

Regionalism and an Economic Outlook on Kansas  
for  
Kansas Government Finance Officers Association  
Ninth Annual Fall Professional Conference  
September 19, 2008

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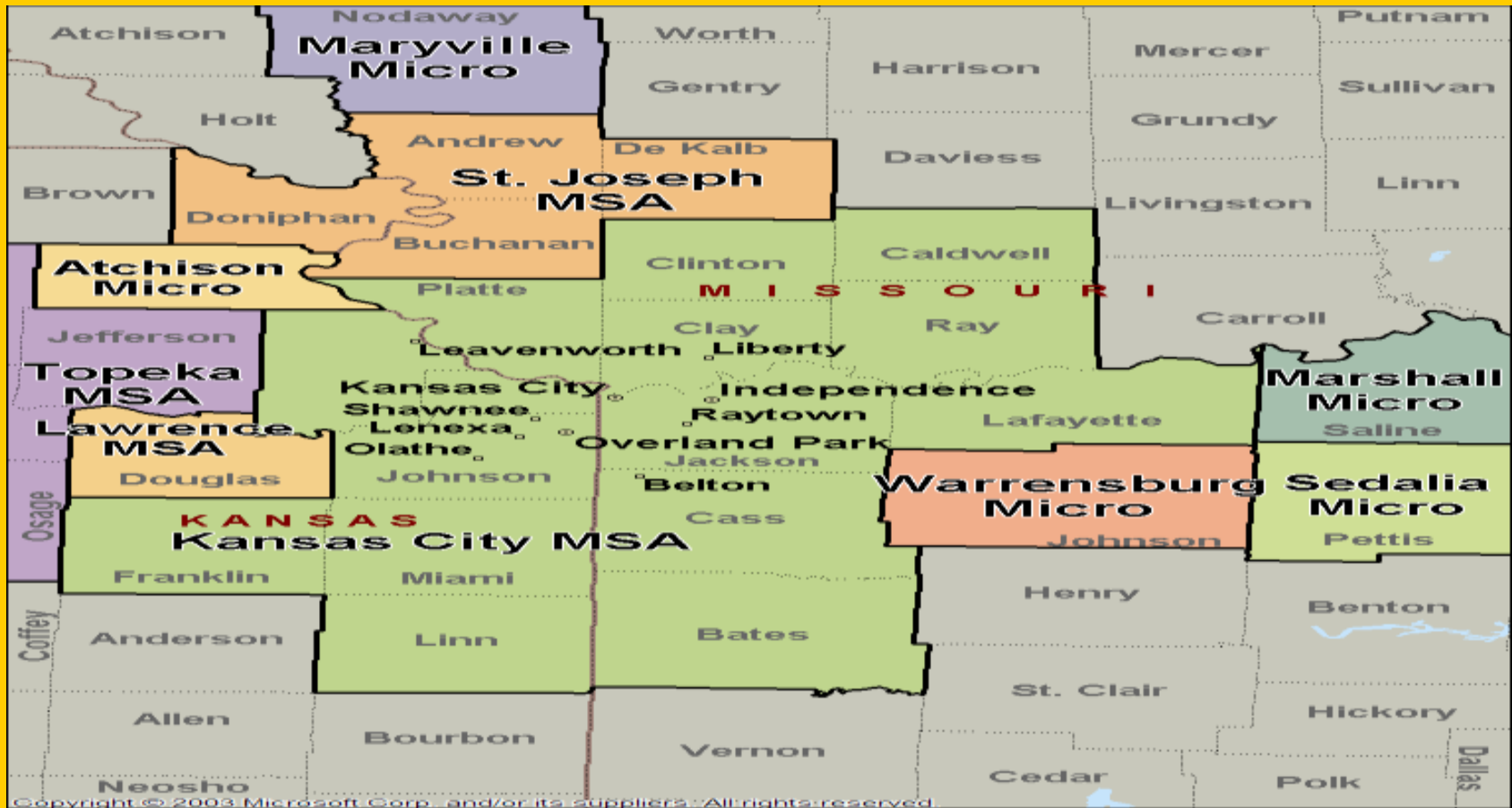
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# Census Core Based Statistical Areas

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- A core based statistical area (CBSA) contains at least one urban area with at least 10,000 population and is designated as either a metropolitan area or a micropolitan area
    - **Metropolitan Statistical Areas** (MSAs) have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties
    - **Micropolitan Statistical Areas** have at least one urban cluster of at least 10,000 but less than 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties
  - Metropolitan and Micropolitan Statistical Areas are defined in terms of whole counties (or equivalent entities), including in the six New England States
  - The classification includes about 93 percent of the U.S. population – about 83 percent in metropolitan statistical areas and about 10 percent in micropolitan statistical areas
  - Of 3,141 counties in the United States, 1,090 will be in the 361 metropolitan statistical areas in the United States and 694 counties will be in the 577 micropolitan statistical areas
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# The Local Impact of a Regional and National Economy





# The Local Impact of a Regional and National Economy



# The Global Landscape

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- Dual Trends: Globalization & Regionalism
  - Natural economic regions, not states, will be engines of future competitiveness
  - “Super-regions” are emerging that cut across state lines—they will become increasingly critical in any state’s economic future
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# Nature of Economic Regions

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- Economic regions are functional and reflect changing economic conditions
  - Economic regions do not necessarily reflect political or cultural lines
  - Each economic region can be defined in relation to its “economic potential” and “location”
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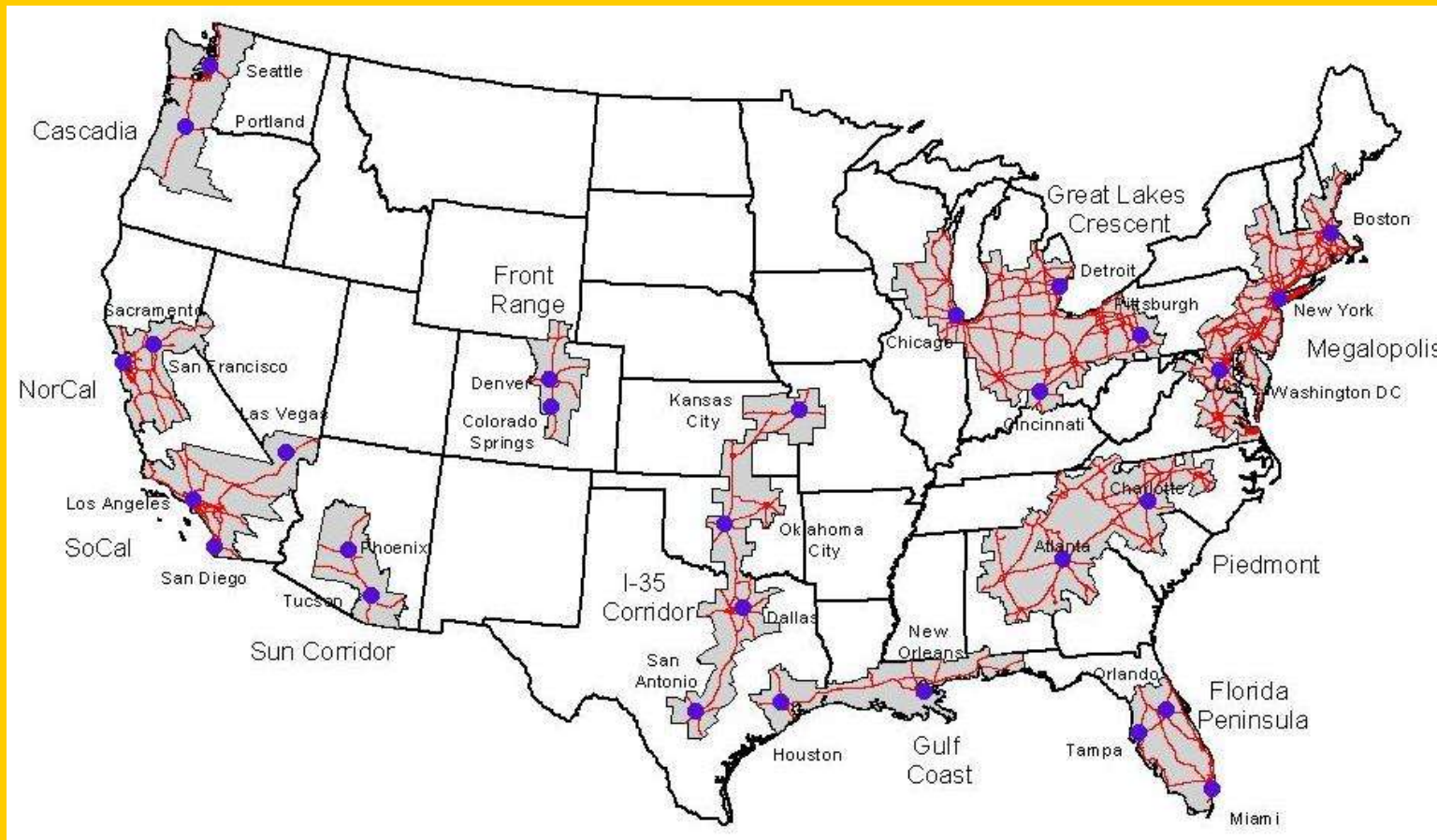
# Megapolitans in The News

