

What Makes Working Cities Work?

Massachusetts Municipal Association

Hynes Convention Center

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www.northeastern.edu/dukakiscenter

A “Think and Do” Tank

The Big Questions

What factors are most important in promoting economic development?

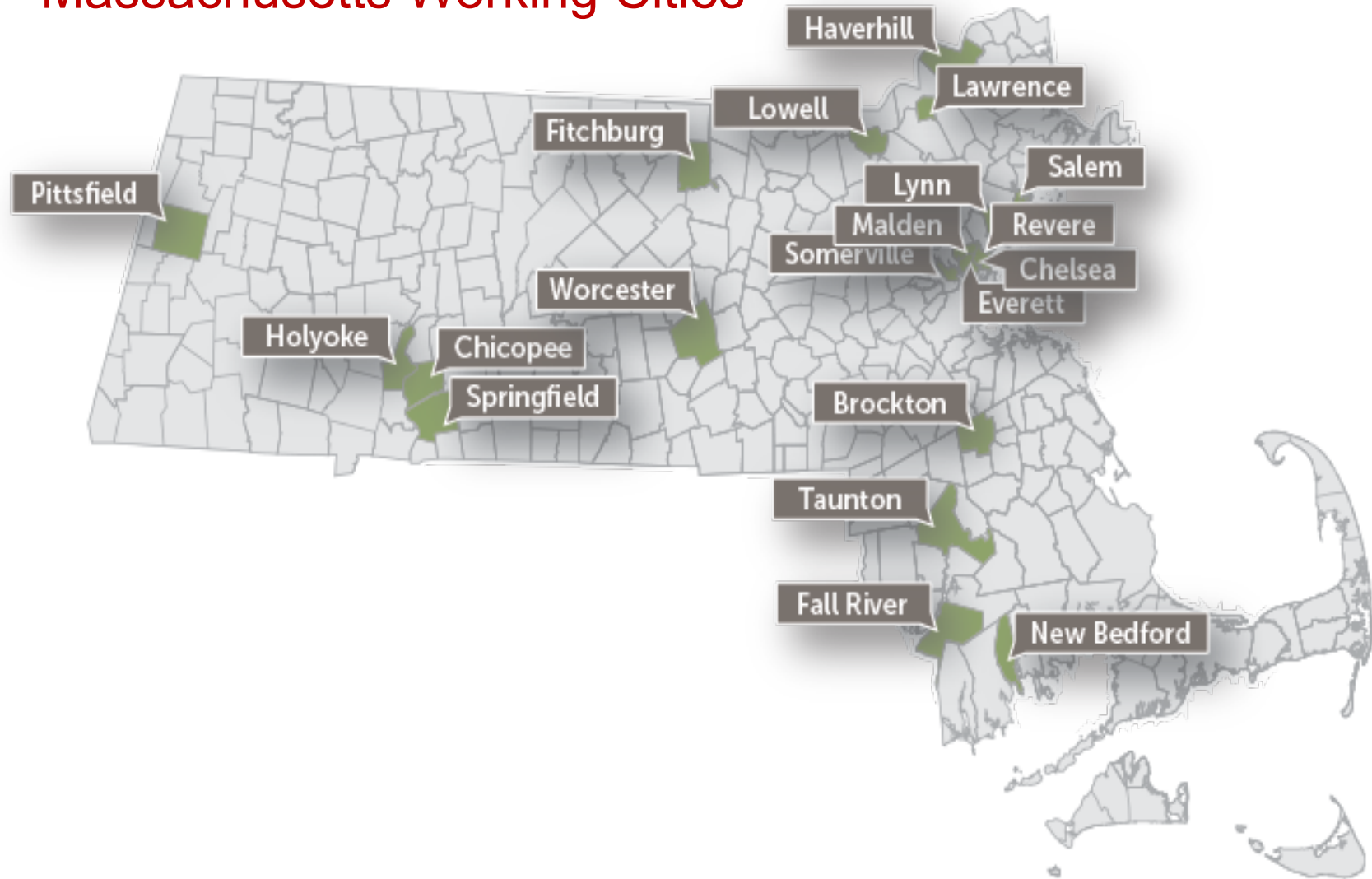
Do municipal leaders have any control over what really matters?

Working Cities

These questions are particularly important to older industrial cities like Massachusetts' "Working Cities" ... those that have suffered from deindustrialization, higher unemployment, lower family income, and higher poverty

What can help these cities once again become economic engines, improving the well-being of their citizens and providing the tax base for their public services?

