seemed to skip over Berrien County, with comparatively modest employment growth of only 2.7 percent for the entire decade. This suggests that despite some economic strengths, such as Whirlpool's success and a boom in auto-related manufacturing, other factors continue to limit the region's growth, both in terms of jobs and population.

Higher Education

Unfortunately, the Benton Harbor area is trailing far behind in the one factor of higher education which truly seems to matter—retention and attraction of a highly educated population. Compared to our group of high-performance communities, a much lower percentage of Berrien County’s population holds a bachelor’s degree or higher (Table 6). Only Sherman, TX with 17.2 percent of their population holding a four-year degree or greater, is less educated.

Table 6
2000 Educational Attainment of Persons Age 25+

	% of Pop. with 4-Year Degree or Higher	% of Blacks with a 4-Year Degree or Higher	% of Hispanics With a 4-Year Degree or Higher
Benton Harbor, MI	19.6%	10.9%	18.2%
Average	33.0%	22.9%	27.4%
Burlington, VT	37.2%	37.3%	45.1%
Cedar Rapids, IA	27.7%	13.2%	22.7%
Gainesville, FL	38.7%	14.3%	47.0%
Iowa City, IA	47.6%	34.9%	34.5%
Lafayette, IN	28.2%	28.7%	15.6%
Portland, ME	33.6%	23.8%	32.6%
Richland, WA	23.3%	17.7%	4.7%
Santa Fe, NM	39.9%	28.2%	14.6%
Sherman, TX	17.2%	10.5%	8.0%
State College, PA	36.3%	20.0%	48.8%

Source: 2000 Census

Even more disturbing is the disparity in educational attainment when broken down on the racial level. While Hispanics are at nearly the same level as the county average for all races—18.2 percent versus 19.6 percent, respectively—blacks possess a bachelor’s level education at only around half the rate, 10.9 percent. The comparison grows even more dismal when made across our group of ten high-performing areas. Again, only Sherman, TX has a similarly low rate for blacks; the rest of the group boasts a four-year degree holding rate of more than twice the Benton Harbor MSA, 22.9 percent compared to 10.9 percent.

If we are to believe in the importance of diversity, then these are, to say the least, disappointing statistics. Across the board, Benton Harbor appears to lag in maintaining an educated population; however, the disparity between black residents and other races points to a wide gulf of culture, income and opportunity that will be difficult to overcome.

The presence of a college or university has long been associated with a unique setting and high quality of life. Whether public or private, large or small, higher education facilities typically provide their host community with an educated populace and higher level of arts and entertainment offerings than other cities of similar size. Furthermore, colleges attract some desirable demographics; as students are generally young, skilled and may represent diverse cultural, racial and social groups from other parts of the world. The introduction of college faculty may have a positive impact, too, since doctorate degreed professors typically receive high salaries and may provide additional services to the community in the form of consulting, volunteering and related research.

Surprisingly, while the presence of at least some degree of higher educational offering seems to be standard across our group of high performers, a highly concentrated college presence does not seem to be an absolute requirement. Of the ten high-performing areas, half—Burlington, Gainesville, Iowa City, Lafayette and State College—have high enough concentrations to be considered true “college towns” (Table 7). The other metros, including the Benton Harbor MSA, have between 4 and 7 percent of their total population enrolled in undergraduate or graduate programs, which is more consistent with the presence of a regional university branch or small liberal arts school, plus a typical community college. Offerings such as these tend to serve only the local population or possess too small of a draw to have a noticeable impact on the area.

Table 7
College Town Dominance

Year 2000 College Enrollment Levels	Percent of Population:		Total % of Population Enrolled in College Level Education
	Enrolled in College - Undergrad	Enrolled in College - Graduate or Professional	
Benton Harbor, MI	4.1%	1.2%	5.3%
Average	11.3%	2.5%	13.8%
Burlington, VT	9.0%	1.9%	10.9%
Cedar Rapids, IA	5.6%	0.7%	6.3%
Gainesville, FL	20.2%	5.0%	25.2%
Iowa City, IA	19.3%	5.8%	25.1%
Lafayette, IN	17.6%	3.4%	21.0%
Portland, ME	4.7%	1.2%	5.9%
Richland, WA	3.4%	0.6%	4.1%
Santa Fe, NM	4.9%	1.6%	6.5%
Sherman, TX	4.6%	0.5%	5.0%
State College, PA	23.3%	4.3%	27.5%

Source: 2000 Census

While this might seem to downplay the importance of higher education institutions, it is important to remember that they are still an important, and sometimes overlooked, source of talent and culture. In Berrien County, Andrews University provides a potential source

of diversity and cultural support as a unique private four-year school. Lake Michigan College also provides beyond workforce preparation, via cultural events at the Mendel Center's Mainstage and through its high-tech conference facilities. In addition, Kalamazoo's Western Michigan University has made a substantial investment in branch classroom facilities designed to accommodate adult graduate students living in the area.

Tolerance and Openness

Perhaps the strongest argument put forth in *The Rise of the Creative Class* is in regards to the role of tolerance in creating an environment attractive to the creative class. There are several reasons for this, including the ability of newcomers to adapt to an area, the acceptance of new ideas and concepts, and the pure fact that young and upcoming professionals, creators and entrepreneurs tend to come from a diversity of backgrounds. One can see how communities which are open to different cultures, age groups and ethnicities probably also tend to be accepting of new products, ideas and ways of doing business; thus, areas which have attractive social settings tend to generate very attractive economic climates, based on this principal of openness.

In Table 8 we examine three measures of diversity and social structure; the percentage of foreign-born residents, the percent of residents aged 25 to 34, the percentage of same-sex-partner headed households, and the percent of the population living in "urban" density areas. Although controversial to some, these factors measure some key strengths of a region.