## Business 2.0 November 2005

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# “Megapolitan 2.0” Geography



# Megapolitans 2.0 at a Glance

Megapolitan Area	Megapolitan States	Anchor Metros	Signature Industry	00 and 04 Pres. Vote
Arizona Sun Corridor	AZ	Phoenix/Tucson	Home Building	Republican
Cascadia	OR, WA	Seattle/Portland	Aerospace	Democratic
Florida Peninsula	FL	Miami/Orlando	Tourism	Dem./Rep.
Front Range	CO, WY	Denver/ Colorado Springs	Trade	Republican
Great Lakes Crescent	IL, IN, KY, MI, OH, PA, WV, WI	Chicago/Detroit	Manufacturing	Democratic
Gulf Coast	AL, FL, LA, MS, TX	Houston/ New Orleans	Energy	Republican
I-35 Corridor	KS, MO, OK, TX	Dallas/ Oklahoma City	Telecom	Republican
Megalopolis	CT, DE, MA, MD, ME, N HNJ, NY, PA, RI, VA, WV	New York/ Washington, DC	Finance	Democratic
NorCal	CA, NV	San Francisco/ Sacramento	High Tech	Democratic
Piedmont	AL, GA, NC, TN, SC, VA	Atlanta/Charlotte	Consumer Banking	Republican
SoCal	CA, NV	Los Angeles/ Las Vegas	Entertainment	Democratic

# Megapolitan Area Population and Growth Rates

<b>Megapolitan Area</b>	<b>2004 Population*</b>	<b>00-04 Growth Rate</b>
Arizona Sun Corridor	5.0	12.6
Cascadia	7.6	5.5
Florida Peninsula	14.9	9.2
Front Range	3.9	6.6
Great Lakes	40.6	1.9
Gulf Coast	9.9	5.8
I-35 Corridor	15.5	7.4
Megalopolis	54.5	3.1
NorCal	15.1	4.6
Piedmont	19.3	6.7
SoCal	22.5	7.5
<b>Megapolitan Total</b>	<b>208.8</b>	<b>5.0</b>
<b>United States</b>	<b>293.7</b>	<b>4.4</b>

\*Population in Millions  
Source: Census Bureau

# What is in Megapolitan Areas?

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- ❑ Over 210 Million People by 2006, or About 70 Percent of the U.S. Population
  - ❑ Top 16 most Populous Metropolitan Areas, and 40 of the Top 50 U.S. Metros
  - ❑ Will Account for Three Quarters of US Growth by 2040
  - ❑ Yet Megapolitans Make Up Only a Fifth of the Continental US
  - ❑ Almost as Dense as Europe West of Warsaw, But will Easily be More Dense Than Europe by 2040
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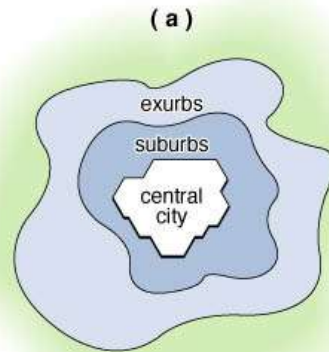
# Types of Urban Complexes

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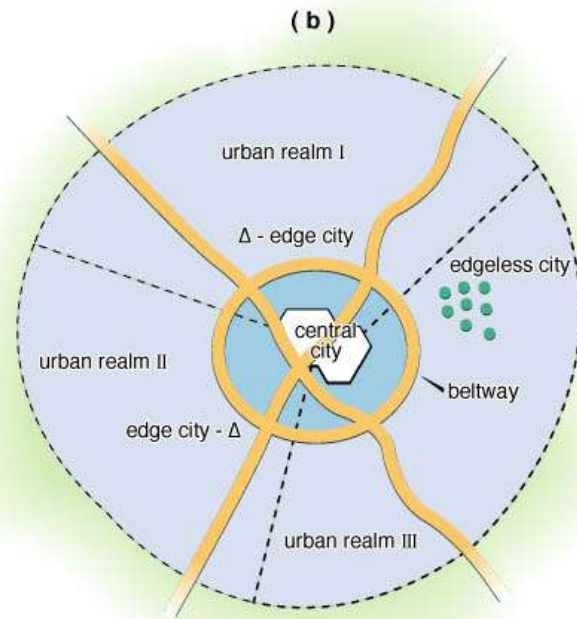
Types	Description	Examples
Twin City	Two principal cities that physically connect to form a binary core to a metropolitan area	Minneapolis/St. Paul, Tampa/ St. Petersburg
Metroplex	Two or more metropolitan areas that share overlapping suburbs but the main principal cities do not touch	Dallas/Ft. Worth, Washington/ Baltimore
"Corridor" Megapolitan Area	Two or more metropolitan areas with anchor principal cities between 75 and 150 miles apart that form an extended linear urban area along an Interstate	Arizona Sun Corridor (Phoenix/Tucson), SanSac (San Francisco/ Sacramento)
"Galactic" Megapolitan Area	Three or more metropolitan areas with main principal cities over 150 miles apart that form an urban web over a broad area that is laced with Interstates	Piedmont, Great Lakes Crescent
Megapolitan Pair	Two megapolitan areas that are proximate and occupy common cultural and physical environments and maintain dense business linkages	Megalopolis and Great Lakes Crescent, Sun Corridor and SoCal

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# 20<sup>th</sup> Century Metropolitan Form

