Reinvigorating Springfield’s Economy: Lessons from Resurgent Cities

October 15, 2009

Yolanda Kodrzycki
Ana Patricia Muñoz

with Marques Benton, Lynn Browne, Prabal Chakrabarti, DeAnna Green, David Plasse, Richard Walker, Bo Zhao

assisted by Teresa Huie and Catherine Spozio

http://www.bos.frb.org/commdev/springfield
Background on Boston Fed Springfield Project: Objectives

- Support ongoing efforts to revitalize City of Springfield
- Our advantages
  - Analytical capabilities
  - Experience working with community groups and governments
  - Earlier research on concentrated poverty in Springfield (joint Brookings-FRS project)
- Our focus: bringing economic improvement for city residents, especially those in impoverished downtown neighborhoods
Background on Boston Fed Springfield Project: Timeline

- Summer '08-Summer '09: Research and reconnaissance
- Fall '09-?: Communication of findings and development of action plans
- Multiyear: Follow-through
Additional Research Projects

- Towards a more prosperous Springfield, Massachusetts: Project introduction and motivation; *Community Affairs Discussion Paper 2009-01*
- Towards a more prosperous Springfield, MA: What jobs exist for people without a college education?; *Community Affairs Discussion Paper 2009-02*
- Greater Springfield employment challenges: Findings of employer survey and interviews
- Jobs in Springfield and its neighborhoods: understanding the causes of low resident employment
- Residents focus groups and interviews with workforce development agencies and non-profit organizations
- "Does Springfield Receive Its Fair Share of Municipal Aid? Implications for Aid Formula Reform in Massachusetts."
Reinvigorating Springfield’s economy: Deterioration is evident, but how to use research to lay the groundwork for change?

**Median family income as a share of the U.S. median**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>110</td>
<td>105</td>
<td>100</td>
<td>95</td>
</tr>
</tbody>
</table>

**Population poverty rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>1980</th>
<th>2000</th>
<th>2005–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
</tbody>
</table>
Lessons from Resurgent Cities: Methodology

- Choose peer group based on population, manufacturing intensity, and regional role
  - Cities that were similar to Springfield in the past
  - 1960 largely pre-dates urban declines

- Measure Springfield’s progress against peers
  - Resurgent cities as meaningful benchmark
  - Any obvious advantages or disadvantages for Springfield?

- Perform case studies of resurgent cities
  - Detailed examination of city histories
  - Identify common themes

- Draw lessons for Springfield
Lessons from Resurgent Cities: Findings

- Industry mix, demographic composition, and geographic location are not the key factors distinguishing resurgent cities from Springfield.

- Resurgent cities provide valuable lessons on leadership and collaboration:
  - Initial leadership can come from any sector.
  - Collaborations should be enduring and formalized.

- Fundamental transformations take place over decades:
  - From tobacco town to “Most Intelligent Community”.
  - From “Furniture Capital of the World” to home of the “Medical Mile”.
  - From old mill town to National Civic League All-American City.

- Educational institutions and foundations play key roles in extending benefits of resurgence to poor neighborhoods.
Criteria for selecting 25 peer cities:
- manufacturing employed 30%+ residents in 1960
- population of 100,000-250,000 in 1960-80
- remained primary city in metro area (MSA)
Criteria for selecting 10 resurgent cities:
- median family income: level in 2005-07 and change in ranking since 1960
- poverty rate: level in 2005-07 and change since 1980
- population: percent change since 1960 (secondary criterion)
- reputation as vital community
Median family income in the resurgent cities averages 86 percent of the U.S. median, about $10,000 higher than in Springfield.
Average poverty in the resurgent cities has risen only modestly, in sharp contrast to Springfield.
On average, resurgent cities have growing population – albeit not in the Northeast.

![Population as a percentage of 1960 population](chart.png)
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
  - New Haven, Providence, and Worcester are in resurgent group.
  - Resurgent and non-resurgent cities co-exist within states.
Resurgent and Non-resurgent Cities

[Map showing cities in the Northeastern United States, with some cities highlighted as 'Resurgent cities']
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
  - New Haven, Providence, and Worcester are in resurgent group.
  - Resurgent and non-resurgent cities co-exist within states.

- Relatively low share of residents working in manufacturing (except for Springfield, Hartford and Syracuse)
The resurgent cities had relatively low initial dependence on manufacturing, as did Springfield.
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
  - New Haven, Providence, and Worcester are in resurgent group.
  - Resurgent and non-resurgent cities co-exist within states.
- Relatively low share of residents working in manufacturing (except for Springfield, Hartford and Syracuse).
- Not because of current industry mix
The resurgent cities have diversified away from manufacturing employment, as has Springfield.

