

Lessons from Resurgent Cities

By Yolanda Kodrzycki
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In 2008, the Federal Reserve Bank of Boston began a project to help reinvigorate the city of Springfield, Massachusetts. This cross-departmental initiative uses the Boston Fed's research and convening capabilities to complement the efforts of other organizations dedicated to improving economic and social conditions in New England's fourth-largest city. As noted in an earlier joint Federal Reserve-Brookings Institution study, Springfield has one of the highest rates of concentrated poverty in the country: one-third of the city's poor live in neighborhoods where poverty rates exceed 40 percent.¹ Thus, a particular focus of the Boston Fed project has been to support revitalization strategies that would enable more city residents, particularly those located in poor areas, to prosper.

While the Boston Fed project focuses on the city of Springfield, we hope to devise approaches that can be replicated in other struggling mid-sized cities around New England and the nation. To this end, this essay reports on lessons learned from our research on older industrial cities that have adapted relatively well to economic challenges, and are recognized as vital communities today. We believe these "resurgent cities" provide relevant, inspiring insights on development strategies for urban America.

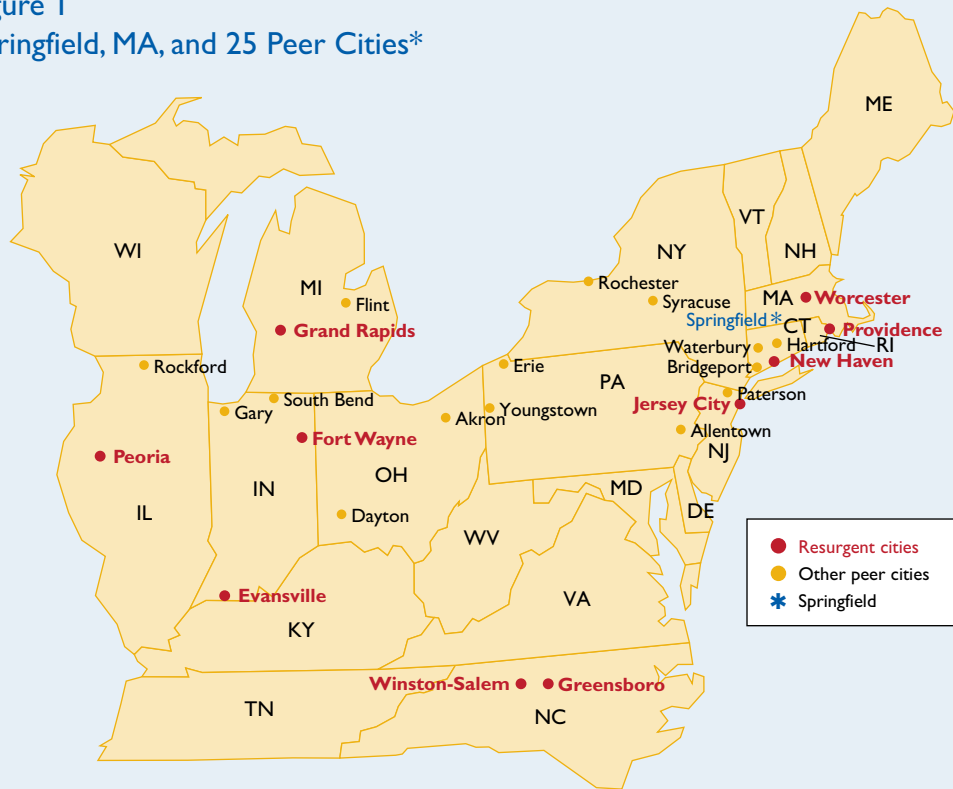
Mid-sized manufacturing cities face challenges

The early 1960s were good times for the residents of Springfield. Median family income in Springfield was slightly higher than the national average, and the city's poverty rate was a little below average. About one-third of its resident jobholders worked in manufacturing. In many ways, Springfield in the beginning of the 1960s was emblematic of other successful U.S. cities of that era.

Our study identified 25 peer cities that most closely matched Springfield's profile (see Figure 1).² As it turned out, all of these cities are in the Northeast, Midwest, or Upper South. These peer cities had populations ranging from about 100,000 to about 250,000 residents in the

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Figure I
Springfield, MA, and 25 Peer Cities*



*Based on population, employment in manufacturing, and the role of the city in the region from 1960 to 1980.

period from 1960 to 1980, although a few started with larger populations in 1960 before shrinking in size. Their manufacturing employment shares in 1960 ranged from 30 percent to just over 50 percent. Like Springfield, each of the peer cities has remained the primary urban center of its respective metropolitan area. Thus, in addition to bearing responsibility for the well-being of their own residents, these cities continue to provide job opportunities, medical care, higher education resources, and a range of other services and amenities for the residents of the surrounding region.

We identified 10 cities (out of these 25) that have done substantially better than the others. These “resurgent cities” are Evansville (IN), Fort Wayne (IN), Grand Rapids (MI), Greensboro (NC), Jersey City (NJ), New Haven (CT), Peoria (IL), Providence (RI), Winston-Salem (NC), and Worcester (MA). Among the indicators we used to make this identification are family income, poverty rates, population trends, and reputation among economic development experts (see Table 1 and “Recognition of Resurgence” box).

The 10 resurgent cities have a number of factors in common. First, although they have fared considerably better than their peers, their economic performance over the past five decades has not been as strong as that of the national economy. In 1960,



Downtown, Providence, RI

Recognition of Resurgence

Resurgent cities have received nationwide recognition for their individual programs and for their overall revitalization process. One of the most important recognitions is the All-America City Award, a program of the National Civic League that recognizes communities whose citizens work together to identify and tackle community-wide challenges and achieve uncommon results. In the past two decades, Evansville, Fort Wayne, Grand Rapids, Greensboro, New Haven, Providence, Winston-Salem, and Worcester have been among the winners or finalists of this award. In fact, Fort Wayne has been named an All-America City three times, most recently in 2009. Among other initiatives, the latest award recognized the establishment of the Refugee Resource Center to provide services to the city's burgeoning immigrant and refugee population. Funded in part by a federal government grant, the center helps new residents of Fort Wayne learn English and other skills, and gain access to health care and employment.

