



Resurgent Cities and Economic Revitalization: Lessons for Older Industrial Cities

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Symposium on “What Can Hartford Learn from Other Cities?”
University of Hartford
March 8, 2011

Based on Public Policy Discussion Papers “*Reinvigorating Springfield’s Economy: Lessons from Resurgent Cities*” and “*Jobs in Springfield, Massachusetts: Understanding and Remediating the Causes of Low Resident Employment Rates*” 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 Papers No. 09-6 and 09-11, 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

<http://www.bostonfed.org/commdev/springfield/>



Springfield and Hartford share a similar challenge: increasing employment of residents in order to reduce the numbers living in poverty.

City	Share of population aged 16+ that is employed
Bridgeport	60.5%
Hartford	51.8%
New Haven	57.1%
Providence	57.1%
Springfield	51.4%
Waterbury	57.1%
Worcester	58.4%



Unlike Bridgeport or Waterbury, Springfield and Hartford do not lack jobs within their city limits.

City	Job Density (Jobs per 100 residents aged 16+)	
	Total	Private industries
Bridgeport	44.7	36.1
Hartford	128.9	106.0
New Haven	76.9	65.0
Providence	85.1	73.4
Springfield	67.0	64.4
Waterbury	52.5	44.4
Worcester	73.0	70.6

