Perspectives on Place-Based Policy

STRATEGIES FOR WORKFORCE AND ECONOMIC DEVELOPMENT

Anthony F. Pipa, A. J. Rodriguez, and Stan Veuger

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Introduction

The Workforce Futures Initiative is a research collaboration among the American Enterprise Institute, the Brookings Institution, and the Project on Workforce at Harvard Kennedy School's Malcolm Wiener Center for Social Policy. The initiative aims to develop concise and actionable reviews of existing research for federal, state, and local policymakers. Since August 2021, the group has provided a forum for researchers and practitioners to discuss policy ideas, evaluate evidence, and identify priorities for new research on the future of work and the public workforce system.

The first report, *Place-Based Policies Through a Rural Lens* by Anthony F. Pipa, makes the case for place-based federal policy as a solution to the diverging success in labor market outcomes for rural and urban America. The report describes the Rural Electrification Act of 1936 as an example of federal policy that helped establish wealth and stimulate demand and growth in rural areas. Pipa argues that the current state of federal investments are decentralized and have accessibility barriers due to varying eligibility requirements. The report includes recommendations for broader federal investment in local development.

The second report, *Texas 2036 and the Texas Legislature's Future Workforce Initiatives* by A. J. Rodriguez, describes the accomplishments of the nonprofit Texas 2036 in developing a strategic framework to advance Texas in several policy areas and performance measures. The investments in the state's future focus on growth through data-centered and evidence-based policy. This report provides a concrete example of how place-based policy can succeed in a state legislative context.

The third report, *Place-Based Policy and Economic Development* by Stan Veuger, describes the outcomes of current federal grants to state and local governments. Veuger makes the case for the need to evaluate effectiveness. Including arguments for and against place-based policies, the report features economic considerations of political incentives for productivity and relocation. Veuger recommends that spending be focused on programs with proven effectiveness and diverted from existing place-based policies and grants.

Place-Based Policies Through a Rural Lens

Anthony F. Pipa

The divergence in economic prosperity that rural America has experienced over the past three decades provides a strong rationale for pursuing place-based federal policy.

Before the onset and economic disruption of the COVID-19 pandemic, rural employment and labor-rate participation were still below the levels experienced before the Great Recession, while metropolitan areas had not only recovered but grown by 9 percent.[1] Rural America has also faced disparities in income, education levels, age, and life expectancy, and it experienced a net population loss for the first time in the 2020 census.[2] While rural areas experienced a slightly faster recovery from the pandemic than metropolitan areas did, their employment remains below pre-2008 levels. (See Figure 1.)[3]

Rural America is also where the dual burden of race and place is most pronounced. Eighty-five percent of the persistent poverty counties in the US—counties with a poverty rate above 20 percent for at least 30 years—are nonmetropolitan, with almost 60 percent of that aggregate population comprising people of color.[4] According to the Economic Innovation Group's Distressed Communities Index, more than half of rural black residents live in a distressed county.[5]

The unique geographic and economic features of less densely populated places suggest that policies sensitive to their characteristics can effectively improve their resilience and prosperity. Historically, federal policy has been instrumental in addressing rural America's market and social challenges. The Rural Electrification Act (REA) of 1936 is an example of a successful policy aimed specifically at addressing the market failure linked to rural places' unique characteristics.[6] It increased rural America's access to electricity from 33 percent in 1940 to 96 percent in 1956.[7]

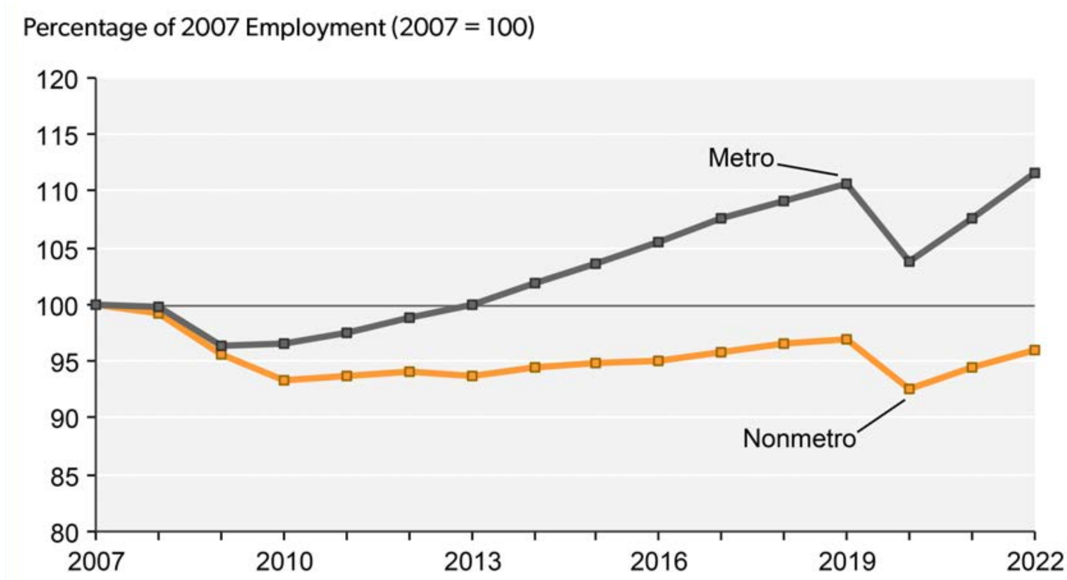
The REA's distinct policy design facilitated rural electrification and economic development, especially following the fallout of the Great Depression. It established the Rural Electrification Administration, which provided subsidized loans to rural cooperatives to electrify farms. This design bypassed the large utilities that refused to serve rural America and thereby vested control of electricity locally.