Table 8
Tolerance and Diversity

	% of total MSA population in "urban" areas	% of Population Ages 25 - 34	% of population foreign born	% of households with same-sex couples
Benton Harbor, MI	69.6%	12.0%	4.9%	0.59%
Average	73.2%	13.8%	6.5%	0.71%
Burlington, VT	69.8%	14.3%	5.7%	1.08%
Cedar Rapids, IA	83.7%	14.1%	2.6%	0.35%
Gainesville, FL	74.4%	14.5%	7.3%	0.68%
Iowa City, IA	76.7%	16.4%	6.4%	0.77%
Lafayette, IN	78.1%	14.4%	7.5%	0.49%
Portland, ME	68.2%	14.1%	3.8%	0.94%
Richland, WA	85.8%	12.8%	12.8%	0.41%
Santa Fe, NM	77.0%	12.5%	9.7%	1.12%
Sherman, TX	53.7%	12.0%	3.9%	0.52%
State College, PA	64.3%	13.4%	5.8%	0.71%

Source: 2000 Census

One example is urbanized population, which suggests a metropolitan area's ability to offer the amenities and neighborhood choices of a city environment to a wider grouping of people. Having a larger proportion of an area's population located in more densely populated city and urban regions can provide multiple benefits for the community; it allows more access to amenities and decreases travel time, while diminishing sprawl and maintaining the quality of life in surrounding rural areas.

Secondly, the percentage of persons ages 25 to 34 and the percentage of the population foreign born indicates an area's overall attractiveness and ability to attract new residents. Both groups are mobile and more likely to choose a region based on personal preferences and employment opportunities than more traditional ties of family, birth or chance. Adults between 25 and 34 are more likely to be college educated, single and/or without children, giving them the greatest degree of choice in home selection, as well as making them a valuable commodity in the up-and-coming ranks of the business world. Foreign-born individuals are very mobile—they've crossed borders to get here—and are thus also likely to pick an area that will be open to potential differences in language, culture, religion and food choices.

Lastly, the percentage of households headed by a same-sex couple says a great deal about the area's tolerance of lifestyles outside of a traditional norm. They serve as a sort of "canary in the coal-mine" whose scarcity may warn of other forms of intolerance or bigotry in the community.

Unfortunately, the Benton Harbor MSA falls far behind the leaders of the ten high-performing areas. Richland, WA, the home of the Hanford Research Facility in Eastern Washington, leads in both urban and foreign-born population areas. For early life-stage adults, ages 25 to 34, Iowa City is tops—presumably helped by the presence of the University of Iowa, which is home to nearly 10,000 graduate and professional students¹. In the category of same-sex households, two seemingly opposite metros, Burlington, VT and Santa Fe, NM are nearly tied, both with slightly over 1 percent of total households. (Table 8)

These results are not surprising, given the positive externalities benefiting many of these high-performing metros. The presence of a major university or government research institute is, unfortunately, not transferable to Berrien County. However, this is not to suggest that issues of tolerance, openness and diversity should be skipped over. On the contrary, we believe those concerned about the future of the Benton Harbor area should view this as a concrete goal, one that is very necessary to overcome the poor reputation and cultural divide which still plagues the area today.

Occupations and Workers

Up until this point, much of our discussion has revolved around the amenities and social factors which might make a place more attractive to the creative class. However, as with

¹ University of Iowa Factbook, Spring 2003.

many economic and social problems, you cannot have one without the other, or in this case, you can't have a creative class without professional, tech and creative jobs to support them. Thus, in Table 9 we use occupational data from the 2000 Census to examine three job categories said to comprise the new "creative class."

These three categories are important because of their educational requirements, income potential, growth rates and general desirability compared to traditional "old economy" occupations. Each of the three contain a mix of occupations, some of which drive the new economy, such as scientists and entrepreneurs, and others which support, inspire or even spin-off from these primary activities.

Table 9
Young, Skilled and Creative Workers

	Total Employed Persons, Age 16+	Occupation Concentration			Total % of Occupations "Creative Class"
		% White Collar Professional	% High Tech	% Core Creative	
Benton Harbor, MI	76,557	15.3%	6.0%	7.2%	28.5%
Average	86,205	18.7%	9.3%	10.1%	38.1%
Burlington, VT	92,328	20.7%	10.7%	9.7%	41.1%
Cedar Rapids, IA	103,761	18.3%	9.4%	6.6%	34.3%
Gainesville, FL	105,293	21.1%	9.6%	12.9%	43.6%
Iowa City, IA	64,255	20.2%	8.9%	13.1%	42.3%
Lafayette, IN	90,306	14.3%	7.6%	11.0%	33.0%
Portland, ME	130,313	22.5%	7.5%	8.1%	38.1%
Richland, WA	85,746	16.1%	10.3%	7.2%	33.6%
Santa Fe, NM	74,586	22.4%	12.4%	10.0%	44.9%
Sherman, TX	50,801	16.5%	5.3%	7.0%	28.8%
State College, PA	64,663	14.5%	11.0%	15.4%	40.9%

Source: 2000 Census. Upjohn Institute. See appendix for details of occupational definitions.

Again, the Benton Harbor MSA significantly trails the ten high-performing areas, with less than 29 percent of its resident workforce holding a "creative class" occupation, compared to an average of 38.1 percent in the high-performing areas. In the Core Creative category, which includes educators, artists and the media, the Benton Harbor area trails every area except Sherman, TX and Cedar Rapids, IA, despite significant efforts to build a stronger arts community in the area. High Tech employment disappoints as well—surprising since the category contains the engineers and scientists frequently supported by manufacturing operations such as Whirlpool.

It is the white collar professional category, however, which is most disappointing to see the Benton Harbor MSA trailing in, since it is the most general of the three. These

occupations include management, finance, legal, and skilled health care professions—fields which one would expect to receive a boost from Whirlpool or even the area’s comparable population size.

Tradeoffs: Paid to be there or paying to be there?

In the simplest of economic terms, individuals “pay” for an area’s quality of life by accepting its cost-to-income ratio for housing. This means that all things being equal, the percentage of income put toward housing costs should be about the same between places, regardless of base differences in wages or housing costs. For areas with a high quality of life, residents must accept a high housing cost-to-income ratio in the form of higher housing costs, lower wages or some combination of the two. As the old saying about Traverse Bay goes, “the view of the bay is half the pay.” On the other hand, for areas with a low quality of life, a lower housing cost-to-income ratio compensates residents for the less desirable surroundings.

