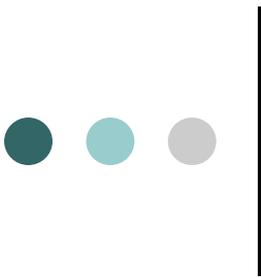


Resurgent Cities and Economic Revitalization: Lessons for Older Industrial Cities



June 3, 2010

Based on Public Policy Discussion “*Reinvigorating Springfield’s Economy: Lessons from Resurgent Cities*” by Yolanda Kodrzycki and Ana Patricia Muñoz, with Marques Benton, Lynn Browne, Prabal Chakrabarti, DeAnna Green, David Plasse, Richard Walker, Bo Zhao, Federal Reserve Bank of Boston Public Policy Discussion Paper No. 09-6, 2009

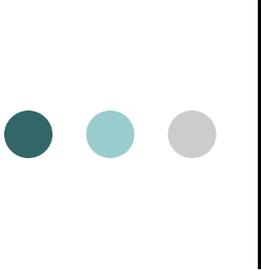


Toward a More Prosperous Springfield: A Federal Reserve Bank of Boston Initiative

- **Why Springfield?**

- Springfield has one of the highest rates of concentrated poverty in the nation.
- Springfield's challenges are similar to other old manufacturing cities across the nation.

- **Objective:** Support ongoing efforts to revitalize City of Springfield
- **Our focus:** bring economic improvement for city residents, especially those in impoverished neighborhoods



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 and other older manufacturing cities

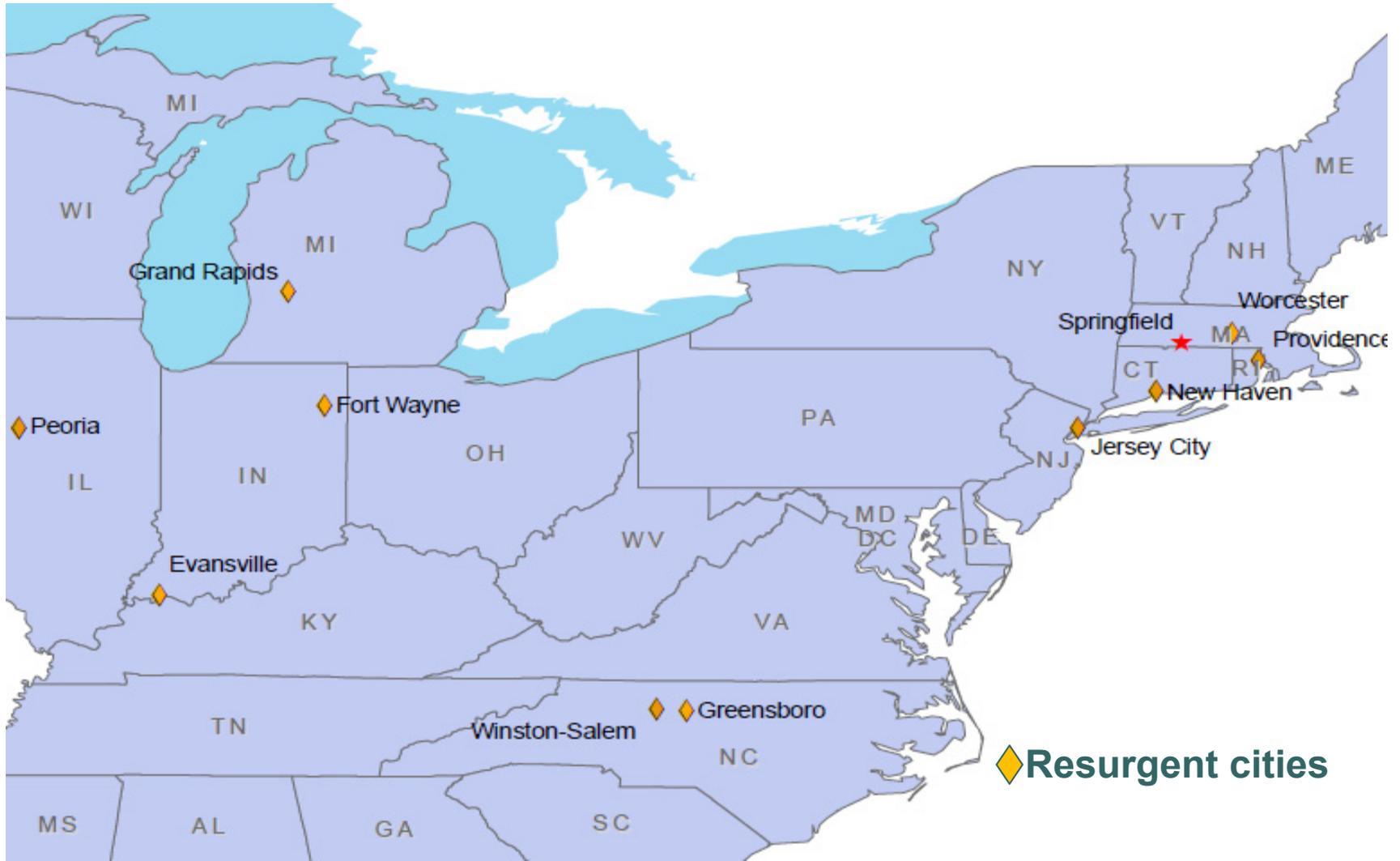
Criteria for selecting 25 peer cities:

