A Profile of Downtown Employment in Georgia: An Assessment of a Viable Economic Engine

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Do Georgia’s downtowns represent a viable and overlooked economic engine for the state? This study assesses the economic development potential represented in Georgia’s downtown employment. Aggregate employment data for 345 Georgia downtowns (at one-half mile radius) isolate the diverse downtown employment sectors (retail representing 22 percent) to explain a complex downtown job mix. Downtowns have not traditionally been perceived as key employment nodes in the state’s broad economic development framework. This paper provides actual downtown employment statistics as proxy economic development indicators for leveraging assets to their full potential, possibly leading to action and policies to better utilize downtown resources.

INTRODUCTION

This study was conducted to assess the economic development potential represented by Georgia’s downtown employment. Actual aggregate employment data (one-half mile radius) in seven population strata were analyzed to provide a picture of the diversity in the downtown job mix and the possibility for retaining and creating new jobs.

The primary purpose of this study is to assess the economic development potential represented in Georgia’s downtown employment. The primary question of interest for this research is: Do Georgia’s downtowns represent a viable and overlooked economic engine for the state? Georgia’s downtowns have not traditionally been perceived as key employment nodes in the state’s broad economic development framework. The research isolates and assesses the sectors providing downtown employment.

If economic development is defined as maximizing and leveraging current assets to their fullest potential, then if nothing else, awareness and a review of actual downtown employment statistics provides a “reality check,” possibly leading to action and policies to better deploy and utilize downtown resources. Actual aggregate employment data (at one-half mile radius) for 345 Georgia downtowns, divided into seven population strata, were analyzed to isolate the diverse downtown employment sectors and to explain the complex downtown job mix.

Perceptions of Downtown:

• As a location, “downtown” may be perceived primarily as a haven for retail stores and restaurants, even if it’s a skewed picture of a typical successful downtown;
• Can provide a distorted and inappropriate lens; if not challenged with actual data;
• May not include downtowns as primary economic drivers for job creation and/or retention;
• May cause other economic opportunities to be overlooked, when viewed in this limited way;
• May cause economic development plans to default to heavy-to-exclusive retail recruitment, ignoring other possibilities (Milder 2005; Ryan, 2011a).

An overarching question, not specifically addressed here, is what role do downtowns play in retaining and creating new jobs in the state? And perhaps, how can downtowns be marketed better as viable business hubs and locations?

LITERATURE REVIEW

Little research using actual data has been conducted to explore whether downtowns represent major employment centers in Georgia. Downtowns, as locations, are often dismissed as struggling retail districts (Ryan & Jin, 2011a), with an emphasis on “retail.” This perception may not be true, even if the retail sector provides a significant core. In addition, acceptance of that profile of downtown businesses and employment can cause economic development efforts to default to recruitment of the same business types, instead of being innovative in trying to attract businesses and organizations from other sectors.

The state’s downtowns provide hubs for businesses and other organizations (e.g., government institutions) which are responsible for considerable local economic activity, including local revenue and related income (Ryan & Jin, 2011b). A similar Wisconsin study explored downtown employment and revealed that the state’s downtowns contribute a great deal to the economy.

There has been considerable discussion concerning tactics that might increase business and marketing activity in the downtowns (Andresen, 2010; Ryan, Stencel, & Jin, 2011). In order to know what to do, the situation must be analyzed and a factual foundation for decision-making created. One way to accomplish that objective is to analyze the current downtown business mix and make comparisons within the state, and perhaps with other states.

One frustrating aspect of studying “downtowns” is that there is no real definition of the term. In general, the label downtown refers to a “central area or main business and commercial area of a town or city.” Locally, the term may be defined in legal or ordinance specific terms for the purpose of providing specific services to or financial considerations for a particular area of a city. But, by and large, there is no official definition for the term in general use. For that reason, a prescribed radius (one half mile) was selected as the parameter for this project.

According to previous research, different population levels appear to have different concentrations of employment in various business sectors (Ryan & Jin, 2011b; Hanks & Harker, 2012). Specifically, this type of research provides a “snapshot” of the business employment mix within the seven population strata, which provides useful information for policy makers, marketers, and economic development professionals in stimulating business recruitment and/or expansion in the downtown areas. Research to assess Georgia’s downtown employment mix can assist with information to provide understanding of the current situation, as well as a basis for possible future development activities designed to create and retain jobs in the downtown areas. Simply put, such research provides a previously unrevealed, and perhaps unknown and unexpected, picture of the downtown employment market in the state.

