

May 4, 2016

Dear Friends of the Working Cities Challenge,

We are pleased to share the mid-point 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 progress made by winning cities on core elements of the WCC model in its first 18 months, from January 2014 through July 2015. We would like to highlight some of the key areas of progress and challenges, and how we intend to incorporate these learnings into current and future rounds of the Challenge.

The Working Cities effort grows out of Boston Fed research, which shows that cross-sector collaboration and leadership are two of the most important factors in the resurgence of smaller postindustrial cities. Piloted in Massachusetts in 2013, the Working Cities Challenge is a grant competition designed to support community, municipal, and business leaders who are reaching out across sectors to ensure that the struggling smaller cities in our region are places of opportunity and stability for their low-income families. The Challenge is a three-year catalytic effort designed to bolster cities' civic capacity to tackle systemic problems that perpetuate poverty. However, both the research and initiative acknowledge that at least ten years is needed for cities to recover economically.

Since the Challenges' inception in Massachusetts, the Boston Fed - along with public, private, and not-for-profit partners - has replicated the program with a second round in Massachusetts and launched a competition in Rhode Island. Additionally, the Boston Fed will launch the initiative in Connecticut later this year and is considering replication in other states within the Federal Reserve's First District.

Progress

Based on Mt. Auburn Associates' assessment, we are pleased that the four multi-year winners of the Working Cities Challenge—Chelsea, Fitchburg, Holyoke, and Lawrence—are showing strong progress in forming and expanding cross-sector leadership groups to drive collective action toward shared goals. Leadership and collaborative support from key partners are necessary components for systems change in the WCC model, and we are encouraged to see the teams engaging new types of stakeholders—local institutions of higher learning, hospitals, and chambers of commerce—while leveraging supplementary expertise and resources to advance on-the-ground work.

Community engagement is another area of notable progress. As highlighted in the evaluation, the city teams' efforts to involve residents and other stakeholders in authentic dialogues about issues and priorities for change offer new perspectives and opportunities in the targeted communities. We are pleased to see that many partner organizations without a history of community engagement have acknowledged the value of meaningful resident participation. The WCC model emphasizes this capacity as another key input into a systems change process, as it leads to a deeper understanding of issues on the ground, builds public will for the effort, and allows residents to hold teams accountable for delivering results.

On the programmatic side, teams are implementing initiatives to help substantial numbers of low- and moderate-income residents. We also see early indicators of systems change – where institutions in the cities are making substantial changes to the way they do business in order to better support the vision of the team. The Fed’s Working Cities Challenge team is encouraged by a number of significant follow-on efforts that demonstrate the communities’ dedication to the work teams have initiated through the Challenge.

Challenges

To make progress over the long term, it is important cities develop a data strategy. Such a strategy can provide timely information that ultimately helps stakeholders understand the behavior and performance of systems they are working to improve. The WCC model emphasizes data as a key instrument to help teams test and, if needed, adjust their predictions of what drives change based on what is happening in the short-term. The evaluation shows many of the winning cities are integrating data in new ways; however, teams have yet to create comprehensive processes or strong habits whereby data are used to influence decisions.

The evaluation shows that the winning city teams have begun identifying and pushing on key levers of systems change in their communities. Member organizations have made lasting changes to how they do business and how much they support and invest in low income communities. This is evidenced by organizations using funds and resources distinct from the Working Cities Challenge. Teams need to build on these initial wins to create plans for the many types of system change that will be needed to reach their ten-year goals. Many have made real progress on this front in this direction since the evaluation was completed in July 2015.

There are also things the Fed must do differently to improve the Challenge. The learning community gatherings, which convene teams (winning and non-winning) for capacity building and cross-site learning, are not advancing the sites’ work as effectively as we anticipated. Though the direct technical assistance from our consultants is highly valued, some of the winning teams would prefer more active engagement from Fed staff. However, the Challenge structure and the funding it provides do seem to be effective in catalyzing new work, and this work will continue as originally designed.

Response

The Fed is a learning and data-driven organization and we strive to incorporate lessons of the evaluation into our model. Due to our observations and the evaluation’s findings about the need for more systems change planning and deeper use of data, our learning community, technical assistance, and team support will focus on these two areas in the next year. Specifically, we will work with teams to identify and integrate key shared metrics that will be tracked regularly. We will ask teams to focus their 2016-2017 work plans on pursuing systems change, and opportunities for additional support will be made available to teams that demonstrate they are responding effectively to this evaluation.

We will also make changes to aspects of the Fed’s role. We are now focusing learning communities on the real-time work of the sites, tying it to the work the teams must complete for the Challenge, and focusing only on winning teams to effectively target our assistance. Fed liaisons to the teams will also begin to play a more engaged and consistent role with teams, in ways that do not replace capacity that the teams must build themselves.

We are pleased to see strong progress from the winning cities in creating collaborative tables, community engagement, and deepening relationships between important partners in economic and community development. These fundamentals create the needed platform and complementary pieces for transforming our struggling communities, and we intend to continue and reinforce successful work in these areas. Though this collaboration

itself is not enough to say definitively that teams will meet their long-term goals and transform their cities, we think the progress and learning teams are currently demonstrating are the foundation.

Sincerely,

Prabal

Tamar

Prabal Chakrabarti
Senior Vice President & Community Affairs Officer

Tamar Kotelchuck
Director, Working Cities Initiative