

A high-angle photograph of a rowing team in a dark, narrow boat on a body of water. The water is covered in shimmering, golden reflections from the sun, creating a textured, sparkling effect. The rowers are wearing white shirts and dark pants, and their oars are visible, dipping into the water. The overall scene is bright and dynamic, capturing the energy of the sport.

2000 The Potomac Index

**MEASURING
PROGRESS
IN THE GREATER
WASHINGTON
REGION**

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November 2000

Dear Reader:

We are pleased to introduce *The Potomac Index*, an expression of *values* and *measures* of the Greater Washington region's progress toward becoming a world-class connected community. We believe that building a connected community requires a long-term commitment to *innovation and entrepreneurship, inclusion, education and life-long learning, quality of life, and regional thinking and action*. The Index provides measures of how well we are achieving these commitments.

Nearly two years of leadership and vision were required to develop this Index. We owe special thanks to New Economy leaders Steve Case of America Online, and Mario Morino of the Morino Institute for challenging the region at the January 1999 Potomac Conference to become a world-class connected community. Each shared a vision of our region that required bold thinking and collaboration. Embracing this vision, Conference participants were challenged to take risks, set goals and hold themselves accountable on a diverse array of critical issues. In subsequent Conferences, many of us have been discussing, analyzing and debating what it takes to make a world-class community. In February of 2000, participants agreed to create an index that identifies the values that this region will embrace now and in the future and that also provides measures of our achievement of these values. Thus *The Potomac Index* was born.

We view *The Potomac Index* as a starting point. Its measures will be updated annually and are expected to evolve over time, but our shared values will remain unchanged. Your comments will be appreciated. But most important we encourage your commitment to achieving the vision of a connected community.

Lastly, to become a world-class community, we recognize that many individual leaders, organizations and governments will have to adopt a fresh perspective. Our global economy stresses collaboration and innovation. Fortunately, this region is rich in both...and has incomparable human assets! This is our unfair advantage!

Sincerely,

Dr. C.D. "Dan" Mote, Jr.
Co-Chair, The Potomac Conference
President, University of Maryland-
College Park

Michael A. Daniels
Co-Chair, The Potomac Conference
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REGIONAL MAP

THE GREATER WASHINGTON REGION

TOTAL AREA

5,000 square miles

COMPOSITION

Three jurisdictions (District of Columbia, Maryland, and Virginia)

TOTAL POPULATION

5.2 million

TOTAL EMPLOYMENT

2,300,000 private sector and 641,000 public sector

The Potomac Index is based upon a definition of the Greater Washington region which reflects Greater Washington Initiative member jurisdictions and differs somewhat from traditional government definitions of the Washington metropolitan area. The Greater Washington Initiative is the regional marketing affiliate of The Greater Washington Board of Trade.

GEOGRAPHIC RINGS

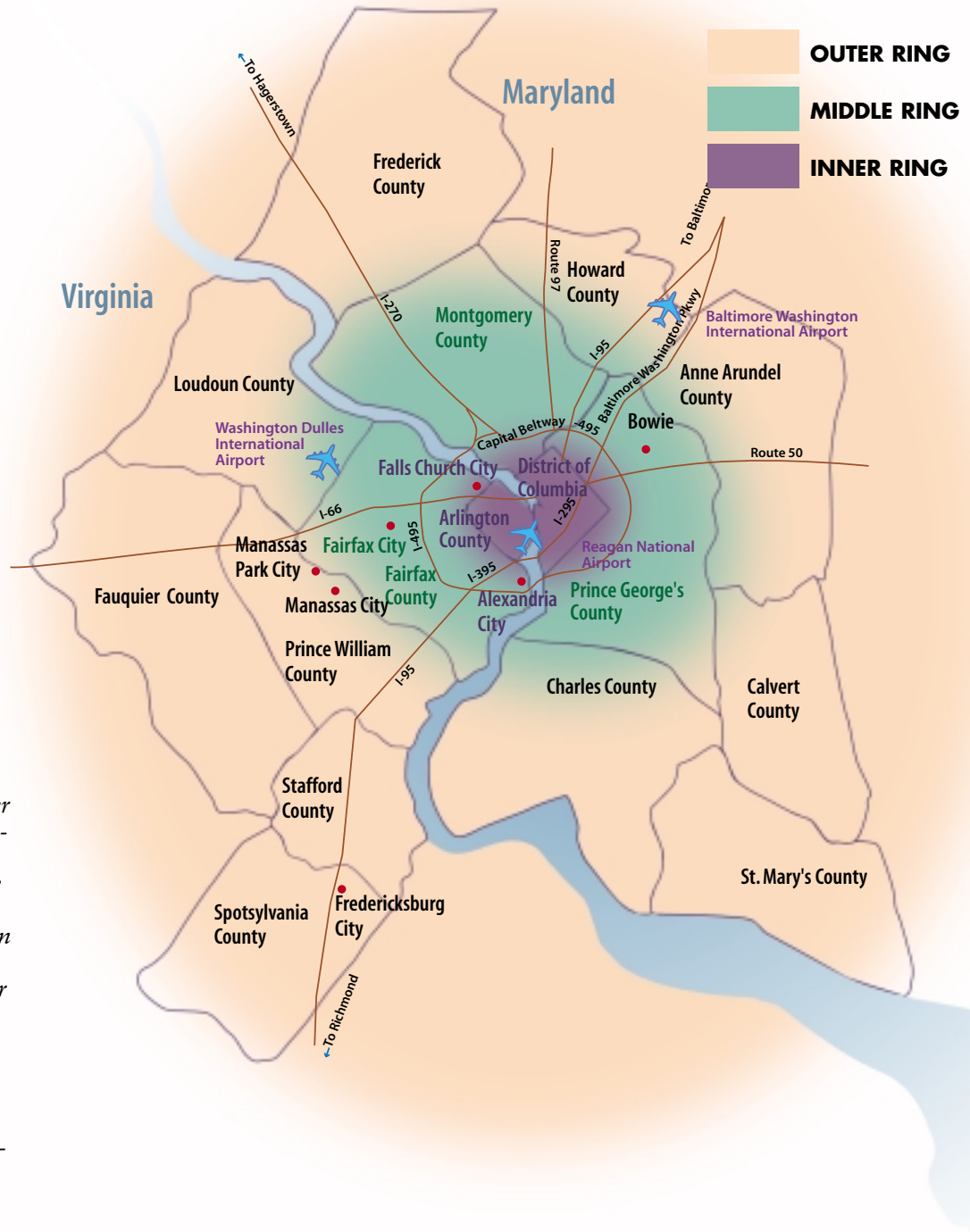
For the purposes of this Index, the region is grouped into three geographic rings—inner, middle and outer.

ECONOMIC HIGHLIGHTS

- From 1992 to 1999, private-sector employment increased 24%; total government employment decreased 6%. In 1997, one in seven workers was a federal employee, compared with one in eight in 1999.
- The service sector is the largest industry, with 1,118,000 employees. Retail trade is next, with 456,000 employees, and the federal government is the third-largest employer, with 350,000 employees.
- Services is one of the fastest-growing sectors, employing 276,000 more workers since 1992, a 33% increase.
- Of the region's technology-intensive employment, 69% is in service areas such as software development and systems integration, 16% is in bio-science and research/testing, 11% is in tech-intensive manufacturing, and 4% is in aerospace.
- In 1999, average wages were \$42,976 for the private sector and \$53,669 for federal, state, and local government employees. From 1992 to 1999, private-sector wages increased 13%; government wages grew by 14%.
- The federal government paid the highest average wages, at \$66,113, with wholesale trade not far behind, at \$61,331.

DEMOGRAPHIC HIGHLIGHTS

- The population increased from 4.7 million in 1990 to 5.2 million in 1999, representing a 12% change in total population.
- In 1999, the total population was composed of 58% Whites, 23% Blacks, 13% Hispanics, 6% Asian/Pacific Islanders, and 0.3% American Indians.
- The two fastest-growing ethnic/racial groups are Asian/Pacific Islanders and Hispanics. From 1990 to 1999, the Hispanic and Asian/Pacific Islander populations grew at an average annual rate of approximately 6%. Both segments constituted about 19% of the total population in 1999.



INTRODUCTION

When a 5,000-square-mile area connected by a common economy decides to incubate regionalism, it demonstrates vision. When it grapples with the challenges of putting regionalism into practice, it shows courage and endurance.

Greater Washington—a region encompassing three jurisdictions, the federal government and 5.2 million people—faces significant challenges along with its prosperity. The Potomac Conference, created by The Greater Washington Board of Trade in 1991, provides a forum for collaboration on regional opportunities and challenges. The Potomac Conference regularly connects leaders from education, nonprofit organizations, government, and business to focus on regional interdependence and action.

THE POTOMAC INDEX: A TOOL FOR THE POTOMAC CONFERENCE

At the February 2000 Potomac Conference, several hundred of the region's leaders helped to shape a regional vision and to articulate a set of shared regional values to guide thinking and practice. The vision called for transforming the region into a world-class connected community. The values took the form of five strategic commitments and represent a starting point for realizing the vision. The commitments are:

■ STRATEGIC COMMITMENT I: INNOVATION AND ENTREPRENEURSHIP

“Develop an environment in which innovation is leveraged and entrepreneurship can thrive, for these are the primary drivers of New Economy prosperity.”

■ STRATEGIC COMMITMENT II: INCLUSION

“Foster a climate in which everyone has a chance to participate in the region's prosperity and civic life, for inclusion ensures a role, interest, and shared responsibility for all residents in the region's future.”

■ STRATEGIC COMMITMENT III: EDUCATION AND LIFELONG LEARNING

“Create a region that empowers all residents to become lifelong learners, for education and ongoing learning are necessary for access to opportunity in the New Economy.”

PURPOSES OF THE POTOMAC INDEX

The Potomac Index is a tool to help measure the region's progress toward becoming a world-class connected community. The purposes of the Index are to:

- ▶ Focus on a set of strategic commitments for the Greater Washington region and define measures for tracking progress toward those commitments over time;
- ▶ Communicate reliable information on a regular basis about the region's progress in realizing its commitments;

■ STRATEGIC COMMITMENT IV: QUALITY OF LIFE

“Build a region where quality of life in the natural, built, and cultural environments is supported by economic growth, for a high quality of life is a primary expression of the region's vitality.”

■ STRATEGIC COMMITMENT V: REGIONAL THINKING AND ACTION

“Cultivate regional thinking and action that enable people to work together, for regional collaboration is the only way to leverage opportunities effectively and take on challenges in today's economy.”

To create a catalyst for ongoing action, one that regularly reminds the region whether it is making progress toward the achievement of the strategic commitments, Conference leaders decided to create the *Potomac Index*. In this document, the commitments form the basis for five indices designed to track the region's progress on a regular basis. Each index has approximately six progress measures, which define performance for that index.

At the time of the release of this inaugural *Potomac Index*, a sense of energy and urgency for regional solutions exists in the Greater Washington region. This dynamism is tempered by the knowledge that:

- ▶ not all challenges can be “fixed” in the near term, patience and commitment are essential;
- ▶ although many people have participated in this regional process, many more need to be engaged in it;
- ▶ regional collaboration is as difficult as it is worthwhile and imperative, and this reality is only multiplied by the size of this 5,000-square-mile region and its three separate jurisdictions; and
- ▶ establishing a set of expectations that conditions will and must improve is a powerful motivator.

- ▶ Spotlight key issues of concern that affect the region's future; and
- ▶ Build a regional identity that fosters commitment, collaboration, and ongoing communication.

This inaugural Index, to be updated annually, will provide a baseline for measurement in future years.

Success *in the New Economy*

*is about building connections. A burst of innovation and entrepreneurship can create **economic opportunity** that increases **regional prosperity**. This prosperity can preserve and enhance **quality of life** as well as create more **inclusive discussions** within and across communities about the region's future. However, these connections must be forged.*

The Greater Washington Region shows signs that some residents have strong connections, others have weak connections, and some are disconnected entirely. Fortunately, residents are actively seeking ways to forge connections, giving the region reason to be optimistic.

The Greater Washington Region has entered a new era of economic opportunity, fueled by private-sector-led innovation and entrepreneurship. The connection between innovation and entrepreneurship and economic growth is evidenced by a surge in investment, by increasing numbers of fast-growth companies, and by growing knowledge creation and commercialization.

- Value added per employee, a productivity indicator, grew by more than one-third since 1992, increasing at an annual average rate of 4.3%.
- Since 1992, the number of fast-growth firms has more than doubled.
- Venture capital investment increased more than 400%, from \$290 million in 1995 to \$1.5 billion in 1999.
- Technology licensing increased by 160% from 1992 to 1998, signaling increased technology transfer by major research institutions in the region.
- Idea generation in the form of patents increased by 53% from 1992 to 1998.

This new economic era is translating into increased economic prosperity for many, but not for all. Significant gains are evident for all groups, except for the bottom 20%, who have lost ground in the past five years. This loss is a cause for serious concern. This increasingly marginalized group is weakly connected and could become altogether invisible, eclipsing its prospects for inclusion.

- Income per capita has been on the rise in the region, growing at an average annual rate of 2% since 1992.
- The bottom 20% of households saw an overall decrease in household income from 1993 to 1998. The middle 20% increased income over time, as did the top 20% of households.
- Economic prosperity enabled the median income earner to afford home purchases more easily, because the cost of housing rose more slowly than the median income.

Although many residents are well connected, large numbers of residents are simply disconnected from economic opportunity because of their low level of educational attainment. These residents are in danger of slipping ever closer to the margins.

- Although today's regional residents overall are more than twice as likely as the U.S. population to hold a master's degree, less than 20% of those who hold degrees at the associate's level or higher are Hispanic (17%) or African American (16%). In a knowledge-intensive economy, this disparity means disconnection. Together, African Americans and Hispanics constituted 36% of the region's overall population in 1999.

- Forty-three percent of students attend schools rated “low” for technology readiness, 30% go to schools considered “average,” and 27% learn in environments rated “high.”
- High school drop-out rates have been on the increase in more parts of the region than not in the past few years.

Some important recent signs indicate that stronger connections are being made through education.

