



Northeastern University  
Dukakis Center For Urban and Regional Policy

# What Makes Working Cities Work?

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Dukakis Center For Urban and Regional Policy  
Northeastern University  
School of Public Policy & Urban Affairs  
[www.northeastern.edu/dukakiscenter](http://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



# **Economic Development Self-Assessment Tool (EDSAT)**

Developed at the Dukakis Center for Urban and Regional Policy at Northeastern University to help cities and towns better understand the factors that contribute to healthy economic/employment growth

# 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

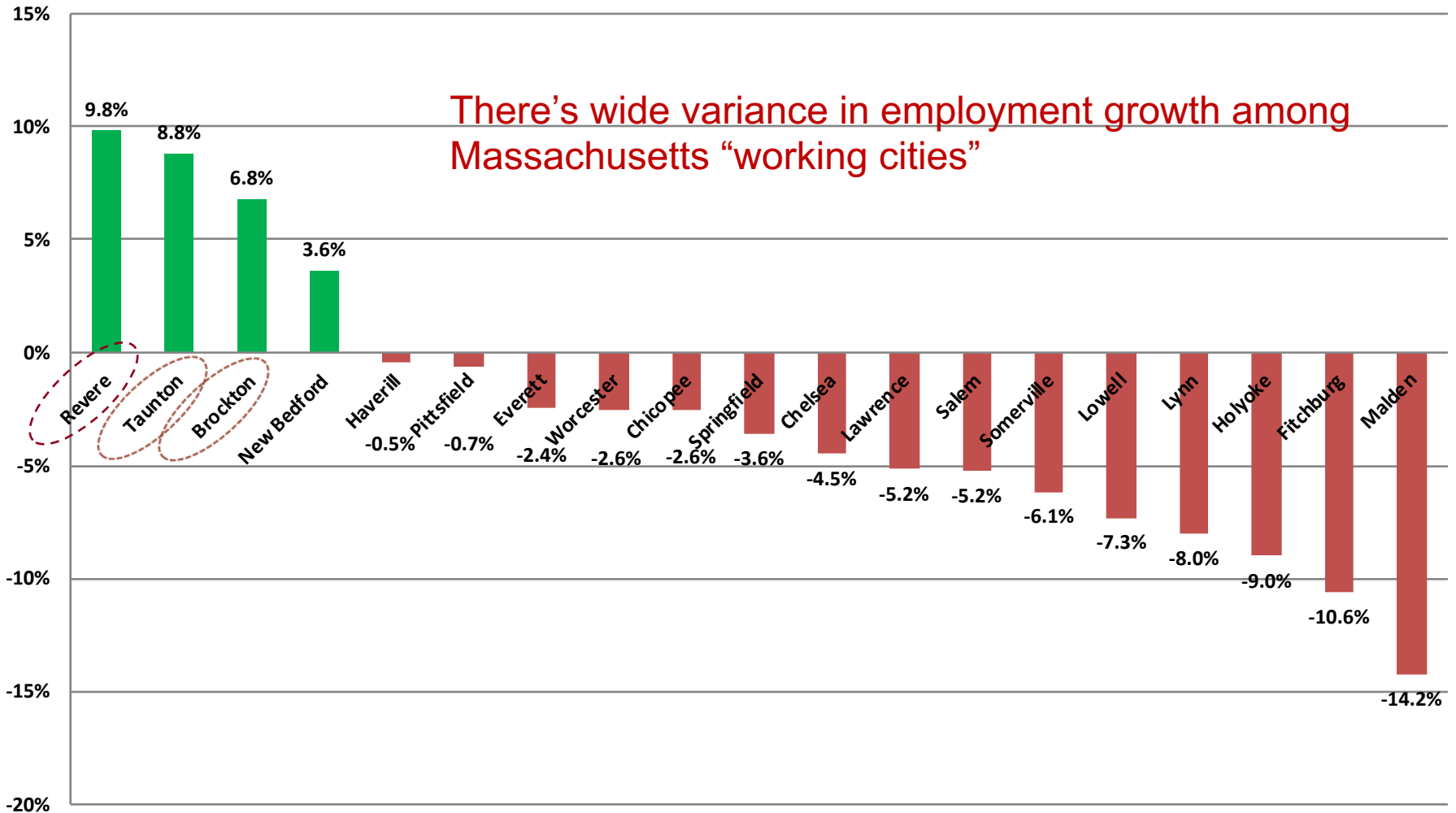


