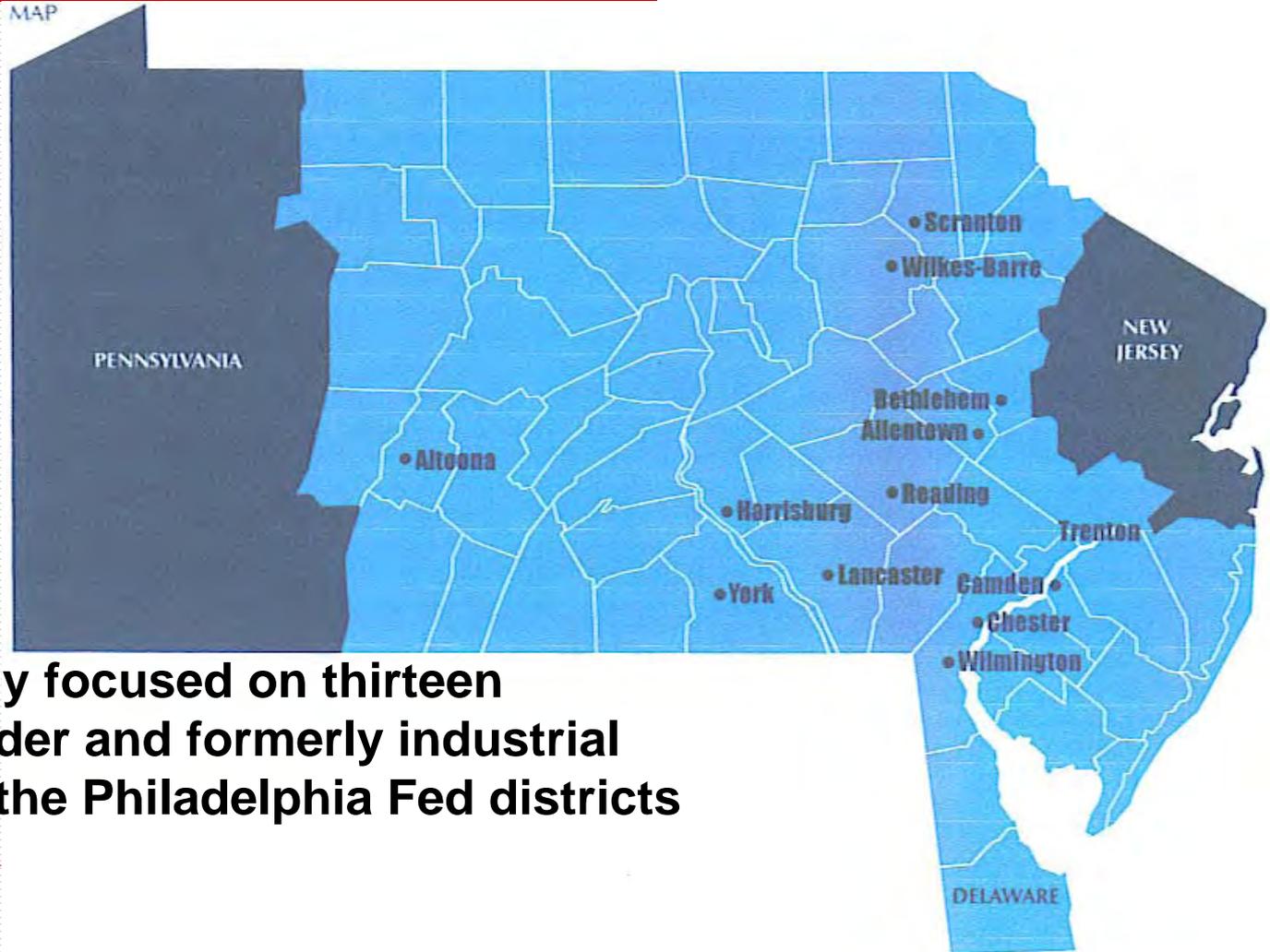


The different trajectories of small industrial cities

Alan Mallach

Visiting Scholar, Federal Reserve
Bank of Philadelphia