- manufacturing employed 30%+ residents in 1960
- population of 100,000-250,000 in 1960-80
- remained primary city in metro area (MSA)

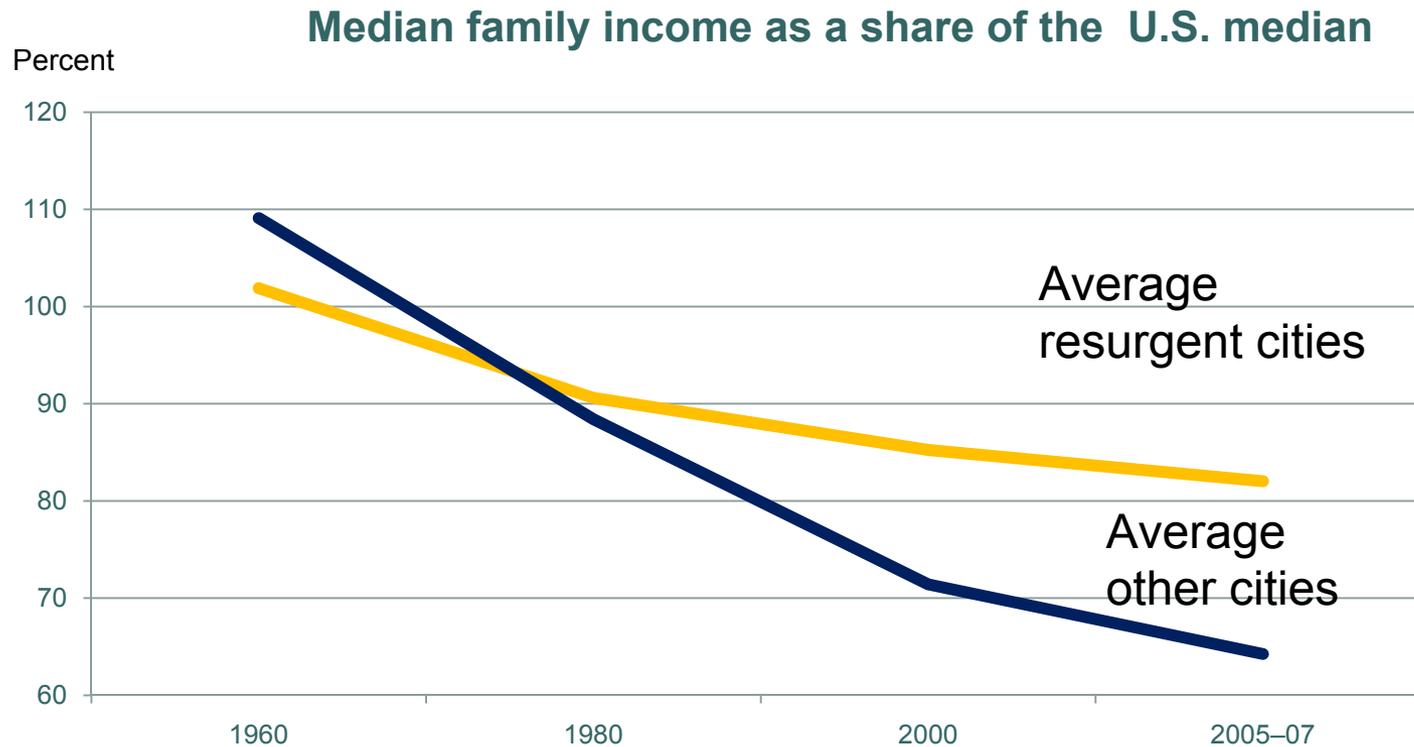


Criteria for selecting 10 resurgent cities:

- 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

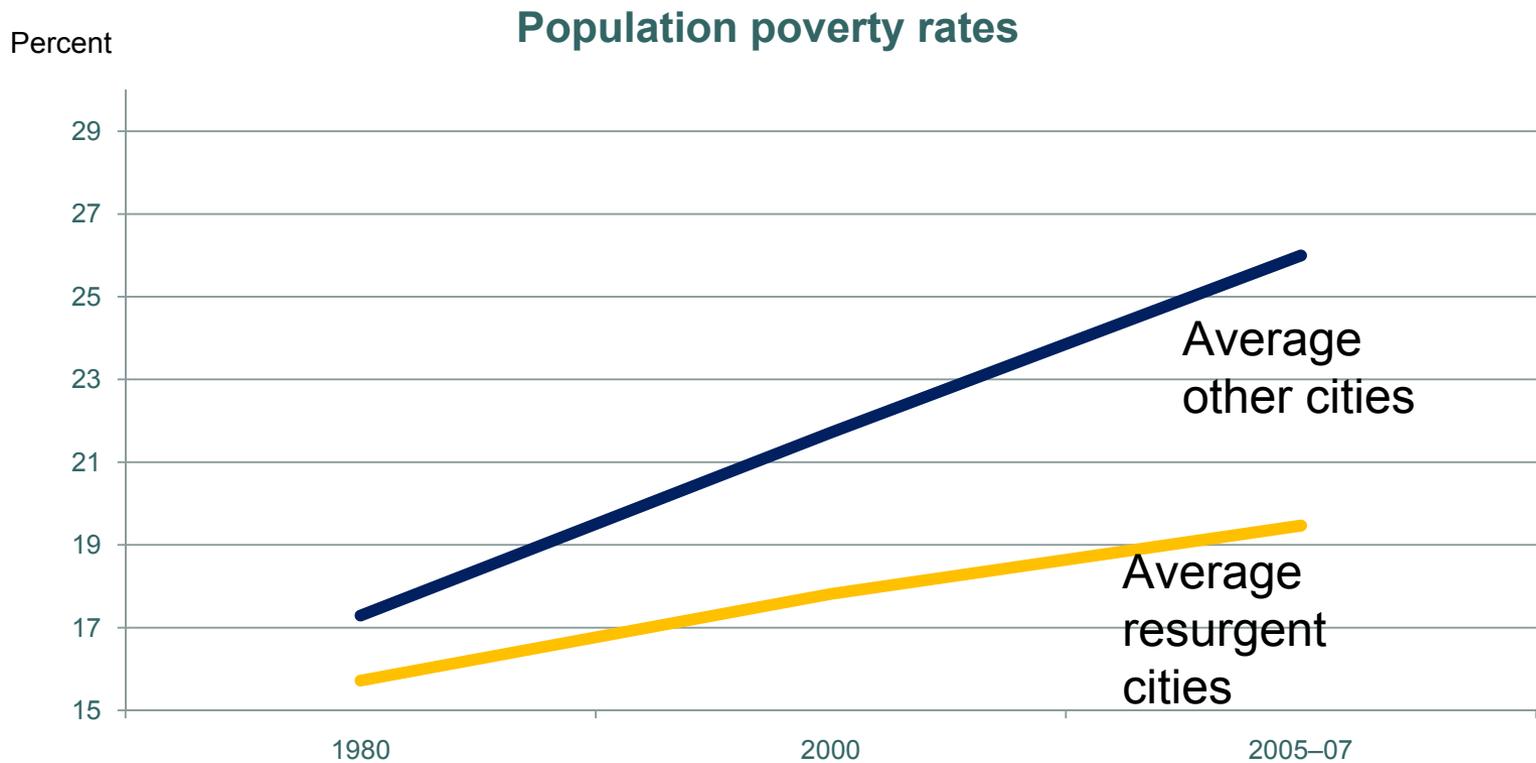


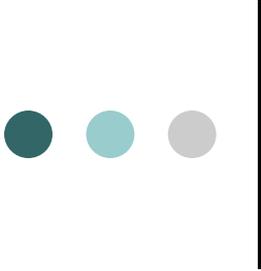
Median family income in the resurgent cities averages 86 percent of the U.S. median, about \$11,000 higher than the other cities' average .



● ● ●

Average poverty in the resurgent cities has risen only modestly, in sharp contrast to other cities.





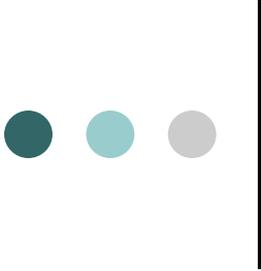
Why did the resurgent cities do better than Springfield?