**2001-2007**

**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**



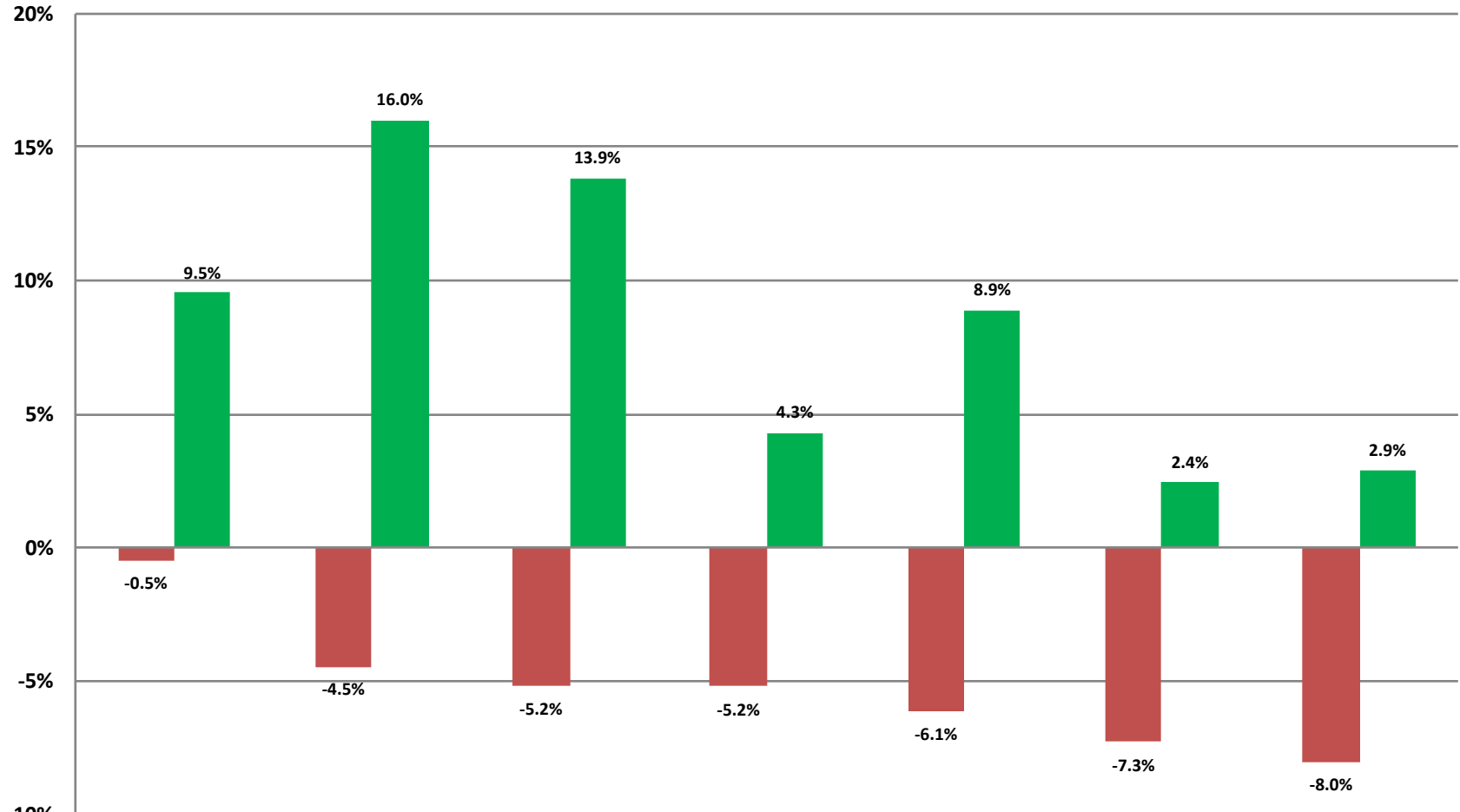
# Leaders and Laggards



## EMPLOYMENT DATA COMPARISONS

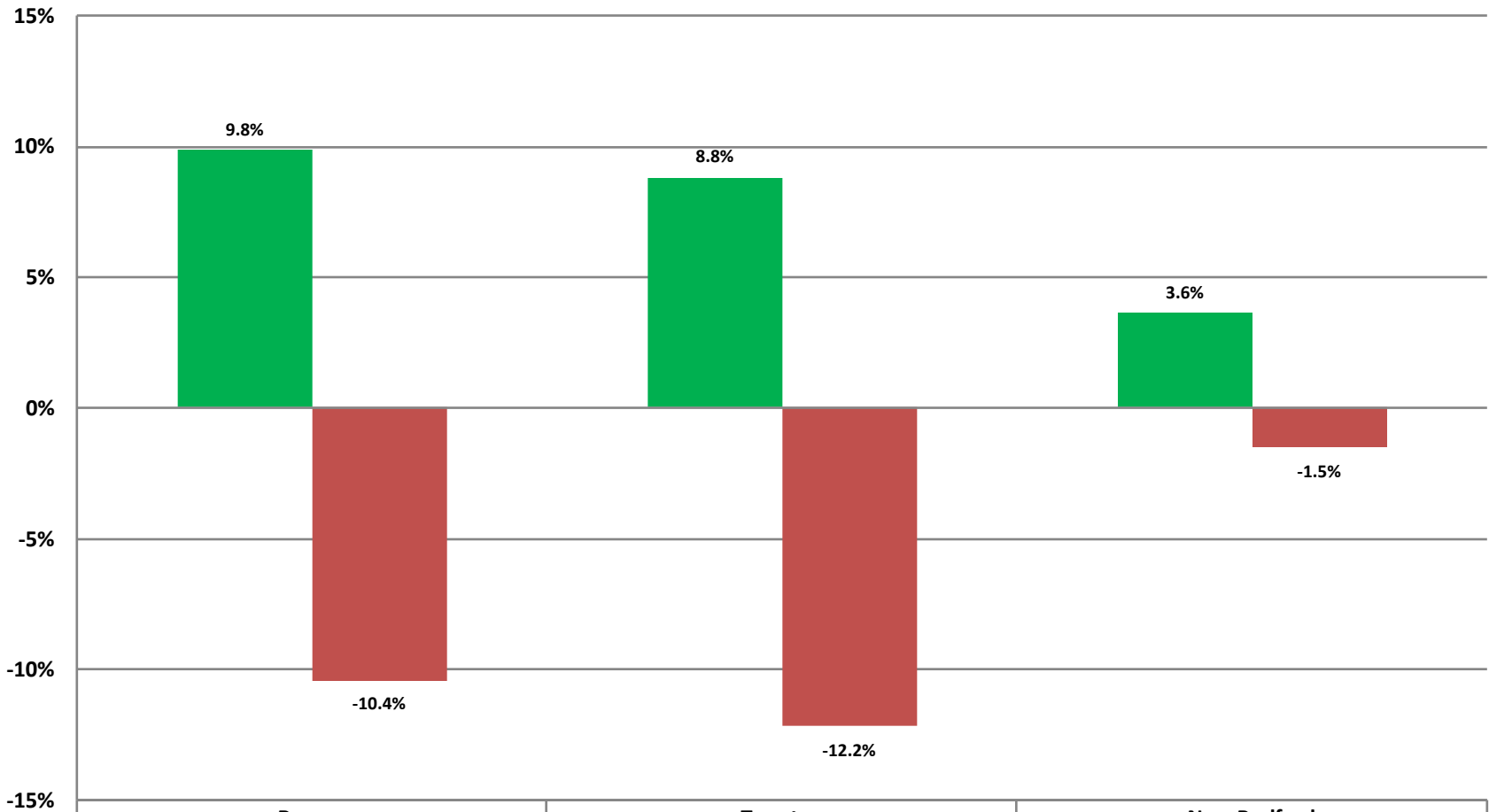
**2001-2007 vs. 2007-2013:II**

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



	Haverill	Chelsea	Lawrence	Salem	Somerville	Lowell	Lynn
■ 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