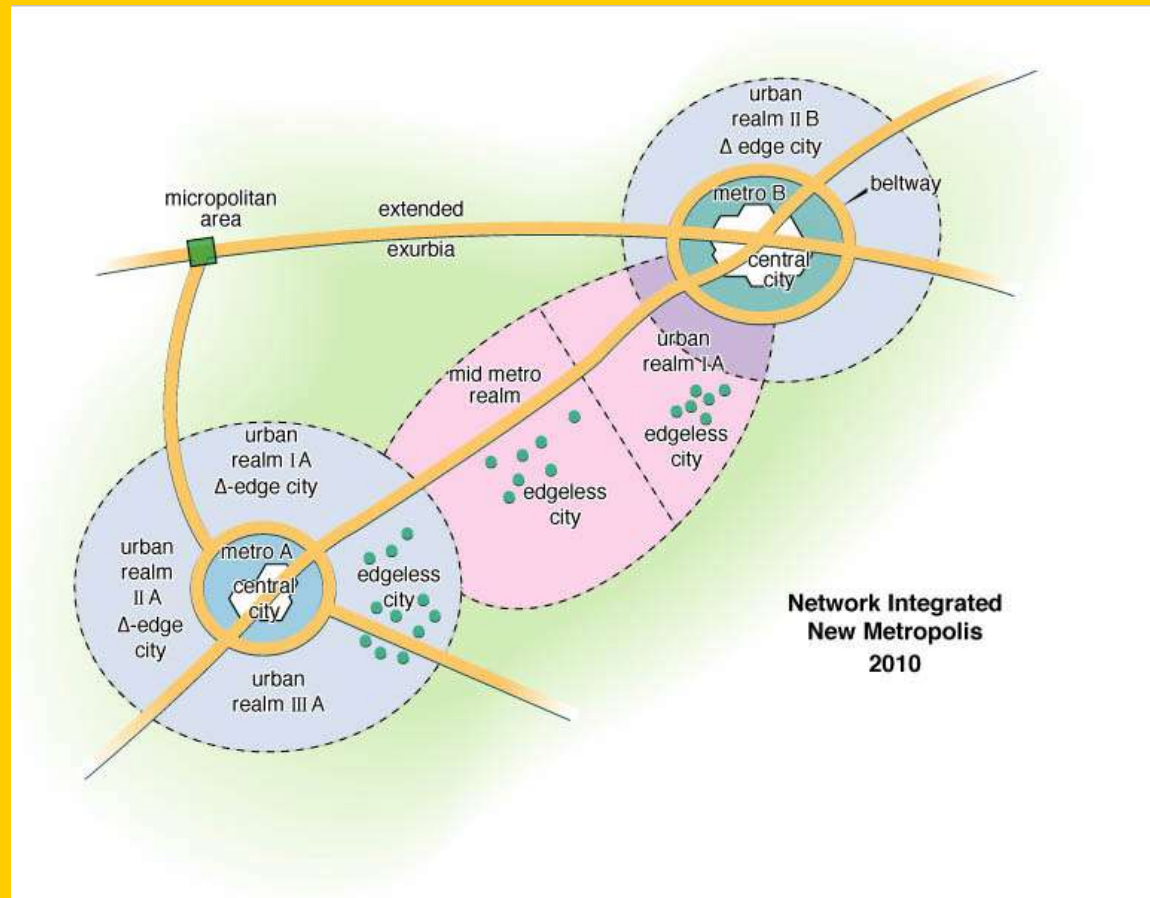


**Modern Integrated Metropolis**  
1930 - 1970



**Post-modern, Quasi-integrated Metropolis**  
1970 - 2010

# 21<sup>st</sup> Century Metropolitan Form



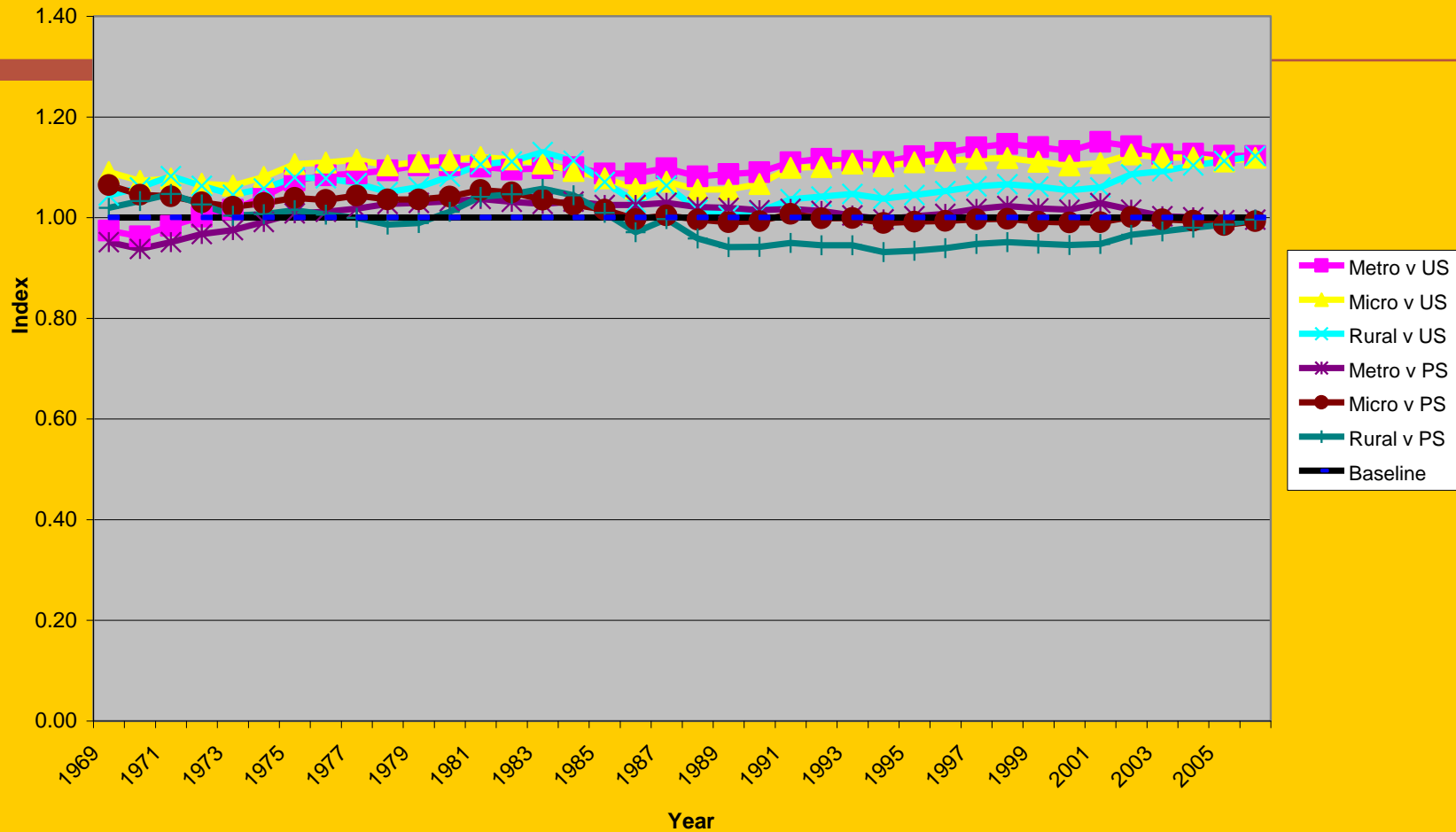
# Employment Index

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$$\text{Employment Index} = \frac{\frac{\text{Local Employment}}{\text{Local Population}}}{\frac{\text{Benchmark Employment}}{\text{Benchmark Population}}}$$

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# Employment Index 1969-2006



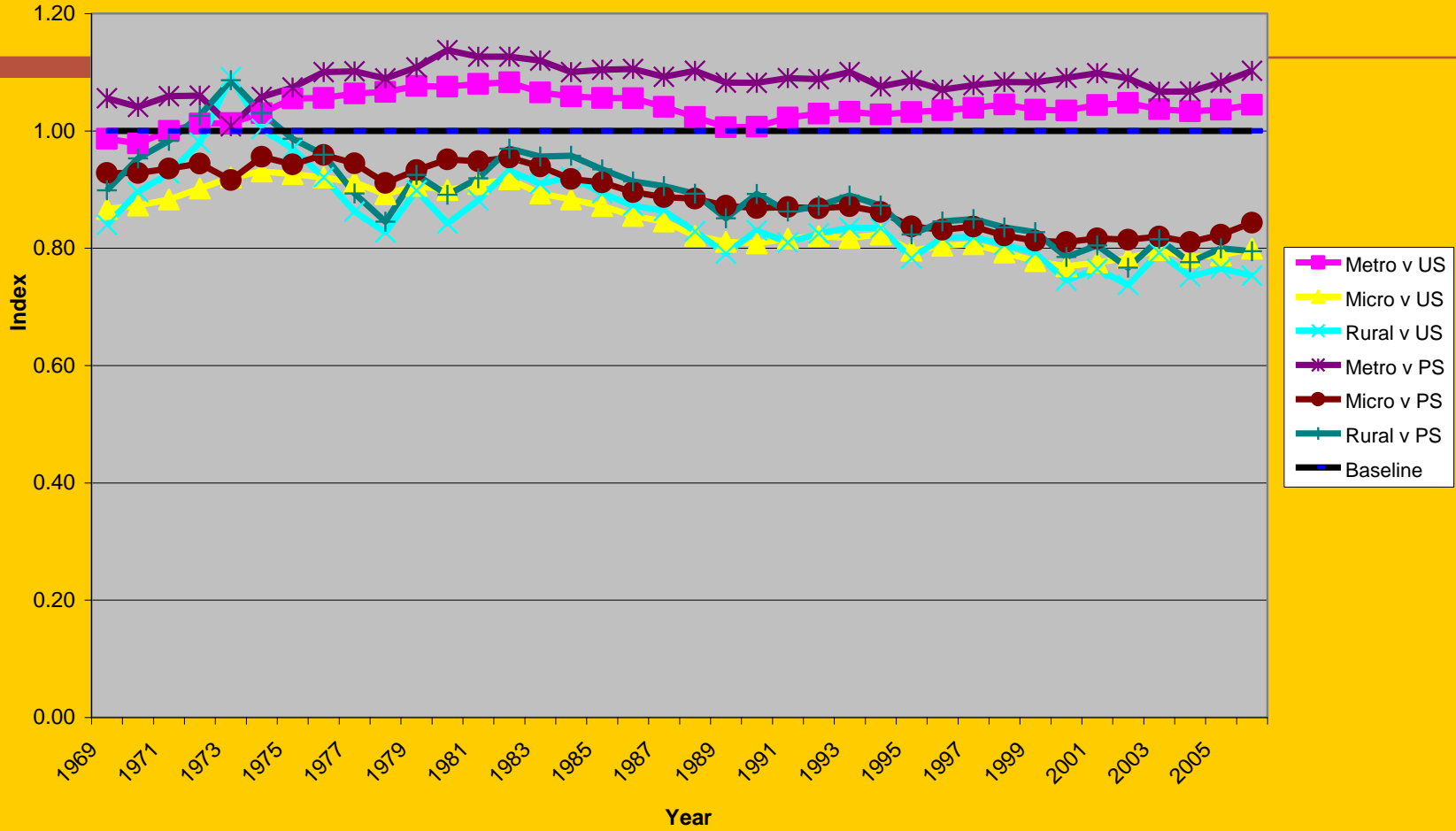
# Personal Income Index

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$$\text{Personal Income Index} = \frac{\frac{\text{Local Personal Income}}{\text{Local Population}}}{\frac{\text{Benchmark Personal Income}}{\text{Benchmark Population}}}$$

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# Personal Income Index 1969-2006



