

Does a municipality's wellness affect its business growth?

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This paper examines the relationship between the change in the number of business enterprises in a Metropolitan Statistical Area (MSA) over the period 2011 to 2012 and the well-being of its residents during that time. The well-being of the inhabitants of an MSA is measured by the value of the Gallup-Sharecare Well-Being Index for 2012. This index has five components that are combined to give a measure of the well-being of the citizens of an MSA: life evaluation, emotional health, work environment, physical health, healthy behavior, and basic access. A multiple regression model was built to determine if there is a relationship between the well-being of the citizens and the business growth in a municipality. This regression model included two other independent variables that are theorized to affect business growth in an MSA, both of which are binary variables. One of these binary variables captures the right-to-work status of the state where the MSA is located, and the other the MSA's rust belt status. After controlling for the impact of right-to-work and rust belt status, the results show that there is a significant positive relationship between the well-being of the residents of an MSA and the growth in the number of business enterprises.

Keywords: well-being, right-to-work, rust belt, business growth