Older Industrial Cities: Observations for Place-Based Funders

LOOKING FOR PROGRESS IN AMERICA'S SMALLER LEGACY CITIES

A joint publication of The Funders Network, its members, and the Federal Reserve Banks of Atlanta, Boston, Chicago, and New York

WHY ARE SOME OLDER INDUSTRIAL CITIES RECOVERING?

** This is ongoing and the final report will be presented in early 2017.*

BACKGROUND

2007:

Restoring Prosperity in Older Industrial Cities (OIC) funder working group was created with initial emphasis on Northeastern and Midwestern states.

2010-2011:

Federal Reserve-Philanthropy Initiative began expanding the work to a broader range of industrial cities.

2014:

Exploration began on **Smaller "Legacy" Cities**.

Small “Legacy” Cities

Small = City Population between 50,000 – 250,000

Legacy = Cities dominated by a single sector or company, often related to manufacturing in the 19th and 20th century, which experienced dramatic decline at the end of the 20th century.

FOUR CITIES

Chattanooga, TN

Cedar Rapids, IA

Grand Rapids, MI

Rochester, NY

FOUR CRITERIA

1. Data suggested revitalization following a significant loss of population and economic activity

2. Economy dominated previously by a single company or closely tied industrial sector that has declined

3. Existing research, media or documentation available to support narrative of recent economic revitalization

4. Hosts in the community to assist in facilitating visits and provide background information

OBSERVATIONS ACROSS FOUR CITIES

- Catalytic event motivated leadership in the communities to act
- Typical 1980s & 1990s community economic development strategies
- Initial revitalization subsidized by public and private resources
- City has recovered from low-points BUT some residents & neighborhoods have not recovered

OBSERVATIONS ACROSS FOUR CITIES

- Economic growth is necessary but not sufficient for broad prosperity & long-term Competitiveness

- Transitioning to a new paradigm of ‘Opportunity’ & ‘Inclusion’

- Transitioning to a new, diverse leadership

DUAL ARCS OF THEORY

Arc of Growth

Reflects the prudent investment of economic and political capital to grow a place's assets

Arc of Opportunity

Creates intentional pathways that move people, families, and neighborhoods from subsistence to prosperity

The two arcs must intentionally intersect.

KEY FINDINGS

If Small Legacy Cities are to again experience sustained prosperity they must have:

1) Successful “Arc of Growth” that builds the wealth of the Community.

2) Successful “Arc of Opportunity” that intentionally moves families, individuals and neighborhoods from subsistence to prosperity.

3) The two Arcs must be connected to lift all people, rather than assuming the market alone will solve challenges.

TAKEAWAYS FOR PLACE-BASED FUNDERS

- Long term, patient, social and (eventually) financial-return seeking capital aimed at building capacity of local institutions across all sectors is one ingredient that holds these four cities together
- State policy context matters
- Jurisdictional nuances matter
- Marketing and communicating a sense of positive momentum is important
- Accountability for distribution of benefits from growth is the crux for connecting the arcs

STRATEGIES WORTH CONSIDERING

1. **Addressing concentrated poverty by place**: Interventions in this category were geographically targeted, often to a select group of affected communities
2. **Addressing concentrated poverty by policy**
3. **Revitalizing downtown with greater attention to preserving and increasing affordable housing**
4. **Business recruitment led by business retention**
5. **Developing leaders**: Where the next two generations of leaders will come from and how they will support collaborative efforts

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