Massachusetts Working Cities



EDSAT TOPIC AREAS

The self-assessment tool includes sections on:

- 1. Access to Customers/Markets**
- 2. Concentration of Businesses and Services (Agglomeration)**
- 3. Lease/Rental Rates**
- 4. Labor Quality & Cost**
- 5. Municipal Process**
- 6. Quality of Life (Community)**
- 7. Quality of Life (Site Amenities)**
- 8. Business Incentives**
- 9. Tax Rates**
- 10. Economic Development Marketing**

Employment Trends

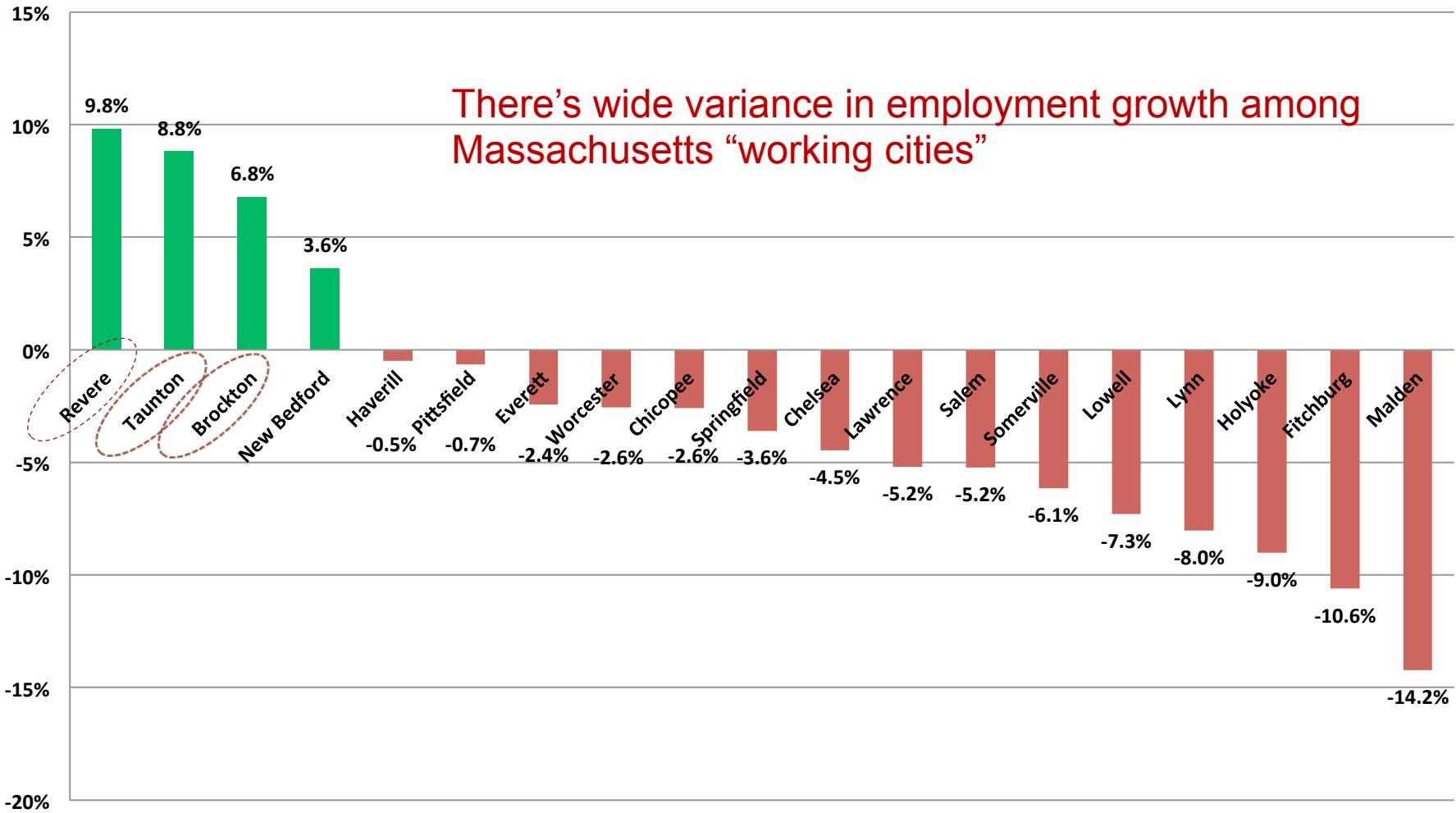


2001-2007

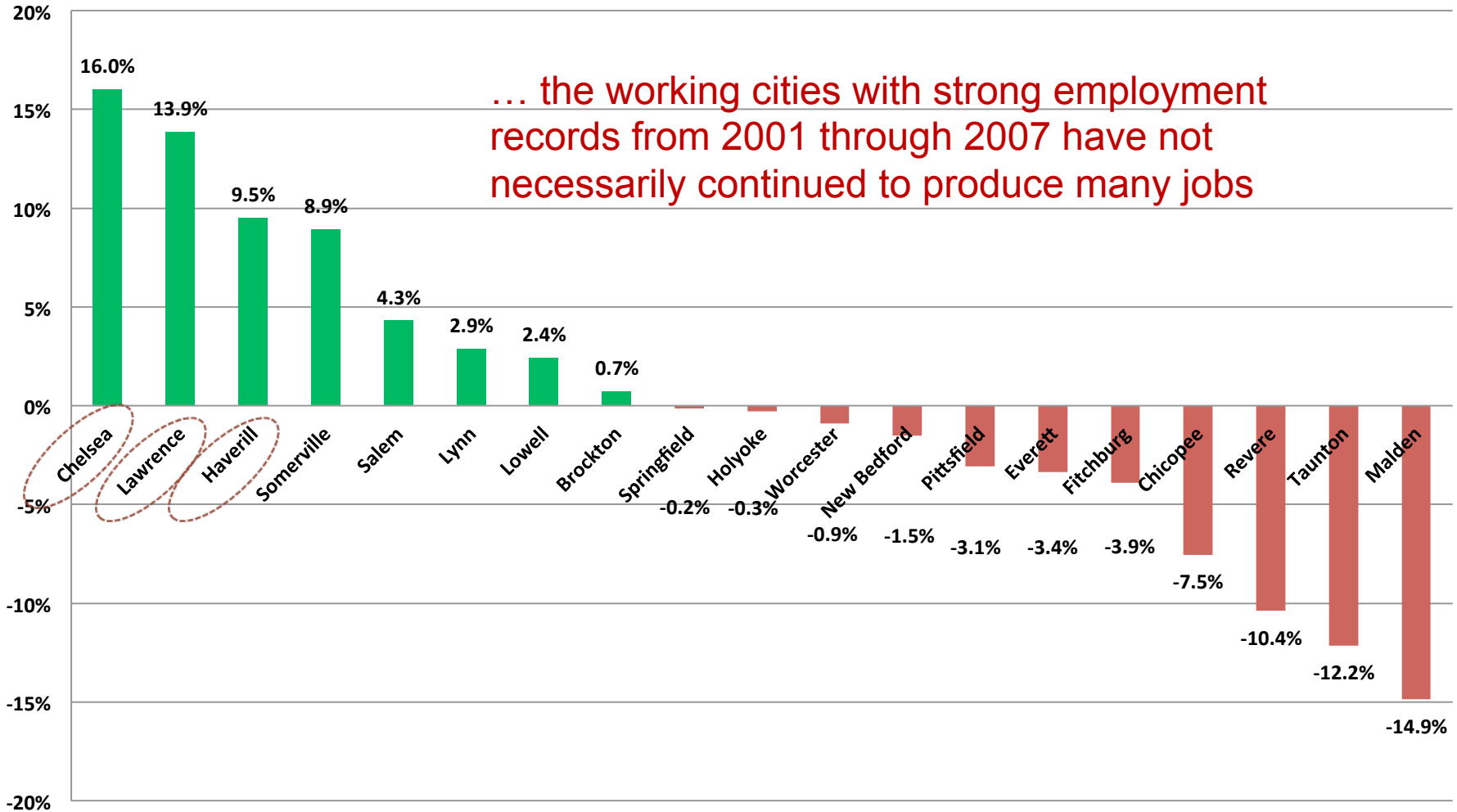
2007-2013

2001-2013

Working Cities
Percentage Change in Employment
All Private Sector Industries
2001-2007



Working Cities
Percentage Change in Employment
All Private Sector Industries
2007-2013:II



