

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



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

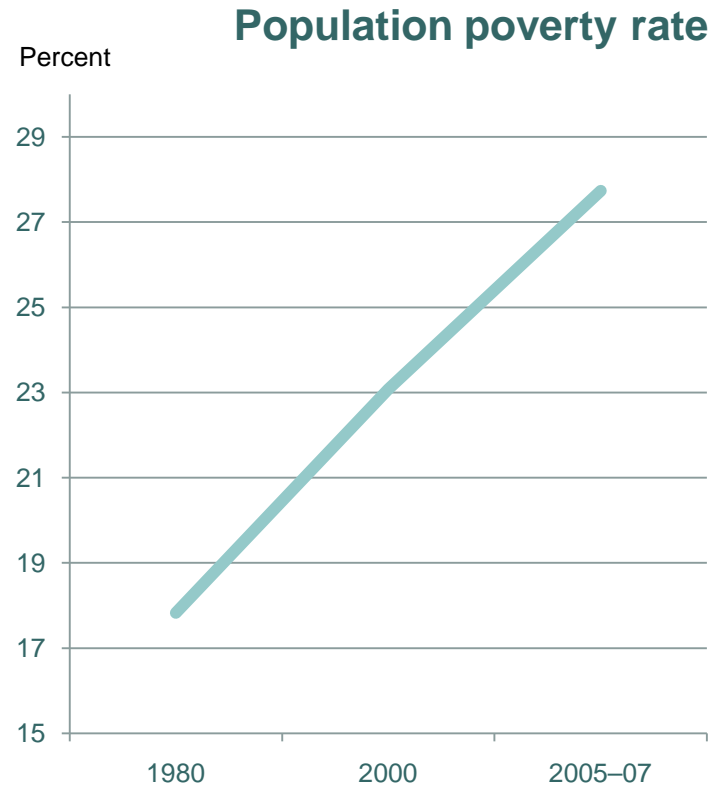
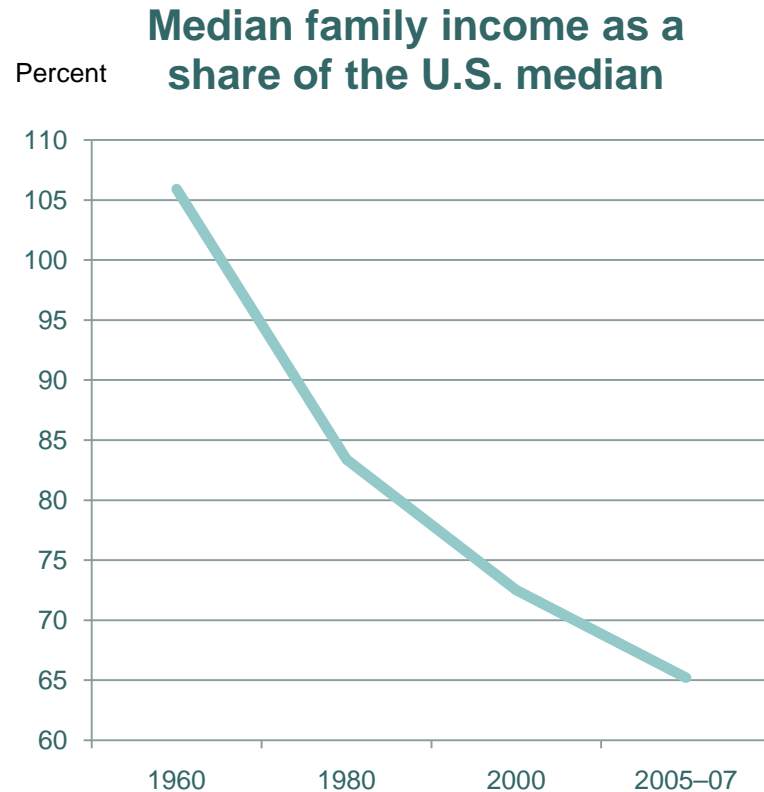
Multiyear:
Follow-through



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?