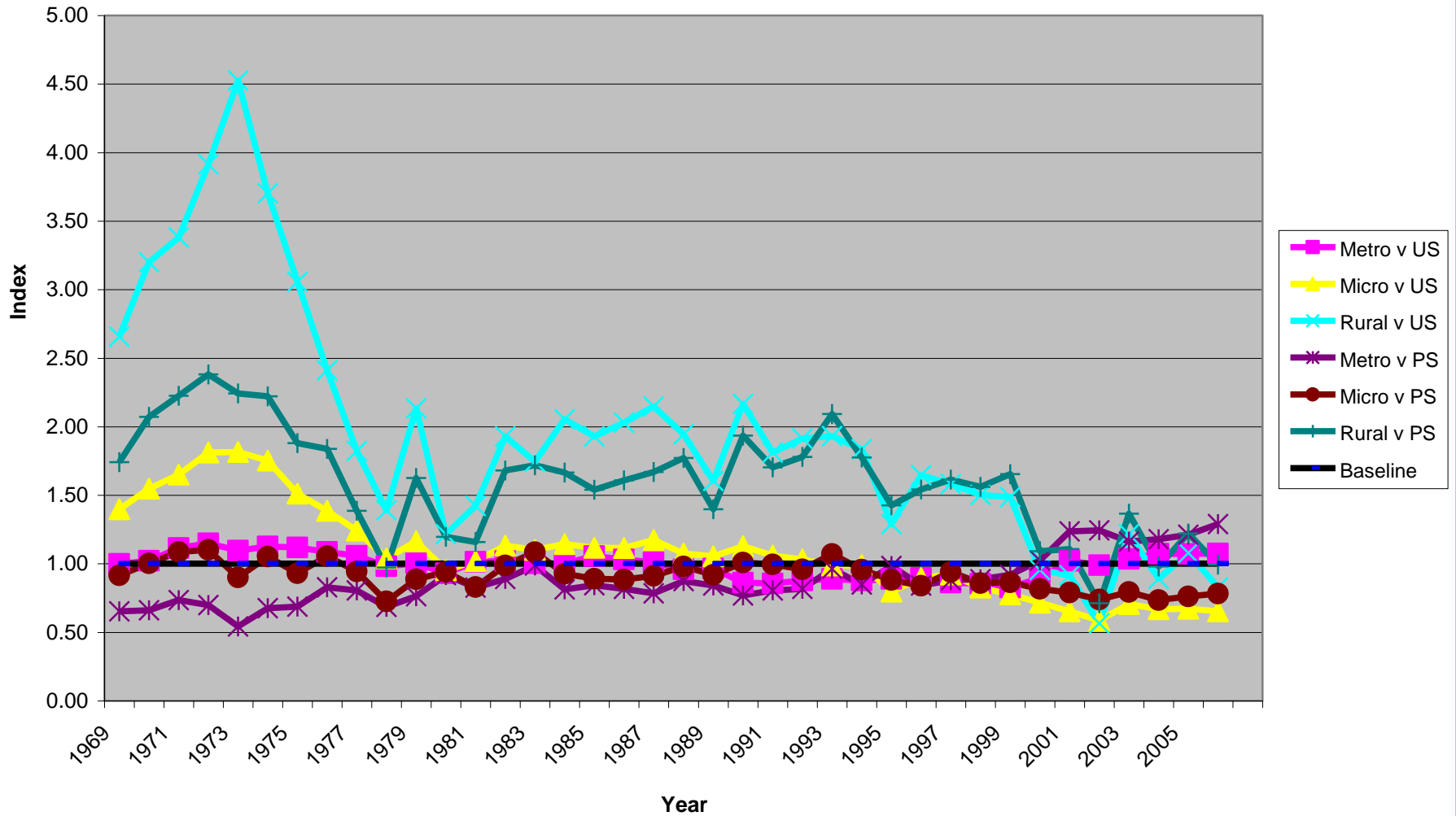
# Proprietor Income Index

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$$\text{Proprietor Income Index} = \frac{\frac{\text{Local Proprietor Income}}{\text{Local Population}}}{\frac{\text{Benchmark Proprietor Income}}{\text{Benchmark Population}}}$$

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# Proprietor Income Index 1969-2006



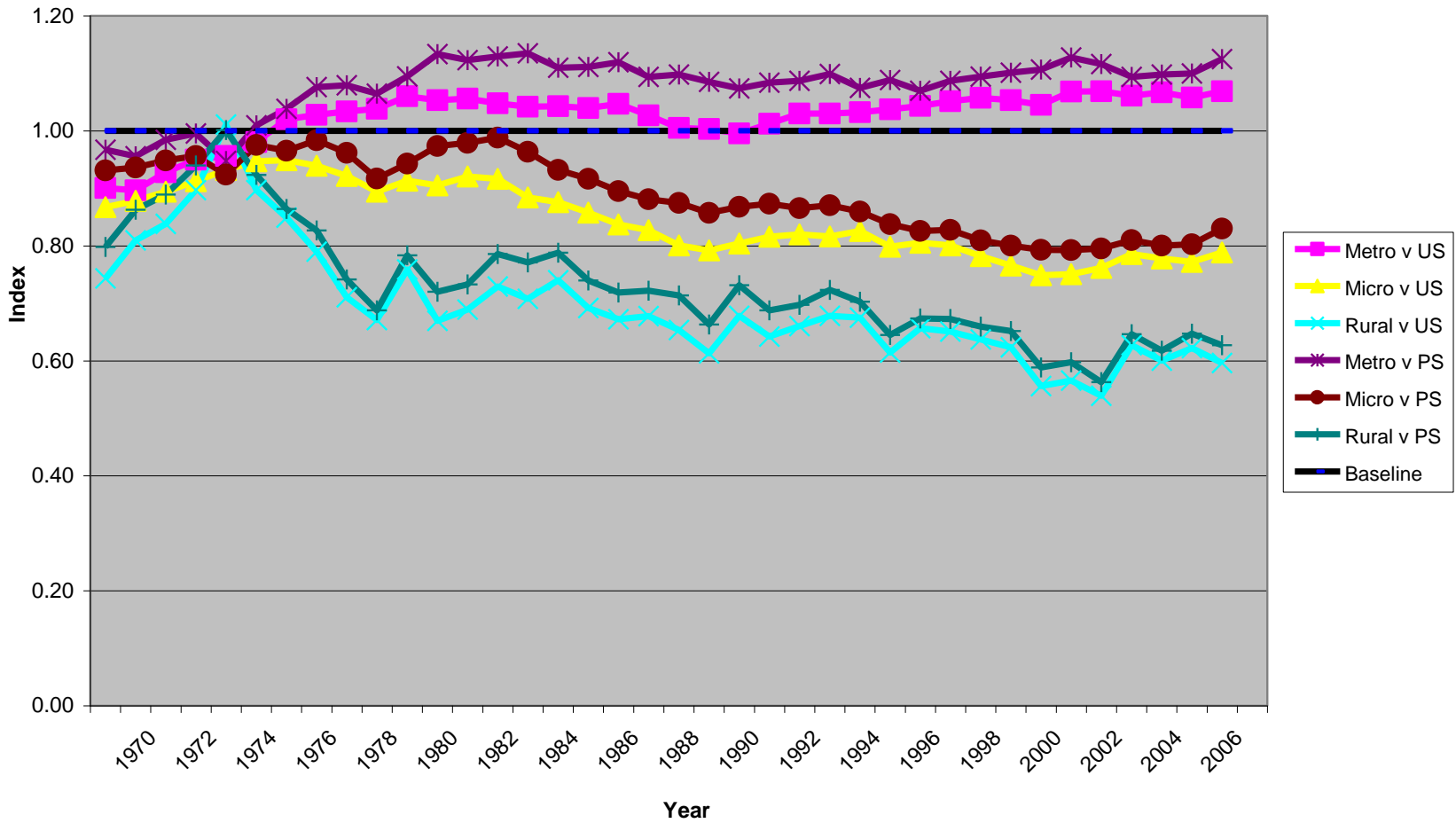
# Earnings Index

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$$\text{Earnings Index} = \frac{\frac{\text{Local Earnings}}{\text{Local Population}}}{\frac{\text{Benchmark Earnings}}{\text{Benchmark Population}}}$$