Critical future economic development potential is revealed in the downtown employment analysis provided here. Although not explicitly included in the analysis, the small business (and microenterprise) employment mix is tacitly implied in this study of Georgia downtown employment, simply due to the large proportion of small (and micro) businesses represented in any employment study.
METHODOLOGY

This research, conducted by the Division of Applied Research, Georgia Small Business Development Center (SBDC) Network, examines business employment statistics and the employment sector mix of those businesses located within a half-mile radius of the center of each of Georgia’s downtowns (345 municipalities with population of more than 1,000, excluding Atlanta). Utilizing Nielsen Claritas® data from a proprietary dataset, researchers examined municipalities in seven prescribed population strata ranging from small towns (1,000 to 2,500) to large cities (100,000 to 500,000). For simplification, and to adjust for an obvious outlier, the city of Atlanta (population 500,000+) is excluded from the analysis.

NAICS (North American Industry Classification System) codes are used for the purposes of facilitating the collection, tabulation, presentation, and analysis of data relating to business establishments and for promoting uniformity and comparability in the presentation of statistical data. Using NAICS codes is advantageous because business establishments are classified by the type of activity in which they are engaged.

In the aggregate, the business mix of each downtown was analyzed in terms of the number of business establishments within the specified two-digit (NAICS) codes. Specifically, in this project, macro NAICS codes (two-digit) were analyzed. The results were plotted onto various maps and charts to illustrate the nature of business employment in Georgia’s downtowns.

The specific codes and corresponding sectors used in the analysis are listed in Table 1.

### TABLE 1
**LIST OF SPECIFIC NAICS CODES AND SECTORS USED**

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Agriculture, Forestry, Fishing and Hunting</td>
</tr>
<tr>
<td>21</td>
<td>Mining</td>
</tr>
<tr>
<td>22</td>
<td>Utilities</td>
</tr>
<tr>
<td>23</td>
<td>Construction</td>
</tr>
<tr>
<td>31-33</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>42</td>
<td>Wholesale Trade</td>
</tr>
<tr>
<td>44-45</td>
<td>Retail Trade</td>
</tr>
<tr>
<td>48-49</td>
<td>Transportation and Warehousing</td>
</tr>
<tr>
<td>52</td>
<td>Finance and Insurance</td>
</tr>
<tr>
<td>53</td>
<td>Real Estate</td>
</tr>
<tr>
<td>54</td>
<td>Professional, Scientific, and Technical Services</td>
</tr>
<tr>
<td>61</td>
<td>Educational Services</td>
</tr>
<tr>
<td>62</td>
<td>Health Care</td>
</tr>
<tr>
<td>71</td>
<td>Arts, Entertainment, and Recreation</td>
</tr>
<tr>
<td>72</td>
<td>Accommodation and Food Services</td>
</tr>
<tr>
<td>81</td>
<td>Other Services</td>
</tr>
<tr>
<td>92</td>
<td>Public Administration</td>
</tr>
</tbody>
</table>
Procedure
The number of employees in each of the NAICS codes forms the basis of the analysis. In compiling the data for analysis, an important step was adequately identifying each city’s downtown for the study, since there is no specific definition of “downtown.” Nielsen® Geographic Information System (GIS) software, iXpress® in conjunction with Google Maps® Satellite Maps, were used to achieve this objective. In generating a list of Georgia cities and towns, a “place”-based population query was generated using the iXpress® software. A list of all cities in Georgia was provided, complete with respective populations. Those cities with a population less than 1,000 were eliminated from the analysis. Atlanta, with its population of over 500,000, was also removed due to the effect of its size relative to the remainder of the data. From the original list of 596 places, 251 were eliminated, leaving a final list of 345 cities and towns in Georgia for analysis.

To identify the appropriate location for each downtown marker, the location was reviewed in Google Maps using the satellite imaging information. Once the center location was identified, the latitude and longitude were imported into iXpress® and a radius (circle/centroid) study was computed for the parameters of quarter-mile, half-mile, and mile radii from the central point. Once data were retrieved for each city and town in the study a complete report was generated in iXpress®. This report captured the number of employees per type of business (sector) as identified by the two-digit NAICS code. The data for the cities were then aggregated by the respective populations into seven different population strata (see Table 2). These categories were used in making the strata concentration analysis.