As shown in Table 10, the rent-to-income ratio for the Benton Harbor MSA, 14.8 percent, is substantially lower than the comparison group average of 16.9 percent. This suggests that the quality of life offered in the Benton Harbor MSA is below that of the comparison group. Indeed, the area ranks third from last of the group, with only Cedar Rapids, IA and Richland, WA showing a lower willingness to pay in the form of the median-rent to household-income ratio.

Table 10
Rental Housing Costs in 2000 Versus Income

	Median Rent	Median Income	Median Rent as a % of Median Hshld Income	Percent of Rents \$750 and Over
Benton Harbor, MI	\$476	\$38,567	14.8%	2.6%
Average	\$576	\$41,225	16.9%	14.5%
Burlington, VT	\$643	\$46,732	16.5%	21.9%
Cedar Rapids, IA	\$510	\$46,206	13.2%	4.9%
Gainesville, FL	\$553	\$31,426	21.1%	16.5%
Iowa City, IA	\$564	\$40,060	16.9%	13.9%
Lafayette, IN	\$555	\$39,072	17.0%	9.0%
Portland, ME	\$621	\$44,707	16.7%	16.1%
Richland, WA	\$542	\$44,886	14.5%	9.3%
Santa Fe, NM	\$688	\$45,822	18.0%	30.3%
Sherman, TX	\$518	\$37,178	16.7%	5.0%
State College, PA	\$565	\$36,165	18.7%	17.7%

Source: 2000 Census.

In addition, the Benton Harbor MSA’s median rent, \$476, and percent of rents over \$750, 2.6 percent, (Table 10) were both much lower than found in any of the high-performing

metro areas. This reflects both the lower wage structure and slow population growth faced by Berrien County.

A look at the owner-occupied housing market only confirms the willingness to pay principal. In 2000, the median value of an owner-occupied home in the Benton Harbor MSA was \$20,000 lower (Table 11) than that of the comparison average—a difference of nearly 15 percent. This is despite the “lake effect” of shoreline homes that usually skews housing prices along oceans and major lakes. Furthermore, median household income levels are nearly the same; \$38,567 in the Benton Harbor metro versus \$41,225 in the comparison group, or a difference of around 5 percent (Table 10).

As discussed in Section III, much of this effect is related to the large discrepancy between black and white neighborhoods. In 2000, the median value of black-owned household was only \$58,400—or about 63% of the MSA value. (Table 20) In the comparison group, the median value of black-owned households is typically near or even above the median for all races, again suggesting that the Benton Harbor area is not perceived as offering a high quality of life for black residents.

Table 11
Owner-Occupied Rates and Median Values

	Median Owner- Occupied Housing Value	Percent of Households Owner- Occupied
Benton Harbor, MI	\$94,700	72.2%
Average	\$113,300	64.4%
Burlington, VT	\$132,600	66.2%
Cedar Rapids, IA	\$97,200	72.7%
Gainesville, FL	\$88,400	54.9%
Iowa City, IA	\$123,700	56.7%
Lafayette, IN	\$102,900	59.1%
Portland, ME	\$128,500	66.0%
Richland, WA	\$107,600	68.1%
Santa Fe, NM	\$174,900	69.8%
Sherman, TX	\$67,800	70.5%
State College, PA	\$109,400	60.2%

Source: 2000 Census

On a positive note, lower housing costs have enabled a greater percentage of residents to own their own home. In fact, Berrien County ranks second only to the Cedar Rapids MSA in home ownership, with a rate of 72.2 percent versus 72.7 percent respectively. Many studies suggest ownership is correlated with community pride and neighborhood stability. However, it is also true that rapidly growing communities usually offer a strong

supply of rental stock to accommodate the transitional needs of the creative class—an asset which may be lacking in Berrien County.

Wages

Occupational wages are perhaps one of the most difficult factors to accurately compare, since the variation in job duties, employee benefits and industry structure can be so large. For example, a mechanical engineer for an automobile manufacturer might earn a significantly higher salary than, say, a mechanical engineer for a bicycle manufacturer, even if both were located in the same area and even held degrees from the same university. This is because of numerous unknowns, such as the number of hours worked, supervisory duties, or even the profitability of the industry in which they are employed.

This caveat aside, however, average earnings statistics do provide an opportunity to examine wage-premiums across metro areas. In the case of this quality of life study, wages provide some insight into whether employees are difficult or easy to hire, as well as to the overall strength of the given industry.

As shown in Table 12, there are some significant differences between wages in the Benton Harbor MSA and the comparison group. In fact, average wages are higher in almost every “creative class” oriented major occupational grouping.

Table 12

Annual Average 2001 Wages by Occupation Category	% of Occupations in Benton Harbor	Benton Harbor, MI	Average of High Performing Metros	% of Occupations in 10 Metro Avg
Architecture and Engineering Occupations	2.6%	\$64,970	\$51,945	2.6%
Arts, Design, Entertainment, Sports, and Media Occupations	0.8%	38,070	34,177	1.3%
Building and Grounds Cleaning and Maintenance Occupations	3.7%	20,550	20,149	3.2%
Business and Financial Operations Occupations	2.6%	48,850	46,009	3.8%
Community and Social Services Occupations	0.7%	41,630	31,850	1.4%
Computer and Mathematical Occupations	0.8%	50,570	53,458	2.7%
Construction and Extraction Occupations	3.7%	34,780	32,844	4.5%
Education, Training, and Library Occupations	6.9%	42,000	41,753	7.6%
Farming, Fishing, and Forestry Occupations	0.3%	17,720	24,127	0.3%
Food Preparation and Serving Related Occupations	9.1%	15,850	16,917	8.2%
Healthcare Practitioners and Technical Occupations	5.2%	42,650	50,063	5.4%
Healthcare Support Occupations	2.9%	20,160	21,981	2.5%
Installation, Maintenance, and Repair Occupations	3.4%	34,140	32,565	4.0%
Legal Occupations	0.3%	54,720	56,519	0.6%
Life, Physical, and Social Science Occupations	0.6%	47,020	44,675	1.5%
Management Occupations	4.0%	67,450	66,258	5.4%
Office and Administrative Support Occupations	15.8%	25,360	25,990	17.6%
Personal Care and Service Occupations	1.7%	18,520	19,051	2.0%
Production Occupations	16.3%	29,560	27,674	7.3%
Protective Service Occupations	2.3%	25,460	32,091	1.7%
Sales and Related Occupations	10.0%	26,310	24,345	10.2%
Transportation and Material Moving Occupations	6.2%	23,800	25,381	6.2%
<i>Highlighting indicates "creative class" occupational grouping</i>				

Source: Bureau of Labor Statistics.

