

# Another Tale of Two Cities

A Summary of the Lessons Learned



What Two Capital City, University Towns Can Learn From Each Other

Andy Redman | May 2004

Ray Marshall Center for the Study of Human Resources

Lyndon B. Johnson School of Public Affairs | University of Texas at Austin

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## FOREWORD

Students at the Lyndon B. Johnson School of Public Affairs are required to conduct original research and write a professional report under the supervision of at least two faculty readers in order to receive their Masters in Public Affairs degree from the University of Texas at Austin. Over the past three decades, hundreds of LBJ School students have done so, a number of them under my supervision, in whole or in part, while working at the Ray Marshall Center for the Study of Human Resources, a research center of the School. This report and its author, Andy Redman, are a part of this tradition, but they are also distinctive in a number of respects.

First, Andy decided that he could only tackle the PR if he felt it had the potential for affecting policy and practice in some meaningful way. He wanted it to make a difference, now if possible. He wanted to help his hometown get on a path to a brighter economic future. Second, Andy chose to pursue outside funding for his research from those who would be most likely to make use of its findings, namely LUBA Workers Comp and Louisiana State University. These actors had the funds and the capacity to translate findings into action. Third, outside funding created the opportunity both to create a short, policymaker-friendly version of his PR and to post it (plus the longer version) on the Center's Web site as well as publish and distribute hard copies so that it would have "legs." This would increase the chances that key decision makers would actually read and make use of his research.

One final word. In his report, Andy mentions that Baton Rouge isn't the only city that's attempting to develop its economic and social infrastructure and educate and train its people more effectively based on what places like Austin are doing. Shortly after this report was written, my family and I had the opportunity to return to Wellington, New Zealand to meet with Mayor Kerry Prendergrast and her staff to see what they had done following their visit to Austin and other "creative class" cities a few years ago. Under her leadership, Wellington has embarked on an ambitious campaign — "Absolutely Positively Wellington" — along similar lines, and the results of their efforts are evident everywhere in that beautiful city.

Andy's research speaks for itself. It represents a real contribution to the literature on economic and workforce development and it also furthers the traditions of the LBJ School and the Ray Marshall Center. I commend it to you for reading *and* action. I also hope other students at the LBJ School will be encouraged to follow Andy's example and do their own original action research with support from outside sponsors.

Christopher T. King  
Director  
Ray Marshall Center

## ► Another Tale of Two Cities

*“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way – in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only.”*

These nineteenth century words from Charles Dickens aptly describe the situation of Austin, Texas and Baton Rouge, Louisiana over the past thirty years.

This is the tale of these two cities.

It is the tale of a city that has struggled to keep its young and educated minds in the state. It is the tale of another city that has not only kept its own minds, but also rapidly increased the migration of minds into the city from all over the world.

It is also the tale of a university that plays host to a national championship college football team but is steeped in academic mediocrity. It is the tale of another university that has the second-largest university endowment in the world and countless degree programs ranked in the top ten – while still being rated as the best sports university in the country by *Sports Illustrated*.

It is the tale of a community that has seen such stagnant job growth that the local newspaper ran a year-long series on the vast number of people “leaving Louisiana.” It is the tale of another community that has had such a boom in employment that the local newspaper ran a year-long series on the migration to the “city of ideas.”

This tale begins in 1970 along the banks of the mighty Mississippi River and over four hundred

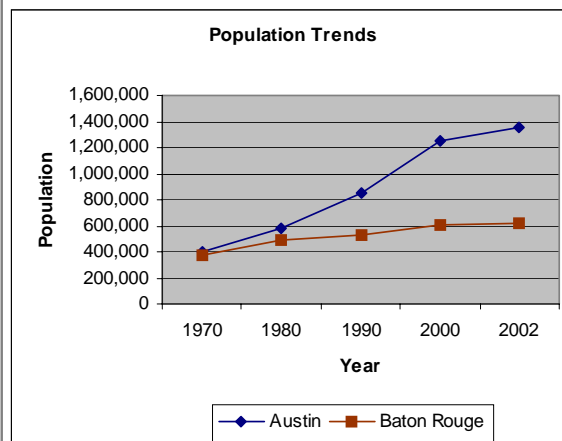
miles down the highway nestled among the hill country of Texas. Majestic state capitol buildings highlight both quaint city skylines. Off in the near distance lie the flagship universities of each state. The citizens in both communities work in government and manufacturing, and the cities have nearly identical numbers of workers. Similarly, the population of the two temperate regions is almost the same size.

