

**Measuring the Value of Place:  
A Case Study of Recent College Graduates**

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## **1. Introduction**

In recent years, there has been a perception that many people who live in areas with high levels of natural and environmental amenities have made significant trade-offs in order to do so. In Western North Carolina (WNC) especially, many people feel that they have accepted a lower wage or salary, or a job that does not fit their credentials in order to live in a place that is so desirable. Indeed, WNC is full of place-based amenities. Easy access to outdoor recreation, a vibrant arts scene, historic buildings, and striking mountains are just a few of the features that WNC has to offer.

Just how much people feel they have given up to live in this locale, however, has not been evaluated. This information is important, as many cities are now using or contemplating incorporating amenity-led development into their own economic development models. Amenity-led development, or development that focuses preserving and showcasing the unique set of amenities of a certain location in order to attract individuals and firms, has been quite popular as of late. However, little information concerning the potential disadvantages of amenity-led development exists in the literature. This study aims to address these issues by evaluating exactly what and how much people feel they have given up in order to live in the places they do, and why they have done so.

## **2. Background**

### **The regional impact of amenities**

There is no doubt that there have been drastic changes in America's regional economic structure in the past century. Previous research hypothesized that people

decided where to live based on where jobs could be found. Now, many scholars believe that the opposite is true—businesses move to where qualified people are. Several studies have shown that migration patterns in the United States are now greatly influenced by the presence of desirable amenities (Power 1996, Nord and Cromartie 1997, McGranahan 1999).

Richard Florida proposes that economic development patterns are almost entirely developed by a certain class of people, what he calls the “Creative Class,” or people who “add economic value through their creativity.” This group is very mobile and their locational choice is determined mainly by the presence or lack of amenities. Particularly drawn to locales with high concentrations of artists, the Creative Class can also play a role in determining the migratory patterns of the rest of the population. Florida proposes that the other classes in the population are dependent on the Creative Class as a part of their livelihood, either by service sector employment generated by Creative Class needs or because of a need for members of the Creative Class to help their own businesses in some fashion (Florida 2002).

Thomas Power has also influenced regional economic development in recent years. In *Lost Landscapes and Failed Economies* (1996), Power outlines what he calls the "progressive" approach to development. Instead of relying on extractive types of economic activity, such as mining or logging to bring income into underdeveloped regions, Power prescribes preserving and protecting natural amenities so that new types of economies can be developed. Particularly interested in recreational and nature-based tourism, Power states that these types of activities can help create incentives to protect the regional environment and its amenities.

Many studies have corroborated the ideas of researchers like Power and Florida who state that natural amenities and other non-market goods play a role in locational choice. Deller et al. (2001) state that households take into account both market and nonmarket goods, including amenities, in their choice of where to locate. Their study shows that environmental amenities, especially the presence of water, and warm, sunny summers, have a positive correlation with both economic and population growth in the areas examined by the authors.

Nord and Cromartie (1997) state that locational choice now "depends on more than jobs." They show that natural amenities were the single most important determinant of net in-migration to rural counties throughout the 1990s. Wu and Cho (2003) have also shown that development is often amenity-driven, and that land and housing values are typically higher in areas with high levels of amenities.

### **Issues and Problems with Amenity-led Development**

Only a few studies (Coppock 1977, Marcouiller and Green 2000, Marcouiller Clendenning and Kedzior 2002) have included an in-depth look into possible problems associated with amenity-based development. According to Coppock, amenity-led development can create environmental problems such as soil erosion and loss of wildlife habitat due to construction on pristine landscapes. He adds that conflicts can ensue between the culturally different locals and in-migrants.

Marcouiller and Green state that tourism, perhaps the main type of amenity-based development, can create issues for communities that rely too heavily on it for economic advancement. Rural areas that are becoming less and less rooted in traditional sectors

such as agricultural and other types of production may search desperately for something to fill in the gap. Communities often turn to tourism as a way to both preserve natural and cultural resources as well as create economic growth in areas where other attempts have failed. However, the authors state, using tourism as a main economic development engine may bring new problems to communities for several reasons.

First, tourism is often very seasonal leaving individuals out of work for large portions of the year. Second, jobs in tourism are often low-skill and service based, leading to underemployment for many individuals. Third, the affordability of regional housing may be compromised, as out-of-towners compete with locals for homes.

Fourth, jobs in tourism can create an atmosphere of subservience if locals who are in service jobs cater to relatively wealthy tourists. Finally, tourism growth in rural areas may increase income inequality. While tourism-related businesses are frequently owned by affluent people, the people employed by them tend to be low-paid and seasonally employed. This, in addition to other factors, can create what the authors call a "hollowing out" of the middle-class, providing for a stark division between the incomes of the remaining two classes. The authors state that agriculture and forestry, two extractive or "traditional" economic engines, create more evenly distributed income patterns.