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# Earnings Index 1969-2006



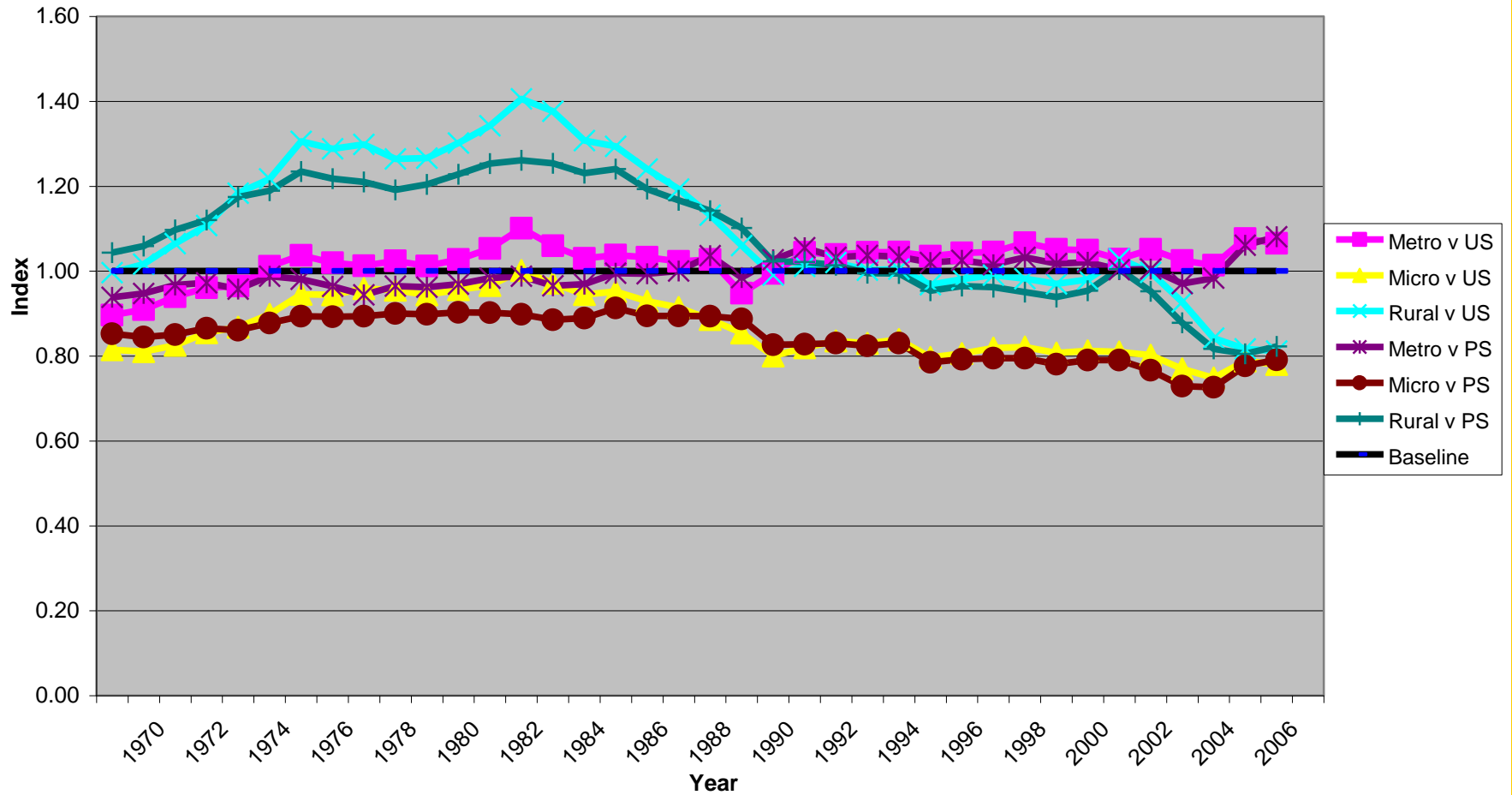
# Wealth Index

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$$\text{Wealth Index} = \frac{\frac{\text{Local Wealth}}{\text{Local Population}}}{\frac{\text{Benchmark Wealth}}{\text{Benchmark Population}}}$$

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# Wealth Index 1969-2006



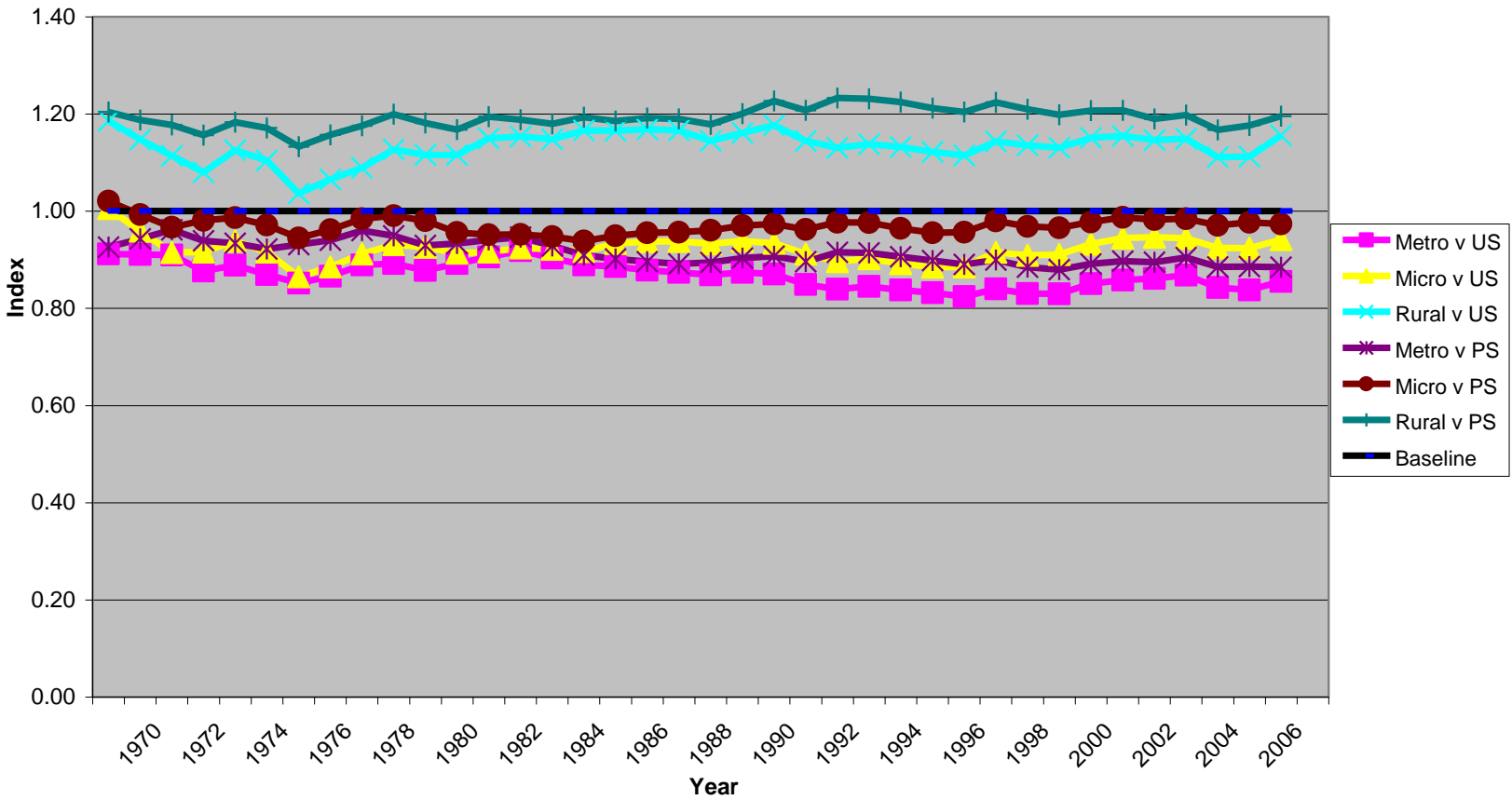
# Transfer Income Index

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$$\text{Transfer Income Index} = \frac{\frac{\text{Local Transfer Income}}{\text{Local Population}}}{\frac{\text{Benchmark Transfer Income}}{\text{Benchmark Population}}}$$

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# Transfer Income Index 1969-2006