This is the tale of how these two college-town, state capitals diverged during the past thirty years so much that Austin now has twice as many jobs and people as Baton Rouge.

What were the causes for such a dramatic growth in Austin? In spite of the initial similarities, why has Baton Rouge not kept up with the Texas capital? This publication is a summary of the key findings and recommendations made in a report published by the Ray Marshall Center for the Study of Human Resources entitled “Another Tale of Two Cities: What Two Capital City, University Towns

Can Learn From Each Other.” The recommendations are based on an in depth comparison of the Austin and Baton Rouge Metropolitan Statistical Areas using literature, data, interviews, and other resources to analyze the following areas: demographic characteristics, the history of leadership and development, the economy and cost of doing business, and the education system.

Figure 1: Population Trends, 1970-2002



The populations of Austin and Baton Rouge were nearly identical in 1970 at 398,938 and 375,628, respectively. But by 2000, Austin's population exploded to reach 1,249,763 and Baton Rouge's paled in comparison at 602,894. Source: U.S. Census Bureau (n.d.) and U.S. Census Bureau (2000, November).

## ► Recommendations: A Crucial Point in Baton Rouge’s Tale

Austin has been lucky. The Texas capital was well positioned competitively to take advantage of the tech boom of the 1980s and 1990s. But close study reveals that it was not just luck in Austin. Luck can certainly help any city, but it is not absolutely necessary. The Austin example indicates that there are particular factors that cities cannot live without. Specifically, the Austin example shows that there are definite features that Baton Rouge must have in order to grow at a rapid pace.

The recommendations for development in Baton Rouge can be broken down into seven general categories:

- **Image.** The community needs to decide what Baton Rouge is going to be, and then work towards establishing this image and representing it to the world.
- **Leadership.** Similar to what Austin leaders did in the 1980s, Baton Rouge leaders in the public and private sectors must unite to form a vision for the city. They then have to be willing to take risks in order to see that vision come true.
- **Encourage the “creative class.”** Baton Rouge must focus on its quality of life in order to attract members of what has been

called the “creative class” to the community, including artists, writers, researchers, inventors and others.

- **Fourth pillar of the economy.** Baton Rouge must seek and establish a fourth pillar of the economy to accompany state government, Louisiana State University (LSU) and the Baton Rouge Community College (BRCC), and the petrochemical industry.
- **Entrepreneurship.** Coupling entrepreneurship with research is one of the keys to wealth creation and will play an important role if Baton Rouge is to develop.
- **Education.** Education is essential to creating a talented workforce. Leaders must work to improve the K-12 public school system, further develop BRCC, and drastically increase state appropriations to LSU.
- **Funding.** Baton Rougeans must be willing to pay for infrastructure improvements.

The above areas are explored in detail below. But it is important to note the recommendations that are most urgent for Baton Rouge leaders to consider. These points are highlighted below.

### Three Important Recommendations for Baton Rouge

#### *education and training*

Education and training must be improved. The quality of the public school system serves as a deterrent to attracting businesses, and this must change. BRCC must gain tax authority in order to expand at a rapid pace. LSU must be treated as the state’s flagship university and receive the level of funding that UT does.

#### *long-term vision*

Leaders from throughout the community — business, government, university, media, and more — must work together to develop a visionary strategy for the long-term future of Baton Rouge.

#### *quality of life*

The quality of life in Baton Rouge must improve in order to encourage members of the young and educated class to move to the city. Citizens must be willing to pay for these quality of life improvements, and similarly, local officials must show leadership in passing these measures.

## ► Image

A major key in Austin's development has been its high quality of life that attracts young people to the area. Decades ago, the city worked on developing and selling this image to the rest of the world. One major factor in Austin's national brand awareness was the hiring of a public relations firm in the late 1980s. The Chamber hired an agency to handle advertising and media relations, and also paid for local Austin businessmen to travel to big cities to tout Austin. For example, during the early 1990s Austin sent Michael Dell on several trips to New York. His task was simple: talk about Austin as much as possible (Glenn West, personal communications, March 9, 2004). A PR firm has an advantage in that they can communicate a city's message internally and externally. Fortunately, Baton Rouge has made a step in the right direction and funds are currently being raised to hire an agency (Don Powers, personal communications, March 17, 2004). City leaders should ensure that this happens in the coming months, as Baton Rouge has many great stories to tell to the world.