■ 2001-2007  
■ 2007-2013

Revere

Taunton

New Bedford

9.8%

8.8%

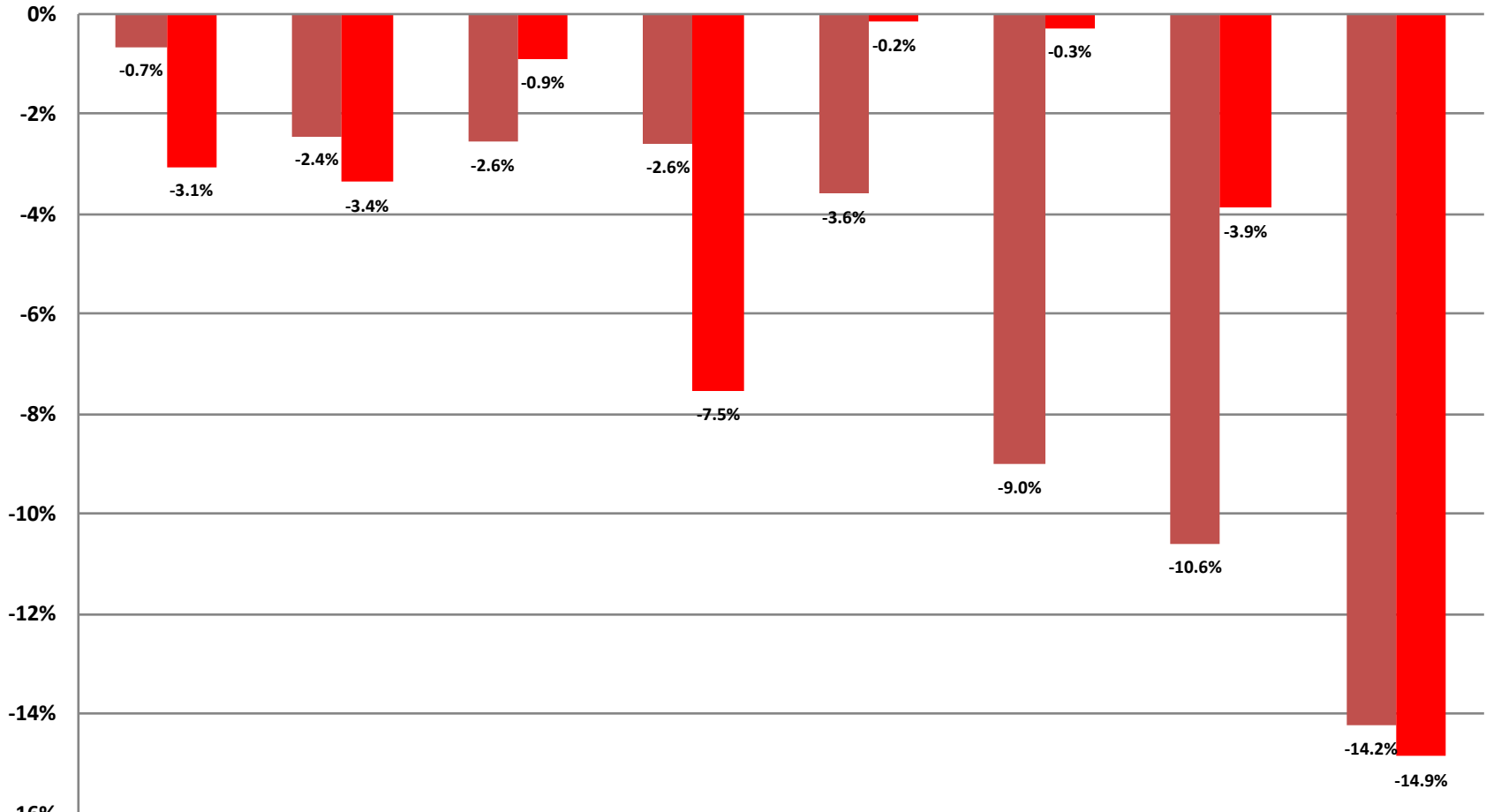
3.6%

-10.4%

-12.2%

-1.5%

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

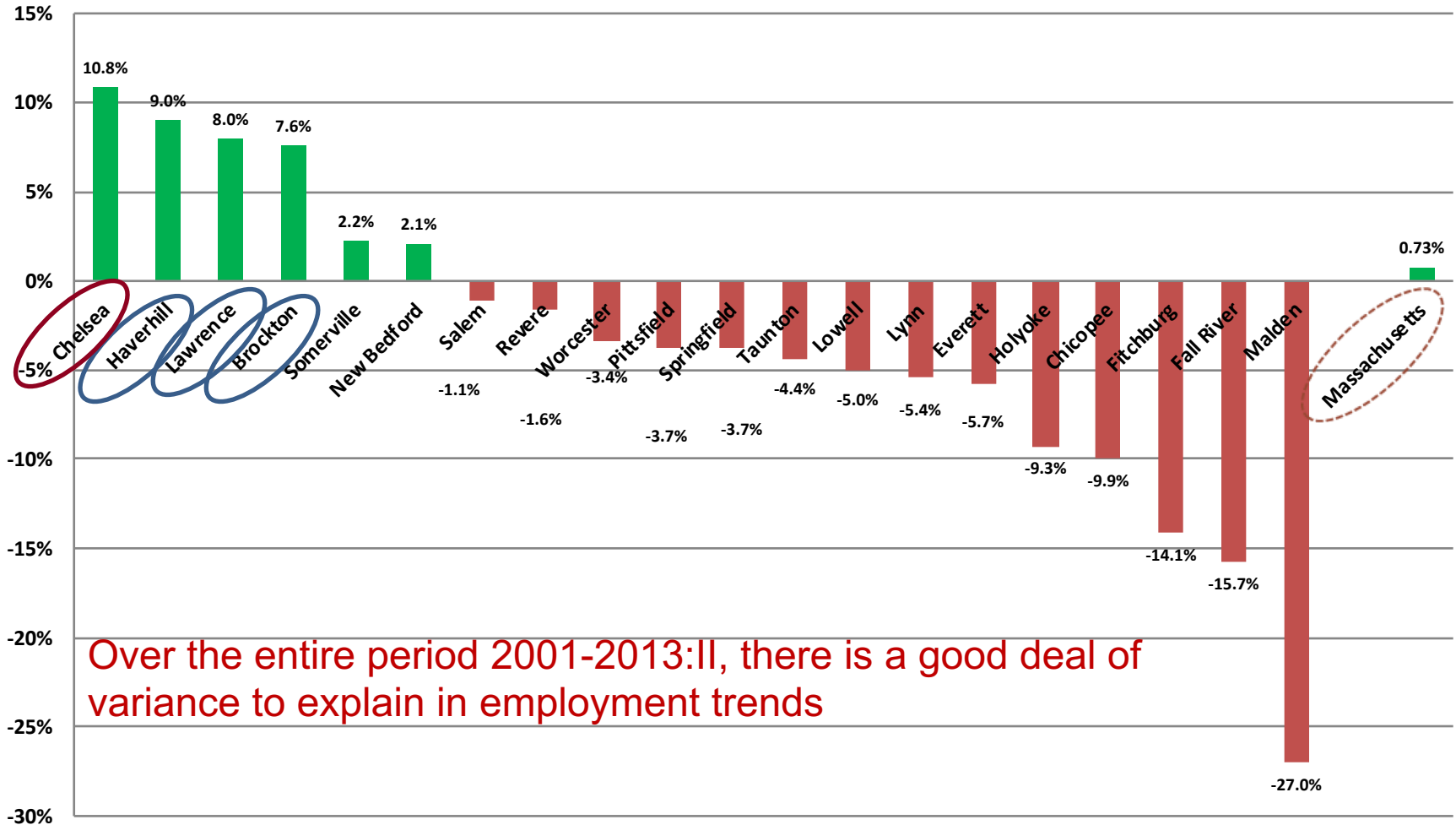


	Pittsfield	Everett	Worcester	Chicopee	Springfield	Holyoke	Fitchburg	Malden
■ 2001-2007	-0.7%	-2.4%	-2.6%	-2.6%	-3.6%	-9.0%	-10.6%	-14.2%
■ 2007-2013	-3.1%	-3.4%	-0.9%	-7.5%	-0.2%	-0.3%	-3.9%	-14.9%

