Colleges & Small Town Retail: An Analysis

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Abstract

We examine the impacts of colleges and tourism on Small Towns in upstate New York. Through a combination of visual methods and coding the storefronts of central business districts, we sought to capture the essence of communities that lacked college or tourism components in order to make comparisons to those that had these features. Our coding scheme made note of storefront uses indicative of a high quality of life, consistent with Florida's notion of the creative class. The results of our analysis suggest that there is a synergistic quality that emerges when communities combine the benefits of tourism and college presence to create a kind of "smart growth" in small communities. Tourism has great potential to bring in external resources, and colleges contribute to the planning, organization, and implementation of community enhancements. Colleges can contribute even more to the economies of their local communities by utilizing their creative class to enhance opportunities for tourism.

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Richard Florida (2004, 2007, 2008) argues that the economies of post-industrial societies will be increasingly influenced by the actions of a "creative class" comprised of highly educated workers, primarily from the knowledge and information technology fields. In short, Florida argues that those cities that have qualities attractive to "creatives" will be more likely to benefit from their presence. The ability to attract the creative class is not simply the result of the presence or absence of historically conventional economic "pull" factors for communities (e.g., availability of blue collar jobs), but rather is deeply informed by the presence of high "quality of life" indicators that include the performing arts, outdoor recreation, social activism, and other social and cultural activities commensurate with post-material values (Inglehart, 1997). Such values include leisure activity, environmental protection, animal rights, social justice, non-violence/peace, and other ideals that largely grew out of the social movements of the 1960s and 1970s in the United States and Western Europe.

Consistent with Florida's propositions, we wish to examine the conditions under which the 'creative class' may be attracted to a given area by empirically measuring the presence of the non-economic post-material quality of life indicators that act as the new "pull" factors. We believe that the most logical starting point for this investigation is a focus on the most central institutions that serve to promote "creative" cultural, social, and economic activities—namely colleges and universities. A number of studies have hitherto suggested that colleges have a positive impact on their home communities' economic prospects (Maurasse, 2001), even if not examined through the theoretical lens we wish to utilize. For instance, Pendall et al (2004) noted:

Figure 1: Members of the creative class help invigorate rural communities, such as this art gallery in Old Forge.

> Higher education contributes to Upstate's economy in at least three ways: Through direct expenditures on higher education and the indirect (multiplier) effects it generates; by bringing out-of-state dollars into upstate; and by educating the future labor force. Education enhances productivity, and productivity growth is essential for economic success—especially for states like New York whose population and labor force are not growing rapidly. (6)

In addition, Dietz (2007) suggested that part of upstate's lagging economic performance was the inability to attract college educated talent to the region. Building on this insight, Thomas & Smith (2009) proposed that better utilization of the state's colleges could serve to improve its overall economic picture.

In light of past research on small towns and the creative class, we hypothesize the following:

1) The presence of a college or university positively impacts the structure and diversity of retail establishments in a central business district, and this is due, in part, to the presence of a creative class.

2) Tourist towns with a creative class will have similar structure and diversity of retail establishments adjusted for market-specific variables (e.g., baseball businesses in baseball-oriented tourist towns versus age-specific businesses in a college town).

Method

Utilizing data from an ongoing study of the retail base of small towns (defined as having a population of less than 6,500 in 2000) in eastern and central New York we examine the impact of colleges and universities and their influence on the retail base of downtown areas. The structure of central business districts was coded according to a framework adapted from a series of similar studies of small towns in upstate New York (see, for example, Thomas et al., 2003, 2007, 2008, 2011; Thomas and Smith 2009). The data were collected in the following way.

Each community was selected based on population (between 500 and 6,500 residents in 2000), location in one of the eastern New York Counties (east of Oneida, Madison, Chenango, and Delaware Counties), and not contiguously urbanized with a larger community. For each community selected, a list of addresses in each downtown area was assembled. Each business recorded was then coded according to the scheme outlined below. The functional specialization (see Logan et al, 2004) of the community's economy was determined according to whether it was based on a college, on tourism, or neither. Some communities had other specializations, such as Schoharie (county government) and Canajoharie (manufacturing), but these functional specializations will be considered in future research.

Figure 2: Many communities, such as Waterville above, remain aesthetically pleasing but have an inordinate number of local services that have taken over storefronts once used for retail.

Businesses classified as "general" sell goods that are of use to the general population on a regular basis. This definition is inclusive of grocery, pharmaceutical supply, and other such general merchandise. Such businesses often sell items related to tourism, but the primary purpose

Table 1: Communities Studies and their Functional Specialization

Community	Functional Specialization (College or Tourism)
Bainbridge (population=1,355)	No
Boonville (population=2072)	Tourism
Camden (population=2231)	No
Canajoharie (population=2229)	No
Cazenovia (population=2835)	College
Cobleskill (population=4678)	College
Cooperstown (population=1852)	Tourism
Delhi (population=3087)	College
Greene (population=1580)	No
Greenwich (population=1777)	No
Hamilton (population=4239)	College
Hancock (population=1031)	No
Kinderhook (population=1211)	No
Margaretville (population=596)	Tourism
Middleburgh (population=1500)	No
Morrisville (population=2199)	College
New Paltz (population=6818)	College
Old Forge (population=756)	Tourism
Rhinebeck (population=2657)	Tourism
Schoharie (population=922)	No
Tannersville (population=539)	Tourism
Waterville (population=1583)	No
Woodstock (population=2088)	Tourism

Note: Population for 2010 is reported; Functional Specialization refers to the primary function when both exist

of such stores is the sale of general merchandise. General stores that supply automotive fuels are designated "General-Fuel."