One of the major issues surrounding Baton Rouge's image is deciding what the city is going to be. In discussing this issue with various interviewees, it became apparent that the community is quite divided on this issue. Many in north Baton Rouge are satisfied with the city remaining a medium-sized town with little activity downtown. The older population in Baton Rouge likely feels the same way. But younger citizens and those living in south Baton Rouge tend to push for growth and expansion (Rolfe McCollister, personal communications, March 15, 2004). The community must come together and decide the direction that development should go.

Along these same lines, there has been a lot of talk among Baton Rouge leaders about developing a brand for the city. On the surface level it appears that Austin had depended on its brands — "Live Music Capital of the World" and

"Keep Austin Weird" — to attract the young and vibrant creative class members. People might have located to Austin because of these labels but once they got to Austin, they soon realized that the catchphrases were representative of the city life. If Baton Rouge is going to develop an image, it cannot just be an image: it must match the reality of what the city is. In other words, Baton Rouge cannot just decide to be the next "Live Music Capital of the World." The difficult challenge then becomes capturing the essence of the city and region, and then telling it to the world. "The problem [in regards to branding your city] is you can't 'need to be.' You have got to be 'what you is'", John Davies, President, Baton Rouge Area Foundation (personal communications, March 18, 2004).

*“The problem is you  
can't ‘need to be.’  
You have got to be  
‘what you is.’”*

*— John Davies on image  
President, Baton Rouge Area Foundation*

Part of the challenge in developing and identifying this brand is that Louisiana has traditionally had a negative image. Much of the state seems to have the reputation of a good place to visit, but a bad place to live. For example, New Orleans' "let the good times roll"

attitude gives it an appearance as a place that is fun to go and drink all night on Bourbon Street. This is fine for the tourist industry, but does it make people really want to move to the city? Fortunately for Baton Rouge, the city is so much more than a place to party. In developing a brand, leaders need to ensure that it includes all of the great features of the community and not just the characteristics that give Louisiana a negative, "party" reputation. One of the most notable features of the city that should be included is the pool of talented young workers that the city has to offer. With an up-and-coming community college, the state's flagship university, and Southern University (the nation's largest predominantly African American university), Baton Rouge has many young and educated graduates that can move into high-level positions.

## ► Leadership

*“You cannot look to government or the political system alone to provide the leadership or the continuity. If you do, it is not going to happen. It happens because people step up. Civic entrepreneurship is more effective than politics.”*

—Susan Engelking, *Kozmetsky Communications (Henton, 1997, p. 33)*

It is clear that much of Austin’s success was due to a core group of strong leaders. Their “can do” attitude and cooperation truly made a huge difference in the development of the city. For example, during the early 1980s when Austin was trying to recruit various firms to the city, civic leaders met every morning for breakfast in order to establish a sound plan and later to implement the plan. Although it has had many hard working individuals in the past, Baton Rouge has not had the same degree of leadership as Austin.

During the 1970s and 1980s when the oil industry was a dominant economic force, there seemed to be complacency on the part of the public and private sectors. There was very little effort to diversify the economy and no apparent major economic development initiatives.

Ultimately, leadership is the major reason that the two cities have had such different outcomes over the past thirty years despite similar demographics in 1970. Whereas Austin instituted a plan that was inclusive to the entire community and then followed through on the plan, Baton Rouge had no plan at all. The policy key that Austin followed was simple: a model of cooperation between leaders in government, industry, and university (Cooke, 2002). Leaders in Baton Rouge have finally started to come together, which is evident in recent movements and projects in the city including Austin 6, Forum 35, Plan Baton Rouge, and the Baton Rouge Area Foundation. Additionally, even the “status quo” that has run the city for so many years have shown signs that they are ready to see the city go in a different direction. This is evident in the recent trip that city leaders took in the fall of 2003, which was later dubbed the Austin 120.



But the fact is that Baton Rouge has just started asking the important questions surrounding economic development. Austin has been growing at a rapid pace for many years, yet community leaders in Baton Rouge only recently began to ask Austin leaders what their keys to success have been. Baton Rouge has reached another crucial point in its long history. If the city is to flourish and grow, then there must be a long-term plan for economic development. Leaders cannot just come from government; rather, leaders

in business, government, the Chamber, the press, and more must come together to develop a sound economic plan — and then follow through with it. In the early 1980s, the city was reactive to the decline of the petrochemical. This tendency has continued. The leadership of the city must be proactive and willing to take risks. Dramatic change will not happen overnight; leadership must show a commitment to the future and stand by the plan for development.