Table 2
GEORGIA CITIES BY POPULATION CATEGORIES

<table>
<thead>
<tr>
<th>City or Town Population</th>
<th>Number of Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1,000*</td>
<td>250</td>
</tr>
<tr>
<td>1,000-2,500</td>
<td>105</td>
</tr>
<tr>
<td>2,500-5,000</td>
<td>95</td>
</tr>
<tr>
<td>5,000-10,000</td>
<td>51</td>
</tr>
<tr>
<td>10,000-25,000</td>
<td>61</td>
</tr>
<tr>
<td>25,000-50,000</td>
<td>23</td>
</tr>
<tr>
<td>50,000-100,000</td>
<td>6</td>
</tr>
<tr>
<td>100,000-500,000</td>
<td>4</td>
</tr>
<tr>
<td>Over 500,000*</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>596</td>
</tr>
</tbody>
</table>

*Omitted from analysis

FINDINGS
The findings show a diverse mix of business types in downtown employment, derived from the top eight sectors which account for 83 percent of jobs. No one sector dominates employment in Georgia’s downtowns. Specifically, the top two sectors include retail and public administration, together responsible for 39 percent of downtown jobs. The employment portrait that emerges is one of robust diversity.

The analysis reveals that Georgia downtowns may represent an important economic and employment engine for the state. According to the analysis, approximately a quarter of a million Georgia jobs (6.4 percent) exist within one-half mile radius of the state’s downtowns (excluding the smaller towns – below 1,000 - and Atlanta). Expanded to a one-mile radius, almost one Georgia job in five is attached to a
business or other organization located within downtowns. A relatively high density of employment is located within the geographic footprint of Georgia’s downtowns (see Table 3).

### TABLE 3
**NUMBER OF JOBS IN GEORGIA DOWNTOWNS**

<table>
<thead>
<tr>
<th>Radius Distance</th>
<th>Number of Jobs</th>
<th>% Georgia Jobs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>¼ Mile</td>
<td>73,344</td>
<td>1.86%</td>
</tr>
<tr>
<td>½ Mile</td>
<td>252,471</td>
<td>6.42%</td>
</tr>
<tr>
<td>1 Mile</td>
<td>735,485</td>
<td>18.69%</td>
</tr>
</tbody>
</table>

*Over the 3.9 Million Georgia Jobs, excluding Atlanta & municipalities below 1,000.

In the aggregate, the analysis reveals that small city downtowns in Georgia represent significant employment hubs. A diverse mix of business types is found in downtown employment. No one sector dominates employment in Georgia’s downtowns, either at the one-half mile or one-mile radius. Instead, although downtowns may be perceived primarily as the domain of retailers, the statistics suggest that downtown employment is derived from a diverse mix of business types (and other organizations).

### EXHIBIT 1
**PERCENTAGES OF GEORGIA DOWNTOWN JOB SECTORS**

![Pie chart showing percentages of Georgia downtown job sectors]

- Retail Trade: 22%
- Public Administration: 17%
- Health Care: 9%
- Accommodation and Food Services: 11%
- Educational Services: 8%
- Manufacturing: 7%
- Construction: 5%
- Finance and Insurance: 4%
- Other: 5%

Specifically, at one-half mile from town center, the retail sector generates 22 percent of total employment in Georgia’s downtowns, with public administration responsible for 17 percent of the jobs. Accommodations and food services represents 11 percent, with health care (nine percent), educational services (eight percent), manufacturing (seven percent), finance and insurance (five percent), and
construction (four percent) sectors completing the array of primary employment sectors. The “other” category comprises the last 17 percent of downtown employment (see Exhibit 1).

An interesting finding is that two-thirds of employment within the Georgia downtowns studied is not generated by either the retail or food and accommodation sectors. At one-half mile, together these sectors represent approximately 83,300 jobs, or 33 percent of the total source of downtown employment in Georgia.

In comparing the Wisconsin results to the Georgia picture, the research reveals interesting similarities and divergences in the respective state statistics. For example, the first two employment categories are reversed for the two states. In Georgia, the sector with the largest percentage of employment is retail trade, which is second highest in Wisconsin and considerably lower (10 percent). Wisconsin’s primary employment sector is public administration, which is second in Georgia (Ryan & Jin, 2011a).

**Employment Variation by Population Size**

The employment data provide a new lens with which to view the economic landscape of Georgia downtowns. In the array of small to large municipalities, the employment mix tends to vary with higher concentrations in different sectors. For example, the accommodations and food service category represents a significantly higher proportion of employment in the over 100,000 population category than in the population categories below that. The research shows that sector employment proportions vary throughout the seven population categories.