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

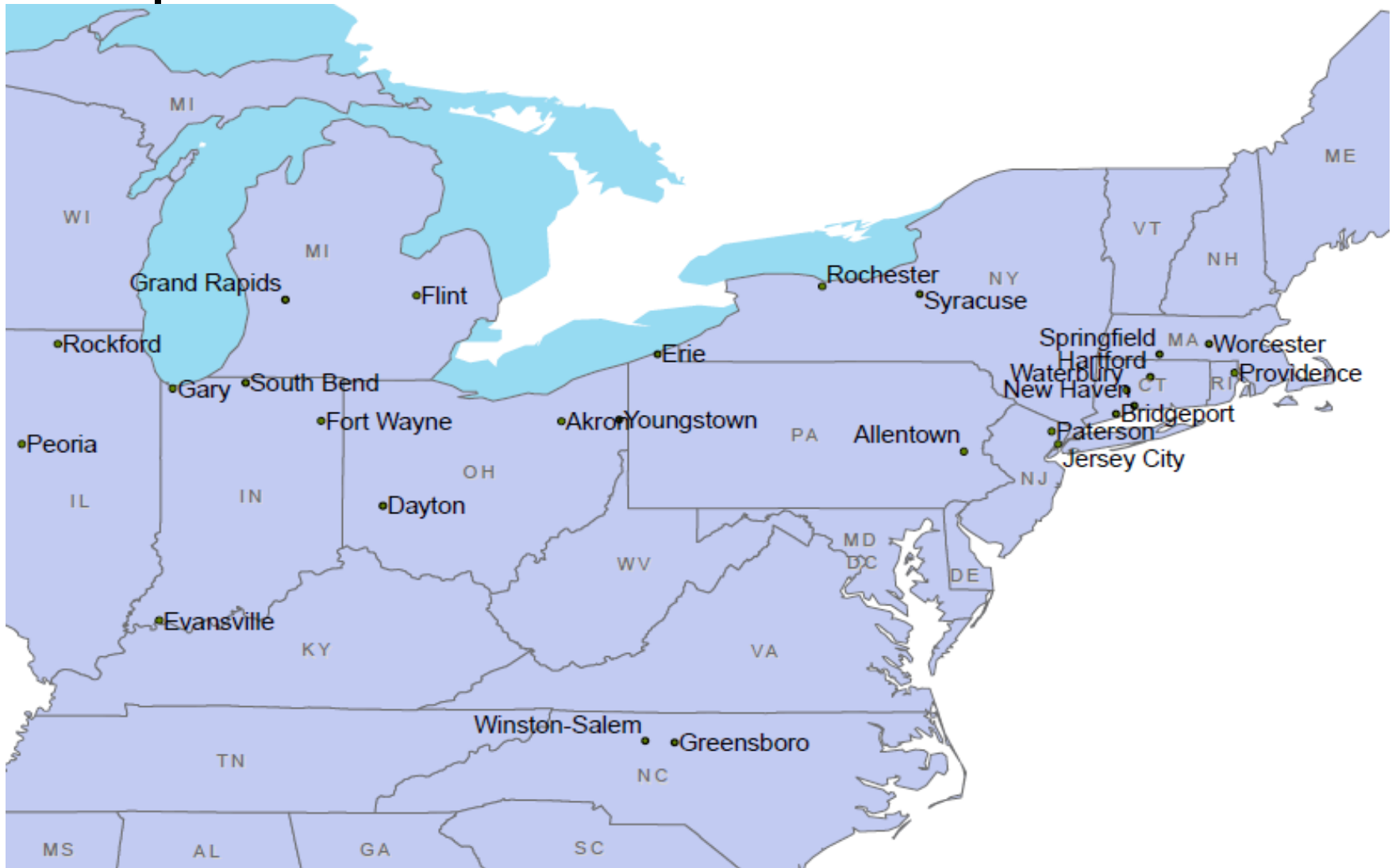


Lessons from Resurgent Cities: Findings

- 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)