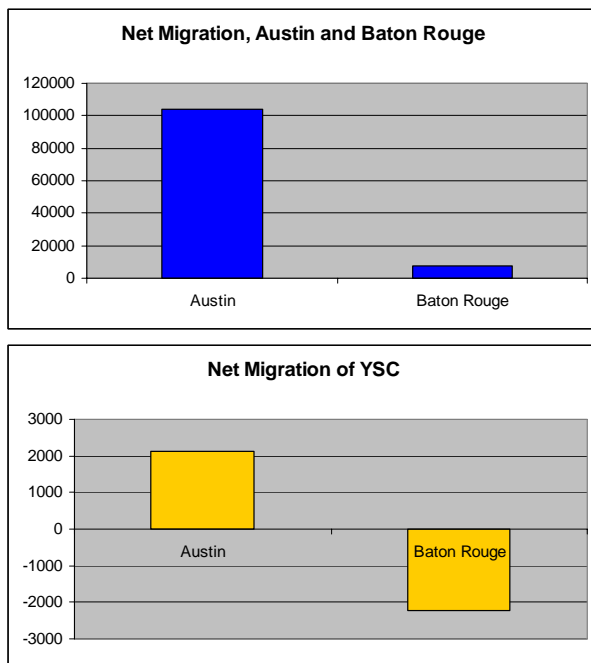
Finally, several key leadership positions will be decided in the coming months. LSU should work to hire a visionary chancellor to replace the departing chancellor. Similarly, the East Baton Rouge Parish School District should not underestimate the importance of a strong leader in working to improve the school system. The departing superintendent should be replaced by a superstar. The Chamber must select a new president in the coming months, and it should focus on attracting a practical leader that can tie the business and government communities together. The final leadership post is up to the citizenry of Baton Rouge, as a mayoral election looms in the fall.



## ► Nurture the Creative Class

Austin’s population has grown at a much faster clip than Baton Rouge’s has. Much of this growth can be attributed to Richard Florida’s creative class theory, which ranked Austin as the most creative city in the U.S. and Baton Rouge at 195 out of 276 cities. The hip “Keep Austin Weird” mentality makes Austin a place where young people want to live. This is evident in the data: Austin gained several thousand young, college-educated, and single people in the late 1990s, while Baton Rouge lost several thousand (See Figure 2 below).<sup>1</sup>

**Figure 2: Migration Patterns in Austin and Baton Rouge**



From 1995 to 2000, Austin had the fifth highest net migration out of 349 cities with a total migration of 104,340 people. On the other hand, Baton Rouge ranked 99th in net migration with 7,316 more people moving to the city than moving out. Additionally, Baton Rouge had a net migration of -2,241 young, single, and college-educated (YSC) from 1995 to 2000, ranking the city 234th out of 276 cities analyzed. In the same category and time period, Austin had a net in migration of 2,122 and a ranking of 26th. Source: U.S. Census (2003, August), U.S. Census (2004)

<sup>1</sup> The Census Bureau characterizes “young, single, and college-educated” as those people aged 25 to 39 that are not married and have earned at least a bachelor’s degree.

Baton Rouge should take note of this. The city must focus on keeping its young and bright minds, and also on attracting the young and bright minds of other states. This is a tough task to accomplish, but Austin Mayor Will Wynn made comments to the Austin 120 group on how to do it: “Figure out what would make your town more attractive to a young, 25-year-old graduate — someone that might want to start his own company in five years” (Ball, 2003).

As Florida points out, the creative class is highly concerned with the quality of life factors in an area. Baton Rouge has much to offer in this area, including great food and culture, and many outdoor activities in close vicinity to the city. Additionally, LSU creates a unique sub-culture in the city with many events that cater to young people.

But in Baton Rouge, the quality of life agent is the Baton Rouge Recreation and Parks Commission. The city should do whatever it takes to follow the upcoming release of the park system master plan, which was a community-based plan with over 125 public meetings. In April, citizens took a step in the right direction by renewing two property taxes that generate \$13.5M annually for the Baton Rouge Recreation Department (NaaNes, 2004).