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

Resurgent and Non-resurgent Cities



◆ Resurgent cities

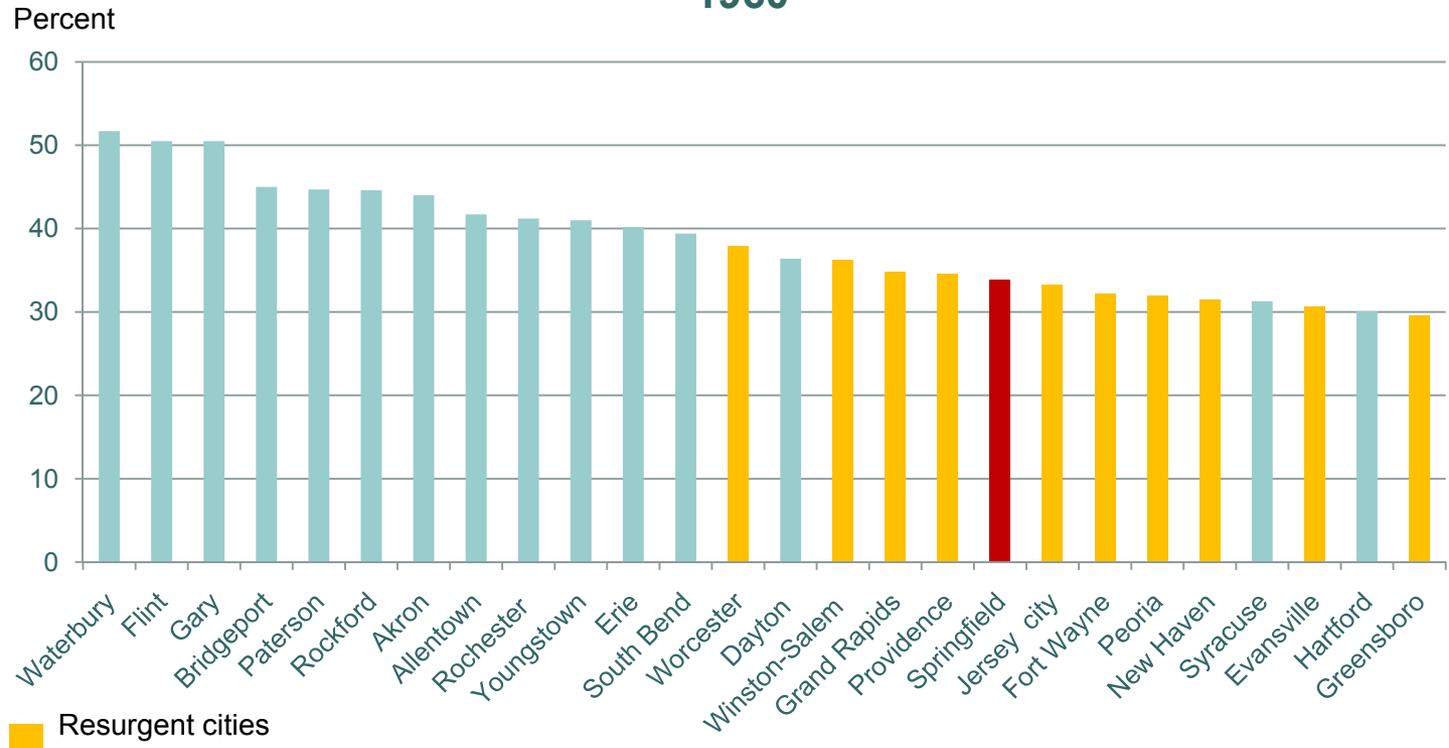


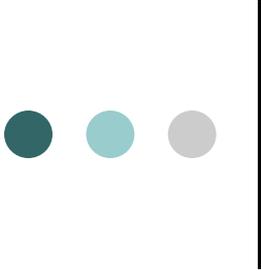
Why did the resurgent cities do better than Springfield?

- Discount role of geography.
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 - Resurgent and non-resurgent cities co-exist within states.
- Initial manufacturing intensity matters (but does not account for Springfield's lack of resurgence).

The resurgent cities had relatively low initial dependence on manufacturing

Share of employed residents working in manufacturing ,
1960





Why did the resurgent cities do better than other peer cities?

- Discount role of geography.
 - New Haven, Providence, and Worcester are in resurgent group.
 - Resurgent and non-resurgent cities co-exist within states.
- Initial manufacturing intensity matters (but does not account for Springfield's lack of resurgence).
- Acknowledge racial and ethnic changes in other cities, but point to some resurgent cities that have experienced similar changes.

Resurgent cities have undergone less dramatic racial change than other peer cities. Average difference is not large, and New Haven and Providence are exceptions.

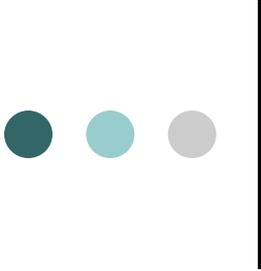
Race (percentages of total residents)