Specialty stores sell goods that are intended for aesthetic or symbolic use, such as works of art or souvenirs. Boutiques that sell clothes in addition to a number of other specialty items were classified as specialty stores, although the store selling only clothes is classified "general." Businesses which do not have as a primary orientation baseball-related merchandise were classified "specialty, non-baseball." A "Specialty, baseball" designation is applied to those stores that do have a primary orientation toward baseball-related items.

Food Service establishments include businesses whose primary purpose is the preparation and service of food for consumption. Local (and General) Services include businesses whose primary purpose is to provide a specific service, such as financial services, real estate, or minor production services such as printing, photocopying, or customer service. Art galleries and antiques centers were also coded. Bars and taverns were coded separately from food service establishments. In addition, adult-oriented retail outlets, such as "head shops" and tattoo parlors, were also separately coded. Similarly, attractions, such as pool halls and movie theaters, were given separate codes. Civic institutions, such as the post office, city offices, and the offices of

non-profit community groups (such as Opportunities for Otsego) were classified as "civic." Car dealers and automobiles service shops were classified under "Car/Implement Dealer." Vacancies were also coded separately.

Data for each community for 2000 and 2010 was extracted from the Census Bureau. Except for Old Forge and Woodstock, each community is an incorporated village. The villages and their functional specializations are listed in table 1, along with each village's respective 2010 population.

Analysis/Findings

The results of our descriptive analysis (Table 2 below) show that the most common use of a storefront in the downtowns of these communities were local services (at about 14 per community), followed by specialty retail and food services (each with about 8 per community). After these uses, the average community had about 6 vacancies, although these could refer to either long term persistent vacancies or temporary vacancies that occur when an occupant leaves and is the process of being replaced.

Table 2: Descriptive Statistics

Services and Retail Categories	**Mean, Standard Deviation**
General Retail	5.96, 3.47
General Retail with Fuel	.57, .79
Specialty Retail	8.17, 9.91
Functional Specialization Retail	1.30, 4.89
Food Service	7.87, 4.80
Local Services	13.43, 5.58
Art & Antiques	2.30, 3.54
Bar or Tavern	1.09, 1.13
Adult Oriented	.30, .64
Civic or Religious	2.91, 1.76
Attraction	.61, .72
Automotive Oriented	.30, .64
Vacant	5.74, 4.00

When data for each category of storefront use were correlated with a variable that identifies the communities as having either a college or tourist function (results in Table 3 below), we found that the more likely storefronts included specialty retail (.559) and arts and antiques (.458), while the least likely to be present were automotive related services (-.418). We also find that the communities that were neither college towns nor tourist towns were far less likely to offer food services (-.555). Though not shown here, we found that separately analyzed, college and tourist towns were not found to have the same positive impacts to the same extent.

Table 3. Benefits of Tourism and College Presence

Services and Retail Categories	College/Tourism Towns
Specialty Retail	.559**
Arts and Antiques	.458**
Automotive	-.418*

Note: .n=23 small towns; statistical significance: 05*, .01**, 001***

In terms of our stated hypotheses, we did find that the presence of a college positively impacts the structure and diversity of retail establishments in a central business district; simply stated, the presence of a college in a small town dramatically improved the amount and diversity of retail in the business district. We also hypothesized that tourist towns with a creative class would have a similar diversity of retail establishments adjusted for market-specific variables. In fact, tourist towns did have a greater variety of retail even compared to college towns, and college towns similarly were more likely to have adult-oriented services (e.g., bars and taverns and tattoo parlors).

Conclusions

The upshot of our analysis is that more desirable uses of store fronts to the creative class—art galleries, antique stores, ample restaurant choices, and a variety of retail shopping opportunities—were found in those towns that either had a college or a tourism primary function. Those communities that did not have these functions—for example, industrial communities like Canajoharie—were less likely to attract desirable storefront uses, and more likely to attract less desirable uses such as automotive services in the central business district. From the point of view of quality of life, it appears that industrial towns lag behind college and tourist communities.

Figure 3: In Canajoharie, the identity of the central business district is overwhelmed by the enormous manufacturing facility of Beech Nut Corporation.

While our analysis is supportive of the positive impact of colleges on small communities, we think the full story would need to include the point that much more stands to be gained from combining tourism and college functional specializations. Communities like Cazenovia are able to successfully combine the two and benefit from the enhanced quality of life. This college-tourism synergy is not terribly surprising since the qualities that tourists find attractive in communities—a robust art scene, theatre opportunities, restaurant and shopping choices—are supported by the people that a college tends to attract to the community. In other words, the college attracts a creative class of students, but further benefits from their presence when given the opportunity to put their talents

Figure 4: Due to the presence of a creative class, colleges and tourism can not only coexist but actually provide synergistic effects that build healthy economies. This theater is associated with Cazenovia College, and the art gallery is also in downtown Cazenovia.

to use in the local community. For example, many colleges have a theatre department, and individuals working or majoring in theatre can share their talents at a local playhouse or performing arts center. Moreover, while college students have disposable income, they are not as well as off as the average tourist to many towns, and may hold more value contributing to communities in ways that transcend the traditional view of college students as simple consumers.

We realize that the findings in this study are preliminary, and that the size of our sample of communities is not large, so generalization beyond these communities is not fully justified. However, we would also point out that there are not many communities that exist at the population levels we are interested in understanding (below 7,000 people), so this examination is suggestive of larger trends. Future research will consider more closely the impacts of vertical integration of communities within a larger urban systemic context.

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