Another major quality of life factor that the city must continue to develop is the downtown area. Austin’s downtown is busy throughout the night and day, while Baton Rouge’s seems to shut down at the close of business. The root of success for downtown Austin is the young people, mostly UT students that flock to the bars, restaurants, and music halls. Baton Rouge must figure out a way to connect LSU with downtown and create a bustling nightlife that will appeal to young people.

Aside from quality of life issues, it is important that the young citizens of Baton Rouge feel they are part of the community. There must be a focus on the young people. Interestingly, the Austin 120 group was dominated by middle-aged, white men. The group included only ten percent women and ten percent minorities; none were younger than thirty (Rolfe McCollister, Greater Baton Rouge Business Report, personal communications, March 15, 2004). This group

was supposed to be representative of the Baton Rouge community leadership: what do the numbers say about the city's leadership? Even the dynamic Austin 6 group, which is rapidly gaining momentum, is run exclusively by white males over the age of 35. The youth of the community must be involved in the decision-making process. As Peter Couhig, the former president of Forum 35 said, "One thing that I think would help make Baton Rouge a better place: infuse motivated young people into the leadership of every organization in town" (Ball, 2003). In order to encourage the growth of the creative class in the city, leaders must begin to ask young people what they want the region to look like. There must be a balance between developing leaders of the city for the future versus seeking guidance and input from them in the present.

Another question leaders might ask should be addressed to those young and successful minds that have left the area. Community members should seek out top Louisiana high school and college graduates, and recruit them to come back to Baton Rouge. This program would be an active effort of figuring out what it would take to get top talent back to the state. For example, Ravi Arimilli, who was IBM's top inventor in 2002 with 78 patents (Quan, 2003), graduated from Baton Rouge High School and LSU. Arimilli is 39 years old and now lives in Austin, but still "loves" Baton Rouge (personal communications, March 2, 2004). What can Baton Rouge do to get Arimilli and others back? It is a question worth pursuing, as talent like his would surely have a positive impact on the community.

### ► Fourth Pillar of the Economy

The Baton Rouge community must face the reality that, as an economic engine, the petrochemical industry is no longer what it used to be. In fact, the number of chemical manufacturing jobs has decreased by nearly a third since 1977, going from 15,118 in 1977 to 10,829 in 2000. The decline in this industry has had a major impact on the overall job growth in Baton Rouge. Figure 3 outlines the stark contrast between the economies of Baton Rouge and Austin over the past thirty years. Although petrochemical remains a strong pillar to the economy, the "bread and butter" of the city is running out and leaders should look to find a fourth major industry cluster to serve as a pillar of the city's economy.

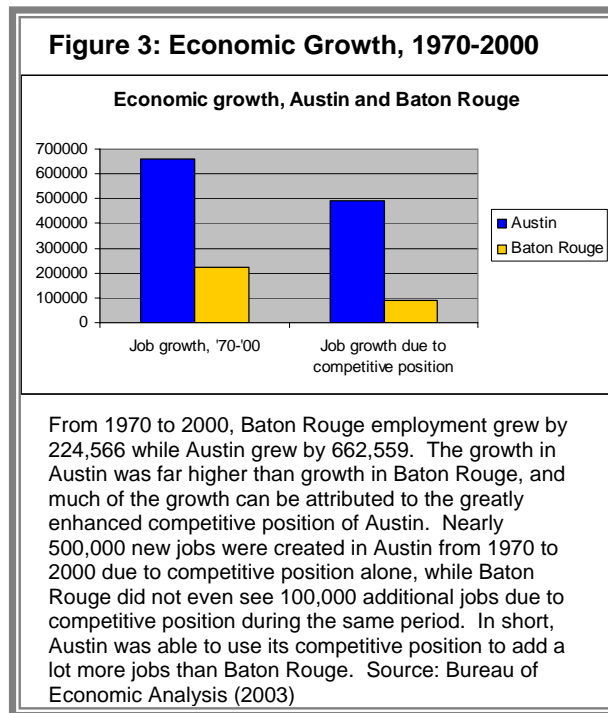
Like cities all over the world, many in Baton Rouge are looking towards the biotechnology industry as a fourth pillar. Some in Baton Rouge believe that it is too late for the city to push

towards this sector. But the region already plays host to many assets that a dominant biotech

industry could build upon, including Pennington Biomedical Research Center, the Center for Advanced Microstructures and Devices (CAMD), the Agricultural Center at LSU, and a recent partnership between LSU and Mary Bird Perkins Cancer Center. It is clear that these world-class research centers are at least the beginnings of a foundation in biotechnology.