		White		Black		All Other	
		1960	2005-07	1960	2005-07	1960	2005-07
Resurgent cities	Evansville	93.4	86.1	6.6	11.7	0.0	2.2
	Fort Wayne	92.6	78.4	7.2	15.5	0.2	6.1
	Grand Rapids	91.7	68.5	8.0	21.1	0.3	10.4
	Greensboro	74.0	52.6	25.8	39.7	0.2	7.6
	Jersey City	86.5	35.5	13.3	28.7	0.2	35.9
	New Haven	85.1	45.7	14.5	36.8	0.4	17.6
	Peoria	90.5	67.8	9.3	26.7	0.2	5.4
	Providence	94.2	50.3	5.4	15.6	0.4	34.1
	Winston-Salem	62.9	55.0	37.1	34.7	0.0	10.3
	Worcester	98.8	79.7	1.1	9.0	0.1	11.3
	Springfield	92.3	52.4	7.5	22.4	0.2	25.1
Average	All cities	87.4	56.4	12.5	30.6	0.2	13.0
	Resurgent cities	87.0	62.0	12.8	24.0	0.2	14.1
	Other cities	87.6	52.9	12.3	34.7	0.2	12.4

Resurgent cities have, on average, a lower percent of Hispanics but shares vary substantially within groups.

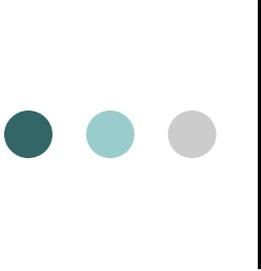
Hispanic population
(percentages of total residents)

		1980	2005–07
Resurgent cities	Evansville	0.5	1.5
	Fort Wayne	2.2	6.8
	Grand Rapids	3.2	16.4
	Greensboro	0.8	6.5
	Jersey City	18.6	27.7
	New Haven	8.0	24.0
	Peoria	1.4	2.9
	Providence	5.8	36.0
	Winston-Salem	0.8	12.2
	Worcester	4.3	17.7
	Springfield	9.1	33.6
Average	All cities	6.2	17.1
	Resurgent cities	4.5	15.2
	Other cities	7.3	18.3



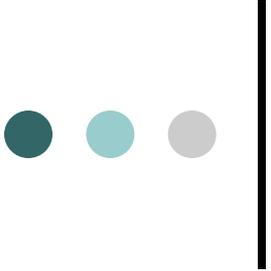
Why did the resurgent cities do better than other peer cities?

