

## ABSTRACT

### PUBLIC SECTOR INCENTIVE PROGRAMS AND LOCATIONAL CHARACTERISTICS: DO PREFERENCES DIFFER BY INDUSTRY?

By Roslyn K. Chavda

Dissertation Director: Dorothy Olshfski, Ph.D.

Using Tiebout's theoretical framework, this study considers how globalization impacts the ability of consumers to "vote with their feet". The study then investigates the benefit-seeking behavior of firms and compares the variables important to the locational decisionmaking of three different industries. The purposes of this study were to 1) determine which variables impact business location decisions, 2) determine if the industries differ in preference of the variables, 3) determine which, if any, variables discriminate between the three industries, 4) determine which variables government decisionmakers think are important and 5) determine if there is a difference between what government thinks is important and that which business states is important. A national survey was administered to 600 randomly selected business and municipal decisionmakers. Discriminant analysis, descriptive statistics and analysis of variance tests were used to find that there are differences between the locational preferences of each industry. The study also found that while municipal decisionmakers know the variables that manufacturing firms find important, they are less aware of the variables that are important to firms in other industries. Tiebout's assumptions of perfect mobility and information for consumer-voters make it crucial for government to also get better information in order to offer more effective and efficient economic development packages.