**RETAIL TRADE**

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public (NAICS).

**EXHIBIT 2**

**PERCENTAGES OF RETAIL TRADE IN GEORGIA’S POPULATION CATEGORIES**

![Bar Chart](image)

<table>
<thead>
<tr>
<th>Population Category</th>
<th>Retail Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop. 1000-2500</td>
<td>25%</td>
</tr>
<tr>
<td>Pop. 2500-5000</td>
<td>26%</td>
</tr>
<tr>
<td>Pop. 5000-10000</td>
<td>25%</td>
</tr>
<tr>
<td>Pop. 10000-25000</td>
<td>24%</td>
</tr>
<tr>
<td>Pop. 25000-50000</td>
<td>22%</td>
</tr>
<tr>
<td>Pop. 50000-100000</td>
<td>15%</td>
</tr>
<tr>
<td>Pop. Over 100000</td>
<td>17%</td>
</tr>
</tbody>
</table>

Retail Trade

Georgia Average
With the largest percentage of downtown employment, Retail Trade sector employment represents 22 percent of the state’s downtown employment total, according to the analysis. Retail Trade employment is relatively evenly distributed among the population groups, slightly higher than average in the smaller city categories and lower in the more populous strata. In Georgia, the average percentage of employment is higher in Retail Trade, in fact twice as high, when compared to a state like Wisconsin, which has a different employment mix (Ryan & Jin, 2011a).

As an example of employment mixes tending to vary in concentration within different sectors, Exhibit 2 shows that retail employment concentration drops off in the larger population strata (50,000 – 100,000 and greater than 100,000). This effect may be due to shopping centers, large format “big-box” stores, and other retail hubs locating outside the downtown centers in the larger cities.

PUBLIC ADMINISTRATION

The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area (NAICS).

EXHIBIT 3
PERCENTAGES OF PUBLIC ADMINISTRATION IN GEORGIA’S POPULATION CATEGORIES

With the second largest percentage of downtown employment, at 17 percent of the total, the Public Administration sector is unevenly distributed among the seven population groups, with the highest concentration in the 50,000 to 100,000 group. By way of contrast, in Wisconsin this sector has the highest percentage of state employment (Ryan & Jin, 2011b). In Georgia, cities with populations above 10,000 tend to have a higher density of public administration employment than less populous municipalities. Of course, county seats, regardless of size, are expected to have a higher percentage of Public Administration employment due to the concentration created by local governments. Local, state, and
federal government jobs are included in the Public Administration category, which is a substantial, but often overlooked, job creator.

ACCOMMODATION AND FOOD SERVICES

The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment (NAICS).

EXHIBIT 4
PERCENTAGES OF ACCOMMODATION & FOOD SERVICES IN GEORGIA’S POPULATION CATEGORIES

With 11 percent of state downtown employment, Accommodation and Food Services sector employment is relatively evenly distributed among the population groups, except for the over 100,000 category. The largest population category has approximately twice the percentage of downtown employment in this sector as the other population classifications. This sector has evolved into an important economic driver for many Georgia downtowns.

HEALTHCARE AND SOCIAL ASSISTANCE

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The services provided by establishments in this sector are delivered by trained professionals (NAICS).
With the fourth largest percentage of downtown employment, at nine percent, Healthcare and Social Assistance sector employment is relatively bell-shaped in distribution among the population groups, with striking drop off in the smallest and the two largest population categories. The four middle population categories are above the state average.

Unlike other states with a higher average percentage of Healthcare employment in the downtowns, Georgia doesn’t have a solid concentration of this type of employment near downtowns. Hospitals, medical office and related industries may be located outside the central downtown districts in most cases.

EDUCATIONAL SERVICES

The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers (NAICS).
As the fifth largest sector in terms of the percentage of downtown employment, Educational Services sector employment is relatively low and slightly unevenly distributed among the seven population groups. This sector is responsible for eight percent of the state’s downtown employment. When compared to a state like Wisconsin where the lowest and highest population groups have the highest concentration of educational services employment (Ryan & Jin, 2011b), Georgia’s sector concentration seems to be fairly stable across the groups with highs on either end. One interpretation might be that educational services are generally located outside the downtown footprints in Georgia cities.