- Discount role of geography.
 - New Haven, Providence, and Worcester are in resurgent group.
 - Resurgent and non-resurgent cities co-exist within states.
- Eliminate one obvious answer: industry mix.
- Acknowledge racial and ethnic changes in other cities, but point to some resurgent cities that have experienced similar changes.
- Look more closely at city histories.



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

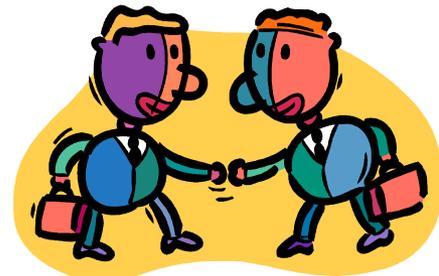
Collaboration #1: Initial leadership can come from any sector, but collaboration needed to sustain resurgence.

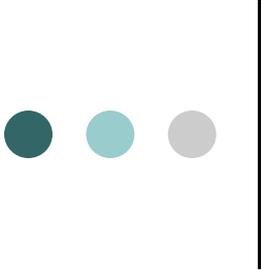
- **Evansville and Providence:** Mayors at forefront, work with businesses and nonprofits was key
- **Jersey City:** Private developers at forefront
- **Providence:** Support from local and national foundations and nonprofits (Important presence of national foundations like Annie E. Casey Foundation's Making Connections initiative)
- **Greensboro:** local foundations initiated a collaborative process to determine economic development strategies
- **Grand Rapids:** key role of philanthropists and committed entrepreneurs



Collaboration #2: Successful cities promote themselves. Regional and local economic development organizations with city focus

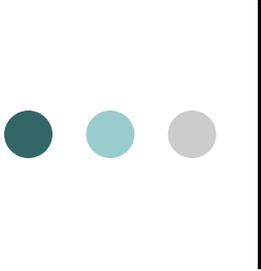
- Institutionalized relationship between Economic Development Agencies and the City via funding and representation on board of directors
- Chambers of Commerce and business organizations have been involved in broad aspects of economic development including education and workforce development programs





Collaboration #3: Higher education institutions often play key roles in city economic development.

- New Haven: Yale became involved in 1980s and 1990s.
 - Before then, “Yale did what Yale does best: retreat inside its walls and lock its doors.”
 - Some contributions since then:
 - Substantial payments in lieu of property taxes
 - Renovation of university-owned downtown properties
 - Financial incentives for university employees to buy homes in city.
- Worcester: consortium of colleges and universities in early 2000s
 - Similar activities as Yale.
 - Additional contributions include opening campuses downtown, working on brownfield remediation.



Economic Transformation #1: Modernization of existing assets is necessary (but insufficient).

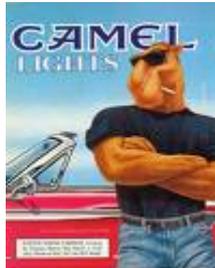
- Resurgent cities provide many examples of successful regional airport expansions, road improvements, and waterfront redevelopment
- High-speed broadband also important

Economic Transformation #2: Pursue opportunities to re-invent the city

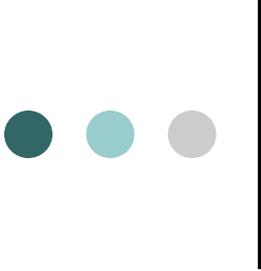
- Peoria: from one-company town “major medical powerhouse” via dedicated zone



