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Downtown Chelsea sits across the river from Boston. Chelsea's economic mix is a blend of government, health care and service occupations.

By PRABAL CHAKRABARTI

In 2009, researchers at the Federal Reserve Bank of Boston began examining small- and mid-sized American cities that had struggled with de-industrialization over a number of decades. While many of these cities were devastated by the loss of an anchor manufacturer or, in some cases, an entire industry, a number had managed to set a course for resurgence. Plainly stated, we had to know why.

The Boston Fed has a longstanding interest in the economic wellbeing of all citizens. With a district that includes the six New England states, we cover a number of postindustrial cities, from the former shoe factories in Brockton to “The Brass City” of Waterbury, Connecticut. Many of these “working cities”—gateways for immigrants and manufacturing centers with goods sent all over the globe—presently have some of the highest unemployment rates in our district. They are often majority-minority cities. Many have school systems that perform well below state averages and public services that can’t meet community demand. But, as we saw after several years of on-the-ground work to support collaboration and revitalization in Springfield, Massachusetts, these cities also often have tremendous assets in their residents, their business community, and their civic leadership.

As our researchers looked at a peer group of twenty-six cities across the country, they identified eight resurgent cities that had recovered their economic

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Collaborative Leadership Is Focus of Boston Fed's Working Cities Challenge

stability as measured by factors including income, reduced poverty rates, population, and economic vitality. These include places like Winston-Salem, North Carolina, and Peoria, Illinois—present-day regional economic centers and powerhouses of biotechnology, clean tech manufacturing, health care, and medical devices.

But other cities still languished, despite remarkably similar socioeconomic and demographic compositions. The capacity for these small- to mid-size postindustrial cities to become resurgent seemed to live in the space between the data—in factors like collaborative leadership, the role of anchor institutions, investment in infrastructure, and extension of benefits to the community as a whole.

The 2009 report “Reinvigorating Springfield’s Economy: Lessons from Resurgent Cities,” authored by the Boston Fed’s Yolanda Kodrzycki and Ana Patricia Muñoz, identified the most important factor—the “secret sauce”—in resurgent cities. It is the existence of collaborative leadership—broadly defined as the ability for leaders from the public, private and nonprofit sectors to work together over a sustained period with a shared vision.

We saw this kind of collaborative approach alive and well in the cohort cities we examined. In Winston-Salem, the collaborative leadership by universities and public-private partnerships played a critical role in transforming the former tobacco capital into a present-day high-tech pioneer. Winston-Salem Business Inc., a newly created economic development nonprofit organization, was a key player behind the scenes, recruiting new businesses to Winston-Salem and Forsyth County. The city’s “Blueprint for Technology,” created by the local

chamber of commerce, outlined the city’s initiatives for K-12 public education. As a result, a new research park was inaugurated downtown, now home to Wake Forest University’s Health Sciences Department of Physiology and Pharmacology. A delegation of leaders from Springfield toured Winston-Salem in a visit organized by the Boston Fed to learn, as well as to further develop relationships with the city.

Catalyzing Collaboration Through Competition

Looking to put the lessons from our research into practice, the Boston Fed launched the Working Cities Challenge in Massachusetts in 2013. The goal was to provide a framework for small- to mid-sized postindustrial cities to design and

implement transformative projects (those that truly reformed a system or process within a smaller city) to advance collaborative leadership and improve the lives of low- and moderate-income people.

The Boston Fed supports efforts with grant funding—in the first round, \$1.8 million provided not by the Fed but by partners including Living Cities and the state—but also by providing technical assistance and creating a peer network.

In Massachusetts, eligible Working Cities have at least 35,000 people (the lower population threshold of the state’s definition of “Gateway Cities”) and no more than 250,000. Cities with above-average poverty rates and below-average family income, among these peers, were qualified to apply. Twenty cities met these criteria.



A mural on an apartment building in Salem depicts the city’s diversity. About 17 percent of Salem residents were born outside of the United States.

COLLABORATIVE LEADERSHIP IS FOCUS OF BOSTON FED'S WORKING CITIES CHALLENGE

Working with our steering committee partners, we released a request for proposals with criteria across four main categories:

- First, a city's effort had to have a team drawn from the community's private, public and nonprofit sectors, including authentic participation from minority and/or immigrant groups. (Too often, these groups are left out of the development process—incredibly, even if they are the intended beneficiaries of such an initiative.)
- Second, the team had to prioritize impact for residents, especially low- and moderate-income people.
- Third, the proposed initiative had to demonstrate evidence of system change, by which we mean an enduring change in a policy, financial or municipal process, or way of working together.
- Fourth, the effort had to draw on the effective use of data.