- More than half of the region’s residents have engaged in some form of job training or vocational or professional skills development in the past three years. Of those who have enrolled, 65% were African American, 52% were White, 45% were Hispanic, and 42% were Asian.
- In the past three years, African Americans and Hispanics in greater percentages than Whites have enrolled in college-level or graduate-level course work leading to a degree. Of those whom enrolled, 43% were African American, 39% were Hispanic, 32% were Asian, and 26% were White.
- The drop-out rate among the parents of today’s residents was nearly five times higher than the rate of those residents themselves.

The region is in danger of breaking the connection between economic prosperity and quality of life.

With the recent economic growth has come an increasing strain on the urban environment. The fact that skilled knowledge workers are demanding consumers of place could seriously undermine economic growth for the long term. If the region does not address its urgent environmental challenges, it may sever the connection between economic opportunity and quality of life, risking prospects for both.

- Of ten major metropolitan areas, only Los Angeles and Houston had higher concentrations of ozone than Washington, D.C.
- Compared to the other nine major metros, Washington, D.C. had the highest annual hours of delay in traffic per capita (62 hours), closely followed by Los Angeles (60 hours) and Boston (53 hours).

Residents are ready for a regional approach, and that “readiness” is more than just words. Reason exists to be optimistic, because a base of regional social capital is available that can be tapped to help make positive connections between the economy and the community—whether around issues of quality of life, inclusion, or innovation.

- Residents of the Greater Washington region scored an 8.4 out of a possible 10 on the regional interdependence index, suggesting a strong belief that the future of the region is integrally tied to the future of all individuals and communities within it.
- People believe that they can make a difference in their communities. Thirty-six percent of surveyed African Americans—compared to 25% of Hispanics and 15% of Whites—indicated that people like themselves could have a “great impact”.
- People’s beliefs are matched by their actions. Rates of volunteerism are strong overall, and highest among African Americans (87%), with healthy levels of volunteering among Whites (83%) and Hispanics (76%), too.
- Local government has an essential role to play in making regional connections. Of the surveyed county and independent city officials, 40% have more interest today than they had five years ago in intergovernmental cooperation.
- Ninety-three percent of all residents indicate that to provide the services people want, local governments must cooperate more with each other.

For almost every sign of concern in the region, there is also reason to be hopeful—whether it is recent educational gains that temper historical disparities or the amount of social capital in reserve for regional action. The Greater Washington region has the opportunity to celebrate its success, take responsibility for its problems, and commit to working together on regional solutions. **The region has a unique opportunity to pursue a shared destiny,** as it taps its strengths and capacity and deepens its sense of regional reciprocity and interdependence.

ABOUT THE POTOMAC INDEX

WHAT IS A GOOD PROGRESS MEASURE?

Progress measures are quantitative indicators of how well the region is doing in its efforts toward realizing regional strategic commitments. These measures define performance for five indices that correspond with the region's five strategic commitments.

Thirty progress measures were selected in consultation with a diverse advisory group from the region's business, academic, public, and nonprofit sectors.

PROGRESS MEASURES WERE CHOSEN IF THEY:

- reflect fundamental progress toward meeting strategic commitments;
- measure the fundamentals of regional capacity and vitality;
- are meaningful to the region; and
- are measurable on a frequent basis.

WHAT TYPES OF METHODS WERE USED TO COLLECT DATA?

Progress measures for *The Potomac Index* were developed from a combination of existing secondary sources and primary data collection through a general population survey of 1,000 residents of the Greater Washington region. In most cases, existing data were reconfigured for the project's purposes. Most data are presented as comparisons of the region to itself over time. In some instances, where data were available and it was appropriate, the region is compared to other regions for a point in time.

The appendix provides notes on data sources for each indicator as well as an explanation of survey methodology.

WHAT IS THE GREATER WASHINGTON REGION?

The Greater Washington region is a vast and diverse 5,000-square-mile region, consisting of the following counties and independent cities: Washington, D.C. in the District of Columbia; Anne Arundel, Calvert, Charles, Frederick, Howard, Montgomery, Prince George's, and St. Mary's in Maryland; Alexandria City, Arlington, Fairfax, Fairfax City, Falls Church City, Fredericksburg City, Loudoun, Manassas City, Manassas Park City, Prince William, Spotsylvania, Stafford, and Fauquier in Virginia.

These areas are sometimes grouped according to an inner, middle, and outer ring. See the chart on page 35 for details.

HOW IS THE POTOMAC INDEX ORGANIZED?

The Potomac Index is organized according to the five strategic commitments described on page 5.



STRATEGIC COMMITMENT I:

Innovation and Entrepreneurship

*“Develop an environment in which **innovation** is leveraged and **entrepreneurship** can thrive, for these are the **primary drivers** of **New Economy prosperity.**”*

The commitment to innovation and entrepreneurship focuses on four themes:

- productivity;
- risk taking;
- connectivity; and
- idea generation.

High and rising productivity is a key to prosperity in the New Economy. Innovation and entrepreneurial thinking play important roles in generating increases in productivity.

A strong relationship exists between the churn of new business formation and closure and regional economic growth. New companies form, some die, and the talent and ideas freed up from these deaths often migrate to firms that will evolve into growth-oriented companies. Acceptance and encouragement of risk taking are part of the culture that drives this dynamic.

Regional networks and other facilitating organizations help companies to connect to and tap place-based assets needed for innovation. A strong regional innovation infrastructure that can be leveraged provides special competitive advantages to a region's companies. This connectivity helps to connect idea generators, entrepreneurs and businesses to one another.



VALUE-ADDED PER EMPLOYEE

Why Is It Important?

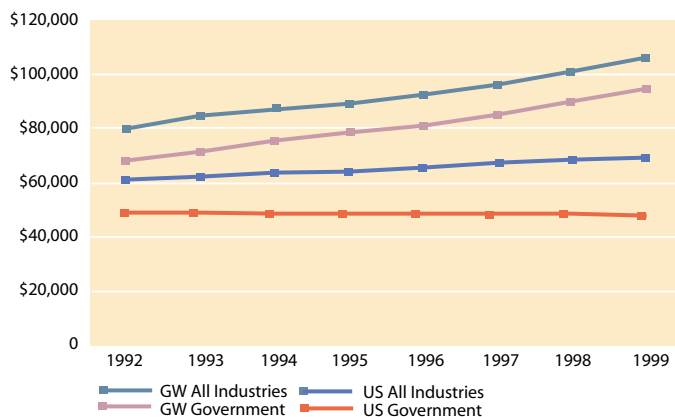
High and rising value-added per employee is an indicator of productivity that fosters increasing incomes for workers. Increased innovation—the development of more high-value goods and services or of more efficient processes that reduce production costs—is an important factor driving increases in value added. Value-added is derived by subtracting the costs of a company’s materials, inputs, and contracted services from the final revenue of its outputs.

How Is the Region Doing?

Value-added per employee in the Greater Washington region has grown by more than one-third in inflation-adjusted terms since 1992. Value added per employee has been rising steadily in both the commercial and government sectors, at an average annual rate of 4.3%. Between 1998 and 1999, private industry value added per employee increased by 5.0% from \$101,045 to \$106,254.

VALUE-ADDED PER EMPLOYEE

For private sector industries and government, Greater Washington Region and the United States, 1992-1999 (1999 dollars)



Source: Regional Financial Associates

FAST-GROWTH “GAZELLE” COMPANIES

Why Is It Important?

Fast-growth “gazelle” companies, which derive a majority of their sales revenue from new products and services, are typically highly innovative. Often associated with significant job creation and outputs, these growth-oriented companies have dynamic work environments that become a training ground for entrepreneurs. These businesses are often responsible for spin-offs, both directly and indirectly.

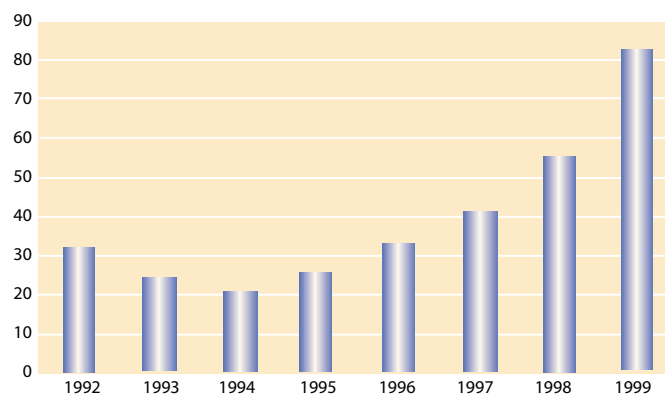
How Is the Region Doing?

The number of publicly traded gazelle companies more than doubled since 1992. With 83 gazelles in 1999, the Greater Washington region continues to generate fast-growth companies. Just between 1998 and 1999, the number of the gazelle firms increased by 48% from 56 to 83.

Note: Gazelle firms increase their sales at an average annual compound rate of 20% or more over four consecutive years.

FAST-GROWTH GAZELLE COMPANIES

Number of publicly traded “gazelle” companies, Greater Washington Region, 1992-1999



Source: Standard and Poors

BUSINESS STARTS

Why Is It Important?

New business formation is an indicator of an economic environment that encourages risk taking and innovation. It is an essential ingredient of “business dynamism,” in which the churn of business deaths and births contributes to economic growth. New companies form, some die, and the talent and ideas freed up from these deaths can migrate to other companies.

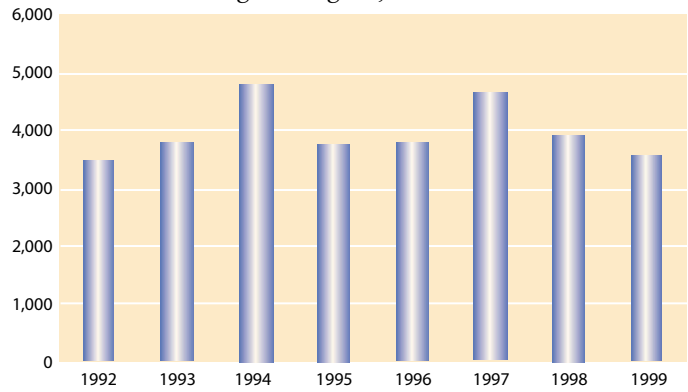
How Is the Region Doing?

From 1992 to 1999, the region added nearly 35,000 new businesses. New business starts increased by 3% from 1992 to 1999.

New business starts declined from 3,899 in 1998 to 3,553 in 1999, a 9% decrease. National rates of new business formation declined by 3% in the same period. National and regional trends in new business formation from 1992 to 1999 varied but share similar patterns of volatility.

NEW BUSINESS STARTS

Number of new business starts
Greater Washington Region, 1992-1999



Source: Dun and Bradstreet Corporation

VENTURE-CAPITAL INVESTMENT

Why Is It Important?

Venture-capital investment is a bottom-line indicator of market-driven investment in entrepreneurial ventures with high-growth expectations. Typically, only firms with potential for exceptionally high rates of growth over a five- to ten-year period will attract venture capital.

How Is the Region Doing?

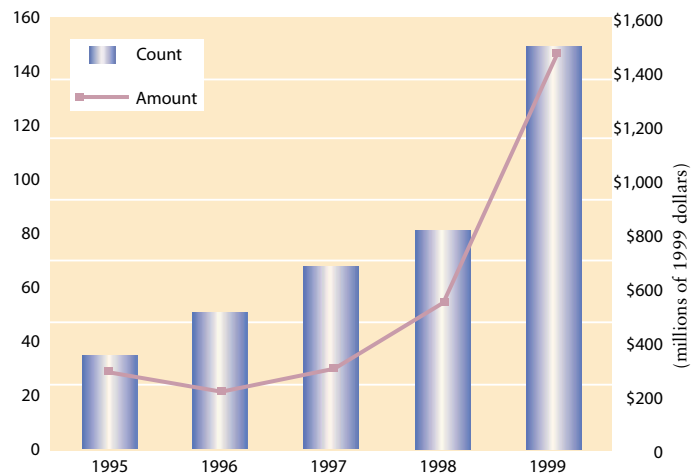
The amount of venture capital invested in the region skyrocketed, increasing more than 400% from \$290 million in 1995 to \$1.5 billion in 1999. The single highest increase in the amount of investment occurred between 1998 and 1999 (171%). The region did not garner an increasing share of total U.S. venture investment during this period, decreasing from 4.7% of total U.S. investment in 1995 to 4.1% of the total in 1999.

The number of deals increased at a similar pace, growing from 35 in 1995 to 149 in 1999—a 325% increase. The size of the average investment was \$8.9 million in 1999, a significant increase from \$6.5 million in 1998.

Investment in Telecommunications and Software accounted for more than 65% of venture investment in the region for 1999. Networking and Equipment (12%) and Retailing/Distribution (6%) attracted the second- and third-largest shares of venture investment in 1999, respectively.

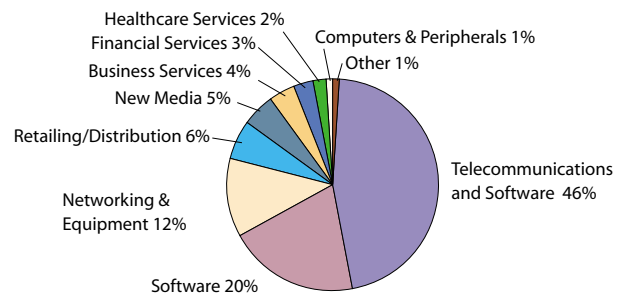
VENTURE-CAPITAL INVESTMENTS

The number and dollar amount of venture capital deals, Greater Washington Region, 1995 to 1999



Source: PricewaterhouseCoopers LLP

DISTRIBUTION OF VENTURE-CAPITAL INVESTMENT Greater Washington Region, 1999



Source: PricewaterhouseCoopers LLP

TECHNOLOGY LICENSING

Why Is It Important?

Universities, hospitals, and research institutions enter into licensing agreements with companies, indicating a step toward commercializing a new idea as a marketable product or service. Licensing agreements are sought after a patent has been obtained. Licensing activities reflect the success of technology-transfer efforts and the seizure of entrepreneurial opportunities. Active research commercialization is fueled by strong connections between the research and business communities.