### Employment by Industry, 2005–07 (percentages of total city resident employment)

<table>
<thead>
<tr>
<th>Resurgent cities</th>
<th>Health care and social assistance</th>
<th>Manufacturing</th>
<th>Retail trade</th>
<th>Educational services</th>
<th>Leisure and hospitality</th>
<th>Professional and business services</th>
<th>Financial activities</th>
<th>Other services</th>
<th>All Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evansville</td>
<td>11.9</td>
<td>16.3</td>
<td>14.3</td>
<td>5.7</td>
<td>11.4</td>
<td>8.9</td>
<td>6.0</td>
<td>6.1</td>
<td>19.4</td>
</tr>
<tr>
<td>Fort Wayne</td>
<td>14.5</td>
<td>19.6</td>
<td>11.1</td>
<td>7.2</td>
<td>9.7</td>
<td>8.1</td>
<td>6.2</td>
<td>4.3</td>
<td>19.2</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>14.4</td>
<td>18.1</td>
<td>11.6</td>
<td>8.7</td>
<td>9.9</td>
<td>9.6</td>
<td>5.0</td>
<td>5.2</td>
<td>17.5</td>
</tr>
<tr>
<td>Greensboro</td>
<td>12.1</td>
<td>12.5</td>
<td>12.4</td>
<td>11.2</td>
<td>10.1</td>
<td>9.0</td>
<td>8.2</td>
<td>3.3</td>
<td>21.2</td>
</tr>
<tr>
<td>Jersey City</td>
<td>12.7</td>
<td>6.4</td>
<td>8.7</td>
<td>7.2</td>
<td>7.6</td>
<td>13.5</td>
<td>14.3</td>
<td>4.7</td>
<td>25.0</td>
</tr>
<tr>
<td>New Haven</td>
<td>17.1</td>
<td>9.9</td>
<td>10.2</td>
<td>20.0</td>
<td>8.3</td>
<td>8.6</td>
<td>5.1</td>
<td>5.7</td>
<td>15.2</td>
</tr>
<tr>
<td>Peoria</td>
<td>16.3</td>
<td>15.8</td>
<td>10.8</td>
<td>8.9</td>
<td>10.5</td>
<td>9.7</td>
<td>6.3</td>
<td>5.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Providence</td>
<td>14.8</td>
<td>15.0</td>
<td>10.8</td>
<td>12.6</td>
<td>12.5</td>
<td>8.5</td>
<td>6.5</td>
<td>4.3</td>
<td>14.9</td>
</tr>
<tr>
<td>Winston-Salem</td>
<td>15.7</td>
<td>11.8</td>
<td>10.9</td>
<td>9.7</td>
<td>9.9</td>
<td>9.5</td>
<td>7.9</td>
<td>4.8</td>
<td>19.7</td>
</tr>
<tr>
<td>Worcester</td>
<td>16.0</td>
<td>11.2</td>
<td>12.8</td>
<td>11.6</td>
<td>9.3</td>
<td>9.1</td>
<td>6.3</td>
<td>5.1</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Springfield</strong></td>
<td><strong>19.1</strong></td>
<td><strong>12.5</strong></td>
<td><strong>10.2</strong></td>
<td><strong>8.8</strong></td>
<td><strong>9.0</strong></td>
<td><strong>7.4</strong></td>
<td><strong>6.9</strong></td>
<td><strong>5.0</strong></td>
<td><strong>21.0</strong></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>16.1</strong></td>
<td><strong>14.4</strong></td>
<td><strong>11.9</strong></td>
<td><strong>9.3</strong></td>
<td><strong>9.9</strong></td>
<td><strong>8.6</strong></td>
<td><strong>6.0</strong></td>
<td><strong>5.0</strong></td>
<td><strong>18.9</strong></td>
</tr>
<tr>
<td>All cities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Resurgent cities</strong></td>
<td><strong>14.5</strong></td>
<td><strong>13.7</strong></td>
<td><strong>11.4</strong></td>
<td><strong>10.3</strong></td>
<td><strong>9.9</strong></td>
<td><strong>9.5</strong></td>
<td><strong>7.2</strong></td>
<td><strong>4.9</strong></td>
<td><strong>18.7</strong></td>
</tr>
<tr>
<td><strong>Other cities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: American Community Survey 2005-07
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
  - New Haven, Providence, and Worcester are in resurgent group.
  - Resurgent and non-resurgent cities co-exist within states.
- Relatively low share of residents working in manufacturing (except for Springfield, Hartford and Syracuse).
- Not because of current industry mix

- Acknowledge racial and ethnic changes in Springfield, but point to some resurgent cities that are similar.
Resurgent cities have undergone less dramatic racial change than Springfield. Average difference is not large, and New Haven and Providence are exceptions.

