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THIS MONTH'S FEATURED ARTICLE

Quality of Life: Something Everyone Cares About, but Defines Differently

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There are several quality of life indices that have been created over the years. They all attempt to describe, then rate, the relative attractiveness of a community or region. Without exception, the base assumption is that the audience is a homogenous group of individuals who are very educated, physically active, culturally aware, successful professionals who are highly social and savvy.

There is a problem with this assumption. Poll any 10 people about what "quality of life" entails. Odds are that you will receive 10 different opinions. Granted, on average, most people agree that general categories such as recreational opportunities, health, safety, cultural amenities and affordability are important. However, even among those who agree, there will be differences in both the interpretation of what constitutes any given factor as well as the relative importance of each. Personal interpretation will vary according to age, education, sex, income, employment level, religion and all the other factors that make people different.

So, is a "quality of life" assessment an academic exercise in futility? If the assumption is that "one size fits all," then yes they are a waste of time. In contrast, if the assessment focuses on those whose lives will be affected, then they are relevant – and can be very useful tools.

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Consider the preference of one of the wealthiest and most successful men in the world, Warren Buffet. He has lived virtually his whole life in Omaha, Nebraska, with a brief stint in New York. When asked why he preferred Omaha over New York, San Diego, Chicago, Seattle, Maui or any other prominent city, his response was, "I know what I like, and I like Omaha."

The simplicity of this statement speaks volumes about how "quality of life" studies should be both interpreted as well as conducted. Know what your audience likes and find out as much as you can about the factors considered important. You would not serve prime rib to a vegetarian would you? Well, maybe you would, but the vegetarian would not eat it.

Does this mean that the quality of life studies performed to date are of little use? The answer is, "Of course not." There is a wealth of data in these studies that provides significant insight into the relative attractiveness of a region. Interpretation of the data, however, should be viewed in the context of the potential audience.

For instance, top level executive management professionals' tastes and preferences would probably be different, on average, than a group of research scientists. In general, they would probably both be concerned about the same broad issues; nevertheless, one group would probably weigh certain factors more important than others.

An example of such a scenario would be a financial headquarters move compared to a biotech or pharmaceutical research and development center. Perhaps a better example would be comparing either of the two previous categories (executives and scientists) against young, mid-level management employees with families. While the executives and research professionals would probably be more interested in amenities that enhance their social and cultural experiences, the mid-level executives would most like tend to be more concerned with affordability, health care and safety. As stated earlier, the importance of any factor is only relevant to those that will be affected.

So, what are some of the important characteristics for any quality of life assessment? Generally speaking they can be divided into the following:

- Education
- Housing
- Crime & Safety
- Healthcare Quality and Costs
- Spouse Employment Opportunities
- Child Care Cost & Quality.
- Recreation & Leisure Activities
- Mobility

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There is a multitude of data resources available that can provide insight into either the availability or adequacy of the categories listed above. In fact, there is so much information that it is almost impossible to determine what is relevant and what is not. The point of this article is not to provide extensive data references. It is assumed that the reader knows how to find them. It is the point of this article to emphasize that selecting the right data for the right audience is the most important part. How can this be accomplished? First, ask the following questions:

1. Who is the Quality of Life Study being performed for?
2. What are the common characteristics of the audience?
3. What are the factors?
4. How important are each of the factors relative to the others for this audience?
5. What are the data points that qualify and quantify the factors?
6. Which items within each of the categories best reflect the audience's life situation and are relevant.

Once these questions have been answered, the quality of life assessment can be used for more than just an academic exercise. It can be modeled and adapted to reflect the issues and concerns that are relevant to the target audience. With regard to the categories listed above, the following comments are worth consideration.

Education

A parent considering his children's education has a totally different perspective than an aspiring professional wishing to pursue post graduate work or professional continuing education. Similarly, a single earner family with limited income will be much more concerned with the quality of public education than a top level executive who may only consider private schools. Economics can play an important role in this evaluation, as would career pursuits or life status situations. Education is a function of who needs it, who wants it and who has access to it.

Housing

The American dream of owning a home on an acre of land in the suburbs has evolved to include condominiums, apartments and lofts in central cities where there is an abundance of recreation activities close at hand, in a home-maintenance-free environment. Many mid-sized communities can now offer what was exclusive to only large metro areas.

Like education, housing affordability is a function of both income and life status situations. Young professionals just out of college, even if they could afford it, are probably not interested in a 30 year mortgage, mowing the grass or living a bucolic life in the suburbs. In contrast, a senior executive can afford such things and probably wants the space, the quiet and will hire someone else to do the yard work. Housing affordability and choice varies significantly according to this respect.