Of the ten occupational groupings oriented toward members of the “creative class” only three—legal occupations, computer and mathematical occupations and healthcare practitioners—paid a lower average annual wage than the high-performing metro group. In the cases of legal and medical practitioners, this may be more a factor of these industries struggling for profitability in Berrien County than their ability to attract skilled workers. The lower salary for computer and math occupations is more of a mystery, although it could be tied to the limited number of these jobs in the community compared to other locations; however, the connection is not clear.

Other creative and professional occupations, however, clearly show signs of requiring a higher wage incentive to attract talent to the Benton Harbor area. In the case of architecture/engineering and social service occupations, in particular, the difference is immense—over \$10,000 in annual salary premium over the high-performance average. Even a difference of two or three thousand dollars shows that a location compensation is occurring, especially when you take into account the relatively lower cost of housing in Berrien County.

Migration

Already mentioned in the beginning of the report, trends in migration tend to reflect a community’s desirability, as measured by the net number of new households moving into or choosing to leave. On the individual level, households may move to or leave from a place for a variety of reasons: family, employment, education, marriage, adventure, or any other factor which may or may not be related to the quality of life offered in their former or new home. After all, every day households are moving away from Hawaii, or moving to Mississippi, each with a different story explaining why. However, on a more “macro” scale, when households moving in one direction significantly outnumber those moving in the other direction over a period of years, it certainly begins to be a measure of something right or wrong in the overall structure of the community.

According to the Internal Revenue Service, who tracks the movement of households and income through tax returns, Berrien County has lost a net-total of 3,475 households and \$106 million in personal income between 1995 and 2001. Interestingly, households moving into the county had slightly higher incomes than those leaving—most likely a factor of Whirlpool hires and lakeshore retirees. However, because the number of households leaving so far outnumbered those moving in, the net income loss was still huge.

In sharp contrast, a quick glance at the comparison group reveals a differing scenario. None of the high-performing metros—with the exception of Richland, WA—experienced a net loss of households, although several were essentially flat, such as Lafayette, IN and Gainesville, FL. At the extreme, Portland, ME has excelled in attracting new residents over the five-year period, welcoming a net-gain of 8,937 households and over \$666 million (Table 13).

In terms of net income gains and losses, however, there was much variability amongst the group. Five of the metros actually suffered net income losses, despite moderate to significant net gains in the number of households. This would seem to reflect a college-town phenomenon in most cases, however, resulting from the fact that many households move to the area to attend school, work on research, or teach in a non-tenure capacity, until moving from the area for a higher-paid or full-time opportunity.

Table 13
County Level Migration Patterns 1995 to 2001

		Households	Income (thousands)	Average Household Income
Benton Harbor, MI	In	21,026	\$743,376	\$35,355
	Out	24,501	\$849,991	\$34,692
		-3,475	-\$106,615	
Gainesville, FL	In	53,196	\$1,500,073	\$28,199
	Out	53,066	\$1,513,404	\$28,519
		130	-\$13,331	
Iowa City, IA	In	31,197	\$859,864	\$27,562
	Out	30,682	\$1,011,118	\$32,955
		515	-\$151,254	
Cedar Rapids, IA	In	31,136	\$1,123,606	\$36,087
	Out	29,804	\$1,212,196	\$40,672
		1,332	-\$88,590	
Lafayette, IN	In	38,422	\$1,036,925	\$26,988
	Out	38,399	\$1,238,885	\$32,263
		23	-\$201,960	
Portland, ME	In	87,305	\$3,281,272	\$37,584
	Out	78,368	\$2,615,067	\$33,369
		8,937	\$666,205	
Santa Fe, NM	In	33,747	\$1,426,668	\$42,275
	Out	32,360	\$1,200,074	\$37,085
		1,387	\$226,594	
State College, PA	In	31,861	\$856,700	\$26,889
	Out	31,057	\$887,896	\$28,589
		804	-\$31,196	
Sherman, TX	In	19,359	\$650,322	\$33,593
	Out	16,737	\$506,808	\$30,281
		2,622	\$143,514	
Burlington, VT	In	38,327	\$1,345,367	\$35,102
	Out	36,859	\$1,261,446	\$34,224
		1,468	\$83,921	
Richland, WA	In	35,931	\$1,201,767	\$33,447
	Out	37,990	\$1,290,910	\$33,980
		-2,059	-\$89,143	

Source: IRS migration data.

Natural Features

Unlike most of the factors discussed so far, some determinants of quality of life are inherent to the area. Such is the case with a region's weather, topography and natural features.

Table 14 shows the average temperature, precipitation and major geographic features of our high performers alongside Berrien County. Somewhat surprisingly, the grouping doesn't fit any given pattern of location or climate, but includes metro areas from nearly every major region of the country. Burlington and Portland are in New England; Richland is in the Pacific Northwest; Cedar Rapids and Iowa City represent the Plains region; Gainesville is in the deep south; Sherman and Santa Fe are located in parts of the Southwest; and Lafayette, State College and, of course, Benton Harbor are situated in the Great Lakes region. This leaves Appalachia and the Pacific Coast as the only regions not represented in this small group of ten metros, which is not surprising given the large population density of the western coast and impoverished conditions throughout the southern Appalachian states.

Table 14
Geography and Climate

	Average Temperature	Average Annual Precipitation	Unique Geography
Benton Harbor, MI	49.5	39.7	Lake Michigan
Average	53.4	33.5	
Burlington, VT	45.2	36.1	Lake Champlain
Cedar Rapids, IA	46.9	35.5	None
Gainesville, FL	68.6	48.4	Heat, Sunshine
Iowa City, IA	50.0	34.7	None
Lafayette, IN	52.5	41.0	None
Portland, ME	45.8	45.8	Atlantic Coast
Richland, WA	48.9	8.3	None
Santa Fe, NM	56.8	9.5	Heat, Sunshine, Dry
Sherman, TX	65.5	34.7	Lake Texoma, Heat, Sunshine
State College, PA	53.3	41.5	None

Source: 2000 Census

Benton Harbor MSA would seem to have an advantage over many of the areas, given its proximity to the recreational offerings of Lake Michigan. The fact that five of the top performers have no real geographic advantage and that several have even more cold and/or rain than Berrien County suggests that the role of weather and geography is less correlated with quality of life than some might suggest. Furthermore, it at least suggests that the problems of life in the snow-belt can be overcome through other positive factors.