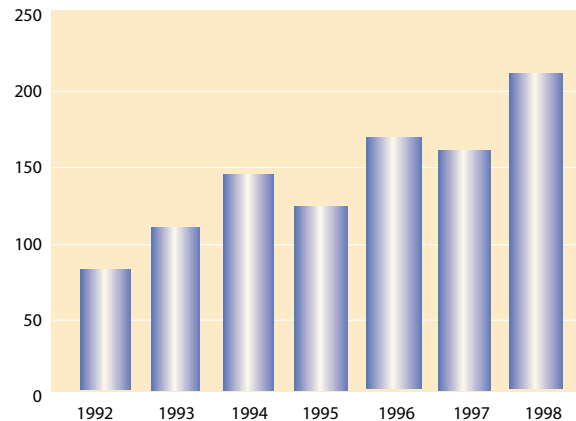
How Is the Region Doing?

The number of technology licensing agreements issued by major nonprofit universities, hospitals, and research institutions in the Greater Washington region has been on the rise, increasing by 160% from 80 in 1992 to 208 in 1998, compared to 111% nationally. New technology licenses granted rose by one-third, from 158 in 1997 to 208 in 1998.

Some research suggests a strong correlation between funding levels for research and development and technology commercialization. Federal obligations for research and development to colleges and universities in the Greater Washington region increased steadily from about \$678.5 million in 1990 to \$954 million in 1998.

TECHNOLOGY LICENSING

Number of licenses & options issued by major universities, hospitals, and research institutions, Greater Washington Region, 1992-1998



Source: Association of University Technology Managers

PATENTS

Why Is It Important?

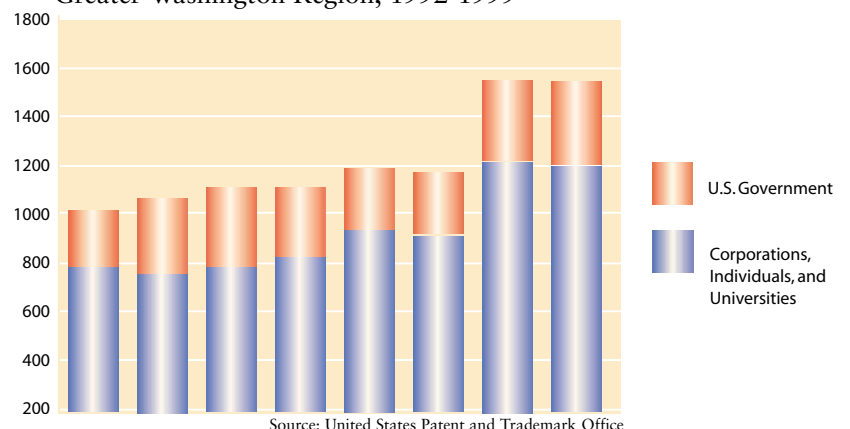
Patents reflect the initial discovery and registry of innovative ideas. Strong patent activity usually reflects significant R&D taking place. A key motivator to obtain patent protection is the potential relevance to a marketable product or process. Patent activity can trigger high-impact discoveries that lead to new innovations with market impact downstream.

How Is the Region Doing?

The total number of patents increased by 53%, from 998 in 1992 to 1,528 in 1999. Increasing by 53% from 1992 to 1998, the share of total corporate and individual patents grew at a rate similar to that of the government share of patents, which increased by 50% in the same period.

PATENTS BY OWNERSHIP

Number of utility patents by ownership, Greater Washington Region, 1992-1999



Source: United States Patent and Trademark Office

STRATEGIC COMMITMENT II: Inclusion

*“Foster a climate in which **everyone** has a chance to **participate** in the region’s **prosperity and civic life**, for inclusion ensures a role, interest, and shared **responsibility** for all residents in the **region’s future**.”*

The commitment to inclusion focuses on three thematic areas:

- economic means for participation;
- beliefs about the ability to make a difference; and
- access to positions of regional leadership and New Economy tools.

Inclusion has economic, civic, and political dimensions.

Without a minimum level of economic means, people struggle to make it day to day. This struggle eclipses the possibility of sharing in a region’s prosperity and often hinders the opportunity to participate fully in the civic and cultural life of a region.

Individual beliefs about one’s ability to make a difference are the true catalysts for action. Strong connections can be built when this belief is combined with New Economy tools and pathways to leadership.

Participating in the New Economy means having access to New Economy tools, such as the Internet. This form of connection is a vital element of inclusion in the 21st century.

Participating in positions of regional leadership to help shape the region’s future is vital. Having a diversity of voices at the leadership level in this regional dialogue represents inclusion.



HOUSEHOLD INCOME DISTRIBUTION

Why Is It Important?

Broadening prosperity is an indicator of the economic means available for participation across the distribution of earnings. Successful economies create opportunities for all families to benefit from and participate in a region's prosperity.

When families earn at or below the 20th percentile, they are more likely to be disconnected from quality jobs with advancement potential, access to higher education and outside capital, and linkages to people and information.

Household income includes income from wages, investments, social security, and welfare payments for all people in the household.

How Is the Region Doing?

Changes in income among the top and middle 20% of households of four have moved in similar directions since 1993, declining from 1993 to 1995 and increasing from 1996 to 1998. The bottom 20% saw a decline in household income from 1993 to 1997, with an upturn only in 1998.

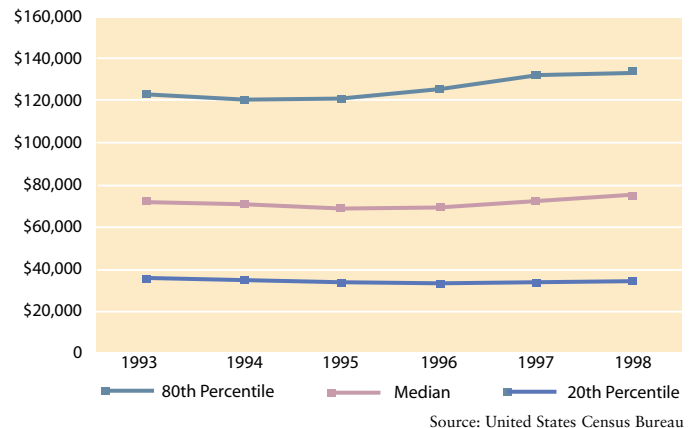
While the middle and top 20th percentile experienced an overall increase in household income from 1993 to 1998, the bottom 20% lost ground, declining from \$35,945 in 1993 to \$35,186 in 1998—a 2% decline.

The income gap between the wealthiest 20% and the poorest 20% of households widened from a ratio of 3 to 1 to a ratio of 4 to 1 from 1993 to 1998.

The median household income of \$75,953 in 1998 rose consistently from 1995 and has increased 5% since 1993.

HOUSEHOLD INCOME DISTRIBUTION

Adjusted to represent a household of four, Greater Washington Region, 1993-1998 (1999 dollars)



REAL PER CAPITA INCOME

Why Is It Important?

Real income per capita over time is an indicator of a wealth-creating, competitive economy. The indicator captures total personal income from all sources (e.g., wages, investment earnings, and self-employment) adjusted for inflation and divided by the total resident population.

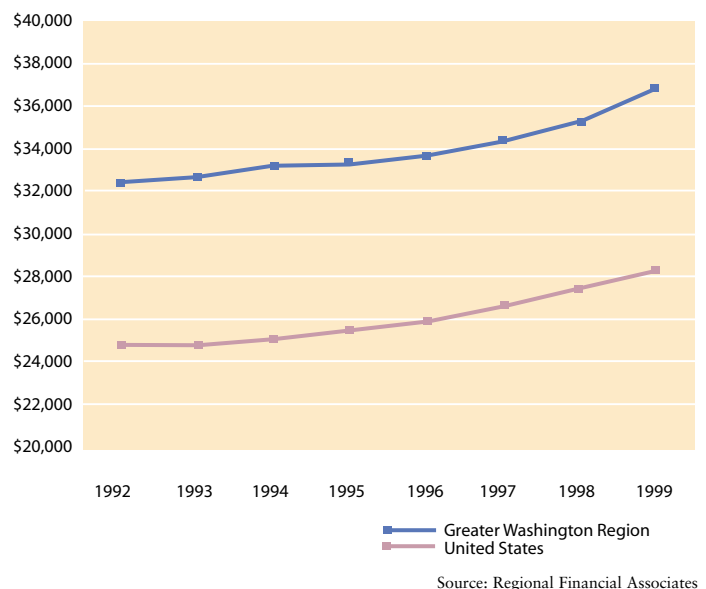
How Is the Region Doing?

During the 1990s, real income per capita increased by 13% for the Greater Washington region, compared with 14% for the nation. Real per capita income in the region has been rising steadily at an average annual rate of 2% since 1992. The gap between the region's per capita income and the nation's remained steady from 1992 to 1999, with the region's income nearly \$8,000 higher on average than that of the nation in this period.

Per capita income rises when a region increases income faster than the growth of its population. The Greater Washington region's population grew at an average annual rate of 1.3% throughout the 1990s.

REAL PER CAPITA INCOME, 1992-1999

Per capita income, Greater Washington Region and the United States, 1992-1999 (1999 dollars)



HOUSING PURCHASE AFFORDABILITY

Why Is It Important?

Housing affordability is a basic indicator of access to place-based resources and services—from quality public schools to cultural amenities. It also indicates the extent to which a region has committed to provide a range of housing options for all people (e.g., adults without children, families with children, and retired persons).

Lack of affordable housing can intensify concentrations of poverty, fostering the perception and reality of the physical separation of the socially and economically connected and disconnected.

How Is the Region Doing?

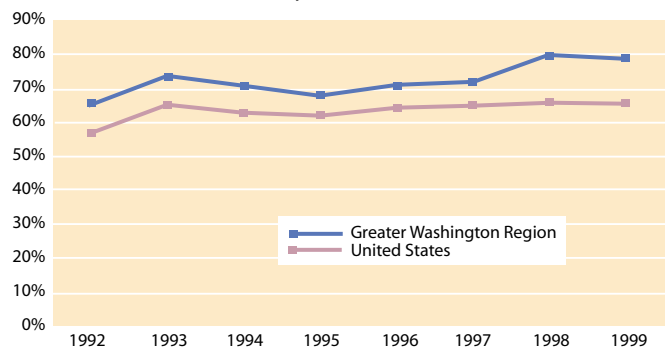
A region's Housing Opportunity Index (HOI) is the percentage of homes affordable to families earning the median income. The HOI in the Greater Washington region increased from 66% in 1992 to 79% in 1999.

It is also important to look at the availability of affordable rental housing, which is defined as the generally accepted standard of spending not more than 30% of income on housing costs.

According to the September 1999 Out of Reach report produced by the National Low Income Housing Coalition, 1999 “fair market rent” was \$820 for a two-bedroom unit in the Washington D.C. area. Thirty-five percent of renters in the District of Columbia were unable to afford this rental cost. A worker earning the federal minimum wage (\$5.15 per hour) would have to work 122 hours per week to afford a two-bedroom unit at fair market rent in this area, realistically placing fair market rental units out of affordability range for those earning the minimum wage.

HOUSING PURCHASE AFFORDABILITY

Percentage of homes affordable to median-income households, Greater Washington Region and the United States, 1992-1999



Source: National Association of Homebuilders

PUBLIC LEADERSHIP DIVERSITY

Why Is It Important?

The diversity of voices that participate in leadership-level discussions about the region is an important aspect of inclusion and connection. Elected posts are important pathways to participating in shaping the direction of a region's future. The portion of African Americans, Asians, and Hispanics who are elected leaders is an indicator of the inclusion of racial and ethnic minorities in this discussion.

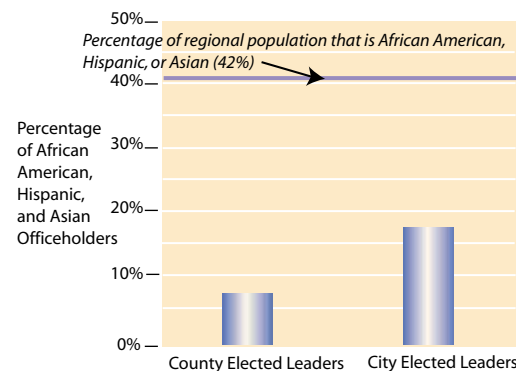
How Is the Region Doing?

In 1999, 8% of all elected county leaders were African American, Asian, or Hispanic. By contrast, 18% of all city elected leaders were from these groups, compared to 17% nationally. African Americans, Asians, and Hispanics made up 42% of the Greater Washington region's population in 1999.

This year's indicator will serve as a benchmark as data are collected in future years, providing an ability to assess progress in building stronger connections.

DIVERSITY OF LOCAL ELECTED LEADERS

Percentage of city and county elected leaders, Greater Washington Region, 1999



Source: National League of Cities and National Association of Counties Organization

INDIVIDUAL IMPACT

Why Is It Important?

Inclusion is in part a function of a sense of individual connection. When people believe that they can make a difference, they often can. Individuals' beliefs about their ability to influence and impact their community in order to make it a better place to live is an important indication of connection.

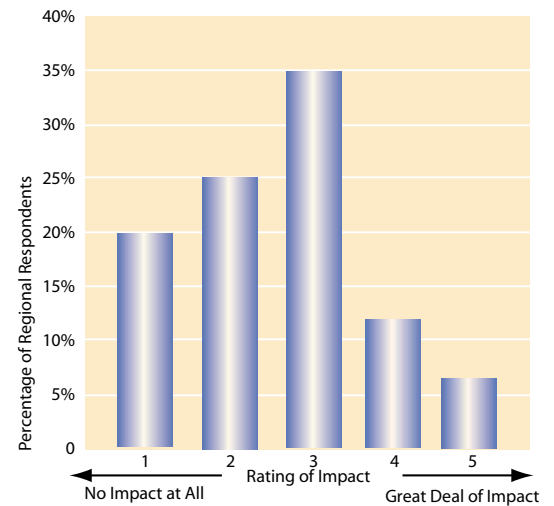
How Is the Region Doing?

When asked how much of an impact people like you can have in making your community a better place to live, more than 80% of the region's residents indicated that they believed they could have a "great" or "some" impact, versus "no impact at all". Nineteen percent did not feel connected to make a difference in their community, and 1% were unsure.

