



**working** cities  
challenge

[www.BostonFed.org/WorkingCities](http://www.BostonFed.org/WorkingCities)

# What is the Working Cities Challenge?

“..the Federal Reserve Bank of Boston has been the catalyst for the Working Cities Challenge, **inspired by its own research** on cities that managed to diversify away from a declining, manufacturing-based economy. The research found that one key to success is **"collaborative leadership,"** when governments, businesses, and nonprofits unite behind one focused approach. The Working Cities Challenge promotes that principle by **inviting smaller Massachusetts cities** to consider how they would use collaborative leadership to unite their communities to address a major challenge for lower-income residents. **Twenty cities competed for \$1.8 million in funding from the state and other sources.** Six cities were awarded funds this past January, but many more will benefit from the spread of a new approach to capacity building that Fed research shows helps communities thrive.”

Federal Reserve Chair Janet L. Yellen,

March 31, 2014



# The Boston Fed's role

**This is the first time the Boston Fed has done something like this.**

Our hope is that this pilot effort becomes a model in New England and around the country. This is a multi-year commitment.

**We are in discussion to coordinate with state policy and investment**

**FRBB provides in-kind staffing and leadership for the Challenge, including running the competition, monitoring and implementing the learning community.**

**The FRBB does not provide prize funds.**

**The FRBB did not serve on the Jury.**

**We are “Being the change we wish to see” in terms of our partners.**



# The WCC Collaborative

## Being the Change

The Challenge is led by leaders equipped to support local initiatives by influencing state policy and large scale investment in smaller cities.

Prize Funds were not provided by the Fed, but by:



**LIVING CITIES**  
INNOVATE • INVEST • LEAD



FORD FOUNDATION

BOSTON PRIVATE BANK  
& TRUST COMPANY

Other partners/steering committee include:

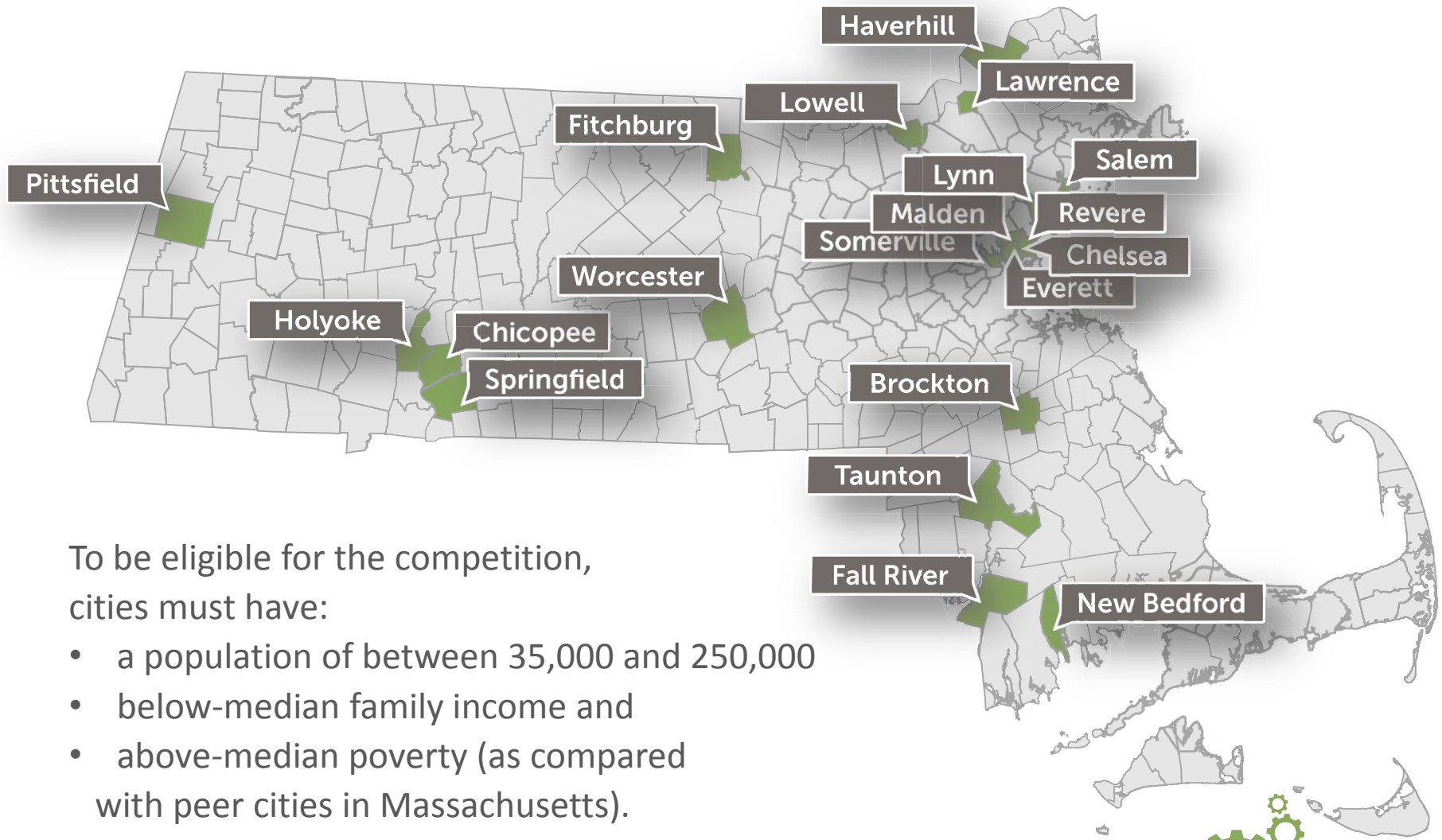
**MassINC**  
RESEARCH. JOURNALISM. CIVIC LIFE.