**MANUFACTURING**

The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in specific cases. The establishments in the manufacturing sector are engaged in the transformation of materials into new products (NAICS).
EXHIBIT 7
PERCENTAGES OF MANUFACTURING IN GEORGIA’S POPULATION CATEGORIES

Manufacturing, as the sixth largest downtown employment sector, demonstrates a definite pattern in terms of percentages within the various population categories. In a configuration similar in shape, if not magnitude, to Wisconsin (Ryan & Jin, 2011b), this sector reveals a decreasing percentage of downtown employment from the smallest population range to the largest. In Georgia, downtowns in the smallest population group (1,000 - 2,500) have a larger percentage of manufacturing employment than the state average (12 percent compared to eight).

The Manufacturing sector employment percentage starts dropping in the next larger population category and continues to drop through the largest population category, which has the smallest percentage (three percent) of manufacturing jobs. This effect could be a result of less manufacturing located on available and relatively expensive property within a half-mile of larger cities, but more likely to be located closer to town center in smaller downtowns.

FINANCE AND INSURANCE

The Finance and Insurance sector comprises establishments engaging in or facilitating financial transactions. The sector includes any business which raises funds through deposits, issuing securities, incurring liabilities, or by underwriting insurance and annuities (NAICS).
Responsible for an average of five percent of Georgia downtown jobs, Finance and Insurance sector employment reveals a general, if slight, increasing distribution of downtown jobs across the population groups, with the largest cities (over 100,000) having a significantly larger percentage of the sector employment downtown. The sector represents the seventh largest percentage employment category in the state’s downtowns.

Several isolated cases reveal specific cities with a primary focus (a very high employment percentage) in this sector. This characteristic serves as a reminder that local communities can be proactive in establishing or leveraging a “position” or cluster/niche within a particular employment sector.

**CONSTRUCTION**

The Construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector (NAICS).

At four percent of Georgia downtown employment, the Construction sector demonstrates another different and definite concentration pattern within the various population categories. In Georgia, downtowns in the three smallest population groups (1,000 – 10,000) have a slightly greater percentage of construction employment than in the remainder of the population categories, which drop to the average and below. As the eighth largest downtown employment category, the construction employment percentage drops off dramatically, to one percent, in largest population category.
CONCLUSIONS

This study accomplished its primary goals, which were to assess the employment mix in Georgia’s downtown and explore how that information might be leveraged for economic development purposes. The research is unique in that it utilized a proprietary dataset (actual data) instead of relying on anecdotal or other speculative evidence. This project provides an exclusive look into one state’s (in this case Georgia) downtown employment mix in order to evaluate the actual sector proportion density in the various population categories.

Generally, from the research, a picture of a richly diverse downtown job mix for Georgia’s cities emerges; with no one sector dominating the landscape. Implicit in the study is the effect of small business in the mix, since by far most business enterprises fit the small business criteria. In assessing downtown employment, this project indicates possible points of leverage as policy makers, marketers, and economic development professionals seek to add/create, expand and retain jobs and businesses within downtown footprints.

In attempting to address the question of whether Georgia’s downtowns represent a real and possibly overlooked economic engine for the state, it was determined that there is strong potential, and indication, that perhaps more attention and initiatives might be useful for downtown revitalization and the retaining and creating of new jobs in Georgia’s downtowns. The research isolates and assesses the various sectors which provide downtown employment, revealing they are all important, that defaulting to a focus on any single sector (i.e., retail) might be premature, and a mistake (unless undertaken proactively and consciously). According to the findings, recruitment and assistance/incentive efforts might be productively applied to any and/or all sectors that would meet the currently expressed or desired economic development vision of respective community stakeholders.

In a traditional economic development framework, although Georgia’s downtowns have not typically been perceived as key employment nodes, the research reveals that perhaps they should be given more...
attention and possibly be considered for more incentives (by policy makers). The usual discussions concerning downtown development and revitalization might evolve into something concrete if resources were judiciously applied to support viable growth.

If economic development is viewed as action to improve the local standard of living by deploying and leveraging assets to their full potential, then this attention to the actual downtown employment statistics could provide a “reality check,” or a perspective of awareness. Those who were previously unaware of the actual situation, that most downtown employment is not predominantly retail or restaurant based, could perhaps use this new perspective to devote more, and configure efficient utilization of, downtown resources.

Although the general perception of downtown might include the opinions expressed previously in this article (see “perceptions of downtown”), the analysis of current data reveals that actual circumstances may be quite different. Of course, apart from the state aggregate, and the population category proportions, each Georgia community has a unique configuration of business sector employment. Each of these models could be the key to future individual community efforts toward realigning or tweaking their respective employment mix through various economic development activities or initiatives consistent with the local development vision.