Transportation

Unfortunately, while the availability of highway access is a given in urban areas of this size, convenient air travel is sometimes lacking. Although perhaps not frequently associated with quality of life, long distance travel by air is a convenience more frequently utilized by “creative class” workers. Jobs in professional and creative fields often require some travel, while higher incomes and a more mobile lifestyle may also prompt flights for recreational trips and to visit families who may live far across the country or even world.

Table 15 below lists the airport nearest to each metropolitan area, along with a brief description of the level of service offered and the approximate travel time by car if the airport is not located in the immediate area. Airports without regularly scheduled service from a major commercial carrier were not included, since general aviation, charter/corporate flights and freight transport tend to be universally available and contribute less to general quality of life.

Table 15

Metro	Nearest Commercial Airport with Regular Passenger Service	Level of Service	Distance Miles or Time
Benton Harbor, MI	Chicago or South Bend	Major Hub or Regional	1 to 1.75 hours
Burlington, VT	Burlington Airport	Regional Commuters	In Metro
Cedar Rapids, IA	Eastern Iowa Airport	Regional Commuters	In Metro
Gainesville, FL	Gainesville Regional Airport	Atlanta and Charlotte, NC only	In Metro
Iowa City, IA	Eastern Iowa Airport	Regional Commuters	About 30-45 minutes
Lafayette, IN *	Indianapolis Airport	Hub	1 hour
Portland, ME	Portland International	Regional & Jets to Northeast and Midwest	In Metro
Richland, WA	Tri Cities Airport	Regional Commuters	In Metro
Santa Fe, NM **	Albuquerque SunGate	Hub	Just over 1 hour
Sherman, TX	Dallas-Ft. Worth	Major Hub	1.5 hours approx
State College, PA	University Park Airport	Limited Commuter Service - 4 destination	In Metro

Notes: * Also one commercial flight from Prudue University Airport to St. Louis
 ** Also one commercial flight from Santa Fe Municipal to Denver

Source: Upjohn Institute compilation from respective airport websites and yahoo.com

Not surprisingly, every region has either a local airport with multiple regional commuter flights, or is within a one to two hour drive time of a major hub with extensive national jet service. The best service was found in more isolated metros such as Cedar Rapids, IA, Portland, ME and Burlington, VT, which tend to serve as the primary airport connection for a larger rural region. Areas located nearer major hubs, or in more urbanized areas generally lacked an airport, usually because airports tend to struggle if there is a larger—and usually more cost effective—hub within a reasonable driving time.

Given these findings, the Benton Harbor area would seem to have neither an advantage nor disadvantage over the other metros in this size category. Chicago’s O’Hare is one of the world’s largest flight hubs, making nationwide and global connections accessible by a reasonable drive or train ride. Also, the regional airports of South Bend and Kalamazoo are both within an hour drive of the urban areas of Berrien County.

Section III Race and Quality of Life

The Great Divide

While the core focus of this report has been quality of life issues and attracting professional or “creative class” workers, it would be remiss not to examine the effect of the pronounced racial divide which exists in Berrien County. The neighboring cities of Benton Harbor and St. Joseph have long held the reputation of being two very divided worlds, not merely in terms of race but also levels of income, education, and amenities. Unfortunately, the data examined in this section only seems to confirm the depth of this division.

In Table 16 we can see the dramatic difference between the racial makeup of Benton Harbor City and St. Joseph City when compared to each other or even the remainder of Berrien County. As of the 2000 Census, the City of Benton Harbor was almost entirely black with 92.1 percent of the population, while St. Joseph City remains almost entirely white, with blacks accounting for only 5.1 percent of their population. Countywide, black persons account for 15.8 percent of the total population.

**Table 16
Racial Makeup of Berrien County in 2000**

	Berrien County Total	Benton Harbor City	St. Joseph City	Remainder of Berrien Co.
Percent of population black (nonhispanic)	15.8%	92.1%	5.1%	10.5%
Percent of population Hispanic	3.0%	0.6%	1.3%	3.3%
Percent change in black population 1990 to 2000	4.2%	-12.2%	60.6%	18.2%
Percent change in Hispanic population 1990 to 2000	82.2%	-46.7%	0.0%	92.4%

Source: 2000 Census

Although the percentage change figures for 1990 to 2000 might suggest that things are shifting toward a more balanced direction, it is important to remember that the base for growth in St. Joseph City is very small; 60.6 percent growth actually amounts to a gain of fewer than 200 people. Furthermore, the 12.2 percent decline in Benton Harbor City’s black population is directly related to their total population loss of 12.8 percent, or about 1,500 people, during the same period (Tables 1 & 16).

On its own, the racial distribution of Berrien County and the neighboring cities is not necessarily an issue of concern regarding overall quality of life. One would be hard pressed to find a city of significant size in the U.S. which did not struggle with at least some degree of segregation. However, in the case of the Benton Harbor area, this

division runs far deeper into wide social and cultural divides which threaten the stability and growth potential of the region.

Diversity vs. Division in Quality of Life

Table 17 shows the racial distribution of the high quality of life metros from the previous section compared to that of the Benton Harbor MSA. Overall, there is a high degree of variability in the racial composition of each area, ranging from an almost uniformly white environment in Burlington, VT to a near majority Hispanic mix in Santa Fe, NM. On the whole, however, most areas contain stronger representation from a variety of minority groups—Hispanics and Asians—and less of a black-white polarity.