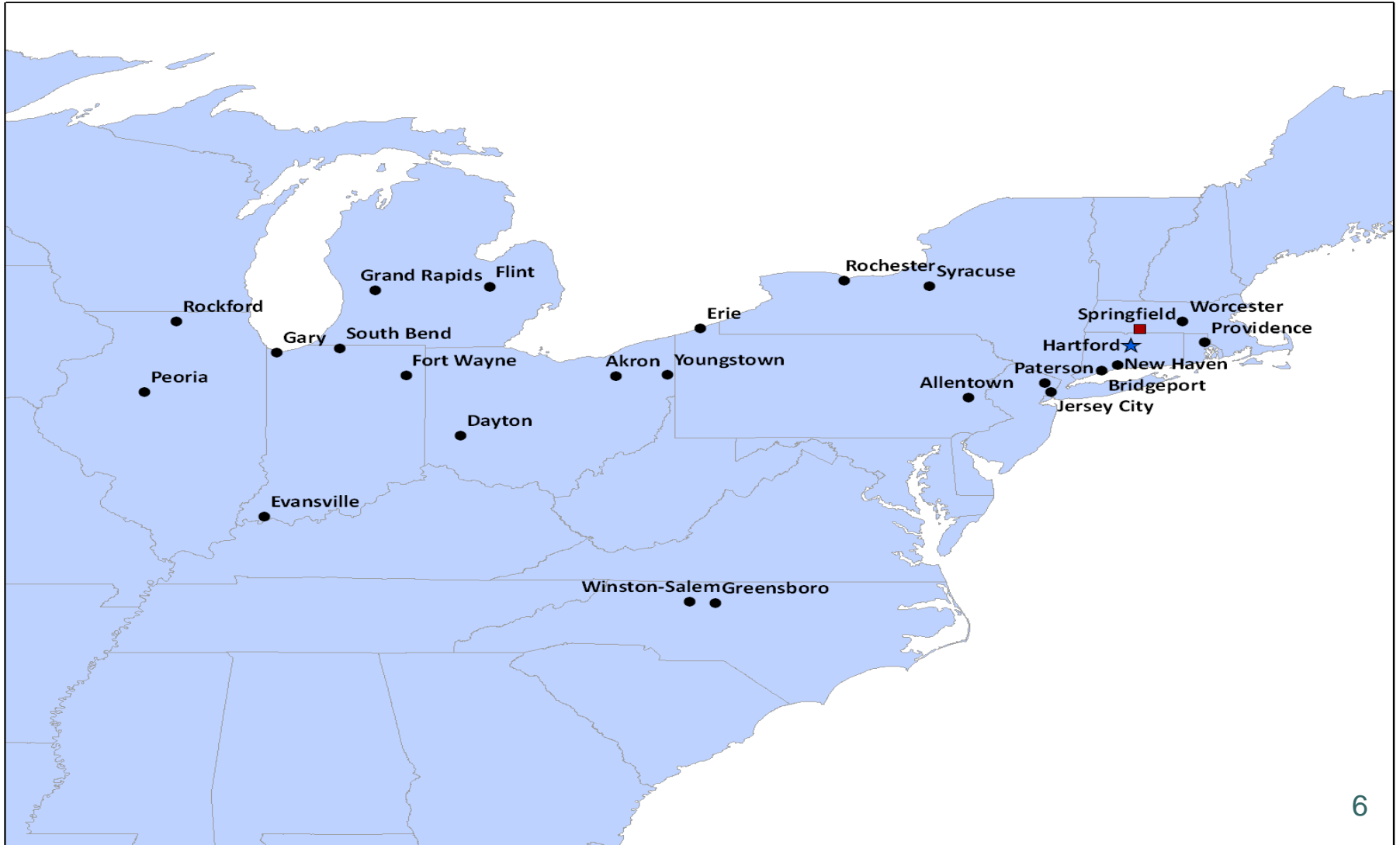


Lessons from Resurgent Cities: Methodology

- 