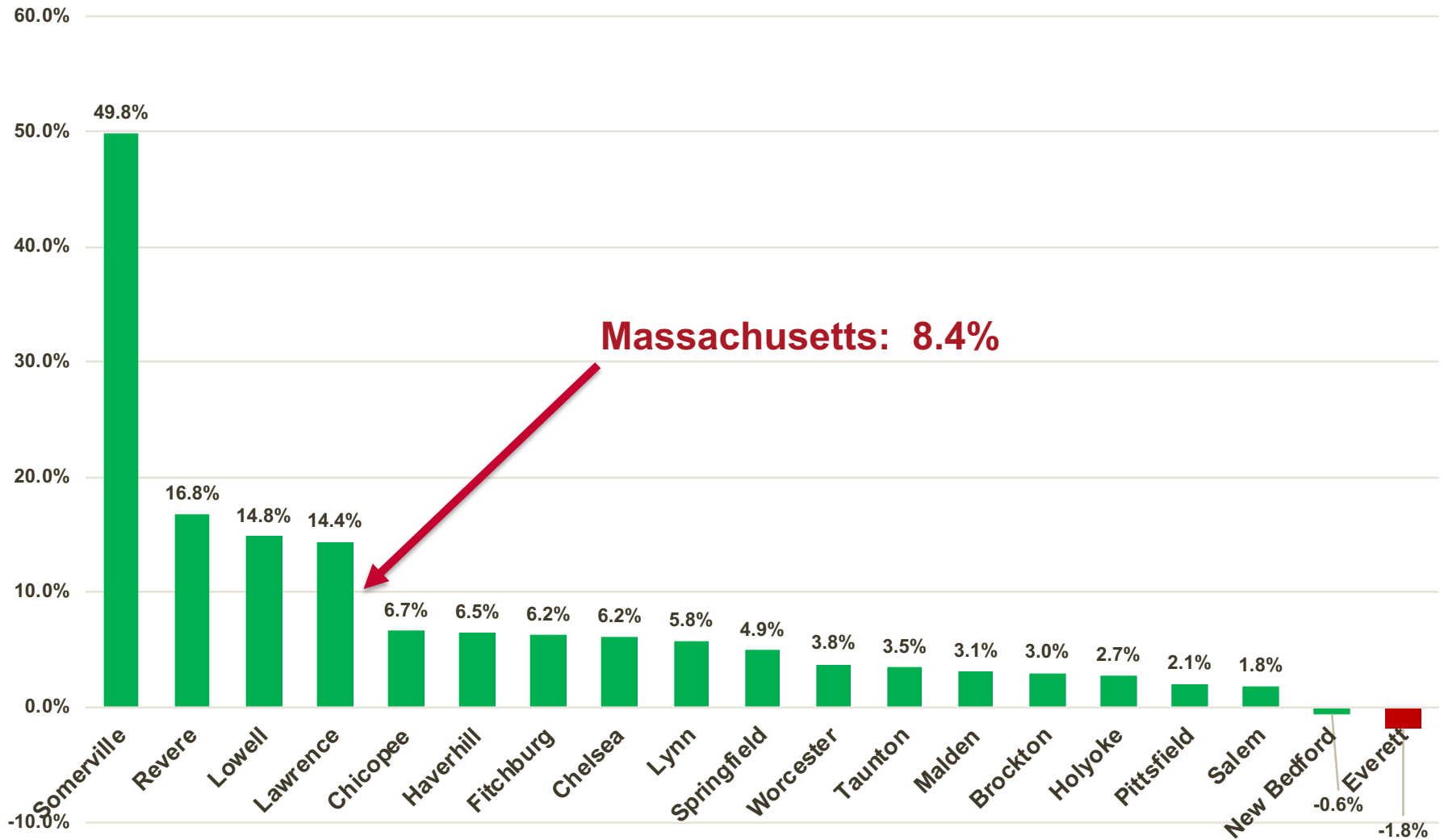
# Employment Change 2001-2013



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



# Working Cities Percentage Change in Employment 2013:II - 2018:II





# EDSAT Correlation Analysis



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

# EDSAT Measures – 26 in All

Highway Access	Labor Cost
Parking Availability	Formal Economic Development Strategy
Traffic Congestion	Available Development Sites
Infrastructure Limitations	Predictable Permitting
Commercial/Industrial Rents	Fast Track Permitting
Labor Force Skills	Citizen Participation in Development Process
Timeliness of Approvals	Cultural and Recreational Amenities
Public Transit Availability	Crime Rates
Physical Attractiveness of Municipality	Housing Cost
Complementary Business Services	School Success Measures
Critical Mass of Firms – Local Supply Chain Firms	Amenities near Available Development Sites
Cross Marketing by Municipality and Business Community	Local Tax Rate Environment
Marketing Follow-up with Locating/Relocating Firms	
Quality of Available Development Parcels	