The range of honors awarded to Winston-Salem over the past decade illustrates the extent of the city's transformation since being known primarily as the center of the U.S. cigarette industry. In 2004, Partners for Livable Communities selected Winston-Salem as one of the 30 "Most Livable Communities," based on its "creativity and ability to prepare for the new economy."⁷ Winston-Salem was also named one of the world's "Most Intelligent Communities" in 2008, in a list drawn up by the Intelligent Community Forum.⁸ In 2006, the city was included among "America's 50 Hottest Cities" for business relocation or expansion,⁹ and in 2009 *Forbes Magazine* ranked the Winston-Salem metropolitan area as the 18th-best place in the United States for business and careers.

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Table I
Key Economic Indicators, 1960, 1980, and 2005–07
Springfield, Peer Cities, and U.S. Total

	Median Family Income		Population Poverty Rate		Population	
	1960	2005–07	1980	2005–07	1960	2005–07
	Percent of U.S. median		Percent		In thousands	
Resurgent Cities						
Evansville	93.6	76.9	12.2	17.8	142	114
Fort Wayne	114.7	89.4	11.0	13.9	162	250
Grand Rapids	107.2	75.2	13.5	21.9	177	194
Greensboro	103.3	87.8	12.8	18.7	120	237
Jersey City	105.1	80.1	21.2	17.4	276	235
New Haven	103.6	71.9	23.2	24.0	152	124
Peoria	105.3	90.7	12.3	16.9	103	111
Providence	89.6	70.2	20.4	27.2	207	170
Winston-Salem	93.9	85.6	16.4	18.6	111	214
Worcester	102.5	92.4	14.4	18.3	187	166
Springfield	105.9	65.2	17.8	27.7	174	148
Peer City Averages						
All cities	105.3	71.1	16.7	23.6	174	149
Resurgent cities	101.9	82.0	15.7	19.5	164	181
Other peer cities	109.1	64.3	17.3	26.1	180	128
U.S. total	100	100	11.7	13.3	179*	299*

Source: U.S. Bureau of the Census. County and City Data Book (1960), American Community Survey (2005–2007).

*In millions

average median family income in the 10 resurgent cities was \$5,700, similar to the U.S. figure. In 2005–07, their average median family income of \$50,000 was only 82 percent of the U.S. median (see Figure 2). Similarly, the average population poverty rate deteriorated from 16 percent in 1980 to 19 percent in 2005–07; this latter reading was six percentage points higher than the U.S. average (see Figure 3). Thus, as U.S. economic activity has decentralized since around 1960, middle- and higher-earning families increasingly have tended to live in the suburbs. Even the relatively successful cities have had to cope with the challenges of being home to poorer populations than was the case in the past.

Second, most of the resurgent cities have also undergone deep changes in the racial and ethnic make-up of their populations. In 1960, as a group, the resurgent cities were not very different from the nation. On average, whites comprised 87 percent of city populations, compared with 89 percent of the national population. Now, however,

resurgent city populations are, on average, more racially mixed than many other parts of the United States. As of 2005–07, the average city in the resurgent group was 62 percent white, and two of the resurgent cities—Jersey City and New Haven—went from being over 85 percent white in 1960 to having nonwhite majorities in 2005–07. The mix for the nation in 2005–07 was 76 percent white and 24 percent other race categories (see Table 2). Hispanics have increased as a share of resurgent city populations from an average of 4 percent in 1980 to 15 percent in 2005–07, similar to their nationwide share. Providence’s population was 6 percent Hispanic in 1980, and then skyrocketed to 36 percent in 2005–07, the highest share among the resurgent cities (see Table 3).

Transitioning away from a manufacturing-oriented economy has posed major challenges. Nationally, the share of manufacturing jobs has decreased dramatically since the early 1960s and, in fact, the total *number* of people employed in the U.S. manufacturing sector is lower now than it was then. In addition, manufacturing work has shifted increasingly to suburban areas, making it that much harder for city residents to access these jobs. A third common factor for the resurgent cities is that, by 1960, each of them already had a nonmanufacturing job base that offered development potential. In Evansville and Greensboro, for example, about 70 percent of employed residents worked outside of manufacturing in 1960. By contrast, none of the cities where over 40 percent of employed residents had manufacturing jobs in 1960 has yet managed to achieve resurgent status (Figure 4).³

The declining dependence on manufacturing over time is striking. On average, only about 14 percent of the residents of resurgent cities were employed in the manufacturing sector in the mid-2000s (Table 4). A number of other industries were major employers of urban populations, especially retail trade, education, and leisure and hospitality. In fact, industry diversification has become the norm both in resurgent and in the remaining peer cities.

A final observation is that economic resurgence has been only weakly linked to geography. States such as Connecticut, Massachusetts, New Jersey, Indiana, Michigan, and Illinois each had both at least one resurgent city and at least one non-resurgent city. This pattern suggests that although statewide policies may have been a factor in easing economic adjustment, mid-sized cities ultimately played an important role in determining their own fates.