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

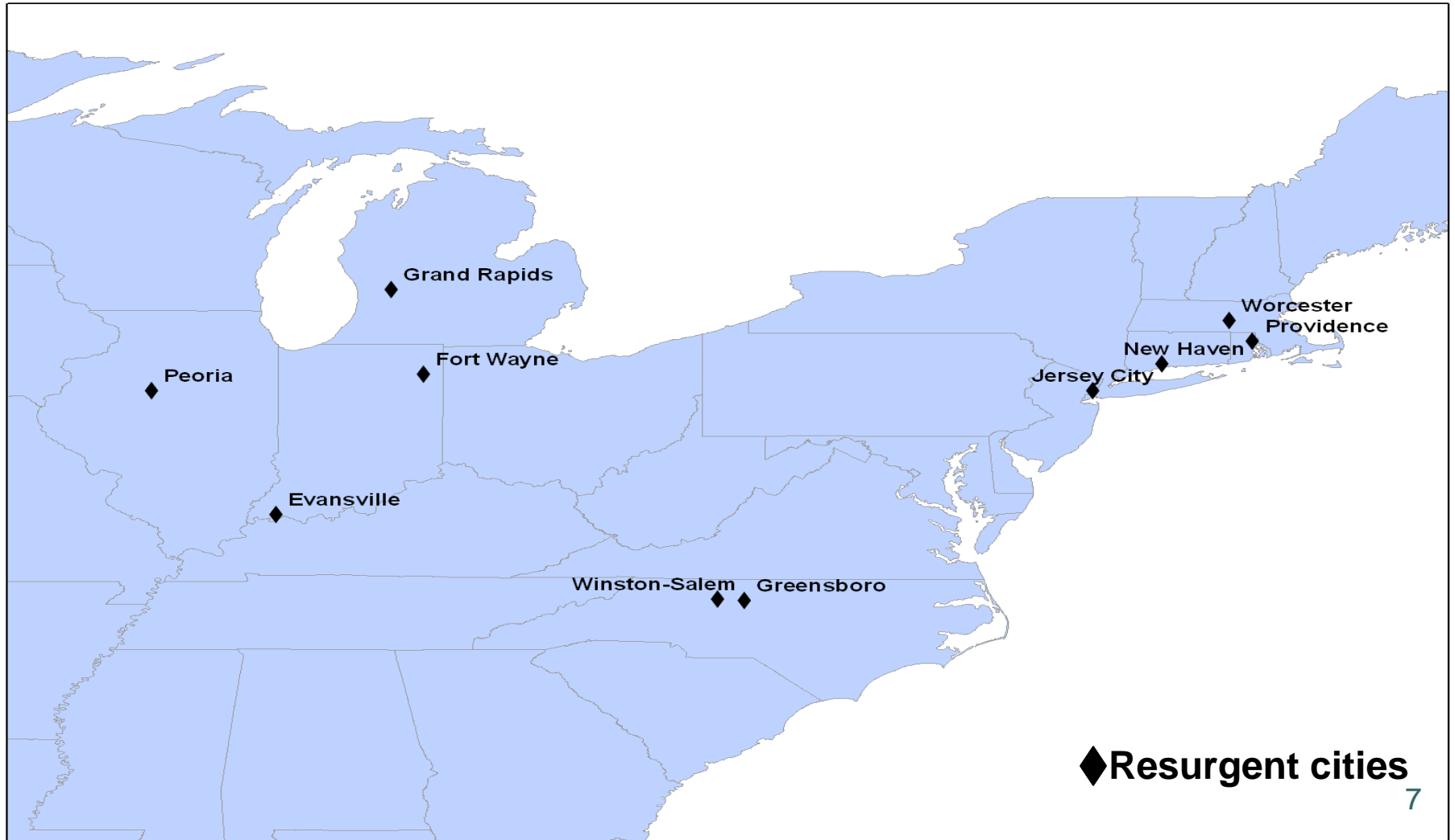
Criteria for selecting 25 peer cities:

- 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:

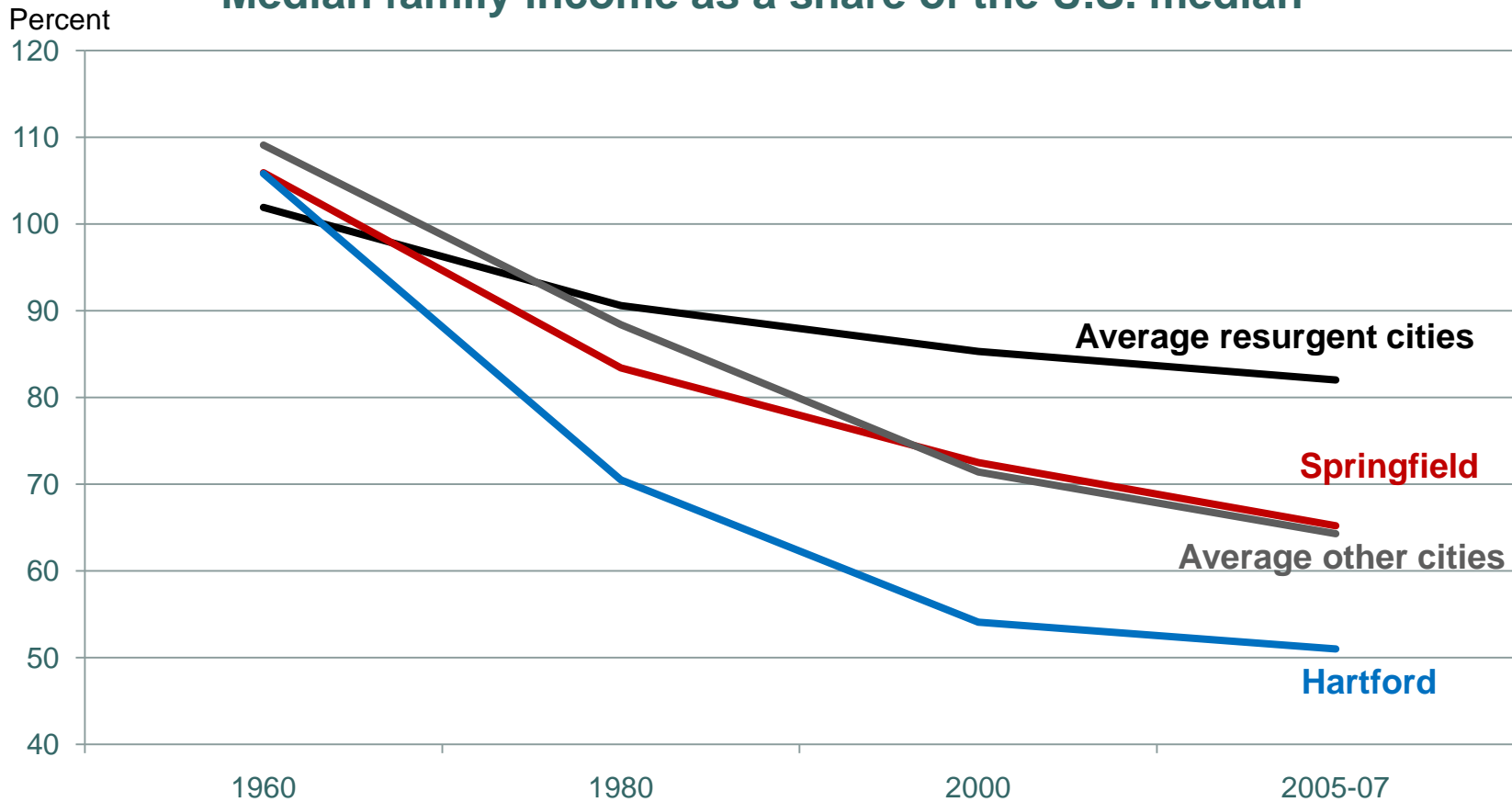
- median family income: level in 2005-07 and change in ranking since 1960
- poverty rate: level in 2005-07 and change since 1980
- population: percent change since 1960 (secondary criterion)
- reputation as vital community