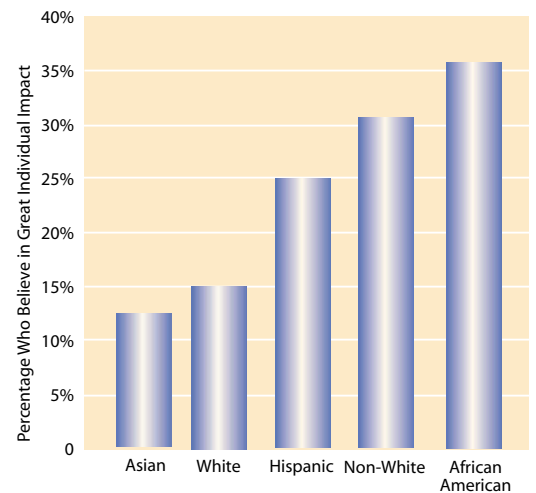
African Americans were significantly more likely to believe that they could have the strongest impact on their community. Thirty-six percent of surveyed African Americans indicated that people like themselves could have a "great impact," as compared to 25% of Hispanics and 15% of Whites surveyed.

BELIEFS ABOUT INDIVIDUAL IMPACT

Overall rating by region's residents on amount of impact people like them have in making their community a better place to live, Greater Washington Region, 2000



Percentage of individuals who believe that people like them can have "great deal of impact" in making their community a better place to live, by race/ethnicity, Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

INTERNET ACCESS

Why Is It Important?

In the digital age, Internet access is a basic measure of inclusion. Electronic access to information and resources is an important advantage, if not a prerequisite for full participation. Because communications, learning, and transactions—government and commercial—are increasingly conducted online, people without access will be excluded from these activities.

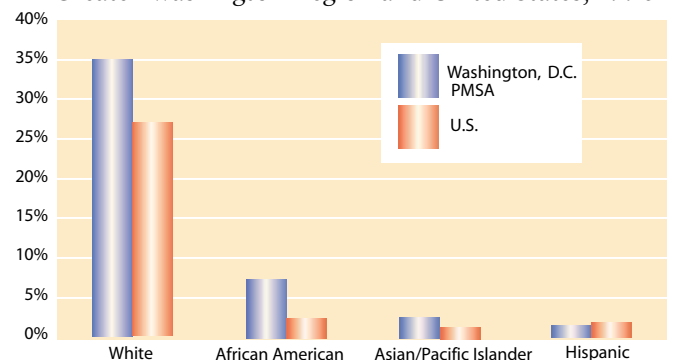
How Is the Region Doing?

Nearly one-half of the Greater Washington region's residents have access to the Internet; however, this availability varies widely by race and ethnicity.

Of the region's population that is White, 35% have Internet access, compared to 7% of those who are African American, 3% of those who are Asians, and 2% of those who are Hispanic. African American Internet access is more than three times higher in the region than nationally, where 2% of this group have Internet access.

INTERNET ACCESS

Share of population with access to the Internet either from home or outside home, Greater Washington Region and United States, 1998



Source: Census Bureau 1998 Internet and Computer Supplement

STRATEGIC COMMITMENT III: Education and Lifelong Learning

*“Create a region that **empowers** all residents to become lifelong **learners**, for **education** and ongoing learning are **necessary** for access to **opportunity** in the New Economy.”*

The commitment to education and lifelong learning focuses on three themes:

- access to education and training;
- educational performance and attainment; and
- educational systems.

Access to quality education and training allows people to become lifelong learners—a passport to New Economy opportunity. Regions grow New Economies by having education and training institutions that instill a desire to learn and meet that demand in flexible ways.

The New Economy is a knowledge-based economy, in which educational performance and attainment levels are a predictor of economic sustainability, in general, and individual prosperity, in particular.

New Economy opportunity and access are also about the capacity, flexibility, and creativity of educational systems. The thoughtful integration of technology into the teaching and learning experience is an important aspect of New Economy service delivery. The use of technology to reach and respond to education and training needs is another. The overall capacity to enroll students in full-time study is a basic indicator of the strength of a higher-education infrastructure.



HIGH SCHOOL DROP-OUT RATES

Why Is It Important?

The high school drop-out rate is a risk measure that warns of lost potential and future societal costs. This performance red flag is a basic indicator of denied access to future opportunity in the Greater Washington region. With a growing knowledge-based and technology-intensive economy, the region's quality jobs require a high school diploma at minimum, if not a college degree. Lost talent is a potential threat to sustained economic growth and a vital community.

How Is the Region Doing?

Substantial variations exist in the drop-out rates for schools in the Greater Washington region, with some areas reporting increasing numbers of dropouts over time while others are recording a decrease.

Washington, D.C. schools reported the highest drop-out rates. The rates ranged between 8.3% and 9.6% from 1992 to 1998 and are on the rise.

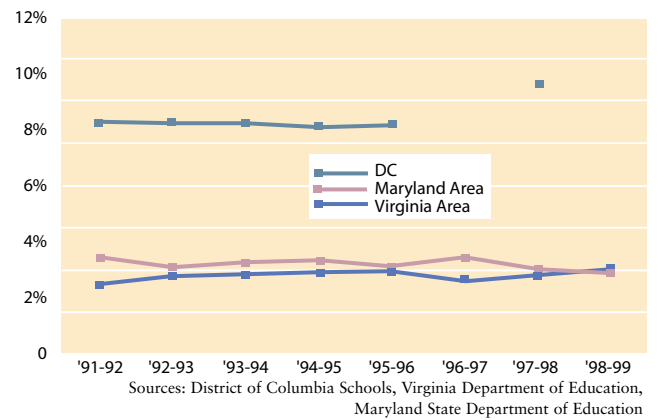
Those cities and counties of the Greater Washington region in Virginia report that 2.9% of its 7-12 grade students dropout of school. The current rate is slightly higher than the 1992 level of 2.4%.

Those cities and counties of the Greater Washington region in Maryland indicate that their drop-out rate declined one-half of a percentage point, from 3.4% in 1992 to 2.8% in 1999.

Note: Drop-out rates in the Greater Washington region vary by reporting entity and by geography. Washington, D.C. and Virginia drop-out rates are calculated for all students in grades 7-12. The Maryland Department of Education calculates its drop-out rate as a percentage of students in grades 9-12. The rates are not directly comparable.

HIGH SCHOOL DROP-OUT RATES

Percentage of regional dropouts, by subregion, Greater Washington Region, 1991-99



POSTSECONDARY EDUCATIONAL ATTAINMENT

Why Is It Important?

Because many jobs and career paths in the New Economy require at least a college degree, the educational attainment level of the workforce is an important indicator of the portion of the population with access to quality, career-mobile jobs. Educational attainment level is an important predictor of career success over a lifetime.

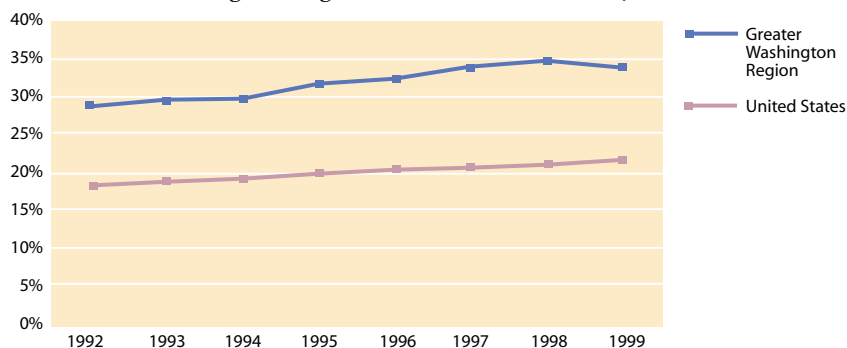
How Is the Region Doing?

Educational attainment levels reveal a story of contrasts. Overall, the region leads the nation at all levels of postsecondary degree attainment. In 1999, residents were more than twice as likely (13%) as the nation (5%) to hold a master's degree.

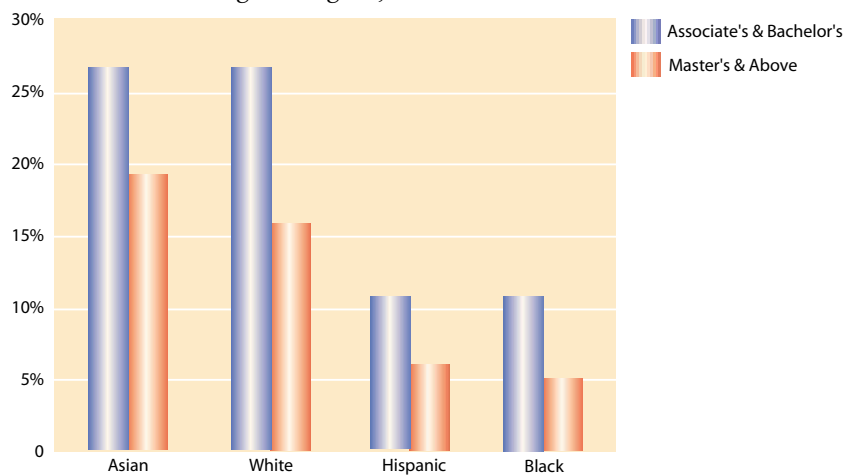
However, the variations by race and ethnicity are significant. Whereas 46% of Asians and 43% of Whites hold at least an associates degree, 17% of Hispanics and 16% of African American have reached the same level. The rate at which both Hispanics and African Americans obtained postsecondary degrees from 1992 to 1999 does not show a marked acceleration from a decade ago.

POSTSECONDARY EDUCATIONAL ATTAINMENT

Percentage of population who have an associate's degree or higher, Greater Washington Region and the United States, 1992-1999



Postsecondary educational attainment levels, by race/ethnicity, Greater Washington Region, 2000



Source: Current Population Survey, Census Bureau

EDUCATION AND GENERATIONAL CHANGE

Why Is It Important?

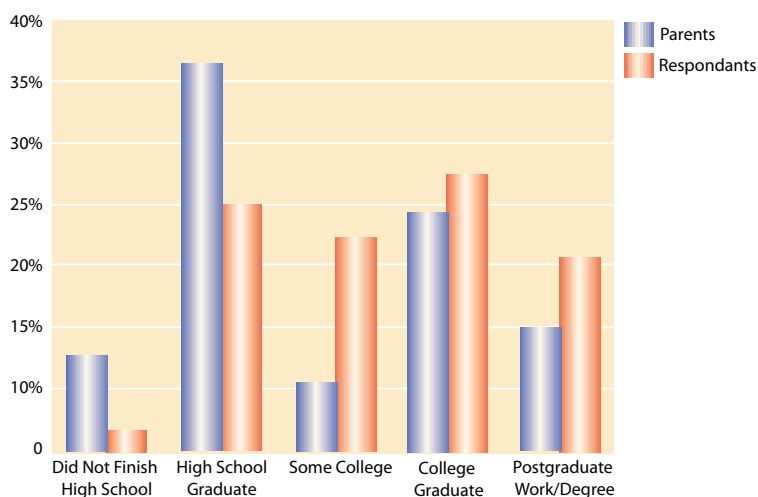
If educational attainment is a predictor of individual career mobility and prosperity, then it is important that a region's residents make generational progress in the attainment of increasing levels of education as measured by degrees. This indicator provides a longer-term look at generational mobility, based on educational attainment level.

How Is the Region Doing?

Some significant improvements in educational attainment levels have occurred in one generation. Whereas high school tended to be the highest educational level of education for respondents' most educated parent, the respondents' own highest level of education was college graduation. The drop-out rate was nearly five times higher among the parents of today's residents than among residents themselves. The intergenerational high school drop-out rate declined from 13% among parents of current residents to 3% among today's residents.

EDUCATION AND GENERATIONAL CHANGE

Comparison of residents' and their parents' educational attainment level, Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

K-12 TECHNOLOGY INDEX

Why Is It Important?

Technology’s careful integration into the classroom can enhance understanding and performance, because it “supports and extends the teaching and learning process.” Its incorporation into school administration can also help to create more connected, responsive, and flexible teaching and learning institutions.

Technology presence in the schools also provides exposure that may not be present in the home. Schools that lack strong technology infrastructures leave students vulnerable to the digital divide that separates the tech haves from the have-nots. The K-12 technology index assesses multimedia technology intensity, incorporating many technology variables, including the analysis of modems, computers, networks, CD-ROM, interactive videodisc, presence of an ILS system, satellite dish, homepages, and online service subscriptions.

How Is the Region Doing?

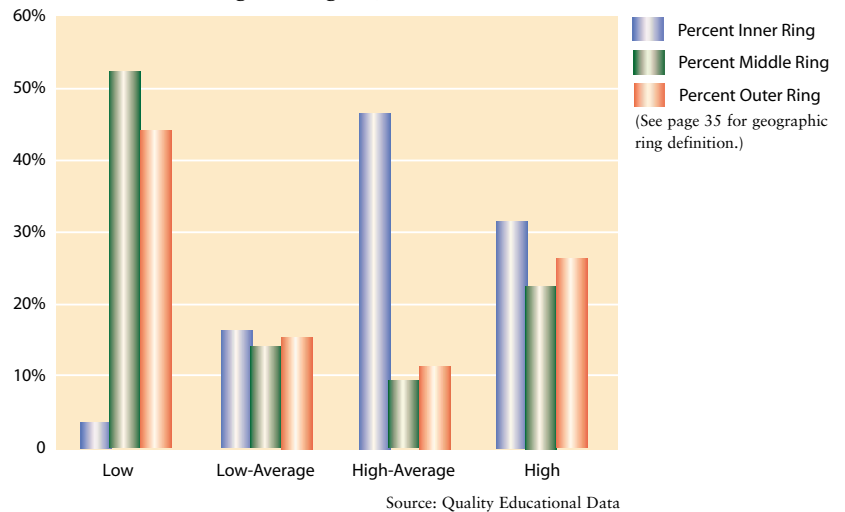
The technology intensity of the region’s K-12 schools is important to understand in terms of the share of students who benefit. Whereas 43% of students attend schools rated “low” for technology, 30% are enrolled in schools that are considered “average,” and 27% are learning in an environment rated as “high.”

