

## **Impact of SMEs on Property Values in the Midwest**

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**Abstract:** Based on multiple regression using US Census data on midwestern states, we find that a higher proportion of small and medium enterprises (SMEs), as compared to larger firms, is positively related to property values. We use several controls such as education, race, income, and industry. The sample is limited to these states as the automotive and related industries have been traditionally important to local economy. These small and medium enterprises have an outsize influence on the economy, however have been relatively neglected as compared to larger firms. These SMEs are the key drivers of well-being of societies in the industrial Midwest, and key to reindustrialization and back sourcing.

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