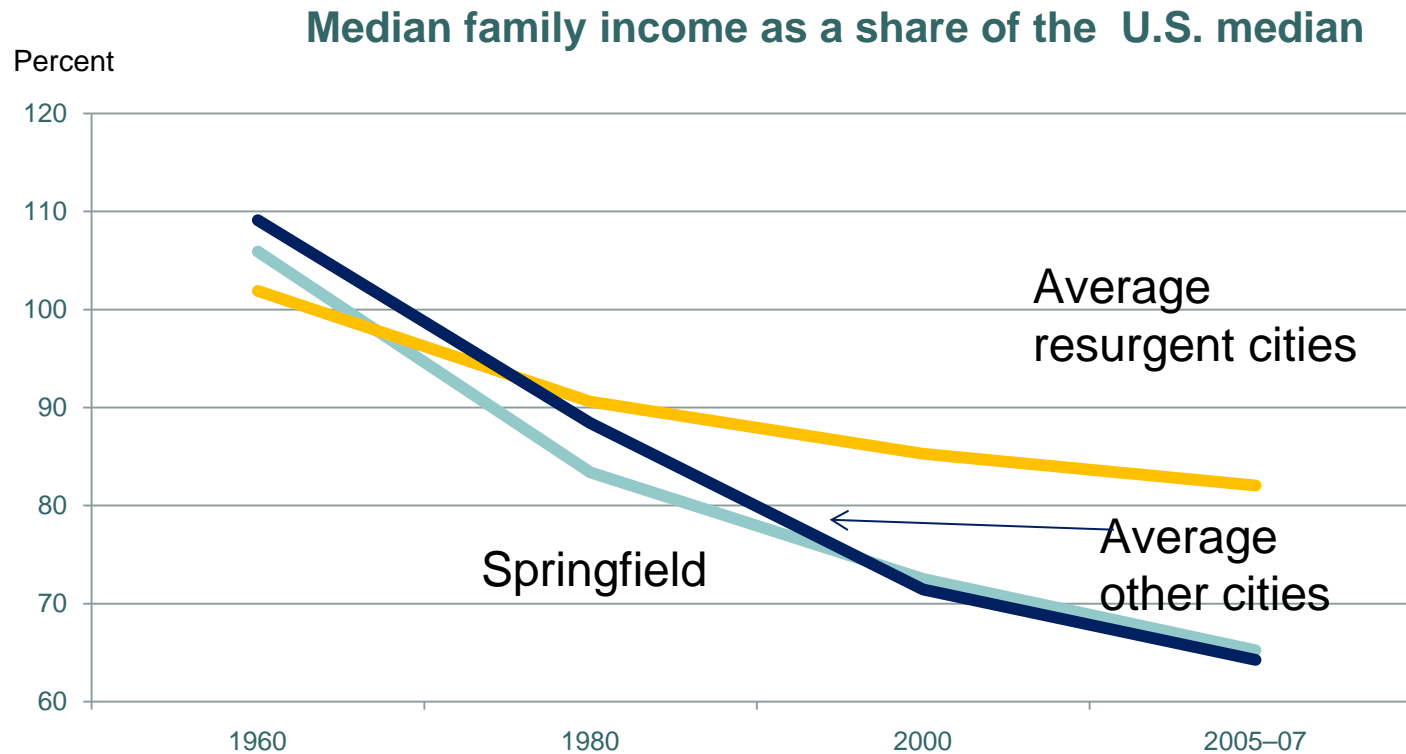


Criteria for selecting 10 resurgent cities:

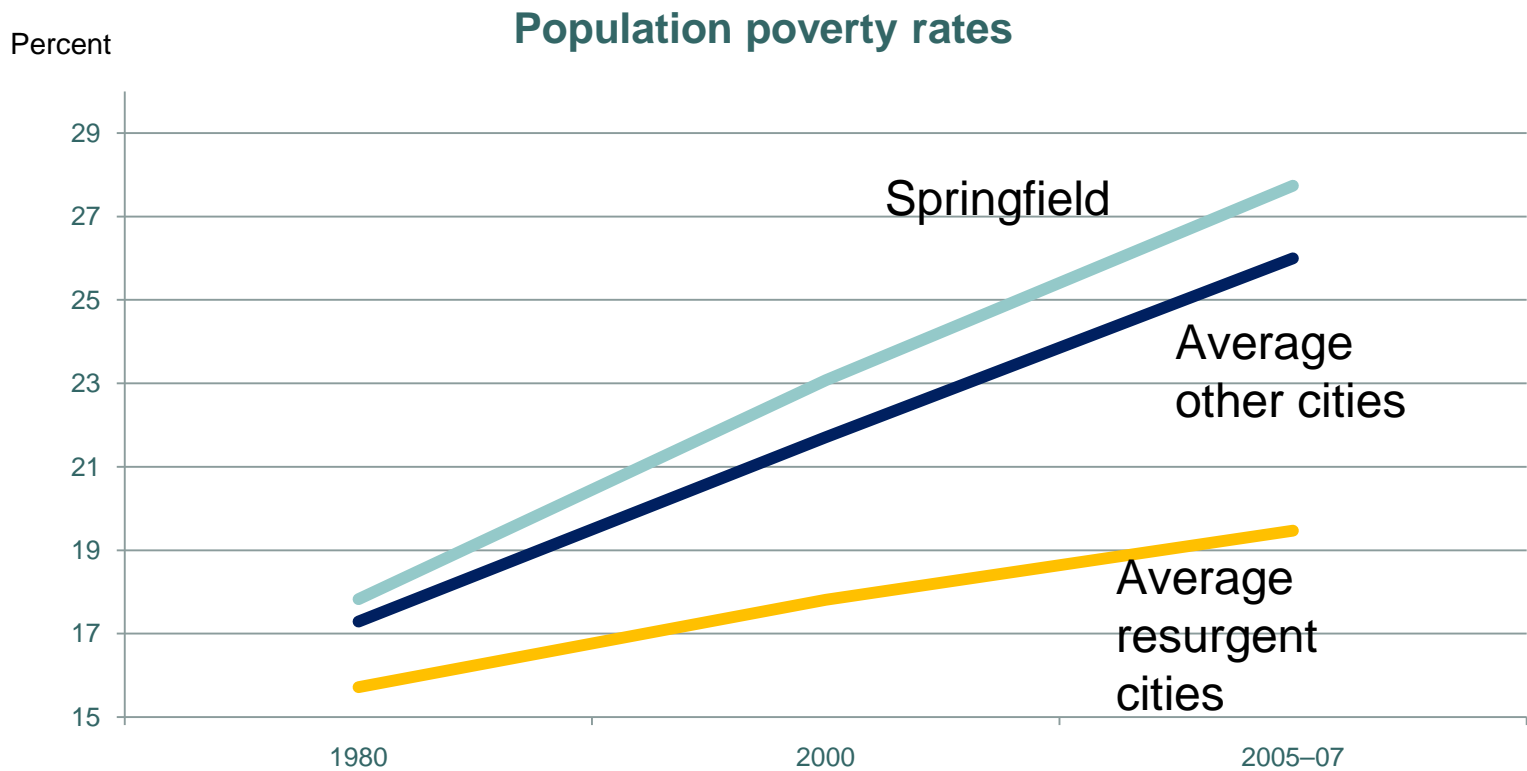
- median family income: level in 2005-07 and change in ranking since 1960
- poverty rate: level in 2005-07 and change since 1980
- population: percent change since 1960 (secondary criterion)
- reputation as vital community