THE **ALLIANCE**  
FOR BUSINESS LEADERSHIP



# Eligible Cities



To be eligible for the competition, cities must have:

- a population of between 35,000 and 250,000
- below-median family income and
- above-median poverty (as compared with peer cities in Massachusetts).

# Challenge Design and Process

## Advancing Collaborative Leadership

The selection process of the Challenge is intended to promote the development of collaborative leadership.

Most participating cities, including non-winning cities, report that process of selecting the application objective & completing the application created new focus and opportunity.

Only **one** application was allowed per city.

Evaluation criteria required partners from the **public, private** and **nonprofit** sector.

The winning cities were selected by independent jury of experts.

The competition was held over a roughly 10 month period in 2013, with letters of intent due in April, full applications due in July, followed by site visits over the Fall and a final presentation to the jury in December.



# Competition Criteria at a Glance

<b>Threshold Criteria</b>		Collaborative team; Local match (20%; > half in cash); Resources to manage the collaborative; Experience and capacity of lead,
<b>Competitive Criteria</b>	<b>I. Cross-sector Collaboration, Resident Engagement and Planning Process (40%)</b>	Strength of local team; Breadth and depth of collaboration; Quality of resident engagement; planning process that includes immigrants, minorities, and lower income.
	<b>II. Systems Change and Impact on Lower-Income People (40%)</b>	Focus on system change, well defined system analysis; Focus on economic health and well-being; Breadth, depth, and longevity of impact.
	<b>III. Measurement, Learning and Adaptation (10%)</b>	Systems for collecting data on impact; commitment to using data for learning and accountability; problem-solving orientation
	<b>IV. Additional Considerations (10%)</b>	Anything not captured above, such as severity of the need or challenge to be addressed, the degree of creativity, or the quality of grassroots engagement and civic leadership



  
working cities  
challenge



# Winning Cities

Of the 20 eligible cities (all applied), six cities received a total of \$1.8 million in prize funds



1

## Lawrence

\$700,000 three-year implementation award

Increase parent income by **15 percent** in the Lawrence Public School system **over a 10 year period**;

Plan to provide families with access to resources and opportunities to facilitate employment and economic security.



2

## Fitchburg

\$400,000 three-year implementation award

Transform the **North of Main neighborhood** into a place where residents choose to live, work, and invest over the next 10 years.

Develop an in-depth neighborhood report card to help residents and partners prioritize investments and track effectiveness.



3

## Holyoke

\$250,000 three-year implementation award

Raise percentage of **Latino-owned businesses** from its current 9 percent to **25 percent in 10 years**;

Coordinate services and opportunities across organizations and sectors.

**working cities**  
challenge

# Winning Cities



4

## Chelsea

\$225,000 multi-year award

Reduce poverty and mobility in the struggling Shurtleff Bellingham neighborhood by **30 percent over 10 years**;

Use data to determine what combination of services and opportunities moves the needle on poverty and mobility by improving housing conditions and resident engagement.



5

## Salem

\$100,000 seed award

**Eliminate the disparity in income, employment and civic participation in the Point Neighborhood, the City's lowest income area;**

Leverage impressive cross-sector partners and a range of public resources.



6

## Somerville

\$100,000 seed award

Reduce unemployment for **low-income youth by 10 percent over 10 years**;

Craft a new, youth oriented system for providing training and building work experience, connecting youth to new employers in Somerville via a mobile app.

**workingcities**  
a mobile app challenge

# Key Findings at Baseline Evaluation

- Requiring a single application from each city was the most influential part of the Working Cities Challenge intervention. However, other elements of application process (preparing application, site visit, jury review) were also influential.
- Civic infrastructure is higher in winning cities than non-winning cities (meaning our jury selected the right places). But, there is room for improvement, including deepening collaborations, adding private sector partners, and heightening community engagement.
- All teams recognize that data are important, but grapple with their local strategy.
- Collaboratives in winning and non-winning cities are committed to carrying the work forward. 89% of organizations that went through the application process -- whether they ended up winning or not -- believe their cross-sector team will still be working together on a collaborative project three years from now.
- In most of the cities, a handful of core organizations are truly driving the work, while the larger group is advisory.

# Looking Forward

Three-year learning community for winning and non-winning teams including:

1

## Learning Community

- Structured team planning sessions to advance local efforts around data and governance
- Informational seminars designed to provide relevant information and best practices – for ex: entrepreneurship, workforce, and engaging business
- Funder network and convenings.

2

## Research & Evaluation

- Professional evaluation of the Challenge via Mt. Auburn/Abt Associates
- Fed and partner economists to conduct randomized control trial on one city initiative.
- Dedicated Boston Fed & Clark University research to include research on collaboration, civic infrastructure, workforce conditions and best practices

3

## Replication

- Goal is to expand to other New England states and conduct future rounds in MA. Legislature has set aside funds for replication in MA. Other parties taking up elements : Mass Development, Neighborworks, SF Fed; HICCUP

# A model for action

“ The value of the competition goes beyond grant money, though that undoubtedly will help those who receive it. The real value of the competition is that it will encourage conversations among local stakeholders that are necessary to make real and lasting change. Moreover, participants will receive access to technical assistance and planning resources, as well as to a growing network of public, private, nonprofit, and philanthropic leaders in the state who are focused on improving the economies of its smaller cities”

-- **Chairman Ben Bernanke, April 12, 2013**

But we don't know how successful it will be, or how long it will take. Perhaps at least five to ten years, or more, for population-level results.

## The New York Times



NYT article; January 21, 2014