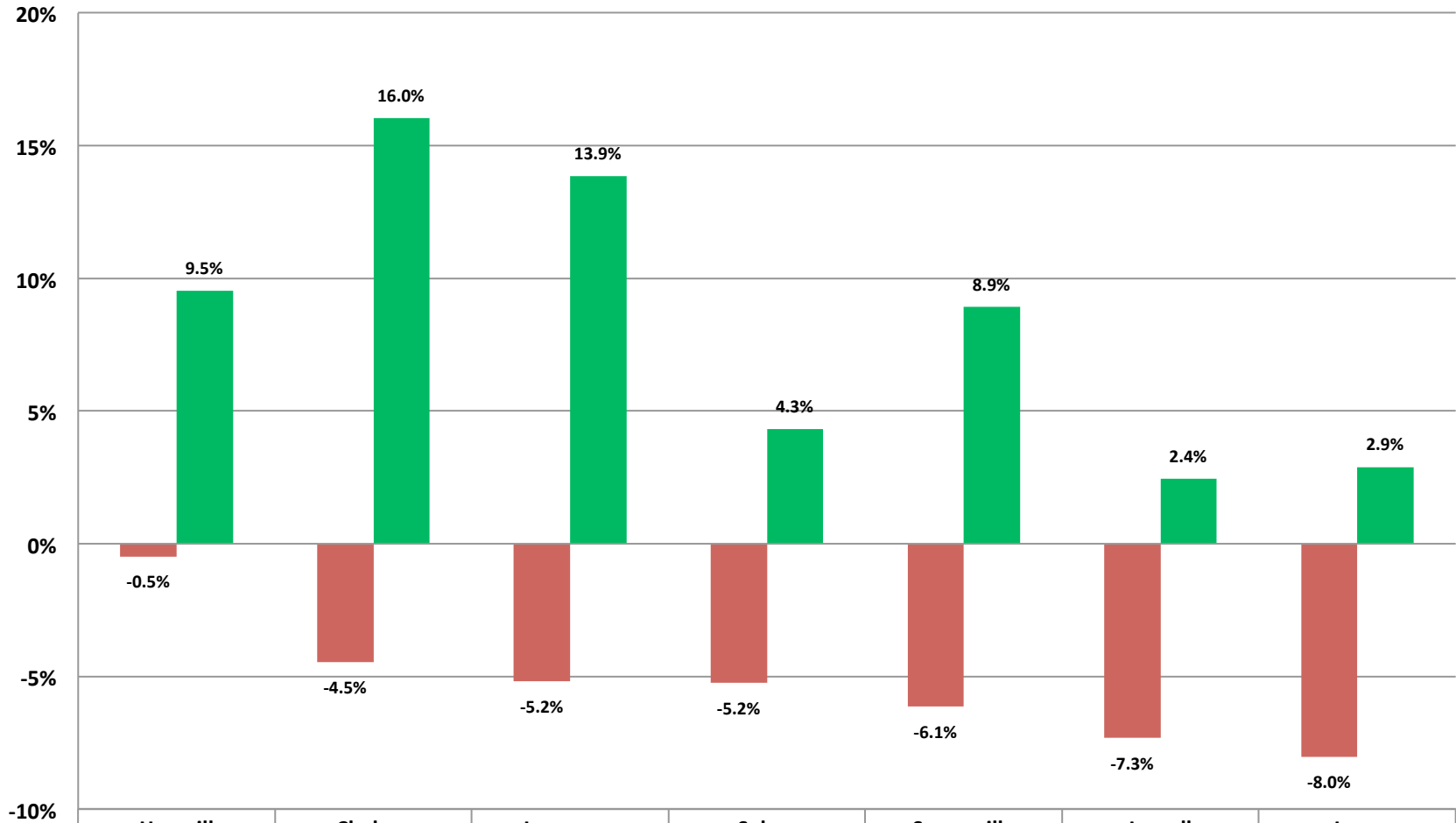
Leaders and Laggards



EMPLOYMENT DATA COMPARISONS

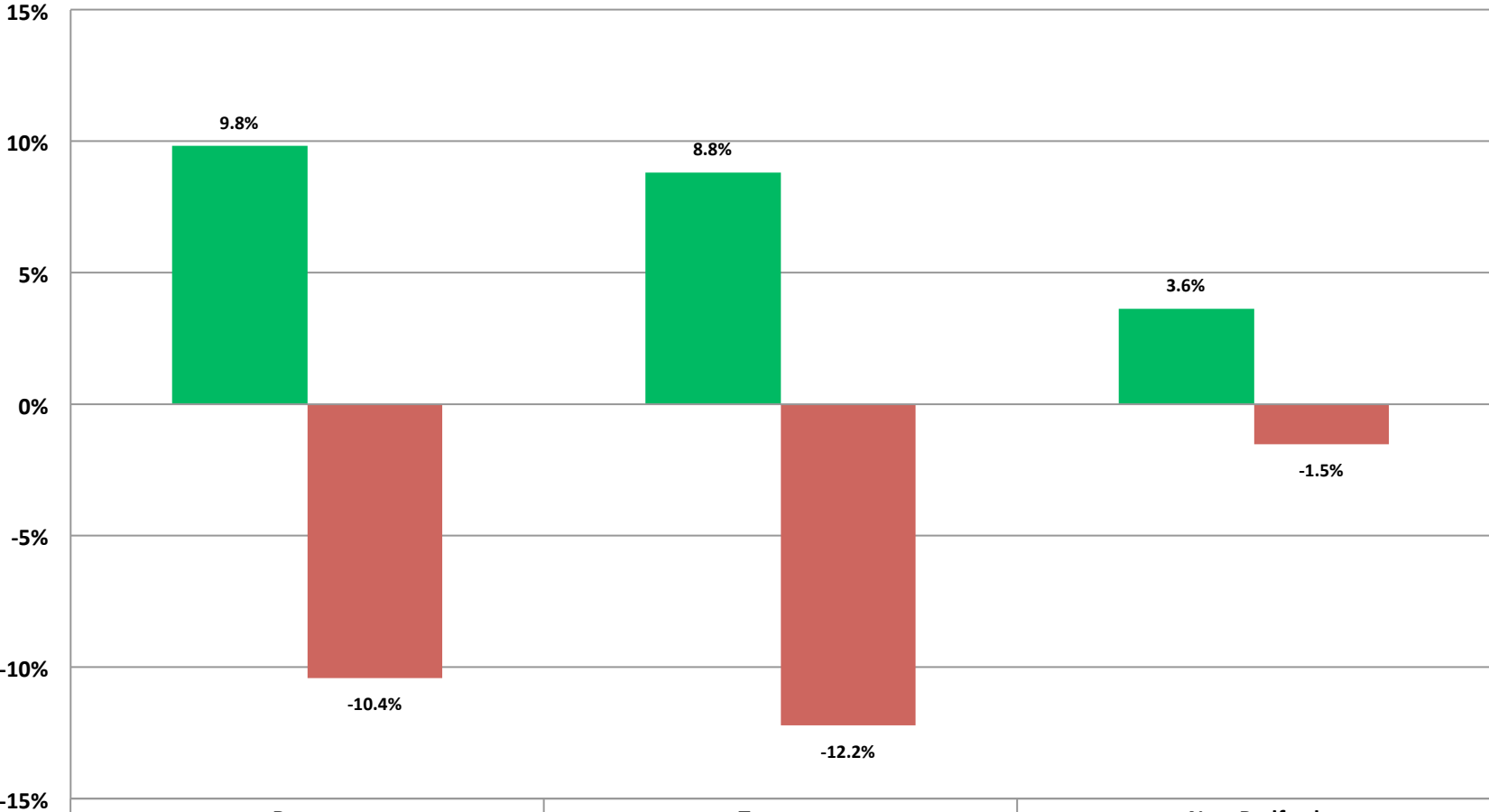
2001-2007 vs. 2007-2013:II

Working Cities
