

*Finding tons of articles is no problem; finding the nuggets amid them is.*

## CHAPTER 10

### DATA – QUANTITY, LOTS; QUALITY, WELL ...

*Statisticians never have to be right – only close.*

#### A PROFESSIONAL WONDERS WHY

**W**e moderns have lived long enough with our blind spot – land. A good figure for the worth of Earth in America, once known and put into wide circulation, would fill it in. The sum total of the value of assets nobody created has the potential to de-mystify economics for millions.

Yet academics don't research the rents that society pays for all natural resources, including locations, that it uses. Professors don't either. Nor do they expand their work to include all land uses and all non-surface resources.

Karl E. Case, writing for the National Bureau of Economic Research said, *"While a great deal of attention has been paid to house prices in the United States, economists have devoted very little time to the study of land prices. In fact, there are virtually no generally available data on land prices in the United States. It's not clear why this is so..."*

Statisticians and economists explain:

- It's not necessary, the combined values of land and capital work just as well.
- Those two values cannot be separated.
- It'd be too small to bother tabulating.
- Other parts of the economy, like the stock market, are far more important.
- Limited research funds would be better spent elsewhere.
- It's really nobody's business but the landlord's and the lender's.
- Delving into the issue would only fuel class warfare.

Responses like that (Ch 17) provide stiff opposition to anyone seeking information.

Before beginning my research, my interest in the rent phenomenon brought me into contact with economists who did seek this figure. Decades ago, Steve Cord (US; Ch 13), Ronald Banks (UK), Terry Dwyer (Australia) let their curiosity get the best of them, went out on a limb, and estimated a figure for their compatriots' spending on Nature.

Those three lone voices in the wilderness are like sirens – not the kind who'd pull us off course but the kind who paved the way and kept our goal in view. A big thanks to them. Following in their footsteps ...

## TOO MUCH OF A GOOD THING?

**W**e have searched the academic databases for every previous article, report, and study for reliable estimates of the value of land and resources. We tried the phrase the “worth of Earth in America.” Then “total (or aggregate) return to land.” Next, “total (or aggregate) spending for land.”

It turns out, public gatekeepers keep nothing from visitors – nothing of value is always available. Want to know the value of all land and natural resources? Good luck laying your hands on it. Bureaucrats don't provide it, at least not in layman language.

Switching to formal language academics use, we typed in “total (or aggregate) value of land” and “total (or aggregate) land value” and “total (or aggregate) rental value of US land” and “total (or aggregate) price of land” and “total (or aggregate) land price” and “total (or aggregate) resource value” and “total (or aggregate) value of resources” and “total (or aggregate) value of natural resource wealth.” That swamped us in an outpouring of entries on older scholarly efforts.

Next we limited our dragnet to the last 14 years in order to capture before and after the most recent recession. The list of titles was still long, yet few were current (Chs 13-15). From so much chaff, here's some wheat – guesstimates by specialists:

- At *MSN Money*, “What US Land is Really Worth: Land and Property Values in the U.S.” Turns out, rent is very much an urban affair.
- At *New York magazine*, “Because We Wouldn't Trade a Patch of Grass for \$528,783,552,000” Can one city park truly sell for so much and the whole country only 12x as much? Hmm.
- At *BizShifts-Trends*, “Imagine the Ultimate Business Mega-Deal: Sell the Planet Earth– All Its Resources, Assets... But; What is the Earth Worth?” Quadrillions. And I thought Central Park cost a lot!

*Developed land, or land where housing, roads, and other structures are located, was valued at an estimated \$106,000 per acre, while undeveloped land was estimated at \$6,500 per acre, and farmland at only \$2,000 per acre.*

– “What US Land is Really Worth, State by State”  
by Thomas C. Frohlich and Alexander Kent;  
24/7 Wall St., *MSN Money*, July 3, 2015

## PROFESSIONALS – MORE CAUTIOUS THAN CURIOUS

**T**o answer Karl Case, researching how much we spend on the Nature we use puts a bullseye on “passive income” politely, on “unearned wealth” pointedly. Does that discomfit some? With two-thirds of Americans banking on their houses, we’re all speculators now – or dream of becoming one (Ch 25).

Behind the scenes, is there pressure to toe a line? Is an inquiry into the value of land the third rail of economics? As is Proposition 13 – limiting property taxes in California – the third rail of politics? Touch it at your peril.

The bias against treating rent scientifically has been internalized, like QWERTY on the keyboard has been institutionalized. Without being told, economists know what’s considered a legitimate area of research and what’s not, as do their students. Then comes the preponderance of courses and seminars and papers on everything but land. Few personality types can buck the trend. Most steer clear of the bigger picture figure. (Chs 6 & 12)

Yet shouldn’t how much the populace spends on its natural heritage be public knowledge? Should public servants serve not an insider power but the general public? They’ll have to eventually. Economists cannot stay unscientific forever; someday they’ll need that stat. Truth will out, won’t it?

Our Holy Grail – that numbered needle in this information haystack – will be located. We located those who take stabs at knowing part of Earth’s worth. We’ll begin with the articles written for popular consumption.