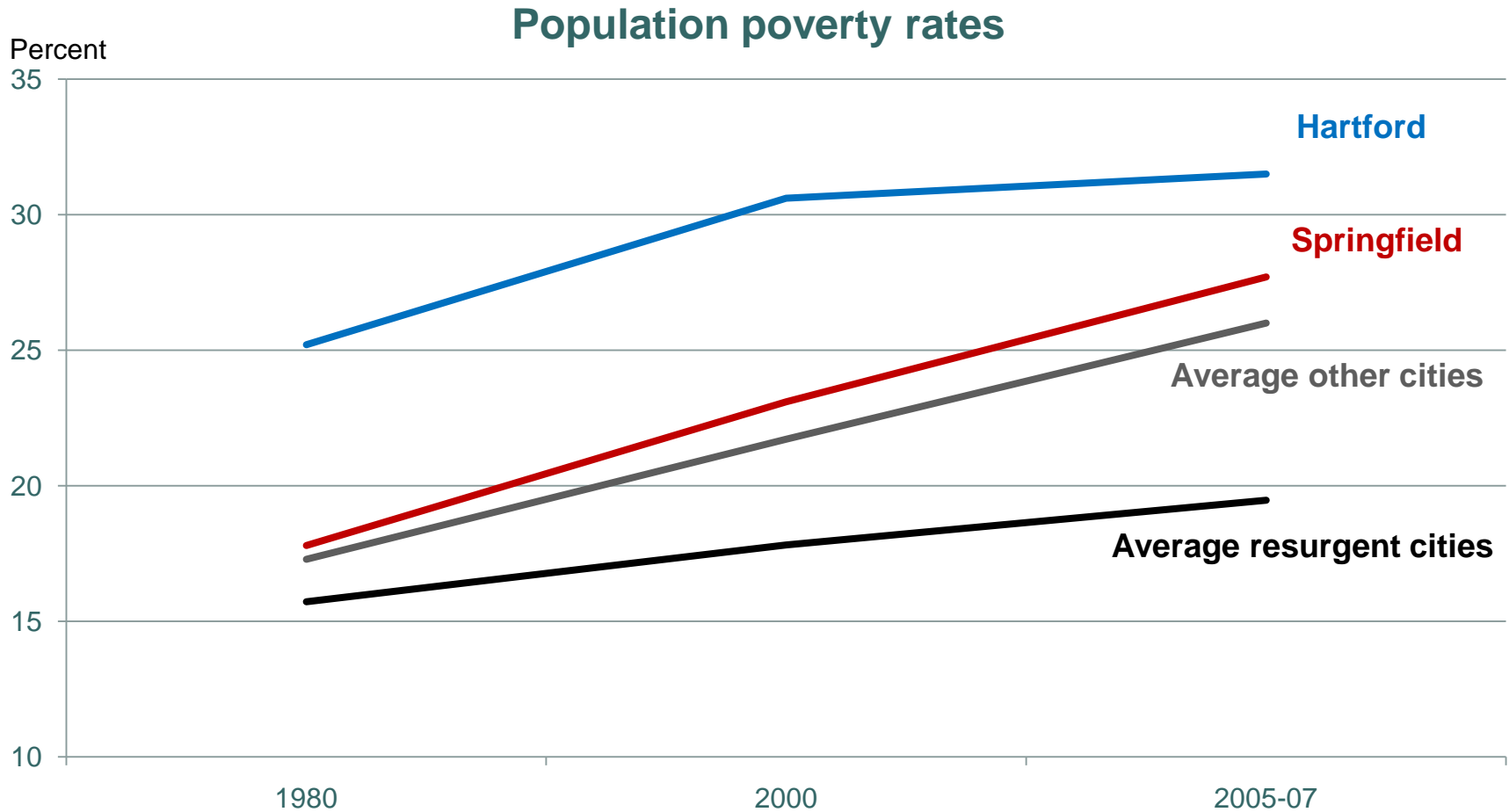
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Median family income in the resurgent cities averages 86 percent of the U.S. median, about \$11,000 higher than the other cities' average .