MAP

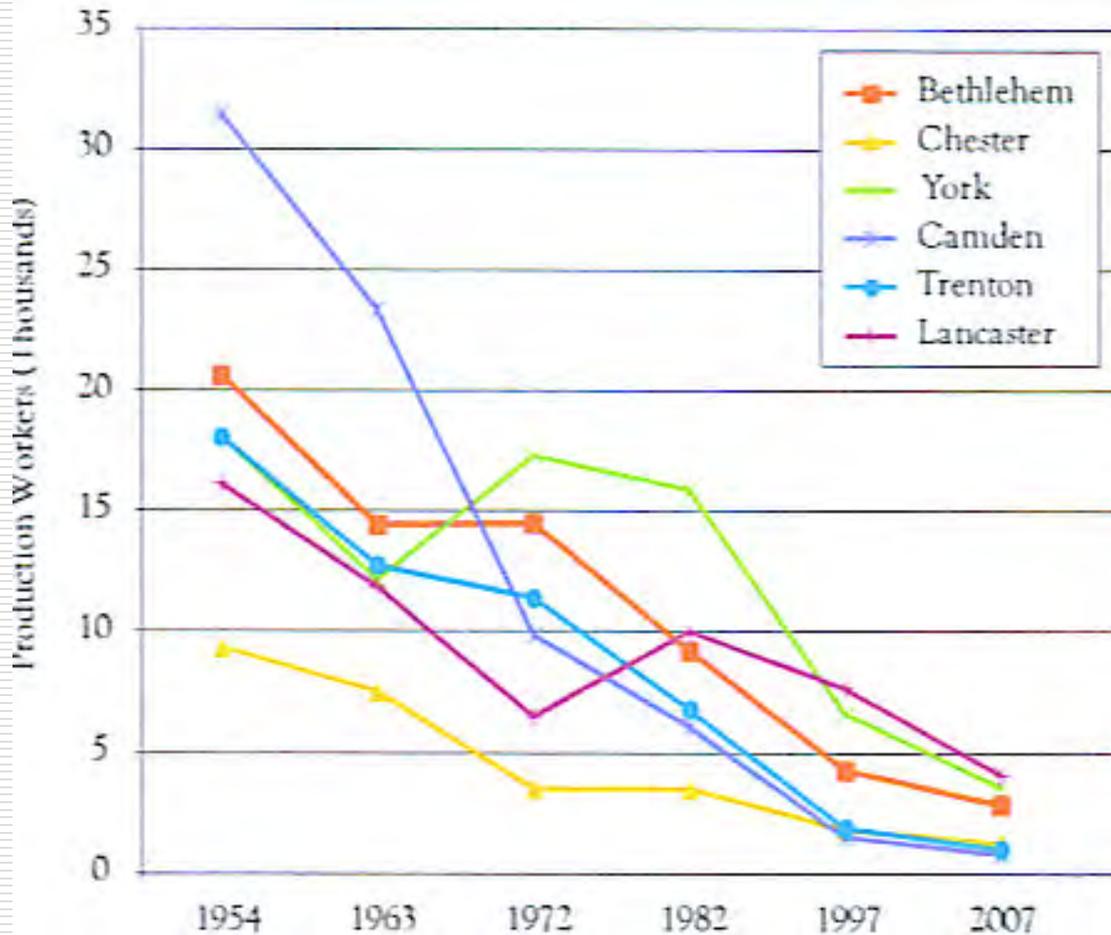


The study focused on thirteen small, older and formerly industrial cities in the Philadelphia Fed districts