### Race (percentages of total residents)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Evansville</td>
<td>93.4</td>
<td>86.1</td>
<td>6.6</td>
<td>11.7</td>
<td>0.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Fort Wayne</td>
<td>92.6</td>
<td>78.4</td>
<td>7.2</td>
<td>15.5</td>
<td>0.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>91.7</td>
<td>68.5</td>
<td>8.0</td>
<td>21.1</td>
<td>0.3</td>
<td>10.4</td>
</tr>
<tr>
<td>Greensboro</td>
<td>74.0</td>
<td>52.6</td>
<td>25.8</td>
<td>39.7</td>
<td>0.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Jersey City</td>
<td>86.5</td>
<td>35.5</td>
<td>13.3</td>
<td>28.7</td>
<td>0.2</td>
<td>35.9</td>
</tr>
<tr>
<td><strong>New Haven</strong></td>
<td><strong>85.1</strong></td>
<td><strong>45.7</strong></td>
<td><strong>14.5</strong></td>
<td><strong>36.8</strong></td>
<td><strong>0.4</strong></td>
<td><strong>17.6</strong></td>
</tr>
<tr>
<td>Peoria</td>
<td>90.5</td>
<td>67.8</td>
<td>9.3</td>
<td>26.7</td>
<td>0.2</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Providence</strong></td>
<td><strong>94.2</strong></td>
<td><strong>50.3</strong></td>
<td><strong>5.4</strong></td>
<td><strong>15.6</strong></td>
<td><strong>0.4</strong></td>
<td><strong>34.1</strong></td>
</tr>
<tr>
<td>Winston-Salem</td>
<td>62.9</td>
<td>55.0</td>
<td>37.1</td>
<td>34.7</td>
<td>0.0</td>
<td>10.3</td>
</tr>
<tr>
<td>Worcester</td>
<td>98.8</td>
<td>79.7</td>
<td>1.1</td>
<td>9.0</td>
<td>0.1</td>
<td>11.3</td>
</tr>
<tr>
<td><strong>Springfield</strong></td>
<td><strong>92.3</strong></td>
<td><strong>52.4</strong></td>
<td><strong>7.5</strong></td>
<td><strong>22.4</strong></td>
<td><strong>0.2</strong></td>
<td><strong>25.1</strong></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>87.4</strong></td>
<td><strong>56.4</strong></td>
<td><strong>12.5</strong></td>
<td><strong>30.6</strong></td>
<td><strong>0.2</strong></td>
<td><strong>13.0</strong></td>
</tr>
<tr>
<td>Resurgent cities</td>
<td><strong>87.0</strong></td>
<td><strong>62.0</strong></td>
<td><strong>12.8</strong></td>
<td><strong>24.0</strong></td>
<td><strong>0.2</strong></td>
<td><strong>14.1</strong></td>
</tr>
<tr>
<td>Other cities</td>
<td><strong>87.6</strong></td>
<td><strong>52.9</strong></td>
<td><strong>12.3</strong></td>
<td><strong>34.7</strong></td>
<td><strong>0.2</strong></td>
<td><strong>12.4</strong></td>
</tr>
</tbody>
</table>

Source: Decennial Census, American Community Survey 2005-07
Springfield has a larger Hispanic share than any resurgent city except Providence.

<table>
<thead>
<tr>
<th>Resurgent cities</th>
<th>1980</th>
<th>2005–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evansville</td>
<td>0.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Fort Wayne</td>
<td>2.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>3.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Greensboro</td>
<td>0.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Jersey City</td>
<td>18.6</td>
<td>27.7</td>
</tr>
<tr>
<td>New Haven</td>
<td>8.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Peoria</td>
<td>1.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Providence</td>
<td>5.8</td>
<td>36.0</td>
</tr>
<tr>
<td>Winston-Salem</td>
<td>0.8</td>
<td>12.2</td>
</tr>
<tr>
<td>Worcester</td>
<td>4.3</td>
<td>17.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average</th>
<th>1980</th>
<th>2005–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>All cities</td>
<td>6.2</td>
<td>17.1</td>
</tr>
<tr>
<td>Resurgent cities</td>
<td>4.5</td>
<td>15.2</td>
</tr>
<tr>
<td>Other cities</td>
<td>7.3</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Source: Decennial Census, American Community Survey 2005-07
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
  - New Haven, Providence, and Worcester are in resurgent group.
  - Resurgent and non-resurgent cities co-exist within states.
- Relatively low share of residents working in manufacturing (except for Springfield, Hartford and Syracuse).
- Not because of current industry mix
- Acknowledge racial and ethnic changes in Springfield, but point to some resurgent cities that are similar.
- Look more closely at city histories: case studies
Methodology for case studies

- Extensive search through available materials, including books, reports, and newspaper articles.