Table 17
Race Composition as a Percent of Total Population

	Hispanic	White	Black	American Indian	Asian	Other & Multi-race
Benton Harbor, MI	3.0%	78.1%	15.8%	0.4%	1.1%	1.6%
Average	9.1%	82.6%	3.8%	0.6%	2.3%	1.5%
Burlington, VT	1.0%	94.5%	0.8%	0.4%	1.8%	1.4%
Cedar Rapids, IA	1.4%	93.1%	2.5%	0.2%	1.4%	1.4%
Gainesville, FL	5.7%	69.7%	19.1%	0.2%	3.5%	1.8%
Iowa City, IA	2.5%	88.8%	2.8%	0.3%	4.1%	1.5%
Lafayette, IN	5.6%	87.4%	2.1%	0.2%	3.7%	1.1%
Portland, ME	0.9%	95.3%	1.0%	0.3%	1.4%	1.1%
Richland, WA	21.3%	72.9%	1.2%	0.6%	2.0%	1.9%
Santa Fe, NM	44.4%	50.0%	0.5%	2.2%	1.2%	1.6%
Sherman, TX	6.8%	84.0%	5.8%	1.2%	0.6%	1.7%
State College, PA	1.7%	90.6%	2.6%	0.1%	3.9%	1.1%

Source: 2000 Census

Income and Poverty of Black Households

Statistics have always shown that Berrien County struggles with higher-than-average poverty rates; however, when explored on the race-specific level, the problem appears staggering. According to data from the 2000 Census, over one-third of Berrien County black residents and nearly half of its black children are living in poverty (Table 18). These figures soar even higher when looking at just Benton Harbor City, which suffers poverty rates in the range of 50 percent and a per capita income less than half that of the countywide figure for all races; \$8,861 versus \$19,952.

Table 18
Income and Poverty Statistics of Black Persons in 1999

	Berrien County, Michigan	Benton Harbor city, Michigan	St. Joseph city, Michigan	Remainder of Berrien Co.
Median household income	\$22,269	\$17,000	\$40,500	n.a.
Per capita income	\$11,643	\$8,681	\$14,930	\$13,554
Black Persons in poverty	35.5%	44.2%	7.7%	29.8%
Black children in poverty	46.2%	54.1%	0.0%	40.5%

Source: 2000 Census

Clearly, the standard of living experienced by blacks in Berrien County is much lower than that of other residents. The fact that the greatest levels of poverty are so concentrated within Benton Harbor City is especially troublesome, as it suggests many are facing limited social and economic resources, as well as a lack of employment networks.

Educational Attainment Levels of Minorities

Not surprisingly, employment levels and educational attainment figures reflect much of the same grim trends as the poverty statistics.

Table 19
2000 Education and Employment of Black Persons in Berrien County

	Berrien County, Michigan	Benton Harbor city, Michigan	St. Joseph city, Michigan	Remainder of Berrien Co.
Black persons age 25 and over:				
Percent with 4-year college degree or higher	10.9%	3.1%	10.3%	15.8%
Percent with no H.S. diploma or GED	32.7%	39.5%	43.1%	28.2%
Black persons age 16 and over:				
Rate of Labor Force Participation	59.2%	58.5%	19.8%	61.1%
Unemployment Rate	12.2%	15.7%	0.0%	10.2%

Source: 2000 Census

The black unemployment rate of 12.2 percent for the county—15.7 percent in Benton Harbor City—is especially dismal when you consider that these measures were taken for the 2000 Census, a time when the economy was still experiencing the tail of the 1990s boom (Table 19). Furthermore, the black participation rate—the number of black

residents over 16 either working or seeking work—is slightly lower than expected as well, suggesting that many have either given up looking for employment or that they lack the basic skills necessary to compete in the workforce.

Unfortunately, the educational attainment statistics tend to support the latter statement of lacking skills. In 2000, only 10.9 percent of black residents held a bachelors degree or higher, compared with 19.6 percent of all races across Berrien County (Tables 19 & 6). Again, Benton Harbor City is also dramatically worse, with only 3 percent of the black adult population holding a college degree, compared to nearly 40 percent who don't even hold a high school diploma.

Housing Values

Housing values tend to be highly correlated with income levels in much the same way as employment, poverty rates, and education levels. The median value of black households in Berrien County, \$58,400, is lower overall than the median for all races; \$94,700. Ownership rates also are lower; 41.3 percent for black households countywide, compared to an overall rate of 72.3 percent owner-occupied. (Table 11 & 20) In the City of St. Joseph, black homeownership is even rarer, a likely reflection of the smaller number of residents and high housing costs.

Table 20
Black Household Housing Tenure and Value in 2000

	Median Owner Occupied- Black Household Value	% Black Households Owner- Occupied
Benton Harbor, MI	\$58,400	41.3%
Benton Harbor City	\$39,600	37.0%
St. Joseph City	\$225,000	6.6%
Average	\$112,910	33.1%
Burlington, VT	\$156,300	23.9%
Cedar Rapids, IA	\$80,000	34.7%
Gainesville, FL	\$57,600	46.8%
Iowa City, IA	\$118,300	16.7%
Lafayette, IN	\$108,300	18.5%
Portland, ME	\$117,700	34.4%
Richland, WA	\$102,100	47.3%
Santa Fe, NM	\$162,000	42.5%
Sherman, TX	\$50,000	47.5%
State College, PA	\$176,800	18.7%

Source: 2000 Census

Moreover, the value of black owner-occupied housing in the Benton Harbor MSA is well below that of the high performing comparison group. The comparison average median of \$112,910 is nearly double that of the Benton Harbor MSA.

Although homeownership is not a prerequisite to a high quality of life, it is highly correlated with social and income stability. Furthermore, the large discrepancy between the housing tenure of blacks and the county overall, suggests that a large racial divide exists even apart from the isolation of Benton Harbor City.

Segregation

One way to measure the segregation of a community is to take a look at the racial composition of neighborhoods and compare the concentration of persons by race to the average of the overall community. This “segregation index” calculates an index for each neighborhood, or in this case Census Tract, which then contributes to a total county score on a scale of zero to one. At the extremes, a “0” indicates a perfect integration balance, whereas “1” would indicate total segregation.

Table 21
Segregation Index in Core Urban Michigan Counties

County	Dissimilarity Index	Rank Amongst Urban Counties
0 = Perfect Balance 1 = Total Segregation		
Berrien	0.747	10
Bay	0.462	2
Calhoun	0.614	6
Genesee	0.750	11
Ingham	0.505	4
Jackson	0.669	8
Kalamazoo	0.482	3
Kent	0.624	7
Midland	0.430	1
Muskegon	0.777	12
Saginaw	0.732	9
Washtenaw	0.513	5
Wayne	0.863	13

Source: W.E. Upjohn Institute.