These cities were the historic centers of their regions



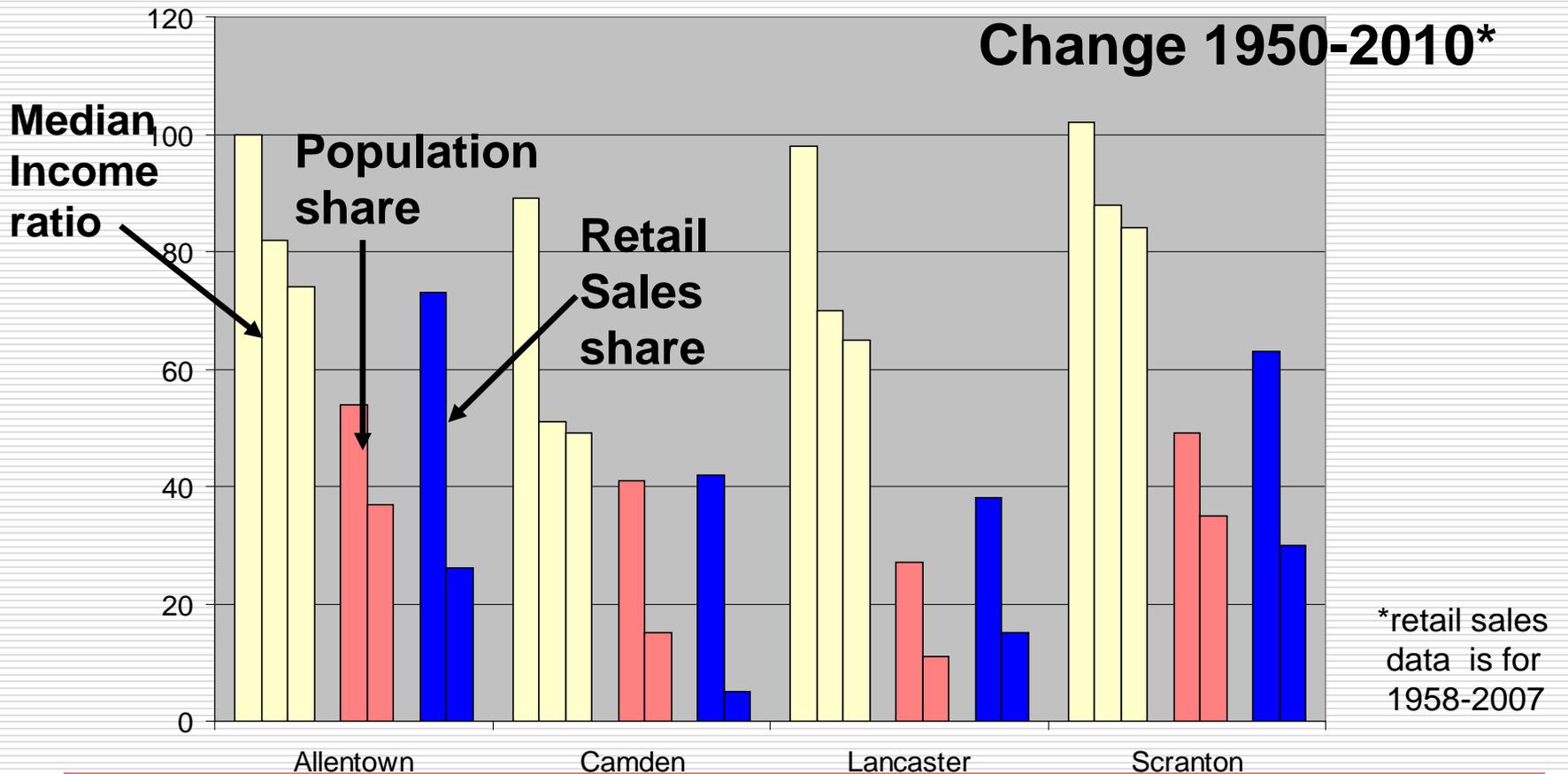
Things have changed dramatically in the past 60 years