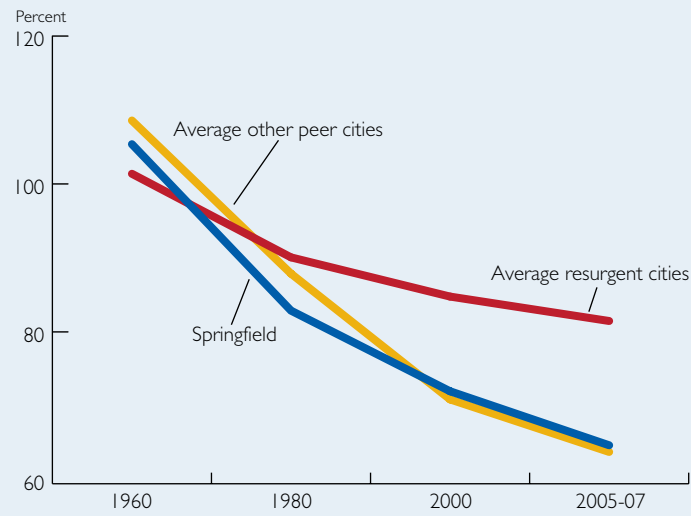
Leadership and collaboration drive resurgence

Time and again, our examination of the resurgent cities’ histories indicated that the resurgence involved *leadership* on the part of key institutions or individuals, along



In some cases, the turnaround started with efforts on the part of the public sector, while in other cases nongovernmental institutions or even private developers were at the forefront.

Figure 2
Median Family Income as a Share of U.S. Median Family Income



Source: U.S. Bureau of the Census. County and City Data Book (1960), Decennial Census (1980 and 2000), American Community Survey (2005–2007).

with *collaboration* among the various constituencies with an interest in economic development. Initial leadership in these cities came from a variety of key institutions and individuals. In some cases, the turnaround started with efforts on the part of the public sector, while in other cases nongovernmental institutions or even private developers were at the forefront. In these success stories, the instigators of city revitalization recognized that it was in their own interest to prevent further deterioration in the local economy, and they took responsibility for bringing about improvement.

Regardless of who initiated the turnaround, economic redevelopment efforts spanned decades and involved collaborations among numerous organizations and sectors. Collaboration became necessary because economic transformation is complex, and because outsiders—such as state and national governments, foundations, and businesses that are potential sources of funding and jobs—often require proof of joint efforts in order to contribute to a city’s development.

Public sector leadership

In some cities, revitalization stemmed from the mayor’s leadership. However, ongoing commitments of business and nonprofit groups provided critical continuity as mayors changed. An interesting illustration is Providence. After World War II, the city fell into a downward spiral, losing population and jobs. In 1974, Vincent Cianci



Museum Quadrangle, Springfield, MA

was elected mayor. Although controversial, Cianci brought energy and a strong presence to the city. Working with private partners, he led Providence in carrying out a series of ambitious projects that eventually enabled its successful promotion as the “Renaissance City.” After a major personal scandal forced Cianci to leave office, a private-sector coalition—led by the Providence Foundation, the Greater Providence Chamber of Commerce, corporate leaders, and the Rhode Island Foundation—was instrumental in pursuing development initiatives. Collaboration between the public and private sectors was fundamental in completing long-range projects that were essential in reconnecting downtown to the rest of the city and in developing the waterfront. The projects included the relocation of railroad tracks running through the downtown and the removal of the so-called “widest bridge of the world”⁴ that had obscured the two rivers crossing the city. Upon reelection as mayor in the mid-1990s, Cianci worked to establish tax incentives to attract artists to live downtown and a loan program to help in launching restaurants.

Evansville is another example of a mayor-initiated turnaround. Frank F. McDonald II, Evansville’s mayor from 1959 to 1971, started his period in office by commissioning a study on the city’s potential, and personally contacted businesses to persuade them to settle in Evansville. During this time, the city benefited from the construction of a civic center, federal buildings, a community center, and the state’s first enclosed mall, as well as the beginnings of downtown renewal. These efforts were followed by the launching of an aggressive economic development program by the Metropolitan Evansville Chamber of Commerce in the 1980s, and more recently, by actions to develop technology-oriented businesses co-sponsored by the non-profit Innovation Pointe and the University of Southern Indiana.

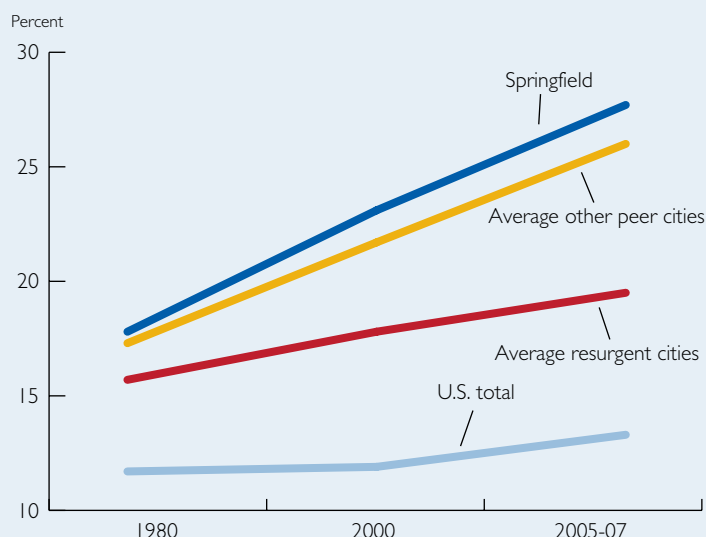
Private sector leadership

While the revivals of Providence and Evansville arguably started in city halls, in other resurgent cities, businesses, philanthropists, and nonprofit organizations initiated the turnaround, and public officials joined the efforts later in the process. Located on

Working with private partners, the mayor led Providence in carrying out a series of ambitious projects that eventually enabled its successful promotion as the “Renaissance City.”

Grand Rapids, one of the resurgent cities in the Midwest, is a prime example of the impact that philanthropists and committed entrepreneurs can have in a city.