Employment in "Loss-Gain" (Resurgent Cities)
2001-2007 vs. 2007-2013:II



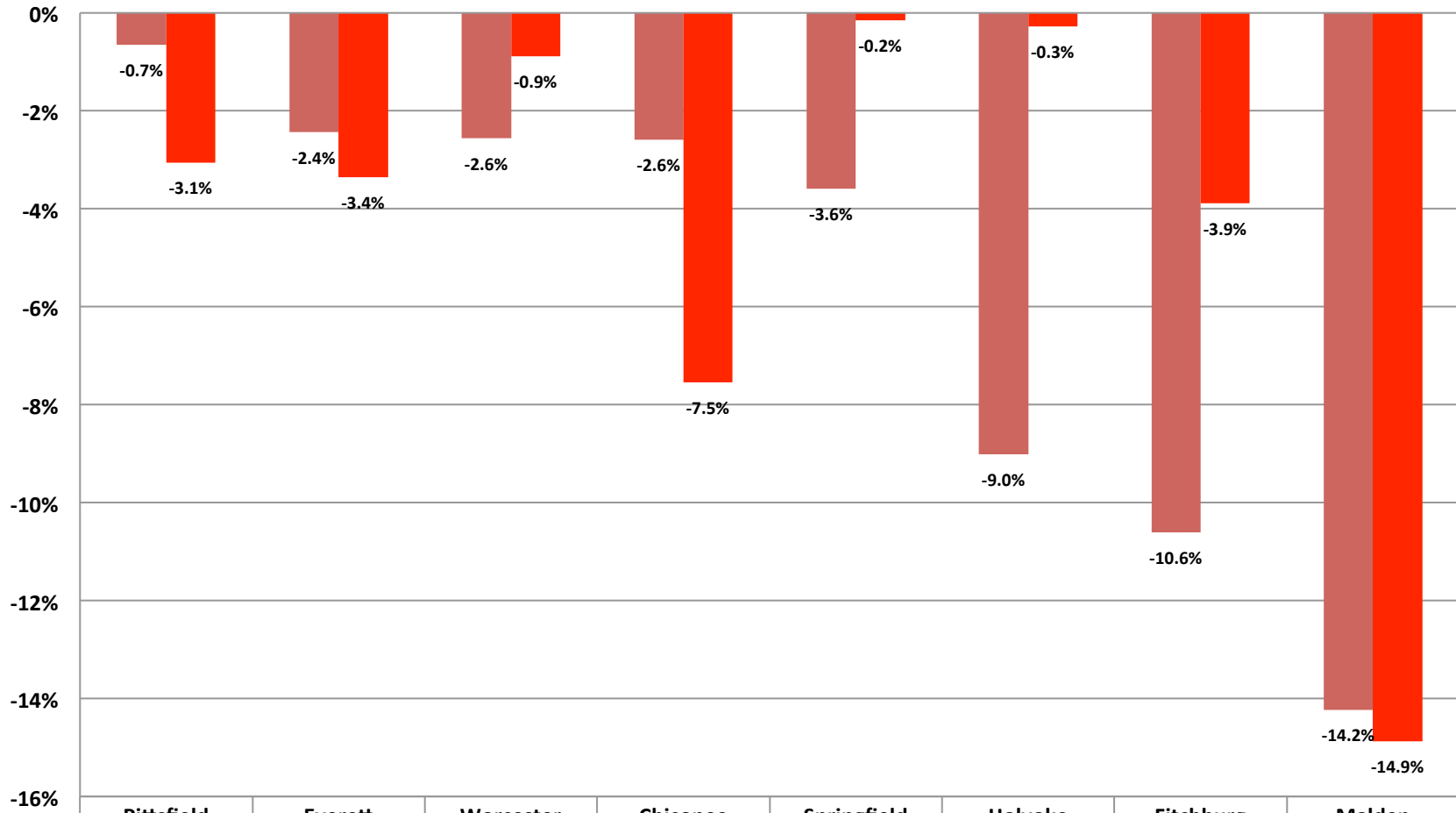
■ 2001-2007	-0.5%	-4.5%	-5.2%	-5.2%	-6.1%	-7.3%	-8.0%
■ 2007-2013	9.5%	16.0%	13.9%	4.3%	8.9%	2.4%	2.9%