However, this fact may be of little assistance if these "traditional" jobs are already gone.

### **Motivation for Study**

In recent years, there has been an increased perception that WNC's unique atmosphere and many desirable attributes have caused an influx of tourists and in-migrants, as people have become more mobile and able to factor "sense of place" into

their locational decision. Many WNC residents believe that a large number of in-migrants are moving here due to the area's desirable local amenities, pushing labor supply up, and causing wages to be lower than the nationwide or statewide average.

### **Western North Carolina: Economic Profile**

Sales and related occupations account for 11.6 percent of jobs, and food preparation and serving account for 9.6 percent of jobs in the Asheville Metropolitan Statistical Area (MSA)<sup>1</sup>, putting them both in the top five most common occupations in the area. Compared to the state of North Carolina and the United States as a whole, these rankings are fairly typical. However, the wages earned in most jobs in the Asheville MSA tend to be lower than both the North Carolina and nationwide averages. Wages in Asheville are ninety-five percent of those for the state of North Carolina, and eighty-five percent of the national average (USBLS).

Home prices in Asheville, WNC's largest city, have risen 11.6 percent over the past year, from an average of \$187,590 in April 2003 to \$209,651 in April of 2004 (North Carolina Board of Realtors). Nationwide average home price increased by 7.1 percent during the same time period (Martin 2004). Over the last six years, home prices in Asheville have risen an average of 7.3 percent per year (North Carolina Board of Realtors).

Cost of living in Asheville was estimated to be 100.8 in 2003, with 100 as the nationwide average, according to the *Statistical Abstract of the United States* (US Census). Cost of living in Asheville is thus 100.8 percent of the nationwide average. Asheville's cost of living for housing index is especially high compared to the nationwide

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<sup>1</sup> The Asheville MSA includes Buncombe and Madison Counties.

average, at 110.0 in 2003. This high number is not surprising. With the perceived large in-flux of people moving into Asheville, it is logical that the supply of available housing would be tightened, thus driving prices up. Table 1 shows Asheville's cost of living information from years 1997 through 2002. It appears that Asheville is a relatively expensive place to live and own property.

Table 1: Cost of Living for Asheville, NC in the Years 1997-2003

Year	Composite cost of living index	Housing cost of living index
1997	104.0 <sup>1</sup>	110.9 <sup>1</sup>
1998	102.3 <sup>1</sup>	114.8 <sup>1</sup>
1999	103.8 <sup>1</sup>	118.1 <sup>1</sup>
2000	100.5 <sup>1</sup>	98.8 <sup>1</sup>
2001	Not available	Not available
2002	96.7 <sup>1</sup>	Not available
2003	100.8 <sup>2</sup>	110.0 <sup>2</sup>
<sup>1</sup> U.S. Census Bureau <sup>2</sup> City of Asheville		

### What Characteristics Make WNC a Desirable Place to Live?

WNC includes many recreational opportunities, such as thousands of acres of national parks and historical sites like the Blue Ridge Parkway and Great Smoky Mountains National Park, as well as privately owned Grandfather Mountain, Chimney Rock Park, and the Biltmore Estate. Nearby rivers offer extensive kayaking and tubing options. The climate of WNC is relatively mild with warm summers, and fairly short



winters that are just cold enough for it to snow. Many mountains can be seen from most locations in WNC, and can be easily accessed for recreation via the Blue Ridge Parkway among other routes. The area is also well known for its mountain folk music scene, its growing arts and craft community, and diverse selection of restaurants. Historic buildings continue to be renovated and restored throughout the downtowns of the area. Events and festivals unique to Asheville such as the Asheville Film Festival, Bele Chere, Brewgrass Festival, and Goombay are common throughout the year (Asheville Area Chamber of Commerce).

This variety of attractive amenities calls out to local residents, in-migrants and tourists alike from all over the world. Asheville has been rated one of the top ten best locations for second home investment, one of the top five best places to retire, one of the top twenty-five best arts destinations, one of the top ten best mountain biking towns, and among the top destinations for family vacations (“Asheville quality of life awards”).

### **3. Methodology**

To examine perceptions about tradeoffs people make to live where they do, a randomized sample of 750 graduates of the University of North Carolina at Asheville was taken from the years 1999 through 2004; 158 responded. Recent college graduates were chosen for the sample because as a group they are highly skilled and mobile, making them likely to have considered living in alternative locations and to have deliberated the trade-offs they had made in order to live where they do. The use of a survey over other types of more formalized research, such as the hedonic price method, was chosen mainly because of the author’s interest in survey research. In addition, while the hedonic price

method would have provided more concrete and perhaps less biased results, it also would not allow for the *perceptions* of respondents to play a role in the data. The role of these perceptions is reviewed in the Discussion section of the paper.

This survey instrument was roughly based on survey samples included in Salant and Dillman (1994). Please see Appendix for a copy of the survey.