Figure 3
Population Poverty Rate, 1980, 2000, and 2005-07
U.S., Springfield, and Peer Cities



Source: U.S. Bureau of the Census. County and City Data Book (1960), Decennial Census (1980 and 2000), American Community Survey (2005–2007).

the west bank of the Hudson River across from Manhattan, Jersey City evolved from being a heavily industrial city in the 1950s to becoming a major financial center by the turn of the century. As employment plummeted in the 1960s and 1970s, job and population declines were accompanied by corruption scandals and soaring crime. Private-sector investors stepped in to take advantage of the city’s location and relative affordability. The mid-1980s construction on abandoned waterfront property of the Newport Development, a \$2.5 billion mixed-use community, is widely credited with kicking off Jersey City redevelopment. Over time, more high-rise buildings were constructed, and financial and other professional services job opportunities emerged.

The private sector could not take on the full burden of the Jersey City turnaround, however. Mayor Bret Schundler, in office from 1992 to 2001, is viewed as having changed the course of a city marked by years of corruption and economic decline, “bringing the diverse people of Jersey City together, and moving one of America’s formerly most distressed cities forward.”²⁵ Business tax incentives offered by the State of New Jersey and public transportation system improvements, including the construction of a \$2.2 billion light rail system in the early 2000s, provided further impetus for firms to locate in the city.

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Once known as the “Furniture Capital of the World,” Grand Rapids has diversified its economy both within and outside the manufacturing sector. A significant early step in turning around the city economy was the development of a health care industry. Jay Van Andel, one of the founders of Amway Corporation, created the Van Andel Institute in 1996 to focus on research pertaining to the genetic and molecular origins of cancer and other diseases. Later on, a number of additional medical facilities and research institutions joined the Institute and the Grand Rapids Medical Education and Research Center to form the “medical mile.” More recently, public-private partnerships and donations from the private sector have sparked downtown revitalization in Grand Rapids. Private investments have been viewed as providing risk-sharing and know-how to public projects.

In some of the resurgent cities, chambers of commerce and business organizations have been involved in broad aspects of economic development including education

**Table 2 Racial Composition of Population, 1960 and 2005-07
Springfield, Peer Cities, and U.S. Total**

	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
Peer City Averages						
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
U.S. total	88.6	75.7	10.5	12.6	0.9	11.7

*Asian; American Indian and Alaska Native; Native Hawaiian and Other Pacific Islander; or some other race.

Note: In 2005-07, entries show the number of white-alone and black-alone populations as a percent of total single-race population, with all other and mixed races as the residual.

Source: U.S. Bureau of the Census. American Community Survey (2005-2007).

and workforce development programs. For instance, the Winston-Salem Chamber of Commerce developed the Blueprint for Technology in 1991, which included initiatives for K-12 public education. The chamber also formed the Winston Works task force that launched a campaign to encourage companies to dedicate at least 1 percent of their discretionary spending to local suppliers.

Although institutional arrangements have varied across cities and over time, the more successful cities now typically have a private, nonprofit organization heading economic development efforts. Such organizations collaborate closely with local chambers of commerce and other nongovernmental entities, but they have broader mandates. Economic development organizations have institutionalized relationships with city government, usually in the form of funding and representation on the board of directors.

For example, in Peoria, a group of civic leaders created the Economic Development Council (EDC) for the Peoria Area in 1981. The EDC attracted new companies

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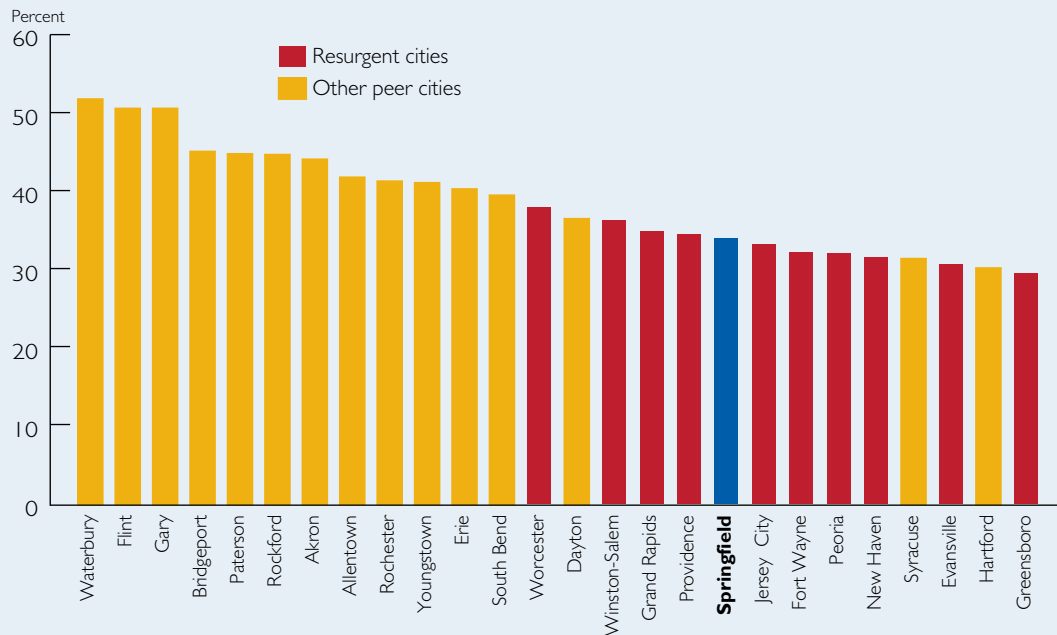
Table 3 Hispanic Share of Population, 1980 and 2005-07
Springfield, Peer Cities, and U.S. Total

	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
Peer City Averages		
All cities	6.2	17.1
Resurgent cities	4.5	15.2
Other cities	7.3	18.3
U.S. total	6.4	14.7

Source: U.S. Bureau of the Census. Decennial Census (1980), American Community Survey (2005-2007).



