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## Growth for its own sake won't be good for Ames

By Herman Quirnbach and Sue Ravenscroft , Special to The Tribune

In a recent series of guest editorials, Peter Orazem criticizes what he sees as the "slow" growth of the Ames community. We beg to differ.

Orazem's analysis fails to establish a values basis for assessing Ames' growth, and some of his statistical comparisons are inappropriate. Once a values basis is established, we find that more proper analyses of economic and demographic data suggest that Ames' growth path is reasonably healthy. The first question Orazem should have addressed is why growth is desirable. He seems to adopt the implicit assumption that growth is good simply for its own sake. We do not agree.

Rather we believe that growth is good to the extent that it reflects or facilitates the achievement of deeper underlying goals of the community. We also hold that the quality and nature of growth are important, not just its aggregate volume. For example, we believe that a moderate degree of population growth is a positive indicator that the community is a desirable place to live.

However, explosive population growth may fundamentally alter the nature of the community and its quality of life in ways that are a very mixed blessing. Moreover, rapid growth makes it difficult to expand city services in a planned, orderly, and cost-effective manner.

Income growth is desirable to provide a higher standard of living. Employment growth is desirable to the extent that it meets local residents' needs for jobs. Housing expansion is good to the extent residents have increased needs for shelter.

Retail sales growth, however, is by itself a less important indicator. It mainly is a byproduct of income growth: when people make more, they spend more. Local retail sales is something of an indicator of the breadth of goods and services locally available to consumers, but this is less important than it used to be because of the growth of e-commerce. And, while the retail sector does provide some employment opportunities, those jobs tend to be lower paying, seasonal, part-time, and less likely to include benefits.

Now for the facts. Let's start with population growth. In the 1990s, Ames grew by 7.5 percent, a rate both reasonable and sustainable - and faster than the state's growth of 5.4 percent. The cities Orazem used for comparison are now best understood as the expansion edge of metro Des Moines, rather than free-standing cities like Ames. During the decade of the 90s West Des Moines grew by 46.4 percent, Ankeny by 46.7 percent, Clive grew by 72.3 percent, Johnston grew by 83.9 percent, and Waukee by 104.1 percent.

Does anyone think that kind of growth is either possible or desirable for Ames? The controversy over "congestion" at 13th Street and Grand Avenue is minuscule compared to the civic fights we would face if Ames were growing that fast. And we'd be asking taxpayers to pass bond issues every month, not just for a new swimming pool, but for fire stations, schools, library branches, water treatment plants and all manner of other public infrastructure.

As to income growth, Orazem admits that "Ames per-capita income was growing faster than most places in the state" from 2000 to 2007.

The most basic indicator of job health is the unemployment rate. If unemployment is low, that means that we are finding jobs for most of the people who are looking for work. In May 2007, unemployment in Ames was 2.4 percent. In Story County, it was 2.5 percent, the same as in Dallas County and lower than Polk County's 3.1 percent. Iowa's rate was 3.6 percent. The U.S. rate was 4.5 percent. This pattern is typical of recent years: Ames and Story County do a better job at finding jobs for people than does the rest of the state, and Iowa as a whole does better than the rest of the nation.

One of the items Orazem attempts to compare is earnings per job. We don't find the comparison very meaningful for a very simple reason: Ames' labor force is quite unlike that of neighboring counties.

For one thing, we have a far larger percentage of people with advanced degrees.

For another, we have a huge population of 18- to 24-year-olds, who have both very limited job experience and a transient attachment to the labor force - i.e., a lot of them are not consistently looking for employment, especially fulltime employment. With such an atypical distribution of skills and experience, it is hard to construct valid comparisons of earnings per job between Ames and other communities, either at one moment or over time.

What about housing? Northridge, Northridge Heights, Bentwood, Hillside, Bloomington Heights, Spring Valley, Wessex, Somerset, and more - all of these Ames subdivisions are new in the last 20 years. New apartments? If anything, we are overbuilt. The one area we are a bit short on is the lower end of the owner-occupied market (according to the Story County Housing Study of 1997), and even there the recent spurt in new apartments seems to be pushing more older rental houses back into the ownership market. Ames' housing is still more expensive than other Story County towns, but certainly not because the supply is stagnant.

Orazem focuses much of his attention on retail sales. As we indicated, we think this measure is less important. Nonetheless, Ames is not doing too badly. The Retail Trade Analysis issued by the Office of Social and Economic Trend Analysis at ISU shows that while Ames has 65 percent of the population of Story County, 85 percent of the county's retail activity occurs here.

While Ames has a lower median household income than either Story County or the State of Iowa - mostly due to the preponderance of young college students - the amount of retail trade per person in Ames has been and continues to be at least 22 percent above the state average.

The Retail Analysis study shows that we serve 134 percent of the town's population. In other words, the "pull factor" is positive: people come to Ames to shop. In eight of the last nine years, this figure has surpassed the 130 percent mark; while for the 20 preceding years the "pull factor" ranged from 117 percent or 126 percent. Not only are we growing, but we are becoming more of a retail center for people outside of Ames. Excluding wholesale items, per capita spending in Ames exceeds the state average in all retail categories, including apparel.

Our retail opportunities in Ames have greatly expanded during the last 15 years. Lowe's, Best Buy, Staples, Borders, and Sam's Club are all new. Target and K-Mart have replaced older, smaller stores with bigger new ones. So has Hy-Vee - twice. Wal-Mart apparently soon will, too. And that's before we even get to the debate about a new mall or a revamped North Grand.

All in all, we think rumors and complaints about the death of Ames' retail activity have been greatly exaggerated.

Finally, on quality of life, Ames ranks highly. In the annual resident satisfaction survey, city services typically garner more than 95 percent positive ratings from residents. Outsiders like Ames, too. In 1990, Ames was rated the seventh best U.S. "micropolitan" area (i.e., between 15,000 and 50,000 population). In 1997, we rose to second.

We won't make the rankings next time, however. It's not that we're a worse place to live. Ironically, it's because we've grown beyond 50,000!

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