Electrification generated large increases in agricultural productivity, which decreased farmers' need to seek off-farm employment to sustain themselves and their families, and it raised farmers' property values, establishing rural wealth. Furthermore, it allowed families to purchase modern home amenities—such as televisions and radios—that made rural life more attractive and connected farmers to the nation.[8] More broadly, it stimulated demand for household appliances, helping grow the domestic manufacturing industry. The vast majority of subsidized loans were repaid with a default rate below 1 percent.

Congress expanded the Rural Electrification Administration's authority in 1949 to extend telephone service to rural areas, relying on the same policy design of cooperatives and subsidized loans. In 1994, it folded these programs into the US Department of Agriculture's Rural Utilities Service.[9] Critics broadly recognize the Rural Electrification Administration's success but nonetheless scrutinize the federal subsidies it relied on.[10]

Today's federal policy landscape, however, has not evolved to meet the current headwinds that

Figure 1. US Employment in Metro and Nonmetro Areas, 2007–22



Note: Employment is based on the annual average total employment by county, summarized by metro and nonmetro designation status based on the 2013 definition of metropolitan counties, as determined by the US Office of Management and Budget.
Source: US Department of Agriculture, Economic Research Service, and US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics, "Rural Employment and Unemployment," April 21, 2023, https://www.ers.usda.gov/webdocs/charts/62816/employmentindices2022LAUS.png.

rural places face. The federal capital market for rural community and economic development has become a fragmented, complex maze of programs that lacks strategic coherence and, often unintentionally, keeps the smallest and most distressed communities from accessing its resources. In 2020, Natalie Geismar and I found that more than 400 programs exist (throughout 13 departments, 10 independent agencies, and over 50 offices and subagencies across the federal government) for communities to navigate through, identify, and access support for their priorities. (See Figure 2.)[11] Three major pieces of legislation—the Infrastructure Investment and Jobs Act, the Creating Helpful Incentives to Produce Semiconductors and Science Act, and the Inflation Reduction Act—have added 89 new programs to this array.[1]

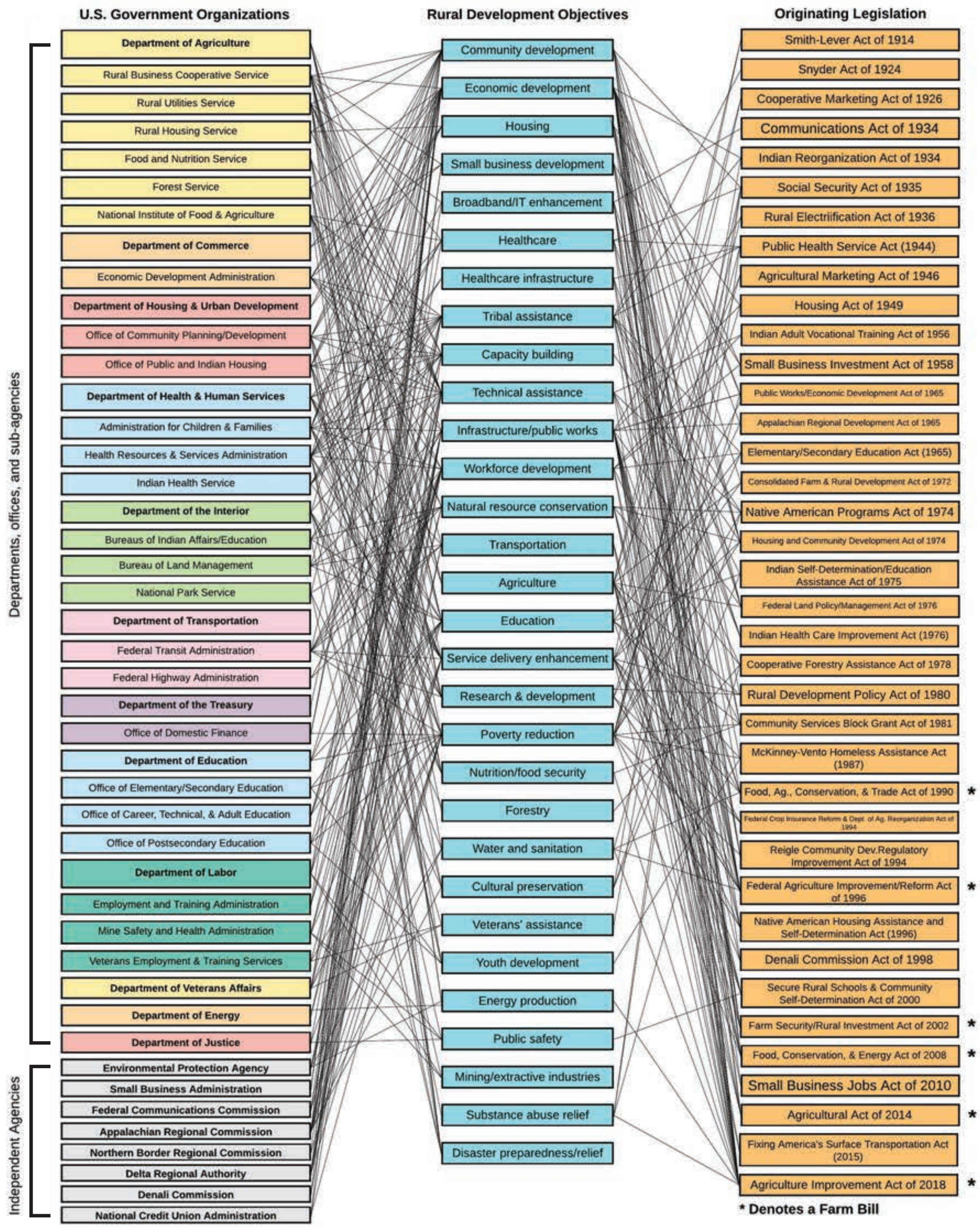
Each program has its own set of eligibility requirements, predevelopment standards, requirements for matching funds, scoring criteria, and reporting measures—which often disadvantage rural places. Matching requirements can be an immediate barrier, for example, because of tight fiscal constraints for local governments and disproportionately lower levels of philanthropy in rural places.[13] A bias for scale and maximizing per capita investment in scoring reflects a "structural urbanism" that privileges more densely populated places.[14]