Thus, Baton Rouge leaders face a situation similar to the one Austin leaders faced in the early

1980s: where should they push the economy to grow? Austin had a foundation in technology in the early 1980s, and leaders drafted a bold plan that sought to bring tech companies into Austin. If biotechnology is to be a success in Baton Rouge then leaders



must decide whether to take the risks involved. “Talk” must become “action.” Many point out that it will be difficult for Baton Rouge to attract biotech firms when the city is competing with cities like Boston. Does Baton Rouge currently have a strong enough cluster to attract firms? CapStrategy, which is Baton Rouge’s cluster-based development plan, must play a role in answering this crucial question.

## ► Entrepreneurship

The city must begin to celebrate entrepreneurship. This has been a major factor in the success of Austin, as UT and its Austin Technology Incubator (ATI) have been able to spin off a tremendous amount of research into business activity and wealth creation. Founded in 1989 by George Kozmetsky, an entrepreneurial leader and longtime dean of UT’s Business School, ATI was intended to bring together talent, technology, capital and business. By 1993, ATI had helped start 13 firms, created 550 local jobs, and attracted more than \$200 million in capital investment (Gibson and Rogers, 1994). In the past ten years, these numbers have increased dramatically as the total number of ATI graduates have soared to 65, four of which have gone public. These companies have created 2,850 jobs and over \$1.2 billion in revenue for the local economy (Austin Technology Incubator, 2003).

But this is no longer the case. Rarely have people in Baton Rouge seen jobs grow out of research. In fact, people have seen the opposite: more R&D money in the 1960s and 1970s meant fewer jobs in the petrochemical industry because of technological improvements (Jim Clinton, personal communications, March 23, 2004). The city already has a solid base of research with the existence of LSU and Southern University. This education and research must be coupled with entrepreneurship to create spin off. The city must shift to a mindset in which new ideas and innovation are seen as assets to the community.

This idea is summed up nicely in the “Memphis Manifesto,” which was a document crafted by creative class members from all over the U.S. and meant to act as a mission statement for those cities that want to see economic growth. It states: “Cultivate and reward creativity. Everyone is part of the value chain of creativity.

A follow-up question that city leaders must address is whether the current foundation in biotechnology can be used to focus on a specific area. For instance, some have suggested that cutting-edge research at Pennington and LSU might fit in with a specialty research cluster related to obesity and healthy living (McCollister, personal communications, March 15, 2004).



Creativity can happen at anytime, anywhere, and it’s happening in your community right now. Pay attention” (Creative 100, 2003).

Public relations and awareness are major factors in spreading this mindset. A PR firm would contribute a great deal to creating an awareness of the positive impact on the economy of such centers like Pennington and CAMD. Another example that the city should publicize is its only Fortune 500 company, the homegrown Shaw Group. Additionally, the local media plays a large role in this. In Austin, the publisher at the local paper, Roger Kintzel, made a major difference in spreading a positive image of the city (Glenn West, personal communications, March 9, 2004). There must be cooperation between the business community and the press: it cannot be an “us versus them” attitude. Leaders should work with *The Advocate*<sup>2</sup> to highlight Louisiana success stories. “Tech Monday,” which appears in the *Austin American-Statesman*, is an effective feature of the city’s entrepreneurial assets and should be considered at *The Advocate*. Another

<sup>2</sup> It is important to note that the author of this report is the son of the Managing Editor at *The Advocate*.

idea for the Baton Rouge paper would be to have guest columnists from knowledge-driven

regions like Austin, Boston, Raleigh-Durham, and Silicon Valley.

## ► Education

*My advice [to Baton Rouge] would be to make LSU as strong as possible. The most important thing is that LSU is a magnet for talent. There's great talent in every state and the university has a central role in collecting that talent. If the right things are done with it then it becomes something great.*

—Larry Faulkner, President of the University of Texas at Austin (Ball, 2003)

