

Federal Reserve Bank of Chicago
Third Summit on Regional Competitiveness
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Results of a Recent Poll on Regional Development,
"Public Opinion and Regional Issues in the Chicago Megacity"

DEBORAH L. FORD: Okay, folks. We're going to go ahead and get started again to stay on schedule. So if I could ask folks to have a seat, please. So, if everybody would take their seats, we do want to stay on schedule. Okay folks, we're going to -- okay, we're going to go ahead and get started with the next session. We have two afternoon speakers and everyone is here so we do want to stay on schedule. So thank you very much, and again thank you to our partners in the federal government for sharing great resources and for working with us. We really appreciate that.

So for our next presentation, Dr. Carmel Ruffolo will provide an introduction. But let me tell you a little bit about Dr. Ruffolo. Carmel and I have had the opportunity to work together for six years and I consider her both a colleague and a friend. She is the one who alerted me to the work of the OECD and is one of the founders of the Alliance for Regional Development.

Unfortunately Marquette stole Carmel, I'm kidding. But Carmel is still in the region and she recently took a new position at Marquette University as the associate vice president for Research and Innovation. And I know that our collaborations will continue across higher education. And so she is here to introduce our next speaker. So join me in welcoming and thanking Carmel Ruffolo for her work with the Alliance. Dr. Ruffolo --

CARMEL G. RUFFOLO: Well thank you very much, Debbie. I want to say on behalf of the founders, which makes me sound really old but anyway, on behalf of the founders of the Alliance most of which are here today, I want to thank you all for coming to our Third Summit. I want to thank you for supporting this unbelievable initiative. And I want to thank you for helping us with this enormous task.

When we started out we all knew that this was not going to be easy by any stretch of the imagination. It's probably the heaviest lift I've had to have, even with some of the work that Dr. Ford used to throw at me. But I am very, very happy to see that we have interest and people are really starting to see that this is worthwhile and that it is important for the region.

But I will say that I'm going to throw out a challenge and say we need more people drinking the Kool-Aid. So

you're all here. Obviously you're supporting the Alliance, but it would be great if you went out and gathered more people to support what we're doing within this wonderful region of ours which really is a unique region.

And you know, as an Australian, even though home may be a long way away, this is also home for me. I don't think I'll ever live in any other place in the United States except for this region. So I really do hope that we can get more people looking at what we're doing and also the importance of what we are doing at the Alliance.

As Debbie said, I am now at Marquette University. And I cherish the fact that I'm still here and being able to work with my colleagues at UW-Parkside, and also at UW-Milwaukee, and everybody else here, and also at Purdue. I must mention Purdue.

So we have a lot of superstars at Marquette, but I'm really happy to introduce one of the major superstars at the university. So Dr. Charles Franklin is one of our professors in the law school. He is a professor of Law and Public Policy. So what makes him a superstar? Well, I think most of you know he gets things right. He's one of these people that can actually predict something and it's come out actually right.

He is the director and has directed the Marquette Law

School Poll. This poll has been in existence since 2012 and has correctly predicted outcomes in eight out of eight statewide elections. So this is why he's a superstar because he gets it right. So we're very happy that he's able to do that at the university.

He has also been past president of the Society of Political Methodology and elected fellow of the Society. And you will also see that he's a recipient of the Lasting Contribution Award of the American Political Science Association. And he's been on numerous TV interviews and so forth. So he qualifies as a superstar.

Today we've got him here. And I really want to thank you again, Charles, for taking the time to come here to the Alliance. And he's going to talk to you about the Megacity Poll. We actually conducted that earlier this year. So he will be able to tell you about the results of the Poll. Thank you very much.

CHARLES H. FRANKLIN: Thank you very much, and somewhat belatedly, welcome to Marquette. We're a little short on time so I will go as quickly through this as I can. Are my slides going to come up if I click this? Okay. There we go.

First of all, thanks to the sponsors. The Patrick and Anna M. Cudahy Foundation helped fund this poll, as did the

Sheldon Lubar Fund for Public Policy research at the law school, and the annual alumni contributions of our alumni, which together made up the money for doing this poll.

Just quickly, what we polled was the 21 counties of the tri-state region. What we at the law school at least call the Chicago Megacity. The same 21 counties as in the OECD report and as officially part of the Alliance definition of the region. We polled a little over 1,800 people, roughly 600 in each of the states, so we could represent the states adequately as well.

There is a full 80-page report on this if anybody is desperate enough to actually want to see more details. Just email me will be the easiest way and I'll be happy to mail you the report.

But I want to go quickly through some things and I'll begin with an appropriate inspiration here in Illinois. A quote from Abraham Lincoln, "Public sentiment is everything. With it nothing can fail. Without it nothing can succeed." And I'd have to stress that in light of the comments that we've heard throughout the day. Leadership is important. Cooperation is important. But also having a willing populous is pretty important. And it's especially important to the elected officials who are going to be making a significant number of those decisions.

So, with that the purpose of the poll here is to show you some of the constraints and some of the opportunities that public opinion presents. You'll never be able to read the details here, so let me just talk you through what you're seeing here. We first asked, political leaders in Illinois, Indiana and Wisconsin should work together to promote economic development throughout the region or leaders should look out for their own state first and do all they can for their state to compete against the other states.

The surprising thing, given that we all would believe self-interest matters, is over 60 percent in all three states said we should work together. So you could say that's cheap talk and I'm sure a lot of it is cheap talk, right. But it does fly in the face of the notion that the public overwhelmingly demands loyalty to home. That there's simply no opportunity whatsoever to benefit politically from a broader perspective. But it's not unlimited and we'll see the limits of that.