Figure 4
Share of Employed Residents Working in Manufacturing, 1960
Springfield and Peer Cities



Source: U.S. Bureau of the Census. County and City Data Book (1960).

Foundations and groups of civic leaders have played an active role in revitalizing resurgent cities both indirectly . . . and directly by developing programs that contribute to transformation of these cities.

to the area, helped retain existing companies, and worked to ensure that the entire region was involved in economic development strategies. After going through rough times during the recessions of the early 1980s, community leaders, Peoria’s mayor, and the private sector (including Caterpillar, the city’s largest employer) joined forces to strengthen the EDC. The following year, Caterpillar and other local businesses and civic leaders formed a membership organization called Peoria Next to promote technology-centered development for the city. Through activities such as networking meetings and business incubation, Peoria Next has built up a “knowledge community network” to foster and sustain an intellectual creative class. One early mark of success, growing out of research conducted at Caterpillar, was the founding of battery developer Firefly Energy Inc., co-winner of the 2007 *Wall Street Journal* Technology Innovation Award.

Foundations and nonprofit organizations

Foundations and groups of civic leaders have played an active role in revitalizing resurgent cities both indirectly through initiating conversations and collaborations between different stakeholders and directly by developing programs that contributed to transformation of these cities.

In Greensboro, local foundations initiated a collaborative process to determine economic development strategies. In 2000, six local foundations financed a study aimed at evaluating Greensboro's economic prospects. As a result of the study, the foundations created the not-for-profit organization Action Greensboro to coordinate the development-related activities of the city's numerous business and civic groups. Action Greensboro became a major player in development, investing in numerous projects—including parks, job recruitment programs, and downtown revitalization—and gauging the progress of the city. In 2008, Greensboro was chosen among *Fortune* magazine's "100 Best Places to Live and Launch."

Universities make a difference

With the continued transition to a knowledge-based economy, development strategies increasingly have emphasized improvements to human capital. Educational attainment has improved considerably in resurgent cities. As of 2005–07, the share of population 25 years and older with a bachelor's degree or more was slightly higher than the national average (see Figure 5). As the resurgent cities demonstrate, institutions of higher education have participated in reinvigorating the cities' economies in their roles as major employers and as educators. The examples of Yale University in New Haven, educational institutions in Greensboro, and university partnerships in Worcester stand out.

Close to 40 percent of employed residents of New Haven work in the education, health care, and social assistance industries. The biomedical sector has become a growing driver of the city's economy, in part thanks to the role of New Haven's educational institutions. In the early 1990s, Yale emerged as the engine of New Haven's revitalization, participating in the city's redevelopment programs (see "Yale University's Changing Role" box). In addition, other local universities such as Southern Connecticut State University and Gateway Community College, together with area businesses, are working with the city's public schools to develop curricula and materials and to provide teacher training related to biotechnology. The state of Connecticut recently matched \$1.5 million in funding provided by private biotechnology and pharmaceutical companies for the "Biobus," a state-of-the-art mobile laboratory that takes biotechnology education on the road.

The *Greensboro News & Record* noted that "universities are the primary players in a key group that includes GTCC [Guilford Technical Community College], public schools and business that will form tighter bonds as Greensboro rebuilds, supplanting the old world dominated by businesses leaders who once met privately."⁶ In 1996, the *Wall Street Journal* praised Greensboro Community College's job-training curriculum, which was redesigned with the help of area businesses and prepares

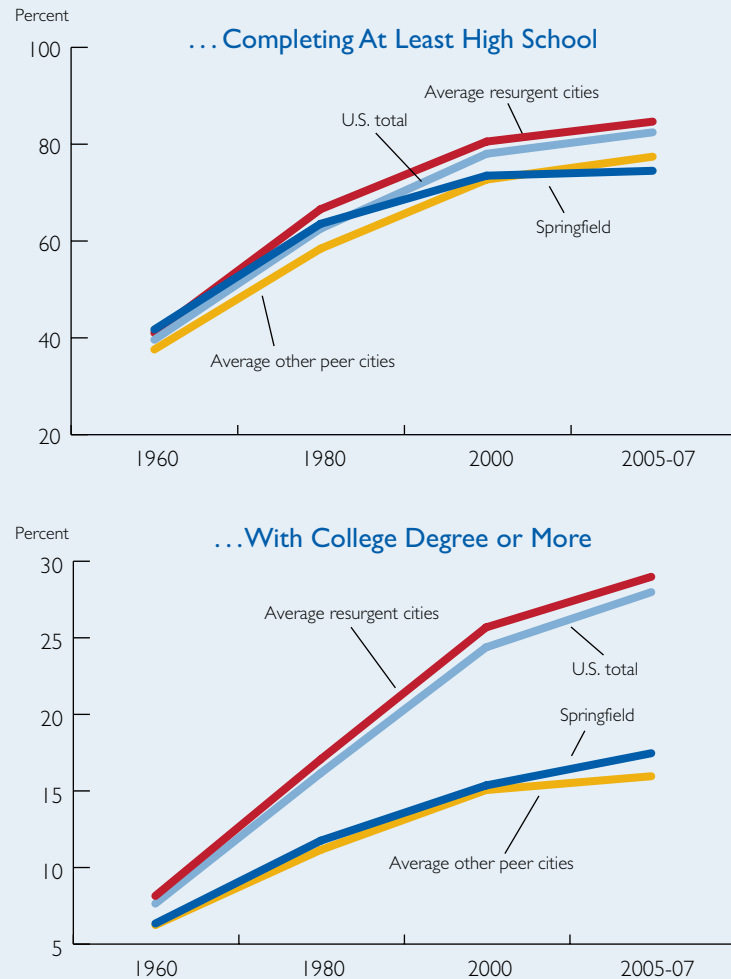
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students to perform high-tech jobs in auto mechanics, textiles, and other industries. In addition, GTCC offers a Quick Jobs program that provides trainees with the basic skills required to find employment.