It is clear that Austin has a greater pool of talented and educated workers than Baton Rouge does. In 2000, nearly 23 percent of the Austin populace held a bachelor's degree, compared to 15 percent in Baton Rouge (U.S. Census Bureau, n.d.). Yet the figures were nearly identical in 1970 at 8

percent versus 7 percent (U.S. Census Bureau, 1973, Table 120). UT President Faulkner's comments above are echoed by many in Austin and Baton Rouge. It is apparent to any first-time observer of Baton Rouge that LSU is one of the key factors in the degree of success of the local economy. Former Governor Mike Foster, current Governor Kathleen Blanco and outgoing Chancellor Mark Emmert have committed to this idea, as all have worked to establish LSU as a premier education and research university by putting forth a "flagship agenda" for LSU. But closer comparison of UT and LSU highlights a major difference between the two flagship universities: UT receives a far greater amount of funding per full time student at \$14,614 versus LSU's \$8,625. It is no small task to bump LSU funding to UT levels, as the amount of money LSU would need to annually match UT's unrestricted budget is \$184.2 million (Louisiana State University, 2003). But if LSU is to succeed and have a great impact on the Baton Rouge economy, state leaders must show a dedication to funding the university.

This will not be an easy task for state politicians. The state of Louisiana has a tiered higher education system. LSU constitutes the first tier,



while the second tier consists of the state's three other major universities: Louisiana Tech, the University of New Orleans, and the University of Louisiana at Lafayette. The third tier is made up of regional universities, and community and technical colleges round out the

bottom tier (Cleve Brooks, LSU, personal communications, March 16, 2004). This tiered system is similar to the way that many states organize their respective higher education structures. But a key difference in Louisiana is that the third tier schools that used to be regional colleges have been transformed into regional universities. These schools now have two missions: teaching and research. The result is that third tier schools now drain state funding for their own research (John Butler, personal communications, March 9, 2004). This has profound consequences for LSU. The pool of research funds is more limited in this scenario. But if LSU is to be a true flagship university, then state leaders must overcome political consequences of regional universities and fund LSU at a much higher level. Leaders must recognize the important role that a premier center of learning plays, not only for the economy of Baton Rouge, but also for that of the entire state. In short, LSU must become the true flagship university of the state.

The comparison to Austin also draws attention to another area that Baton Rouge must work to improve. Workforce education and training efforts have clearly had a larger impact in Austin

than they have in Baton Rouge. Workforce education through the local workforce investment board (WIB) is far better in Austin than it is in Baton Rouge. The Austin WIB has nearly ten times the funding as the Baton Rouge WIB. Additionally, in Austin non-profit intermediaries play an important role in developing the population's skills and talents.

Additionally, Austin Community College (ACC) has a far greater enrollment than BRCC (27,577 versus 4,842) and thus has a larger impact in developing the skills of the local workforce. ACC has a much longer history than BRCC, and in examining that history it is clear that the key to enrollment increasing was when the community college was allowed to have its own tax base. ACC grew at a rapid pace after this happened. Leaders in Baton Rouge should work to ensure that BRCC is properly funded, which might mean passing a tax that goes directly towards the community college.

Perhaps the greatest attention is needed in developing the K-12 public school system. Although the education system was not the key factor in Austin's boom during the late 1990s, it is clear that most companies are now using this as a critical feature in making location decisions. Employers are looking for cities with sound

## ► Funding

An apparent difference between Austin and Baton Rouge is the level of spending on infrastructure. If the citizens and leaders in Baton Rouge truly want to see substantial improvements then they have to be willing to *fund* improvements. It is easier to create a plan for action than it is to find the money necessary to implement the plan. Are people in the city willing to bear the financial burden that it will take?

Baton Rouge has not issued a general obligation bond in over 30 years, while Austin has issued \$1.65 billion over the past 15 years. Baton Rouge has traditionally paid for infrastructure improvements with revenues generated from sales tax. This is sufficient for making street repairs but does not allow for the quality of life things that people are looking for, including parks, schools, public transit and more. In order to fund the necessary improvements, citizens

education systems because employees are now demanding this for their children. Former Austin mayor Bruce Todd holds that building an outstanding school system is the most important thing a city can do to spur the local economy. Todd cites the example of Samsung, who was deciding between Austin and another city as a location. Austin city leaders thought that they were going to have to use a major incentive package to lure the semiconductor manufacturer to the city. But Austin's public school system "sealed the deal" (personal communications, March 2, 2004).

