

**THE  
COMMUNITY  
LEADER'S  
LETTER**

NEWS & VIEWS FOR SOUTH CAROLINA'S  
GRASSROOTS LEADERS



## BUILDING BETTER SCHOOLS: CLASS SIZE MAKES DIFFERENCE IN "K" THRU THIRD

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A well designed and carefully implemented experiment in Tennessee has demonstrated that small class sizes do make a difference, at least in kindergarten through Grade 3.

In 1985, Tennessee researchers began project Student Teacher Achievement Ratio (STAR), an experiment carried out in 17 inner-city, 16 suburban, and 39 rural schools. In each school, children were randomly assigned to small classes (13-17 students per teacher), regular

classes (22-25 students) and augmented regular classes (22-25 students with a full-time teacher's aide). Students were followed and tested as they made progress from kindergarten to third grade.

By all measures, students in small classes outperformed those in regular classes. But no statistically reliable evidence showed that students in classes with a teacher's aide did better than those in regular classes.

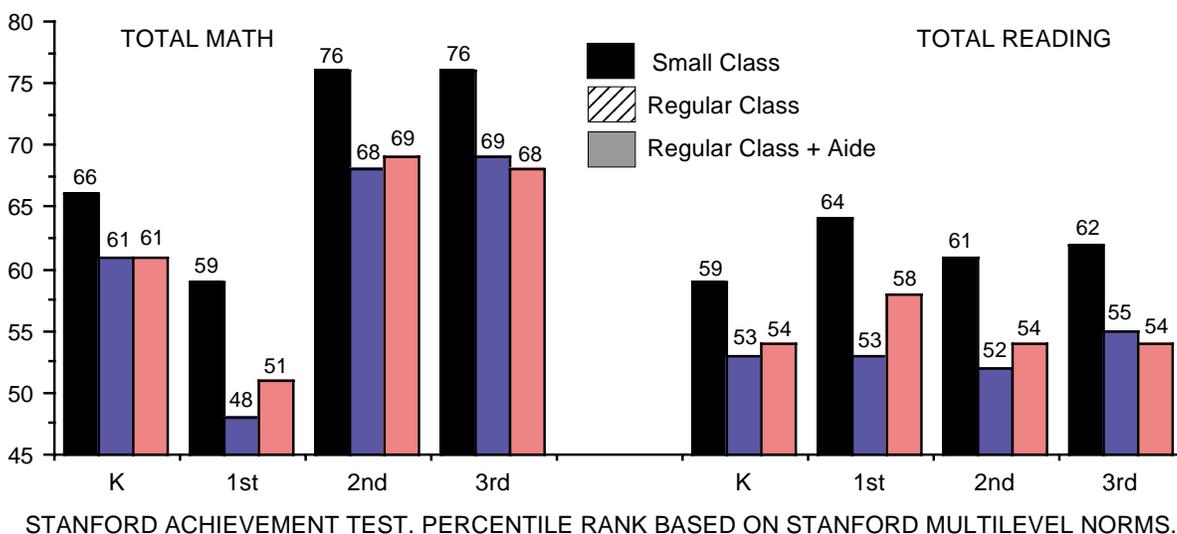
The biggest differences in

performance were found for small classes in inner-city schools. In all schools, large differences in reading performance favored small classes. Differences in mathematics performance were smaller, but statistically significant for all types of schools.

Perhaps equally important to academic performance differences, the experiment also revealed evidence that small classes can have positive effects on student self-concept

and motivation. Researchers found that positive differences in student psychology were strong especially with regard to minority children. Minority students seemed to respond especially strongly to greater individual attention possible in small classes.

More studies need to be done to verify  
*(Continued p 2)*



## Retirees Choosing to Move into South Carolina Have Differing Characteristics and Preferences

In-migration to South Carolina by retirees is changing both the state's economy and demography. Who are these people? What kind of communities attract them? Ken Backman, a demographer and research associate at the Strom Thurmond Institute of Government and Public Affairs, has completed a study that gives some answers to these questions.