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



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

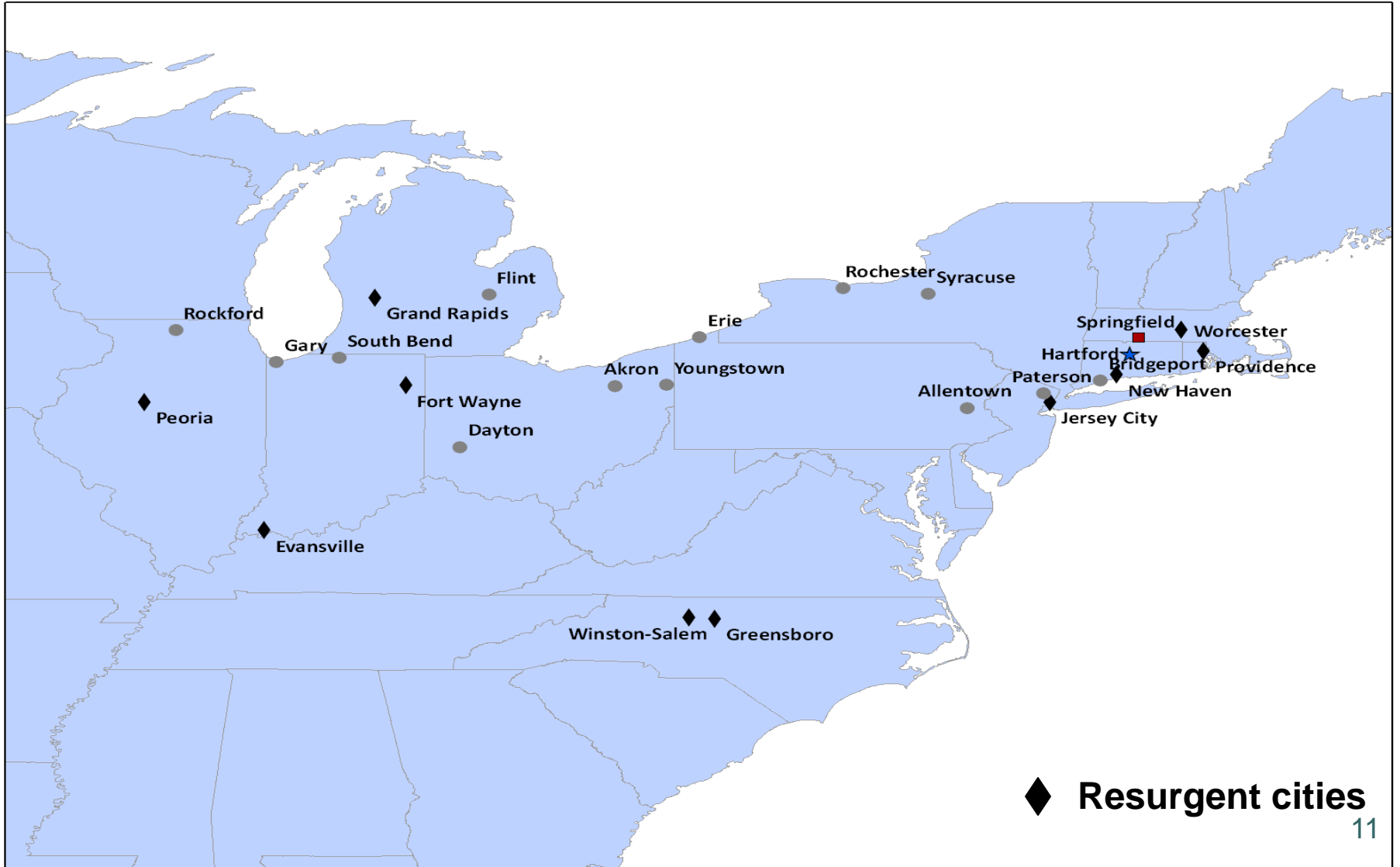




Why did the resurgent cities do better than Springfield or Hartford?

- Some cities may have benefited from their geographic location, but geography does not account for overall patterns.
 - Three other southern NE cities (New Haven, Providence, and Worcester) are in resurgent group.
 - Resurgent and non-resurgent cities co-exist within states.