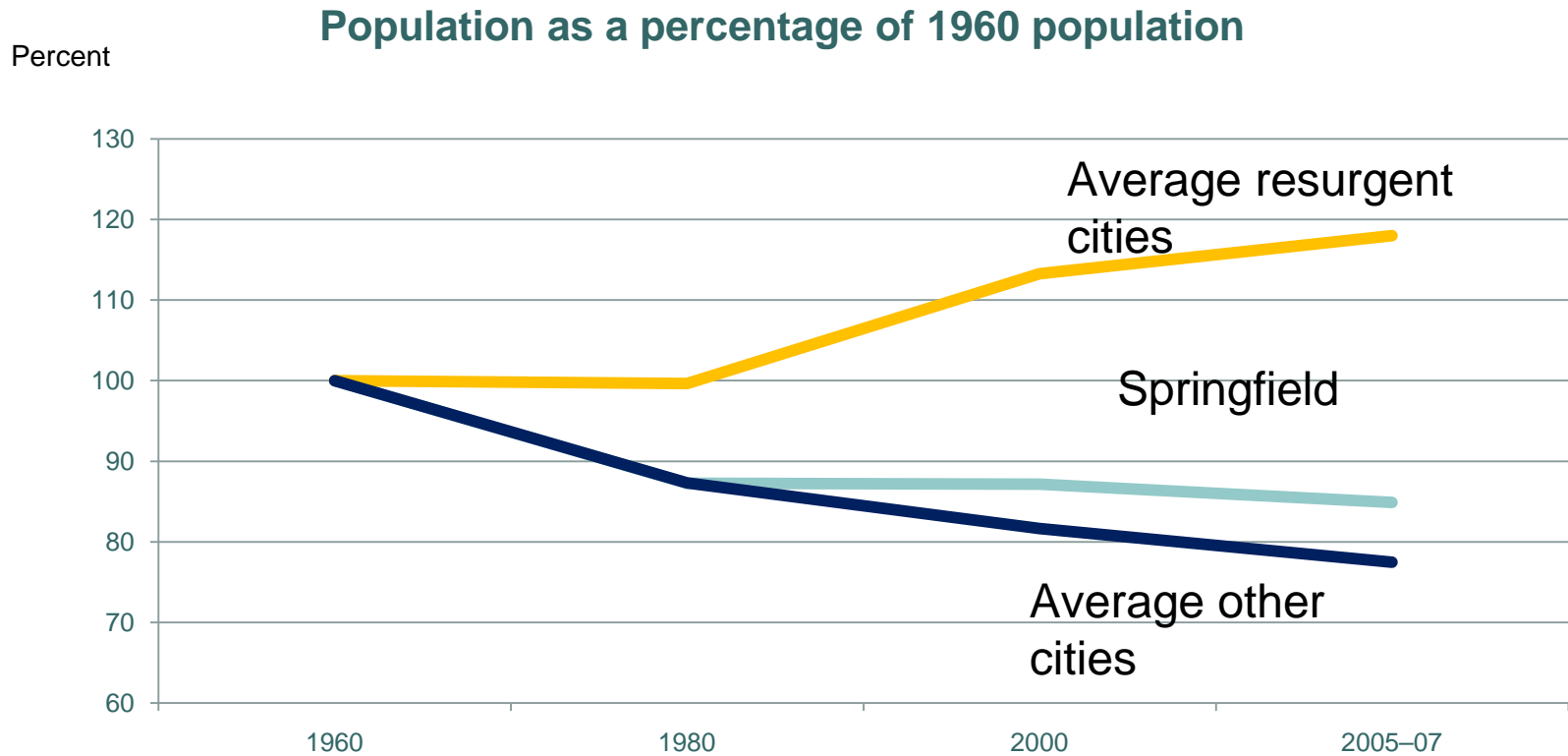
Median family income in the resurgent cities averages 86 percent of the U.S. median, about \$10,000 higher than in Springfield.



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.