In Worcester, educational institutions formed UniverCity Partnership in 2005 to adopt strategies allowing higher education institutions to participate in economic growth by improving local purchasing, employment, real estate development, business incubation, and workforce development. Among its current efforts, the city is looking to attract more technology firms through the Worcester Polytechnic Institute Venture Forum. Universities also have also been involved in community

The University Park Partnership, the result of long-standing collaboration between Clark University and its surrounding community, focuses on neighborhood revitalization.

Figure 5
Share of Population 25 Years and Older . . .
Springfield and Peer Cities



Source: U.S. Bureau of the Census. County and City Data Book (1960), Decennial Census (1980 and 2000), American Community Survey (2005–2007).



Yale University, New Haven, CT

Yale University's Changing Role

Although Yale University was founded in New Haven over three centuries ago, the university has been deeply involved in fostering New Haven's overall development only in the past few decades. Before that, the University tended to isolate itself from the city's economic troubles, "retreat inside its walls and lock its doors."¹⁰

In the mid-1980s, Yale joined city economic development officials and corporate leaders to try to enhance New Haven's service-sector employment. One result was "New Haven 1990," a marketing proposal that grew out of conversations among development, business, and neighborhood representatives, and with experts from other cities that had undertaken similar initiatives, including Baltimore, Boston, and Indianapolis.

In 1991, Yale reached a formal agreement with the city of New Haven that marked a decisive turning point in the university's participation in civic affairs. The university agreed to pay the city \$1.2 million a year (an amount equivalent to over 5 percent of the municipal budget) in recognition of fire protection services, and to put its golf course on the property tax rolls. Under the agreement, Yale also agreed to spend \$50,000 annually for five years to fund The Center for the City, an organization aimed at tapping business, government, and other resources to attack the city's social problems. Yale's initiatives also included funding the following: redevelopment of four deteriorating blocks in the city's retail center; investment in a face-lift for the Broadway shopping strip; creation of a venture capital fund aimed at luring biotechnology companies to the Science Park incubator; payment of an annual \$2,000 stipend (for up to 10 years) to any Yale employee buying a house in the city; and the resources to renovate four vacant storefronts on Park Street to house a Yale police substation and several student programs.¹¹

By the mid-1990s, New Haven's economy seemed to be on a firmer footing. Biomedical industry and other projects developed in the city. Nonetheless, development experts see a need to broaden the economic base of the city even further. As an example of recent initiatives, in partnership with Yale University and the business community, the city of New Haven launched an Economic Development Corporation in February 2008 to operate as a one-stop center to attract new businesses and to retain existing businesses.

In the mid-1980s, Yale joined city economic development officials and corporate leaders to try to enhance New Haven's service-sector employment.

Table 4 Employment by Industry, 2005–07
Springfield and Peer Cities

	Percent of Total Employment of City Residents								
	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
Peer City Averages									
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 peer cities	17.1	14.8	12.2	8.7	9.9	8.1	5.2	5.0	19.0

*Natural resources; Construction; Wholesale trade; Transportation and warehousing, and utilities; Information; and Government.

Source: U.S. Bureau of the Census. American Community Survey (2005–2007).

projects. For instance, the University Park Partnership, the result of long-standing collaboration between Clark University and its surrounding community, focuses on neighborhood revitalization.

Planning and re-evaluating are critical

Leadership and collaboration facilitated long-term planning that allowed the resurgent cities to develop more dynamic economies. Their transformation has proved to be a continuing process, and has required re-evaluating strategies and adapting to ongoing challenges.

Long-term planning

The city of Fort Wayne adopted a long-term economic development strategy in 2001 by working with community leaders and professionals in economic development. The Peoria Civic Federation, primarily composed of the leaders of the region's largest employers, sponsored the Greater Peoria Vision 2020, which was released in 2005 after a two-year planning process. Several community councils oversee the

implementation of master-plan areas such as quality of life, economic revitalization, youth and education, and leadership. In 2009, the city of Peoria sought community input on an updated comprehensive plan, which develops an overall vision for Peoria's growth and development over the next 10 to 20 years.

Grand Rapids has also benefited from working on long-term development plans and from coordination efforts across sectors. In 1992, the city launched "Voices & Visions," a planning process that involved a wide range of actors from the Grand Rapids City Commission to the Grand Rapids public schools to the private sector. The city's development plans were praised as rooted in community consensus by the National Civic League in 2003.

Continuing adaptation

The resurgent cities also have illustrated the need to adapt to changing circumstances. In some cases, a given development strategy proved successful in some respects, but not in others. For example, working with the Chamber of Commerce and the University of Massachusetts, Worcester established the Massachusetts Biotechnology Research Institute (MBRI) in the 1980s in order to attract biotech companies. Despite the biotechnology industry boom, the city had to readapt its development approach because biotech companies often employ only small numbers of workers and take a long time to achieve profitability. In 1998, the MBRI changed its name to Massachusetts Biomedical Initiatives, as it launched efforts to attract medical devices companies that could become an important source of jobs.

Another striking feature of resurgent cities' stories is the need for continuing innovations in overall development strategy. In the 1980s, Fort Wayne adapted to the shutdown of its largest employer by attracting investments on the part of other large companies. More recently, however, the city's focus has been on becoming a stronger player in high-tech entrepreneurship. Greensboro succeeded in attracting service jobs, but is now actively recruiting higher paying employers in aerospace technology as a new engine for its economy. Peoria realized in the 1990s that building up its retail and service sectors was insufficient to bring about the desired rate of economic growth. The city turned to new strategies centered on medical research, technology, and entrepreneurship.