Approximately 365,000 students are enrolled in schools rated “low” for technology intensity; about 213,000 students learn in an environment that is rated as “high.” The remainder of the region’s approximately 252,000 K-12 students are learning in an educational setting considered “average” in terms of its technology intensity.

Note: Numbers may not sum to 100% due to rounding.

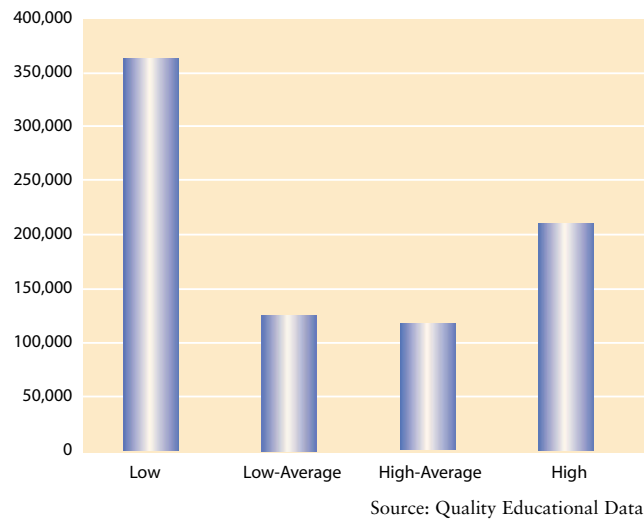
K-12 TECHNOLOGY INDEX

Percentage of enrolled students by technology rating and subregion, K-12 schools, public, private, and parochial, Greater Washington Region, 1999



K-12 TECHNOLOGY INDEX

Number of enrolled students by technology rating, K-12 schools, public, private, and parochial, Greater Washington Region, 1999



FULL-TIME COLLEGE AND UNIVERSITY ENROLLMENT CAPACITY

Why Is It Important?

Postsecondary education is a basic requirement for a growing share of career paths in the New Economy. The overall capacity to enroll students in full-time study is a basic indicator of the capacity of a region's higher-education infrastructure. Dynamic regions with good systems for higher education provide greater opportunity to train, attract, and retain talent, whether that talent originates locally or is from another region.

How Is the Region Doing?

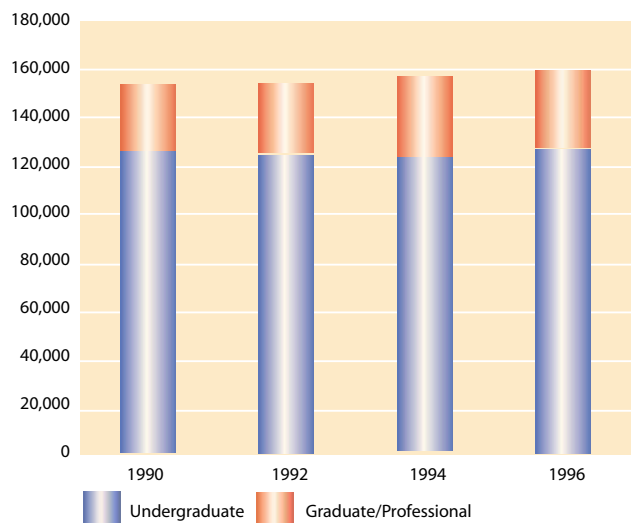
Thirty-two of the higher-education institutions in the Greater Washington region enrolled 4% more full-time students in 1996 than it did in 1990. In 1990, more than 155,000 students enrolled in full-time study, and in 1996 a little more than 161,000 students began full-time study.

From 1990 to 1996, the total number of students enrolled in graduate/professional programs grew by 22%; undergraduate enrollment increased by only .1% in the same period. Undergraduate enrollment remained at least three times the size of graduate/professional enrollment from 1990 to 1996.

Enrollment by race and ethnicity has changed little from 1990 to 1996. Of those who enrolled in a full-time course of study in the fall of 1996, 62% were White, 17% were Black, 9% were Asian or Pacific Islander, and 4% were Hispanic.

FULL-TIME COLLEGE AND UNIVERSITY ENROLLMENT CAPACITY

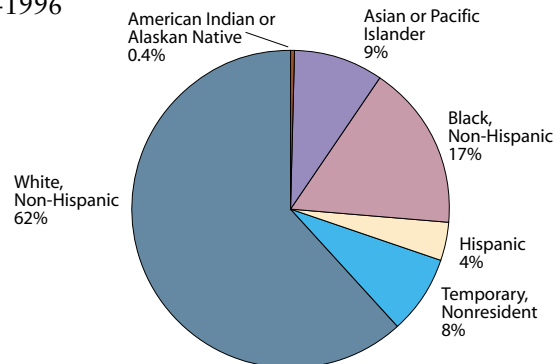
Fall undergraduate and graduate/professional enrollment at 32 colleges and universities, Greater Washington Region, 1990-1996



Source: National Science Foundation

FULL-TIME ENROLLMENT BY RACE/ETHNICITY

Fall undergraduate and graduate/professional enrollment at 32 colleges and universities, Greater Washington Region, 1990-1996



Source: National Science Foundation

CONTINUING EDUCATION

Why Is It Important?

Continuous learning is a staple in the New Economy, and educational service delivery systems must adjust to meet the needs of its customers to learn in more flexible ways. Continuing-education programs provide convenient access to education, training, and skills upgrading for learners. The programs help to meet the demands for everything from advanced degree work to customized learning modules, as they extend the reach and relevance of educational institutions in today's economy.

How Is the Region Doing?

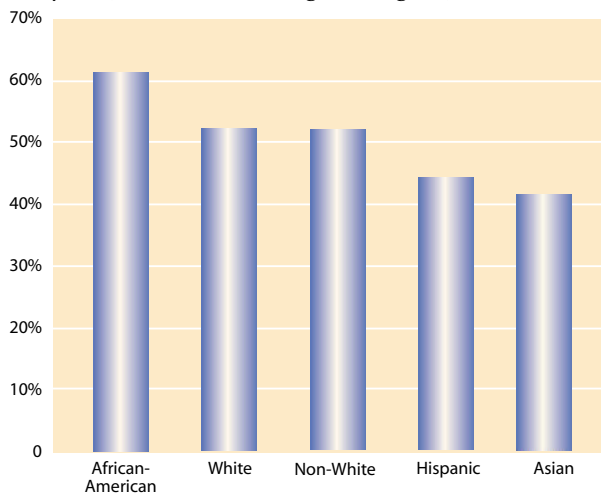
Greater Washington residents are participating in various forms of continuing education in high numbers. Fifty-three percent of all the region's residents have participated in job training or vocational or professional skills development classes in the past three years. Of those who have enrolled, 61% were African American, 52% were White, 45% were Hispanic, and 42% were Asian.

In the past three years, one-third of all adults with some college education or more have enrolled in college- or graduate-level courses leading to a degree. Of the region's residents, African Americans and Hispanics enrolled in college-level or graduate-level courses leading to a degree in greater percentages than Whites in the past three years. Of those who enrolled, 43% were African American, 39% were Hispanic, 32% were Asian, and 26% were White.

As the region's education service delivery systems position themselves to respond to the demand for flexible continuous learning, it will grow the number of distance-learning delivery systems. The region currently has six colleges and universities that offer accredited degrees through distance-learning programs.

CONTINUING EDUCATION

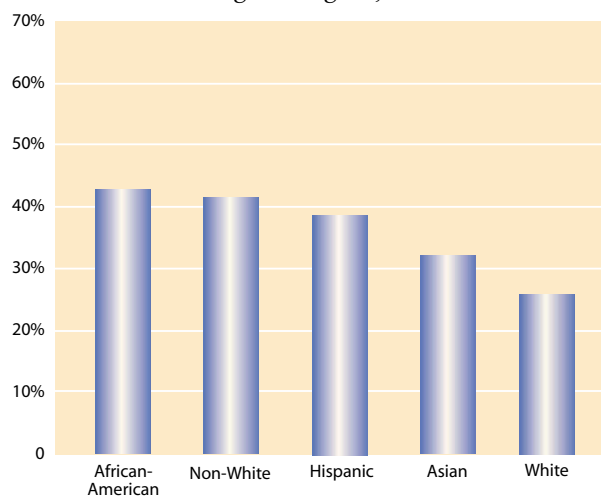
Racial/ethnic breakout of those residents who have taken job training, vocational, or professional skills development classes within the past three years, Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

CONTINUING EDUCATION

Racial/ethnic breakout of those residents who have taken college-level courses leading to a degree within the past three years, Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

STRATEGIC COMMITMENT IV: Quality of Life

*“Build a region where quality of life in the **natural, built,** and **cultural environments** is supported by **economic growth**, for a **high quality** of life is a **primary expression** of the region’s **vitality.**”*

The commitment to quality of life focuses on four major themes:

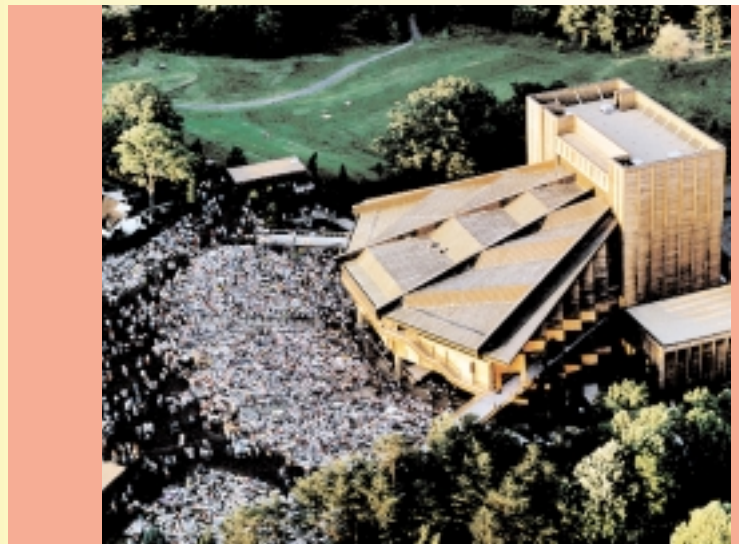
- urban ecosystem sustainability and stewardship of the land;
- access to the natural environment;
- mobility and safety; and
- access to culture.

In the New Economy, a region’s economic health is tied to its community vitality. Urban ecosystem sustainability is important for basic health and quality of life, which includes the quality of the water, air, and land.

The ability to gain access to a region’s natural environment can contribute to quality of life, because it provides recreational opportunities close to home. Mobility that enables residents to travel easily to enjoy activities and events, whether by public or private transport, is essential.

Perceived and real personal safety has a profound impact on individual and community well-being and affects quality of life at the most basic level, including the enjoyment of the natural environment.

Although safety is a basic element in human security, access to the cultural arts is an important element for full human flourishing.



OZONE-ALERT DAYS

Why Is It Important?

High quality air is a basic indicator of the health of people and place. When air quality is poor, the young, sick, and elderly are at greater risk of illness, and all people suffer a reduced quality of life.

The number of days a region's air quality exceeds ozone standards is an indicator of air contamination. Ozone is the main component of smog and is created when volatile organic compounds and nitrogen oxides (NOx) are exposed to sunlight. Motor vehicles are the primary source of such emissions.

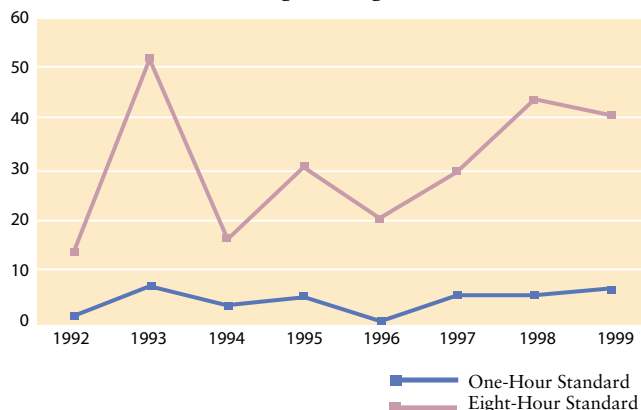
How Is the Region Doing?

The Greater Washington region has exceeded the federal air-quality standards regularly throughout the 1990s. The region has experienced a steady increase in the amount of days that exceed the eight-hour standard. It has violated the eight-hour standard on average more than 31 times per summer between 1992 and 1999.

In 1998, the region had the third-highest concentration of ozone of ten major metropolitan areas in the United States; only Los Angeles and Houston recorded more days above the eight-hour standard than the Greater Washington region in this year.

OZONE-ALERT DAYS

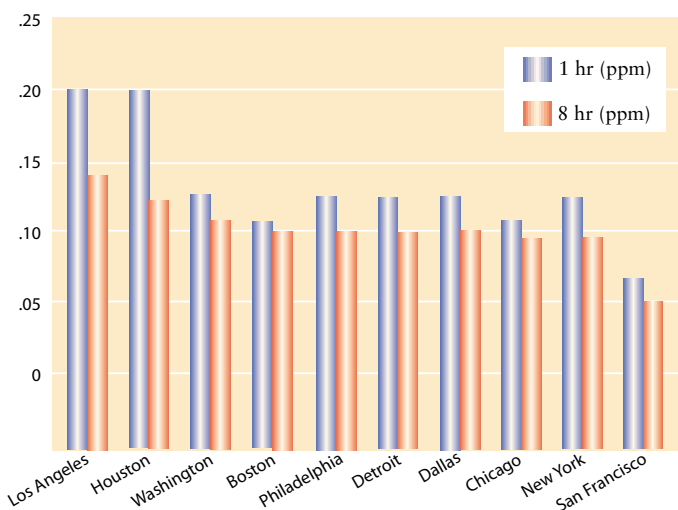
Number of days exceeding the one- and eight-hour ozone standards in the Washington nonattainment area, Greater Washington Region, 1992-1999



Source: Metropolitan Washington Council of Governments

OZONE CONCENTRATIONS

Concentrations of ozone, major metropolitan areas, 1999



Source: Metropolitan Washington Council of Governments

TREETOP COVERAGE

Why Is It Important?

The amount of land covered by trees is an important indicator of urban ecosystem sustainability. Trees improve air quality, air temperature, and real estate values and are an essential element to the maintenance of a healthy watershed.

