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ENTERPRISE ZONES: THE URBAN MYTH OF URBAN REVITALIZATION


by

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Enterprise zones seem like the perfect answer to a depressed community looking for revitalization and economic growth. Through these zones, businesses are awarded incentives, typically in the form of tax exemptions, to locate operations in an economically distressed community. Many studies have been done to determine whether or not these enterprise zones actually increase the economic welfare of the community they were implemented to help. In this paper I evaluate enterprise zone efficiency as a function of property values, as the benefits from these enterprise zones may not be directly observable otherwise. Through econometric analysis using home values as a function of population, income, manufacturing employment, poverty rate, vacancy rate, and the presence of an enterprise zone, my research supports the previous studies which have been done on this topic. In concurrence with these studies, I find that enterprise zones do not have a positive effect on the value of property within the enterprise zone community. In actuality, I find that enterprise zones have a negative effect on the surrounding community. Policy makers should promote closer evaluation and monitoring of enterprise zones, so as to allow for more accurate results. In place of enterprise zones, communities should increase job training, education levels, and infrastructure to better the surrounding area.

ENTERPRISE ZONES: THE URBAN MYTH OF URBAN REVITALIZATION

1. Introduction

During the Clinton Administration, Empowerment Zone legislation was passed as one of many attempts to revitalize economically depressed areas. This legislation allowed for the addition and continuation of Economic Enterprise Zones. These enterprise zones provide incentives for businesses to locate within an economically depressed area. While the structure of the zone and incentives given may vary by state, the main objective will always remain the same: provide jobs and economic growth to areas with high unemployment and a high poverty rate in an attempt to revitalize an economically depressed area.

Urban enterprise zones were created and designed to target areas designated as depressed. The specific criteria used to identify an area as depressed varies by state but, in most states includes things such as the unemployment rate, growth rate, and poverty level. Upon meeting these qualifications, an area can apply to become an enterprise zone. Again, the benefits of enterprise zones have historically been determined by the individual states. These benefits are typically tax incentives, which frequently come in the form of exemptions given to new businesses in an attempt to revitalize and create new jobs for the area. The logic is that the business, in deciding to locate within a depressed area, will create jobs and spur economic growth for the surrounding community. This growth will cause the community to prosper and develop through lower unemployment, higher incomes, and a lower poverty rate.

The government will receive higher future tax revenue from profitable businesses and citizens, compensating them for the forgone tax revenue used as incentives today.

Enterprise zones are a politically popular idea as evidenced through President Clinton's Empowerment Zone legislation and most recently the rhetoric of the 2004 presidential election. Promises of economic growth and lower unemployment are a sure way of gaining favor in a depressed area, and putting businesses in places with high unemployment seems like relatively simple logic. Any political office can offer promises to draw employment to an area, and they do so by dazzling the general public with the enterprise zone magic wand and promises of success. These enterprise zones seem like the most obvious solution to the ubiquitous problem of poverty and unemployment. Unfortunately, the answer is not quite as simple as it seems. Researchers have found that enterprise zones are not as efficient as expected and do not actually create the jobs they were intended to.

The purpose of this paper is to further this research and determine if enterprise zones do, in fact, provide for economic growth. This research differs from that which was previously conducted in the method of measuring the existence of this economic prosperity. Rather than measure through increases or decreases in the employment level which can fluctuate due to outside market forces, this paper focus on increasing or decreasing property values as a measure of economic growth. Fiscal incentives are capitalized into land values so tax incentives to business will increase the value of commercial property. An

economically developing area will have an increase in property values because there will be an increase in demand for commercial land by the businesses looking to locate there. Households will also increase their demand for residential land in their attempt to live closer to the new jobs. Commercial and residential land are substitutes, so an increased demand for both will cause increased competition and prices, as seen through the property values. Finally, there is also an external benefit to increasing property values. Areas with higher property values are more attractive, have less homeless, and a lower incidence of crime. As such, increasing property values will cause these positive externalities and draw more people into the area. Therefore, those receiving benefits are not just those who gain employment, but the entire surrounding area. These benefits are not necessarily absorbed into employment numbers (Gyourko and Tracy 1991, and Hettler 2001). As such, property value will be used as a measure of overall economic well-being.

