

September 12, 2018

Dear Friends of the Working Cities Challenge,

We are pleased to share the final evaluation of the Federal Reserve Bank of Boston's [Working Cities Challenge's](#) (WCC) [first round in Massachusetts](#), conducted by the independent evaluation firm Mt. Auburn Associates. It captures the progress made by winning cities—Chelsea, Fitchburg, Holyoke, and Lawrence—on core elements of the WCC model over the course of the implementation period, from January 2014 through September 2017. The report also offers important insights for continuing to adapt and evolve our intervention to support cities in reaching their long-term economic goals. This effort is a new and promising approach for Federal Reserve engagement in community development, and we would like to take this opportunity to highlight its key impacts to date and how we intend to incorporate the emerging lessons from this evaluation into the ongoing rounds of the Challenge in Massachusetts, Rhode Island, and Connecticut.

The Working Cities Challenge is a three-year grant competition administered by the Federal Reserve Bank of Boston to support cross-sector, collaborative efforts focused on improving the quality of life and economic opportunities for low-income families in struggling smaller cities. This effort builds on [Boston Fed research](#) focused on smaller and midsize postindustrial cities. The research found that that strong cross-sector collaboration was essential to whether small cities maintained economic vitality as indicated by median family income, population, and other assessments. The evaluation assesses progress on interim metrics that are key to long-term community transformation.

### ***Progress Highlights***

The Working Cities Challenge was successful at incentivizing the following transformations in the four winning cities of Chelsea, Fitchburg, Holyoke, and Lawrence:

The [Chelsea Thrives](#) team created an evidence-based, cross-sector crime prevention effort to identify and serve families with acute risk of crime, resulting in a successful pilot with over 205 families receiving the intervention. The effort saw crime figures decrease in the target neighborhood and at the city level.

Fitchburg's [Reimagine North of Main](#) engaged anchor institutions, city, and many organizational partners to focus the city's redevelopment effort on a struggling neighborhood and the abutting downtown, ensuring that residents are a major focus of revitalization efforts. With major involvement from Fitchburg State University, they have created a \$100 million pipeline of new investment opportunities, changed city property practices, engaged residents, and more.

[SPARK Initiative](#) in Holyoke developed a data-driven ecosystem for jump-starting and accelerating a pipeline of Latino businesses in the city, with its initial effort supporting 70 entrepreneurs who established 33 new ventures and 82 new jobs, filled primarily by Latino and women residents.

The [Lawrence Working Families Initiative \(LWFI\)](#) is a two-generation effort that coalesced regional employers, service providers, and the public school system to transform the local workforce supports for

parents of students, connecting over 200 individuals to higher-paying jobs and introducing nearly 650 families to wrap-around services to help their children thrive.

***Based on results of the evaluation, we are pleased to learn that the most significant impact of the WCC in all winning cities has been on the depth and breadth of collaborative leadership*** in service of the communities' ten-year goals. Since leadership and collaborative support from key partners are foundational components for systems change in the WCC model, and associated with economic revitalization, we are encouraged to see the teams reaping significant benefits associated with increased level of collaboration, including new partnerships supporting aligned efforts, new levels of anchor engagement, greater alignment of municipal support with community priorities, and less competition among nonprofits for resources.

As demonstrated by the city descriptions of early progress above, ***WCC teams have also galvanized important transformations in local systems*** of focus, including shifts in the types of organizations supporting low-income residents, the depth of relationships among stakeholders, and improvements in policies, practices, or resource allocations. These types of changes are designed to have long-term effects, to persist well beyond the interim progress.

***All the teams achieved measurable progress on their shared results in some form, benefitting hundreds of low-income residents.*** While some of the teams struggled with selecting a clear, measurable result, their capacity to articulate progress in a compelling way resulted in a ***combined \$10.3 million in follow-on investment for local WCC work—or nearly six times the size of the Working Cities Challenge initial investment.*** The diversification of funding sources is one of the critical factors for the sustainability of collaborative efforts, and we are encouraged by Mt. Auburn's finding that the vast majority of WCC stakeholders in the cities believe that their organizations will remain committed to the partnerships and the shared goals over the next three years.

### ***Emergent Lessons and Our Response***

#### ***Cities that choose a clear, galvanizing shared result will show the strongest progress***

For cities to make progress on their ten-year shared result, it is important that team members select their desired outcome based on its ability to mobilize partners or resources, resonate with the residents as a key priority, be clear and measurable to communicate progress, and for the headway achieved to demonstrate value to stakeholders over time. The evaluation showed that there was a substantive difference in the quality of teams' shared results with respect to the aforementioned characteristics, which made it more difficult for some collaborations to rally new partners or connect programmatic progress or to assess whether their strategies were adequate to get them to the big shared result by 2024.

With feedback from Mt. Auburn's mid-point evaluation, we now have a number of ways of to help cities with their shared result, from our new six-month design phase, to support for teams and initiative directors to tighten their shared result over time.

#### ***Comprehensive neighborhood strategies and clear shared results***

Teams that chose to work on comprehensive neighborhood strategies to improve economic outcomes for low-income residents struggled to narrow their scope of their work. We acknowledge that taking on neighborhood-focused efforts makes it tempting for teams to address multiple interrelated challenges (given their visibility in a small geography) and plan to provide additional support to teams helping teams that need to reach consensus on a few priority goals for the neighborhood.

### *Adopting a race and equity lens for WCC model*

Although the evaluation does not address the lack of explicit guidance in our original model on incorporating a race and equity lens into WCC efforts, we believe it is critical to embed this lens into each of the core elements of the intervention. Boston Fed staff has recently updated its description of collaborative leadership, community engagement, evidence-based learning, and systems change with language that elevates the importance of intentionally addressing the racial inequities while strengthening these capacities. Based on the updated core elements, we are also in the process of modifying the short, medium, and long-term progress benchmarks to track teams' advancement on various measures of equity at their tables and in their communities.

### *Initiative-level systems change*

From the outset, the WCC initiative developed a Steering Committee to guide the design and implementation of this innovative effort. Its membership spanned the public, nonprofit, and private sectors and our intent has always been to leverage this group of state-level influencers to help our city teams tackle larger system issues that they could not address at the local level. While the Challenge had some notable success in influencing the organizational practices of key state and philanthropic stakeholders on the Steering Committee who now use WCC principles in their work, the evaluation points to "a need for a more unified voice representing the needs and perspective of working cities in the state."

This feedback is very timely, as the Steering Committees in Rhode Island and Connecticut expressed a strong interest in building a systems change agenda and learning from their winning cities about the shared challenges that would benefit from state policy intervention. The Massachusetts Steering Committee will also have a similar discussion.

### *Concluding Thoughts*

We are pleased to see strong progress from Chelsea, Fitchburg, Holyoke, and Lawrence in developing and nurturing effective cross-sectors collaborations, engaging with their communities in authentic ways, using data to learn about gaps in the systems that perpetuate negative outcomes for low-income residents, and transforming both the visible and invisible elements of those systems to make meaningful gains toward their shared results. In our view, the change we see in the cities represents a positive return on investment, even within the context of needed improvements and refinements.

On behalf of the Federal Reserve Bank of Boston and our WCC partners, we would like to thank the winning city teams for participating in our pilot round and sharing the lessons learned from their experience with us and the broader community development field. Furthermore, as part of the cross-site evaluation, we are excited that Mt. Auburn created four city-specific case studies to document the important insights about the impact of specific contextual factors on sites' progress and outcomes.

Sincerely,

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