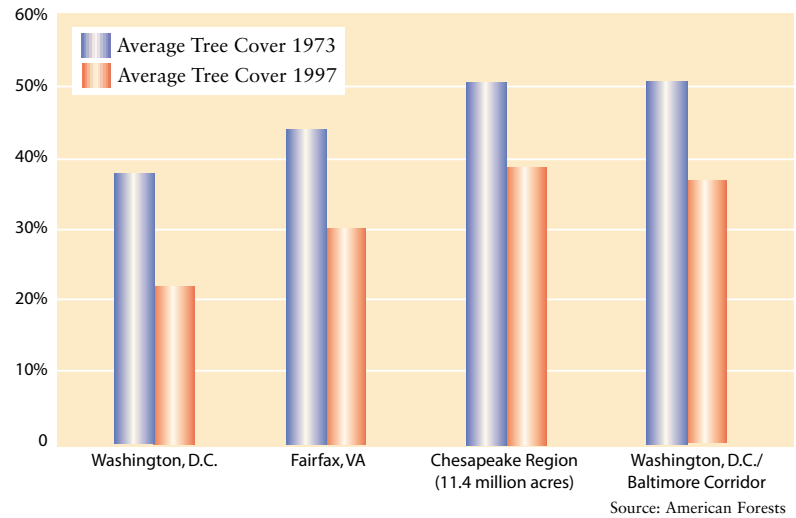
Average tree cover is the total percentage of land in a given area covered by trees.

How Is the Region Doing?

The share of regional land covered by trees has fallen below 40%—a recommended level for healthy urban ecosystems. In 1997, trees covered 21% of the land in Washington, D.C., down from 37% in 1973. In Fairfax County, Virginia, the total area covered by trees declined from 44% to 33% in the same period. Overall, regional tree coverage has fallen below 40%.

SHARE OF REGIONAL LAND COVERED BY TREES

Total percentage of land in each region covered by trees, Greater Washington Region and surrounding areas, 1973 and 1997



PROTECTED OPEN SPACE

Why Is It Important?

The preservation of open space is an indicator of a region's protection of natural habitats, support of outdoor recreation, prevention of some of the higher costs of unplanned development, and a safeguard for the local, natural beauty of a region.

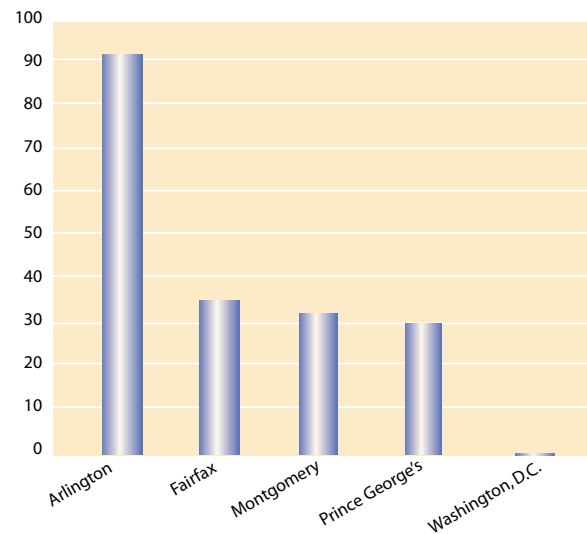
How Is the Region Doing?

The amount of protected open space owned by counties varies widely from more than 92 acres per 1,000 residents in Arlington County to about 1 acre per 1,000 residents in Washington, D.C. Variation between urban and suburban areas are to be expected.

This year's indicator will serve as a benchmark as data are collected in future years, providing an ability to assess progress for each individual jurisdiction against itself over time.

ACRES OF PROTECTED OPEN SPACE

Acres of county-owned open space per 1,000 residents, selected jurisdictions, Greater Washington Region, 1999



Note: The data do not include federal or state owned land.

TIME DELAYED IN TRAFFIC

Why Is It Important?

The annual hours of delay each resident of an area spends in traffic can add up, having a significant impact on quality of life. The time spent in a motor vehicle is an indication of lost time with family and friends. These delays also subtract from working hours, volunteering, or pursuing other individual interests. In addition, traffic congestion translates into significant increases in the air pollutants that contribute to violations of the ozone standard.

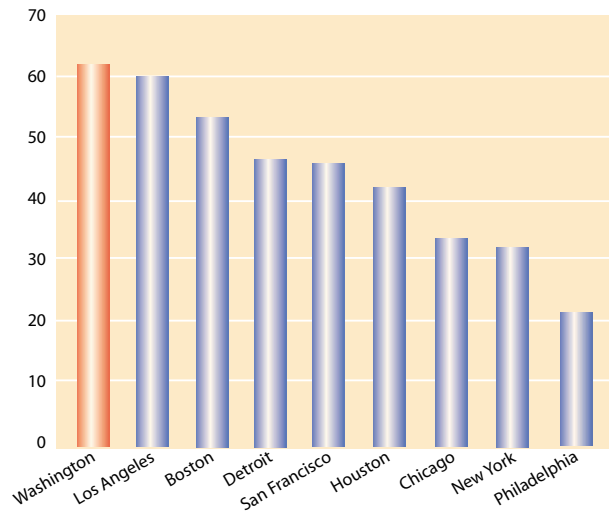
How Is the Region Doing?

From 1992 to 1997, residents of the Greater Washington region have been spending increasing amounts of valuable time sitting in traffic. The per capita rate of annual hours of delay has been climbing steadily from 50 hours per year in 1992 to 62 hours per year in 1997.

Compared to the other nine major metropolitan areas, Washington, D.C., had the highest annual hours of delay per capita (62 hours), closely followed by Los Angeles (60 hours) and Boston (53 hours).

VEHICLE HOURS OF DELAY

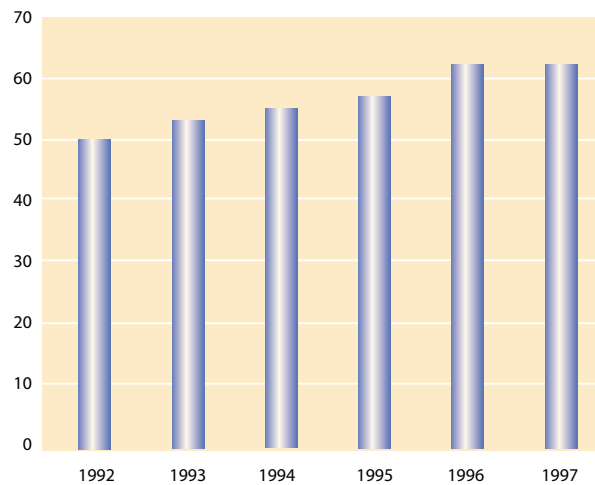
Annual hours of delay per capita due to traffic congestion, major metropolitan areas, 1997



Source: Texas Transportation Institute

VEHICLE HOURS OF DELAY BY YEAR

Annual hours of delay per capita due to traffic congestion, Greater Washington Region, 1997



Source: Texas Transportation Institute

VIOLENT CRIME RATE

Why Is It Important?

The level and perception of crime in a community are significant factors affecting quality of life. Crime increases a sense of isolation and paralysis, and it undermines a sense of community and the ability to make progress personally and as a community.

How Is the Region Doing?

The rate of violent crime declined continuously in the Greater Washington region overall from 1993 to 1998, falling by 32%. Violent crimes in Washington, D.C. were three to four times higher than in the rest of the Greater Washington region combined. However, the number of crimes per 100,000 residents in the District of Columbia decreased by more than 50% from 1993 to 1998.

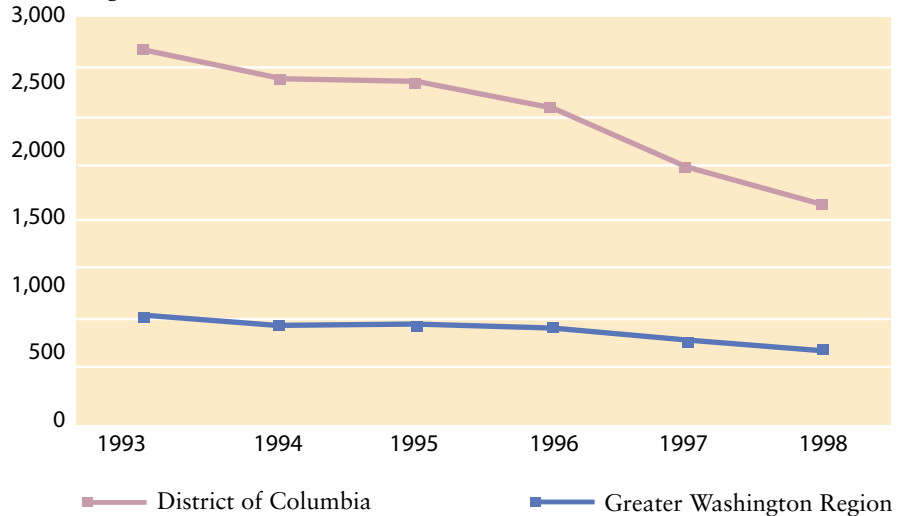
In comparison to nine other major metros, the Greater Washington region had the second-lowest incidence of violent crime per 100,000 residents. The most violent-crime-free area was Boston, in contrast to New York and Los Angeles, which had the highest and second highest violent crime rates, respectively.

Residents of the Greater Washington region generally are “not that concerned” about crime. When surveyed, 35% of the region’s residents responded that they “worry a little” about crime. Fifty-two percent do not see crime “as much of a problem;” 12% currently “worry a lot.”

Of those residents surveyed who live in the Inner Ring, 22% indicated that they “worry a lot” about crime, 37% worry a little, and 41% say that crime is “not a problem.”

VIOLENT CRIME RATE

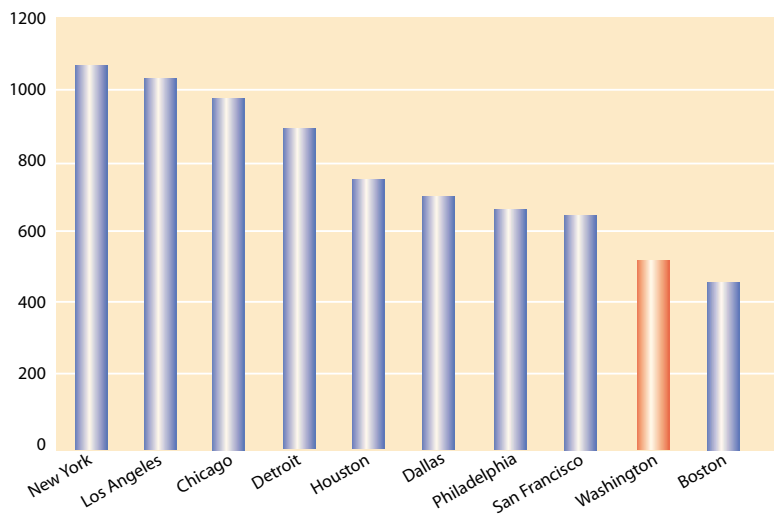
Number of violent crimes per 100,000 residents, Greater Washington Region and the District of Columbia, 1993-1998



Source: Federal Bureau of Investigation

VIOLENT CRIME RATES IN MAJOR METRO AREAS

Number of violent crimes per 100,000 residents, major metropolitan areas, 1998



Source: Federal Bureau of Investigation

ACCESS TO CULTURAL ARTS

Why Is It Important?

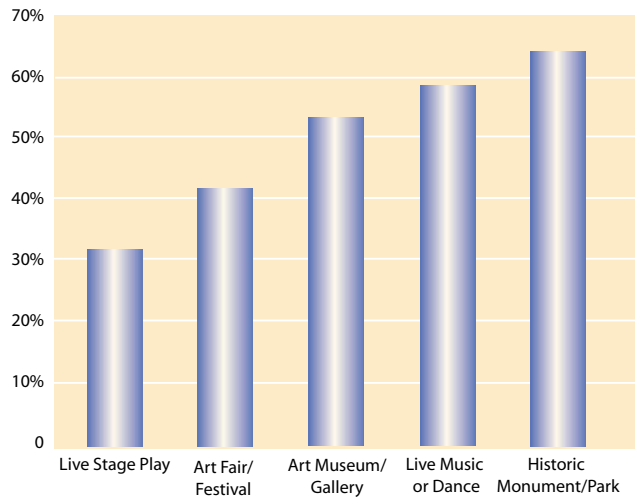
The opportunity to enjoy cultural arts is an important element of individual quality of life and regional dynamism. Creativity and artistic expression are important catalysts for an economy based on innovation and change. In addition, through arts and cultural activities a region can celebrate and learn from its diversity and shared community experiences.

How Is the Region Doing?

Many of the region's residents are enjoying the vast cultural arts it has to offer. Two-thirds of all residents either occasionally or frequently visited historic parks or monuments in the past 12 months. Fifty-nine percent either occasionally or frequently attended live music or dance performances (including classical, jazz, and contemporary genres). One-third attended live stage plays with the same frequency; at least half visited a museum or gallery in the same period.

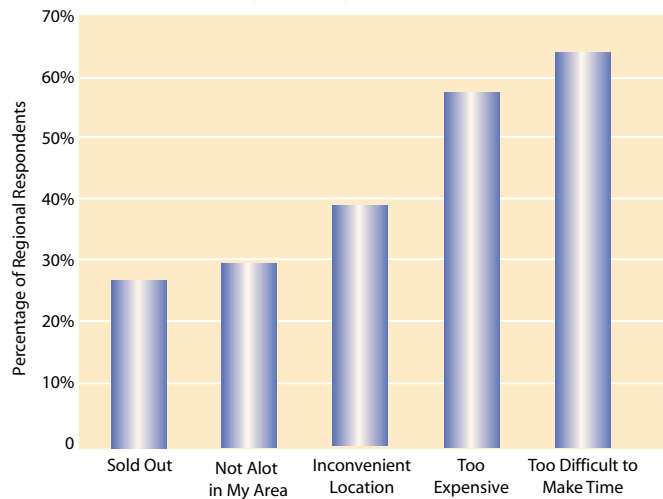
The most common three reasons for not attending performances were: it is too difficult to make time to go out (64%), tickets are too expensive (58%), and the location is usually not convenient (39%).