The remainder of the paper is organized as follows. Section 2 provides a review of previous literature. Section 3 illustrates the data used in the regressions. Section 4 presents the econometric methods. Section 5 explains the results of the econometric analysis. Section 6 offers concluding remarks.

2. Review of Previous Literature

Enterprise zones were first implemented in England in the early 1980s. Since their inception, these zones have been used in an attempt to correct many different problems. Through research of these enterprise zones researchers

have drawn many different conclusions, many times the results of which are dependent on the researcher himself as the outcomes can be left to interpretation. Each new study builds off of the information gained from the last in the hopes to find a universal evaluation method and solid answer to the question of enterprise zone effectiveness.

Lambert and Coomes (2001) study of an enterprise zone in Louisville, Kentucky, discovered problems with the structure of enterprise zones. They find that the actual geography or size of the enterprise zone may, and in this case did, change, making it difficult to monitor the progress of the enterprise zone. This has obvious implications in finding an efficient evaluation method. Other economic development programs that were already in effect and being utilized by the businesses, such as tax rebates and low-interest loans, further obfuscated the results. Another unanticipated factor was that the businesses were not necessarily new; they had simply moved across town to take advantage of the tax breaks. This information proved useful in that it shed light on a previously unnoticed cost – unrecorded losses to the neighborhoods that lost the businesses that moved to the enterprise zones. The lost revenue and unemployment increase to these areas were not previously recorded or accounted for in the final cost to the state for incorporating the enterprise zone.

Peters and Fisher (2002) in another study of enterprise zones find different problems with the creation of enterprise zones. This study looked at the actual costs businesses faced to determine if taxes were a large enough cost so as to make a sufficient incentive in a business's location decision. It is

determined that a greater cost to the business was the wages paid to employees. Knowing this, a small wage premium, used to raise incomes in the community, could and probably would, eliminate any advantage created by zone incentives. This study also finds other obstacles that kept businesses from relocating, or affected them once they did relocate. A poor infrastructure makes day-to-day operations much more difficult within an enterprise zone. Poor connections to transportation systems also make enterprise zone objectives difficult to obtain since potential employees are not provided a reliable transportation method. Another important factor contributing to the inefficiency of an enterprise zone is the crime rate of the area. Incentives, no matter how large, are not always large enough for a business to risk moving to a high crime area. These factors are commonly found in areas most in need of an enterprise zone; however, they make it almost impossible to provide enough incentives to convince a business to take on the risk. Peters and Fisher also provide one of the most convincing arguments against enterprise zones. They find that states do, indeed, gain money (revenue) from forgoing revenue, in the form of taxes, to create jobs through enterprise programs *if the job would not have been created without the enterprise zone incentives*. States actually lose a much larger amount of money if money was spent (or revenues forgone) to provide businesses with these incentives and the businesses would have located within the enterprise zone area without the incentives.

Levitan and Miller (1992) discuss other problems with enterprise zones. First and foremost, they note for the first time that entrepreneurs do not decide to

start a business because of marginal tax relief. This obvious statement was overlooked, at least explicitly, in previous articles. The article focuses on the effects of direct government assistance on the enterprise zone and the surrounding area. This study finds that policies based on direct assistance from the government fail because a reliance on government subsidies, such as tax relief, fosters a dependence on government handouts. The subsidies have another effect that is difficult to observe and measure until after the allotted time frame of incentives has passed. The firms receiving subsidies become less capable of competing in markets outside of the enterprise zone. The labor force also becomes less marketable because they are getting a higher wage without gaining any transferable skills. These effects were not mentioned in either of the previous articles.