These factors leave rural places starved for investment. This seemingly contradicts some analyses of federal funding flows. States' federal balance of payments, for example, suggests that states with more rural populations often receive more federal funds.[15] Yet rural populations are older and less healthy, and they have less income, so a major portion of the discrepancy likely is related to social safety-net and means-tested programs that support individuals and households. Even the primary benefits of Medicaid, whose funds go to state governments, are focused on low-income individuals and families, seeking to ensure health care coverage.

This is different from "place-based policy," which is generally considered to focus on enhancing the

Figure 2. Federal Development Assistance for Rural and Tribal Communities

While the US Department of Agriculture is technically charged with directing federal rural policy, programs that promote rural and tribal development are spread widely throughout the government. No comprehensive and integrated strategy exists. As shown below, the array of legislation, directives, and programs meant to help these communities leads to significant confusion and fragmentation.



Note: * This denotes a farm bill.

Source: Anthony F. Pipa and Natalie Geismar, *Reimagining Rural Policy: Organizing Federal Assistance to Maximize Rural Prosperity*, Brookings Institution, November 19, 2020, https://www.brookings.edu/articles/reimagining-rural-policy-organizing-federal-assistance-to-maximize-rural-prosperity.

economic performance and productivity of a particular geographic area—increasing job opportunities, business development, and wages.[16] According to some experts, this may also include broader interests, suchas strengthening administrative capacity, social cohesion, governance, and the civic institutions necessary to sustain social and economic initiatives over time, facilitate community engagement in their design, and share the benefits widely.[17] The ultimate goal is to improve overall well-being and resilience in a defined jurisdiction.

A modern place-based rural policy in the US could be instrumental in enabling local government and civic leaders to leverage their unique assets and develop and carry out solutions that improve their local economic and social outlook. Developing a national rural policy or strategy would be an effective first step, shaping a vision for how rural communities can thrive in the 21st century and identifying the strategic opportunities—such as rural electrification in the 1930s—in which rural places are constrained and federal investment would be catalytic.[18]

Several dimensions seem clearly ripe for reform. Federal investment is often narrowly defined and tied to physical pieces of infrastructure; this leaves little flexibility for investing in the "software" of local development, which includes staffing, organizational development, data, collaboration across sectors or jurisdictions, the technical expertise necessary for project development and management, and entrepreneurial leadership. Recognizing and identifying the unique innovation, leadership, and community collaboration surfacing throughout rural America—and making resources available to grow the capacity of local and regional leaders and organizations to leverage these assets—would help unleash additional investment, both public and private.[19]

For communities and regions that are ready, a flexible, consistent, and large-scale investment can provide the on-ramp necessary for a comprehensive economic transformation. New policy initiatives, such as the Build Back Better Regional Challenge and the Recompete Pilot Program overseen by the Economic Development Administration, are providing substantial place-based grants to economically distressed areas through competitions.[20] The level of these investments is supported by recent analyses that suggest significant investment is necessary for turnarounds in economically challenged places.[21]

Indeed, evaluators might disagree on the legacy and impact of the Appalachian Regional Commission (ARC), a classic example of place-based policy.[22] But while the ARC covers most of the geographic area of 14 states, its annual appropriation is generally about 5–8 percent of the annual Community Development Block Grant (CDBG) appropriation allocated directly to CDBG entitlement communities.