The public school system in Baton Rouge is in a poor state of affairs, as thirty percent of the city's students now attend private schools. The solution to the problem is not a simple one. This paper does not do justice to offering a possible answer, as entire reports should be focused on this issue. But several things are clear. First, it is evident that the system must be fixed. Second, the system needs top-notch leadership to instill a dramatic change. Baton Rouge should go the extra mile to recruit and secure an outstanding manager to fill the role of the departing superintendent. This hire could be the most important thing that Baton Rouge can do to change the future economy of the city.

must be willing to pass a general obligation bond issue which would be paid for through property taxes. People in Austin have been willing to do this, as on average households in Austin pay \$206 more in taxes than households in Baton Rouge (Greater Baton Rouge Chamber of Commerce, 2003).<sup>3</sup> In addition, property values are grossly underestimated in Baton Rouge, resulting in much lower property tax revenues. The city tax assessor must show the leadership and guts to assess property at the actual value.

Another financial area that city business leaders should focus on is raising private capital to spend on economic development in Baton Rouge. During the 1980s, leaders in Austin went on a fundraising campaign and raised over \$2.4 million in a matter of months. The money

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<sup>3</sup> This study compares East Baton Rouge Parish with Travis County and not Baton Rouge MSA and Austin MSA.

was quite important in recruiting hundreds of firms to Austin. The fund was organized and controlled by the Chamber; a similar plan would work well in Baton Rouge. Businessmen should follow the example set by Austin and contribute willingly to the fund. The first use of the account could be one previously mentioned: hiring a PR firm to market the city. A secondary goal could be to use the money towards establishing ties — through personal visits, phone calls, mail outs, and more — with biotechnology firms that would help bolster the city’s growing cluster area.

But civic leaders should do more than just investing a few million dollars more in better

public relations. They should also invest more in entrepreneurship, one of the keys to economic growth. Research in science and engineering is vital to job creation. This must become the mindset of Baton Rouge’s leadership and its residents. There is considerable wealth in the city, and these people should establish a commitment to venture capital. John Butler, the director of UT’s IC<sup>2</sup> Institute in Austin, says that venture capital serves as a fish net to bring young talent to a region (personal communications, March 9, 2004). Austin is a prime example of this, as much of the research — and thus job growth — has been driven by local investment dollars.

## ► Conclusions: Planning for the Long-term Future of the City

Simply comparing the numbers for Austin and Baton Rouge yields useful conclusions about their differences. Yet even more telling comparisons between these cities flow from qualitative data derived from interviews. In interviewing numerous leaders in Austin and Baton Rouge and gauging my own personal experiences, it becomes clear that both cities provide places where people want to live. Every interviewee was asked why he or she likes living in his or her respective city. The answers were remarkably the same: the food, weather, people, culture, university environment, and other intangibles that make it a great place to raise a family.

Despite this key similarity though, Austin has had much higher population and job growth rates over the past three decades. Yet Mary Feduccia, the head of Career Services at LSU, says that “more LSU graduates would stay in-state if they could find competitive jobs” (personal communications, March 15, 2004). Young people like living in Baton Rouge and want to stay there. The problem is thus an economic development one in that the city and its leaders must figure out how to encourage job growth so that the young and educated people of Louisiana will not only want to stay, but also the young and educated people of other regions will want to come.

William Jenkins, the current president of the LSU system and interim chancellor for the main

LSU campus, recently remarked, “As a society, we like quick fixes” (personal communications, March 15, 2004). His comment has clear implications for development in Baton Rouge. Things will not change overnight. Baton Rouge will not become “the next Austin” because of this report or any of the number of initiatives that have occurred recently. To succeed, business and community leaders must cooperate to forge a visionary plan for developing Baton Rouge’s economy. Then they have to follow through and execute the plan with dedication over the long term.

*“As a society,  
we like quick fixes.”*  
—William Jenkins on the  
*necessity of long-term vision*  
President, LSU System

This study of Baton Rouge and Austin began with a comparison from Dickens’ *A Tale of Two Cities*. This tale has provided many useful insights that Baton Rouge leaders can use to push the economy forward. But this is not the only tale that can be told. Certainly Austin has done well in recent years, but so have other southern cities like Atlanta, Raleigh-Durham, and Nashville. There are plenty of successful cities in the world, and thus many more lessons that Baton Rouge leaders can take from other communities. Baton Rouge leaders must be proactive in looking at what other cities and regions are doing to promote growth. The attitude must be openness to new ideas, an acceptance that things will change, and an eager search for honest criticism. Thus, perhaps the most important conclusion from this study is that it cannot just be a tale of two cities; rather, it must be a tale of *many* cities.

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