Resurgent and Non-resurgent Cities



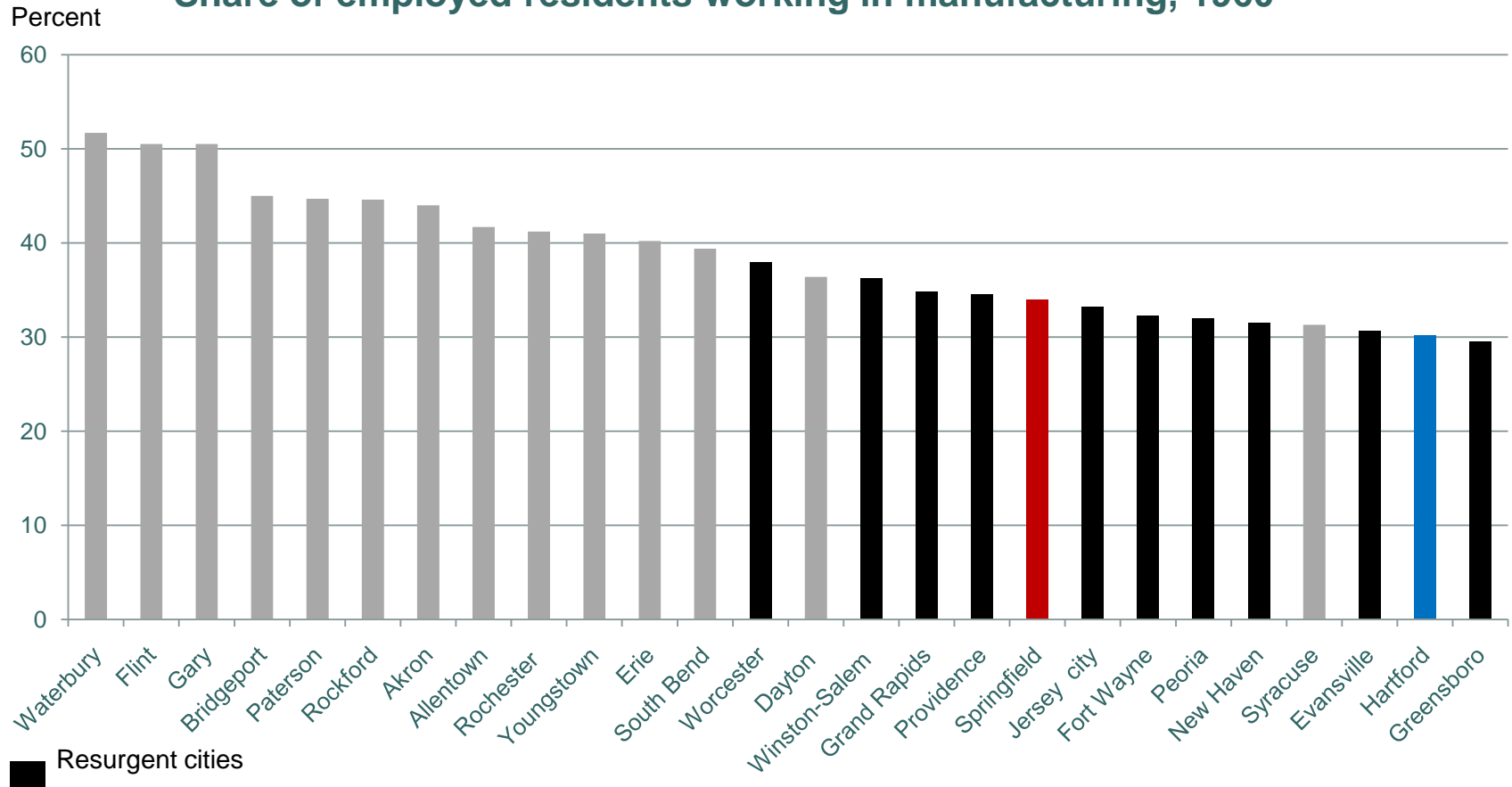


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 - Resurgent and non-resurgent cities co-exist within states.
- Initial manufacturing intensity mattered (but does not account for Springfield's or Hartford's lack of resurgence).

The resurgent cities had relatively low initial dependence on manufacturing

Share of employed residents working in manufacturing, 1960





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 - Resurgent and non-resurgent cities co-exist within states.
- Initial manufacturing intensity mattered (but does not account for Springfield's or Hartford's lack of resurgence).
- Lack of dramatic racial/ethnic changes may have helped in some cases, but several resurgent cities experienced dramatic changes in their racial/ethnic composition.

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
	Hartford	84.5	30.4	15.3	39.6	0.2	30.0
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 smaller percent increase in Hispanic residents, 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
	Hartford	20.5	41.1
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)

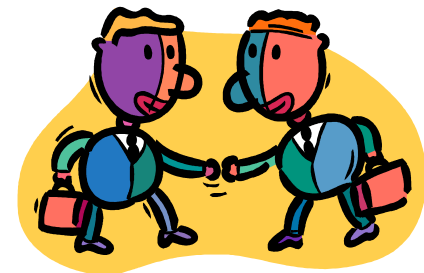


Major Themes

- Lead and collaborate
- Transform the economy
- Develop human capital
- Extend prosperity and involve the community

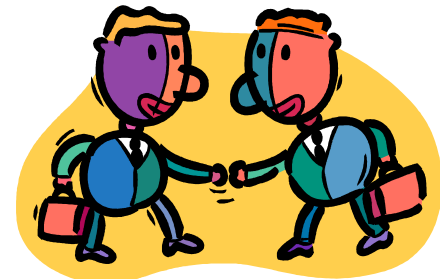
Collaboration #1: Initial leadership can come from any sector, but collaboration needed to sustain resurgence.

- **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.

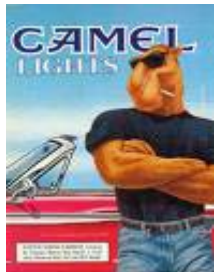


Economic Transformation #1: Modernization of existing assets is necessary (but insufficient).