The study is based on a random sample of 590 persons over 55 years of age who have moved to South Carolina from the Northeast or Midwest in the past year. Results have an error of plus or minus five percent.

Taking account of the error, it appears new South Carolinians are divided almost equally between those who chose urban/suburban communities and those who locate in small towns and rural areas. About half chose resort and retirement oriented communities like Hilton Head or Myrtle Beach as their new homes, and the rest relocated to traditional communities like Camden, Aiken, or York. Regardless of the kind of communities they select, new South Carolinians rate cli-

mate, life-style, and cost of living high as reasons for picking the state as a place for retirement. They all tend to read *Modern Maturity*, *Reader's Digest*, and *Southern Living*.

There are important differences, however, between the new South Carolinians relocating to small towns and rural areas and urban-suburban communities. The small town residents tend to be a bit older, wealthier, and better educated. Almost half of them have friends or relatives who were already living in the community. Their top recreational activities are golf, walking, and gardening. They rate the friendliness of the local people, scenic beauty, and area for walking high in their reasons for selecting their retirement homes. They take their time, too, in making up their minds about which community will be their new home—an average of 4.8 years.

New South Carolinians relocating in urban-suburban communities have only about half as much retirement income as those coming to the small towns and rural communities. They often do not know anyone in their new communities at the time they

move in and spend less time—only about 2.5 years—selecting a place for retirement. They, too, like to play golf and walk, but are more apt to be readers than gardeners; and they are looking for places with a variety of things to do.

Backman's survey results are still being analyzed. But results to date show great variety among the new South Carolinians, and a great many are choosing places other than retirement communities as new homes. Communities with friendly people, good places for walking, opportunities for golf, tennis, and fishing, and scenic surroundings can all compete successfully for the recession-proof income retirees bring to their new communities.

### Class Size *(From p 1)*

Project STAR results. But it is not too soon for community leaders to begin thinking about the ramifications of Project STAR. Should education improvement dollars be focused narrowly on drastically reducing student-teacher ratios in the early school years?

For more information, contact Project STAR Office, Tennessee State Department of Education, Cordell Hull Building, Nashville, TN 37219.

*In furtherance of Clemson University's land-grant mission, The Community & Economic Development Program at Clemson provides access for community leaders in South Carolina to expertise in all branches of knowledge on the University Campus.*



## ***Incentives for Industrial Recruitment : Is South Carolina Giving Too Much Away?***

South Carolina's efforts to lure BMW to the upstate have raised old questions about industrial recruitment incentives: Do we give away too much? Do incentives make any sense?

The second question is easier to answer than the first. Unless some national law would bar incentives by any state, South Carolina probably has no choice but to offer incentives.

It is like when everyone stands up at the football game. You will miss the play if you do not stand up too. But everyone could see just as well if people would all sit down. If we would all just stay seated at the game, and if all states would forgo industrial incentives, everyone would probably be better off.

Yet as long as any state offers them, South Carolina cannot fail to offer them as well if we want new industry.

The politics of industrial recruitment cause states to get into bidding wars in offering incentives. There are no clear signals when the incentives become too large to be justified by the economic benefits that will be received. It is hard to know when to stop bidding. And there are powerful political pressures to keep sweetening the pot to do what it takes to attract an industry.

One of the largest set of incentives ever provided by any state were those Kentucky gave Toyota to secure an assembly plant. Some economists argue that Kentucky gave away too much and will never realize sufficient net economic benefits to repay the costs

to taxpayers of those incentives. But then Kentucky Governor Martha Layne Collins made a name for herself in attracting Toyota to the Bluegrass State and got a lot of political mileage out of it.

Given that incentives are going to be offered, is there anything that can be done to discipline the process so that a state does not give away too much?