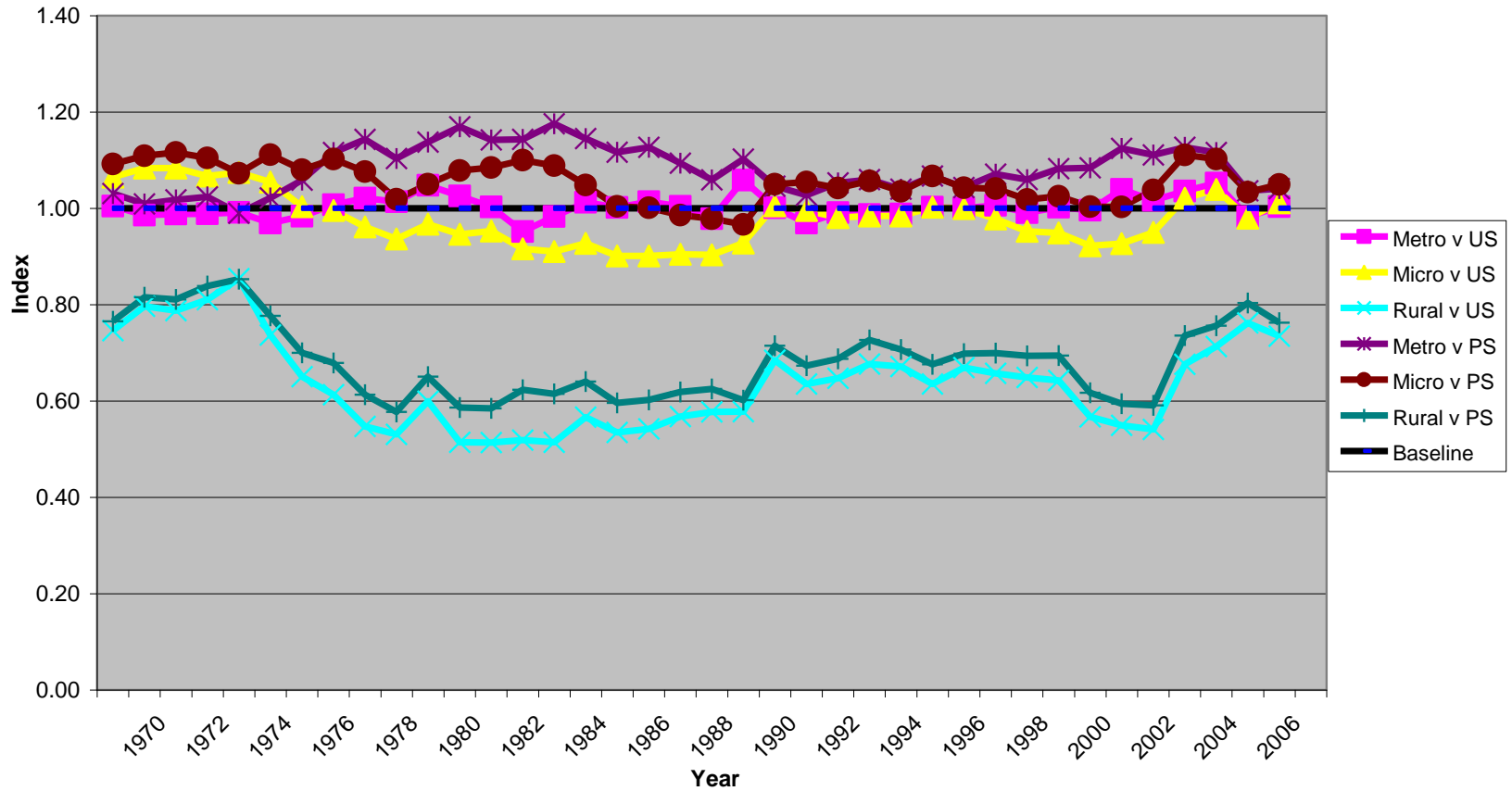
# Active/Passive Income Index

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$$\text{Active/Passive Income Index} = \frac{\frac{\text{Local Active Income}}{\text{Local Passive Income}}}{\frac{\text{Benchmark Active Income}}{\text{Benchmark Passive Income}}}$$

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### Active/Passive Ratio 1969-2006



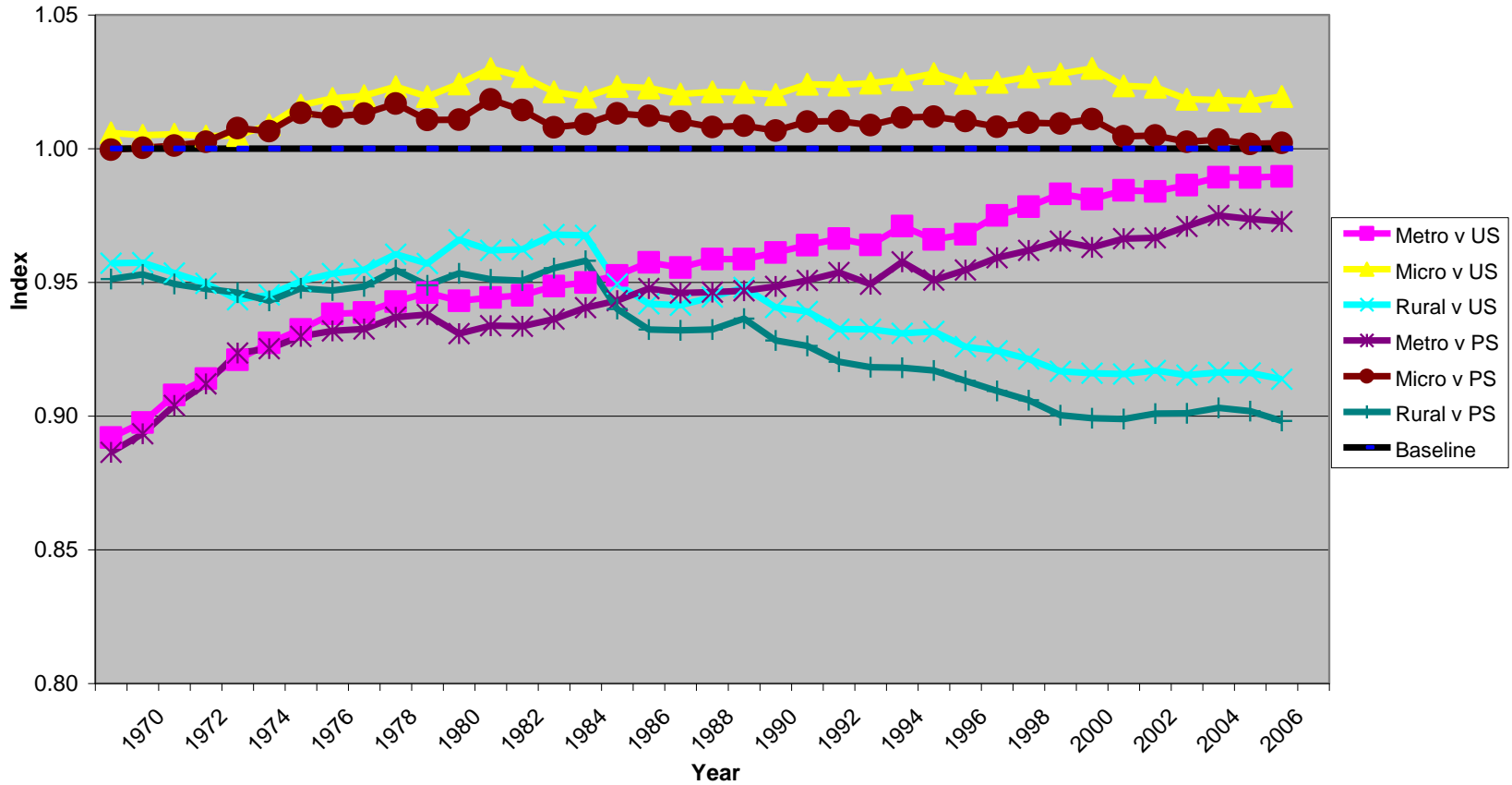
# Work/Residence Income Index

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$$\text{Work/Residence Income Index} = \frac{\frac{\text{Local Place of Work Income}}{\text{Local Place of Residence Income}}}{\frac{\text{Benchmark Place of Work Income}}{\text{Benchmark Place of Residence Income}}}$$

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### Work/Residence Income Ratio 1969-2006