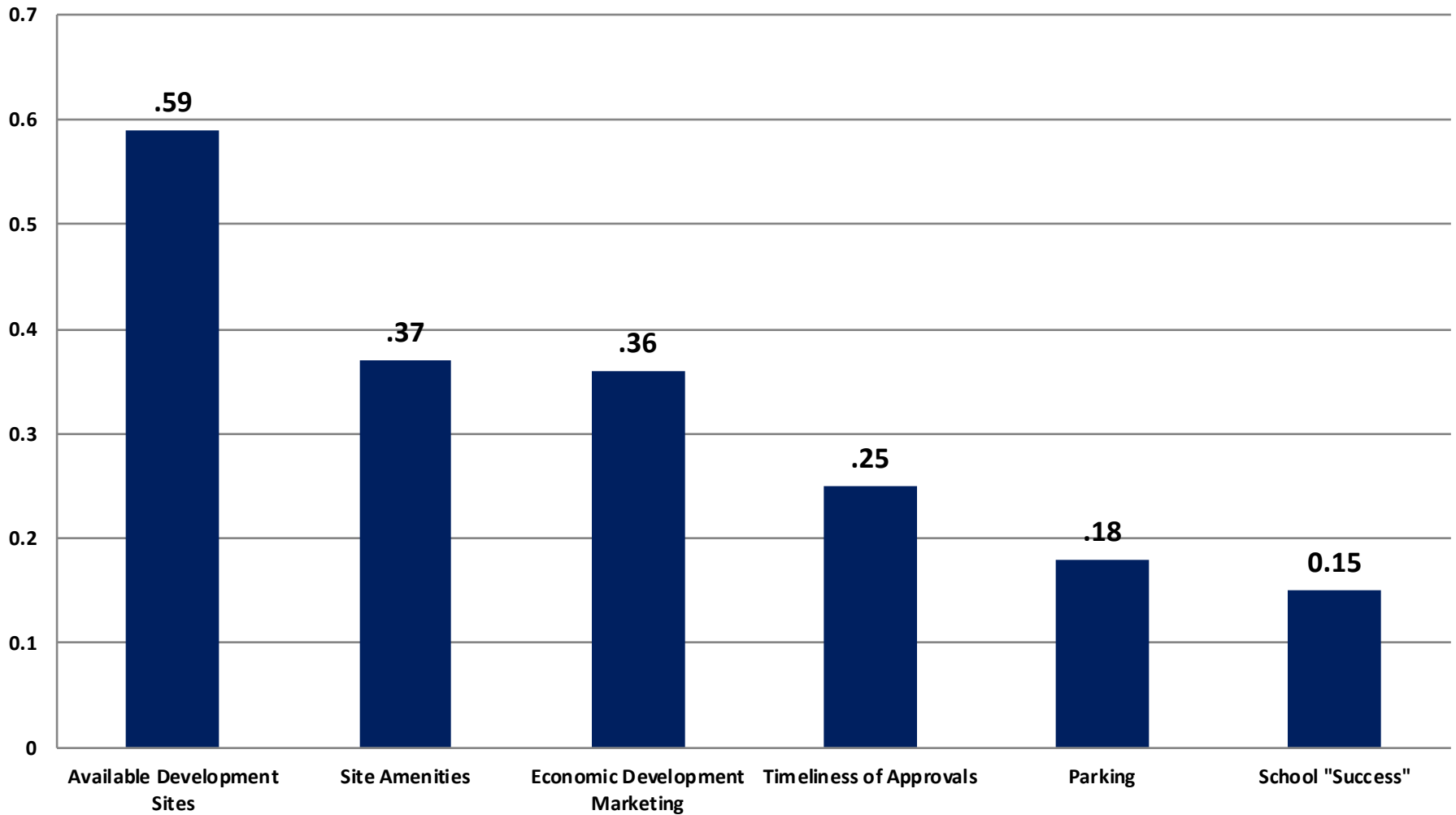
# What Factors are Correlated with Greater **Employment** and **Establishment** Growth?