Working Cities Employment "Gain-Loss" Cities 2001-2007 vs. 2007-2013:II



	Revere	Taunton	New Bedford
■ 2001-2007	9.8%	8.8%	3.6%
■ 2007-2013	-10.4%	-12.2%	-1.5%

Working Cities Employment "Loss-Loss" Cities 2001-2007 vs. 2007-2013:II

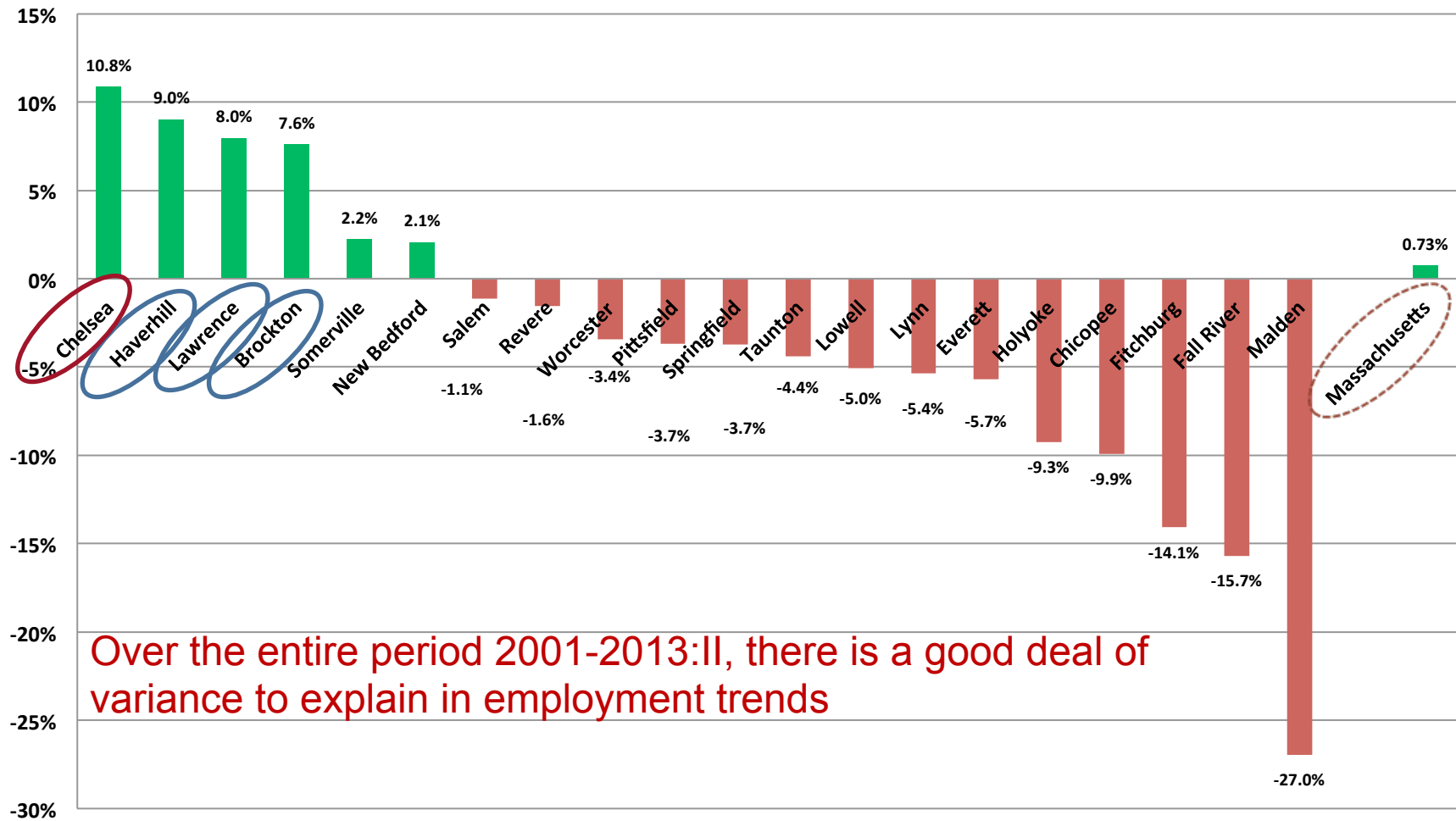


	Pittsfield	Everett	Worcester	Chicopee	Springfield	Holyoke	Fitchburg	Malden
■ 2001-2007	-0.7%	-2.4%	-2.6%	-2.6%	-3.6%	-9.0%	-10.6%	-14.2%
■ 2007-2013	-3.1%	-3.4%	-0.9%	-7.5%	-0.2%	-0.3%	-3.9%	-14.9%

Employment Change 2001-2013



**Working Cities
Percentage Change in Employment
All Private Sector Industries
2001-2013:II**



EDSAT Correlation Analysis



**WHAT FACTORS ARE MOST HIGHLY
CORRELATED WITH EMPLOYMENT
GROWTH?**

EDSAT Measures – 26 in All

Highway Access
Parking Availability
Traffic Congestion
Infrastructure Limitations
Commercial/Industrial Rents
Labor Force Skills
Timeliness of Approvals
Public Transit Availability
Physical Attractiveness of Municipality
Complementary Business Services
Critical Mass of Firms – Local Supply Chain Firms
Cross Marketing by Municipality and Business Community
Marketing Follow-up with Locating/Relocating Firms
Quality of Available Development Parcels