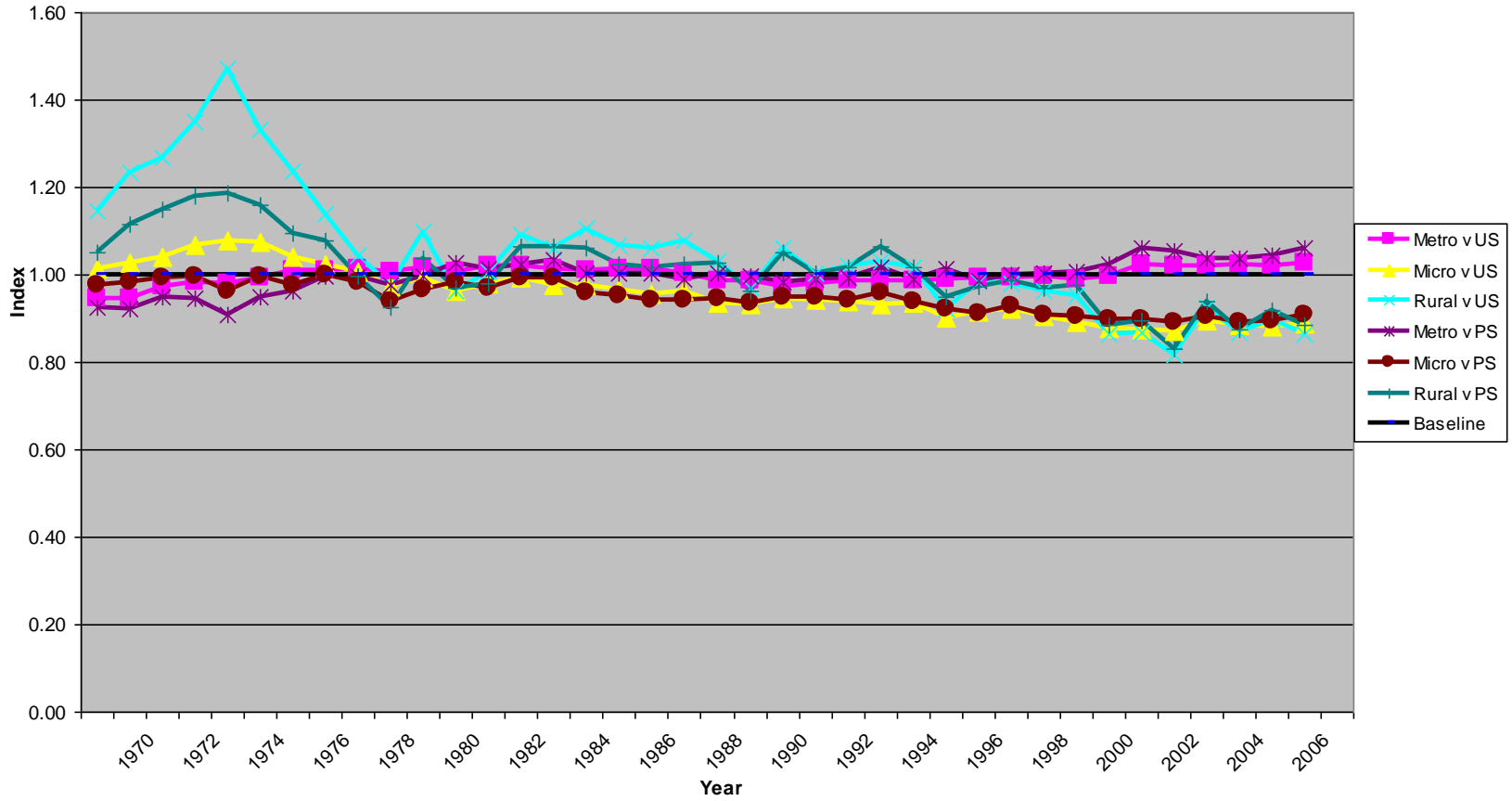
# Composite Strength Index

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Composite Strength Index = f (Other Indices)

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### Composite Strength Index 1969-2006



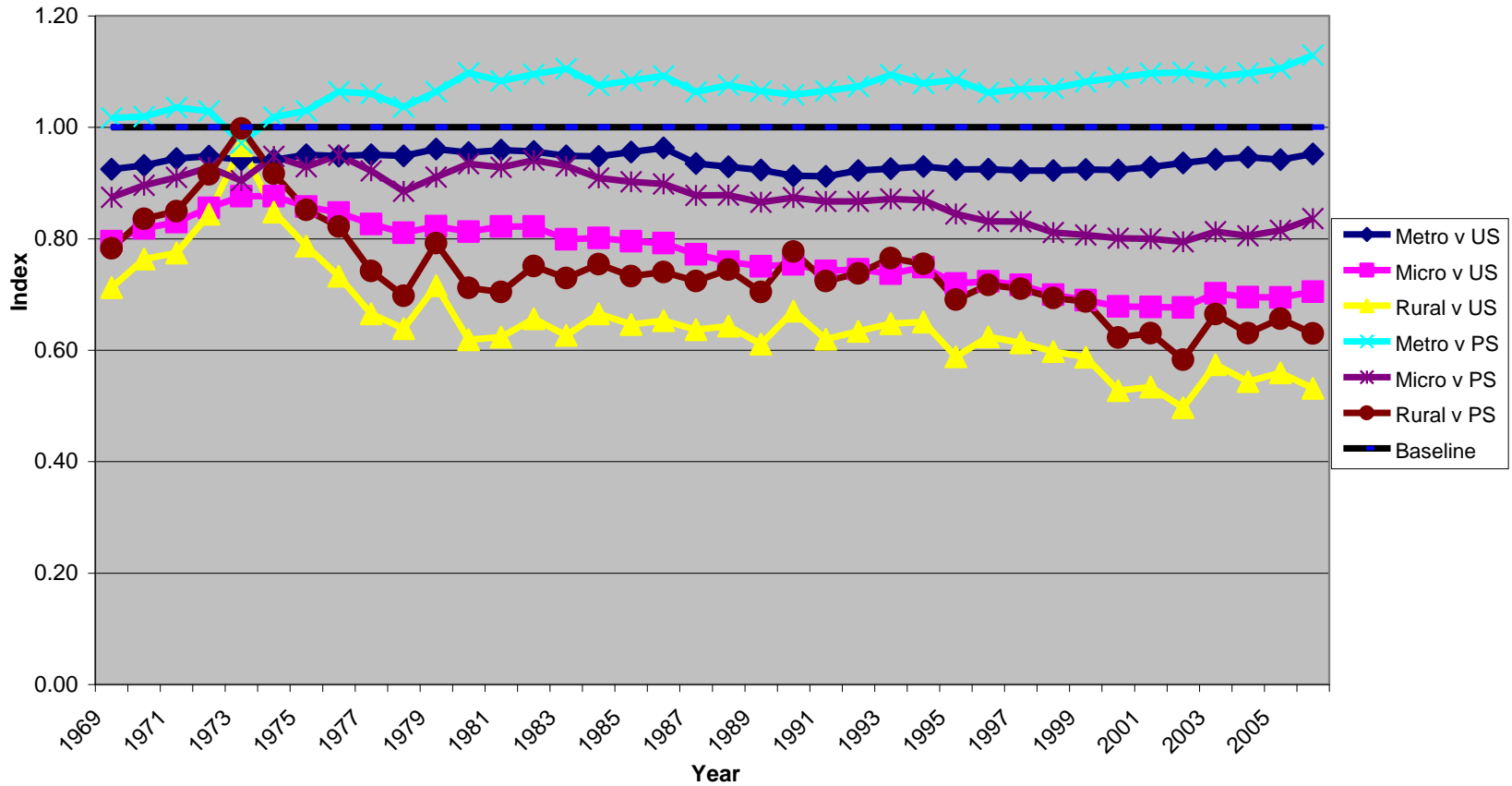
# Average Earnings Per Job Index

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$$\text{Average Earnings per Job Index} = \frac{\text{Local Earnings per Job}}{\text{Benchmark Earnings per Job}}$$

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### Average Earnings per Job Index 1969-2006



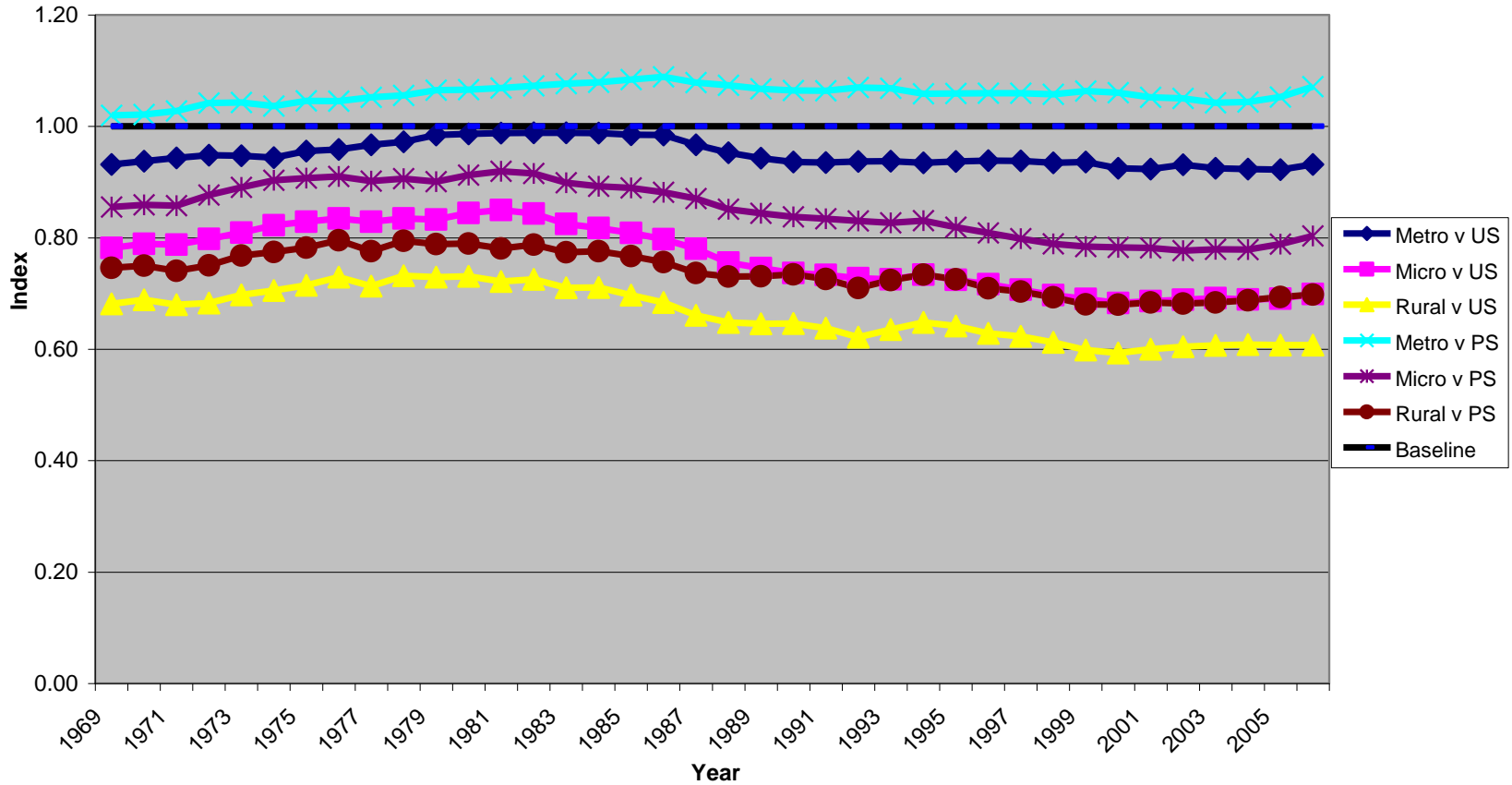
# Average Wage and Salary Disbursement Index