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



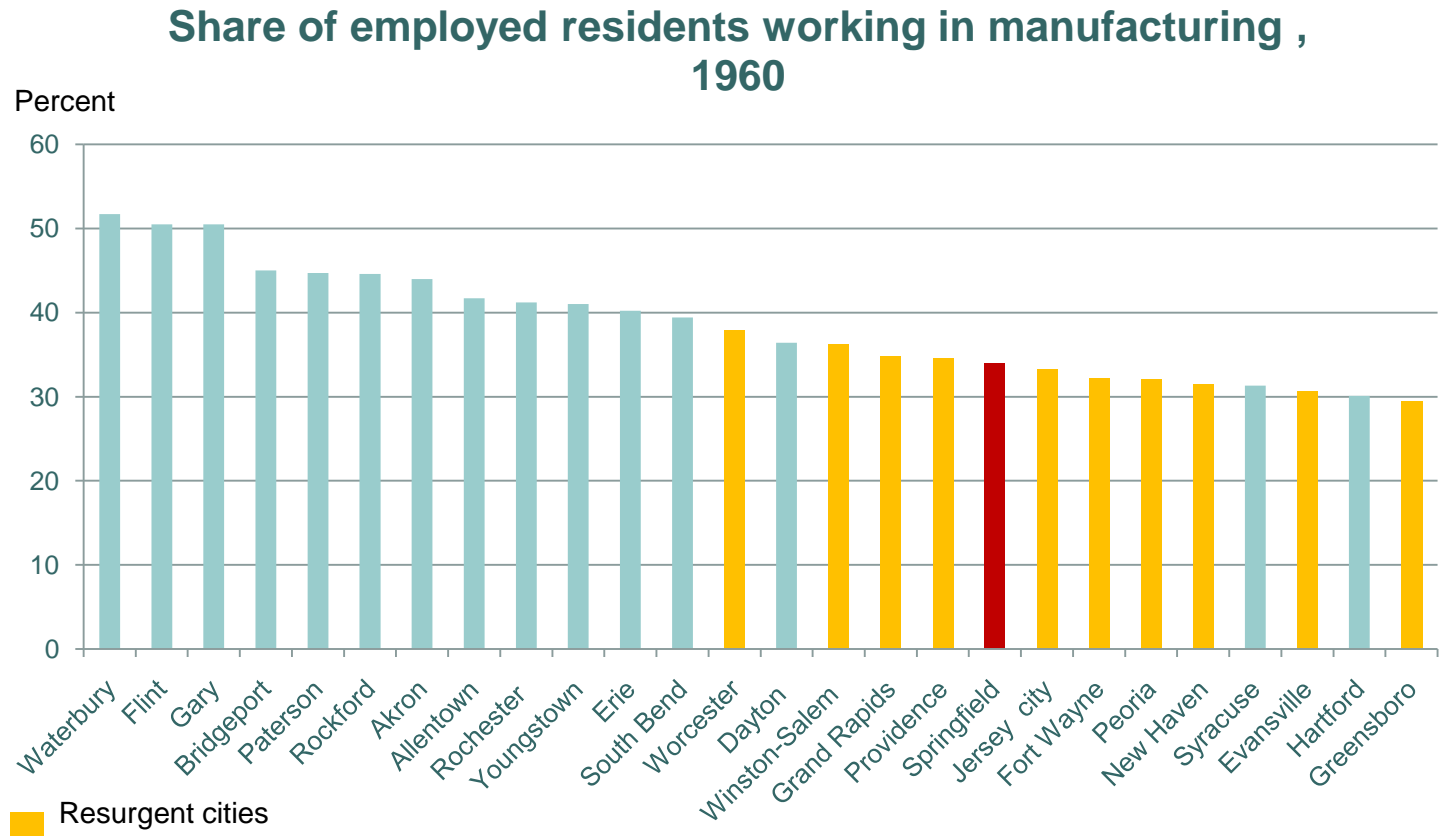


Why did the resurgent cities do better than Springfield?

- 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)

● ● ●

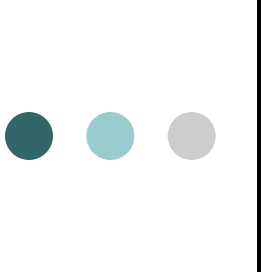
The resurgent cities had relatively low initial dependence on manufacturing, as did Springfield.