PARTICIPATION IN THE CULTURAL ARTS
Percentage of residents who participate in the region's cultural arts "frequently" or "occasionally," Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

REASONS FOR LACK OF PARTICIPATION IN THE CULTURAL ARTS
Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000



STRATEGIC COMMITMENT V: Regional Thinking and Action

*“Cultivate **regional thinking and action** that enable people to **work together**, for **regional collaboration** is the **only way** to leverage **opportunities** effectively and take on **challenges** in the New Economy.”*

The commitment on regional thinking and action focuses in four areas:

- shared regional identity;
- beliefs about regional interdependence;
- regional social capital; and
- public regional cooperation.

The common bonds that tie people in a region are often an important foundation for building greater regional collaboration. These connections can include shared regional values and identity.

Often, regional strength is built on beliefs about regional interdependence—the extent to which people believe that the success or plight of one community affects the health of the region as a whole. Regions with a strong sense of interdependence have a higher amount of social capital that they are willing to invest in the health and vitality of their region.

Regional social capital is an essential ingredient in the networked economy of the 21st Century, for it develops trust for collaboration. This capital can be developed in different ways and take on different forms.

Regional thinking and action can be channeled through local government cooperation, for example. Public regional cooperation is not regional government, but relationships across political and geographic boundaries that support and sustain regional vitality and the local jurisdictions within it.



SHARED REGIONAL IDENTITY

Why Is It Important?

The level of connection people have to a region can be a building block for collaborative regional activities. A common bond can help bring people together to seize opportunities and address challenges across traditional geographic boundaries.

How Is the Region Doing?

Although the region crosses two state boundaries and the District of Columbia, 72% of the people surveyed said that they feel a part of an area called the Greater Washington region. This response is all the more significant given that nearly three-quarters of the area's residents were born outside the region.

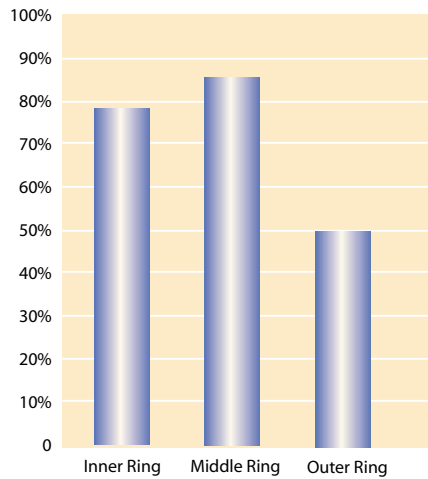
When looking at a sense of shared identity through a geographic lens, residents of the outer ring are significantly less likely to feel a part of the region. In fact, one-half of those people living in this area indicated that they do not feel a part of the region.

Regional identity is also significantly tied to income—the greater one's earning, the more likely one is to identify with the region. Thirty-six percent of those earning \$25,000 or less do not feel a part of the region, contrasted to 21% who earn \$50,000 to \$75,000.

Differences between respondents of different races and ethnicity were minimal.

SHARED REGIONAL IDENTITY

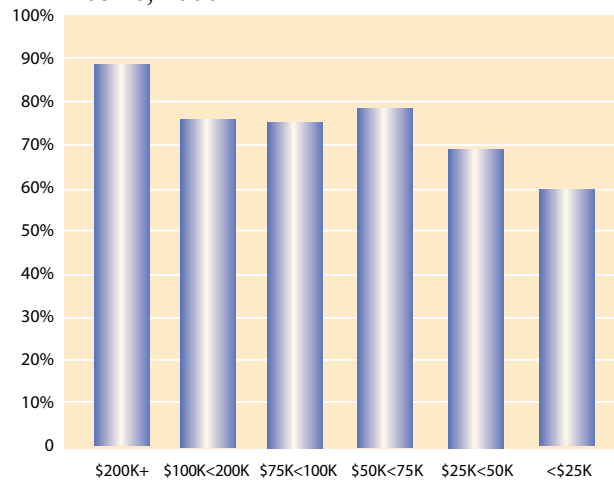
Percentage of people who feel that they belong to the Greater Washington Region, by subregion, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

SHARED REGIONAL IDENTITY BY HOUSEHOLD INCOME

Percentage of people who feel that they belong to the Greater Washington Region, by household income, 2000



Source: Greater Washington Region Adult Population Survey, July 2000



REGIONAL INTERDEPENDENCE INDEX

Why Is It Important?

Perceived regional interdependence is important for understanding the extent to which people who make up the Greater Washington Region believe that issues affecting some individuals in one part of the region affect the vitality of the region and its residents as a whole.

The regional interdependence index ranks respondent answers to seven questions that assess residents' beliefs about the connection between access to high-quality health care, education, jobs, and housing for every individual and the impact that lack of access for some has on the region as a whole. It also asks whether local governments need to cooperate more to help create stronger connections.

How Is the Region Doing?

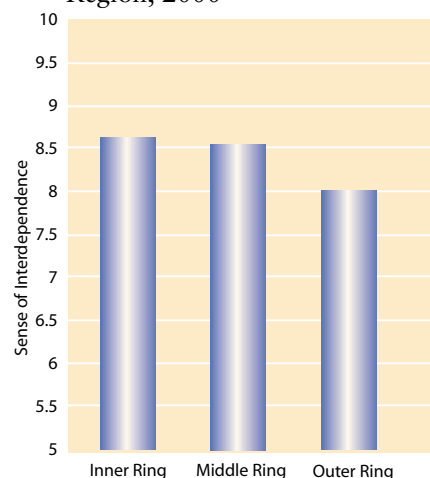
Overall, the Greater Washington Region ranks high on the regional interdependence index, suggesting that a majority of the region's residents believe that a connection exists between the region's economy and its communities. On a rating of 1 to 10, with 1 being the lowest possible score and 10 the highest, residents scored an 8.4 on regional interdependence.

When looked at by subregion, the inner ring showed the strongest belief in regional interdependence (8.61). The middle and outer ring ranked second and third on the regional interdependence index, at 8.51 and 8.06, respectively. Although residents of the outer ring indicate the importance of a strong interdependence, it is not as strong as for residents of the middle or inner ring.



REGIONAL INTERDEPENDENCE INDEX

Rating of regional interdependence by subregion, Greater Washington Region, 2000



Source: Intergovernment Cooperation Survey
(See page 35 for geographic rings definition.)

LOCAL GOVERNMENT COOPERATION: THE SUPPLY SIDE

Why Is It Important?

The extent to which city and county governments have an interest in collaborating with one another across jurisdictions is an important indication of public regional social capital. Interest in collaboration across cities and counties is an indicator of the spirit of cooperation on which a region can build regional networks of trust. Better understanding of barriers to collaboration is also very important.

How Is the Region Doing?

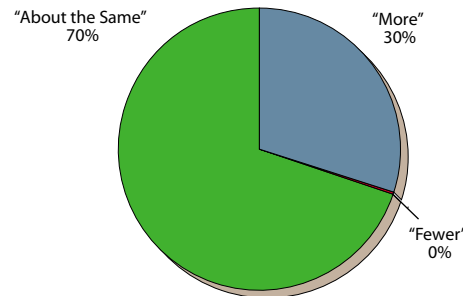
Relative to five years ago, local governments indicate that a majority (70%) participate in about the same number of cooperative service agreements with other counties and cities. One third, however, participate in more cooperative arrangements than they did five years ago.

Forty percent of the local governments surveyed indicated that they have more interest in expanding service delivery through cooperative service agreements, whether these collaborations are with other public agencies or nonpublic organizations (i.e., private, nonprofit).

Some of the greatest barriers to increased cooperation across geographic or functional boundaries include: political conditions that make building relationships very difficult, a fear of loss of local control, internal biases about the “best” method, and disparate needs and solutions for local jurisdictions that are not best served through collaborative agreements. The fact that many agreements develop haphazardly suggested to some that a systematic effort to explore areas for collaboration could yield potential fruitful areas for partnering.

COMPARISON OF LOCAL INTERGOVERNMENT COOPERATION

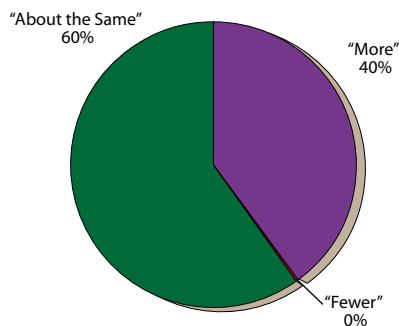
Percentage change from five years ago to the present of local government participating in cooperative service agreements with other public agencies or nonpublic organizations, Greater Washington Region, 2000



Source: Intergovernment Cooperation Survey, 2000

INTEREST IN LOCAL INTERGOVERNMENT COOPERATION

Relative interest from five years ago to today in providing service delivery through cooperative service arrangements with other public agencies or nonpublic organizations, Greater Washington Region, 2000



Source: Intergovernment Cooperation Survey, 2000

LOCAL GOVERNMENT COOPERATION: THE DEMAND SIDE

Why Is It Important?

Some regions increasingly think that local government collaboration among counties, cities, and municipalities is important for augmenting regional vitality. Although many places have a long history of cooperative service arrangements, the demand is for more complex arrangements in the service of regional governance, not government. Issues of transportation, economic development, and planning can benefit from strong relationships within an economic region, which often crosses political and geographic boundaries.

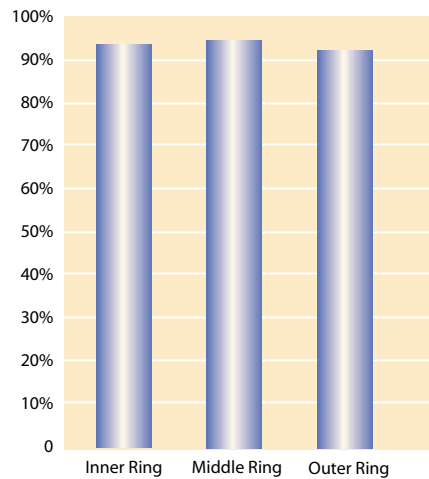
How Is the Region Doing?

Ninety-three percent of residents surveyed agree that to provide the services that people want, local governments must cooperate more with each other. Residents responded in this way, whether they live in the inner, middle, or outer ring. On the specific issue of traffic congestion reduction, 92% believe that the local governments must cooperate more to make this reduction a reality.



GENERAL DEMAND FOR LOCAL INTERGOVERNMENT COOPERATION

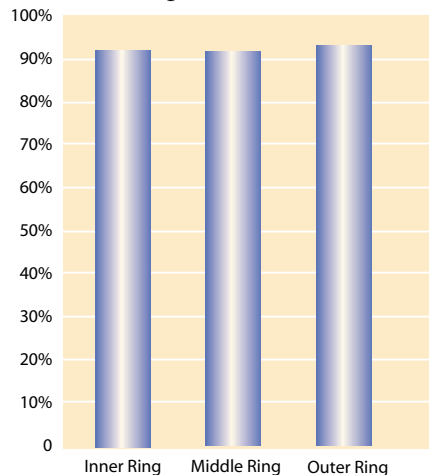
Percentage of those residents who believe that to provide the services people want, local governments must cooperate more with each other, by subregions, Greater Washington Region, 2000



Source: Greater Washington Region Adult Population Survey, July 2000

LOCAL INTERGOVERNMENT COOPERATION ON TRAFFIC CONGESTION

Percentage of those residents who believe that to reduce traffic congestion, local governments must cooperate more



Source: Greater Washington Region Adult Population Survey, July 2000

VOLUNTEERISM

Why Is It Important?

People who volunteer time and energy for regional activities contribute to a repository of regional social capital needed for collaboration across political, social, and economic boundaries. Just as public officials must have a desire to collaborate, so must residents in their private lives.

How Is the Region Doing?

Regional residents are volunteering in many different ways—from attending a community meeting (50%) and volunteering at a religious organization (50%) to giving time at a public school (33%) or some other type of public service (57%). Residents who attend a community meeting or volunteer at a school are twice as likely to do so in the community in which they reside than outside of it. Of those engaged in other forms of public service, 35% do so in their neighborhood; 50% volunteer outside their community but within the region.

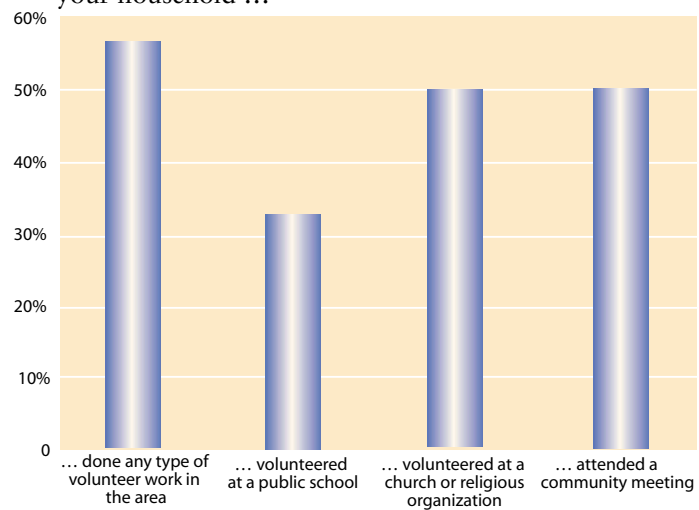
Across the board, volunteerism increases with age and income, though volunteerism in the public schools is done predominantly by those in the middle-income bracket.

Rates of volunteerism are strong overall, varying somewhat by race and ethnicity. Among those who volunteer, rates are highest among African Americans (87%), with healthy levels of volunteerism among Whites (83%) and Hispanics (76%), too. African Americans are significantly more likely to volunteer at a church/religious organization or school than Whites or Hispanics. Whites and African Americans are equally likely to attend community meetings.

VOLUNTEERISM/ COMMUNITY PARTICIPATION

Percentage of residents who have participated in community activities within the past 12 months, Greater Washington Region, 2000

In the past 12 months, have you or anyone in your household ...



Source: Greater Washington Region Adult Population Survey, July 2000

APPENDIX: DATA RESOURCES

Regional Definition

Unless otherwise noted below, all data conform to the Greater Washington Initiative's regional definition that includes the jurisdictions on the adjacent chart. For the purposes of this index, the region is grouped into three geographic rings—inner, middle, and outer.