#### 4. Results

##### Demographics

In general, the demographic range of the survey respondents was fairly narrow, which is to be expected given the nature of the sample: graduates from a particular college in a specific time range. Respondents' year of birth followed this trend with most respondents were born between the years of 1977 and 1981 which is consistent with their being traditional-aged college students for the years sampled. The mean age of survey respondents was twenty-nine years old. Table 2 summarizes the year of birth of respondents.

Table 2: Respondents' Year of Birth (n=153)

Year of birth	Number	Percent	Year of birth	Number	Percent
1939-1969	24	16%	1976	5	3%
1970	2	1%	1977	18	12%
1971	3	2%	1978	23	15%
1972	2	1%	1979	24	16%
1973	3	2%	1980	18	12%
1974	3	2%	1981	17	11%
1975	4	3%	1982	6	4%
Average year of birth: 1975					
Median year of birth: 1978					

Tables 3 and 4 summarize respondents' most recent and UNCA year of graduation, with 2002 being the most frequently chosen year of both UNCA graduation and most recent graduation. Post-secondary graduation information is shown in Table 3. Table 4 shows information about the highest level of education completed by survey respondents. Most respondents held a Bachelor's degree as their highest degree, with approximately 9 percent holding a higher-level degree.

Table 3: Most Recent and UNCA Year of Graduation (n=153)

Most recent year of graduation	Number	Percent	Year of graduation from UNCA	Number	Percent
1999	7	5%	1999	9	6%
2000	21	17%	2000	31	20%
2001	25	16%	2001	31	20%
2002	39	25%	2002	37	24%
2003	28	18%	2003	24	16%
2004	33	22%	2004	21	14%

Table 4: Level of Education (n=151)

Degree	Number	Percent
Bachelor's	136	90%
Master's	14	9%
Doctorate	1	1%

Table 5 shows the undergraduate majors of the respondents. The most frequent major was Management/Economics. This is not surprising since this study was sent out through the UNCA Economics Department. This could also be because people who are

interested in economics might be more tuned in to issues of trade-offs in their own lives, making them more likely to take interest in this study.

Table 5: Undergraduate Major (n=156)

Major	Number	Percent
Economics/Management	30	20%
Science	27	17%
History/political science	16	10%
Psychology	16	10%
Literature	14	9%
Mass Communications	13	8%
Sociology	11	7%
Music/art	8	5%
Computer science	7	4%
Mathematics	6	4%
Drama	6	4%
Foreign language	5	3%
Philosophy	3	2%
Education	3	2%
Interdisciplinary	2	1%
(Note: Because some respondents had double majors, the percentages do not add to 100, and the numbers do not add to n=156.)		

The vast majority (seventy-five percent) of respondents were currently living in North Carolina, with more than half of the respondents living specifically in the Western North Carolina region.<sup>2</sup> The rest of the respondents were fairly spread out over the U.S., although more respondents resided in the Southeast than any other area, much like

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<sup>2</sup> WNC residents were defined as those with a zip code beginning in 287, 288, or 289, roughly corresponding to Madison, Haywood, Transylvania, Henderson, Rutherford, McDowell, Yancey, Polk, and Buncombe Counties.

UNCA’s current student body. Table 6 summarizes places where respondents reported living.

Table 6: Residency of Respondents (n=151)

State/area	Number	Percent
North Carolina total	113	75%
Western North Carolina (WNC)	77	51%
Washington DC, West Virginia, and Virginia	6	4%
Georgia	5	3%
Tennessee	5	3%
California	4	3%
Florida	3	2%
Indiana	3	2%
Detroit/Pennsylvania	2	1%
New York	2	1%
South Carolina	2	1%
Ohio	1	1%
Oklahoma	1	1%
Texas	1	1%
Maryland	1	1%
New Mexico	1	1%
Nevada	1	1%

Household income distribution was fairly even among WNC and non-WNC groups, with people living in WNC making slightly more on average than non-WNC residents. Tables 7 and 8 summarize these results.<sup>3</sup>

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<sup>3</sup> As in many of the following tables, some respondents did not answer the zip code question. Thus, their answers to other questions are reported in the “All respondents” category, but not when the categories are broken down into WNC and non-WNC residents. As a result, the sample sizes for respondents from WNC non-WNC do not add up to the number in the “All respondents” column.