- 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



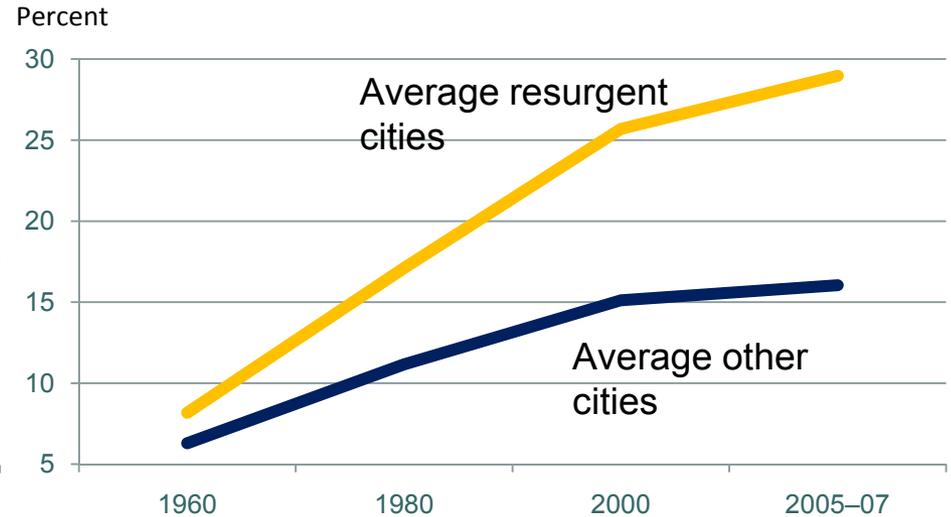
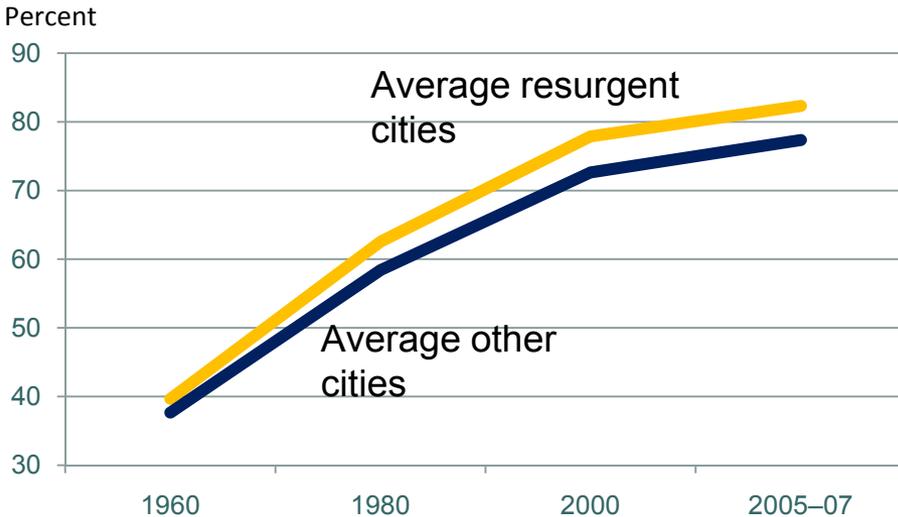
Economic Transformation #3: Adapt to changing circumstances.

- Long-term planning is essential
- Worcester: broaden life sciences focus in order to create more jobs. Learn from mistakes (mall, airport).
- Fort Wayne: as success wanes, add entrepreneurship focus.
- Greensboro: broaden employment focus from low-paying service sector jobs in order to improve income growth.

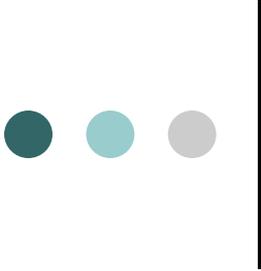
Developing Human Capital: essential in a knowledge economy.

Share of population 25 years and older completing at least high school

Share of population 25 years and older with college degree or more

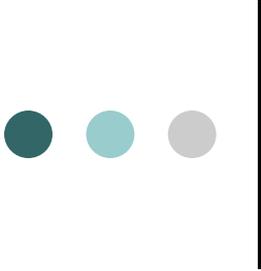


- Greensboro: community colleges provide job skills training, universities partner with business to develop innovative products and skills.
- New Haven: multi-faceted biotech-related education in public schools.