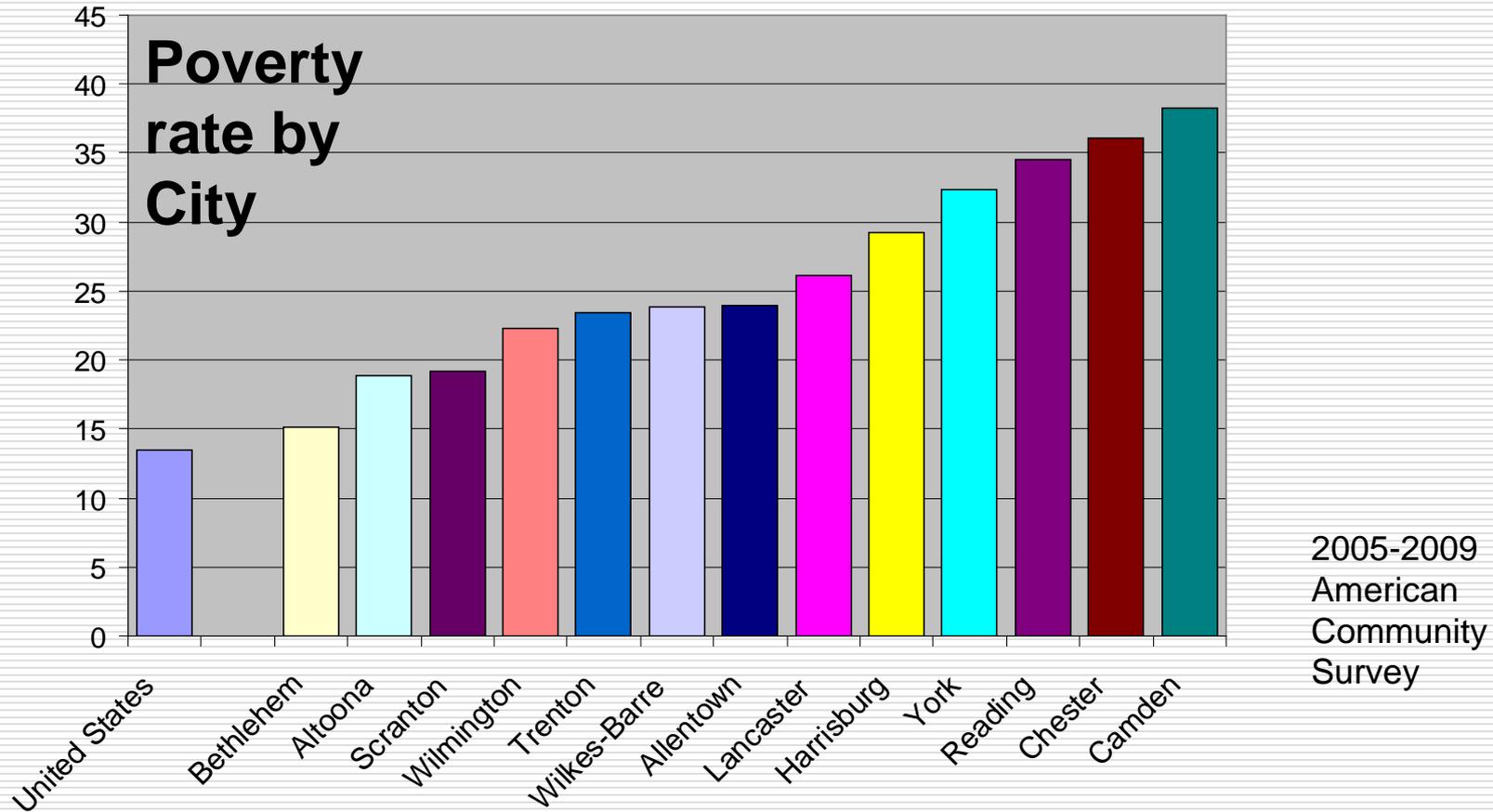
Manufacturing production workforce 1954-2007