Labor Cost
Formal Economic Development Strategy
Available Development Sites
Predictable Permitting
Fast Track Permitting
Citizen Participation in Development Process
Cultural and Recreational Amenities
Crime Rates
Housing Cost
School Success Measures
Amenities near Available Development Sites
Local Tax Rate Environment

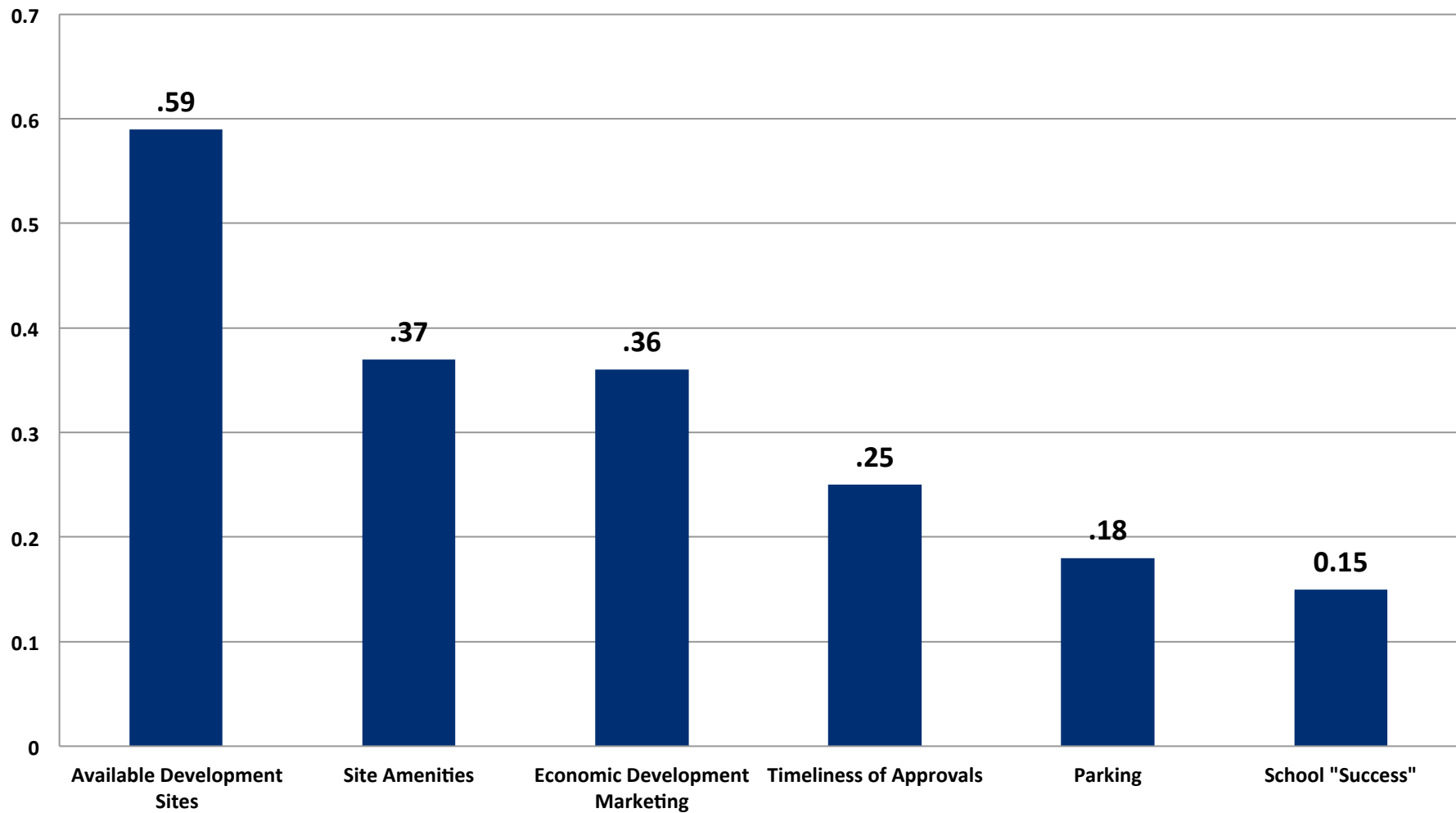
What Factors are Correlated with Greater **Employment** and **Establishment** Growth?