To be successful, rural place-based policy will require investing more resources more wisely.[23] Doing so will provide an opportunity to strengthen rural America, leveraging its human and natural capital to benefit the nation as a whole. It is time to build on the country's history of successful federal interventions to support and expand opportunity in rural places and create a modern place-based rural policy for the 21st century.

Texas 2036 and the Texas Legislature's Future Workforce Initiatives

A. J. Rodriguez

In 13 years, Texas will celebrate its bicentennial, and this milestone brings with it an innate sense of urgency to prepare and accommodate for the state's surge in population and create opportunities to remain economically successful. Texas 2036 is a nonprofit, nonpartisan public policy organization working to ensure Texas remains the best place to live and work through the state's bicentennial in 2036 and beyond.

The 501(c)(3) operates at the state level of government as a research and advocacy entity. The organization focuses on what the data say before launching into policy solutions. Framing issues with data is Texas 2036's key differentiator. Its founder and chairman, Tom Luce, often comments that without data, you're just another person with an opinion.

In 2019, the organization's 36-member board of directors developed a long-term, data-based plan for Texas—including 36 aspirational goals—titled *Shaping Our Future: A Strategic Framework for Texas.*[24] It contains 160 performance indicators comparing Texas to 11 peer states. In 2022, the organization updated its framework goals with new primary metrics and leading indicators to better inform, course correct, and connect data more effectively with policy work. Six policy pillars encompass the 36 goals: education and workforce, health care, natural resources, infrastructure, justice and safety, and government performance.

The organization also pragmatically approaches its policy work to optimize the amount of legislation and progress that can be made on any particular policy pillar and goal. For instance, in 2023, during the 88th legislative session, Texas 2036 focused on the record $32.7 billion state revenue surplus and additional transfers to the Economic Stabilization Fund, also known as the Rainy Day Fund. The state operates on a biennial budget basis, and this surplus represents an opportunity to encourage one-time, long-term impactful investments in the state's future to prepare for continued population and economic growth.

Accomplishments During the 2021 Texas Legislative Session

Texas 2036 made progress with the legislature on education and workforce initiatives, including continued emphasis on assessment, accountability, and rigor in schools and recovery from continued learning loss during the COVID-19 pandemic.

In health and health care, Texas 2036 continued to emphasize health care access, affordability, and coverage. Continued information technology modernization and reforms that aligned with the Texas Sunset Advisory Commission's upcoming review of state agencies provided opportunities for improvement within government performance goals. Within infrastructure, implementing broadband and repairing and investing in aging physical infrastructure—especially water systems throughout the state—were seen as priorities for additional funding.

By and large, the organization found success in each area at the session's conclusion on May 31, 2021.

In all, 77 of the bills Texas 2036 engaged with reached the governor's desk and were enacted into law or await voter approval to become amendments to the state constitution.

Workforce Initiatives

Only 57 percent of Texas households earn a living wage.[25] Among its 12 peer states, Texas ranks eighth on this metric, according to the Texas 2036 Strategic Framework. Additionally, more than 70 percent of jobs in 2036 will require a postsecondary credential.[26]

With the state's record revenue surplus, Texas 2036 saw this as a generational opportunity to overhaul community college finance formulas to meet Texas's future workforce needs and make them outcomes-based. At the outset, the base budgets of the state's house of representatives and senate allocated an additional $650 million for outcomes-based funding. Texas House Bill (HB) 8 eventually allocated $691 million for the 50 community college systems throughout the state, which all unanimously supported the legislation and transition.

Texas also increased its number of workforce credentials beyond traditional degree programs, identifying credentials of value including all levels of postsecondary degrees and industry-aligned, nondegree credentials such as certificates and skills awards in the trades (e.g., pipe-fitter and HVAC certifications).

HB 8 built on the work done in the 2021 session, including HB 3767 and the coordination of planning now mandated among the three agencies responsible for public education—the Texas Education Agency (TEA), the Texas Higher Education Coordinating Board (THECB), and the Texas Workforce Commission (TWC). These entities oversee more than $110 billion in funding annually toward Texas education, workforce systems, and initiatives.[27]

HB 8's Origin Story

In 2020, Texas 2036 initiated Aim Hire Texas (AHT), an education and workforce coalition that has grown to include more than 70 organizations. Even before the pandemic, Texas 2036 recognized the need for various stakeholders to collaborate to further align the state's education and workforce systems. The crisis spurred by the COVID-19 pandemic increased the urgency surrounding these issues.

The coalition seeks to combine the voices of business, education, and advocacy communities to resonate when engaging with state agencies (TEA, THECB, and TWC), legislators, and the governor's office. Similarly, state leaders and policymakers can find confidence knowing their policies are advancing through the legislative process with the support of diverse business and education communities alike.

As with everything Texas 2036 does, the solutions AHT advances must be based in data and evidence, with the goal of improving outcomes for students, workers, and employers. Furthermore, AHT is the umbrella initiative that encompasses Texas 2036's K–12, postsecondary, and workforce alignment projects.