The Lambert and Coomes and Levitan/Miller articles both discuss factors that would have a greater impact on a firm's investment decision than the current incentives, since each argued that tax breaks were not the most efficient method. As outlined in Lambert and Coomes, the factors which businesses must base their decision to locate upon are: acreage needed, utility costs, proximity to producers of inputs, proximity to customers, and certain environmental constraints. Levitan and Miller argue that the most important factors are: physical security of the sites, unemployment rate, poverty level, crime rate, and condition of the infrastructures. Both of the articles, however, agree that the most heavily weighted factors for a businesses' location decision are the local amenities, proximity to transportation and the availability of a skilled labor force.

All three articles have a very important common thread. They all agree that taxes are not the way to lure businesses to a particular area. The availability of a skilled labor force is found to be the most important factor in a businesses decision. As such, enterprise zones should focus on workforce training and education so as to make the labor in the area more marketable and competitive. A job credit program is a step in the right direction to achieve this goal. This provides incentives to those businesses that hire individuals who reside within the enterprise zone - the people the programs have been designed to help. By linking incentives to jobs created businesses will strive to hire, or train, the most capable people from the enterprise zone, fulfilling the initial goals of the program.

Bondonio and Engberg (2000) examine five different states at the U.S. Postal Zip Code level. Through this study they examine the effect that enterprise zones have on local employment while controlling for the monetary value of the incentives given. This study adds a great deal of knowledge to the existing body of literature because they attempt to determine a level of government expenditures for which a noticeable impact could be measured.

Through two different econometric models, Bondonio and Engberg test the impact on local employment of various levels of monetary incentives and also the different policies that the states instituted regarding enterprise zones. They find three major policies that they believe contribute to the success of an enterprise zone in certain states. The first of these policies is the presence of a strategic plan in the application process. Certain states require businesses applying for enterprise zone benefits to provide a strategic plan for their

business, thus controlling for different organization structures and goals. An increase in employment may not be due to the creation of an enterprise zone, per se, but by a high level of organization and coordination within the incoming business. Requiring a business to include a strategic plan that includes organization, strength, and an opportunity to grow before granting enterprise zone benefits controls for the marginal impact on employment due to one business naturally having more organization and coordination than another.

The second policy reported by Bondonio and Engberg is the act of tying benefits to job creation. They note that without tying enterprise zone benefits to new job creation, business may realize higher profits by investing more heavily in capital. They are not suggesting that investing in capital is wrong; however, businesses may choose to substitute capital for labor which goes against the goal of the enterprise zone. Linking zone benefits to job creation can control for this substitution effect and reduce the capital subsidization, thus increasing employment numbers.

One of the most notable problems that any researcher encounters when beginning to analyze enterprise zones is the lack of adequate and reliable data. This is due, in part, to the lack of monitoring and regular evaluation by the governing bodies who instituted them. As such, the third policy endorsed by Bondonio and Engberg is that of regular and reliable monitoring and evaluation of each enterprise zone. The biggest fault of the governing bodies, however, is not in the evaluation but in their good intentions. If a state has many areas that qualify for enterprise zone status, it is hard to distinguish between who should

receive help and who should not. Bondonio and Engberg suggest controlling the size of enterprise zones as a percentage of state land area to facilitate the monitoring and evaluation of the individual enterprise zones. This can be accomplished by limiting the number of zones awarded and through tougher requirements, ensuring that quality is more important than quantity.

Through two separate econometric approaches, the random growth rate approach and the propensity score approach, Bondonio and Engberg determine that there is no significant impact on local employment by the presence of enterprise zones. Furthermore, these results prove to be insensitive to the monetary value of the incentives and to specific policy features. The policies of fewer zones, tying incentives to job creation, and the presence of a strategic plan make logical sense, but after econometric analysis a direct effect is not illustrated.