One of the most innovative ap-

***Unfortunately, in economic development projects . . . you have to roll the dice . . . Sometimes you win. Sometimes you lose.***

*Mike Gullede, director of the Division of Local Government of the Budget and Control Board in the Greenville News, 5/3/92, discussing 1986 grant to Liberty to provide incentive for location of a motion picture studio.*

proaches to achieving some discipline is being used in Ireland. The Irish have an economic model that allows their development authorities to estimate the net fiscal and economic benefits of a new industry. The net fiscal benefits are the increased (direct and indirect) tax revenues less (direct and indirect) costs to the public treasury. Fiscal benefits are part, but not all, of the economic benefits. The economic benefits are the increased income of the people of Ireland less increased costs. As a matter of policy, the Irish will offer incentives equal to the fiscal benefits but restrain the incentives to a sum less than the total economic benefits.

The genius of the Irish approach is it provides public officials with flexibility in offering incentives, but establishes a cap tailored to each specific case that cannot be exceeded without polit-

ical risks. The size of the incentive package and the fiscal and economic impact estimates from the model are matters of public record. Any Irish politician who gives away more than the potential benefits justify can expect to have his or her political opponents make the incentives an issue in the next election.

The Irish approach is not a perfect control on incentives. Since, for example, some tax revenues go to local

governments and some to the state, it is possible for an incentive package to cause net costs to local governments and net benefits to the state, or vice versa. On balance, the gains may offset the costs, but that is small comfort if the costs are borne by one set of taxpayers and the benefits realized by another.

Moreover, the impact models are not without flaws. The forecasts they produce may be as good as the weather forecasts, but they are not one-hundred percent accurate.

Still, some discipline on incentives is better than none. In South Carolina at present, there is almost no discipline at all. When it comes to industrial incentives, we have to roll the dice, some state leaders say. But it is the taxpayers' money that is on the table, and taxpayers might want something more scientific than rolling dice.

## Water Quality Research Aids South Carolinians

The Community Leader's Letter is printed four times a year. It is the newsletter of the Community & Economic Development Program at Clemson University, a joint program of the Strom Thurmond Institute, the Cooperative Extension Service, and the South Carolina Agricultural Experiment Station. The program's offices are located in the Institute's facility on the Clemson University campus.

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Persons wishing to be added to the newsletter mailing list or seeking information about the program may call 803 656-4700 or write to the address below. Feel free to reprint information found in the newsletter; however, please cite the newsletter as the source.

A lot of South Carolinians are worried about water quality. An industrial economy produces all sorts of strange and exotic chemicals not found in nature and great care must be taken not to poison our water supply. Water quality education is now a major thrust of the Clemson Extension Service. Below is a partial listing of water quality research currently underway in South Carolina colleges and universities.

Professors H. N. McKellar and E. R. Blood of Environmental Health Sciences and W. B. and F. J. Vernberg of the Baruch Institute at the University of South Carolina are studying estuarine water quality in an urbanized, industrialized watershed. They are trying to understand instream dynamics of chemicals and the

role of wetlands in affecting water quality as well as the relationship between water quality and urban land use. Professor A. W. Elzerman of Environmental Systems Engineering at Clemson is studying the effects of acid rain on water quality in South Carolina. His goal is to provide an integrated assessment of the nature of the acid rain problem in the state and its potential effect on water resources. Elzerman is also working with his colleague, Kevin Farley, to examine possibilities for enhancing the removal of radionuclides from groundwater at the Savannah River Site. Professor Farley is also working on improving remediation techniques for groundwater contaminated by hydrocarbons, particularly contamination caused by leakages from

fuel tanks and of industrial solvents.

Professor R. A. Fjeld, also of Environmental Systems Engineering at Clemson, is working on the way in which groundwater may affect indoor radon in South Carolina. His special interest currently is the impact of EPA's proposed radon limits on public and private groundwater supplies in the state.

Clemson agronomists, J. J. Camberato, S. B. Martin, and T. J. O'Connor, are leading a project focused upon reducing nitrate leaching associated with irrigation of golf courses. This demonstration project which looks at the impact of four different methods of irrigation scheduling will benefit golf courses in the coastal plain where groundwater is the principal source of drinking water and requires special protection.

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