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)

		Health care and social assistance	Manufacturing	Retail trade	Educational services	Leisure and hospitality	Professional and business services	Financial activities	Other services	All Other*
Resurgent cities	Evansville	11.9	16.3	14.3	5.7	11.4	8.9	6.0	6.1	19.4
	Fort Wayne	14.5	19.6	11.1	7.2	9.7	8.1	6.2	4.3	19.2
	Grand Rapids	14.4	18.1	11.6	8.7	9.9	9.6	5.0	5.2	17.5
	Greensboro	12.1	12.5	12.4	11.2	10.1	9.0	8.2	3.3	21.2
	Jersey City	12.7	6.4	8.7	7.2	7.6	13.5	14.3	4.7	25.0
	New Haven	17.1	9.9	10.2	20.0	8.3	8.6	5.1	5.7	15.2
	Peoria	16.3	15.8	10.8	8.9	10.5	9.7	6.3	5.4	16.3
	Providence	14.8	15.0	10.8	12.6	12.5	8.5	6.5	4.3	14.9
	Winston-Salem	15.7	11.8	10.9	9.7	9.9	9.5	7.9	4.8	19.7
	Worcester	16.0	11.2	12.8	11.6	9.3	9.1	6.3	5.1	18.7
	Springfield	19.1	12.5	10.2	8.8	9.0	7.4	6.9	5.0	21.0
Average	All cities	16.1	14.4	11.9	9.3	9.9	8.6	6.0	5.0	18.9
	Resurgent cities	14.5	13.7	11.4	10.3	9.9	9.5	7.2	4.9	18.7
	Other cities	17.1	14.8	12.2	8.7	9.9	8.1	5.2	5.0	19.0



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)

		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

Springfield has a larger Hispanic share than any resurgent city except Providence.

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 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)



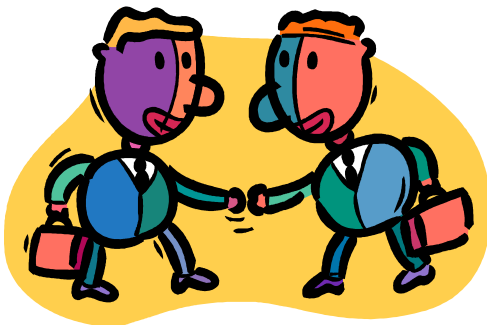
Major Themes

- Lead and collaborate
- Transform the economy
- Develop Human Capital
- Extend prosperity and involve the community

● ● ●

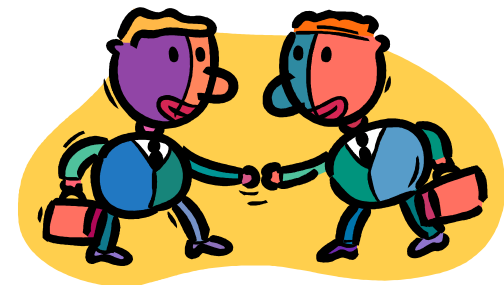
Collaboration #1: Initial leadership can come from any sector, but collaboration needed to sustain resurgence.

- 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 and 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

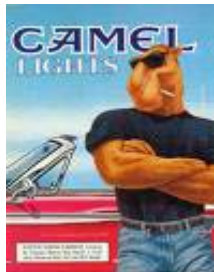


Economic Transformation #1: Modernization of existing assets is necessary (but insufficient).

- 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?