Engberg and Greenbaum (1999) examine the effect that the presence of an enterprise zone has on the local housing market. The logic for using the local housing market as the dependent variable is the same as used in this paper. Enterprise zones are created, in part, to increase the employment of an area. Unfortunately, many problems exist with this procedure. First and foremost, those who work for a business within an enterprise zone may not actually live within the enterprise zone. This would not increase the economic condition of the immediate area. "However, desirable outcomes such as the curtailing of job losses, more efficient production, safer neighborhoods, rehabilitation of crumbling infrastructure, and so forth do not necessarily translate into measurable increase

in the number of jobs in the short term. All of these desirable outcomes, however, should become capitalized in the local housing market” (Engberg and Greenbaum 164). As noted earlier, factors such as an improved infrastructure, low crime rate, and availability of a skilled labor force appear to be more important to a business when making a location decision. If it can be proven that the presence of an enterprise zone provides these outcomes, by way of an increase in property values, these areas are going to become more appealing to businesses.

There is also another major factor to consider when assessing the value of land: supply and demand. If the enterprise zone is successful from a policy maker’s viewpoint, then businesses will be attracted to locate within certain areas. To do this, they will demand commercial land on which to build their business. As commercial and residential land are substitutes and the supply of land is relatively inelastic, the price, or value, of all land should increase. This is assuming, however, that the supply of land is inelastic. Engberg and Greenbaum suggest that if a zone is placed in an area that is very distressed with a lower likelihood of growth, then the supply of land may be very elastic with a very inelastic demand. This will cause the opportunity cost of owning and holding too much commercial property lower, allowing existing business to add capacity at a lower cost. Even if policies are able to increase the demand for land, the elastic supply will simply cause an increase in the supply of land with a negligible increase in price. Under this assumption, Engberg and Greenbaum suggest that areas with a higher probability of success, or ‘less distressed’, will have a more

inelastic supply of land. This should lead to increases in property values, as seen under the first scenario.

Another factor is that of who actually benefits from these increased home values once they are achieved. Yes, resident homeowners will benefit from the value of their home rising with almost no effort on their part. In fact, any homeowner will benefit from an increase in the value of their property. Unfortunately, not all residents own their home. As such, if property values increase, rents are likely to increase as well. This will cause renters to be made worse off. This will make it more difficult for not only the renters, but also for low-income potential buyers. This will cause higher required down payments and an increase in the absolute price of the home, leaving ownership to those who can truly afford it and squeezing out those who cannot, but who are supposed to benefit from it.

Engberg and Greenbaum also point out the negative aspects of instituting an enterprise zone. All of the benefits that an enterprise zone may bring may be offset by a reduction in other government expenditures in order to pay for the enterprise zone incentives. These 'other government expenditures' may be direct subsidies in other areas or direct investment in institutions, such as state run universities. Another negative aspect of enterprise zones has been discussed in previous literature as well. Enterprise zones may draw business to distressed areas, but these businesses may not be able to survive without these government subsidies. As such, the government subsidies act as more of a crutch than a helping hand. This may not be a concern or even realized at

inception, but a painful realization when the government assistance ends. This may cause more of an economic problem in the future than if they continue on the current path through economic distress.

3. Econometric Methods

This section describes the econometric model used to determine the impact of the institution of an enterprise zone on home values within the county. Demographic variables, such as income, population, poverty rate, employment in manufacturing and vacancy rate are used to control for the economic conditions of the area. Including a dummy variable for the individual states controls for unobserved differences between the states' policies and economic conditions. In doing so, the estimate of zone impact is intrastate variation, and not interstate variation.

A random effects regression was used in estimating the results. This model includes an additional error term to measure the extent to which the intercept of one independent variable differs from the overall intercept. A fixed effect regression includes a dummy variable for each independent variable to measure shifts in the regression line from unknown variables. Intuitively, a random effects regression is appropriate because the data available is a set of observations from a much larger population. As such a random effects model will save degrees of freedom and allow the results found to be applied to other areas across the country.

