A new way to measure the economy

Health, education, income key to Human Development Index

Sherry Slater  |  The Journal Gazette

Elementary school teachers every year assure students that four quarters, 10 dimes, 20 nickels and 100 pennies are each equal to one dollar bill.

Same goes for two quarters and five dimes or one quarter, seven dimes and one nickel or ... . The possibilities go on and on. Each variation is just a different way of looking at the same thing.

Some local folks are advocating a different way of looking at the economy. And, they say, the process produces anything but the same old thing.

Tom Lewandowski, president of the Northeast Indiana Central Labor Council, AFL-CIO, is among those challenging local residents to consider the economy – and how we measure it – in new ways.

“We tend to think about the economy as an ‘it’ rather than ‘us,’ ” he said. “If we have economics divorced from humans, what's the point?”

Lewandowski has organized a public forum downtown on Wednesday evening to delve into the concept. The discussion will focus on the American Human Development Project’s approach to measuring a society.

Sarah Burd-Sharps, co-author of “The Measure of America 2010-2011: Mapping Risks and Resilience,” will be the evening’s featured speaker.

Measuring America

Burd-Sharps, a former United Nations employee, saw the way other countries have been using Human Development Index findings for about 20 years and wanted to implement the metric in her own country in hopes of sparking progress.

She and Kristen Lewis received a grant in 2007 to found the American Human Development Project.

The index focuses on three areas of human development:

• Health – the capacity to live a long and healthy life
• ...
• Education – access to knowledge
• Income – the capacity to maintain a decent standard of living

The areas are measured using various data, including infant death rates, doctor-to-patient ratios, pre-school enrollment rates, per-pupil spending and savings rates.

The statistics provide a truer, more nuanced reflection of a community than standard gross domestic product numbers can provide, advocates say. The GDP measures the value of all goods and services produced in the United States.

Lewandowski hopes the local discussion prompts a seismic shift in how people think about the economy and their communities.

“Why is it that the numbers that are most important to us are the Dow Jones and the lottery numbers?” he asked.

Burd-Sharps said her organization provides a non-biased perspective, helping communities and elected officials allocate limited resources.

“This country is incredibly polarized right now, so having this evidence on the table helps people to have more fact-based conversations,” she said.

The researcher will kick off Wednesday evening’s event by sharing research specific to northeast Indiana, including the fact that while 90 percent of students graduate from high school on time in Wells County, less than 80 percent of Noble County students earn a diploma in four years.

Burd-Sharps was struck by the data, which she called “problematic.” Noble County officials need to reduce the dropout rate, she said.

“High school is kind of a bare-bones minimum” level of education needed to survive, she said.

Two local residents will respond to her presentation: Mike Nusbaumer, a sociology professor and former Indiana University speaker for the faculty Senate; and Jane Rich, regional director of the Northeast Indiana Small Business Development Center. The evening will end with public questions and comments.

Different voices

Nusbaumer applauds the Human Development Index approach. The IPFW professor said the project corresponds nicely to the sociology tradition of examining quality-of-life issues.

The stock markets are more common measures of how Americans are faring, but they aren’t more accurate, he said. Viewing the economy through various lenses gives us a clearer picture, he said.

Nusbaumer decided to participate in the discussion to call attention to the topic and support those using the index.

Lewandowski, the organizer, has several goals. He wants to include people who have previously
been excluded from the conversation.

He also wants to allow people to get an accurate reading of the local economy, based on how people lead their lives, and compare local conditions to conditions in other areas.

Using that information, those attending the forum can consider ways to improve local conditions, Lewandowski said.

“We’ll see where people gravitate,” said Lewandowski, who isn’t going into the meeting with a predetermined outcome in mind.

The organizers represent a diverse group and expect the audience to reflect that diversity. They have invited people who have been excluded from previous economic development discussions, including younger residents and members of the local Burmese- and Spanish-speaking communities.

Starting point

Those who haven’t received special invitations are those people Lewandowski likes to refer to as “smart people in smart suits.”

The local labor leader doesn’t want to exclude the likes of John Stafford, director of the Community Research Institute at IPFW, or John Sampson, president of the Northeast Indiana Regional Marketing Partnership. He just hopes local number crunchers are willing to look at things in new ways.

“We want people to come in with an open mind,” Lewandowski said.

He hopes people will take up the economic reform movement by asking better questions, focusing on what’s important to them and committing to specific actions.

“I want people to own the economy,” he said. “That’s what I’m hoping for from (the meeting).”

Lewandowski is the first to admit there’s no blueprint for what’s going to happen Wednesday evening and beyond.

“What comes out of this,” he said, “will be a starting point – whatever it is.”

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