**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)

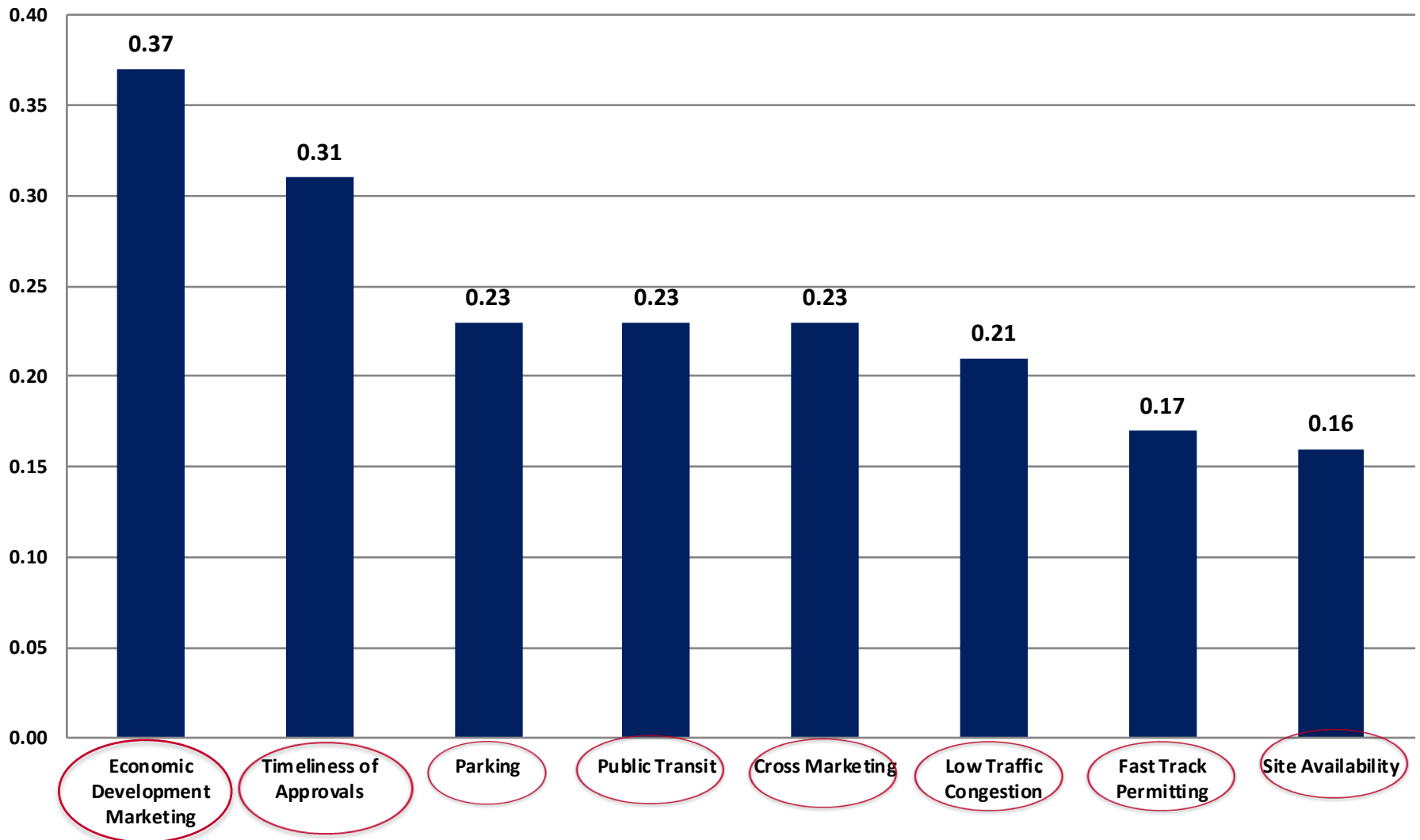
Commercial/Industrial Rents (-.08)

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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