The Breusch and Pagan Lagrangian multiplier test for random effects is a way of empirically testing whether a fixed or random effects model is appropriate. The results of this test, as well as the results of the fixed effects regression, can be found in the appendix. This test shows that the intuitive reasoning in using a random effects model is correct.

The regression was estimated with a random effects regression utilizing the following equation:

$$\ln \text{value} = \beta_1 \text{ez} + \beta_2 \ln \text{pop} + \beta_3 \ln \text{inc} + \beta_4 \text{eznew} + \beta_5 \ln \text{pvacant} + \beta_6 \ln \text{povrate} + \beta_7 \gamma + \beta_8 \ln \text{emp} + \varepsilon$$

In the above equation, the symbol γ is used to denote a vector of state dummy variables used in the regression. The independent variable is the natural log of home values.

The coefficients on the population and income variables are expected to be positive. An increase in the population of a community causes a higher demand for the land within that community, and an accompanying increase in the price for that land. An increase in household income also increases the property value of the surrounding area because it increases the welfare of the overall community through the tax revenues of the county or municipality. People experience positive externalities when incomes within a community rise. The crime rate decreases, education levels increase, and people generally take more pride in their hometown. The coefficient on manufacturing employment is expected to have a positive sign because many of these areas that are labeled as depressed were once booming industrial towns. As such, they have the labor

force and facilities for manufacturing. It is much easier to turn a town like that back into a manufacturing town, so an increase in the manufacturing employment would increase the overall employment figures to some degree and the result would be absorbed and reflected in the home values. The coefficient on the poverty rate variable is expected to be negative. As the poverty rate of an area increases, the home values in that area should decrease for the exact opposite reason that rising incomes would increase home values. Typically, higher poverty rates are accompanied with higher crime rates and lower education levels, which would have a negative impact on home values. The coefficient on the vacant homes variable is also expected to be negative. As the number of homes available increases, the price per home is expected to decrease through the logic of basic supply and demand.

Both of the enterprise zone variables are expected to have positive signs. If enterprise zones do, indeed, have a positive economic effect on communities and the surrounding area it should be capitalized into the home values of the area. This would be represented by a positive coefficient on each of the enterprise zone variables.

4. Data

The demographic data (income, population, poverty rate, vacancy rate) used for this research was collected from the 1990 Decennial Census and the 2000 Decennial Census. Employment information, detailed at the county level, was collected from the County Business Patterns data within the Census Bureau.

Zone locations and designation date information were obtained from Peters and Fisher (2002). This provided a list of 13 states with enterprise zones and 75 specific enterprise zones to analyze. A county was encoded as an enterprise zone if the city with the zone was within the county. This is appropriate for this research, because the results are expected to influence the area immediately surrounding the enterprise zone, as well as the zone location itself. With this argument, a county is an appropriate measure for this research.

5. Results

Random-effects GLS regression		
Number of observations	2150	
Number of groups	1221	
R-square	within	0.8965
	between	0.8518
	overall	0.8558
Invalue	Coefficient	z
ez	-0.081868	-3.45*
lnpop	0.102178	18.79*
lninc	1.084110	76.24*
eznew	-0.086040	-2.11**
lnpvacant	0.099163	9.11*
lnpovrate	-0.005961	-0.43
lnemp	-0.000401	-0.21

note: a single asterisk denotes significance at the 1% level
two asterisks denotes significance at the 5% level.
No variables were significant at the 10% level.

This model has an R-square of .8965, implying that 89.65% of the variation in home values can be explained by the included variables. All of the state dummy variables were had a negative coefficient. This is because the

dummy variable for California was excluded and California has dramatically higher home values when compared to other states. These negative coefficients can be interpreted in a relative sense. Home values in the remaining 12 states are lower than in California, so the presence of an enterprise zone will have a negative effect on them when comparing them to California.