Table 7: Average and Median Household Incomes of Respondents

	All respondents (n=152)	WNC residents (n=76)	Non-WNC residents (n=71)
Average income	\$40,625	\$42,895	\$39,192
Median income	\$35,000	\$35,000	\$25,000

Table 8: Income Distribution of Respondents

Annual household income	All respondents (n=152)		WNC residents (n=76)		Non-WNC residents (n=71)	
	Number	Percent	Number	Percent	Number	Percent
\$0-10,000	16	10%	8	10%	7	10%
\$10,000-20,000	15	10%	10	13%	5	7%
\$20,000-30,000	39	26%	14	18%	25	35%
\$30,000-40,000	24	16%	16	21%	6	8%
\$40,000-50,000	15	10%	6	8%	8	11%
\$50,000-60,000	14	9%	6	8%	8	11%
\$60,000-70,000	11	7%	6	8%	4	6%
\$70,000-80,000	6	4%	3	4%	3	4%
\$80,000-90,000	2	1%	0	0%	2	3%
\$100,000-120,000	7	5%	4	5%	3	4%
\$120,000-140,000	0	0%	0	0%	0	0%
\$140,000-160,000	2	1%	2	3%	0	0%
\$160,000-180,000	0	0%	0	0%	0	0%
\$180,000-200,000	0	0%	0	0%	0	0%
Over \$200,000	1	1%	1	1%	0	0%

Survey respondents had a wide variety of occupations. The largest occupation groups for both respondents overall as well as those from WNC were teaching and service. Non-WNC residents were different in that the largest occupation group by far was that of student. This is not surprising, given that the WNC area has only one graduate school, and it is approximately one hour from Asheville, where UNCA is located. These groupings differ from both North Carolina as a whole as well as the nation, where the

largest group is by far “office and administration” (USBLS). However, these groups may be difficult to compare as the categories are defined differently. For example, this survey did not have an “office and administration” option. Table 9 displays survey respondents’ occupations.

Table 9: Occupations of Respondents

	All respondents (n=157)	WNC residents (n=76)	Non-WNC residents (n=70)
Administrative	5%	3%	6%
Art/craft	4%	4%	3%
Financial	7%	4%	9%
Homemaker	3%	1%	4%
Managerial	6%	7%	6%
Manual labor	2%	1%	0%
Medical	4%	3%	3%
Production	1%	0%	3%
Research	2%	0%	3%
Service	12%	9%	13%
Skilled trade	4%	5%	1%
Student	11%	3%	21%
Teaching	13%	9%	10%
Technical	6%	8%	7%
Other	31%	9%	21%

Table 10 shows the leisure activities of respondents. Respondents reported participating in a wide variety of leisure activities, the most popular being “hanging out.” Family activities and attending music performances were also important leisure activities for all respondents. WNC residents chose attending music performances much more frequently than respondents from elsewhere; this is not surprising given WNC’s reputation for being a bustling music hub, especially for bluegrass and old time musicians and their fans.

Table 10: Leisure Activities of Respondents

Activity	All respondents	WNC residents (n=76)	Non-WNC residents (n=70)
“Hanging out”	72%	71%	76%
Family	62%	68%	57%
Attending music performances	62%	70%	59%
Hiking	53%	62%	43%
Attending theater performances	38%	46%	31%
Camping	36%	43%	31%
Other	31%	32%	31%
Playing music	29%	36%	24%
Biking	26%	28%	23%
Religious	25%	34%	16%
Activism	22%	25%	21%
Political	18%	22%	14%
Environmental awareness/education	15%	21%	11%
Kayaking	9%	7%	10%
Civic	8%	13%	3%
Hunting/fishing	7%	9%	6%
Motorcycling	6%	11%	3%
Participating in theater production	4%	3%	6%

### Trade-offs

Table 11 summarizes respondents’ beliefs about monetary trade-offs they had made to live in the areas that they did. Slightly more than half of all respondents felt that they had given up some dollar amount by choosing to live where they did. While it was expected that many respondents would feel that they had given something up to live where they did, half of all respondents is a surprisingly large number. As the sample was fairly young, it is likely that they did not have as many reasons to stay in the area where



they were currently living, such as having children in school, or a spouse/partner with a job that was difficult to leave. Without being tied down, the survey respondents might be more likely have considered moving to an alternate location and thus might have a better idea of the trade-offs they were making to live in their current location.

Table 11: Respondents’ Thoughts on Monetary Trade-offs for Their Locational Choice

	All respondents	WNC respondents	Non-WNC respondents
Response to statement “I make a lower salary/wage than I could in another area.”	Agree: 51% Disagree: 25% Don’t know: 24% (n=154)	Agree: 68% Disagree: 7% Don’t know: 25% (n=75)	Agree: 34% Disagree: 43% Don’t know: 23% (n=70)
Average amount given up	\$16,347 (n=75)	\$18,460 (n=50)	\$11,545 (n=22)
Median amount given up	\$12,500 (n=75)	\$15,000 (n=50)	\$10,000 (n=22)
Response to statement “I have given up a larger salary/higher wage than I otherwise could have in return for living in a location that is a nice place to live.”	Agree: 34% Disagree: 43% Don’t know: 23% (n=154)	Agree: 49% Disagree: 27% Don’t know: 24% (n=75)	Agree: 17% Disagree: 59% Don’t know: 24% (n=70)
Average amount given up	\$18,043 (n=46)	\$18,220 (n=34)	\$8,550 (n=10)
Median amount given up	\$11,000 (n=46)	\$13,750 (n=34)	\$8,750 (n=10)

Many people believed the trade-offs they were making were due in part due to the fact that the region that they had chosen to live in had a high level of amenities.