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$$\text{Average Wage and Salary Disbursement Index} = \frac{\text{Local Wage \& Salary Disbursements}}{\text{Benchmark Wage \& Salary Disbursements}}$$

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### Average Wage and Salary Disbursements per Job Index 1969-2006



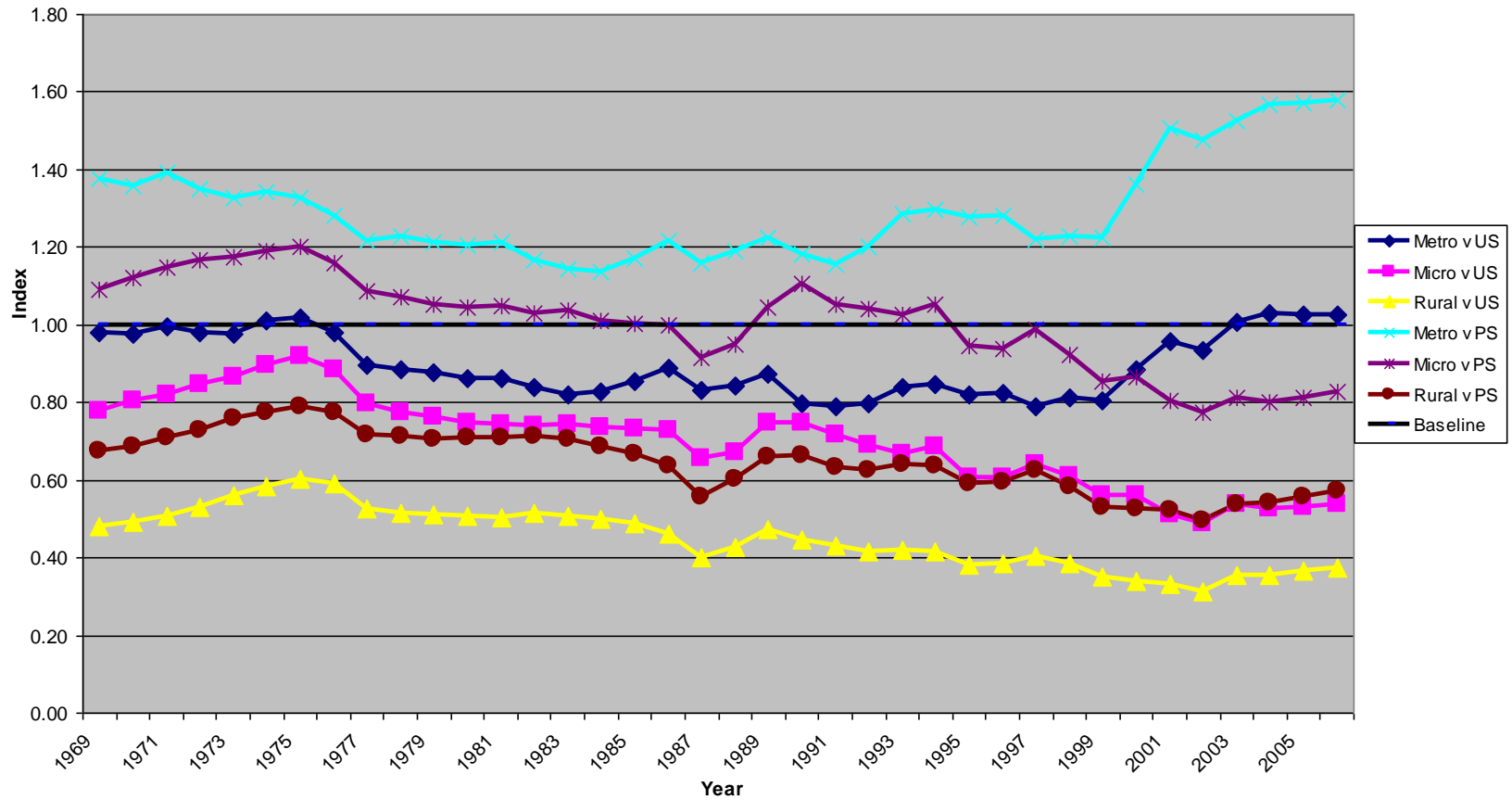
# Average Nonfarm Proprietors' Income Index

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$$\text{Average Nonfarm Proprietors' Index} = \frac{\text{Local Nonfarm Proprietors' Income}}{\text{Benchmark Nonfarm Proprietors' Income}}$$

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### Average Nonfarm Proprietors' Income Index 1969-2006



# Economic Growth and Development

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- Economic base—Economic activities that result in the net export of products of tangible value
  - Economic growth—Activities that result in the deepening of the economic base
  - Economic development—Activities that result in the broadening of the economic base
  - Economic growth and development occurs when local productive activities result in a net increase the export of products of tangible value, which in turn results in the net inflow of income
  - Import substitution occurs when there is a net reduction in the import of products of tangible value
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# Selecting a Local Development Strategy

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- Establishing goals and criteria
  - Determining possible courses of action
  - Strategic planning
    - Internal environment
      - Understand strengths
      - Acknowledge weaknesses
    - External environment
      - Awareness of opportunities
      - Defend against threats
  - Developing a targeted strategy
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# The Goals of Local Economic Development

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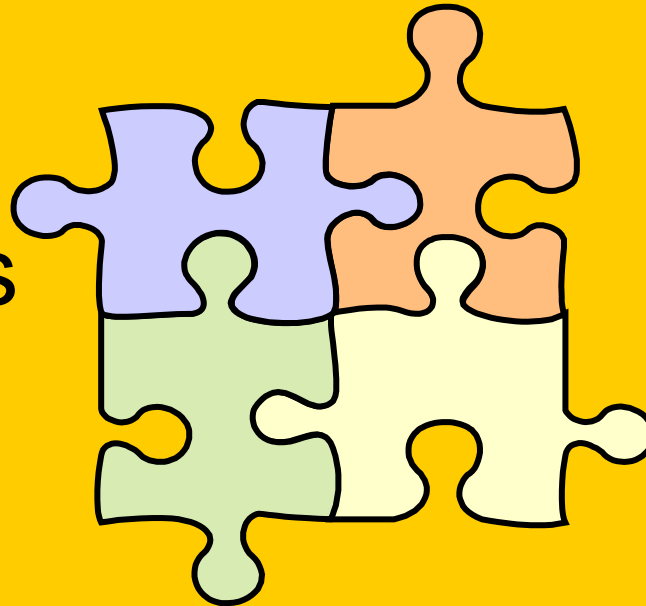
- Strategies are planned actions for specific development goals of a community based on the options and opportunities available
    - Projects emerge from specific courses of action undertaken within a given strategy
    - Strategies constitute an overarching set of principles that form concepts to guide general to specific actions
    - It is important to examine alternative strategies along with a set of specific projects or proposals as the basic building blocks of an economic development plan
  - Build quality jobs for the current population
  - Achieve local economic stability
  - Build a diverse economic and employment base
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# Stewards of Place

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Vibrant Economy

Livable  
communities



Social  
Inclusion

Collaborative  
Governance

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# References

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- John W. Bardo, "Economic Development and Higher Education," Midwest Public Finance Conference, Wichita, KS, February 20, 2008.
  - Robert Lang, "America's Emerging Megapolitan Areas," Midwestern Transportation Conference, Kansas City, MO, April 6, 2006.
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