**CORRELATIONS BETWEEN
EMPLOYMENT GROWTH
AND EDSAT VARIABLES**

2001-2013:II

Working Cities
Factors Most Highly Correlated with Percentage Change in Employment All Private Sector
Industries
2001-2013:II



Control Variables

Corr. %Chg Emp. 2001-2013/Proximity to Boston

+0.16 Slight positive correlation

Corr. %Chg Emp. 2001-2013/Higher Poverty Rate

+0.17 Slight positive correlation

Corr. %Chg Emp. 2001-2013/Larger Manufacturing Base

+0.13 Weak positive correlation

Key Factors **NOT** Highly Correlated with Employment Growth ... or Inversely Correlated

Complementary Business Services (+.07)

Low Crime Rate (+.07)

Public Transit (+.04)

Highway Access (-.03)

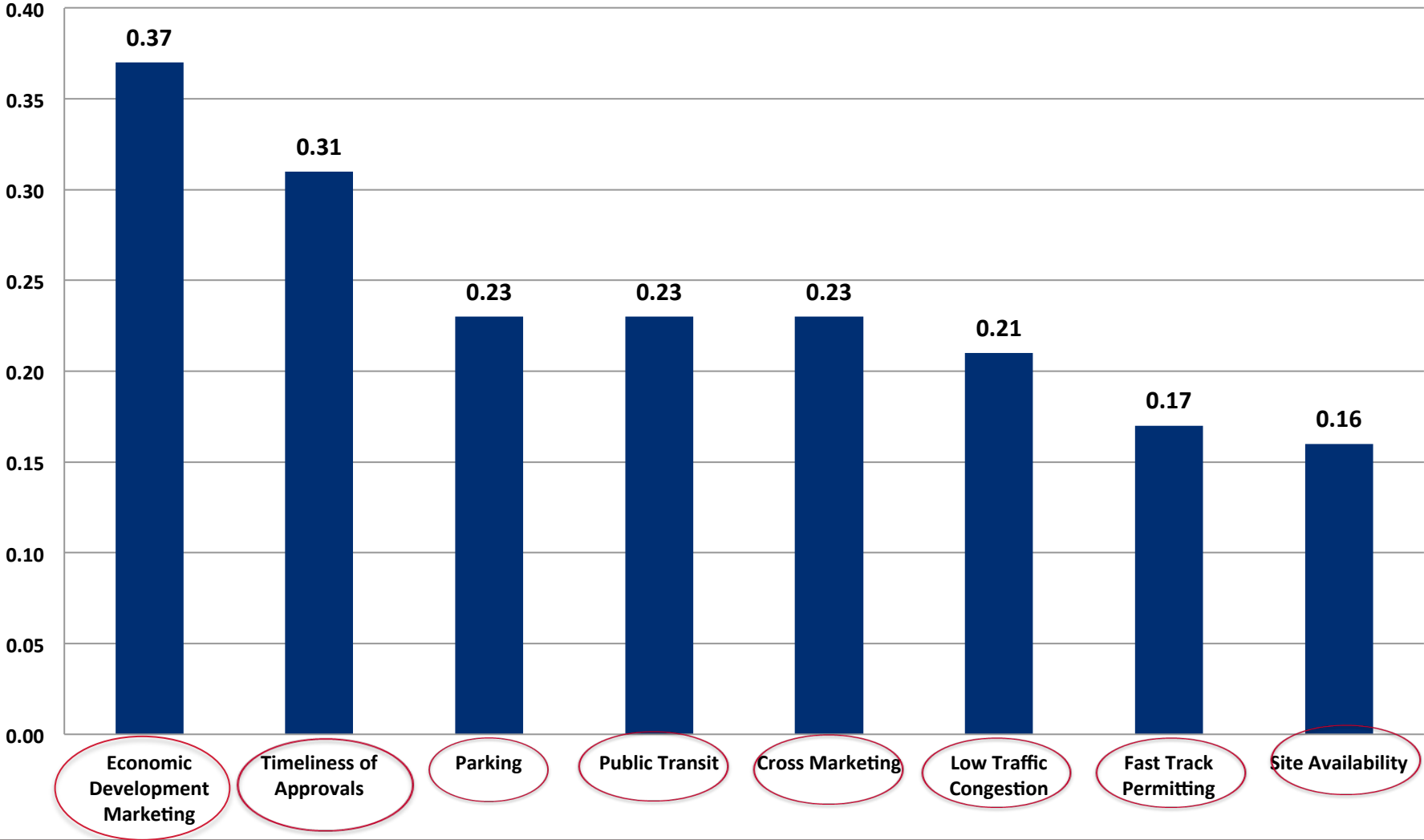
Commercial/Industrial Rents (-.08)

Cultural & Recreational Amenities (-.12)

Low Local Tax Rates (-.27)

Physical Attractiveness of City (-.35)

50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in **Establishments** 2001-2011



Controlling One's Destiny

These results seem very encouraging

If factors such as **crime rates**, **distance from Boston** (and Logan Airport), and **physical attractiveness** were the most important factors determining establishment and employment growth, the working cities would have a high hurdle to overcome to rebuild their prosperity

But the measures that seem to be most important to economic development are factors such as:

Providing sites for economic development and site amenities

Economic Development Marketing

Speed of municipal processes

On-site parking

These are factors over which municipal leaders have some immediate control

Using EDSAT and collaborating with the Working Cities Project, mayors and town officials – along with the business community -- can find the keys to enhance their community's prosperity

... and act on them



Thank You!

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