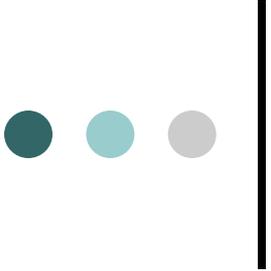
Extending Prosperity: This is the hardest task of all.

- 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



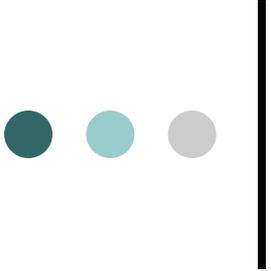
Lessons from Resurgent Cities: Findings

- Industry mix, demographic composition, and geographic location are not the key factors distinguishing resurgent cities from other peer cities
- Resurgent cities provide valuable lessons on leadership and collaboration
 - Initial leadership can come from any sector
 - Collaborations should be enduring
- 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



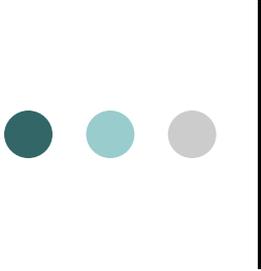
Springfield's assets

- Active educational institutions: STCC Springfield College (SC) and American International College (AIC)
- Large employers (MassMutual, Baystate Medical Center)
- Historic landmarks
- Regional collaboration



Springfield is experiencing intensified economic development activity

- City government developments
- Formation of State Street Alliance/enhancements to State Street corridor
- Revitalization projects in the downtown area
- “Buy Springfield Now” initiative
- Governor Patrick interest in western Massachusetts
- Increased engagement by Umass
- Formation of “Develop Springfield” (board of directors include representatives from the City, state, and local business community)

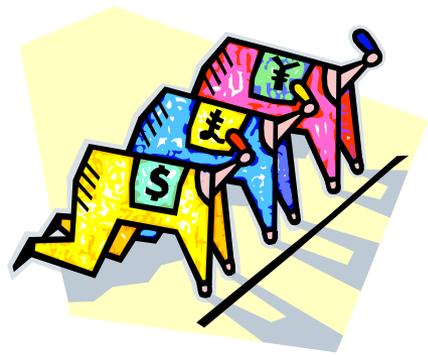


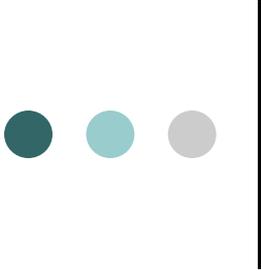
Conclusion:

- No inherent obstacles to becoming as successful as the resurgent cities
- Resurgent cities provide fresh ideas
- Urgent need to improve civic infrastructure

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





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; *Community Affairs Discussion Paper 2009-04*
- Jobs in Springfield, Massachusetts: Understanding and Remediating the Causes of Low Resident Employment Rates; *Public Policy Discussion Paper No. 09-11*
- 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."

Available at <http://www.bos.frb.org/commdev/springfield/>

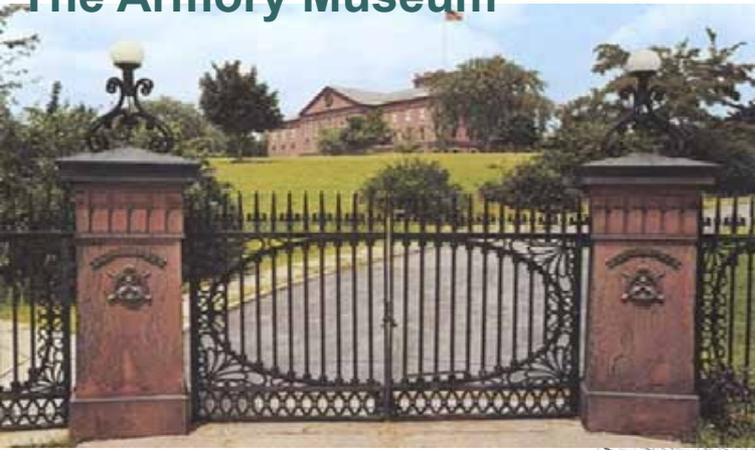


The City of Homes

The City of Homes



The Armory Museum



Tourist Attractions



Dr. Seuss National Memorial



A diverse city



STCC Technology Park



U.S. Federal Courthouse



MassMutual