Infrastructure improvements and industry modernization matter

The stories of the resurgent cities involve fundamental shifts in local economies and human and physical infrastructure. Mid-sized cities that were once known for manufacturing items ranging from refrigerators and home furnishings to jewelry

Another striking feature of resurgent cities' stories is the need for continuing innovations in overall development strategy.



Quinnipiac Terrace, Fair Haven, CT

and cigarettes have earned new identities. Many have turned to more technology-related forms of manufacturing for part of their transformation. Over the course of the last several decades, the resurgent cities have focused on modernizing their transportation and communications infrastructures by expanding regional airports, improving roads, and building high-speed broadband networks. Such infrastructure improvements have been important draws for manufacturing and nonmanufacturing firms alike.

Providence offers the most dramatic example of infrastructure makeovers to reconnect the downtown area with the rest of the city and to redevelop the waterfront. In Greensboro, the opening in 1982 of the Piedmont Triad International Airport terminal just west of the city set off a building boom in the city. By 2002, a “semiconductor cluster” of about 25 companies was thriving near Piedmont Triad International Airport. In Peoria, the state’s overhaul of the city’s highway system access and the construction of a new terminal at the Peoria International Airport improved manufacturers’ and distributors’ access to transportation. Transportation improvements in Worcester, such as the establishment of frequent commuter rail service to Boston and direct access to the Massachusetts Turnpike, encouraged new investments in the city.

Resurgent cities have also recognized that downtown revitalization is an important step to create employment and attract residents. Several cities rely on nonprofit organizations exclusively created to develop and implement strategies to revitalize downtown areas. The city of Greensboro relies on the Downtown Greensboro Inc. nonprofit organization focusing entirely on downtown and more specifically on the business improvement district to continue developing the urban core. The Downtown Winston-Salem Partnership, a member and advocacy organization, is the lead organization implementing the downtown plan developed in 2007. Part of the revitalization plan includes the Restaurant Row Program, introduced by the city with federal and state support to help recruit and finance new eateries. The plan also calls for promoting Winston-Salem as the “City of the Arts” and for attracting businesses in the design industry.

Some cities not only built on their traditional strengths, but also succeeded in creating business clusters virtually from scratch. As noted, Grand Rapids set out in the 1990s to become a major center for health care in an initiative that has resulted in the creation of medical facilities and research institutions to form the “Medical Mile.” Likewise, Peoria decided to focus on health care and medical technology, and is now gaining recognition as a “major medical powerhouse.” Winston-Salem, once known internationally only for tobacco, chose to emphasize Internet connectivity and has gained renown for creativity and intelligence and has become the 11th-largest

Providence offers the most dramatic example of infrastructure makeovers to reconnect the downtown area with the rest of the city and to redevelop the waterfront area.

banking center in the country, just behind Boston. Jersey City built up a finance cluster starting from a 1960 base that was not much larger than Springfield's. Evansville's tourism industry became an important driver of the economy with the opening and renovation of large convention centers in the early 1990s and the opening of one of the city's largest employers, the Aztar riverboat casino, in 1996.

Disadvantaged neighborhoods require specific focus

Despite their overall successes, the resurgent cities continue to struggle with extending prosperity to a broader share of their populations. Except for Fort Wayne, all had poverty rates exceeding 17 percent as of 2005–07. Some of the resurgent cities have implemented distinct efforts to improve opportunities for their poor and minority residents, and to narrow the differences between the haves and the have-nots. Although they are separate initiatives, these programs often adopt approaches similar to those used to generate prosperity more generally. Most importantly, they involve collaborations.

The Providence Plan, a not-for-profit joint venture of the city of Providence, the state of Rhode Island, the academic community, and the private sector, focuses on children's well-being, workforce development, and community building. Its successful programs include Ready to Learn Providence, YouthBuild Providence, and the Local Learning Partnership.

For many years, the successful redevelopment of Jersey City's waterfront had little in the form of positive spillovers for poor neighborhoods. More recently, neighborhoods have worked with the city in implementing their own economic development projects. Residents of one of Jersey City's poorest neighborhoods, the Martin Luther King Drive, not only participated actively in writing their neighborhood development plan, but also controlled its implementation through a neighborhood development corporation. The plan received national and statewide awards and recognition for its innovative use of community outreach and implementation.

Direct involvement of the community in shaping planning efforts has proved to be important in creating comprehensive long-term strategies. In Grand Rapids, the city and the chamber of commerce have partnered with the Neighborhood Business Alliance (NBA) on several occasions to work on economic development strategies. Made up of representatives from all 20 neighborhood associations, NBA meets monthly to coordinate city-wide services, share best practices, and advocate on issues affecting neighborhood businesses and districts.

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Baystate Medical Center construction project, Springfield, MA

Springfield in Transition

Known as the “City of Firsts,” Springfield was for many years the center of a prosperous two-hundred-mile industrial corridor in the Connecticut River Valley. Unfortunately, the city has suffered a steep economic decline since the 1960s. The closures of the Springfield Armory in 1968 and the American Bosch metal fabrication factory in 1986 are just two examples of the job losses in the city’s manufacturing sector. Since the 1990s, expansion in the health care sector has filled some of the void produced by the departure of industrial jobs, but the city continues to struggle with identifying and attracting other potential sources of job growth within its borders.

In 2004, the dire condition of Springfield’s finances prompted the state to appoint a Finance Control Board, which took over municipal spending decisions, focusing mainly on bringing expenditures into line with revenues. The Control Board also worked on strengthening the city’s administrative capacity, in preparation for resuming normal municipal operations after the expiration of the Board’s term in mid-2009.