Census of Manufacturing

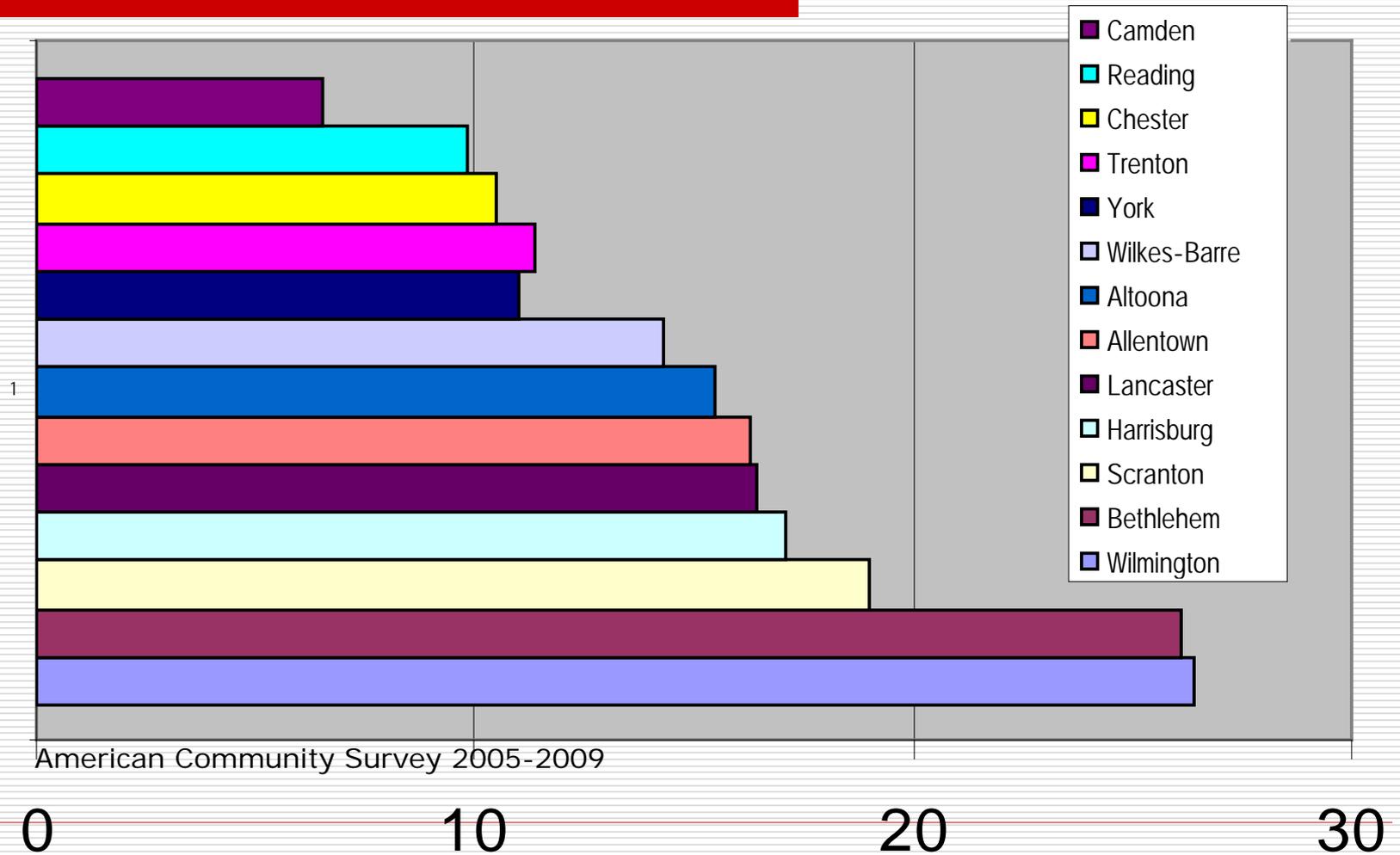
Cities have declined relative to their counties