Customized Survey Work

Two surveys were developed to collect data for the creation of *The Potomac Index*. The following provides a brief discussion of methods.

Greater Washington Regional Adult Population Survey

As an important evaluation tool for this project, Potomac Incorporated of Bethesda, Maryland was commissioned to conduct a representative telephone survey of adults in the Greater Washington region. Potomac interviewed 900 adult residents of the region at random, during the period July 24-31, 2000. An additional 100 interviews among Hispanic residents were conducted to bring that subgroup up to a statistically significant sample size. A “random-digit dialing” methodology was used, which means that phone numbers were computer generated and dialed at random; this method eliminates the bias that comes from using listed telephone numbers only.

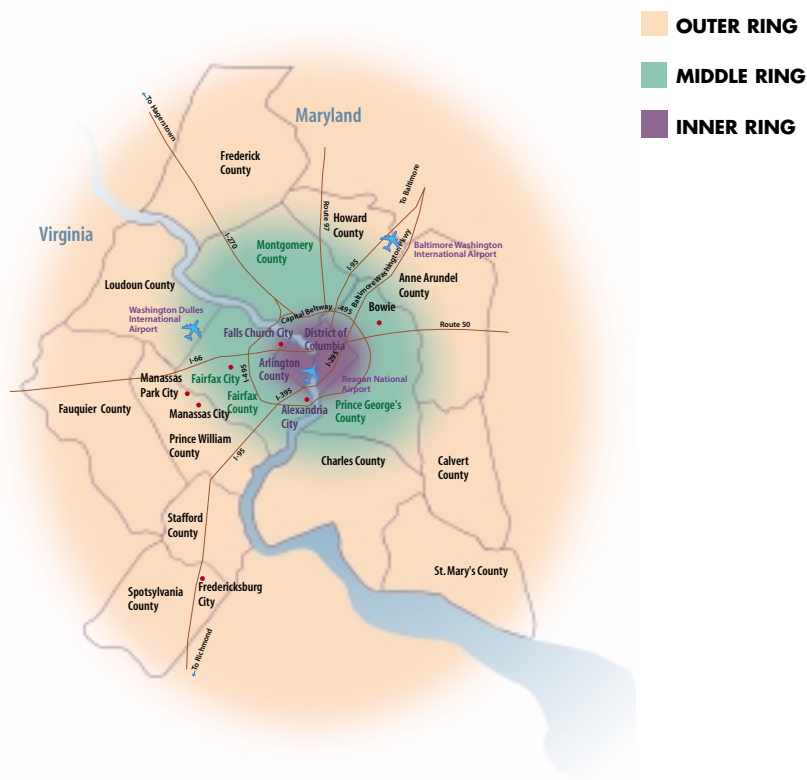
At the conclusion of the interviewing period, the data were weighted to ensure that the survey results properly reflected the geographic distribution of adult residents of the region. According to customary statistical standards, the overall regional sample of 900 respondents carries a margin of error of +/- 3.3% at a 95% confidence level; in other words, the reader can be sure that 95% of the time, had all adult residents of the region been interviewed, the survey results would differ by no more than 3.3%.

Intergovernment Cooperation Survey

As a first step in quantifying regional cooperation among local governments, a written survey was implemented by the Metropolitan Washington Council of Governments (MWCOC). The survey was modeled after the Survey of Municipal Service Delivery Arrangements and Cooperative Agreements in Western New York, which was developed by the University of Buffalo's Institute for Local Governance and Regional Growth. The survey was sent to 17 counties and independent cities during the months of July and August. Eleven jurisdictions completed the survey, resulting in a 65% response rate. The adjacent list summarizes the sample of jurisdictions surveyed.

Counties and Independent Cities Geographic Ring

INNER RING	MIDDLE RING	OUTER RING
Alexandria City (VA)	Anne Arundel (MD)	Calvert (MD)
Arlington (VA)	Loudoun (VA)	Charles (MD)
District of Columbia	Manassas City (VA)	Frederick (MD)
Fairfax (VA)	Montgomery (MD)	Fauquier (VA)
Fairfax City (VA)	Prince George's (MD)	Fredericksburg City (VA)
Falls Church City (VA)		Howard (MD)
		Manassas Park City (VA)
		Prince William (VA)
		St. Mary's (MD)
		Spotsylvania (VA)
		Stafford (VA)



Survey Respondents

- City of Alexandria
- City of Bowie
- District of Columbia
- City of College Park
- Fairfax County
- City of Greenbelt
- Loudoun County
- Montgomery County
- Prince George's County
- Prince William County
- City of Takoma Park

Survey Nonrespondents

- Arlington County
- City of Fairfax
- City of Falls Church
- City of Gaithersburg
- Frederick County
- City of Rockville

APPENDIX: DATA RESOURCES

STRATEGIC COMMITMENT I:

Innovation and Entrepreneurship

1. VALUE-ADDED PER EMPLOYEE

Value added is derived by subtracting the total cost of inputs, other than direct labor costs, from the stated value of the final goods produced. This figure is divided by the total number of employees. Data were provided by Regional Financial Associates.

2. FAST-GROWTH “GAZELLE” COMPANIES

The number of gazelle companies is derived from a special data run conducted by Standard & Poor’s Compustat of publicly traded companies headquartered in the Greater Washington Region. This dataset tracks all publicly traded companies filing 10K and 10Q reports with the Securities and Exchange Commission (SEC) between 1992 and 1999.

3. BUSINESS STARTS

Data are provided by Dun and Bradstreet Corporation’s Department of Economic Analysis. “A new entry to D & B’s credit and marketing information database is also defined as a business start for the current year if it reports a birth date within the past 36 months. Entry to the D & B file generally coincides with the point at which a business begins to actively compete in the marketplace.”

4. VENTURE CAPITAL INVESTMENT

Data are provided by PricewaterhouseCoopers LLP’s, Money Tree Survey. Industry category designations are determined by PricewaterhouseCoopers.

5. TECHNOLOGY LICENSING

Data derive from the Association of University Technology Managers (AUTM) annual licensing survey of universities, hospitals, and research institutions. Data for federal R&D obligations are provided by the National Science Foundation for all academic institutions in the region for which data are recorded.

6. PATENTS

Patents data are provided by United States Patent and Trademark Office.

STRATEGIC COMMITMENT II:

Inclusion

7. INCOME DISTRIBUTION

Data derive from the March 2000 Supplement of the Census Bureau’s Current Population Survey (CPS). The CPS sample was determined representative of the Greater Washington region by comparing variables of income, age, gender, and race/ethnicity to data reported in the 1990 Census.

Household income includes both earned and unearned income for all persons living in the same household. Household income is adjusted for household size by dividing total household income by the square root of the number of household residents. Hourly earnings are calculated for all Washington, D.C., PMSA residents reporting any earnings by dividing their total earnings by the number of weeks worked, including paid time off and their typical number of hours worked in a week.

8. REAL PER CAPITA INCOME

Data are provided by Regional Financial Associates.

9. HOUSING PURCHASE AFFORDABILITY

Data are provided by the National Association of Homebuilders. Income figures are based on the Department of Housing and Urban Development quarterly estimates. Median home sales prices are based on data provided by Experian Real Estate Solutions. Annual interest rates are based on rates for 30-year fixed-rate mortgages.

Rental affordability information is derived from the September 1999 Out of Reach report produced by the National Low Income Housing Coalition, Washington, D.C. Although the 1999 report uses the federal minimum wage of \$5.15 in its calculations, it is noted that the “statutory minimum wage” in the District of Columbia is \$6.75 in 2000.

10. PUBLIC LEADERSHIP DIVERSITY

Data for county elected leaders are provided by the National Association of Counties Organization. Data for city elected leaders are provided by the National League of Cities. Generalizable data were not available on the portion of U.S. county elected leaders who are minority.

11. INDIVIDUAL IMPACT

Data derive from the Greater Washington Region Adult Population Survey, July 2000.

12. INTERNET ACCESS

Data are provided by the Census Bureau: 1998 Internet and Computer Use Supplement. Data included responses to the following questions: 1) Has anyone in this household EVER USED the Internet from home, and 2) Does anyone in this household use Internet outside the home? It should be noted that the sample size for Hispanics is significantly smaller than that for African Americans or Whites.



STRATEGIC COMMITMENT III:

Education and Lifelong Learning

13. HIGH SCHOOL DROP-OUT RATES

Data on high school drop-out rates are provided by D.C. Public Schools, The Maryland State Department of Education, and the Virginia Department of Education. Drop-out rates in Maryland are for 9-12 grades. Virginia and D.C. drop-out rates are for grades 7-12. No data on dropouts are available for 1996-97 from the D.C. Public Schools.

In Virginia, dropouts are defined as pupils in the relevant grades 7-12 and ungraded pupils ages 12 and older who withdraw from school for reasons other than promotion, death, or graduation and do not enter another school during the school year. Also included are pupils who are in attendance on the last day of the school year who fail to return to school by October 31 of the following school year: the “summer dropout.”

In Maryland, the drop-out rate is the percentage of students dropping out of school in grades 9 through 12 in a single year. The number and percentage of students who leave school for any reason, except death, before graduation or completion of a Maryland approved educational program and who are not known to enroll in another school or state-approved program during the current school year. The year is defined as July through June. Dropouts include students dropping out over the summer and students dropping out of evening high school and other alternative programs.

According to D.C. Public Schools, a dropout is an individual who 1) was enrolled in school during the previous school year and was not enrolled at the beginning of the current school year, 2) has not graduated from high school or completed a state- or district-approved educational program, and 3) does not meet any of the following exclusionary conditions: A) transfer to another public school district, private school, public charter school, or state district-approved education program; B) temporary absence because of suspension or school-approved illness; or C) death.

14. EDUCATIONAL ATTAINMENT

The data derive from the Current Population Survey of the Census Bureau. The data represent the Washington, D.C.-MD-VA PMSA area, which is larger than the regional geographic definition used for the Greater Washington region. Data for American Indians were too small to provide a reliable sample size, so this population was not reported as a separate group.

15. EDUCATION AND GENERATIONAL CHANGE

Data derive from the Greater Washington Region Adult Population Survey, July 2000.

16. K-12 TECHNOLOGY INDEX

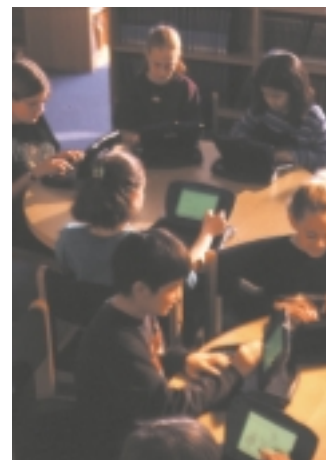
Data are provided by Quality Educational Data. The measures that constitute the index were derived by factor analysis of data about modems, CD-ROM, interactive videodisc, satellite dish, networks, cable, television, computers, VCRs, monitors, presence of an ILS system, presence of a World Wide Web browser or homepage, and the number of on-line services subscribed to. Also, included in the analysis were enrollment, numbers of schools in the district, grades taught, Title I student percentages, multicultural student percentages, per-pupil expenditures (DDP), and Lifestyle indicator. The index uses a scale that is oriented toward discriminating most carefully at the upper end of technology presence.

17. FULL-TIME COLLEGE AND UNIVERSITY ENROLLMENT CAPACITY

Data was obtained from the National Science Foundation (NSF). Data include opening fall enrollment figures for full-time undergraduate, graduate, and professional students enrolled in regional colleges and universities. The region’s colleges and universities were identified using the Greater Washington Initiative website, which lists 43 institutions. Data were available from NSF for 32 of these institutions.

18. CONTINUING EDUCATION

Data derive from the Greater Washington Region Adult Population Survey, July 2000. Data on the number of institutions that offer distance learning were obtained from Data Market Retrieval (MDR). MDR uses a survey instrument to obtain data. The survey question asks each institution to indicate whether it offers an accredited degree through distance learning.



STRATEGIC COMMITMENT IV:

Quality of Life

19. OZONE ALERT DAYS

Data are produced by the Metropolitan Washington Council of Governments (MWCOCG).

20. TREETOP COVERAGE

Data are provided by American Forests, Inc.

21. PROTECTED OPEN SPACE

Data derive through a survey of Arlington, Fairfax, Montgomery, and Prince George's Counties' Departments of Parks and Planning; and the Washington, D.C., Department of Parks and Recreation. The data do not include state or federally owned land.

22. TIME DELAYED IN TRAFFIC

Data are provided by the Texas Transportation Institute.

23. VIOLENT CRIME RATE

Data are provided by the Federal Bureau of Investigation.

24. ACCESS TO CULTURAL ARTS

Data derive from the Greater Washington Region Adult Population Survey, July 2000.

STRATEGIC COMMITMENT V:

Regional Thinking and Action

25. SHARED REGIONAL IDENTITY

Data derive from the Greater Washington Region Adult Population Survey, July 2000.

26. REGIONAL INTERDEPENDENCE INDEX

Data derive from the Greater Washington Region Adult Population Survey, July 2000.

27. LOCAL GOVERNMENT COOPERATION: THE SUPPLY SIDE

Data derive from the MWCOCG's Intergovernmental Cooperation Survey, July-August, 2000.

28. LOCAL GOVERNMENT COOPERATION: THE DEMAND SIDE

Data derive from the MWCOCG's Intergovernmental Cooperation Survey, July-August 2000.

29. VOLUNTEERISM

Data derive from the Greater Washington Region Adult Population Survey, July 2000



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Alexandria County Department of Parks and Planning
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CEO Forum on Education & Technology
Consortium of Universities
D.C. Public Schools
Dun and Bradstreet Corporation
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Greater Washington Initiative
Market Data Retrieval
Maryland State Department of Education
Metropolitan Washington Council of Governments
Montgomery County Department of Parks and Planning
National Association of Counties Organization
National Association of Homebuilders
National Association of Regional Councils
National League of Cities
National Low Income Housing Coalition
National Science Foundation
Potomac Incorporated
PricewaterhouseCoopers LLP Money Tree Survey
Prince George's County Department of Parks
and Planning
Quality Educational Data
Regional Financial Associates
Standard & Poor's COMPUSTAT
Texas Transportation Institute
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