In the past five years, organizations in and around Springfield have undertaken a number of initiatives to attract new investment to the area and to revitalize the city. For example, in 2004, the Pioneer Valley Planning Commission started overhauling the earlier Plan for Progress, a blueprint for growth and development of the regional economy.

Acknowledging their essential role in implementing workforce development programs and in creating and attracting businesses, educational institutions have become more active participants in economic renewal strategies. Springfield Technical Community College (STCC), in particular, has been a major contributor. The Entrepreneurial Institute at STCC, created in 1996, provides entrepreneurship education for students of all ages, while the STCC Technology Park has provided technology training and incubated new businesses.

Springfield-based educational institutions such as Springfield College (SC) and American International College (AIC) are also committed to the overall well-being of the city of Springfield and the neighborhoods where they are located. For example, both AIC and SC belong to the State Street Alliance, a large collaboration of institutions and residents overseeing the redevelopment of the major corridor running from downtown Springfield to points east. Based largely on a 2006 report by the Urban Land Institute, numerous revitalization projects are underway in the downtown area. Most recently, five major employers have partnered with the city and with lenders to promote homeownership in Springfield. The “Buy Springfield Now” initiative is modeled on a program started in 2008 to provide homeownership incentives in Worcester.

What are next steps for struggling cities?

Fifty years ago, it would have been virtually impossible for either the leaders or the residents of mid-sized U.S. cities to anticipate the full extent of challenges posed by deindustrialization, suburbanization, and other structural and economic changes. Other than starting from comparatively less dependence on manufacturing jobs, the cities that would resurge in later decades did not possess obvious advantages over their peers, however. Resurgence required the emergence of leaders who worked collaboratively with the various constituencies with a stake in economic development. Nonprofit entities—including universities and foundations—have taken active roles in revitalization. Resurgent cities have reinvented themselves, creating new industries and making major improvements to both human and physical capital. They have had to exercise both patience in planning for the long term and flexibility continually to revise these plans as circumstances warranted. For resurgent cities, perhaps the hardest task of all has been extending prosperity to a broader segment of their populations. These efforts have required community building and connecting communities to the other collaborators in economic development.

No research study is capable of laying out the agenda for a struggling city. The Federal Reserve Bank of Boston’s “Toward a More Prosperous Springfield, MA” initiative has attempted to lay out reasonable aspirations for mid-sized cities whose economies were once heavily dependent on manufacturing jobs, and to add to the available information concerning the economic development approaches tried by their peers.

Although Springfield has taken constructive steps to turn around its economy (see “Springfield in Transition” box), and undoubtedly so have many of the other cities in the peer group, much work remains. We hope that these cities can adapt the lessons from the resurgent cities to their own situations. They might usefully consider how specific local groups could collaborate or form to promote and implement revitalization. In addition, they might be able to identify selected economic development efforts from their peer cities that have not been tried locally, and that are worth further consideration. Eventually, such actions are likely to lead to new stories of resurgence.

¹ DeAnna Green, “Springfield, Massachusetts: Old Hill, Six Corners, and the South End neighborhoods,” in *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.*, A Joint Project of the Community Affairs Offices of the Federal Reserve System and the Metropolitan Policy Program at the Brookings Institution, 2008. Available at <http://www.frbsf.org/cpreport/>.

² For full details see Yolanda K. Kodrzycki, Ana Patricia Muñoz et. al., “Reinvigorating Springfield’s Economy: Lessons from Resurgent Cities,” Federal Reserve Bank of Boston Public Policy Discussion Paper No. 09-6, 2009. Available at <http://www.bos.frb.org/economic/ppdp/2009/ppdp0906.htm>.

³ Econometric studies have demonstrated that U.S. cities that depended heavily on manufacturing in the past have tended to have relatively low rates of economic growth in recent

decades. See, for example, Edward L. Glaeser, José A. Scheinkman, and Andrei Shleifer, "Economic Growth in a Cross-Section of Cities," *Journal of Monetary Economics*, vol. 36, issue 1 (1995), pp. 117-143, and Edward L. Glaeser, Albert Saiz, Gary Burtless, and William C. Strange, "The Rise of the Skilled City," *Brookings-Wharton Papers on Urban Affairs*, 2004, pp. 47-94.

⁴ Marion Orr and Darrell M. West, "Citizens' Views on Urban Revitalization: The Case of Providence, Rhode Island," *Urban Affairs Review* 37, issue 3 (2002), p. 404.

⁵ Grover G. Norquist, "Jersey City on the Way Back," *The Washington Times*, July 22, 1996.

⁶ "Rebuilding from Within; Knowledge, Innovation Form Base of Greensboro's New Economy," *Greensboro News & Record*, April 13, 2008.

⁷ Founded in 1977, Partners for Livable Communities is a nonprofit leadership organization that promotes quality of life, economic development, and social equity. See "Recent Award Recognizes City's Achievements," *Winston-Salem Journal*, May 29, 2004.

⁸ For a city to be on the list, it has to excel in one of the following factors: broadband connectivity, knowledge workforce, digital inclusion, innovation, or marketing and advocacy.

⁹ *Expansion Management* magazine asked over 80 prominent site location consultants to list their top city choices for relocating and expanding companies, taking into consideration such factors as the business climate, work force quality, operating costs, incentive programs, and ease of working with local political and economic development officials.

¹⁰ "Focusing on Private Redevelopment, Not Public Urban Renewal," *Washington Post*, October 29, 1989.

¹¹ These initiatives were promoted by Richard C. Levin, a Yale economist who lived in New Haven for 23 years and became the university's president in 1993.