The Tri-Agency Workforce Initiative (consisting of TEA, THECB, and TWC) created a structure first established by Gov. Greg Abbott in 2016. This was a crucial step toward aligning state education and workforce programs with employers' workforce needs. The initiative helps ensure state systems (i.e., data, oversight, and strategic planning) are collaborating and accessible among these three state agencies.

For the past half century, community colleges in Texas have been funded through an "allocation" model, in which the legislature decides how to divide a single amount of funding among Texas's 50 community college districts. Texas 2036 used existing data to build the Community College Finance Simulator—an interactive tool that empowered users to identify how funding for two-year community colleges would be allocated and how potential changes to current policies might affect a community college system's budget and the amount of funding each school receives. These estimates are categorized by each outcome the funding model incentivizes. The simulator provides colleges with more predictable allotments for state funding, primarily based on how they achieve certain outcomes.

The tool seeks to support policymakers in exploring individual policy solutions that could expand and sustain the state's community college finance system while highlighting the importance of students' outcomes. In state finance exercises like these, it can take days or weeks to get official financial impact statements for policy choices from relevant state and legislative offices. The Texas 2036 simulator provides those answers instantaneously.

This $691 million investment places Texas at the forefront of national higher education reform; it prioritizes proven value in the workforce for community college credential offerings. When these investments are combined with significant incentives for such offerings, more Texans would earn the credentials needed for well-paying, in-demand jobs.

This legislation reforms Texas's community college finance system by:

- Establishing new formulas, with a majority of state funding based on outcomes performance, including increases in the number of students earning a credential of value, successfully transferring to a four-year institution, or earning a coherent sequence of dual credit hours;
- Addressing community college districts' needs with low property tax valuations and enrollment with a base tier of funding; and
- Ensuring equitable achievement of outcomes through bonuses for disadvantaged students and older adult learners (expanded to consider students over age 25).

HB 8 and the Legislative Process

Various community stakeholders, composed of business and academic leaders, were appointed to the Texas Commission on Community College Finance, which made recommendations on a new funding model that remained relatively intact throughout the legislative process and was ultimately codified by HB 8. Both houses of the Texas Legislature passed it unanimously—142–0 in the house of representatives and 31–0 in the senate—and the governor signed it into law. THECB concluded its emergency rulemaking process, as required by the bill, to allow HB 8 to take effect for the 2023–24 school year.

Our implementation research and data projects will also show funds available from preexisting sources that educational institutions might not be fully leveraging. Texas 2036 and AHT will continue advancing HB 3767, highlighting Tri-Agency Workforce Initiative successes—including support for an enhanced unemployment insurance data collection pilot—and working toward an optimized workforce data ecosystem. Texas 2036 will also be engaged by providing testimony and meeting with lawmakers, agency staff, and other stakeholders during the Texas Sunset Advisory Commission's review process, including TWC's review in 2026 (done every 10 years for state agencies); TEA's and THECB's reviews will be in 2028.[28]

Place-Based Policy and Economic Development

Stan Veuger

Let us take a step back from current policy debates and ponder how we conceptualize place-based policy. What do we mean when we use the phrase? What does place-based policy currently look like in the US? How successfully has the US regarded its place-based policy if we look at big-picture outcomes?

Pondering this, my thoughts—and I acknowledge that this drives people mad—immediately go to what is surely the largest category of place-based policies (in the sense of resources allocated to specific geographic locations) based on location: federal government grants to state and local governments.

Therefore, as we approach place-based policy, I examine where these federal grants actually go and what their track record is in affecting outcomes. This gives us a sense of the current inventory of policy tools, what other types of scaled-up place-based policy might look like once they have gone through the political process, and what we can expect from them regarding their outcomes.

Table 1, which is from a forthcoming report by Jeffrey Clemens and myself, lists the largest programs of federal grants to states and localities by category: the two biggest health care programs, the two biggest income security programs, and so on.

What you see is that a ton of money goes to Medicaid and the Children's Health Insurance Program. The Federal-Aid Highway Program is sizable, but it is only about 10 percent of the size of the Medicaid grants. A good amount of funding is appropriated toward education, housing, and similar programs. This is something Dani Rodrik emphasized as well: We are in a services-based economy. That is where all the jobs are going to be; that is where all the money goes.[29]

Now, these federal grant programs dramatically overwhelm smaller programs such as Opportunity Zones, Empowerment Zones, and workforce development subsidies. To the extent that we want the federal government to be more effective in delivering place-based policies, we should start by bolstering these smaller programs. We can argue about whether these programs can be efficient in theory, but policymakers will ultimately produce them and spend money on them, so we should evaluate how we can make them as efficient as possible. We should determine how we can organize the Medicaid program in a way that makes hospitals, including rural hospitals, more productive and how we can design highway funding to make the infrastructure-construction industry more productive. These are the levers the federal government has.

These policies, what I call place-based policies throughout my report, are not just common. They are increasingly common. As Figure 1 (which is also from my forthcoming report) shows, federal grants to state and local governments have gone from less than 1 percent of gross domestic product (GDP) in 1950 to about 4 percent in 2023 and to even more during the pandemic. Excluding Social Security and Medicare, this is most of what the federal government does outside the defense sphere: Send money to state and local governments to do certain things. And in that sense, we have a ton of place-based policy, and it is increasingly common.