A couple other rules distinguished the Working Cities Challenge from other grant competitions. For example, only a

single application per city was allowed, and no specific type of entity was preordained as the lead. Also, any issue area was open for consideration. A city could address jobs, tackle crime in its community, take up a public health effort, or adopt an energy efficiency initiative.

Ultimately, all twenty cities put forward proposals tailored to the specific challenges faced by their low- and moderate-income residents. An independent jury of funders and city experts, not including the Fed, selected six winners based on the competition criteria, along with other relevant considerations, such as whether an effort was particularly novel in addressing an important problem or had wider applicability.

Early Lessons Learned

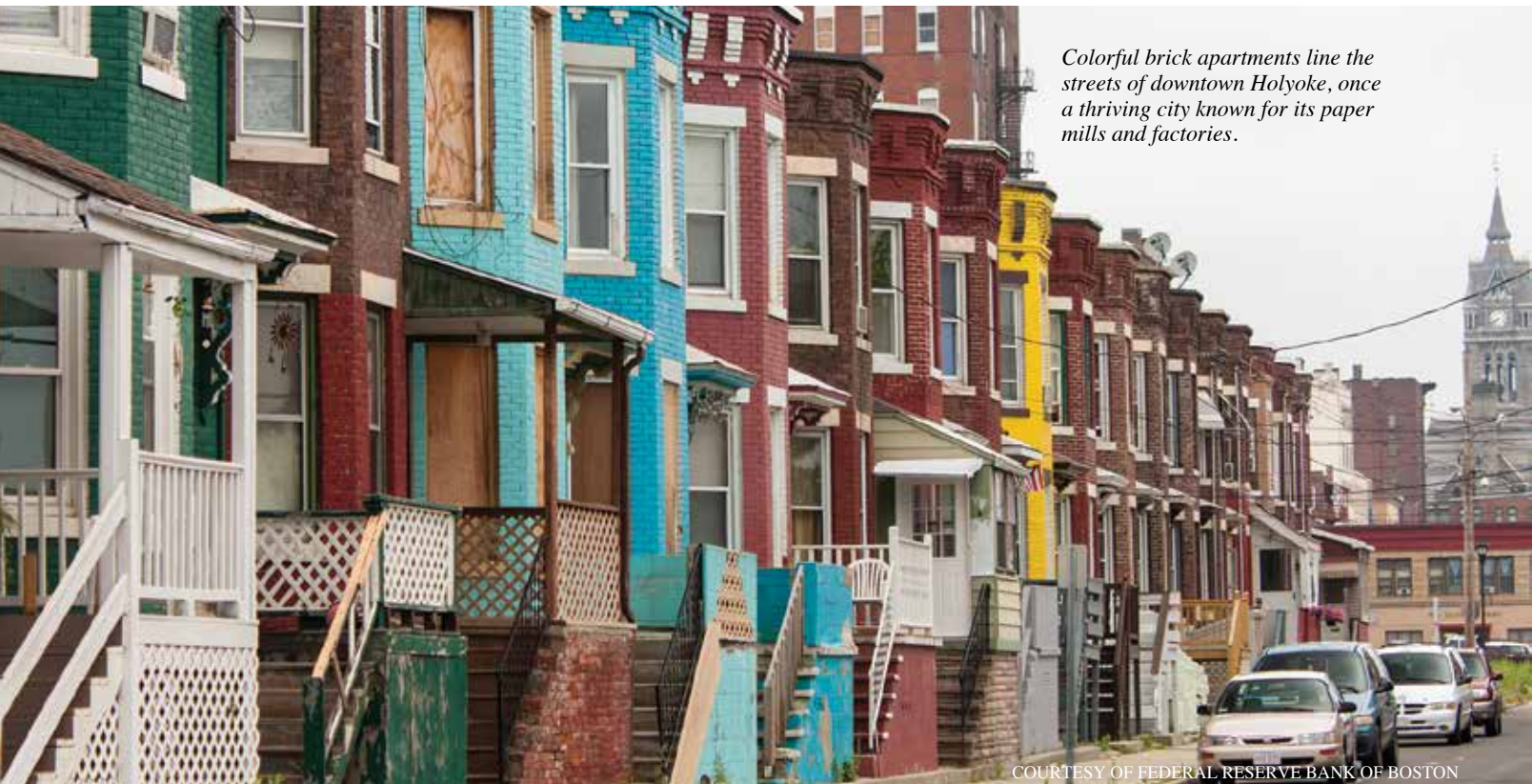
Putting together the competition and working with the winning cities has revealed some key lessons. These lessons are drawn from the experience of small- to mid-sized cities, but may be of value to municipalities of all histories and sizes.