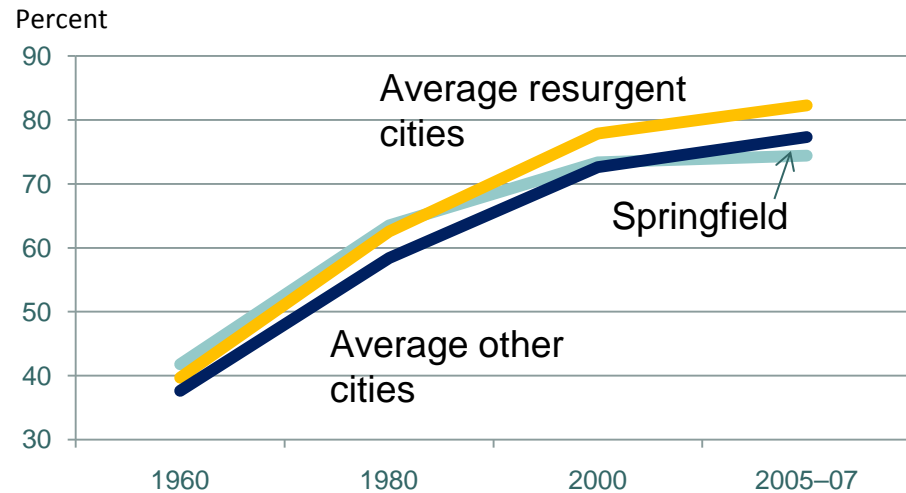
Economic Transformation #2: Pursue opportunities to re-invent the city and adapt to changing circumstances.

- 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?

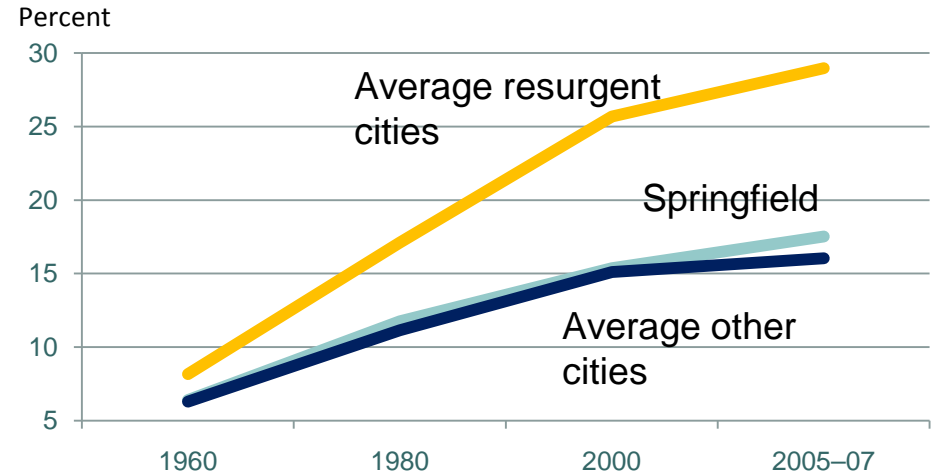


Developing Human Capital: essential in a knowledge economy.

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

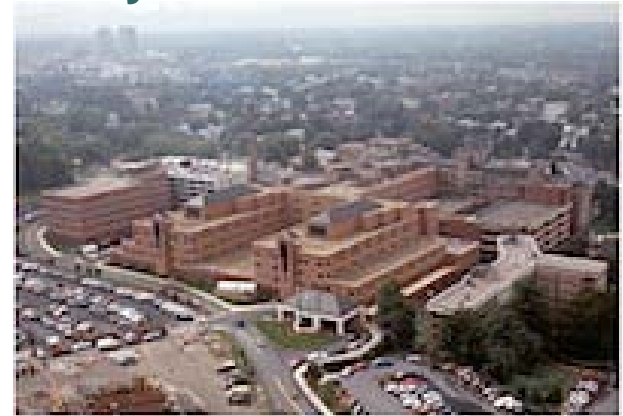
- Form emerging leaders program
- Initiate “city to city” activities
- Compete for national city award
- Strengthen grant application capability
- In all cases, include people from different sectors, perspectives, racial and ethnic backgrounds



The Armory Museum



BayState Medical Center



Dr. Seuss National Memorial

The City of Homes



Basketball Hall of Fame

