Is Hinds County Mississippi Really Worse than Madison or Rankin County?

A Spatial Equilibrium Approach to Ranking Quality of Life

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ABSTRACT

County level Quality-of-Life measures are important to public policy and economic development planning. Using a spatial-equilibrium econometric approach, we measure local amenities, which inform us about quality-of-life. This approach provides a novel, theoretically tenable and unbiased approach to measuring amenities and gauging quality-of-life in particular locations. In this paper, we use our spatial equilibrium approach to compare and contrast quality-of-life in Hinds, Madison, and Rankin County Mississippi. This approach follows from two important notions. First, a significant amount of what individuals and firms value in places where they locate is unobservable and difficult to directly measure. Secondly, the values of tangible and intangible location-specific attributes (amenities) are captured by the amenity-adjusted, housing prices and incomes. We implement a ranking scheme consistent with these notions, and we find considerable variation in amenity levels within and between counties.

This type of analysis, preformed at the census block level, gives researchers a different way to analyze quality-of-life and economic conditions. Conceivably, this approach will advance our understanding of changing business patterns, and demographic shifts in the Jackson, MS Metropolitan Statistical Area (Copiah, Hinds, Madison, Rankin, and Simpson County). This research also introduces a practical policy tool that could be useful to elected officials and planners who are focused on economic development, business location, infrastructure investments and work force development.