- Preparation of 3-page summary
  - Philosophy of “tell it like it is”
  - Vetting by local expert(s)
Major Themes

- Lead and collaborate
- Transform the economy
- Develop Human Capital
- Extend prosperity and involve the community
Collaboration #1: Initial leadership can come from any sector, but collaboration needed to sustain resurgence.

- Evansville and Providence: Mayors at forefront, businesses and nonprofits joined in later

- Jersey City: Private developers at forefront, city joined in later

- Springfield: City as weak link
  - State-appointed finance control board 2004-09
Collaboration #2: Successful cities promote themselves. Regional and local economic development organizations with city focus

- Broader mandate than Chamber of Commerce and other nongovernmental organization.
- Institutionalized relationship with City via funding and representation on board of directors.
- Regional organizations can have city focus.

Springfield: Lacking this type of organizational structure. Only ad hoc efforts.

Regional initiatives such as Knowledge Corridor do not have specific urban component.
Collaboration #3: Higher education institutions often play key roles in city economic development.

- New Haven: Yale became very involved in 1990s
  - Before then, “Yale did what Yale does best: retreat inside its walls and lock its doors.”
  - Contributions include: Payments in lieu of property taxes, renovation of university-owned downtown properties, venture funding for biotech, Incentives for university employees to buy homes in city

- Worcester: consortium of colleges an universities in early 2000s
- Springfield: UMass lacking physical presence. Smaller colleges very active
Collaboration #4: Resurgent cities get support from local and national foundations and nonprofits.

- Grand Rapids: Amway Corporation founder formed Van Andel Institute, anchor tenant in the “Medical Mile”

- Providence: Many examples of support for downtown development, neighborhood revitalization, community building, workforce training, children’s well-being. Important presence of national foundations like Annie E. Casey Foundation’s Making Connections initiative

- Springfield: focused on getting more state aid
Economic Transformation #1: Modernization of existing assets is necessary (but insufficient).

- Resurgent cities provide many examples of successful regional airport expansions, road improvements, and waterfront redevelopment
  - Worcester airport: a glaring failure

- High-speed broadband also important

- Springfield: focused on downtown projects such as State Street beautification
  - Fiscal stimulus opportunities for other projects?
Economic Transformation #2: Pursue opportunities to re-invent the city and adapt to changing circumstances.

- Peoria: from one-company town “major medical powerhouse” via dedicated zone

- Winston-Salem: from tobacco town to creative city via emphasis on Internet connectivity

- Jersey City: from manufacturing and transportation center to “Wall Street West” via redevelopment of outdated land

- Worcester: broaden life sciences focus in order to create more jobs

- Springfield: green jobs future?
Developing Human Capital: essential in a knowledge economy.

Share of population 25 years and older completing at least high school: comparison of Springfield to averages of peer cities

Share of population 25 years and older with college degree or more: comparison of Springfield to averages of peer cities

- New Haven: multi-faceted biotech-related education in public schools
- Greensboro: community colleges provide job skills training, universities partner with business to develop innovative products and skills.
Extending Prosperity: This is the hardest task of all.

- Providence Plan: joint venture of City, state, academic community, and local businesses to promote children’s well-being, workforce development, and community building.

- Jersey City: expanding development beyond the waterfront has required creating opportunities for greater community involvement.

- Involve neighborhood groups in city planning.
  - Grand Rapids: All-American City award for community consensus approach
Conclusion:

- No inherent obstacles to becoming as successful as the resurgent cities.
- Resurgent cities provide fresh ideas.
- How to increase receptivity of Springfield residents, businesses, city government, and other organizations?
Take-ways for Springfield

- Key local leaders need to take responsibility for Springfield’s development
  - Work together and bring other important actors into the process
  - Be more inclusive of inner-city minority populations
  - Make long-term commitment

- Coalition needs to aggressively promote the city
  - Identify target businesses
  - Engage educational and medical institutions
  - Foster collaborations and spinoffs

- City needs to tap into new sources of funding
  - Local and national foundation monies
  - Federal government grants
Possible next steps in Springfield

- Form emerging leaders program
- Initiate “city to city” activities
- Compete for national city award
- Strengthen grant application capability
- In all cases, include people from different sectors, perspectives, racial and ethnic backgrounds
The Armory Museum

BayState Medical Center

Dr. Seuss National Memorial

The City of Homes

Basketball Hall of Fame