Berrien County’s Segregation Index score of 0.75 is very high (Table 21) even in comparison to other Michigan MSAs. Although there are several urban counties in Michigan with similarly high segregation indexes, all are examples of struggling

counties: Genesee; 0.75, Muskegon; 0.78, Saginaw; 0.73, Wayne; 0.86. Conversely, index scores tended to be lower in the more thriving metro counties: Ingham; 0.5, Kalamazoo; 0.48, Midland; 0.36, Washtenaw; 0.51.

Business Ownership

As discussed earlier, part of what makes a community successful is its ability to provide an atmosphere which is open and supportive of new ideas and new businesses. It should also be a business environment which reflects the community and provides many avenues for creativity and productivity.

One avenue for expression of creativity and new ideas is through entrepreneurship. Even firms which might not be considered “cutting edge” still help fulfill the American dream of self-employment, as well as provide valuable job and income generating potential.

In Berrien County, however, black men and women are sorely underrepresented in the ranks of business owners. According to the 1997 Economic Census, only 380 of the county’s 12,056 businesses were owned by black men and women—less than 43 percent of all minority firm ownership. In terms of income, things are even more dismal; in 1997, black-owned companies in Berrien County accounted for only about 0.5 percent of all sales generated by county firms (Table 22).

Table 22
Business Ownership in Berrien County, 1997

	County Total	Black Owned	Comparison Group Average Total*	Black Owned Average in the Comparison Group*
Number of firms	12,056	380	13,788	313
Percent		3.2%		2.1%
Firms with minority ownership	899	380	929	313
Percent		42.3%		30.3%
Firms with paid employees	3,523	43	3,982	60
Percent		1.2%		1.4%
Sales receipts-all firms (\$1,000s)	\$7,697,962	\$42,082	\$13,821,935	\$15,369
Percent		0.5%		0.2%
Average Sales per Firm	\$638,517	\$110,742	\$1,002,437	\$48,135
Industries by concentration of ownership:				
	Black Owned Firms	% of total	Comparison Group Average Black Firms	Average % of Total in the Comparison Group
Ag Services	10	2.6%	17	1.7%
Construction	9	2.4%	35	4.8%
Manufacturing	4	1.1%	16	5.1%
Transportation, communication, utilities	30	7.9%	58	11.8%
Wholesale	15	3.9%	1	0.5%
Retail	46	12.1%	23	10.3%
Services	210	55.3%	154	46.2%
Other	56	14.7%	32	19.6%

Source: U.S. Census Bureau, 1997 Economic Census.

*Due to data limitations, comparison group is limited to only the Cedar Rapids, IA, Gainesville, FL and Lafayette, IN MSAs.

It comes as little surprise given the income statistics, to see how few black-owned firms have paid employees; only 43 provided jobs to someone other than the owner and perhaps his or her immediate family. This is reflected in the fact that over half of black-owned firms are in the service industry, which tends to yield lower profits than sectors such as manufacturing, construction and even retail. (Table 22)

For the three high-performing small metros for which there was available data, the percentage of black owned businesses, industry concentration and overall income are actually slightly lower than in Berrien County. However, these three communities—Cedar Rapids, IA; Gainesville, FL; Lafayette, IN—have, on average, a much smaller black population than Berrien County (Table 22 & 17), an indication that their overall representation of black entrepreneurs is still significantly higher.

Section IV Conclusions and Recommendations

Perceptions are persistent. This fact makes it extremely difficult for areas to achieve significant improvements in how their quality of life is perceived. Even if an area's public officials choose all the right moves and all of the area's key business and community shareholders join forces and work productively as a team, it may take years for the word to get out to individuals that the area is a good place to live.

Fortunately, an effective quality of life improvement program may achieve more immediate short-term success, by keeping current residents from moving away. Households across the nation make residential decisions based on perceived quality of life factors. While it may take a long time for an area to attract new residents based on its improved quality of life, its action today may prevent current residents from taking that attractive job offer somewhere else.

Our research suggests, unfortunately, that there are few clear strategies which will markedly improve perceived and actual quality of life. The reasons for this are:

1. Our examination of the similar-sized metropolitan areas that have been identified as having a good quality of life, shows that there is not a clear formula for their success. Some are college towns; others are not. Others are located in areas of natural beauty and warm climates; some are not. Most have a strong demand for professional occupations; however, the causality of this attribute is unclear as discussed later.
2. An area cannot buy a good quality of life by presenting itself as a cheap place to live. The availability of affordable housing, for example, may suggest that either the area's housing selection is extremely limited or that demand is lackluster. For young, highly mobile professionals, housing appreciation is as important as finding a suitable living environment. Price is generally not a factor if appreciation rates are strong. The same is true for other cost-of-living indicators; low costs may only suggest a lack of selection of premium products.
3. An area's quality of life for professional workers depends on the demand for their services which, in part, is determined by the area's quality of life. Once again, it is the old story of the chicken or the egg. Employers who hire professional workers can themselves be very footloose and choose desirable locations. Overall, both employers and employees tend to cluster in larger metropolitan areas because of their strong quality of life and "thick" labor markets. Small independent areas, like the greater Benton Harbor area, are often at a severe disadvantage because professional candidates know beforehand that if the current job offer does not pan out, they will have to move. Moreover, location decisions now typically must meet the career and lifestyle needs of two individuals, making

it more of a requirement that there also be plentiful opportunities for the trailing spouse/companion.²

4. Finally, it is not advisable to try and push the market to provide the type of services demanded by professional workers. For example, public subsidies for upscale restaurants would face serious opposition in most areas. Likewise, the construction of bike trails and other “activity-based” public areas may improve the area’s livability, but they can also result in a public outcry if the more basic needs of the area’s economically-disadvantaged are not being addressed. Unfortunately, it runs both ways. For example, if an area unlocks the barriers stopping too many economically-disadvantaged students from graduating high school, it would achieve national acclaim. At the same time, it may be taking itself off the site location list of young professionals who do not want to live in an area with such problems.