1. Cities seek to transform themselves through workforce development, economic development and education.

All cities submitted ideas addressing a ten-year goal in one of these areas. Job growth and high-quality schools are things that everyone wants, and so were fertile ground for collaborative efforts. Within these areas, however, there was still variety, ranging from downtown districts in Taunton, youth workforce development efforts in Worcester, development of offshore wind in New Bedford, and a supermarket effort in Springfield. Cities focused on education by improving quality in early childhood education (Lynn), implementing a university-community model (Fall River), and forming employer partnerships (Lawrence).

Many winning cities stated in their application that they were building on successful pre-existing efforts in public health. For example, both Fitchburg and Somerville had notable success in tackling obesity through collective efforts of public health agencies, the city, and other organizations.

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Colorful brick apartments line the streets of downtown Holyoke, once a thriving city known for its paper mills and factories.

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Practitioners Offer Advice on Collaboration

Last November 13, at the University of Massachusetts Boston, a panel of practitioners shared their perspectives on the value of collaboration in advancing progress in cities. The following is some of what the speakers at the conference—“Transforming the Market in Gateway Cities: A New Era of Collaboration”—had to say:



What we’re talking about here is not making one thing happen, but making a series of things happen that over time change the trajectory of a place.

“You invite a bunch of people who don’t normally talk to each other, and you give them the mandate on a regular basis to problem-solve together. And it’s not just about one deal, it’s about actually identifying what the obstacles are in a systemic way and then taking them away.”

ROBIN HACKE, *senior fellow, Kresge Foundation*



The important thing about collaborations is: Don’t start a project, don’t start an agency, start a movement. ... When you start a movement, every single win is everybody’s win, and that’s what keeps it going.

“Put unlikely coalitions of people together to solve problems and it is amazing what can happen.

“Collaborations can accomplish a whole lot more in a short time than you can get done doing it the old-fashioned way.

“It’s really important to show physical change, because people don’t believe it if you just have meetings.

“Don’t have a business plan. ... Talk about a vision.”

MARILYN HIGGINS, *vice president of community engagement and economic development, Syracuse University*



Here are the four characteristics of collaboration: cohesion, authenticity, mutual interests and legitimacy.

“It’s great to get people together in a room, but if they don’t have skin in the game, forget about it. Invest your collaborations in people.”

JOHN DESTEFANO, *former mayor, New Haven, Connecticut*



Sustained collaboration across all sectors gives our cities the best chance at weathering political storms and continuing to focus on solving local challenges. ... Engaged partnerships—public, nonprofit and private—can make a sustained difference.

“Collaborative partnerships ... are hard. They are messy. It’s difficult.

“To maintain enthusiasm, you need to have some very clear short-term wins. ... You’ve got to have that balance between some short-term wins and long-term vision.”

MARTY JONES, *president and CEO, MassDevelopment*

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Nearly 90 percent of the organizations in our cities (winning or not) told our third-party evaluator that they expect to be working on their efforts as a collaborative team even three years from now, which holds promise for these initiatives.

2. Requiring one application per city drove some creative partnerships.

Cities were allowed to submit multiple letters of intent, but had only a few months to come together on a single application. Some of the most important work was done during this time, and a lot of the impact of the Working Cities Challenge, therefore, came even before any dollars were awarded.

Three letters of intent were initially submitted for Holyoke. Initiative members came together, with active direction from the city, to put together an application that connected different elements, in particular Hispanic businesses, the public library, and the city's innovation district.

3. Community and private sector engagement are still a challenge, even for cities that are the farthest along.

A notable part of the effort is the creation of a learning community with specific facilitated meetings and panel discussions designed in concert with both winning and non-winning cities to address needs. Several cities asked for help with engaging their private sector, even with their comparatively successful efforts that brought them a prize. This demonstrates how tough it is to do this well; teams that succeeded in this category had strong private sector representation, including from community banks and credit unions. Lawrence brought the solar firm Solectria and the shoemaker New Balance, and Salem had a strong presence of anchors like North Shore Medical Center and Salem State University. But keeping this group engaged beyond the application phase and using them productively remains something teams continue to strive for.

Similarly, robust community engagement that reaches beyond grassroots seems hard to implement during a grant agreement period, where concrete results seem more valued. The only sustainable results, however, are done with the involvement of the community, who work with the effort.

Community and private sector engagement are still a challenge, even for cities that are the farthest along.



Lawrence Community Works has been pioneering the use of a “neighborhood circle” model of engagement that has been adopted by other organizations across the country. They are bringing this to their effort to draw the Latino community more closely into the school system.

4. Collaborative efforts need capacity.

It needs to be someone's job to bring parties together and to wake up each day thinking about how the team achieves both immediate and longer-term results. All winners of three-year grants hired staff to coordinate the partnership. The Living Cities Integration Initiative—a big-city effort that inspired our competition—calls this “staffing the table” with interests and perspectives. Living Cities looks for evidence of “boots on the ground” in any city that it funds. Cities should consider whether they are best placed to take the lead in design or coordination, or whether a nonprofit organization would be more effective.