Crime & Safety

There should be a consistent view among everyone about what constitutes a safe environment; however, where this factor ranks compared to the other factors varies according to both the age and income earning potential. In some respects, the concern for crime and safety is a direct correlation with issues such as housing affordability. Almost all cities have crime to some degree, but the incidence of crime is not random. It is usually prevalent in specific parts of a metropolitan region where poverty and lack of opportunity abound.

For those whose income or circumstances afford them greater opportunity in housing choice, this factor can be mitigated considerably. In contrast, for those who do not have this luxury, crime statistics can be a significant factor since housing availability is limited to affordable locations. The prior statements do not include crime statistics that are significantly outside the norm.

Healthcare Quality and Costs

There should be little surprise that the concern for this factor is influenced considerably by age, income, marital status and professional position. In general, good health care concerns increase with age when it is apparent to the young that invincibility is not reality. Those with higher incomes are probably more concerned with health care availability and quality as opposed to affordability. A family of four is very concerned with all aspects of health care compared to a young single professional. And let's not forget the perspective of a top level executive whose job is to manage health care costs while still maintaining the ability to recruit top notch talent.

Spouse Employment Opportunities

Employment for spouses spans the entire spectrum of employees regardless of Income, professional standing, age or education. The major difference is the perceived "need" for spousal employment for two-wage earning families versus the "desire" to have spousal employment for a specific profession. These opportunities are equally important regardless of the situation. However, the perception is drastically different and speaks directly to the employment position of the audience.

Child Care Cost & Quality

Without a doubt, childcare cost and quality is a significant concern for new families. The quality of child care is a universal concern regardless of the position of an employee within the company. But of course child care cost is an issue, like spousal employment opportunities, that is a function of income level and economic circumstances. In some respects, this factor is influenced considerably by spousal employment opportunities.

Recreation & Leisure Activities

This factor is probably the hardest to evaluate among all of the quality of life factors. Everyone is different. As a consequence, everyone enjoys a myriad of activities that are different as well. Some love the arts or crave professional sports, while others enjoy hunting or skiing. There are some that enjoy a wide variety of shopping and entertainment that only a big city can provide, while others enjoy the bucolic setting of a small town with more mundane pleasures. Some see a university as an opportunity to provide many of these activities, as well as educational opportunities, while others enjoy the college sports. Identifying the target audience here is crucial because tastes and preferences vary so much for this factor.

Mobility

The ability to travel includes not only movement within and around the community, but also flights to and from key destinations. The target audience concerns are straight forward for this factor. Those that live in the city, and do little travel by air, are probably very concerned with commuting times and traffic congestion – which makes perfect sense. Those that travel a considerable amount by air are very concerned with the number and frequency of flights to and from key destinations, although there is a lot

to be said about quick clearance of security in a small regional airport compared to hours of driving and standing in line at an international hub. This factor would be extremely important for a global headquarters location where company executives and customers are coming and going.

Hopefully, after reading the comments above, it is apparent that there is a recurring theme regarding quality of life factors. There is no single standard for evaluating the quality of life of any community without first understanding the target audience – more specifically, those who will be affected. To the extent that you can define the common characteristics of your target audience, this could prove to be a valuable tool in performing a meaningful assessment that provides value for your company's particular circumstances.

Does this article debunk the notion that all quality of life studies performed to date are worthless? The answer is absolutely not! These studies provide useful data that can be incorporated into your own analysis as well as provide a framework for discussion. Keep in mind, however, that the perception of quality of life varies considerably among groups and even more so among individuals.

There is nothing wrong with performing interviews or issuing an inquiry among your employees to understand what their definition is. Odds are that you will quickly know the right answer – that is, if you ask.

When evaluating, or performing, a comparative evaluation of locations based on "quality of life," remember that everyone views it differently.



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Ed McCallum, a senior principal at McCallum Sweeney Consulting, provides site selection services and economic development consulting to companies and organizations worldwide. Mr. McCallum has assisted clients in a wide variety of industries, from automotive manufacturing to warehousing and distribution. Recent clients include BP (petrochemical spin off), Boeing (aeronautics), Kasle Steel (steel blanking auto supplier), Paccar (truck engine mfg.), Vought/Alenia (aircraft manufacturing), and International Shipholding Corporation (headquarters relocation). For additional information and contact data go to www.mccallumsweeney.com.

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