Unfortunately, our recommendations are few. Clearly, Berrien County has two major strengths in terms of its quality of life: Lake Michigan and its closeness to greater Chicagoland. The proper redevelopment and maintenance of the Lake Michigan shoreline in Berrien County is extremely important. Lakefront access, including lakefront living options should be developed, reserved and enhanced. The view of the lake should be “half the pay” as it is in Traverse City and other areas with strong quality of life attributes.

Finally, we recommend that local efforts first address the quality of life concerns of current residents before attempts are made to alter outside impressions of the area. Outside perceptions of communities, good and bad, are extremely difficult to alter through marketing or public relations campaigns. A potentially more effective route may be through informal word-of-mouth networking. If more current residents praise the area’s quality of life to their friends and family, it may generate a quiet, but significant change in the outside perceptions of Berrien County.

Focus group sessions and/or a targeted survey of area professionals may provide the necessary direction for the area’s policymakers. As in any venture, the smaller and the more achievable tasks should be acted upon first. Nevertheless, the area’s social and economic divide between black and white residents cannot be ignored. Harmful polarization must be replaced with a welcoming environment of diversity.

² Cornerstone Alliance has attempted to address this problem by setting up and maintaining the website www.careermind.org which offers new residents, especially trailing spouses/companions, the name and contact person of companies within commuting distance which employ individuals with their occupation.

Appendix

Sources Cited

- The U.S. Census Bureau. All 2000 and 1990 Census data taken from www.americanfactfinder.com . Statistics from the 1997 Economic Census are from the Economic section of www.census.gov . All other years are from their respective year's printed publications.
- The Bureau of Labor Statistics. BLS employment data used in this report represents the most current and revised as of March, 2003. www.bls.gov
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- Savageau, David, et al. *Places Rated Almanac*. IDG Books Worldwide, Foster City, CA. 2000.
- Spencer, Daniel M., et al. *Berrien County Tourism Profile*. MSU Extension Service, October 1998.
- Data on airports and flight availability was taken from a variety of public, web-based sources available the week of March 10, 2003. The authors believe all data to be a correct representation at the time of reference, for the purposes of this report.
- All other data based on research or calculations of the W.E. Upjohn Institute.

Definitions

- Throughout this report, the terms “Benton Harbor Area”, “Benton Harbor MSA” and “Berrien County” are used interchangeably to refer to all of Berrien County, MI.
- Occupational categories were compiled from available Census 2000 occupations. On each of the following pages, the selected occupations are highlighted in their respective category fields.

Definition Fields: % White Collar Professionals

Management, professional, and related occupations:

Management, business, and financial operations occupations:

Management occupations, except farmers and farm managers

Farmers and farm managers

Business and financial operations occupations:

Business operations specialists

Financial specialists

Professional and related occupations:

Computer and mathematical occupations

Architecture and engineering occupations:

Architects, surveyors, cartographers, and engineers

Drafters, engineering, and mapping technicians

Life, physical, and social science occupations

Community and social services occupations

Legal occupations

Education, training, and library occupations

Arts, design, entertainment, sports, and media occupations

Healthcare practitioners and technical occupations:

Health diagnosing and treating practitioners and technical occupations

Health technologists and technicians

Service occupations:

Healthcare support occupations

Protective service occupations:

Fire fighting, prevention, and law enforcement workers, including supervisors

Other protective service workers, including supervisors

Food preparation and serving related occupations

Building and grounds cleaning and maintenance occupations

Personal care and service occupations

Sales and office occupations:

Sales and related occupations

Office and administrative support occupations

Farming, fishing, and forestry occupations

Construction, extraction, and maintenance occupations:

Construction and extraction occupations:

Supervisors, construction and extraction workers

Construction trades workers

Extraction workers

Installation, maintenance, and repair occupations

Production, transportation, and material moving occupations:

Production occupations

Transportation and material moving occupations:

Supervisors, transportation and material moving workers

Aircraft and traffic control occupations

Motor vehicle operators

Rail, water and other transportation occupations

Material moving workers

Definition: % Creative Core (arts, education)

Management, professional, and related occupations:

Management, business, and financial operations occupations:

Management occupations, except farmers and farm managers

Farmers and farm managers

Business and financial operations occupations:

Business operations specialists

Financial specialists

Professional and related occupations:

Computer and mathematical occupations

Architecture and engineering occupations:

Architects, surveyors, cartographers, and engineers

Drafters, engineering, and mapping technicians

Life, physical, and social science occupations

Community and social services occupations

Legal occupations

Education, training, and library occupations

Arts, design, entertainment, sports, and media occupations

Healthcare practitioners and technical occupations:

Health diagnosing and treating practitioners and technical occupations

Health technologists and technicians

Service occupations:

Healthcare support occupations

Protective service occupations:

Fire fighting, prevention, and law enforcement workers, including supervisors

Other protective service workers, including supervisors

Food preparation and serving related occupations

Building and grounds cleaning and maintenance occupations

Personal care and service occupations

Sales and office occupations:

Sales and related occupations

Office and administrative support occupations

Farming, fishing, and forestry occupations

Construction, extraction, and maintenance occupations:

Construction and extraction occupations:

Supervisors, construction and extraction workers

Construction trades workers

Extraction workers

Installation, maintenance, and repair occupations

Production, transportation, and material moving occupations:

Production occupations

Transportation and material moving occupations:

Supervisors, transportation and material moving workers

Aircraft and traffic control occupations

Motor vehicle operators

Rail, water and other transportation occupations

Material moving workers

Definition: % Tech (Architecture, Engineering, sciences)

Management, professional, and related occupations:

Management, business, and financial operations occupations:

Management occupations, except farmers and farm managers

Farmers and farm managers

Business and financial operations occupations:

Business operations specialists

Financial specialists

Professional and related occupations:

Computer and mathematical occupations

Architecture and engineering occupations:

Architects, surveyors, cartographers, and engineers

Drafters, engineering, and mapping technicians

Life, physical, and social science occupations

Community and social services occupations

Legal occupations

Education, training, and library occupations

Arts, design, entertainment, sports, and media occupations

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Health technologists and technicians

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Material moving workers