Approximately one-third of respondents believed that the trade-offs they were making were specifically due to their living in a place that was a “nice place to live.” This was not surprising since a respondent under the impression that he or she was making large trade-offs in order to live in an unpleasant location would be likely to move.

When respondents were divided into WNC residents and those that live in other areas of the country, the resulting contrasts were striking. WNC residents felt that they had given up a median level of thirty-three percent of their income, while non-WNC residents felt that they had given up a median level of zero percent of their income. Additionally, WNC residents stated twice as often as those living outside of WNC that they could make a higher salary/wage in another area. Of the people who felt that they had made a trade-off to live where they did, WNC residents felt that they had given up a median level of \$5,000 *more* than non-WNC residents in order to live where they do. They also believed that they had given up an average of \$6,915 *more* than other respondents felt that they had given up in order to live where they had chosen.

Furthermore, WNC residents were more than twice as likely to state that they were giving up additional salary/wage precisely because they live in a “nice place.” These respondents felt that they were giving up a median level of \$5,000 more than those living outside the area in order to live in “a nice place.” They stated that they were giving up an average of \$9,670 more than those who lived elsewhere to live in “a nice place.” These results were also surprising. It was expected that WNC residents, who live in an area that is amenity-rich, would have an implicit willingness to pay for their location that could be expressed in the monetary trade-offs they believed they were making to live in the WNC area. However, the scale of the differences was notably large. Possible reasons for the remarkable size of reported trade-off differences are reviewed in the Discussion section.

Some respondents felt that they had made other types of trade-offs in order to live where they did. Over one-third of respondents felt that they were overqualified for their

job, and one-fourth of all respondents felt that they had accepted a job that did not fit their credentials in order to live in “a nice place.” Table 12 summarizes these results.

Table 12: Respondents’ Thoughts on Non-monetary Trade-offs for Locational Choice

	All respondents	WNC respondents	Non-WNC respondents
Response to statement “I am overqualified for my job.”	Agree: 37% Disagree: 56% Don’t know: 7% (n=149)	Agree: 43% Disagree: 44% Don’t know: 13% (n=74)	Agree: 29% Disagree: 64% Don’t know: 7% (n=72)
Response to statement “I could get a job that better suits my qualifications if I moved to another area.”	Agree: 50% Disagree: 33% Don’t know: 16% (n=155)	Agree: 62% Disagree: 26% Don’t know: 12% (n=77)	Agree: 37% Disagree: 40% Don’t know: 23% (n=70)
Response to statement “I have accepted employment that I am overqualified for in return for living in a region that is a nice place to live.”	Agree: 24% Disagree: 66% Don’t know: 9% (n=149)	Agree: 37% Disagree: 55% Don’t know: 8% (n=71)	Agree: 13% Disagree: 75% Don’t know: 12% (n=69)

When divided into place of residency, WNC residents stated 1.5 times more frequently than non-WNC residents that they were overqualified for their job. They also answered “Agree” 1.7 times more to the statement “I could get a job that better suits my qualifications if I moved to another area.” WNC residents agreed 2.8 times more than non-WNC residents with the statement “I have accepted employment that I am overqualified for in return for living in a region that is a nice place to live.” This question was aimed at discovering if WNC residents felt that they have made employment-type trade-offs precisely because they live in a high-amenity area. These responses were expected in that it was theorized that in high-amenity areas, many people compete for the

high-skill jobs that are available, causing some people to be underemployed. These people will be more likely to feel that they have made trade-offs because they live in a nice place.

WNC and non-WNC residents were also divided on the issue of ease of finding a job and the ease of finding skilled workers for employers. In the group as a whole, approximately one-third of respondents felt that it was easy to find a job that fit their credentials in their town of residence. Many WNC residents, however, felt that it was difficult to find a suitable job in their place of residence. WNC residents disagreed 1.3 times more than non-WNC residents with the statement “It was easy for me to find a job that suits my credentials in the town that I live in.” Most respondents felt that it was easy for employers to find skilled workers in the town they lived in. It was expected that residents of the high-amenity area of WNC would be more likely to agree with this statement than those respondents living in perhaps lower-amenity locales. WNC residents agreed 1.2 times more frequently that “It is easy for employers to find competent workers in the town that I live in” 1.2 times more frequently than non-WNC residents. It is intriguing that these numbers are relatively low. It was expected that the differences between WNC and non-WNC residents would be greater because the large numbers of skilled college graduates in the area would provide employers with many qualified choices of employees. Table 13 displays respondents’ ideas about skills matching for jobs.