As expected, the population and income variables each have a positive coefficient and the poverty rate variable has a negative coefficient. However, the vacant home variable unexpectedly has a positive coefficient and employment in manufacturing has a negative coefficient. An increase in employment in any field should have a positive effect on home values since employment, as opposed to unemployment, raises the income in an area. There has been a movement within the United States away from manufacturing jobs as the main source of employment. Therefore, a possible reason for the negative coefficient on employment in manufacturing is the possibility that the jobs brought by enterprise zones are not manufacturing jobs.

The negative coefficients on both of the enterprise zone variables presents unexpected findings. These were the variables of the most interest for this research. The negative coefficient on the variable *ez* implies that having an enterprise zone in 1990 and 2000 actually *decreases* the home values in the surrounding area. The negative coefficient on the variable *eznew* implies that home values decrease if a county gains an enterprise zone in 2000 without having one in 1990. There are some possible reasons for why this may be. First and foremost, data availability is a large obstacle in doing research on this topic.

Data cannot be found on a small enough scale to accurately determine the effects that may or may not be seen. There is also a problem with endogeneity. Enterprise zones are placed in areas with low home values. These areas are economically depressed and policy makers have a difficult time implementing changes to increase economic well-being and, therefore, home values. As such, it is often difficult to determine whether enterprise zones cause decreases in home values or low home values cause the implementation of enterprise zones. Since the data in this paper appears to support both of these views, true causation cannot be determined.

6. Conclusion

The research conducted within this paper is not comprehensive. There are many different avenues for further research to be done. Initially, more accurate data needs to be collected from the individual enterprise zones and the states. It would also be helpful to have information on more than 13 states, to get a better representation of the actual population. It may also prove beneficial to conduct a study on the individual policies of the enterprise zones to determine if there is a specific policy, or set of policies, that works better than others. If this is possible, then enterprise zones can be regulated and unified. It would also be possible to include legislative variables in the model to determine any possible effect they may have.

Through econometric analysis of the counties within 13 states, this paper shows that the presence of an enterprise zone does not increase the property

values of the county; in fact, the presence of an enterprise zone may actually decrease the value. As such, it may be more beneficial for those politicians looking for re-election to investigate better *evaluation* of existing enterprise zones and the requirements to become an enterprise zone, instead of relying on the quick fix that they provide. Job training programs, better public schools, or improved infrastructures are all alternative ways to begin to help these depressed areas improve themselves.

Variable Definition

ez – dummy variable, equals 1 if an enterprise zone is present in a county in both 1990 and 2000, and zero if otherwise

eznew – dummy variable, equals zero in 1990 and 1 in 2000 to indicate the addition of an enterprise zone within a county

lnemp – the natural log of the number of people employed in manufacturing

lninc – the natural log of the county's median income

lnpop – the natural log of the county's population

lnpovrate – the natural log of the poverty rate within a county, defined as:
number of people below the poverty level / population

lnpvacant – the natural log of the percent of vacant homes, defined as:
number of vacant homes / (number of vacant homes + number of occupied homes)

lnvalue – the natural log of home values

Table 1

Fixed-effects regression		
Number of observations	2150	
Number of groups	1221	
R-square	within	0.9003
	between	0.6867
	overall	0.7149
Invalue	Coefficient	z
ez	dropped	dropped
lnpop	0.167968	3.73*
lninc	1.112449	49.14*
eznew	-0.002862	-0.07
lnpvacant	0.225784	9.55*
lnpovrate	-0.009451	2.27**
lnemp	-0.002649	-3.83*

note: a single asterisk denotes significance at the 1% level
two asterisks denotes significance at the 5% level.
No variables were significant at the 10% level.