One thing place-based policy has not done is make the incomes of poorer parts of the US converge

Table 1. Average Annual Grant Outlays to State and Local Governments, Fiscal Year 2015–19

Category	Program Name	Annual Outlay	Category Total
Largest Grants by Category			
Health	Grants to States for Medicaid	$353,628	$377,092
Health	Children's Health Insurance Program	$13,927	—
Income Security	Child Nutrition Programs	$20,847	$100,341
Income Security	Tenant-Based Rental Assistance	$19,071	—
Transportation	Federal-Aid Highways (Trust Fund)	$40,150	$59,771
Transportation	Urban Mass Transportation Grants (Trust Fund)	$9,046	—
Education	Education for the Disadvantaged	$14,679	$38,912
Education	Special Education	$11,721	—
Other	Children and Families Services Programs	$9,677	$55,473
Other	Disaster Relief Fund	$5,552	—
Other Large Grants			
Income Security	Temporary Assistance for Needy Families	$14,872	—
Income Security	Supplemental Nutrition Assistance Program; Special Supplemental Nutrition Program for Women, Infants, and Children; and Commodity Supplemental Food Program	$11,562	—
Income Security	Foster Care and Adoption Assistance	$7,460	—
Income Security	Public Housing Operating Fund	$4,408	—
Other	Community Development Fund	$5,485	—
Average Annual Total Outlays for Grants			**$631,588**

Source: Jeffrey Clemens and Stan Veuger, "Intergovernmental Grants and Policy Competition: Concepts, Institutions, and Evidence," in *Policy Responses to Tax Competition*, ed. David Agrawal, James Poterba, and Owen Zidar (Chicago: University of Chicago Press, forthcoming).

toward those of richer parts of the US—or at least it is difficult to argue that the massive amounts of money the federal government has directed to specific places in the US have led to convergence.

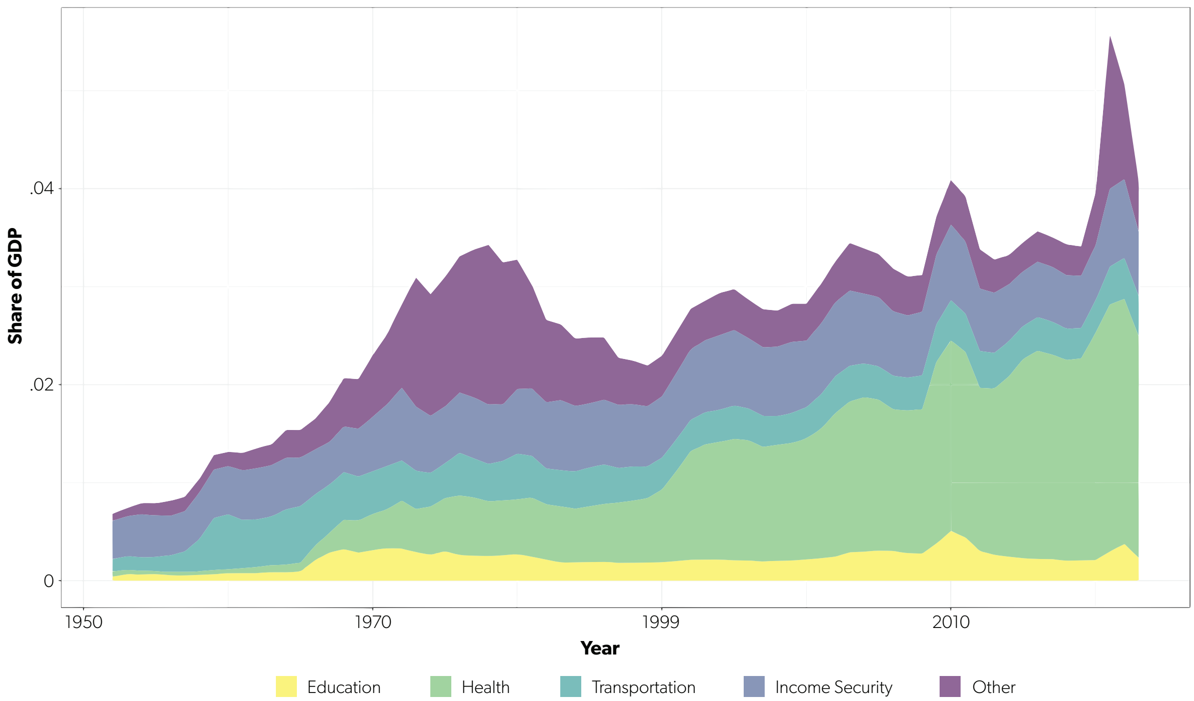
Now, you may think this hasn't prompted convergence because the programs are not targeted enough, but if we are to be realistic about these place-based policies, they are not going to be different in the sense that they will redistribute more. Such are the politics of the federal system.[30]

Take Medicaid, which is the government's biggest program. It already sends more money to lower-income states than to higher-income states, and it isn't likely that the gap between the 80-plus percent that some states are reimbursed versus the 50 percent that other states receive is going to increase noticeably or that other large-scale programs will look dramatically different. We need to be realistic about that and the existing scale of place-based policy—which, as we have seen, is enormous.