- 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 to “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



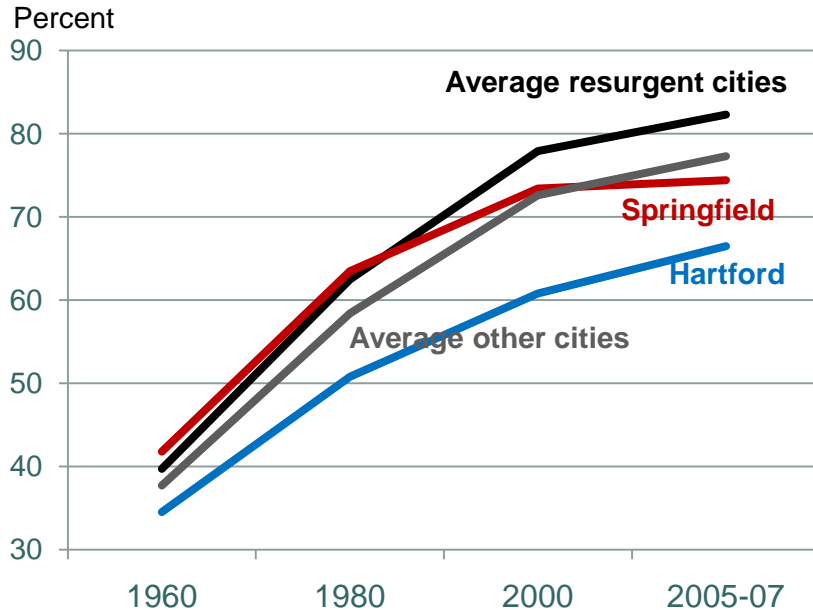


Economic Transformation #3: Adapt to changing circumstances.

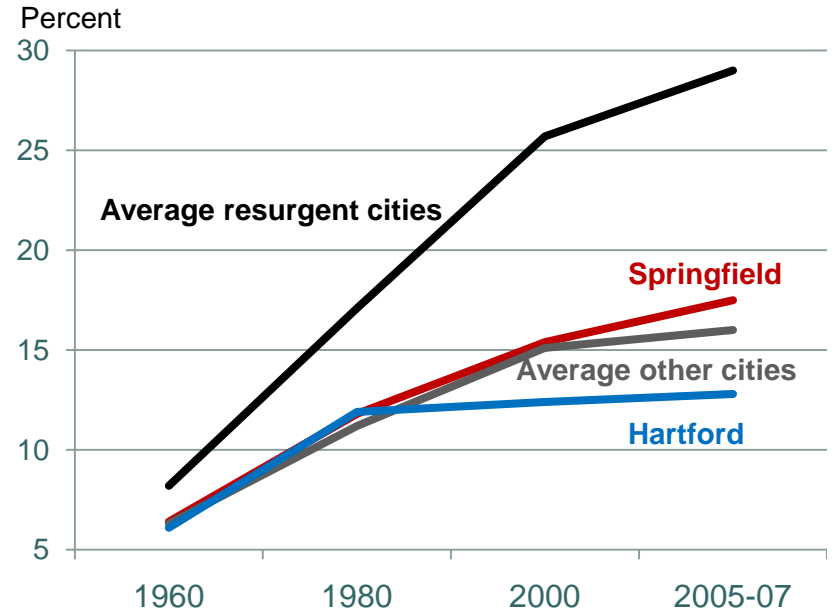
- Long-term planning is essential
- Worcester: broaden life sciences focus in order to create more jobs. Learn from mistakes (mall, airport).
- Fort Wayne: as success wanes, add entrepreneurship focus.
- Greensboro: broaden employment focus from low-paying service sector jobs in order to improve income 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
- Fundamental transformations take place over decades
- Educational institutions and foundations play key roles in extending benefits of resurgence to poor neighborhoods



Conclusion:

- No inherent obstacles for Springfield to become as successful as the resurgent cities
- Resurgent cities provide fresh ideas
- Urgent need to improve civic infrastructure
- *Do the lessons from resurgent cities apply equally to Hartford?*