In order to know which tactics might be successfully undertaken and might actually work, the employment condition was analyzed and a factual foundation for decision-making was created. One means to accomplish that objective was to analyze actual employment numbers and the business mix for Georgia downtowns, and then make comparisons (perhaps with other states or among other communities).

The various population levels across Georgia reveal quite different concentrations in the diverse business sectors within the population categories. Research of this type provides a “snapshot” of the business mix among the population strata in the state, which can supply useful information for policy makers, marketers, and economic development professionals in their goals of stimulating business recruitment and/or expansion in the desired downtown areas.

For example, in reviewing the individual community statistics, it becomes apparent that both the state averages and the population category averages may not be directly correlated or tied to any one community (this discussion is beyond the scope of this paper), since this research focuses primarily on aggregate (and average) data.

Again, in Georgia, no single sector dominates the employment mix. Instead, a rich and diverse mix of business types is responsible for the state’s downtown employment, including 83 percent of the jobs derived from the top eight sectors. This diversity in downtown employment may represent a strength, allowing for some stability in the local economy when there is a general economic downturn, or a dip in a specific sector.

Specifically, in this analysis, the retail sector was found to generate 22 percent of total downtown employment, with public administration responsible for 17 percent of jobs, then accommodations and food services (11 percent), health care (nine percent), educational services (eight percent), manufacturing (seven percent), finance and insurance (five percent), and construction (four percent). The “other” category comprises the last 17 percent of downtown employment.

IMPLICATIONS

The analysis suggests that the traditional economic development tactic of strictly focusing on a pursuit of large companies to be located outside the state’s downtowns might not always be the best, only, or most productive or successful path to economic development, or the most efficient use of scarce resources. Georgia’s downtowns may be considered an important piece of economic development landscape, and a possible engine for local job creation, growth and retention, perhaps through concentrated revitalization or other efforts.
Perhaps Georgia downtowns should be considered ripe for further development, and recognized and utilized more efficiently (leveraged) through various growth strategies. Recently proposed broad, state-level incentive programs (i.e., tax incentives for downtowns and downtown businesses) targeting specific economic outcomes being sought in the downtowns have been and are being considered. Perhaps more and bigger revenue neutral (or revenue positive) initiatives to encourage downtown business growth should also be considered. The current climate is very supportive of efforts to assist downtowns in gaining economic traction directed toward revitalization. Perhaps studies like this one, relying on sound data, can provide a foundation for some of that effort and future decisions. Decision-making by well-informed policy makers, marketers, and practitioners, based on actual data, is usually “better,” or at least more reliable, than the alternative.

LIMITATIONS

As with any research project, a limitation of the project is the constraint represented in the (proprietary) dataset. As impressive as any secondary dataset might be, deficiencies and errors in accuracy occur. The researchers are bound by the imperfections that may exist within the data. Also, the analysis has an implicit weighting to the data by the number of communities in each of the population categories. Or to put it another way, the data have not been weighted proportionally by the number of cities or population in each of the categories. The analysis does not consider those effects.

FUTURE RESEARCH

In analyzing the number of businesses and density of the various sectors, it becomes apparent that investigations into other aspects of downtowns (e.g., sales, numbers of businesses, changes across time) might provide meaningful results. Unfortunately, without immediate access to data in other time periods, changes over time (even for this project) could not be mapped. These aspects provide productive areas to be considered for future research. Also, since the picture of downtown employment is evolving, future studies of this nature would be useful in determining how, in which directions, and the size and proportions of the changes over time.

In addition, although implicit in the results, due to the large proportion of small businesses represented in any employment study, a specific analysis of small business employment within the state’s downtowns might be a productive domain for follow-up study. In that way, business size (employment) would become a separate variable to study as a possible economic driver.

ENDNOTES

The analysis is based on 345 Georgia municipalities (one-half mile radius) with populations greater than 1,000. Atlanta is excluded from the analysis for simplification and to adjust for an obvious outlier (population 500,000+). The data source for the project (and all tables and charts) is Nielsen Claritas® (2010), a proprietary dataset contracted by the Division of Applied Research, SBDC.

The analysis is conducted in the aggregate, although individual communities and sales data were reviewed in separate research projects and compared within their respective population groups and the state data.

The research was inspired by a similar project conducted by the Center for Community and Economic Development University of Wisconsin Extension into the employment mix of Wisconsin’s downtowns. Also, the NAICS descriptions (for each category) are derived from the NAICS website.

REFERENCES