Table 13: Respondents’ Thoughts on Skills Matching for Jobs

	All respondents	WNC respondents	Non-WNC respondents
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Response to statement “It was easy for me to find a job that suits my credentials in the town that I live in.”	Agree: 35% Disagree: 57% Don’t know: 7% (n=155)	Agree: 29% Disagree: 64% Don’t know: 6% (n=78)	Agree: 41% Disagree: 50% Don’t know: 9% (n=70)
Response to statement “It is easy for employers to find competent workers in the town that I live in.”	Agree: 58% Disagree: 25% Don’t know: 17% (n=156)	Agree: 61% Disagree: 27% Don’t know: 11% (n=78)	Agree: 52% Disagree: 25% Don’t know: 22% (n=71)

## 5. Discussion

### Interpretation of the results

It appears that residents of Western North Carolina, a high amenity area, are more likely to feel that they have given up both monetary and non-monetary aspects in order to live in a place that they find desirable. Not only did WNC respondents feel that they had given up the ability to make more money than if they lived in another location, but in more cases than in the non-WNC group, they also felt that they had accepted work that they were overqualified for, and had a difficult time finding a job. At the same time, WNC respondents were more likely to feel that it was easy for employers in their area to find competent workers.

Many respondents from WNC, while aware that they had made the choice to stay in the area while giving up certain job-related aspects, indicated significant displeasure with this trade-off in the comments section. Some were disgruntled enough to say that they were planning on leaving. One respondent stated “I think the [Asheville] area where I currently live is really beautiful but I feel there are not nearly enough job opportunities to keep me here.” Others were frustrated, but were not planning on leaving. Another respondent stated “It’s extremely hard to find a job in Asheville. Unless you are lucky or

know the 'right' people most college graduates (including my husband) are working two or three jobs to make ends meet. We love Asheville though...” Some respondents stated that they had left the Asheville area in order to find a job. One respondent said “Although I wanted to stay in Asheville, I found myself having to moving to the Triad to get a job.”

That respondents felt that they had made trade-offs in order to live where they did was expected since trade-offs are implicit in most or all decisions. However, the large amounts respondents reported giving up to live in WNC were surprising. Here it is important to note that some bias may be present in the study, as respondents self-selected to respond to the survey. People who responded probably had the strongest feelings about the issue at hand: the trade-offs they had made to live where they do. It is possible, then, that because of this self-selection, the results may overestimate the average trade-off UNCA graduates feel that they have made to live where they do.

In addition, in WNC there has been a great deal of attention paid to perceptions about trade-offs in recent years. That these trade-offs are the basis of many local conversations may have caused more people feel that they have made employment-related sacrifices to live in this area than actually are making them. The role of people’s perceptions introduces another interesting facet to this paper. While the trade-offs that respondents are making may not be as large as they believe that they are, it is respondents’ perceptions that lead to the dissatisfaction that many respondents indicated. Therefore, it is important that they not be discounted. This role of perceptions and their eventual role in overestimation of trade-offs is further supported when one compares non-WNC and WNC resident incomes (see Table 7). WNC residents report making a median

level of \$10,000 per year *more* than non-WNC residents, thus suggesting that they are not giving up quite as much as they think they are.

Further, if cost of living differences are brought in to the analysis, the model becomes more complicated. An estimated nominal trade-off of \$20,000 could be changed radically when cost of living differences as compared other cities are entered into the equation. If the person was comparing their salary to one they might make in New York City, for example, they might find that they were making a high nominal trade-off but might actually be experiencing a real benefit when one considers that housing prices are as much as four times that of Asheville (US Census). If they were comparing their salary to many other places in the state of North Carolina, however, they might be stating a trade-off that is much lower than if they were comparing to the nationwide average.

Overall, in WNC it appears that Richard Florida's (2001) statement that quality of life attracts skilled workers is true. However, in the comment section of the survey, many of these workers indicated displeasure with their decision to locate in this high-amenity area. Instead of feeling that they were experiencing the life of the "Creative Class" where workers are prized for their creative skills and individuality, they instead suggested that they felt trapped in jobs that do not meet their credentials and/or which underpay them.

Why these frustrated respondents do not leave WNC is an interesting question. It could be that their displeasure at being employed in what they see as a low-pay, low-skill job is something that they are willing to live with for a certain amount of time, but not forever. Since the majority of the respondents were young and without children, they may be less likely to feel the need for a well-paying and secure job that someone older might

feel. Perhaps when this group of individuals begins to think about settling down, they will find themselves moving to other locations, unless the employment scene in WNC changes for them.