We also need to be realistic about the outcomes: I do not think it is reasonable to expect much more convergence. If you view place-based policy as a way to—what the British Tories call—"level up" the parts of the US that struggle the most, you're in for a significant disappointment.

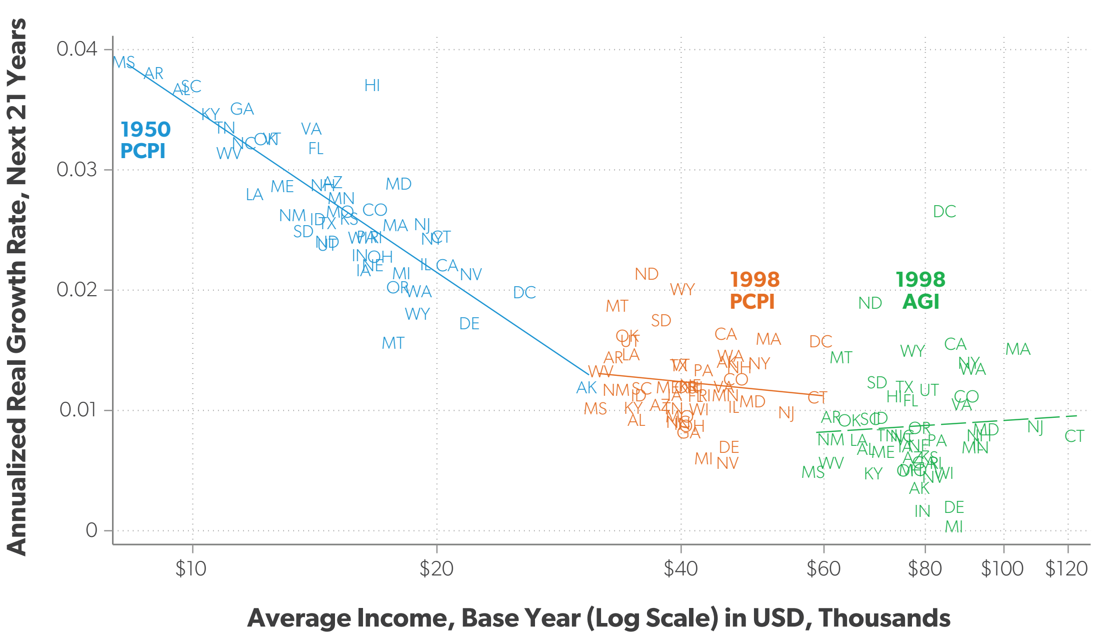
Figure 2 shows that the places in the US that had the highest incomes in 1950 had the slowest real growth rate in the next 20 years. Since 1998, that has not been the case. Instead, places with high income

Figure 1. Federal Intergovernmental Spending as a Share of GDP



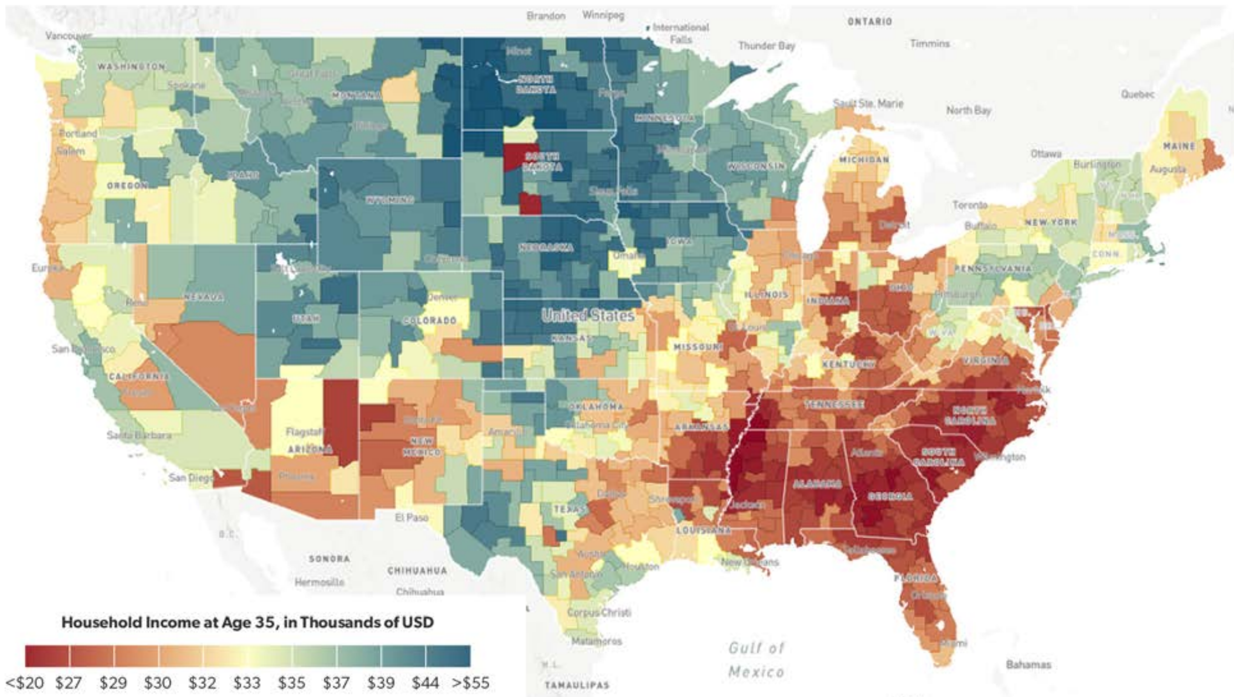
Source: Jeffrey Clemens and Stan Veuger, "Intergovernmental Grants and Policy Competition: Concepts, Institutions, and Evidence," in *Policy Responses to Tax Competition*, ed. David Agrawal, James Poterba, and Owen Zidar (Chicago: University of Chicago Press, forthcoming).