5. Effective use of data is both promising and elusive.

Efforts to incorporate data in city initiatives vary from combining messy administrative databases to, in the words of one learning community panelist, “two geeks and a spreadsheet.” Fitchburg's effort is fundamentally built around data—a neighborhood community report card where investments are prioritized to bring about the greatest impact on resident satisfaction. Chelsea has a similar scale of ambition, focused on connecting housing, police and school department data in ways that protect privacy but enable officials to identify and influence opportunities and challenges faced by people.

How, for example, are academic or attendance problems faced by students in public schools negatively affected by things going on in streets around a housing project? The Boston Fed and Clark University researchers are developing a

randomized control trial of the Lawrence initiative, looking at whether parent engagement, increased parent income, or other factors can improve student academic performance.

6. Reaching the ten-year goal is iterative, not linear (and might be beside the point).

In our first learning community, we guided cities through an effort to begin with the end goal in mind and work backward to their planned activities, rather than assume that a set of strategies that seem to make sense will lead to the outcome. We know that some initiatives have been less effective, and therefore hope our collaborative approach is a more adaptive solution.

But even if cities don't reach their ten-year goal, they may still be successful. Our research showed that building a coalition that creates tangible progress, greater trust, or partnerships that work on other collective efforts may yet bring about transformation into a resurgent city that could eventually be measured in economic data, even if direct causal relationships could never be proven.

Looking Ahead

Boston Fed researchers and others such as MassINC have argued that redeveloping the smaller postindustrial cities in Massachusetts is essential to economic growth in the Commonwealth. It also promises to bring greater economic inclusion for residents of these cities. As evidenced by their commitment to the first round of the Working Cities Challenge and to other transformative efforts across the Commonwealth, it is clear that the state and private sector investors are serious about the kind of collaborative leadership they want to see. Above all else, this is the same leadership that residents want, to ensure that their cities are places where they can remain out of choice. ❁

The Six Working Cities Challenge Programs

- **Lawrence received a \$700,000**, three-year implementation award for the Lawrence Working Families Initiative, which is designed to increase parent income by 15 percent and boost parent engagement in the Lawrence Public School System over a ten-year period. The initiative is providing families with access to resources and opportunities that facilitate economic security and progress over the next ten years. Its newly opened Family Resource Center will connect families and employers and offer coordinated services like specialized adult education and certificate training, scholarships, employer internships, financial coaching, and expanded access to child care and health care.
- **Fitchburg received a \$400,000**, three-year implementation award for the newly branded Re-Imagine North of Main, an effort that seeks to transform the neighborhood into a place where residents choose to live, work and invest over the next ten years by identifying and supporting efforts that will promote revitalization. The effort includes developing a “report card” analyzing six key indicators—health, education, public safety, economic development and entrepreneurship, housing, and community engagement—with which to prioritize investments and track progress in the areas of poverty, wellbeing and investment.
- **Holyoke received a \$250,000**, three-year implementation award to link the Massachusetts Green High Performance Computing Center and Holyoke’s innovation economy strategy to its residents through SPARK (Stimulating Potential, Accessing Resource Knowledge). This initiative seeks to raise the percentage of Latino-owned businesses from 9 percent to at least 25 percent in ten years. SPARK will develop a system that supports immigrant entrepreneurs by coordinating the city’s existing “grab bag” of services and opportunities across organizations and sectors.
- **Chelsea received a \$225,000**, three-year implementation award for its initiative that seeks to reduce poverty and mobility rates by 30 percent in the Shurtleff-Bellingham neighborhood. In order to reduce poverty and encourage families to stay and invest in the community, the Chelsea Thrives initiative is using a data-driven approach to improving housing conditions, civic engagement, health, and quality of life through the integration of services.

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Holyoke’s SPARK Initiative aims to link the city’s Latino population to its Green High-Performance Computing Center and the city’s innovation economic strategy.

- **Salem received a \$100,000** seed award for its Breaking Down Barriers Initiative, designed to break the cycle of poverty in the city’s Point neighborhood. To achieve its goal of eliminating the disparities in income, employment and civic participation between this neighborhood and the rest of the city, the initiative will create a new system for coordinating resources and services across sectors for the benefit of neighborhood residents.
- **Somerville received a \$100,000** seed award to reduce high unemployment for low-income youth in Somerville by 10 percent over ten years through Pocket Change. The approach blends “micro-jobs,” soft-skill training, internships, and hard-skill training into a system that builds work experience and connects youth to employers. The initiative is helping the city explore a “Jobs Trust” model proposed by Mayor Joseph Curtatone that could support job training through linkage funds from developers of large commercial spaces. 🌟