### **Potential for Policy**

These results indicate sentiments that not all those living in high amenity locales are happy with their decision. This could help policymakers in their decision of whether or not to pursue amenity-led development, and how exactly they will integrate it into their larger development plans. In order to make individuals in high-amenity areas satisfied and willing to remain in these areas, employment options need to be expanded to include high-skill jobs that both challenge them mentally and reward them financially. If the skills of these potential workers are harnessed, the places they live could see substantial economic growth, beyond that which is taking place when these workers are employed in ways that do not meet their credentials. Most respondents in WNC stated that it was easy for employers to find competent employees, but difficult for potential employees to find suitable jobs, suggesting a gap between labor supply and labor demand. Perhaps more assistance to those wanting to start businesses that would employ skilled individuals, such as consulting firms, small-scale software companies, and research organizations would be helpful in WNC.

### **Possibilities for future research**

This study shows the sentiments of recent UNCA graduates concerning trade-offs made to live where they do. Further study of this region could help to show if and what



types of trade-offs WNC residents of all skill levels felt that they were making to live where they do. On a much larger scale, a nationwide sample of residents of identified high, medium, and low amenity areas could show if, how much, and what type of trade-offs respondents felt they were making in order to live in areas with differing levels of amenities.

This research suggests that people in this one high-amenity area may feel that they are making larger trade-offs in their locational decision than those who live in areas with few amenities. However, this theory has only been tested in one city, on a certain population demographic. Perhaps if individuals who had not graduated from college were surveyed, they might see job opportunities as relatively homogenized throughout the country, since it would be less likely to have a specific skill, and could find work to meet their credentials almost anywhere. It is therefore possible that these individuals would feel that they had made fewer employment-type trade-offs in order to live where they did.

Also of potential interest would be to survey students who had graduated in a wider range of years. Those who had graduated college less recently would have had more time to evaluate trade-offs made to live where they did, making them more likely to simply move away if they were dissatisfied with the trade-offs they had made to live in a certain locale. In addition, these individuals would have more workplace experience with which to give them marketable skills that would help them attain higher paying jobs. It is likely that these individuals would feel that they had given up less to live in their current location.

Additionally, while there has been a great deal of literature published concerning the respective valuations of differing rural amenities (Deller et al 2001, Wu and Cho

2003, Nord and Cromartie 1997), a relatively small amount of information has been amassed that concerns the importance of urban amenities, such as proximity to rural areas, park space, and historic buildings. A comprehensive study of high amenity cities could show what amenities people value most, which could help policymakers in making effective investments in these types of amenities.

## **6. Conclusion**

Amenity-led development does something that has long been considered an oxymoron: it utilizes environmental protection and cultural preservation to help economies grow. Because of this, and because it has worked for many communities, it has great potential to benefit regional economies. However, if policymakers fail to recognize the complexity of amenity-led development and potential problems associated with it, such as discontent concerning employment options and wages, they may potentially cause more problems than solutions for communities.

This study indicates that recent UNCA graduates who live in the high-amenity area of Western North Carolina feel that they have made economic substantial trade-offs to do so. Their willingness and desire to live in this area supports theories proposed by such amenity development proponents as Richard Florida and Thomas Power. However, the frustration at the trade-offs respondents feel they have made in order to live in this area shows that there may be some potential problems of amenity-led development that could be improved upon. By recognizing the potential problems associated with amenity-led development, researchers and policymakers can make better economic development choices.

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## **Appendix: Survey Instrument**

# **A Value of Place: Have UNCA Graduates Made Trade-offs to Live Where They Do?**

This study is being conducted in order to determine if college graduates have made trade-offs in order to live in the places that they choose. In recent years, there has been a perception that many people give up certain things, such as a high-wage job, or a job that fits their credentials, in order to live in locations that are desirable. Evidence has been accumulated in recent years showing that the characteristics that make cities desirable to live in are also important to the economic potential of the area. Asheville and the surrounding area is one of these places. This study will help to evaluate the importance of these characteristics to Asheville in economic terms.

The principal investigator is Kate Fuller, a student conducting undergraduate research at UNCA. The faculty advisor for this project is Dr. Leah Greden Mathews, UNCA Associate Professor of Economics.

Your answers will be anonymous and confidential. In addition, while we strongly encourage you to answer all of the questions to help us obtain statistically accurate results, you are not required to answer any of the questions. If you have any questions, please contact Dr. Leah Greden Mathews at (828) 251-6551 or Kate Fuller at

kbfuller@bulldog.unca.edu. Additionally, Dr. Joseph Sulock, Interim Chair of the UNCA Economics Department is also available to answer questions about this project, as well as other departmental affairs. He can be contacted at (828) 251-6568 or [jsulock@unca.edu](mailto:jsulock@unca.edu). Thank you very much for your time.

## The Value of Place Survey:

**What is your access number? Your access number appears on both your cover letter and in the right hand corner of your address label, in brightly colored ink.**

**1. What factors influenced your decision to live where you do? (Check all that apply)**

- Arts and music scene
- Available job type
- Availability of continuing educational opportunities
- Available wage/salary
- Cost of living
- Environmental quality
- Family in area
- Feeling of community
- Local politics
- Open space
- Property tax rate
- Proximity to outdoor recreational opportunities (such as hiking trails, bike paths, or rivers open to kayaking)
- Quality of schools for children
- Safety
- Savings not adequate to move somewhere else
- Social and cultural diversity
- Unique culture

Other:

**2. What was the *most* important factor in your decision to live where you do?**

## Hypothetical Questions:

Please read the following statements and mark either "Agree," "Disagree," or "Don't know." If you do not feel you know the answer, please try to identify the response that most closely represents your opinion.