Table 2

Breusch and Pagan Lagrangian multiplier test for random effects

Estimated results:

	Var	sd=sqrt(var)
Invalue	0.2525391	0.5025327
e	0.0103803	0.1018835
u	0.0248675	0.1576943

test: var(u)= 0
chi2(1) = 500.4200000
Prob > chi2 = 0.0000000

Table 3**Means and Standard Deviations**

Variable	Obs	Mean	Std. Dev.	Min	Max
lnvalue	2479	11.05125	.500741	9.532424	13.81551
lnpop	2480	10.46018	1.411922	4.204693	16.06884
lninc	2480	10.28205	.3216608	9.058936	11.30282
lnemp	2151	7.639847	1.723815	1.386294	13.68294
lnpvacant	2480	-2.197804	.6120747	-3.882478	-.2560962
lnpovrate	2478	-2.034437	.4940998	-3.825768	-.5111734
ez	2479	.056071	.2301052	0	1
ez90	2479	.056071	.2301052	0	1
ez00	2480	.0596774	.236936	0	1
eznew	2479	.0036305	.0827477	-1	1
ct	2480	.0064516	.0800786	0	1
fl	2480	.0540323	.2261269	0	1
il	2480	.0822581	.2748129	0	1
indiana	2480	.0741935	.2621385	0	1
ky	2480	.0967742	.2957097	0	1
mo	2480	.0927419	.290129	0	1
ny	2480	.05	.2179889	0	1
oh	2480	.0709677	.2568227	0	1
pa	2480	.0540323	.2261269	0	1
tx	2480	.2048387	.4036651	0	1
va	2480	.108871	.3115401	0	1
wi	2480	.0580645	.2339126	0	1

Table 4

Means and Standard Deviations by ez

-> ez = 0

Variable	Obs	Mean	Std. Dev.	Min	Max
lnvalue	2339	11.03292	.4960552	9.532424	13.15114
lnpop	2340	10.33625	1.320293	4.204693	15.03946
lninc	2340	10.27272	.3228154	9.058936	11.30282
lnemp	2023	7.625443	1.732183	1.386294	13.68294
lnpvacant	2340	-2.174617	.61266	-3.882478	-.2560962
lnpovrate	2338	-2.027328	.499178	-3.825768	-.5111734
ez	2340	0	0	0	0
ez90	2340	0	0	0	0
ez00	2340	.0055556	.0743442	0	1
eznew	2340	.0055556	.0743442	0	1
ct	2340	.0034188	.058383	0	1
fl	2340	.0512821	.2206196	0	1
il	2340	.0820513	.2745015	0	1
indiana	2340	.0739316	.2617155	0	1
ky	2340	.0982906	.2977708	0	1
mo	2340	.0931624	.290722	0	1
ny	2340	.0478632	.2135225	0	1
oh	2340	.0709402	.2567798	0	1
pa	2340	.0521368	.2223503	0	1
tx	2340	.2132479	.4096888	0	1
va	2340	.1098291	.3127434	0	1
wi	2340	.0576923	.2332105	0	1

-> ez = 1

Variable	Obs	Mean	Std. Dev.	Min	Max
lnvalue	139	11.36132	.4802126	10.54534	13.81551
lnpop	139	12.54112	1.280421	9.083529	16.06884
lninc	139	10.43892	.2570777	9.640823	11.08667
lnemp	128	7.867508	1.574475	2.944439	11.51584
lnpvacant	139	-2.582007	.4526112	-3.435929	-.9354807
lnpovrate	139	-2.150933	.3826243	-3.35299	-1.025247
ez	139	1	0	1	1
ez90	139	1	0	1	1
ez00	139	.971223	.1677838	0	1
eznew	139	-.028777	.1677838	-1	0
ct	139	.057554	.2337404	0	1
fl	139	.1007194	.3020453	0	1
il	139	.0863309	.2818678	0	1
indiana	139	.0791367	.2709283	0	1
ky	139	.0719424	.2593271	0	1
mo	139	.0863309	.2818678	0	1
ny	139	.0863309	.2818678	0	1
oh	139	.0719424	.2593271	0	1
pa	139	.0863309	.2818678	0	1
tx	139	.0647482	.246971	0	1
va	139	.0935252	.29222	0	1
wi	139	.057554	.2337404	0	1

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