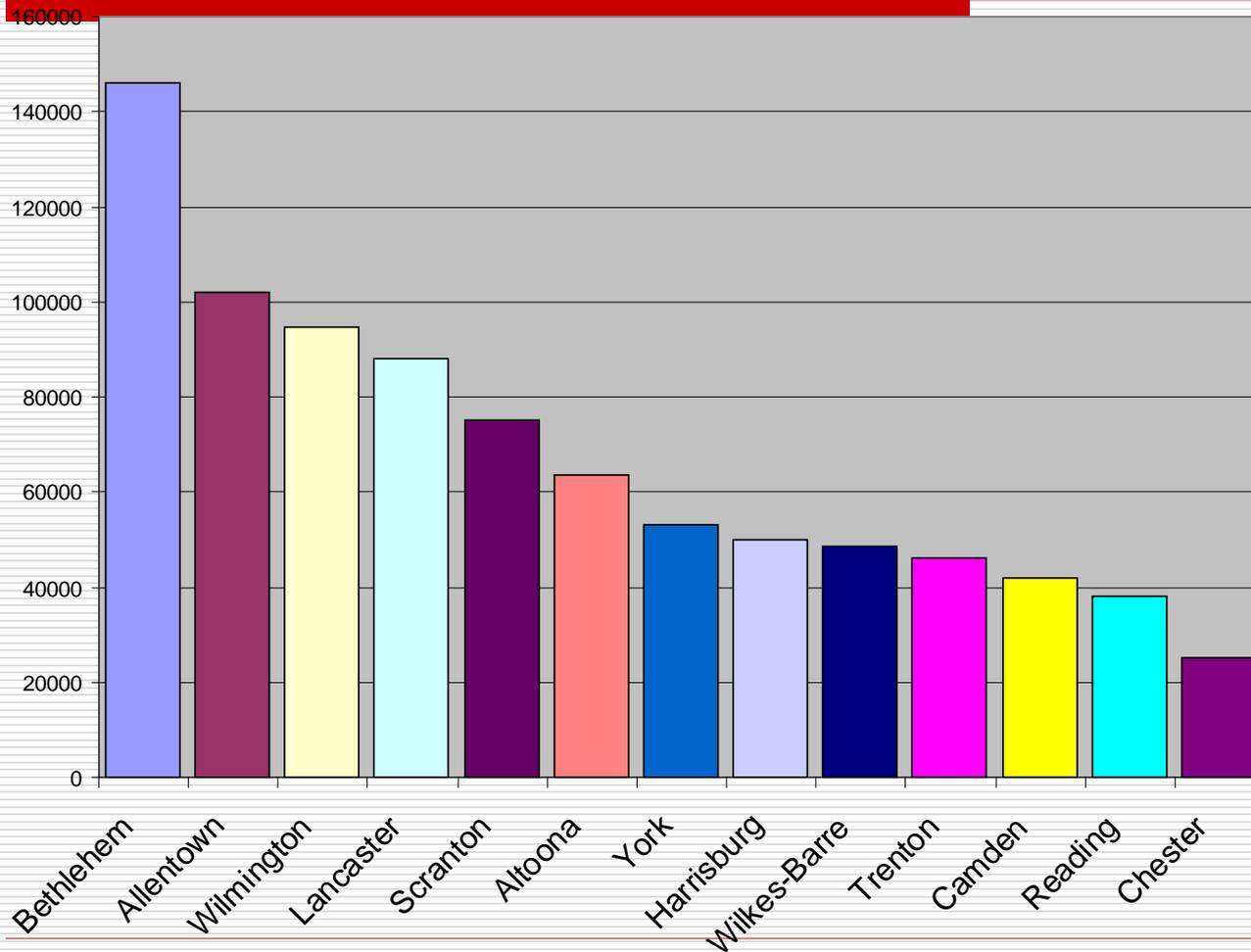
Despite common histories, these cities have seen diverging trajectories



Percentage of adults with BA or higher degree



Median sales price 2009



Boxwood
Means from
PolicyMap

Three elements in urban success

1 Social and economic well-being of the population



Three elements in urban success

2 Healthy neighborhoods and housing market



Three elements in urban success

3 Economic activity and export trade



A typology of cities

Reboundin g	Declining but Stable	Coping	Strugglin g
Bethlehem Lancaster Wilmington	Altoona Scranton Wilkes- Barre	Allentown Harrisburg York	Camden Chester Reading Trenton

What drives successful outcomes?

	Social and Economic Characteristics of the Population				Housing Market Strength			Local Economic Activity	
	Median Household Income	Economic Dependency Ratio	Unemployment Rate	Share of Adults with College Degree	Ratio of Sales to Mortgages	Median Sales Price	Vacancy Rate	Job Location Quotient	Per Capita Retail Sales
Median Household Income		0.86	-0.64	0.87	-0.63	0.90	-0.54	0.23	0.01
Economic Dependency Ratio			-0.84	0.79	-0.57	0.83	-0.62	0.27	0.28
Unemployment Rate				-0.74	0.60	-0.64	0.49	-0.41	-0.58
Share of Adults with College Degree					-0.55	0.83	-0.48	0.47	0.22
Ratio of Sales to Mortgages						-0.66	0.60	-0.53	-0.27
Median Sales Price							-0.64	0.39	0.06
Vacancy Rate								0.40	-0.03
Job Location Quotient									0.25
Per Capita Retail Sales									

Strong correlations within and between social/economic well-being and strength of housing market

No correlations between economic activity and other factors

What drives successful outcomes?

□ Strong regional linkages

- City residents compete effectively for jobs throughout region
- City neighborhoods compete effectively in regional housing market

□ New and emerging economic engines

- Long-term transformational strategies
-

□ Bethlehem Steelworks redevelopment



□ Wilmington
financial
services and
Christina
riverfront
redevelopment



□ **Lancaster**
arts and
tourism
strategy



What makes this possible?

Leadership

Continuity

Vision

Thank you

Alan Mallach

amallach@comcast.net