Figure 2. Convergence



Note: Values are in 2019 dollars, adjusted for inflation using the Consumer Price Index for All Urban Consumers. The x-axis is in log scale. PCPI is per capita personal income. AGI is adjusted gross income. The AGI plot is based on average AGI in tax units with positive AGI.
Source: Kevin Rinz and John Voorheis, "Re-Examining Regional Income Convergence: A Distributional Approach" (working paper, US Census Bureau, Suitland, MD, February 2023), https://www.census.gov/library/working-papers/2023/adrm/CES-WP-23-05.html.

Figure 3. The Opportunity Atlas



Source: Opportunity Insights, "Opportunity Atlas," https://www.opportunityatlas.org.

have grown at basically the same rate as places that do not. This is the opposite of what we would expect if increasingly extensive place-based policies had incentivized convergence.

You could argue, in fact, that the picture is even more depressing. In Figure 3, we see a typical map produced by Raj Chetty's team at Opportunity Insights. It shows measures of opportunity in different parts of the US. What this and other maps like it typically show is that states in the former Confederacy and American Indian reservations have the lowest level of opportunity (or really any other positive outcome) in the country. Those areas have, of course, had problems for 150 years, if not more. And the lack of opportunity, if it means anything, means that they are going to be the poorest, least innovative, and least productive parts of the country for the foreseeable future despite ongoing, massive transfers of federal funds.

What can be done instead? We can try to help people move to more productive places or create firms that are more productive, provide business services, establish development agencies, and help the demand side of the labor market become more productive. But it is unclear how the places that struggle the most can be more effective in delivering those services.

Of course, if we had a secret trick to make firms more productive, it would seem insane not to deploy them everywhere, as opposed to in specific places. So I'm skeptical of the federal government engaging in even more place-based policy than it already does.

There are strong theoretical arguments against even more place-based policy as well. Such policies treat people in similar circumstances differently based on accidents of geography. They, on some level, reward moving to or staying in low-productivity places.[31] Place-based policy is often motivated by political considerations. All that adds to the empirical reality I have tried to present: that place-based policies seem to have been fairly ineffective in accomplishing their goals.

To be fair, there are arguments in favor as well, though I believe many are post hoc rationalizations of what politicians decide to do regardless. Perhaps the best argument for place-based redistribution is that poor people in distressed places deserve more aid than poor people elsewhere do. Additionally, the same nominal amount of aid is of greater value in low-cost areas. Finally, places with specific local disamenities will need more aid because their marginal utility of consumption is higher, as we economists would say.

A 2021 report by Cecile Gaubert, Patrick M. Kline, and Danny Yagan[32] tries to take these arguments seriously. The authors calculate how much the federal government should spend on place-based policy based on them, and they estimate the spending would be similar to that of the Empowerment Zone program. That level of spending is swamped by the already-existing place-based policies and governmental grants discussed previously. Even that kind of sympathetic treatment, which does not account for all the counterarguments, would lead one to reduce, not to further increase, place-based policy in the United States.

About the Authors

Anthony F. Pipa is a senior fellow in the Center for Sustainable Development at the Brookings Institution. He launched and leads the Reimagining Rural Policy initiative, which seeks to modernize and transform US policy to effectively support equitable and sustainable development across rural America. He also launched and leads the Local Leadership on the Sustainable Development Goals initiative, which explores the approach cities and local institutions are taking to solve local problems while driving progress on global policy and transnational issues.

A. J. Rodriguez serves as executive vice president of Texas 2036. He has had roles in various professional and volunteer leadership positions in the corporate, nonprofit, and government sectors.

Stan Veuger is a senior fellow in economic policy studies at the American Enterprise Institute. He is also the editor of AEI Economic Perspectives and a fellow at the IE School of Politics, Economics and Global Affairs. He was a visiting lecturer of economics at Harvard University in the fall of 2021 and a Campbell Visiting Fellow at the Hoover Institution in May 2022.

Notes

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