**3. I would be willing to accept a lower wage/salary in return for living in a location that is a nice place to live.**

- Agree
- Disagree
- Don't know

**4. I would be willing to accept a job that I am overqualified for in return for living in a location that is a nice place to live.**

- Agree
- Disagree
- Don't know

**5. I would be willing to accept a higher salary in return for living in a location that is *not* a nice place to live.**

- Agree
- Disagree
- Don't know

**6. If I were to open a business, I would do it in the area that I currently live in.**

- Agree
- Disagree
- Don't know

**7. If I were to open a business, I would do it in an area that is a nice place to live.**

- Agree
- Disagree
- Don't know

## **Questions about Your Experience:**

**8. I make a lower salary/wage than I could in another area.**

- Agree
- Disagree
- Don't know

**8A. If you answered "Agree," please estimate the annual dollar amount that you feel you have given up:**

**9. I have given up a larger salary/higher wage than I otherwise could have in return for living in a location that is a nice place to live.**

- Agree
- Disagree
- Don't know

**9A. If you answered "Agree," please estimate the annual dollar amount that you feel you have given up:**

**10. I have given up living in a nice place in return for a larger salary.**

- Agree
- Disagree
- Don't know

**10A. If you answered "Agree," please estimate the annual dollar amount that you feel you have obtained in return for living in a place that is not a nice place to live:**

**11. It was easy for me to find a job with the salary/wage that I was looking for in the town that I live in.**

- Agree
- Disagree
- Don't know

**12. I am overqualified for my job.**

- Agree
- Disagree
- Don't know

**13. I could get a job that better suits my qualifications if I moved to another area.**

- Agree
- Disagree
- Don't know

**14. I have accepted employment that I am overqualified for in return for living in a region that is a nice place to live.**

- Agree
- Disagree
- Don't know

**15. It was easy for me to find a job that suits my credentials in the town that I live in.**

- Agree
- Disagree
- Don't know

**16. It is easy for employers to find competent workers in the town that I live in.**

- Agree



- Disagree
- Don't know

## Opinion:

**17. I believe that businesses are more likely to succeed in areas that are nice to live in.**

- Agree
- Disagree
- Don't know

**18. I believe that regions that are nice to live in have more economic growth than other regions.**

- Agree
- Disagree
- Don't know

## Demographics:

**19. In what year were you born?**

**20. What is the highest level of education that you have completed? (Check one)**

- Bachelor's degree
- Master's degree
- Ph.D.

Other:

**21. In what year did you receive your most recent degree?**

**22. In what year did you receive your undergraduate degree?**

**23. What was your undergraduate major?**

**24. Are you currently pursuing a graduate degree? (Check one)**

Yes

No

**25. What is/was your post-secondary major?**

**26. Are you working in the field of your undergraduate major? (Check one)**

Yes

No

**27. If you have a graduate degree, are you working in the field of your graduate major? (Check one)**

Yes

No

**28. How many children under the age of 18 live in your household?**

**29. What is your zip code?**

**30. How long have you lived in this zip code?**

**31. What is your gender?**

**32. What is your annual household income range? (Check one)**

- \$0-10,000
- \$10,000-20,000
- \$20,000-30,000
- \$30,000-40,000
- \$40,000-50,000
- \$50,000-60,000
- \$60,000-70,000
- \$70,000-80,000
- \$80,000-90,000
- \$90,000-100,000
- \$100,000-120,000
- \$120,000-140,000
- \$140,000-160,000
- \$160,000-180,000
- \$180,000-200,000
- Over \$200,000

**33. What leisure activities do you participate in?(Check all that apply)**

- Activism
- Attending music performances
- Attending theater performances
- Bicycling
- Camping
- Civic
- Environmental awareness or education
- Family
- Hiking
- Hunting/fishing

- Kayaking
- Motorcycling
- Participating in theater productions
- Playing music
- Political
- Religious
- Social (i.e. "hanging out")

Other:

**34. What best describes your current occupation? (Check one)**

- Administrative
- Art or craft
- Factory work
- Farming
- Financial
- Forestry
- Homemaker
- Managerial
- Manual labor
- Medical
- Production (legal, consulting, etc.)
- Repair
- Research
- Service
- Skilled trade
- Student
- Teaching
- Technical

Other:

**35. Would you like to receive a summary of the results from this survey? If so, please write your email address here.**

**Any comments that you would like to add would be greatly valued. Thank you for your time.**

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