How about this, the Chicago area is really big. Do you see it as an opportunity or a threat to your state? Overwhelmingly it's an opportunity, 69 percent in Indiana, 67 in Wisconsin. Perhaps not surprisingly, 74 percent see it as an opportunity in Illinois.

What about, do you agree or disagree with the following statement: If it makes sense for Indiana, Illinois and Wisconsin to cooperate, it'll come through the private sector rather than the public sector. Overwhelming majority, 70 percent or so, say it's got to be the private sector. Now that could be because we think the private sector's more able to coordinate. After all, if your business cares about its future it should be making decisions that are optimal or at least advantageous to it, not arbitrary borders.

But a governor or a mayor has a pretty hard time saying vote for me because I got that other state, or that other city, a new business. So if it's the private sector that should lead, the public is with that and it could also just represent a pessimism about the possibilities of government leadership. Either way they're certainly looking to the private sector.

Now a policy area that could produce some areas of agreement here is, states require licenses for all kinds of things, right, plumbers, cosmetologists, other things. This is a question of whether it's better to have individual states handle that licensing or whether it's better to have a regional licensing system that would be transportable licenses across state borders. Sixty percent

plus, except in Wisconsin where it's only 54 percent, say that it would make sense to go to regional licensing.

This is something that's bubbling up in a number of legislatures. Maybe a good policy, maybe a bad. I don't have a position on that. I'm just saying this is an area where there's potential public support for cooperation.

What about, would Indiana, Illinois and Wisconsin be better off putting money in a common fund for coordinating planning for airports, railroads, highways, and Lake Michigan shipping ports for the tri-state region, or should each state just go its own way with these things? And the green bars, over 60 percent in every state, 58 in Wisconsin, say we should coordinate on that even if it means comingling funds.

So I consider that a pretty high barrier for just cheap talk in favor of cooperation. Here we're putting some money on the line. But we're not crazy about it because we're not willing to share the cost of economic business attraction. We draw the line there. Same question but now, would you cooperate for attracting large companies to the region? No, we're not willing to share on that.

Next question, how about tourism? Even more massive opposition. So, I think a common tool for tourism is pretty unlikely to sell here, but why? Well, I think it's

fairly obvious, right. Tourism dollars tend to get spent in the place that they go. Transportation, it really helps if the interstates actually meet at the border between two states, right.

And so this is my point that the public is not naively stupid about the limits of cooperation. That there are some areas where we have a much stronger competitive interest. But they're not at the same time saying, therefore no cooperation at all. So where are there opportunities for cooperation? Rather than a simple, we can cooperate or we can never cooperate.

Finally, there is competition on taxes. If you, and this is hypothetical, if your job was near a border between two states, would you consider moving to the state with lower taxes? And 60+ percent say they would consider that. Now of course, that doesn't mean that many would move. It doesn't mean that many do live close to a border. But it does also show how competition on tax rates is an important element of our region and where there are limits of cooperation.

I want to turn now to workforce development because this has been a theme that we heard on the last panel and earlier. The first point here is aspiration. What is the least amount of schooling someone needs these days to get

and keep a good job? And there are many bars here but the point is, over to the right starting with the yellow bar, is some college or two-year college. The blue bar is a BA and the purple bar is more than a BA.

You see real differences between the states and the aspiration levels. The Illinois part of the sample places the highest priority on a BA and more. When you go to Indiana, the highest is technical school training. When you go to Wisconsin it's even more overwhelmingly technical skilled training. So there's quite a difference in the aspiration levels here within the 21 counties of the region between what people think they need, or someone these days would need to succeed.

We looked here at a question, have you had technical training beyond high school? And about 33 percent, 37 in Wisconsin, a shade higher, have had some training. Now this is interesting because it's a little different from the numbers you get from the monthly Current Population Survey which asks education, in which one category is technical school.

But what we asked was, have you ever received any formal job training after high school from a union? About 13 to 18 percent have had training that way. Did you ever receive formal job training from a technical school?

Twenty-four up to 31 percent in Wisconsin received that kind of training from a technical school. Add on with that the people who say they've had some other kind of technical training and we're up to a solid a third plus who have had some form of technical training. That is a slightly different way of looking at it and what we find is they're people with some college who also had technical training.

The CPS, the census measure, misses that because they don't respond in that category. Some college is considered more training than just technical school. So a more detailed measure here is important. The real kicker though is how it pays off for the region and for individuals. Because people with less than a college degree are of course the most beset by the current job market and the employment situation.

What does it take to get a good job if you've only got a high school education? And what we find in our data for these 21 counties for people with less than a college degree but in the labor force is, if they have no technical training, 62 percent of those folks in the labor force have a full-time job. If they also have technical training, but no college degree, 73 percent have a full-time job. That's an 11 percent increase in what I think we would all agree is a good outcome, a full time job.

What they're getting paid that's a different issue. It goes up a little bit, but the point is this is a gateway for people who have some trouble entering the market. Why do they have trouble entering the market? Did you enter the workforce with a clear plan of what you were going to do? And it's 50/50, clear plan versus just took whatever job was available. What does that mean for kids coming out of high school without much of a plan? They wake up at 28 and find out life's pretty hard. So being able to then get this technical training with a pretty significant payoff looks like a pretty important policy.

The one I skipped is also important. Did your employer offer training to improve your job prospects in the company and allow you to move up? Half of the companies, we're told by our respondents, did offer some of that training. And so for that reason we see a real opportunity here for people to receive that kind of training.

So I'm out of time. I will quit. Thank you.

MS. FORD: Thank you, Dr. Franklin. And we know that we can send an email to him and he'll send us the 80-page report so we can take a deeper look at the data.

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